

NEW FORMS OF EMPLOYMENT IN THE EASTERN PARTNERSHIP COUNTRIES: PLATFORM WORK – GEORGIA

Country profile

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SETTING THE SCENE

Based on the latest statistical data, the context in which platform work in Georgia is carried out is characterised by the following key aspects.

Labour market and employment. In 2019, the labour force participation rate¹ in Georgia stood at 62.9% of the population, aged 15+. The labour force participation rate was much higher for males than for females (72.6% and 54.5%, respectively). The rate of self-employment was 49.7% in 2019². Informal or vulnerable employment is common in Georgia. The National Statistics Office of Georgia recorded rates of non-agricultural informal work of 40% in rural and 34.6% in urban areas in 2018³. Other sources indicated that 50% of women were involved in informal labour in 2018⁴. The ETF estimates that 47.7% of employed persons in 2019 were involved in vulnerable work, which confirms the previously mentioned estimations⁵.

The rate of unemployment was 11.6% in 2019. Female unemployment was slightly lower than the average, namely 10.1%⁶. Despite this difference and their higher levels of education, women receive lower wages, are underrepresented as employers, and are more likely than men⁷ to be NEETs (Not in Education, Employment or Training). In 2019, the percentage of male NEETs was 23.3% compared to 29.1% of women⁸.

The services sector and agriculture are the dominant sectors in Georgia, with 48% and 38.2% of the employed, respectively, followed by industry (13.8%) in 2019⁹. The tourism sector, in particular, was reported as flourishing and had been prioritised by the government in its labour market policies¹⁰.

The level of emigration is high. The OECD indicates that unemployment, informal employment, and ineffective labour market policies are key drivers of labour emigration in Georgia. With regard to all emigrants in recent years, 60% were unemployed in the period before emigration and 97% were of working age¹¹. The health sector was found to be most affected by labour emigration and labour migrants are often high-skilled.

¹ The labour force participation rate is a measure of the proportion of a country's working-age population that engages actively in the labour market, either by working or looking for work; it provides an indication of the size of the supply of labour available to engage in the production of goods and services, relative to the population at working age (ILO).

² ETF (2020). Key Indicators on Education, Skills and Employment 2020.

³ Kvintradze N. (2019). 'The share of informal employees in Georgia increased' *Forbes.Ge* Retrieved from: <https://forbes.ge/news/6300/The-share-of-informal-employees-in-Georgia-increased>

⁴ Diakonidze, Ana, and Ummuhan Bardak. 'Youth Transition to Work in Georgia.' European Training Foundation (2018). p. 24.

⁵ ETF (2020). Key Indicators on Education, Skills and Employment 2020.

⁶ ETF (2020). Key Indicators on Education, Skills and Employment 2020.

⁷ Diakonidze, Ana, and Ummuhan Bardak. 'Youth Transition to Work in Georgia.' European Training Foundation (2018). p. 19.

⁸ ETF (2020). Key Indicators on Education, Skills and Employment 2020.

⁹ ETF (2020). Key Indicators on Education, Skills and Employment 2020.

¹⁰ Nordeatrade (2021). The economic context of Georgia. Nordeatrade.com. Retrieved from: <https://www.nordeatrade.com/en/explore-new-market/georgia/economical-context>

¹¹ OECD. Publishing. (2017). Interrelations between Public Policies, Migration and Development in Georgia. OECD Publishing. Retrieved from: <https://www.oecd-ilibrary.org/docserver/9789264272217-8-en.pdf?expires=1610198680&id=id&accname=guest&checksum=DF4BA72DBB2E89E70E0D784B656CA0F4>

Education and skills supply. In 2017, 92.5% of Georgians over 25 had finished upper secondary education at least¹². The gross enrolment rate¹³ in tertiary education in 2019 was 64%¹⁴. However, in 2019 only 11% of upper secondary school students in 2019 were enrolled in vocational education and training (VET) programmes, which is extremely low compared to other Eastern Partnership (EaP) countries¹⁵. Students explained that a degree from VET is a ‘dead end’, prevents them from continuing to higher education, and traps them in blue-collar jobs¹⁶.

Given the high level of enrolment in tertiary education, there is an oversupply of highly educated workers who often end up in low-skilled jobs. This trend forces less-educated workers into unemployment with the result that VET graduates face the highest unemployment rates among all levels of education. In addition, companies complain that graduates lack technical skills and other competences, such as English, critical thinking and problem solving¹⁷.

