

KEY POLICY DEVELOPMENTS IN EDUCATION, TRAINING AND EMPLOYMENT – GEORGIA 2022

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EXECUTIVE SUMMARY

In August 2022, the Georgian government adopted a new long-term Unified National Strategy of Education and Science for 2022–2030, which brings together a single strategy for all aspects of education and science. The new strategy spans lifelong and life-wide learning and aims to launch a new wave of reforms to address the identified challenges and opportunities through a long-term joint effort by the government and key stakeholders. The unified strategy encompasses the strategies for each sub-sector of education, including the strategy for VET covering the period 2022–2027.

The Vocational Skills Agency became operational in March 2022. The Agency has supported the establishment of sector skills organisations (SSOs), which replace the previous ad hoc sector committees. Nine SSOs had been established by the end of 2022, and several more are planned to be set up in the future. The Vocational Skills Agency guides and provides funding for qualification development at the SSOs, which will play a leading role in defining learning outcomes, standards and assessment criteria.

Enrolment in VET started increasing slightly in 2021 and 2022, after a deep dip during the pandemic in 2020 when VET provision was suspended for several months. The participation rate in lifelong learning remains very low, at 1.2% in 2021, in spite of government efforts to upskill and reskill Georgia's workforce.

The unemployment rate remains high, at 20.6% in 2021, although preliminary data for 2022 shows a decreasing trend and an increase in the number of job vacancies published by employers. This can be associated with a rapid recovery of Georgia's economy and high GDP growth, projected to be close to 10% in 2022. The pandemic had the biggest impact on the low- and medium-skilled workforce. While the activity rate in 2021 remained virtually the same, the gender gap widened further. The gender gap in employment rates is also significant.

The youth unemployment rate remains high, and increased further to 42.9% in 2021. Youth unemployment by educational level shows that the group with the lowest level of education suffered most from the impact of the pandemic.

The pandemic also had a dramatic impact on the implementation of employment services, and led to a reduced number of beneficiaries in counselling and job mediation. The situation somewhat improved in 2021, when the lockdown was lifted and businesses started resuming their operations. In 2022, the government launched a new public works programme to boost employment and activate recipients of targeted social assistance. Initial data on the effectiveness of the programme shows that the programme has supported a large proportion of the inactive population, particularly among women and in rural areas. This reflects the fact that real job opportunities are rare in the regions, while those residing in the capital have more employment options. The State Employment Support Agency has recruited new staff to be located throughout the country, with a view to improving the outreach of employment services particularly to the rural population and other vulnerable groups.

Women and youth are among the most disadvantaged groups of workers on the labour market. The NEET rate remains high, at close to 35% in the 15-29 age group, which forms a large proportion of the youth population: around 200 000 in Georgia. In order to activate those young people and provide them with adequate education, training and opportunities, urgent attention and targeted and coordinated policy measures are required from the government. A 'youth guarantee' type of action, with the support and expertise of the EU, could help reduce the number of NEETs in Georgia in the years to come.

Georgia applied for EU membership in spring 2022 and was given a European perspective on 23 June 2022 by unanimous agreement of EU leaders. Candidate status will be granted once Georgia addresses some key priorities reflected in the European Commission's opinion. Having pre-accession status will open new opportunities to align Georgia's education, training and employment policies with those of the EU.

1. KEY POLITICAL, DEMOGRAPHIC, ECONOMIC AND SOCIAL CHARACTERISTICS

Political developments

The 2020 parliamentary election in Georgia was a highly contested political event, not only during the pre-election campaign but also after the elections took place. Most opposition parties boycotted Parliament for a few months, and a return to parliamentary politics was only possible through mediation efforts by the European Union. The previously ruling Georgian Dream party formed the new government, with Irakli Garibashvili being appointed Prime Minister in February 2021.

On 3 March 2022, Georgia presented its application for EU membership soon after the start of the war in Ukraine. On 17 June 2022, the European Commission presented its Opinion on the application for EU membership submitted by Georgia, Moldova and Ukraine. Based on the Commission's Opinion on Georgia's application for EU membership, Georgia was given a European perspective on 23 June 2022 by unanimous agreement of the leaders of all 27 EU Member States. Candidate status will be granted once Georgia addresses some key priorities reflected in the Commission's Opinion (EC, 2022). The Commission will monitor Georgia's progress in fulfilling these priorities and report on them as part of its regular enlargement package.

Demographics

Georgia has a population of 3.7 million (2021), a figure that has decreased by more than 1 million over the past decade (Geostat, 2016). Some 57% of the population lives in urban areas, with 1.1 million in the capital, Tbilisi. The Georgian labour force has shrunk by 15% in the last 10 years from around 2 million in 2011 to 1.74 million in 2021. The share of youth among the general population has been decreasing, indicating that the Georgian population is gradually ageing. The relative size of the youth population (15–24 age group) decreased from 22.3% in 2010 to 17.4% in 2021. Low natural growth rates and emigration are two primary factors explaining the decrease. According to the last population census in 2014, 16.2% of the country's population (602 700 individuals) are from ethnic minorities, with Azerbaijanis and Armenians constituting the largest share.

In 2019 (UN, 2020), 861 077 Georgian emigrants resided abroad, around 22% of the total population. The most significant share of Georgian emigrants were in Russia, followed by Greece, Ukraine, Azerbaijan, the United States and Armenia. The gender composition of emigrants seems to be rather balanced, with 50.2% of them women. As for migratory flows, recent data (SCMI, 2019) shows that flows from Georgia to Russia have decreased significantly, especially following the August 2008 Russia-Georgia war, with flows diverting towards the EU, Israel and North America, which offered better pay, security and quality of life than Russia. Relatively new EU Member States also attract Georgian emigrants, especially Poland with its simplified circular migratory schemes. The outbreak of the COVID-19 pandemic in 2020 and subsequent travel restrictions significantly affected Georgia's migration flows as well. After hitting the highest figure in 2019 for the last 5 years, the number of individuals emigrating from Georgia dropped in 2020. As a result, net migration was positive for the first time in 26 years (SCMI, 2021).

As a result of the war in Ukraine, tens of thousands of migrants are believed to have entered Georgia since February 2022. The government estimated for the ETF mission at the end of March 2022 that around 30 000 thousand people migrated from Russia to Georgia in the first wave, many of them who were platform workers, media representatives or other citizens opposing Russia's aggression in Ukraine. A mass influx of Russians was reported in the press in September after Russia announced a 'partial military mobilisation'. However, although no official statistics are yet available, many of these people have likely used Georgia as a transition route to other countries¹.

¹ <https://agenda.ge/en/news/2022/3727>

Key economic developments

Georgia is a lower middle-income country with a growing gross domestic product (GDP) per capita, which increased from USD 8 000 in 2012 to USD 11 400 in 2018. From 2017, Georgia's GDP growth stabilised and its economy continued to perform well until 2019, with GDP growth at 5.0%. The main contributors to GDP in 2021 were services (59.4%), followed by industry (21.8%) and agriculture (6.1%). Services are also the fastest-growing sector, with hospitality and financial services leading the way.

The COVID-19 pandemic had a major impact on Georgia's economy in 2020, with growth contracted from 5.0% in 2019 to -6.8% in 2020. However, the Georgian economy has subsequently grown faster than expected, reaching a 10.4% growth rate in 2021, as pandemic-related restrictions were gradually eased. As of mid-2022, the spill-over effects from the Russian invasion of Ukraine have led to strong foreign inflows, spurring growth and narrowing the current account deficit despite spiking inflation. Therefore, in 2022 economic activity continued to be strong, with real GDP growth projected to reach 10% by the year-end². After unemployment increased to 20.6% in 2021, labour markets have started to recover, with unemployment decreasing to 18.1% in the second quarter of 2022³. The international poverty rate increased from 4.9% in 2019 to 5.8% in 2020, but was expected to decline and reach pre-crisis levels in 2022 (World Bank, 2022).

