



# GEORGIA

**EDUCATION, TRAINING AND EMPLOYMENT  
DEVELOPMENTS 2021**

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# KEY POLICY DEVELOPMENTS IN EDUCATION, TRAINING AND EMPLOYMENT

The 2020 parliamentary election in Georgia was a highly contested political event, not only during the election campaign but also thereafter. Most opposition parties boycotted Parliament for a few months, and a return to parliamentary politics was only possible with mediation efforts from the European Union.

Despite strong economic growth during the past decade, the Georgian labour market features several structural problems: limited creation of (higher-skilled) jobs, a high share of non-productive self-employment in subsistence agriculture in rural areas, and a high level of urban unemployment, especially for youth. The COVID-19 crisis and resulting economic shock have significantly played up these challenges, with the unemployment rate having nearly doubled in 2020 compared to 2019.

A large share of Georgia's employment is in agriculture, although the sector comprises only around 7 % of Georgia's overall GDP. This is due in large part to the preponderance of small-scale subsistence agriculture, with professional investor-driven large-scale enterprises comprising only a fraction of Georgia's overall agricultural output, resulting in little demand for formal salaried employment.

In 2020, the Georgian government divided the previous Ministry of Education, Science, Culture and Sport into two new government agencies: the Ministry of Education and Science (MoES) and the Ministry of Culture, Sport and Youth. After the parliamentary elections, staff changes were made in the positions of deputy ministers and in the heads of government agencies. Besides the previously established Youth Agency and State Employment Support/Promotion Agency (SESA), the **Vocational Skills Agency** was jointly established in 2021 by the MoES and the Chamber of Commerce and Industry, which will facilitate the introduction of new vocational programmes for the labour market, support innovative training initiatives as well as promote employability. The establishment of the agency is an outcome of Georgia's priority to boost public-private partnerships (PPP). All agencies are important players in strengthening implementation capacity for education, training and employment policies in Georgia in the years to come.

The COVID-19 pandemic has had an impact on the policy implementation of VET, labour market and employment strategies as well as on operations of newly established agencies such as SESA. Provision of VET qualification programmes was temporarily suspended during the lockdown and the biannual enrolment exercises were merged into one in 2020, which has resulted in a lower number of enrolments. The government has adopted a new strategy called the Government Programme 2021-2024 – Toward Building a European State. Its main objective is to overcome the crisis arising from the pandemic, ensure rapid economic recovery and development and provide a stable and safe environment for all citizens. Moreover, the Georgian government has drafted a new long-term strategy for the education and training system, including research and innovation, covering the period 2022-2032. The strategy is undergoing formal stakeholder consultations prior to its adoption, which is expected to take place in the first half of 2022.

However, notwithstanding the efforts of the government and other actors, VET remains a second choice or last resort for young Georgians. VET programmes lack standing among Georgian youth. According to a recent education sector review (Galt & Taggart, 2020), after 7 years of implementing a

new VET Strategy, VET enrolments remain disappointingly low, at 15 600 students or a mere 6 % of the eligible cohort. The recent ETF evaluation on Georgia's VET Strategy 2013-2020 resulted in a satisfactory score for the overall implementation of VET reforms, with a lot of progress made in many areas. Georgia has been particularly successful in attracting international community support to accelerate reforms in skills development. The outcomes of the evaluation are further discussed in this report.

# 1. KEY DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS

Georgia has a population of 3.71 million people (2020), a figure that has decreased by more than 1 million over the past decade<sup>1</sup>. Some 57 % of the population live in urban areas, with 1.1 million in the capital, Tbilisi. The share of young people 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 20.8 % in 2013 to 17.5 % in 2020. There are two primary factors explaining the decrease: low natural growth rates and emigration.

According to UN DESA estimates, in 2020 the number of Georgian emigrants abroad was 861 077 individuals, which is around 22 % of the total population<sup>2</sup>. Most Georgian emigrants were located in Russia, followed by Greece, Ukraine, Azerbaijan, the United States and Armenia. The gender composition of emigrants is balanced, with 50.2 % being women. Recent data show that migratory flows from Georgia to Russia have decreased significantly, especially following the 2008 Russia–Georgia August war, with flows being diverting towards the EU, Israel and North America, which offer better pay, security and quality of life than Russia (SCMI, 2019). Relatively new EU Member States also attract Georgian emigrants, especially Poland with its simplified circular migratory schemes.