Connectivity and digital skills. Georgia is ranked as one of the highest of the EaP countries on the CISCO Digital Readiness Index (43rd out of 141). Within the region, it has the best scores for ‘ease of doing business’ and ‘business and government investment’. Although its start-up climate is considered its weakness, the Georgian start-up environment is still evaluated as one of the highest in the region¹⁸. In 2019, 24.6% of tertiary education graduates completed STEM programmes, thereby providing human capital development for digitalisation¹⁹. However, only 68.8% of the population of Georgia used the internet in 2019, which is lower than its neighbours²⁰.

However, the development of connectivity and digital skills has received attention from Georgian policymakers in recent years. The ‘Georgia 2020’ Social Economic Development Strategy includes various target areas to enhance the digital ecosystem, including High-speed Broadband internet for future development, e-Literacy and Capacity Building, Innovation and High-Tech, and e-Government²¹.

The principal body for the development of digital skills in Georgia is GITA – Georgia's Innovation and Technology Agency. The agency supports various projects related to the development of the ICT sector in the country. Its educational programmes focus on teaching courses on innovation and digital entrepreneurship, and on investing in start-ups and ideas related to technology and ICT. The Georgia National Innovation Ecosystem (GENIE) project has created innovation centres in an effort to expand internet access in the country and provides courses on digital economy skills and innovation.

¹² The World Bank (2020). Educational attainment, at least Completed Upper secondary, POPULATION 25+, Total (%) (cumulative). Retrieved from: <https://data.worldbank.org/indicator/SE.SEC.CUAT.UP.ZS>

¹³ Gross enrolment ratio is the ratio of total enrolment, regardless of age, to the population of the age group that officially corresponds to the level of education shown.

¹⁴ The World Bank (2020). School enrollment, tertiary (% gross). Retrieved from: <https://data.worldbank.org/indicator/SE.TER.ENRR>

¹⁵ ETF (2020) Key Indicators on Education, Skills and Employment 2020.

¹⁶ Diakonidze, A., and Bardak, U. (2018) ‘Youth Transition to Work in Georgia.’ *European Training Foundation, Torino*, p. 27.

¹⁷ Diakonidze, A., and Bardak, U. (2018) ‘Youth Transition to Work in Georgia.’ *European Training Foundation, Torino*, p. 27.

¹⁸ Cisco (2019). Cisco Digital Readiness Index 2019 – Georgia. Retrieved from: https://www.cisco.com/c/en_us/about/corporate-social-responsibility/research-resources/digital-readiness-index.html#/country/GEO

¹⁹ ETF (2020). Key Indicators on Education, Skills and Employment 2020.

²⁰ ITU (2020). Percentage of Individuals using the Internet. Excel data set retrieved from: <https://www.itu.int/en/ITU-D/Statistics/Pages/stat/default.aspx>

²¹ Eufordigital.eu (2019). Georgia. The European Union's EU4Digital Initiative supports the digital reform agenda in Georgia with a range of actions to promote key areas of the digital economy and society in line with EU norms and practices, in order to bring economic growth, generate more jobs, improve people's lives and help businesses. Retrieved from: <https://eufordigital.eu/countries/georgia/#:~:text=The%20Georgia%202020%20Social%20Economic,Tech%2C%20and%20e%2DGovernment.>

THE PREVALENCE OF PLATFORM WORK²²

Online platform jobs, as a source of employment, are a new direction in the Georgian labour market. According to analyticsHelp.io, Georgia is considered a country where freelancing is widespread. Georgia hosted about 0.73 online freelancers per 1 000 inhabitants in 2018, which puts it in third position among the EaP for its percentage of freelancers²³. The more detailed information allowing to better understand the prevalence of platform work comes mainly from specific platforms operating in the country, rather than systemised sources such as research studies or official statistics.

Local companies providing intermediation services for platform workers were established just a few years ago. For example, two of the most popular and functional online work platforms in Georgia (www.ido.ge and freelancers.ge) were founded in 2015. On-location work platforms such as Bolt, Wolt, Glovo, GG taxi are also relatively new in the country.

Based on the number of users (i.e. service providers and clients), the most used Georgian **remote work** platforms (towards the end of 2020) were Ido.ge (2 846 clients, 481 service providers) Freelancers.ge²⁴ (14 849 clients; 23 assignments; 1 692 service providers)²⁵ and Cartooli. In addition to these, Georgian workers were active on a number of international Russian (Weblancer.net, Freelance.ru, and FL.ru.²⁶) and English-language (Upwork, Fiverr, Freelancer.com and others) freelancing platforms. However, the level of activity was considerably less than workers from other EaP countries.