Inclusive economic development has been a main objective for the Georgian government since 2014. The notion is based on the increasing number of jobs and amount of innovation and competitiveness in the private sector, as well as human resources development, including a demand-oriented labour force. The previous government programme confirmed the continuity of the same priorities, namely the importance of economic growth, employment and education policies for the country.

The current government led by Irakli Garibashvili adopted a new strategy called the 'Government Program 2021-2024 – Toward Building a European State'⁴. Its main objective is to overcome the pandemic-related crisis, ensure rapid economic recovery and development, and put in place a stable and safe environment for every citizen.

Remittances continue to play an essential role in the lives of migrants' families left behind in Georgia. The share of remittances in Georgia's GDP is quite high, reaching almost 13.3% in 2020 (ETF, 2021c). Studies suggest that despite their relatively high volume, remittances have only a minor impact on the country's economic development, but nonetheless serve as a powerful tool for alleviating poverty and increasing the quality of life among migrant families.

In recent years, Georgia has constantly improved the business environment for all enterprises (including SMEs) by simplifying administrative regulations, reducing the tax burden, fighting corruption, facilitating free trade, promoting privatisation and initiating a policy partnership platform to build a national lifelong entrepreneurial learning concept. The World Bank 'Doing Business' assessment of 2020 ranked Georgia 7th out of 190 countries. It was the only lower middle-income country to be recognised as a top performer in ease of doing business (World Bank, 2021).

² <https://www.imf.org/en/Countries/GEO#atagance>

³ <https://www.worldbank.org/en/country/georgia/overview#3>

⁴ http://gov.ge/files/41_78149_280277_GP.pdf

Key social issues

Georgia has several challenges related to the social inclusion of disadvantaged people in education and in the labour market, and the predominance of regional, ethnic and gender disparities in terms of equality and access to education at all levels, as well as inequality and access to employment in the labour market.

According to the Law on General Education, minorities may have primary and basic education in their own language (Armenian, Azeri or Russian), despite Georgian being the main language of instruction. Around 90% of students receive general education in Georgian, 5% in Azeri, 3% in Armenian and 3% in Russian (ETF, 2018). In VET, individuals from minority groups can take the VET entrance test in their own language and can then enrol in a Georgian language module in order to be able to follow a vocational programme.

While women outperform men consistently in learning outcomes, they are underrepresented in STEM fields in post-secondary education and jobs, and have generally lower labour market outcomes than men. Secondary education completion rates and learning outcomes are lowest for students from disadvantaged backgrounds and minority groups, especially those from immigrant groups, whose performance differential is one of the largest among PISA participating countries, according to the recent ADB study (ADB, 2022). Existing curriculum and teacher resources are not adapted to students from linguistic minority groups or with special educational needs. Most students with disabilities are enrolled in public schools, few of which are fully adapted to their needs. Moreover, the design of the university admission and student financial support systems poses a barrier to accessing post-secondary education for students from poor households, perpetuating a cycle of inequality.

2. EDUCATION AND TRAINING

2.1 Trends and challenges

Education strategy and legal framework for education

Education is mandatory in Georgia for all children aged from 6 to 14 years and illiteracy in the country is minimal. The school system is divided into elementary (6 years, ages 6–12), basic (3 years, ages 12–15) and secondary (3 years, ages 15–18) or, alternatively, 2 years of VET. Only students with an upper secondary school diploma can access higher education, and they must pass unified national examinations to enrol in a state-accredited higher education institution.

The new government strategy⁵ for 2021-2024 builds on the Georgia 2020 strategy, which identified ‘enhancing skills’ as one of the three overarching goals for the country’s socioeconomic development, and defined the reforms needed at all levels of education (primary, secondary and tertiary). It concludes that implementing the strategy should increase the quality of education and access to it at all levels, resulting in greater competitiveness and employability among the labour force, and better skills matching.

In August 2021, the Ministry of Education and Science (MoES) developed a new a long-term Unified National Strategy of Education and Science for 2022–2030⁶. The new strategy replaced the Unified Strategy of Education and Science for 2017-2021, which brought together into a single strategy all aspects of education and science: early/pre-school upbringing and primary and secondary education, vocational and higher education, adult education, and science and research.

The new strategy spans lifelong and life-wide learning and aims to launch a new wave of reforms to address the identified challenges and opportunities through a long-term joint effort by the government and key stakeholders, including academic and civil society, the private sector, international donors, independent experts and the wider public. The unified strategy encompasses the strategies for each sub-sector of education, including the VET strategy.

Education expenditure

In 2020, total public expenditure on education was 3.9% of GDP. The share of expenditure on VET has also been increasing, from 3.0% in 2018 to 4.3% in 2021 of the total budget of the MoES⁷. Despite the rising education spending in recent years, it remains below the average of 4.4% in upper middle-income countries and remains far from the ambitious government target of 6% of GDP by 2022.

Access, participation and early school leaving

Georgia has near-universal participation in primary and lower secondary education, and a strong culture of pursuing higher education. Georgia’s gross enrolment rate in pre-primary education was 95.2% in 2020⁸. The country has also a high net rate of enrolment in upper secondary education (96.1% in 2021), a high gross enrolment rate in tertiary education (72.5% in 2021) and a relatively low rate of early school leavers (7.3% in 2021⁹). The educational attainment level of the population (age 15+) is high and has been increasing: 30.1% are high-skilled, 58.6% are medium-skilled and only 11.3% are low-skilled (2021 data). In terms of aspirations, high educational attainment has always been a social norm in Georgia.

The share of VET students in upper secondary education fell from 14.6% in 2013 to 8.0% in 2018, before increasing to 11.2% in 2019 but then dropping to 7.6% in 2020 due to the pandemic. Enrolment

⁵ https://www.gov.ge/files/41_78149_280277_GP.pdf

⁶ <http://mes.gov.ge/content.php?id=7756&lang=eng>

⁷ Source: Ministry of Finance

⁸ <http://uis.unesco.org/country/GE>

⁹ *ibid*

in VET has been gradually decreasing from 16 553 learners in 2017 to as low as 9 442 in 2020, before increasing slightly to 11 199 in 2021 and further to 13 800 in 2022 (MoES data). 79 authorised VET institutions are currently entitled to government funding for qualification programmes. 42 of these are private providers, while 16 are higher education institutions licensed to deliver VET programmes (EMIS data). The participation rate in lifelong learning remains very low in Georgia, dropping from 1% in 2018 to 0.8% in 2019 before recovering slightly to 1.2% in 2021.

One of the challenges is the high rate of drop-outs in VET – approximately 34.6% in 2017-2021, according to a recent study (Kitiashvili and Rukhadze, 2022). A much larger proportion of men drop out of vocational education than women. The profile of students who have stopped vocational education shows that this group is quite vulnerable, with persons with disabilities, internally displaced persons (IDPs) and socially vulnerable persons making up to 12.6% of those whose status has been terminated.

Institutional factors are cited as the most frequent reasons for dropping out of programmes by students, teachers and directors of vocational colleges. The reasons include inconvenient location of the VET institution, inflexible study schedule, parallel employment or studying at another university, as well as factors such as a lack of funds for food, transportation and living at the college, a lack of practical learning organised in the VET institutions, and limited demand for a VET certificate by employers.

PISA results

The results of the OECD's Programme for International Student Assessment (PISA) tests for three consecutive rounds in 2010, 2015 and 2018 show that more than half of Georgian students achieved the lowest level of proficiency (OECD, 2019).

