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ETF Peer Learning Event “Effectiveness of ALMPs”

EVALUATION OF VOCATIONAL TRAINING-RETRAINING MEASURE IN GEORGIA

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16-17 June,

Bari, Italy

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SECTION 1

EVALUATION PURPOSE & RATIONALE

Training-Retraining program: key characteristics

- Implemented by the State Employment Support Agency (SESA) since 2020
- Short courses (max. 3 months duration)
- Target group: job seekers registered with SESA
- Average # of participants over the last 5 years: > 2000 annually
- Voucher funded
- Main providers – national VET colleges, as well as “training enterprises”

Evaluation Objective & Scope

Objective:
- evaluate the effectiveness and efficiency of the Vocational Training & Retraining program.
- Understand to what extent does the program help participants find and retain employment, as well as the financial return on the investment.

Time-frame:
Evaluation implemented in 2024 focusing on the participants of ALMP who completed training in 2022.

Evaluation methodology

Data Sources:

- Administrative data from the Revenue Service, providing comprehensive data on participant's employment status and earnings.
- Survey data from SESA (460 job seekers) offering insights into participants' experiences

Sample Size:

- 2521 individuals analysed using administrative data, providing robust dataset for statistical analysis.
- 406 job seekers participated in the survey allowing for qualitative insights into the program's effect

Indicators Used:

- Hard Employment Effectiveness
- Soft Employment Effectiveness
- Return on Investment (ROI)
- Salary Change
- Drop-out rate
- Employment Speed

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KEY FINDINGS

HARD EMPLOYMENT INDICATOR

Definition: The share of participants who were unemployed in 2022 and found employment in 2023.

Result: 4.8% employment rate (around 10% counting from unemployed participants only), indicating low effectiveness in achieving employment for the target group of previously unemployed participants.

Out of 100 previously unemployed participants, only about 5 found employment in the following year, highlighting a need for better alignment with market needs and enhanced support mechanisms.

SOFT EMPLOYMENT INDICATOR

Definition: The share of participants who found or retained employment from 2022 to 2023.

Result: 60.6%, reflecting a higher rate due to the initial employment status of many participants. If 100 participants were tracked, about 61 were either able to find new employment or retain their current jobs, suggesting that the program is more successful in supporting those who are already somewhat integrated into the labor market.

RETURN ON INVESTMENT

Definition: Ratio of program costs to taxes paid by employed participants, providing a financial perspective on the program's effectiveness.

Result: -25%, indicating that only 75% of the investment was returned via taxes.
For every GEL 100 spent on the program, only GEL 75 was recouped through taxes paid by participants who found employment, highlighting the need for more efficient allocation of resources.

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SALARY CHANGE

Definition: Change in salaries of participants from 2022 to 2023.

Result: 4.4% increase in salaries, with significant gains among previously unemployed participants. If a participant was earning GEL 1000 in 2022, their salary would increase to GEL 1044 in 2023, indicating a modest but positive financial impact of the training.

DROP-OUT RATE

Definition: Share of participants who did not complete the program.

Result: 7% - Out of 100 participants, 7 did not complete the program. Reasons might include finding a job before completing the course, health problems, loss of interest or dissatisfaction with the training.

EMPLOYMENT SPEED

Definition: Time taken by participants to find employment after training.

Result: 39% found employment during or immediately after training, 33% within a month post- training.

If 100 participants were tracked, 39 would find jobs during or right after training, and another 33 would secure employment within a month, indicating the program’s role in accelerating job placement.

SUMMARY OF MAIN FINDINGS

Effectiveness:

Program shows potential but needs strategic adjustments to enhance its effectiveness and efficiency. While the program has achieved some positive outcomes, the overall employment rates needs improvement.

Efficiency:

Negative ROI suggests need for improvement in cost-effectiveness. With an ROI of -25%, the program is not financially sustainable in its current form.