Meanwhile, Glovo²⁷, Bolt²⁸, GG Taxi, Alo Modi and Yandex Taxi²⁹ were the most used **on-location services**. The actual number of workers are not available on the platforms, but relevant Facebook groups provide some indications. For example, Bolt Food couriers in Tbilisi had around 900 members³⁰ as of early 2021, whereas Glovo and Wolt group had 1 800 members³¹. Local platforms such as caru.ge; mrmaster.ge; profy.ge; alomodige.ge were also gaining in popularity for other on-location services, mostly for repairs and handyman work.

According to interviews with the founder of JobGear³², and a former employee of the Ministry of Labour, the level of satisfaction of service providers with online platform work (at least on platforms in Georgia) is rather low. This relates to the general trend in the Georgian labour market of low levels of employee satisfaction, linked to unstable employment, low salaries, inadequate career development, and insufficient social protection, among others. However, according to the interviewees, probably a small percentage is satisfied and continues to work with the online work platform and is thus gradually

²² For more detailed information on the methodology used for this country profile, please, consult 'ETF (2021, forthcoming), New Forms of Employment in the Eastern Partnership Countries: Platform Work', ETF, Turin.

²³ Analyticshelp.io (2020). Global internet freelance market overview for 2018. Retrieved from: <https://analyticshelp.io/blog/global-internet-freelance-market-overview-2018/>, based on data from the World Bank and freelancing sites, includes only digital freelancers who work via online marketplaces.

²⁴ During the research period (September-November 2020), the online platforms (<https://ido.ge> and [Freelancers.ge](https://freelancers.ge)) merged and now function as <https://ido.ge>.

²⁵ Early in 2021, the two platforms merged into a single one, accessible at ido.ge.

²⁶ CospoT in Georgia. Available at: <https://cospot.ge/ru/>

²⁷ See more: <https://glovoapp.com/ka>

²⁸ See more: <https://bolt.eu/ka/>

²⁹ See more: <https://yandextaxi.org/>

³⁰ See more: <https://www.facebook.com/groups/226776118846039>

³¹ See more: <https://www.facebook.com/groups/298595938058493>

³² Job Gear is a business support organisation that serves business entities with the necessary and relevant staff, as well as human resource management and organisational development consulting and process management.

increasing the prevalence of this form of employment. Platform work is expected to grow in Georgia in the context of the post-COVID-19 labour market transformation and employment policy.

If online labour platforms are to be seen as sources of temporary jobs or tasks for Georgian freelancers, improvements will be needed as they seem to be irrelevant for many freelance workers who appear to prefer other channels. For instance, the analysis of Georgian internet sources shows that the total number of Georgian freelancers and on-location service providers is much higher than the number of registered platform workers, as mentioned above. For example, a Facebook group for freelancers ³³ had more than 9 000 freelancers in October 2020, and this number reached 13 400 in January 2021 (indicating significant growth). Group members help each other spread information about their skills and potential clients. The same can be said about LinkedIn which, along with Facebook, is quite popular generally in Georgia, including among jobseekers. There are also websites in Georgia that simply exchange information between freelancers and service providers, as well as between on-location service providers and the service performer, but do not fully intermediate the service provision. Other popular channels for finding short-term jobs are through personal acquaintances. This is particularly true, for example, of tutors who prepare high school students for the National and Unified Master's Examinations, of artists, craftsmen, childcare and home care workers, and other workers who provide on-location services and generally meet the profiles of potential platform workers, but do not use platforms for finding clients.

As regards policy responses, according to the representative of ido.ge³⁴, the current level of platform work and freelancing more generally in Georgia is at such a low level that it is too early to talk about policy actions in this specific area, or at least to the extent that they are discussed in the EU regarding social protection, working conditions or risks of discrimination. However, Georgian authorities have taken note of all this and have plans to exploit the rising trend of online freelancing globally. For example, in 2020, a new State programme was introduced to attract non-national freelancers from 95 countries to travel to and work (and therefore pay taxes) remotely from Georgia³⁵.

TYPES OF ONLINE PLATFORM WORK

Overall, platform workers in Georgia engage in a variety of higher and lower complexity on-location and web-based work assignments, secured using online labour platforms.

Online platform work opportunities on Georgian platforms (ido.ge, freelancer.ge, studentjobs.ge and work.cartooli.com) for remote platform workers are mostly in the areas of IT programming, graphics and design; marketing and social marketing; advice and consultancy (accounting, professional writing, CV drafting, etc.), as well as in text preparation and translation.