Scores deteriorated with the most recent PISA test in 2018, while Georgia has the second-lowest reading score in the region, making 64% of the country's 15-year-old students functionally illiterate, meaning that they cannot correctly process and understand a simple text. The share of lowest achievers also increased to 61% in science and 64% in mathematics. The country ranked 70th out of 79 countries participating in the PISA 2018 test. The secondary education system is not equipping the country's youth with core competences, which will limit their further learning capacity, whether they leave education or continue studying in VET or higher education.

Young people not in employment, education or training (NEET)

The proportion of people aged between 15 and 24 not in employment, education or training (NEETs) remains high but dropped slightly, from 28.5% in 2020 to 26.8% in 2021, with no difference between young women and men, both being at 26.8%. The gender gap increases moderately in the 15-29 age group, where young women were more prone to becoming NEETs, with a rate of 37.3% compared with 32.1% for young men in 2021¹⁰.

2.2 Initial VET and adult learning

Strategic and legal framework for initial VET and adult learning

In 2018, the Georgian Parliament adopted the new Framework VET Law, which was an important milestone for skills and VET development from a lifelong learning perspective. It covers both initial VET and adult learning. Secondary legislation that will facilitate the implementation of the Law is currently being drafted with the support of international development partners.

The EU Skills4Jobs Technical Assistance project supported the government in drafting the strategy for VET covering the 2022–2027 period, and is part of the Unified National Strategy of Education and Science 2022. The VET strategy was expected to be formally approved by the end of 2022 but the

¹⁰ National Statistics Office of Georgia, <https://www.geostat.ge/ka/modules/categories/683/dasakmeba-umushevroba>

adoption of the strategy is delayed to 2023 due to revisions proposed by the MoES and other government agencies.

A recently conducted ETF evaluation (ETF, 2021a) of the VET strategy 2013–2020 found that notwithstanding the efforts of government and other players, VET remains a second choice or a last resort for young Georgians. In spite of the comprehensive and generously resourced strategy, VET enrolment rates have been declining in recent years. However, the evaluation concluded that the implementation of the VET strategy was considered mostly satisfactory, as most planned activities were completed. However, the strategy's effectiveness and impact on the ground was relatively low since in most cases, the ambitious strategy resulted in outcomes being only partially achieved. Compared to the low starting point, the evaluation observed achievements in all areas of strategy implementation, but the degree to which different outcomes were accomplished varied. The strategic directions of VET development driven by the evaluated VET strategy were further incorporated into the Unified Education and Science Strategy for 2017–2021, which has been the main guiding document for the entire education sector.

The evaluation concluded that the MoES had been successful in coordinating all activities relating to the VET strategy's implementation, including donor projects and interventions. Although the VET strategy was a comprehensive reform package addressing both initial and continuing VET as well as several labour market issues, it was detached from or vaguely linked to general secondary education, higher education and youth policies. A weak monitoring system raised serious concern, as reporting was based mostly on activities rather than discussing the targets and performance in the action plans. Consequently, reporting resulted in a weak analysis of, and reflection on, what has not been implemented and why, and no corrective actions were suggested. This might also be linked to the indicators, which were mostly set at input and process level and did not inform on how their achievement could contribute to the VET strategy's overall results and objectives.

Where Georgia has been particularly successful in recent years is in attracting generous international assistance and donor funding to back up the implementation of its education reform strategy. The share of international assistance in financial terms matched government VET expenditure between 2013 and 2020.

VET governance and financing arrangements

The **Ministry of Education and Science of Georgia** (MoES) is the main policymaking body for education. The **Education Management Information System** (EMIS), which is a legal entity under the MoES, is responsible for collecting data and evidence on the entire education system. The **National Center for Education Quality Enhancement** (NCEQE) is responsible for quality assurance at all levels of education. It authorises educational institutions by issuing them with a licence, and accredits educational programmes, including VET qualifications. It used to coordinate the work of sectoral organisations in developing occupational standards, but this function has been transferred to the new Vocational Skills Agency. The **National Assessment and Examinations Center** (NAEC), which is subordinate to the MoES, aims to improve the quality of education through valid, fair and reliable assessment and research. The NAEC provides a wide range of tests and other instruments to assess achievements and competences, from school exams to certification tests for public servants. It also conducts the PISA survey in Georgia. The **National Center for Teacher Professional Development** provides in-service training for secondary general and VET teachers and trainers. The **Educational and Scientific Infrastructure Development Agency** deals with school construction and facilities.

The **Vocational Skills Agency** was jointly established in 2021 by the Ministry of Education and Science of Georgia and the Georgian Chamber of Commerce and Industry. It facilitates the introduction of new vocational programmes for the labour market, supports innovative training initiatives and promotes employability. It has been operational since March 2022. The objectives of the Vocational Skills Agency are to support modern skills development through individually tailored inclusive VET provision, enhance the internationalisation of VET, and increase the capacity of VET

providers in terms of the delivery of VET programmes and the relevance of labour-market demand. There are plans to transform a number of existing VET colleges into skills hubs, which would become reference points for sector-based skills development. The Agency supports skills development through research and development and facilitate the establishment of sector skills organisations (SSOs), which will replace the previous ad hoc sector skills councils. SSOs are co-funded by the Agency for certain functions such as the development of standards. They are established with sector-based associations and professional communities to ensure the labour-market relevance of standards and qualifications and facilitate work-based learning opportunities. SSOs participate in final VET exams. Representatives of trade unions are invited to participate in SSOs.

The **governance of the Vocational Skills Agency** is based on a public-private partnership, and the supervisory board includes six business associations and six line ministries, with all decisions being made on an equal footing and all board members having equal voting rights. The agency is financed by a government subsidy of GUL 9 million (with a 15% annual increase). Of this, GEL 1.5 million is allocated for staff costs and operations and GEL 7.5 million for programmes, quality improvement and other tasks assigned by the Ministry. The Agency's operations are also supported by international donors such as UNDP and the Asian Development Bank. The Agency currently employs around 50 people, including short-term contract staff.

The **National VET Council** was the main tripartite consultative body on VET policy. It consisted of an equal membership of government and social partners, including civil society. The government suspended the Council's operations in summer 2019 owing to a lack of interest and commitment from non-governmental members. The new board of the Vocational Skills Agency is expected to form a platform to revive social dialogue in skills development and replace the National VET Council over time.

The **Youth Agency** was established in 2019 with the responsibility for promoting and implementing policies related to youth (defined as 14- to 29-year-olds, around 20% of the population), which included the delivery of a range of services through Youth Centres in the regions, among them training programmes to improve professional/vocational skills. The National Youth Policy for Georgia (NYPG) 2014-2020 focused on four priority areas or dimensions: i) participation – opportunities to participate in social, economic, cultural and political life; ii) education, employment and mobility – access to appropriate-quality education, employment and professional growth opportunities; iii) health – promoting a healthy lifestyle and access to health services; and iv) support for the vulnerable – taking advantage of greater awareness of civil rights and responsibilities. However, as noted in the ETF report (ETF, 2018), the NYPG was not a stand-alone policy with a single institutional responsibility for its implementation, but a collection of activities related to youth, extracted from a wide range of action plans from various government agencies. Creating a Youth Agency under the authority of Prime Minister was designed to be a step towards raising the priority of youth policy and coordinating its implementation.

In late 2020, however, with the reversal of the amalgamation of culture and sports with the MoES and the revival of a separate Ministry for Culture, Sports and Youth (MoCSY), the Youth Agency was relocated under the MoCSY. A new National Youth Strategy was finalised in January 2021, with the support of the Skills4Jobs Technical Assistance project, but following the institutional reorganisation in 2020, the responsibility for its implementation is with MoCSY rather than the Youth Agency alone. The Strategy covering the 2023-2026 period was adopted in December 2022. A framework for the Strategy was provided by the National Youth Policy Concept for 2020-2030¹¹, which was approved by Parliament in July 2020, with an emphasis on developing a strategy and action plan that draws together Georgia's international and national commitments on youth. The Strategy aims to achieve the NYPG's goal of creating 'an environment that ensures the participation of young people as full-fledged members of society, decent employment, health care and well-being, and equal access to information, resources and opportunities for development'.