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 % in 2019<sup>3</sup>. Studies suggest that despite their relatively high volume, remittances have a small impact on the country's economic development, but they nonetheless serve as a powerful tool for alleviating poverty and increasing the quality of life of migrants' families.

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. Over the past five years, Georgia's GDP growth has fluctuated considerably, showing a decrease from 7.2 % in 2011 to only 2.7 % in 2016. However, after catching up in 2017, the Georgian economy continued to perform well until 2019, with GDP growth at 5.1 %. The main contributors to GDP in 2020 were services (58.6 %), followed by industry (21.6 %) and agriculture (7.4 %). Services are also the fastest growing sector, with hospitality and financial services leading the way. In 2020 the share of services dropped slightly to 58.6 %, while agriculture grew to 7.4 %.

The COVID-19 pandemic has had a major impact on Georgia's economy in 2020, with growth contracting from 5.1 % in 2019 to - 6.2 % in 2020. However, the Georgian economy grew faster than expected in 2021, with output expanding by 12.0 % year-on-year during January-August, as pandemic-related restrictions were gradually eased. Economic acceleration, as evidenced by rising mobility, trade volumes, tax collection, credit growth, and tourism revenues, has returned GDP to

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<sup>1</sup> 2014 General Population Census, Main Results, Geostat 2016.

<sup>2</sup> UN DESA, International Migrant Stock 2019, 2020.

<sup>3</sup> European Training Foundation (ETF) Skills and Migration Country Fiche, 2021.

pre-COVID levels<sup>4</sup>. However, the labour market has been slow to recover and the overall unemployment rate remains high at 20.2 %.

Repeated waves of new COVID-19 infections have kept threatening Georgia's recovery. In 2021 the number of reported cases per capita was once again among the highest in the world, with recovered cases reaching 15.5 % of the population. Vaccination coverage has risen, reaching around 35 % of the adult population by January 2022.

The World Bank estimated Georgia's GDP growth rate at 8 % for 2021, with an assumption that some COVID-19-related restrictions would remain in effect for the rest of the year. Over the medium term, GDP growth is expected to return to its potential rate of about 5.0-5.5 % as the fiscal stimulus winds down, monetary policy normalises and tourism recovers. At the same time the poverty rate is expected to decline and reach pre-crisis levels by 2022.

The Socioeconomic Development Strategy of Georgia (2014) – Georgia 2020 – set inclusive economic development as the main objective of the government. The notion is based on the increasing number of jobs, innovation and competitiveness in the private sector, as well as human resources development, including a demand-oriented labour force. The Government Programme 2018–2020, 'Freedom, rapid development and welfare', adopted in July 2018, confirms the continuity of the same priorities, namely the importance of economic growth, employment and education policies for the country.

Parliamentary elections were held in Georgia on 31 October and 21 November 2020 to elect the 150 members of Parliament. The ruling Georgian Dream party led by Prime Minister Giorgi Gakharia was re-elected for a third term in office, making it the first party in Georgian history to do so. The parliamentary election was a highly contested political event not only during the election campaign, but also thereafter. Most opposition parties boycotted parliament for a few months, and a return to parliamentary politics was only possible with mediation efforts from the European Union.

The new government, led by Irakli Garibashvili, adopted a new strategy called the Government Programme 2021-2024 – Toward Building a European State<sup>5</sup>. Its main objective is to overcome the crisis arising from the pandemic, ensure rapid economic recovery and development and provide a stable and safe environment for all citizens.

In recent years, Georgia has constantly improved the business environment for 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's 'Doing Business' assessment of 2020 ranked Georgia 7th out of 190 countries. It was the only lower middle-income country that was recognised as a top performer in ease of doing business<sup>6</sup>.

To seize all the opportunities offered by the Deep and Comprehensive Free Trade Area with the EU, the government of Georgia will have to strengthen the support provided to exporting SMEs, including through targeted financing tools. Expanding the links between foreign direct investment (FDI) and

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<sup>4</sup> <https://www.worldbank.org/en/country/georgia/overview#3>

<sup>5</sup> [http://gov.ge/files/41\\_78149\\_280277\\_GP.pdf](http://gov.ge/files/41_78149_280277_GP.pdf)

<sup>6</sup> <https://www.doingbusiness.org/en/reports/global-reports/doing-business-2020>:

domestic businesses, beyond pilot projects, is also of crucial importance for improving FDI inflows and increasing the competitiveness of Georgian SMEs.