The tasks that freelancers in Georgia engage in on international platforms are similar. According to the Online Labour Index (OLI) data, most of the freelancers in Georgia who were using the four international English language web-based freelancing platforms at the end of 2020 were active in the

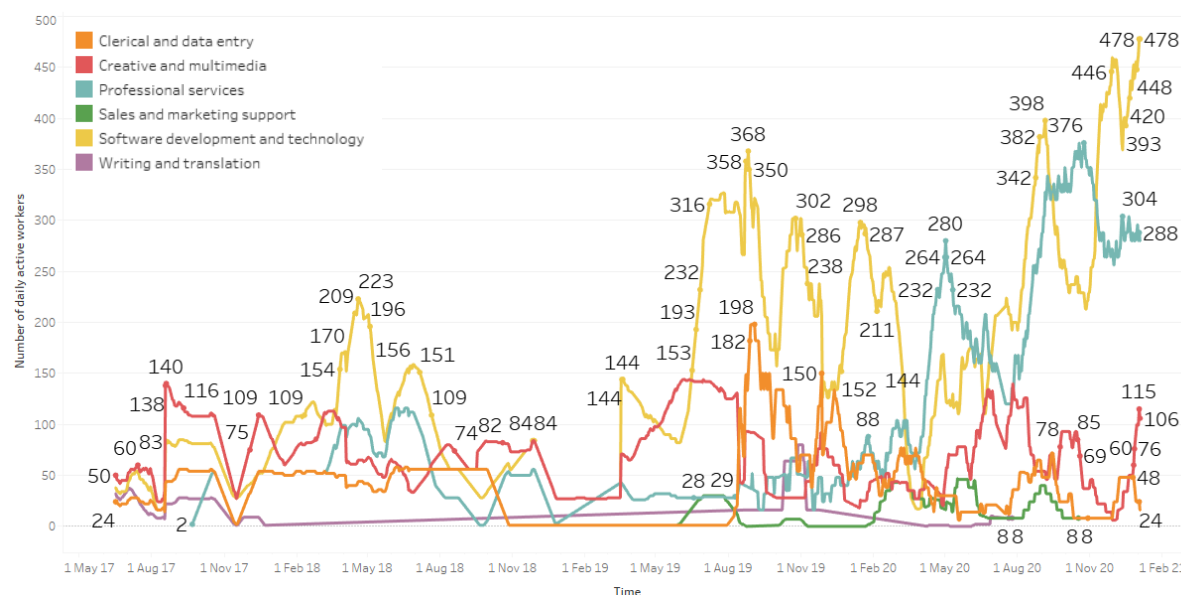
³³ See more: <https://www.facebook.com/groups/1430509957113873>

³⁴ See more: <https://ido.ge/>

³⁵ Agenda.ge (2020). 'Remotely from Georgia': New State Programme to Allow Foreigners to Travel to, Work Remotely from Georgia. Retrieved from: <https://agenda.ge/en/news/2020/2654>

areas of professional services, and software development and technology work (see Figure 1 below)³⁶.

FIGURE 1. ONLINE LABOUR INDEX DATASET: NUMBER OF DAILY ACTIVE PLATFORM WORKERS IN GEORGIA ON THE FOUR MAIN INTERNATIONAL FREELANCE MARKETPLACES IN TIME



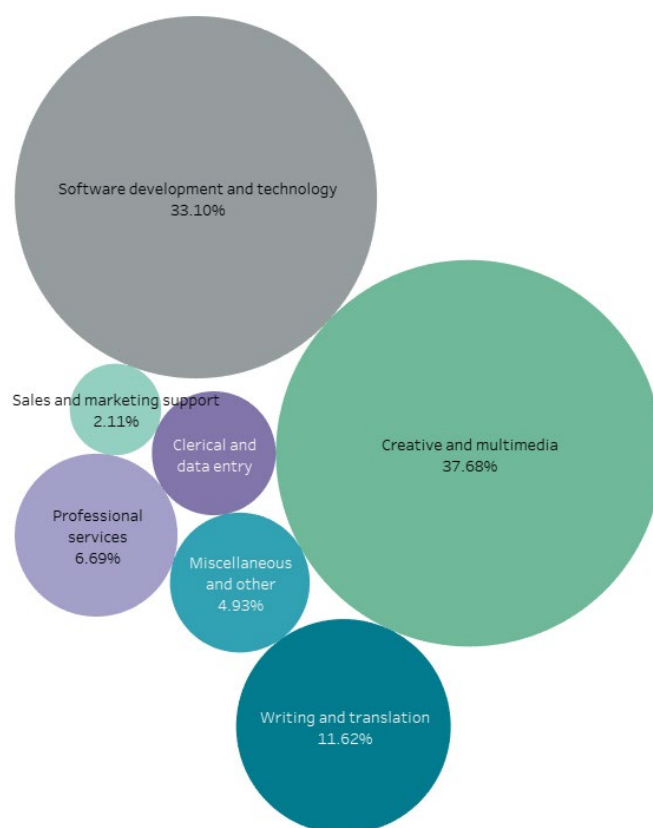
Source: Online Labour Index, iLabour dataset.³⁷

Data from Weblancer, Freelancer and Guru.com show similar trends: software development and creative work were the most popular occupations for remote platform workers in Georgia.