¹¹ <https://matsne.gov.ge/ka/document/view/4936402?publication=0>

Qualifications, validation and recognition

In 2019, new legal acts regulating the national qualifications framework (NQF) were adopted. The new lifelong learning framework comprises a unified eight-level structure in which the level descriptor categories are 'Knowledge and Understanding', 'Skills' and 'Responsibility and Autonomy', compatible with those in the European Qualifications Framework. The implementation of the revised NQF legislation required effective planning and coordination with the quality assurance reforms, as well as improved capacity at the NCEQE to ensure that the NQF stimulates transparency in qualifications, improved permeability within a lifelong learning perspective and the necessary interaction between qualifications and the world of work (demand for skills and qualifications).

General education qualifications are placed at NQF levels 2 and 4, VET qualifications at NQF levels 3 to 5, and higher education qualifications at levels 6 to 8 (ETF, 2021b). Continuous vocational qualifications are placed at NQF levels 2 to 5. They are regarded as part of formal education and can be assigned a level in the NQF and awarded by any legal entity, including those outside the formal education system such as private companies, training centres, etc. that are authorised¹² to provide short-term training/retraining programmes independently or in collaboration with an education institution.

In the past, social partners have been also involved in validating occupational and educational standards through sector committees. Sector committees were created to develop occupational standards under the NCEQE. However, they suffered from an under-representation among businesses and professional associations, and a predominance of educational institutions and experts among their members. At sectoral level, Georgia needed to continue its efforts to make the VET system more demand-led and responsive to industry needs. The Vocational Skills Agency has taken over these functions and has been coordinating the work of sector skills organisations (SSOs) since 2022. SSOs are initiated and created by sectoral business associations and professional organisations. A new concept of developing vocational qualifications was introduced in Georgia in 2021, with SSOs given the leading role in defining learning outcomes. Nine SSOs had been set up by the end of 2022, and more are expected to be established in the future. Their composition is formally approved by the Board of the Vocational Skills Agency.

Recognition of prior learning (RPL) is another area that Georgia started to develop as early as 2008 and that was formalised in 2010. However, there was no validation due to lack of demand and the fear of malpractice in its implementation. RPL was revised in 2019 in terms of creating a separate certification procedure for RPL providers and a network of certified assessors. The system is now in place to carry out validation, but only in two fields of studies – car mechanics and beauty care – and at the time of the ETF evaluation (ETF, 2021a) of the VET strategy, no one had yet gone through the new validation procedure process. The lack of awareness of the existence of RPL and low confidence in and demand for formal VET credentials among both learners and employers might be the reasons why the system has not yet kicked off. Further efforts in this area would be needed to ensure that the validation of non-formal and informal learning (VNFIL) is an integrated practice of Georgian lifelong learning in the years to come.

Quality and quality assurance

The NCEQE is responsible for quality assurance at all levels of education. It authorises educational institutions by issuing them with a licence. The Law on Education Quality Development (2010) established a quality assurance framework for all VET providers. The framework envisages two instruments for assuring quality in the VET system: authorisation (licensing educational institutions) and accreditation (quality assurance at programme level). Under this law, the NCEQE is recognised as the sole national body authorised to act as an external mechanism, assuring and enhancing educational quality. The main aims of the NCEQE are to promote the enhancement of educational quality and to develop a quality culture at educational institutions.

¹² <https://www.mes.gov.ge/content.php?id=9133&lang=eng>

Quality assurance at VET institutions is carried out using internal and external quality assurance mechanisms. Internal quality assurance mechanisms are set up and performed by the VET institutions, while external quality assurance mechanisms are the responsibility of the NCEQE (ETF, 2021c). To ensure the implementation of quality assurance mechanisms, the NCEQE has created expert groups. The VET Quality Assurance Department leads intensive training sessions for the expert groups, monitors their performance, evaluates their activities and periodically updates their composition. The Authorisation Council for VET Institutions discusses the experts' evaluation reports and makes appropriate decisions on whether the institutions' programmes, infrastructure and resources comply with authorisation standards. The VET Quality Assurance Department provides VET institutions with advice, training, manuals and guides. The department also gives advice to organisations intending to obtain the status of VET institution.

In accordance with the Order of the MoES of 11 February 2020, new standards were approved for the authorisation of VET institutions. These new standards assess all components of the educational process in terms of a unified, orderly mechanism, paying particular attention to ensuring that stakeholders are fully involved in the educational process. Various types of technical assistance initiatives are available to enhance the capacity of VET providers. The NCEQE has produced a guide on the quality assurance of the implementation of the programmes, providing direct support during the process. Training sessions on the verification of the evaluation system and the implementation of the development evaluations were conducted for the representatives of the institutions. According to the current regulations, 85 institutions submitted self-assessment reports to the NCEQE (ETF, 2021c), spanning virtually the entire network of VET institutions in Georgia.

The MoES is responsible for monitoring and evaluating the implementation of the VET strategy and system. It produces progress reports on strategy implementation, including VET (MoES, 2022). The MoES also evaluates and monitors the strategies under its merit. It can also request external evaluations, as was the case with Georgia's VET 2013-2020 Strategy, when the ETF was commissioned to conduct the evaluation. The State Audit Office also conducts thematic audits on education system performance. Audit reports are available in English on the agency's website¹³.

Work-based learning arrangements

Taking into account unstable private-sector situation and expectations, clearly driven by the COVID-19 pandemic, work-based learning has faced particular challenges, especially in 2020. The restrictions imposed in the country led to the suspension of business operations in almost all major sectors, especially tourism, which is one of the priority areas for the implementation of dual programmes.

However, five public VET institutions obtained the right to implement qualification programmes in agriculture, transport and culinary arts for an additional 222 students. As pandemic-related restrictions were reduced in 2021, it became possible to reactivate work-based learning. In 2021, 13 public VET institutions obtained the right to implement dual programmes, and as a result, 395 new places for learners were allocated. In 2020, public and private colleges admitted 384 new students to qualification programmes based on a work-based learning approach in the fields of agriculture, construction, tourism, food production, veterinary science and transportation. In 2021, 521 students were admitted to dual programmes. All of this suggests that despite the pandemic, the private sector is making long-term calculations and continues to invest in vocational education. It is noteworthy that as of 2021, more than 100 private companies have been involved in the implementation of dual programmes. The Vocational Skills Agency is in charge of promoting and expanding work-based learning schemes through sector skills organisations.

Digital education and skills

In 2018, the MoES announced a comprehensive 'New School' reform to introduce digital education to all public schools in the country. Working closely with Microsoft and the Education Management Information System (EMIS), the Ministry rolled out Microsoft 365 to digitally revamp its educational

¹³ <https://sao.ge/en/reports?IsAudit=true>

environment. A series of training workshops were conducted through a network of EMIS specialists and Microsoft engineers to facilitate the adoption for teachers. The localisation into Georgian of the Microsoft Teams interface and of all online classes, making them available to everyone, boosted the use of the tool from 750 daily active users to nearly 300 000 in 3 months¹⁴.

In 2020, the EMIS provided an ongoing learning experience for all students, including those in remote areas, using Microsoft 365 to run virtual classes, pre-recorded lessons, and real-time communication and collaboration. Altogether, 330 000 virtual classes were conducted¹⁵. Several solutions have been incorporated into the system, including a digital educational content library and a chatbot that supports Teams users and answers topic-specific questions.