## 2. EDUCATION AND TRAINING

### 2.1 Trends and challenges

The Georgia 2020 strategy has highlighted the low level of spending on education as a core problem. In 2013, total public expenditure on education was just 2.5 % of GDP. Since 2014, it has steadily increased, reaching 3.52 % of GDP in 2018. In 2021, the education budget increased slightly in relation to 2020. Expenditure<sup>7</sup> on VET as a share of the total budget of the MESCS has also increased from 3.0 % in 2018 to 4.3 % in 2021. Although education spending has risen in recent years, it remains significantly below the average levels in the region and remains far from the ambitious target set by the government, which stands at 6 % of GDP by 2022.

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

The country has a high net rate of enrolment in upper secondary education (95 % in 2020), a high gross enrolment rate in tertiary education (66.7 % in 2020)<sup>8</sup> and a relatively low rate of early school leavers (8.2 % in 2020). The educational attainment level of the population (age 15+) is high and has been increasing: 39.8 % are high skilled, 55.7 % are medium skilled and only 4.5 % are low skilled (2020 data). In terms of aspirations, high educational attainment has always been a social norm in Georgia.

According to the 2014 population census, 16.2 % of the country's population (602 700 individuals) are from ethnic minorities, with Azeris and Armenians constituting the largest share. According to the education law, minorities are entitled to receive 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<sup>9</sup>. 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.

VET is provided by both public and private colleges. Private VET provision is quite significant in Georgia compared to many other countries. There are 119 VET providers, of which 87 are VET colleges (20 public and 67 private), 23 are higher education institutions (14 public and 9 private) and 9 are general education schools (all private)<sup>10</sup>. The student intake of private providers is lower than that of public providers, primarily owing to the lack of access to public funding. However, the situation is changing and the MESCS has revised the funding scheme so that accredited private providers also have access to public funding in priority qualifications. The government aims to expand the network of

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<sup>7</sup> source: Ministry of Finance.

<sup>8</sup> <http://uis.unesco.org/country/GE>

<sup>9</sup> European Training Foundation (ETF), *Mapping Youth Transitions to Work in the Eastern Partnership Countries: Georgia Country Report, 2017*; data from Geostat.

<sup>10</sup> Education Management Information System/EMIS, 2019.



public VET institutions, with 10 new VET colleges under construction and 6 being rehabilitated. Development partners such as the ADB and KFW are involved in supporting the construction of new centres of excellence and in the rehabilitation and upgrading of facilities of existing institutions. The new institutions are expected to improve the VET outreach and VET access for rural populations.

The VET system also faces challenges in terms of its relevance to labour market needs and lack of attractiveness. VET continues to be considered as a second choice behind academic pathways that lead to higher education. Enrolment in VET programmes has been decreasing. The share of VET students in upper secondary education fell from 14.6 % in 2013 to 8.0 % in 2018, but increased to 11.2 % in 2019. Increasing enrolment in VET courses to 10 % by 2020 was one of three specific targets of the Georgia 2020 strategy for developing a workforce that meets labour market needs. This was unachievable partly on account of the COVID-19 crisis, which forced the Ministry to cut the biannual enrolment exercises and merge them into one. Therefore, the enrolment of new VET students decreased between 2019 and 2020. In 2019 the Ministry launched a new adult education programme providing short-term upskilling courses in priority occupations. This is part of Georgia's effort to provide impetus for lifelong learning (LLL). The participation rate in LLL remains very low in Georgia and dropped from 1 % in 2018 to 0.8 % in 2019, but recovered slightly to 1.1 % in 2020.

Recent analyses have shown that young people's attitudes towards vocational education have been changing. While they acknowledge that not everyone needs to enrol in higher education, and that VET could be an option, they also state that employers' attitudes create barriers, as the latter tend to undervalue individuals with a vocational education diploma. For this reason, even those who would like to enrol in VET might be discouraged and could seek entry to university instead<sup>11</sup>. VET programmes have until now been 'dead ends' and do not allow students to continue their studies in higher education. This issue is addressed by the new VET law. In 2019, the Ministry adopted a regulation which aims to integrate the middle level of secondary school learning outcomes into secondary vocational education programmes. New pilot projects in this field have been under way in a number of VET colleges. However, the majority of students enrolling in VET programmes are over 20 years old and have already completed general upper secondary education.