³⁶ Kässli, O.; Hadley, C.; Lehdonvirta, V. (2019). Online Labour Index: Measuring the Online Gig Economy for Policy and Research. figshare. Dataset. Retrieved from: <https://doi.org/10.6084/m9.figshare.3761562>

³⁷ <http://ilabour.oii.ox.ac.uk/online-labour-index/>

FIGURE 2. SERVICES OFFERED BY ACTIVE FREELANCERS FROM GEORGIA ON WEBLANCER, FREELANCER AND GURU.COM



On-location services platforms operating in Georgia – Yandex Taxi; Bolt; Wolt; Glovo; GG taxi and Alo Modi – provide opportunities to engage in courier services (food delivery; product purchase/delivery; delivery of various items, etc.) and transport services (taxi services). In addition to these, local platforms (for house cleaning; plumbing; electricity; childcare, and similar jobs - caru.ge; mrmaster.ge; profy.ge;) are increasingly popular.

WORKER PROFILES

The persons registered on the reviewed online remote work platforms and on-location service platforms in Georgia are all based in Georgia (during the study period September-November 2020), as no non-nationals based in other countries were registered there. However, the conditions of the platform websites show that citizens/service providers of other countries are eligible to use the platforms.

The interviews (for example, with a representative of JobGear, a representative of Cartooli, and a former employee of the Ministry of Labour), as well as an analysis of data on the websites of online platforms (ido.ge; profy.ge) show that the gender composition of online work platform workers and on-location service providers in Georgia varies according to the type of activity. For example, the work of couriers, taxi drivers, household and electrical repair work is almost entirely done by men, while work in the areas of pedagogy, childcare, translation and text-preparation is mostly done by females.

Meanwhile, analysis of three international web-based work platforms (Guru.com, Weblancer.net and Freelancer.com) showed that, as in other EaP countries, men are the most active two thirds of the total platform workers in Georgia on online platforms.

Most online work platforms in Georgia require that applicants are over 18. The age structure of the platform workforce varies significantly according to the type of activity. Based on the profile of the registered workers employees and results of the interviews, the average age of workers in the above-mentioned areas of platform work is mainly middle-aged and under. For example, an analysis of worker profiles on Weblancer.net showed that the average age of freelancers in Georgia is 35.5 years. However, in some areas (such as taxi service, housekeeping and cleaning) older workers are also active, according to anecdotal evidence.

Registration on online work platforms in Georgia (e.g. ido.ge; profy.ge; glovo.ge) does not require any special education or qualifications on the part of applicants. There are no accurate statistics on the correspondence between the qualifications of the employees and the qualifications required for the work to be performed. However, the qualifications and levels of education of on-location service providers are likely to exceed the qualifications and knowledge required for the services in question. This assumption is based on previous studies of the labour market in Georgia, according to which a very high level of unemployment forces people to be employed in lower-skilled labour (for example, as taxi drivers)³⁸.

Based on our research, online work platforms in Georgia do not offer career development opportunities and options to web-based platform workers and on-location service providers. Although some platforms for on-location work (e.g. Bolt) provide workers with general orientation training (consultations), workers are not given opportunities to enhance their skills on the job or to have additional training.