Performance indicators to monitor progress on digitisation are provided in EMIS's Mid-Term Action Plan¹⁶ (2023-2026, describing the programmes, sub-programmes and activities implemented within the priorities). 100% of public schools (both primary and secondary) have an internet connection.

While the Georgian general education system was better prepared to move to online learning mode during the pandemic, the capacity of the VET system was not ready to meet the challenge, and VET provision was suspended for several months. Over the past decade, VET institutions in Georgia have been significantly re-equipped with computer labs and infrastructure through various state or donor-supported initiatives (ETF, 2019). All VET institutions are connected to the internet. However, there has been no formal teacher-training process in digital skills and competences (DSC) and there is mandated use of ICT-supported teaching across the curriculum. Previously, 60% of VET teachers passed the in-service courses in basic DSC (two levels) and 50% passed the advanced Intel Teach Essentials course in ICT-enriched project-based learning (ETF, 2019).

In spite of various DSC initiatives at VET colleges and donor-financed DSC programmes, Georgia needs to strengthen its capacity to develop the digital skills of teachers and trainers across the VET system to ensure technology-empowered hybrid education and digitally driven instruction for learners. In this regard, the Vocational Skills Agency has created an e-platform aimed at developing and strengthening the ability of VET institutions in blended learning to deliver distance and online courses.

Statistics on education and training

Since 2012, the Education Management Information System (EMIS) has been functioning under the Ministry of Education and Science as a legal entity responsible for the collection, aggregation, analysis and use of data and information on education for policy planning, formulation, monitoring and evaluation at all levels, from early childhood to higher education.

The EMIS has developed and maintains custom systems for various levels of education, including VET¹⁷. The new authorisation rules for VET providers require all VET institutions, including private ones, to report to the EMIS. Previously, this was mandatory for public providers but optional for private ones. Although the EMIS is considered a reliable source of information and collects data on learners, teachers, programmes, infrastructure, etc., the use of data has remained somewhat limited. The State Audit Office conducted a performance audit of the EMIS in 2019 (SAO, 2019) and recommended that the MoES and the EMIS further develop the EMIS's functionality to ensure a user-friendly data interface, including analytical dashboards, graphs and data visualisations, to make it easier for the Ministry and other stakeholders to analyse current developments.

The MoES conducts regular tracer surveys of VET graduates. The representativeness of the surveys has not been considered a sufficiently reliable data source, but the practice continues and the survey results indicate gradually improving employability among VET graduates (ETF, 2021a).

¹⁴ Microsoft News December 2020, <https://news.microsoft.com/>

¹⁵ Ibid

¹⁶ [Medium Term Action Plan \(2023-2026\) N 1.1. Description of programs, sub-programs and activities implemented within the framework of priorities.pdf](#)

¹⁷ [Order N11 N On approval of the rules and conditions for the establishment and administration of the Vocational Education Management Information System.pdf](#)

3. LABOUR MARKET AND EMPLOYMENT

3.1 Trends and challenges

Labour market characteristics

Despite the sustained economic growth in the past decade, the three structural problems of the Georgian labour market have remained: 1) limited job creation (for highly skilled workers); 2) a high share of self-employment in subsistence agriculture; and 3) a high level of urban unemployment, especially among young people. Around 60% of total employment is in services sector, with around 20% each in agriculture and manufacturing. The employment share of services has been increasing in the last decade at the expense of shrinking agricultural employment (ETF, 2020).

Recent labour market developments in Georgia result in a low activity and employment rate and a significant gender gap. The overall unemployment rate (aged 15+) has been declining, falling from 26.4% in 2013 to 17.6% in 2019, while the pandemic raised the unemployment rate to 18.5% in 2020 and further to 20.6% in 2021. The unemployment rate is higher for men (22.7% in 2021) than for women (17.8% in 2021). There are also geographical disparities: in 2021, the unemployment rate in rural areas of Georgia was 18.2%, compared with 22.2% in urban areas, while the activity rate was higher at 54.1% in urban areas, compared to 46.8% in rural areas¹⁸. Individuals with lower skills were slightly more affected by unemployment than individuals with VET or higher education at 33.8% (low) and 23.3% (medium), compared to 17.7% with VET and 15.5% with higher education background.

Therefore, analysis shows that the pandemic had the biggest impact on the low- and medium-skilled levels of the workforce.

Although 2021's activity rate (aged 15+) remained virtually the same, at 50.9% in comparison to 50.5% in 2020, the gender gap widened further to 22 percentage points between the activity rates for men (62.9%) and women (40.5%). The gender difference in employment rates is also significant, with 15 percentage points between the employment rates for men (48.6%) and women (33.3%) in 2021. The lower female participation rate is partly explained by a lack of childcare opportunities, significant wage disparities between men and women (about 35%), and a lack of flexible employment opportunities.

The Georgian economy started to show signs of recovery in the first half of 2022. According to data from the National Statistics Office¹⁹, the unemployment rate decreased to 19.4% in the first quarter and fell further to 16.1% in the last quarter. Thus the annual average of unemployment is 17.3% in 2022. At the same time, employment agencies (both private and public) reported a significant increase in the number of vacancies published by employers.

Young people face particular challenges in transitioning from school to work and in the labour market. The youth unemployment rate (in the 15-24 age group) remains high, and increased further from 39.4% in 2020 to 42.9% in 2021. Youth unemployment by educational level shows that the group with a low level of education suffered most from the impact of the pandemic, with their unemployment rate increasing from 26.5% in 2020 to 33.8% in 2021²⁰. It should be noted that the unemployment rate increased in almost all age groups between 2020 and 2021. However, it increased especially in the age groups of 15-19 (8.3 percentage points), 25-29 (4.6 percentage points) and 30-34 (4.7 percentage points).

Furthermore, challenges to the Georgian labour market do not equally affect all categories of the workforce. Various studies indicate that women and youth are among **the most disadvantaged** compared to other groups of workers on the labour market (ETF, 2023). The NEET rate in the 15-29 age group has not experienced such a dramatic change, but still decreased slightly, from 35.1% in 2020

¹⁸ National Statistics Office of Georgia, 2022 <https://www.geostat.ge/ka/modules/categories/683/dasakmeba-umushevroba>

¹⁹ Ibid

²⁰ Ibid

to 34.6% in 2021. The pandemic may have encouraged NEETs out of inactivity, making them join the labour market or return to education. However, NEETs aged between 15 and 29 form a large proportion of Georgia's youth population, around 200 000, which requires an urgent attention and coordinated policy measures from the government. A youth guarantee action could help reduce the number of NEETs in the years to come. The Ministry of Culture, Sports and Youth could take the lead to form an inter-agency task force to develop government policy and an action plan to target NEETs in Georgia.

Skills mismatch remains a concern in the Georgian labour market. The ETF cross-country study (ETF, 2022) found that there is both over-qualification and under-qualification, as people work in jobs that do not necessarily correspond to their educational levels. The analysis shows that the highest incidence of over-education in Georgia (30.9% in 2019) is among semi-skilled professions (clerks, service and sales workers, and operators and technicians). This is because a large proportion of those with a tertiary education take lower-skilled jobs and work in occupations that do not require a tertiary degree. They are often compelled to accept less-skilled jobs because there are not enough jobs requiring higher skills. The share of employees with upper-secondary education working in elementary occupations amounted to 22.4% in 2019. Although labour market matching has improved since 2016, in 2019 slightly less than half of workers in Georgia still did not fully align with the highest level of education in their occupation category, indicating that occupational mismatch is a considerable issue in Georgia (ETF, 2023). No specific analysis of post-pandemic skills mismatch has taken place. However, it is very likely that the situation has worsened in this regard.