The results of some international student assessments in which Georgia participated confirm the signs of quality problems in basic education. The results of the OECD's PISA tests for three consecutive rounds in 2010, 2015 and 2018<sup>12</sup> show that a high share of 15-year-olds achieved only the lowest level of proficiency (OECD, 2019). Although Georgia's results have improved between 2010 and 2015, the fact that more than half of Georgian students could achieve only the lowest level of proficiency was worrying. On top of that, the most recent PISA 2018 results have deteriorated, in which the share of the lowest achievers has risen again to 64 % in reading, 61 % in science, and 64 % in mathematics. The country ranked 70th out of 79 countries participating in the PISA 2018 test. Weakness in these key competences will have an effect on young people's lives and will limit their further learning capacity, whether they leave education or continue studying in VET or higher education.

## 2.2 Education and training policy and institutional setting

The new government strategy 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,

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<sup>11</sup> Friedrich Ebert Foundation (FES), *Generation in Transition: Youth Study Georgia 2016*: <http://www.fes-caucasus.org/news-list/e/generation-in-transition-youth-study-2016-georgia/>

<sup>12</sup> [https://www.oecd-ilibrary.org/education/pisa-2018-results-volume-i\\_5f07c754-en](https://www.oecd-ilibrary.org/education/pisa-2018-results-volume-i_5f07c754-en)

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.

### 2.2.1 Assessment of Performance

A recently conducted **ETF evaluation of the VET strategy 2013-2020**<sup>13</sup> found that, notwithstanding the efforts of government and other actors, VET remains a second choice or last resort for young Georgians. VET programmes lack standing among Georgian youth, according to a recent Georgian education sector review<sup>14</sup>. After 7 years of implementing the VET Strategy, VET enrolments remain disappointingly low, at 15 600 students or a mere 6 % of the eligible cohort. Only 3 % of upper secondary pupils participate in VET, while the EU's average is 48 %.

According to the ETF evaluation, the VET strategy 2013-2020 was the first long-term strategy adopted in the education sector and helped structure the main directions on what had to be done in VET reform. It was prepared in an inclusive manner and the MoES and all stakeholders involved felt strong ownership in the strategy. Its approach was comprehensive and holistic, with a long-term vision and guidance, involving complementary components to be implemented simultaneously.

The reviewed reports and interviews conducted for the evaluation demonstrate that the VET strategy is highly valued. VET gained more visibility in public policies, public access to VET was improved and more partnerships with the private sector were developed. Many new aspects were introduced in VET delivery, such as modular programmes, new authorisation standards, short-term training programmes and integrated VET programmes in general education.

The evaluation found that goals and outcomes were fully in line with the political, economic and societal context of Georgia and VET was considered necessary for the government's objective of increasing economic growth through a high-quality workforce and reducing poverty through more inclusive access to skills development. Given the fragility of the VET sector in the pre-2013 period, it was justified to set the ambitious goal of establishing a modern VET system by 2020. The availability of support from generous donors (especially from the EU) enabled the adoption of a bold and ambitious strategy for reforming and improving the entire VET system.

However, the design of the strategy had some flaws, with a high number of priorities, outcomes, and targets. Some of the outcomes and targets remained general, with conceptual ideas being ambiguous as regards their implementation. Allocating resources for the implementation was not always balanced, with many resources being dedicated to some outcomes, while others had very few. Most indicators were input- and process-oriented, and sometimes vague or incomplete and would have required greater precision and means of verification. However, the most important flaw of the strategy was the lack of baselines and target outcomes in quantitative terms.

The ETF evaluation concluded that the implementation of the VET strategy was considered mostly satisfactory, as most planned outcomes were completed. However, its effectiveness and impact on the ground were relatively low since the ambitious strategy resulted only in a partial achievement of

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<sup>13</sup> European Training Foundation (ETF) Evaluation of Georgia's VET Strategy 2013-2020, (upcoming report) ETF, 2021.

<sup>14</sup> <https://api.galtandtaggart.com/sites/default/files/2021-05/25610.pdf>

outcomes in most cases. Compared to the low starting point, the evaluation observed achievements in all areas of implementation, but the degree of accomplishment for the different outcomes varied.