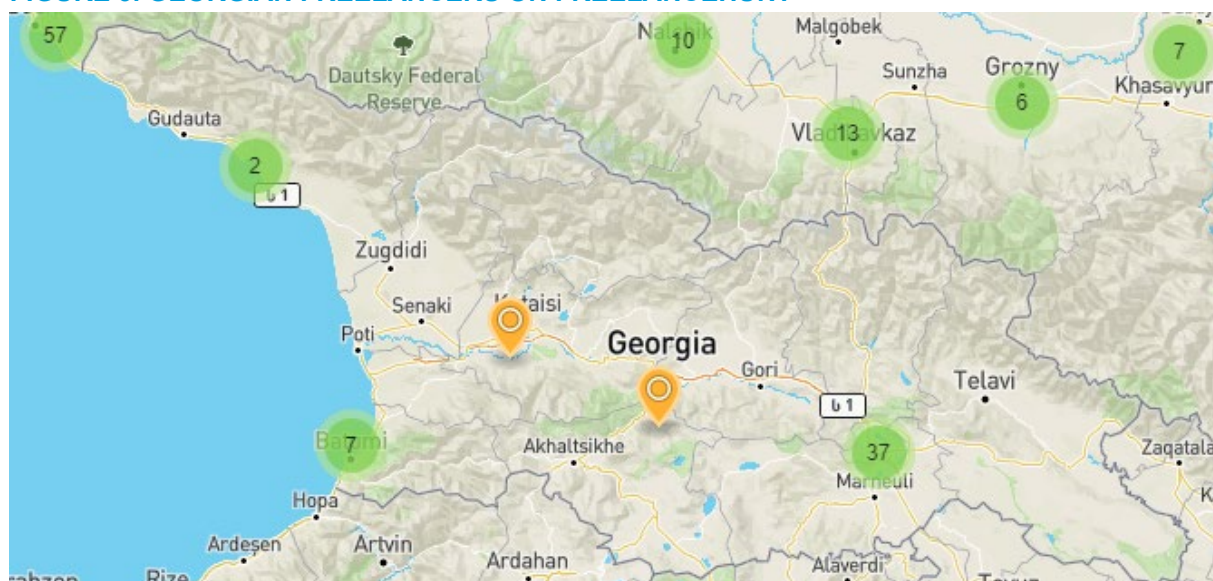
Most platform workers in Georgia are likely to view online work platforms as an occasional activity to earn extra income. According to the interviewees, the job for those registered on online platforms can be both primary and additional. However, in their view, it is more likely that this kind of job is the main economic activity for only for a small proportion of registered workers.

The regions of Georgia are significantly different in terms of the spread of online work platforms. Based on the analysis of the Georgian online space, the websites of service providers on online platforms and the interview results, we can conclude that most of the work on online work platforms is concentrated in Tbilisi (see Figure 3 below). This is to be expected given that the Georgian capital is home to 25.6% of the economically active population in Georgia³⁹. This figure is much lower for other regions. Furthermore, the number of registered businesses/companies in Tbilisi and the average wage for employees are also much higher than in the other regions.

³⁸ Relevant documents are available at: <http://eprints.iliauni.edu.ge/1987/1/Return%20to%20tertiary%20education.pdf>
[https://www.mes.gov.ge/mesqifs/1584366255_2018-\(Tracer%20Study\).pdf](https://www.mes.gov.ge/mesqifs/1584366255_2018-(Tracer%20Study).pdf)
<http://www.lmis.gov.ge/Lmis/Lmis.Portal.Web/Handlers/GetFile.ashx?Type=Survey&ID=448d5d41-63fb-4fcc-9e1a-8db786d77e07>
https://www.osgf.ge/files/publications/2011/EPRC_Georgian_Economic_Outlook_II_Nov_2011_GEO.pdf
http://gov.ge/files/439_55453_143263_167.pdf

³⁹ National Statistics Office of Georgia (2020). Employment and Unemployment. Employment and Salaries. Retrieved from: <https://www.geostat.ge/ka/modules/categories/38/dasakmeba-da-umushevroba>

FIGURE 3. GEORGIAN FREELANCERS ON FREELANCEHUNT



Source: FreelanceHunt. Note: the yellow markers without numbers indicate that one freelancer is present in that area.

However, platform work, especially on-location work, has increased visibly in the past two years with the entry of platforms to the cities of Batumi, Kutaisi, Rustavi, Telavi, Poti, and Mtskheta, in particular as various ride-hailing apps have started operating there. In other cities and towns, online platform work is almost non-existent.

Concerning **income** from on-location platform work in Georgia, especially taxi services, the platforms basically have pre-defined and publicised payment terms for workers. In the case of some platforms, remuneration is the subject of negotiation between the service provider and the client. The interviewees restated the general trend that the remuneration of employees of web-based online work platforms and the providers of on-location services depends on the type of work, field of performance or qualifications that are required by the job. For example, IT and programming specialists are paid more than the average hourly wage⁴⁰ in Georgia. Based on the data on workers in Georgia on Freelance, Weblancer and Guru.com, the average rate of an active worker is USD 19 /hour. While the average monthly net salary in Tbilisi was around USD 350 as of 2020⁴¹, at a USD 19 /hourly rate, a successful platform worker can earn around USD 2 500 gross per month, working 40 hours per week. However, for some jobs that do not require special knowledge and qualifications, the salary of employees (hourly average) is equal to or less than the average hourly wage in Georgia, according to interviewees.