The share of employment in sectors with higher productivity and wages (such as industry and services) has been steadily increasing over the past decade, but subsistence agriculture continues to be a large source of employment. The share of self-employment in the Georgian labour market remains high, at 31.9% of the workforce in 2020. Self-employed workers are predominantly in rural areas, typically in agriculture, and are less likely to have access to high-quality training and better employment opportunities. Georgia also has a relatively high share of people classed as 'contributing family workers', who typically do unpaid work associated with the agricultural sector. Informality, together with its implications (low levels of productivity, low wages, poor working conditions and poor access to social protection), is also a challenge, as it accounts for a large share of the Georgian labour market.

Besides the mining, manufacturing, construction and logistics sectors. in which over 30% of employees were temporarily unemployed due to the pandemic, the most dramatic change occurred in the hospitality sector and in the leisure, arts and entertainment sectors, where the share of temporary unemployed people increased from 5% to 59% and from 7% to 60% respectively (FES, 2021). The tourism industry and the construction, transport and logistics sectors also declined the most in terms of their contribution to GDP.

Although job creation seems to be recovering slowly, structural problems persist, which has resulted in pronounced polarisation on the job market in terms of high- and low-quality jobs, as well as in terms of formal and informal jobs (ETF, 2023). According to the National Statistics Office, the share of informal workers in the non-agricultural sector amounted to 28.8% in 2021²¹. Moving workers from poor-quality informal jobs to formal employment has, therefore, been recognised as a key priority for the government, which resulted in the creation of the Public Works Programme in 2022. The programme targets the recipients of Targeted Social Assistance (TSA), the majority of whom are believed to be working in informal economy.

The State Employment Support Agency (SESA) registers jobseekers on an electronic platform called Worknet. A jobseeker is defined as an individual who is unemployed or employed and is looking for a job. In practice, this means that anyone, irrespective of their employment status, can register in the system. In 2022, there were more than 110 000 jobseekers registered on the platform. However, according to the ETF analysis (ETF, 2023), this figure has very little policy relevance due to the following two reasons: 1) anyone who registered in the system since 2014 stays in the records and their file is not deleting; 2) in 2018, all TSA recipients were required to register in the system if they wanted to continue receiving the state allowance. Therefore, the vast majority of these individuals are

²¹ National Statistics Office of Georgia, 2022 <https://www.geostat.ge/ka/modules/categories/683/dasakmeba-umushevroba>

not looking for work, but have registered in order not to lose entitlement to the benefit. The State Employment Support Agency (SESA) estimates that more than 60% of the jobseekers registered in Worknet are TSA recipients who are not actually looking for work (ETF, 2023). Consequently, the number of people registered in Worknet does not provide any indication about the number of unemployed people, which makes it virtually impossible to estimate the number of people 'registered unemployed' in the country.

Statistics on and labour market and employment

The National Statistics Office, Geostat, conducts a quarterly labour force survey (LFS) and publishes key labour market indicators, including microdata, on its website on a quarterly and annual basis. Worknet is the database of registered jobseekers and vacancies run by the SESA, but its reliability remains questionable, as mentioned earlier.

In 2020, Georgia switched to the new International Labour Organization (ILO) standards for publishing labour market indicators, which define employment and unemployment differently from the previous LFS methodology (MoESD, 2022). The new standards define work as 'any activity performed by persons of any sex and age to produce goods or to provide services for use by others or for own use', but defines employment as 'activities to produce goods and services [for others in exchange] for pay or profit', excluding 'own-use production work' and 'activities to produce goods and services mainly for own final use by the household', which were included under the previous standards. According to the new standard, people working at their own family farm are no longer considered self-employed if the farm is not market-oriented and mainly produces agricultural products (more than 50%) for the family's own consumption. People with that status were reclassified by Geostat either to the category of unemployed or to the population outside the labour force, depending on whether they were looking for work or not. Therefore, comparison between the 2020 labour market indicators with those of earlier years requires caution, as there is a break in time series due to the change. Only a few key labour market indicators have been computed by Geostat to allow comparability with previous years.

Since 2017, the Ministry of Economy and Sustainable Development (MoESD) has been responsible for providing labour market information, with the objective of obtaining updated information on labour market trends, career guidance and occupational profiles. The MoESD's Labour Market Information System (LMIS) Division coordinates labour market demand analysis and produces regular analytical reports on the labour market, which are published on the LMIS website²². The MoESD analyses job vacancies by sector and occupation through data received from private and public job portals. The Ministry conducted a skills survey in the tourism sector in 2018 and a survey in the construction sector in 2019 (MoESD, 2019). Among other things, the survey revealed the composition of the educational backgrounds of the construction sector workforce, of which 43% had a secondary education, 33.9% VET and 23.1% higher education. 50.5% of employees work in small enterprise, 31.9% in a medium and 17.5% in a large one. The MoESD conducted a cross-sectoral survey on skills demand in 2020 and a survey on workforce and skills demand in the energy and transport sectors in 2021, with a view to producing future projections on skills demand in these sectors. The prime minister's office has tasked the MoESD with producing a national skills forecast, for which the EU TA project has provided methodological support. The first forecast report is expected to be available in 2023.

²² <http://www.lmis.gov.ge>

3.2 Employment policy and institutional settings

Strategy and legal framework in the employment policy field

The State Strategy for the Formation of the Georgian Labour Market 2015-2018 has been succeeded by the National Strategy 2019-2023 for Labour and Employment Policy of Georgia, which was adopted on 30 December 2019. The Strategy builds upon and takes forward the activities of the earlier strategy. The Strategy includes two priorities: employment promotion and the effective functioning of the labour market. The first priority includes three goals: reducing the discrepancy between demand and supply; strengthening active labour market policy (ALMP); and promoting the involvement of women and vulnerable groups in the labour market through targeted social and inclusive employment policies. The second priority focuses on improving the system of enforcing labour safety and rights protection in the workplace, and improving labour migration management. The report (MIDPLHSA, 2022) on the implementation of the Strategy in 2021 provides an overview of developments in the sector and includes a reference to the significant impact of the COVID-19 pandemic on the economy and the labour market.

The new Law on Facilitating Employment, which was adopted by Parliament in July 2020²³, outlines the employment policy measures and underpins the work of the new State Employment Support Agency. The Law was developed with substantial EU expertise provided by TA and twinning projects. The Law on Employment is expected to contribute to creating more accessible and effective employment services for citizens and better matching of skills and jobs in the country. The implementation of ALMP started in 2013 when the Department of Employment Support Services was created at the Social Service Agency. In 2020, the department was transformed into an independent institution and was renamed the SESA. The SESA was established with the goal of implementing the active labour market measures: providing quality employment services, including the development of temporary and legal employment (circular labour migration) opportunities abroad. The SESA's operations target employers, jobseekers and other stakeholders, and it operates under the Ministry of Internally Displaced People, Labour, Health and Social Affairs (MIDPLHSA).

The SESA's core functions are currently counselling and job mediation services (ETF, 2023). They are delivered in all offices (seven regional offices, along with five district offices in Tbilisi). Preparations for the opening of three new regional offices are underway. While regional offices engage in certain outreach activities, jobseekers residing in remote areas (or outside the regional centres) remain disadvantaged in terms of employment services. However, at the end of 2022, the SESA recruited 200 new staff to be located in the Social Service Agency's territorial offices to reach out to the rural population and other vulnerable groups.

Active labour market measures provided by the SESA include vocational training and re-training, core competency training (including job-searching skills), foreign language and digital skills, internships, and subsidised employment for people with disabilities. In terms of the number of beneficiaries and the budget, vocational (re)training and core competency courses are the largest active labour market measures, while internships and subsidised employment programmes have so far had an insignificant ALMP share.