Social partners in Georgia have been very weak and fragmented, which impacted further improvements in the system. Considering the lack of prior involvement of the social partners, even the limited developments enabled the launch of a policy dialogue and can be considered a significant success. The evaluation found that the traditional tripartite model of social partnership in VET that was typically implemented in European countries did not work in Georgia, while direct links with the private sector as well as sectoral partnerships were more efficient.

Significant achievements were made in enlarging the network of VET providers and in improving the infrastructure of VET institutions and access to VET. However, problems of internal efficiency at institutional level remain since many of the VET colleges did not take the opportunity to provide higher quality or more diversified VET programmes.

The introduction of modular programmes and involvement of business in the development of VET qualifications and occupational standards were a significant achievement, but it was too early to assess whether they improved the overall quality of VET provision. The *labour market relevance* of VET also remains challenging due to Georgia's traditional (unstructured) labour market and economy and the fact that the responsibility to articulate the labour market demand lies with other Ministries (MoESD and MoLHSA), while the VET planning done by the MoES is not fully data driven.

Considerable efforts were invested in drafting regulations on the *status of VET teachers*, their pre-service education, career path and professional development, but those regulations were either not implemented or not enforced. Despite numerous teacher training programmes and internships, most of them were fragmented and no robust evaluation was made on their effectiveness.

The whole *quality assurance system* (QA, NQF, RPL) was improved as a regulatory framework, but it still needs to be fully operationalised to produce actual results for learners, employers and VET providers.

As regards *employability*, many stakeholder interviews confirmed successful results on this outcome, such as launching initiatives on tracer studies, career guidance in VET schools and the introduction of entrepreneurship modules. As a result, there are signs that the employability of VET graduates has improved, although employability has been affected by many other external factors, such as the overall economic situation and the Covid pandemic.

Positive trends on *VET image* are visible as its attractiveness has slightly improved, as demonstrated by the higher number of applications received, despite the decline observed since 2017. More adults and university graduates are attracted to VET as a complementary option, but fewer young people (15–19 years old) enrol in VET. Programmes integrated with general education are a substantial achievement, but due to their recent introduction, VET pathways are still not working well in practice. The ETF evaluation recommended that the VET system should be diversified for higher skill levels (i.e. level 5) to increase the prestige of VET.

The sustainability of VET reform outcomes are weakened by several factors, such as limited human resources/capacity within MoES, high staff turnover which hampered institutional memory and policy stability, frequently changing ministers and policy priorities, as well as weak ownership of other partner institutions. A heavy involvement of donors and international partners in the strategy implementation has created dependence on resources and external assistance and left MoES officials to manage and

coordinate activities without the necessary capability and possibility to learn and strengthen national policy-making capacity and expertise.

The evaluation concluded that the MoES has been successful in coordinating all activities of the VET strategy implementation, including donors' 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. Inter-ministerial collaboration seemed to be limited, with formal consultation/coordination meetings, while cooperation was not always effective at local level between VET providers, employment support offices, social services and general secondary education institutions.

According to the evaluation, an area of serious concern in the VET strategy implementation was weak monitoring. The monitoring reports produced by the MoES were more 'activity reports' rather than monitoring reports, neglecting discussions on the targets and performance indicated in the action plans. Consequently, reporting resulted in a weak analysis 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 the achievement of these inputs could contribute to the overall results and objectives of the VET strategy.

Georgia has been particularly successful in recent years in attracting generous international assistance and donor funding to support its education reform strategy. The share of international assistance in financial terms is equal to government expenditure in VET in 2013-2020.

The strategic pathways of VET development, driven by the evaluated VET strategy, are further incorporated into the Unified Education and Science Strategy for 2017-2021, which has been the main guiding document for the entire education sector<sup>15</sup>.

In 2021, the Ministry of Education and Science (MoES) developed a new long-term strategy covering the period 2022-2032 for the entire education and training system, including research and innovation to ensure sustained development and progress. The new strategy will replace the Unified Strategy of Education and Science (2017-2021) which brought together into a single strategy all pathways of education and science: early/pre-school upbringing and primary and secondary education, vocational and higher education, adult education, 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 and independent experts as well as the wider public. The new strategy builds on the achievements of the previous reforms and addresses the challenges and opportunities arising within the sector and the operational environment in Georgia and globally. Development of the strategy is supported by the EU Public Administration Reform (PAR) Programme and follows the requirements of the government guidelines for strategy development. The unified strategy encompasses the strategies for each sub-sector of education, including the strategy for VET, the development of which is supported by the EU Skills4Jobs Technical Assistance project. The draft strategy has been presented for public consultation prior to entering the formal approval process.