Participants:

Low drop-out rate

Positive salary changes

Fast employment speed

Half – employed at the start of participation

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RECOMMENDATIONS & POLICY IMPLICATION

Recommendations for program re-design

- Improve identification & targeting of participants: stronger focus on “unemployed” job seekers vs. job seekers who are already employed
- Strengthened employment support to the group of previously unemployed job seekers post training
- Consider introducing incentives for VET colleges – e.g. setting minimum level of post-training employment and/or withholding the payment depending on the % of employed trainees
- Pushing VET colleges to improve quality of training – capping the training fee to be paid per course
- Institutionalize evaluations and follow-up studies

WIDER POLICY IMPLICATIONS

Three main issues emerge:

- Better allocation of scarce resources – who shall be the target group for ALMPs?
- Expanding the pool of training providers → improved quality of training
- Improve Labour Market Information System (LMIS) – to better align the list of vocations in which training is delivered

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Example of table slide

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Title B	00	00	00	00	00	00	00
Title C	00	00	00	00	00	00	00
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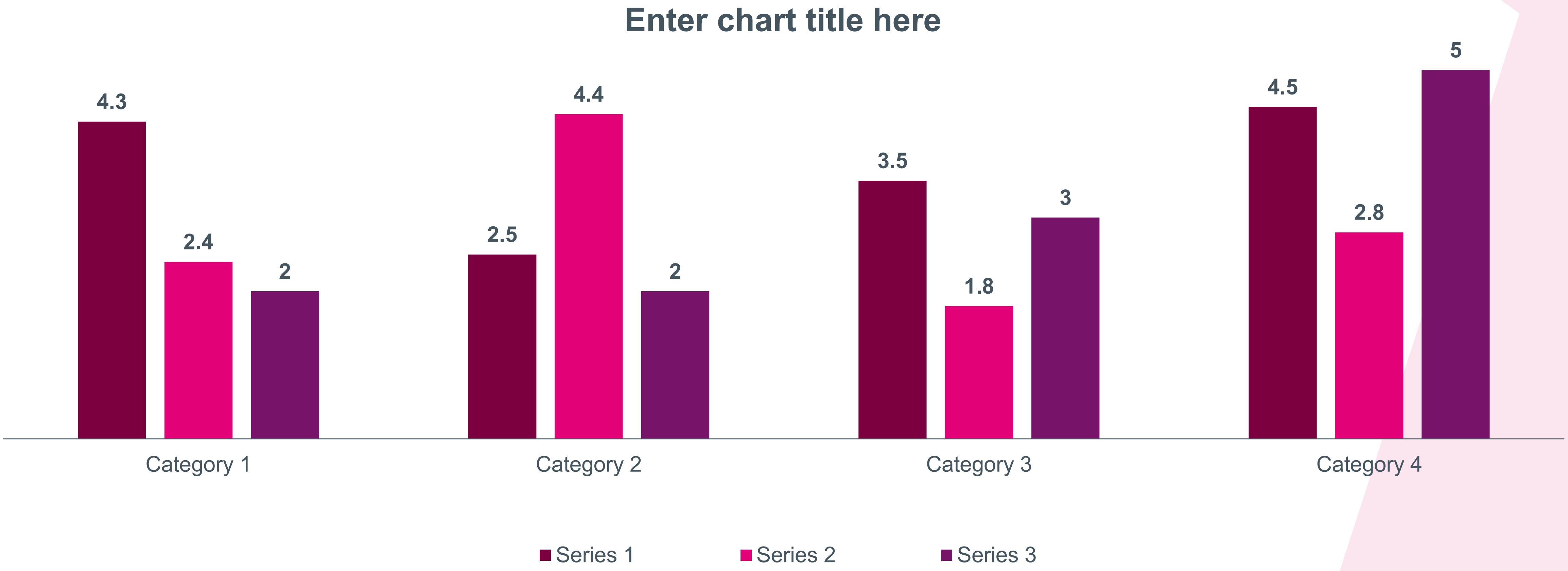
Example of bar graph style slide



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