On 29 September 2020, Georgia's Parliament adopted an important labour law reform package. By offering much greater protection to workers, the adoption of the reforms, which were developed with the extensive support of the ILO, constitute a major step forward in bringing Georgia's labour legislation in line with the relevant international labour standards of the ILO and the EU Directives, and in striking a better balance between the rights and interests of workers and employers.

The Organic Law of Georgia on Occupational Safety (adopted in February 2019, in force since September 2019) extended the mandate of labour inspectors to unannounced inspections in all sectors. The Law of Georgia on Labour Inspection²⁴, which was adopted in September 2020, established the Labour Inspection Service as an agency under the MIDPLHSA. Its operations are

²³ <https://matsne.gov.ge/en/document/view/4924109?publication=0>

²⁴ <https://www.ilo.org/dyn/natlex/docs/MONOGRAPH/110472/137421/F-1715825391/GEO110472%20Eng.pdf>

under development and the number of inspectors increased to 109 in 2022. The Labour Inspection Service has set up an Advisory Board, provides training for companies, and plans to expand regional coverage of its services at least to larger cities. It has also reported on an increasing awareness of training needs among employers. The EU has underlined the need to continue strengthening the labour inspection system by ensuring adequate resources and trained staff for its operations and providing effective supervision of labour rights and working conditions. Moreover, the Georgian government is considering ratifying ILO Convention 81 on labour inspections. Georgia has requested that EU support the capacity-building of the Labour Inspection through a twinning project.

The EU has urged Georgia to proceed with quality improvements and timely adherence to outstanding directives. Draft legal acts have been prepared to transpose several OSH directives. The new version of the OSH Law²⁵, which aims to better align the old law with the EU *acquis*, was adopted in 2019.

The Georgian Trade Unions Confederation and the Georgian Employers' Association have been closely involved, particularly in drafting the OSH Law, transposing EU directives and amending the Labour Code.

Initiatives to boost employment

Employment counsellors in each SESA office are sourcing vacancies on a daily basis. There is, however, a big regional disparity between the number of vacancies and job mediation cases. Unsurprisingly, Tbilisi and some of the larger cities (e.g. Kutaisi) have the highest number of job matches compared to other regions, where the local economy is not well-developed and there are fewer employers. Since 2018, when all TSA recipients became required to register in Worknet as a precondition for receiving social assistance, registration has also involved initial counselling. This resulted in a sudden spike in the number of counselling cases registered in 2019.

The total number of TSA recipients was around 450 000 before the pandemic, increasing to over 650 000 during and after the pandemic, according to the MIDPLHSA. The COVID-19 pandemic had a dramatic impact on the implementation of employment services, and the number of beneficiaries in counselling dropped drastically, from 14 992 in 2019 to 2 584 in 2021, and those in job mediation dropped by 70% between 2019 and 2020 (ETF, 2023). The situation improved somewhat in 2021, when the lockdown was lifted and businesses started renewing their operations.

In terms of employment services, TSA recipients are offered four options (ETF, 2023): they can 1) take up a job under the Public Work Programme – usually a low-skilled or unskilled job that requires no special training or competences from the jobseeker, 2) apply for a regular vacancy on the open labour market; 3) enrol in the short-term training/retraining course; or 4) formalise the existing employment relationship / economic activity status. The latter option targets individuals who are either self-employed or informally employed by a company. These individuals are given the period to either register as self-employed at the revenue service (for those in self-employment) or persuade their employer to conclude a formal employment contract with them. If the TSA recipient takes up any of the four proposed options, they are granted a grace period of 4 years, during which their social assistance benefits will be kept, and their personal income will not be reassessed. If the TSA recipient refuses all of the options, their household will be subject to reassessment the following year.

The new Public Works Programme, which has a significant budget of GEL 36 million (around EUR 12 million), was launched in March 2022 aims to activate TSA recipients. The Georgian authorities estimate that a large share of TSA recipients are fit to work and engage in informal labour. Therefore, the programme targets those whose poverty assessment score falls below a certain threshold and who are considered fit to work (ETF, 2023). Initial statistics on the effectiveness of the programme show that around 60% of TSA recipients opt for a Public Work Programme job. However, there is a major difference between the capital and the regions, as 7% of TSA recipients in Tbilisi chose public works jobs, while in the regions 66% made that choice. This reflects the fact that real job

²⁵ <https://www.moh.gov.ge/uploads/files/2019/Failebi/08.06.2019.pdf>

opportunities are rare in the regions, while those residing in the capital have more alternatives for employment.

Initiatives to increase the capacity of the public employment services

Since its creation in January 2020, the SESA has faced many challenges due to the outbreak of the COVID-19 pandemic. There were delays in hiring the necessary staff and the time needed to adjust to online service delivery, offices were understaffed, and services were delivered with interruptions. The main challenge is that SESA offices across the country must ensure both high-quality employment services and adequate accessibility in all regions. The MIDPLHSA confirmed that its priority in 2022 remained the further institutional building and full delivery of services with full accessibility and quality/diversity of services. The SESA has its own annual budget (GEL 4 million), of which GEL 770 000 was spent on active labour market measures in 2022.

The COVID-19 pandemic significantly affected the SESA's operations, since it was tasked to administer the disbursement of one-off unemployment benefits to workers laid off due to the crisis (ETF, 2023). There is no unemployment insurance/benefit system in Georgia. Due to the rising number of workers who were made redundant, the government decided to offer one-off financial assistance to them. Namely, those in hired employment who lost jobs due to the pandemic were entitled to one-off financial assistance of GEL 600 (EUR 214), while self-employed people were entitled to GEL 300 (EUR 107). A total of 162 271 formerly hired employees and 124 348 self-employed people benefited from this assistance. The SESA registered these workers in a separate database (not in Worknet) and provided employment counselling to them in the course of 2020 and 2021. As mentioned earlier, the provision of other employment services (e.g. counselling and job mediation) slowed down during this period, primarily due to the very low turnover of beneficiaries, as no special measures were taken to provide these services online. Starting from 2022, all services fully returned to face-to-face format.

The ongoing delivery of ALMP services and implementation of the Public Works Programme and other initiatives can be an opportunity to increase the SESA's capacity. Vacancies reported in Worknet are still collected and analysed, but a new upgraded Worknet is needed, with multiple modules (e.g. employer module, jobseeker module, case management module). The SESA has requested international assistance to finance the development costs of a renewed Worknet, which should be fully operational by the end of 2023. In regional offices, there are now three to six staff in each region, but the SESA plans to increase the number to an average of 12-15 staff per region. The average salary of staff in the regions is around GEL 1 000 to 1 100. The expansion of the availability of individual employment specialists is also being considered in 69 Social Service Agency territorial offices as a follow-up to the Public Works Programme to ensure better outreach of employment services across the country. For that purpose, the SESA recruited 200 new staff in 2022, to be located throughout the country.

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GEORGIA: STATISTICAL ANNEX

The Annex includes annual data from 2010, 2015, 2019, 2020 and 2021 or the last available year.