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<sup>15</sup> <http://mes.gov.ge/content.php?id=7756&lang=eng>

## 2.2.2 Institutions and Legislation

In September 2018, the Georgian parliament adopted the new framework VET law, which was an important milestone for skills and VET development within a lifelong learning perspective. Further development of secondary legislation that will facilitate the implementation of the law is taking place with the support of international development partners.

The Law on Education Quality Development (2010) established a quality assurance framework for all VET providers. The framework provides two instruments for assuring quality in the VET system: authorisation (licensing of educational institutions) and accreditation (quality assurance at programme level). In 2019, new legal acts regulating the NQF were adopted. 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 of qualifications, improved permeability within a lifelong learning perspective and the necessary interaction between qualifications and the world of work (demand for skills and qualifications). These tasks have been supported by the EU twinning project with the NCEQE, which was completed in 2021.

The Ministry of Education, Science, Culture and Sports of Georgia was divided in March 2020 into two government agencies: the Ministry of Education and Science and the Ministry of Culture, Sports and Youth.

The MoES is the main policymaking body for education. The Education Management Information System (EMIS), which is a legal entity under the MESCS, is responsible for collecting data and evidence on the entire education system. The 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 coordinates the work of sectoral organisations to develop occupational standards under the NCEQE. The National Assessment and Examination Centre (NAEC), which is subordinate to the MES, 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 Centre for Teachers' 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 Chamber of Commerce and Industry and will facilitate the introduction of new vocational programmes for the labour market, support innovative training initiatives as well as promote employability. The establishment of the agency is an outcome of Georgia's priority to boost public-private partnerships (PPP). The rationale of the new Agency is to address the following challenges in Georgia: to reduce centralised governance where most decisions are taken by national government structures without consulting local government and private-sector stakeholders; to address limited capacity within the government to engage private-sector partners and coordinate a joint effort to develop and rebrand the VET sector; to overcome the immature and fragmented nature of Georgia's industry and agriculture as well as weak and unsustainable memberships in sectoral business associations; to build trust and confidence in cooperation between Georgian businesses, the government and education providers. The Agency will be an operational arm of the Ministry where various functions of VET and skills development will be transferred from both the Ministry and the



NCEQE. The main objectives of the Agency are to develop vocational qualifications as per the needs of employers, to enhance work-based learning, to develop the institutional capacity of organisations involved in VET, to widen the network of VET institutions and accessibility to VET and to increase the attractiveness of VET. The Agency will have a multi-stakeholder board, including e.g. representatives of the private sector, business associations and government agencies.

The National VET Council was the main tripartite consultative body on VET policy. Its membership is equally divided between government and social partners, including civil society. The government suspended the operations of the council in summer 2019 owing to the 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 the social dialogue in skills development and replace the National VET Council over time.

Social partners are also involved in the validation of occupational and educational standards through sector committees. Some 27 sector committees have been created to develop occupational standards under the NCEQE. However, they suffer from an under-representation of enterprises and professional associations, and a predominance of educational institutions and experts among their members. At the sectoral level, Georgia needs to continue its efforts to make the VET system more demand-led and responsive to the needs of industry. Developments so far have focused mainly on correcting the mismatch between the skill needs expressed by industry professionals and the skills provided by existing VET programmes. The Vocational Skills Agency will take over these functions and will coordinate the work of sector skills organisations.