⁴⁰ National Statistics Office of Georgia (2020). Wages. Employment and Wages. Retrieved from: <https://www.geostat.ge/en/modules/categories/39/wages>

⁴¹ Stotz, J. (2020). Average and Minimum Salary in Tbilisi, Georgia. Check in Price, Retrieved from: <https://checkinprice.com/average-and-minimum-salary-in-tbilisi-georgia/>

STATUS OF PLATFORM WORKERS

The interviews and exploration of online platform websites indicate that most online platform workers are self-employed (თვითდასაქმებული)⁴². Some of them also register as entrepreneurial entities (i.e. individual entrepreneur (ინდივიდუალური მეწარმე)⁴³ to offer their services to clients through the online platforms⁴⁴. Platforms operating locally in Georgia require freelancers and on-location service providers to register with public administrative bodies and comply with tax obligations.

For example, in the case of Bolt⁴⁵, Glovo⁴⁶, profy.ge⁴⁷, ido.ge etc., their business models and terms of service are structured in such a way that couriers are the company's 'partners' and not employees. The platforms have a service contract (მომსახურების ხელშეკრულება) with the drivers and couriers. Therefore, the self-employed are obliged to ensure that they comply with the tax regulations and payments themselves. According to the interviewed Bolt representative, among the EaP countries, the Georgian framework is the most sustainable, since there are requirements and benefits for all stakeholders involved. Moreover, the system is considered transparent, the conditions for drivers are clear, and laws are enforced.

Because those working through the online work platforms are self-employed (rather than employees), they do not fall within the scope of the Labour Code regulation in relation to working conditions and other aspects. In terms of social protection, platform workers (such as the self-employed) do not receive additional social benefits from the platforms or customers. However, in relation to the State social programmes, they are in the same situation (on an equal footing) as other self-employed people (for example, as regards the Georgian law on State-funded pension⁴⁸).

All in all, registration on online work platforms increases the chances of getting a job, but it does not provide workers with social security, decent working conditions, equal employment (without risk of discrimination), etc. For example, in the conducted interviews, it was noted that there are risks for freelancers in Georgia in terms of social protection, low wages, workers' union rights, and discrimination. It also seems that the international online work platforms create better conditions for freelancers than the local ones, at least in terms of pay.

Nonetheless, some exceptions exist. According to the evidence gathered, employment contracts are signed with some categories of platform workers (e.g. part of the postal couriers at onway.ge), which provides them with the employee status regulated by the Labour Code.

A significant amount of platform workers in Georgia are said to engage in undeclared work. For example, the representative of ido.ge noted that a significant number of those registered on online

⁴² Self-employment: (b1) at work: persons who, during the reference period, performed some work (i.e. at least one hour) for profit or family gain, in cash or in kind; (b2) with an enterprise but not at work: persons with an enterprise (which may be a business enterprise, a farm or a service undertaking) who were temporarily not at work during the reference period for any specific reason.

⁴³ Parliament of the Republic of Georgia (2018). Law of Georgia on Entrepreneurs. Matsne.gov.ge. Legislative Herald of Georgia. Retrieved from: <https://matsne.gov.ge/en/document/view/28408?publication=61>

⁴⁴ According to the official classification in Georgia, there are two types of self-employed: (a) at work: persons who, during the reference period, performed some work (i.e. at least one hour) for profit or family gain, in cash or in kind; (b) with an enterprise but not at work: persons with an enterprise (which may be a business enterprise, a farm or a service undertaking) who were temporarily not at work during the reference period for any specific reason.

⁴⁵ Bolt (2020). General Conditions for Drivers. Bolt.eu. Bolt. Retrieved from: <https://bolt.eu/ka/legal/ga/terms-for-drivers/>

⁴⁶ Glovo (2020). 'Glovo App 3.0.' Glovo. Retrieved from: <https://glovoapp.com/ka/legal/terms>

⁴⁷ See more: <https://profy.ge/en>

⁴⁸ Parliament of Georgia (2018). Law of Georgia on Funded Pension. Matsne.gov.ge. Legislative Herald of Georgia. Retrieved from: <https://www.matsne.gov.ge/en/document/view/4280127?publication=0>

work platforms are currently officially unemployed⁴⁹. Some interviewees (for example, the representative of the company, Cartooli⁵⁰) also indicated that freelancers (both those working on platforms and elsewhere) often do not have any official documented status (e.g. private entrepreneur) in Georgia and therefore operate in the shadow economy.