	Indicator	2010	2015	2019	2020	2021	
1	Total population (000s) ⁽¹⁾	3 786.7	3 725.3	3 720.2	3 722.7	3 708.6	
2	Relative size of youth population (age group 15-24 and denominator for age 15-64, %) ^{(1) c}	22.3	19.4	17.7	17.5	17.4	
3	GDP growth rate (%)	6.2	3.0	5.0	-6.8	10.4	
4	Gross value added by sector (%)	Agriculture	8.5	7.8	6.5	7.3	6.1
		Industry	16.9	19.2	20.3	21.2	21.8
		Services	63.1	62.0	60.8	59.1	59.4
5	Public expenditure on education (as % of GDP)	2.8	3.2	3.8	3.9	0.0	
6	Public expenditure on education (as % of total public expenditure)	M.D.	M.D.	M.D.	11.2	0.0	
7	Adult literacy (%) ^c	M.D.	M.D.	99.5	M.D.	M.D.	
8	Educational attainment of total population (aged 15+) (%)	Low ⁽²⁾	M.D.	10.7	11.9	11.2	11.3
		Medium ⁽³⁾	M.D.	58.2	57.8	58.9	58.6
		High ⁽⁴⁾	M.D.	31.1	30.2	29.8	30.1
9	Early leavers from education and training (aged 18-24) (%)	Total	M.D.	5.8	9.3	8.2	7.3
		Male	M.D.	6.8	9.6	8.8	7.6
		Female	M.D.	4.7	8.9	7.4	7.0
10	NET enrolment rates in secondary education (ISCED level 2-3) (%)	M.D.	91.3	95.8	95.0	M.D.	
11	Share of VET students in upper secondary education (ISCED level 3) (%)	M.D.	9.0	11.2	7.6	M.D.	
12	Low achievement in reading, mathematics and science – PISA (%)	Reading	62.0 ⁽⁶⁾	51.7	64.4 ⁽⁷⁾	N.A.	N.A.
		Mathematics	68.7 ⁽⁶⁾	57.1	61.1 ⁽⁷⁾	N.A.	N.A.
		Science	65.6 ⁽⁶⁾	50.8	64.4 ⁽⁷⁾	N.A.	N.A.
13	Activity rate (aged 15+) (%)	Total	63.3	66.8	62.9	50.5	50.9
		Male	73.8	77.2	72.6	62.0	62.9
		Female	54.4	57.9	54.5	40.4	40.5
14	Inactivity rate (aged 15+) (%)	Total	36.7	33.2	37.1	49.5	49.1

	Indicator		2010	2015	2019	2020	2021
		Male	26.2	22.8	27.4	38.0	37.1
		Female	45.6	42.1	45.5	59.6	59.5
15	Employment rate (aged 15+) (%)	Total	52.3	57.4	55.7	41.1	40.4
		Male	59.7	65.2	63.3	49.5	48.6
		Female	46.0	50.7	49.0	33.9	33.3
16	Employment rate by educational attainment (aged 15+) (%)	Low ⁽²⁾	32.1	30.9	30.5	14.7	13.1
		Medium ⁽³⁾	54.7	60.1	56.6	37.9	36.9
		High ⁽⁴⁾	58.0	61.6	63.9	57.5	57.6
		VET ⁽⁵⁾	59.8	63.7	59.5	41.8	41.9
17	Employment rate by sector (%) ⁽⁶⁾	Agriculture	48.0	43.9	38.2	19.9	18.9
		Industry	10.6	11.0	13.9	17.6	19.0
		Services	41.4	45.2	48.0	62.5	62.1
18	Incidence of self-employment (%)		58.8	53.5	49.7	31.9	31.8
19	Incidence of vulnerable employment (%)		57.4	52.1	47.7	29.0	29.1
20	Unemployment rate (aged 15+) (%)	Total	17.4	21.9	17.6	18.5	20.6
		Male	19.1	15.6	12.8	20.2	22.7
		Female	15.5	12.4	10.1	16.2	17.8
21	Unemployment rate by educational attainment (aged 15+) (%)	Low ⁽²⁾	9.3	8.5	10.9	26.5	33.8
		Medium ⁽³⁾	16.3	13.4	11.8	20.5	23.3
		High ⁽⁴⁾	21.4	16.1	11.3	14.8	15.5
		VET ⁽⁵⁾	15.9	13.3	9.8	16.3	17.7
22	Unemployment rate (aged 15-24) (%)	Total	37.9	33.8	30.4	39.4	42.9
		Male	35.1	31.7	28.9	40.1	44.3
		Female	42.7	37.6	32.9	38.2	40.5
23	Proportion of people aged 15-24 not in employment, education or training (NEETs) (%)	Total	M.D.	26.6	26.0	28.5	26.8
		Male	M.D.	21.0	23.3	28.7	26.8
		Female	M.D.	32.8	29.1	28.3	26.8
24	Participation in training / lifelong learning (% aged 25-64)	Total	M.D.	0.6	0.8	1.1	1.2
		Male	M.D.	0.7	0.9	0.9	1.1

	Indicator	2010	2015	2019	2020	2021
	Female	M.D.	0.6	0.8	1.2	1.3
25	Human Development Index	0.8	0.8	0.8	M.D.	M.D.

[Last update: 5.9.2022](#)

Sources:

Indicators 1, 2, 3, 4, 5, 6, 7: World Bank, World Development Indicators DataBank

Indicators 7, 10, 11: UNESCO, Institute for Statistics

Indicators 8, 9, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24: GEOSTAT, National Statistics Office of Georgia (data received). 2017: Break in time series.

Indicator 12: OECD PISA 2018 Results (Volume I) Annex B1

Indicator 25: UNDP

Notes:

⁽¹⁾ Estimation

⁽²⁾ Low – Lower secondary education and less

⁽³⁾ Medium – Upper secondary education, vocational programme or secondary professional programme

⁽⁴⁾ High – Higher professional programme or bachelor's, master's or doctoral programme

⁽⁵⁾ VET – secondary professional and vocational programmes

⁽⁶⁾ Applies to 2009

⁽⁷⁾ Applies to 2018

⁽⁸⁾ Before 2021 according to economic activity (Nace rev. 1.1), from 2021 according to Nace rev. 2.

Legend:

C = ETF calculations

N.A. = not applicable

M.D. = missing data

KEY DONOR PROJECTS IN EDUCATION, TRAINING AND EMPLOYMENT

DONOR	PROJECT	BUDGET & DURATION
EU	Skills4Jobs Programme (supports VET, employment and labour market reforms, entrepreneurial learning)	2018-2024 EUR 50.8 million
German Federal Ministry for Economic Cooperation and Development (BMZ), European Union (EU)	Private Sector Development and Vocational Education and Training in the South Caucasus	2017-2024 EUR 46 380 000 (including EUR 20 780 000 EU co-financing)
Swiss Agency for Development and Cooperation UNDP	Modernization of the Vocational Education and Training and Extension Systems Related to Agriculture in Georgia	2021-2024 USD 4 million
World Bank	Innovation, Inclusion and Quality (expanding access to pre-school education and improving the quality of education and learning environments in secondary general and higher education)	2019-2026 USD 102.7 million
World Bank	Human Capital Program (health sector, social services, education, labour market and employment support programme)	2022-2028 USD 400 million
Asian Development Bank	Modern Skills for Better Jobs Sector Development Program (supports VET reform)	2020-2027 USD 70 million
Asian Development Bank	Improving Learning Outcomes in Secondary Education Sector Development Program	2022-2028 USD 150 million
USAID	USAID Industry-led Skills Development Program	2021-2026 USD 24 million

ABBREVIATIONS

ADB	Asian Development Bank
ALMP	Active labour market policy
EMIS	Education Management Information System
ETF	European Training Foundation
GDP	Gross domestic product
ILO	International Labour Organization
LFS	Labour force survey
LMIS	Labour Market Information System
MoES	Ministry of Education and Science
MoESD	Ministry of Economy and Sustainable Development
MIDPLHSA	Ministry of Internally Displaced People, Labour, Health and Social Affairs
MoCSY	Ministry for Culture, Sports and Youth
NAEC	National Assessment and Examinations Center
NCEQE	National Center for Educational Quality Enhancement
NEET	Not in employment, education or training
NQF	National Qualifications Framework
NYPG	National Youth Policy for Georgia
OECD	Organisation for Economic Co-operation and Development
OSH	Occupational safety and health
PISA	Programme for International Student Assessment
SME	Small and medium-sized enterprise
SESA	State Employment Support Agency
SSA	Social Service Agency

TSA Targeted Social Assistance

VET Vocational education and training

WBL Work-based learning

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