Employers also participate in VET college management through supervisory boards. At the local level there is an expectation that industry representatives should be more involved in VET provision by providing work-based learning (WBL) and dual-type apprenticeships, organised in partnership between enterprises and VET providers. In recent years, WBL and dual education have attracted a great deal of attention. Regardless of the form that the sectoral bodies take, they will have a potentially important intermediary role to play in the implementation of WBL arrangements. In 2019, the Authorisation Board of Vocational Education Institutions was formed under a public-private partnership. The new Youth Agency created in September 2019 aims to create a full eco-system where young people can get support through the services of different organisations and public institutions. The stakeholders of this eco-system includes all the relevant ministries for youth, as well as youth centres in municipalities, youth organisations, and youth NGOs and workers. The Agency's role is policy-making rather than service delivery and it finances NGOs and youth workers to provide youth services. The Agency has drafted a new Youth Strategy and it works on the promotion of non-formal education (with a particular focus on key competences based on 8 EU competences) and hobby education. The Agency has also developed a certified training programme for youth workers and created an online platform for young people to register and receive different types of information/services. The Agency is one of the beneficiaries of the ongoing EU Skills4Jobs programme.

## 3. LABOUR MARKET AND EMPLOYMENT

### 3.1 Trends and challenges<sup>[1]</sup>

A long-term analysis of labour market indicators shows gradual improvement over the last decade, with increasing activity and employment rates and a decreasing unemployment rate. 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) high share of self-employment in subsistence agriculture; and 3) a high level of urban unemployment, especially among young people. Roughly speaking, half of the total employment is in services, 40 % in agriculture and 10 % in manufacturing. The employment share of services has been increasing in the last decade at the expense of shrinking agricultural employment<sup>[2]</sup>.

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. The COVID-19 pandemic has hit the Georgian labour market hard and the unemployment rate has nearly doubled. The pandemic had the biggest impact particularly on the low and medium level workforce. The activity rate (aged 15+) dropped from 62.9 % in 2019 to 50.5 % in 2020. The gender gap widened further to nearly 20 percentage points between the activity rates for men (62 %) and women (40.4 %) in 2020. The gender difference in employment rates was also significant, with a 15.6 percentage point gap between the employment rates for men (49.5 %) and women (33.9 %) in 2020. 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 overall unemployment rate (aged 15+) has been declining, falling from 16.9 % in 2013 to 11.6 % in 2019, but the pandemic pushed the unemployment rate up to 18.5 % in 2020. The unemployment rate is higher among men (20.2 %) than among women (16.2 %). There are also significant geographical disparities. In 2017, the unemployment rate in rural areas of Georgia was 5.1 %, compared with 22.8 % in urban areas<sup>[3]</sup>. Although people with higher education have been slightly more affected by unemployment than individuals with lower skills (11.29 % against 10.91 % in 2019), there has been an overall improvement in recent years, as the unemployment rate for people with higher education has declined from 20.6 % in 2013 to 14.8 %. However, the pandemic impacted most the unemployment of individuals with lower skills increasing the rate from 10.9% in 2019 to 26.5 % in 2020.

Young people face particular challenges in the labour market. The youth unemployment rate remains high and increased further from 30.4 % in 2019 to 39.4 % in 2020. Youth unemployment by educational level shows that young people with low levels of education suffered the most from the impact of the pandemic and their unemployment rate increased from 10.9 % in 2019 to 26.9 % in 2020. The difference between those with medium and high levels of education was not significant until 2019, but in 2020 the unemployment rate of the group with medium level education nearly doubled to 20.8 % in 2020, while the unemployment rate of the higher educated workforce increased by only 3.5 percentage points to 14.8 %. The proportion of young people not in employment, education or training (NEETs) remains high and actually increased from 26.0 % in 2019 to 28.9 % in 2020. Young women were more prone to becoming NEETs, with a rate of 29.1 % compared with 23.3 % for young men in 2019, whereas this gender difference has equalised during the pandemic, with a rate of 28.3 % for

women and 28.7 % for men. Young people with lower levels of education are less likely to become NEETs, unlike young people with an intermediate education (especially VET graduates) and university graduates, who face the highest risk of becoming NEETs<sup>[4]</sup>.

The majority of jobs in Georgia are in traditional, low-productivity sectors, while only a minority are in modern, high-productivity sectors. The share of employment in sectors with higher productivity and wages (for example, industry and services) has been steadily increasing over the past decade, but subsistence agriculture continues to be a large source of employment. In 2020, 19.9 % of employment was in agriculture (markedly down from 38.6 % in 2019), 62 % was in services (up from 45.5 % in 2013) and 17.6 % was in industry. The share of self-employment in the Georgian labour market remains high at 31.9 % of the workforce in 2020 (down from 57.2 % in 2013) and dropped significantly from 49.7 % in 2019. These unprecedented drops in the self-employment rate and in the share of agricultural employment were driven by the pandemic, but these are expected to recover as the economy improves. Self-employed workers are predominantly located 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.