MAIN CHALLENGES AND OPPORTUNITIES

In the broader context of the Georgian labour market, platform work can bring notable **opportunities**.

First, Georgia has highlighted the issues of a skills mismatch and oversupply of graduates, many of whom end up in low-complexity jobs. Vocational education is unpopular, and students more often opt for a university education, even though they risk being overeducated for available jobs. In this sense, international online work platforms with freelancing opportunities offer new, open job markets for these qualified workers, often with rather competitive salaries.

Platform work may also be seen as an opportunity to mitigate outward migration, which is commonplace among unemployed Georgians. In the face of persisting unemployment in the country, remote and on-location work platforms bring **employment opportunities** for the lower-skilled workforce in the cities.

Easy access to global job opportunities may contribute to better matching the demand with the supply and contribute to **on-the-job skills enhancement**. Private sector companies in Georgia note the lack of necessary skills in the workforce to fill vacancies⁵¹, including both technical and transversal skills. Some of the existing research on platform work, in turn, suggests that platform work results in both an improvement of skills acquired through deploying them and in the development of new skills that are necessary in the traditional labour markets, and these outcomes improve the chances of job seekers finding employment in the future⁵².

However, the future development of platform work in Georgia as an option for accessible employment opportunities faces also a number of challenges.

For the moment, new forms of employment are not yet visible in the **public and policy discourse**, which prevents existing challenges on the labour market from being tackled. Public services do not yet recognise workers engaged in new forms of employment as a target group for support, for example, related to upskilling or career development measures. At the same time, institutional support for innovation and digital skills development are noted as positive factors to mitigate the current challenges in the future.

⁴⁹ Unemployment. The international standard definition of unemployment adopted by the 13th ICLS is based on three criteria, which have to be met simultaneously. According to this definition, the unemployed comprise all persons above the age specified for measuring the economically active population who during the reference period were: (a) 'without work', i.e. were not in paid employment or self-employment as defined by the international definition of employment; (b) 'currently available for work', i.e. were available for paid employment or self-employment during the reference period; and (c) 'seeking work', i.e. had taken specific steps in a specified recent period to seek paid employment or self-employment.

⁵⁰ See more: <https://work.cartooli.com/>

⁵¹ Ermsone, D. (2019). Policies Supporting Youth Transition to Work in Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. European Training Foundation. p. 18

⁵² Lehdonvirta, V., Margaryan, A., & Davies, H. U. W. (2019). Skills formation and skills matching in online platform work: policies and practices for promoting crowdworkers' continuous learning (CrowdLearn).

Although digitalisation is recognised as a crucial trend influencing the labour market both at present and in the upcoming years, **connectivity** remains the key future challenge for the expansion of the digital platform labour economy in Georgia, especially outside Tbilisi. The percentage of the population using the internet is noticeably lower in Georgia than in the EU and some other EaP countries⁵³. The attempts to promote platform work as a solution to unemployment should also address the issue of connectivity and the digital divide.

In addition, successful platform workers need a range of occupational skills, transversal and personal skills acquired through formal education and training prior to commencing a working life in the platform economy, as well as those developed on-the-job⁵⁴. While the lack of digital skills could be a factor preventing the faster development of an online labour economy in the country⁵⁵, further investment in the preparation of highly skilled specialists in ICT and creative production is necessary for the functioning of the traditional labour market, as well as the expansion of a platform labour economy.

Competition in international marketplaces for the highest-paid platform jobs requires a good command of **English**. As of 2020, Georgia was classified in the English Proficiency Index as a country with moderate proficiency⁵⁶. A lack of English skills can prevent Georgians from participating in remote platform work on international online work platforms.

Finally, policy action in this area should build on **evidence**. So far, little is known of the exact prevalence of different types of platform work in Georgia, workers demographics and worker motivations.

⁵³ The World Bank (2019). Individuals using the internet (% of population). Retrieved from:

<https://data.worldbank.org/indicator/IT.NET.USER.ZS>

⁵⁴ Cedefop (2020). Developing and matching skills in the online platform economy: findings on new forms of digital work and learning from Cedefop's CrowdLearn study. Luxembourg: Publications Office. Cedefop reference series; No. 116.

⁵⁵ Ermsone, D. (2019). Policies Supporting Youth Transition to Work in Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. European Training Foundation. P. 5.

⁵⁶ Education First (2019). EF English proficiency index: A ranking of 100 countries and regions by English skills

Where to find out more

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