Skills mismatch is a growing concern in the Georgian labour market. The ETF cross-country study<sup>[5]</sup> 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 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 that require higher skills. The share of employees with upper-secondary education working in elementary occupations amounted to 22.4 % in 2019.

There is also under-education in semi-skilled professions, probably owing to a limited supply of VET graduates. In 2017, the Ministry of Economy and Sustainable Development (MoESD) commissioned a labour demand survey with a large representative sample of 6 000 companies. The survey results revealed that it is difficult to fill blue-collar vacancies, particularly in food processing and related occupations, and those requiring stationary-plant and related operators. This is a direct reflection of the recruitment problems facing the manufacturing sector. The low qualification level among jobseekers and employees makes it necessary to seek workers from abroad in many cases. The survey also showed that the main challenges that businesses face when filling vacancies is the applicants’ lack of qualifications and experience, and their salary demands.

### 3.2 Employment policy and institutional setting

The Georgia 2020 strategy sets out an overall policy framework for employment and the labour market, and recognises the need to improve how the labour market functions. It sets out several activities to develop labour market intelligence, ensure effective communication between employers and jobseekers, develop public and private job-mediation services, create a system for retraining unemployed people and jobseekers, and launch programmes to promote self-employment and entrepreneurial activities. The Four Point Government Programme 2016-2020 focused primarily on the employability of young people. It aims to create better links between skills development and labour market needs, the economic development agenda and sectors that could create employment opportunities.



The National Labour and Employment Strategy 2019-2023 and its action Plan 2019-2021 were approved at the end of 2019 and were also a condition for the EU microfinance assistance. The Labour Market and Employment Strategy is the key strategic document that outlines the major focus areas for labour market policy in Georgia. The new Law on Employment, which was adopted by parliament in July 2020, outlines the employment policy and underpins the work of the new State Employment Support/Promotion Agency (SESA). The Law was developed with substantial EU expertise provided by TA and twinning projects.

The Law on Employment is expected to contribute to the creation of more accessible and more effective employment services for citizens and to a better matching of skills and jobs in the country. Moreover, the adoption of the Law is key for success of the EU Programme on Skills Development and Matching for Labour Market Needs. The Parliament of Georgia acknowledged that all essential recommendations provided by the EU were reflected in the text of the law. However, the enactment of Article 33 requiring the recipient of social benefits to register as unemployed was postponed for a two-year period as a compromise.

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 extensive support of the ILO, constitutes a major step forward in bringing Georgia's labour legislation in line with relevant international labour standards of the ILO and EU Directives and striking a better balance between the rights and interests of workers and employers. SESA was established in December 2019 with the goal of implementing the active labour market policy: provision of quality employment services, including the development of temporary and legal employment (circular labour migration) opportunities abroad. SESA's activities target employers, job seekers and other stakeholders and it operates under the Ministry of Internally Displaced Persons, Labour, Health and Social Affairs (MIDPLHSA). It has become operational as of January 2020 and it has its own annual budget (GEL 4 million), with a total of 102 staff members, of which 51 will be field-based in the regions, while the other 51 will be in Tbilisi, both in the offices and in the headquarters.

The old employment support structure integrated in 69 territorial SSA offices was dissolved and SESA has a new structure with 10 regional centres, each of which is supposed to cover an entire region. There will also be five other territorial units in Tbilisi. They will use the same offices as the SSA, which still supports SESA with registering jobseekers. As the limited number of offices may decrease the outreach of services, particularly in rural areas, accessibility of services for the population can be an issue.

SESA cooperates with municipalities regarding public works, with the Ministry of Economy and Sustainable Development on entrepreneurship programmes and with the Ministry of Agriculture/Regional Development on rural development programmes, among others. SESA aims to be an intermediary between different institutions in order to provide opportunities for jobseekers. The Agency will have a special unit on labour migration, which may send emigrant workers to EU countries which have signed bilateral labour agreements with Georgia.

In 2017, the function of providing labour market information was transferred to the MoESD with the objective of obtaining up-to-date information on labour market trends, career guidance and occupational profiles. The Labour Market Information System (LMIS) Division of the MoESD coordinates labour market demand analysis. In 2017, it produced the first Labour Market Analysis report, which is published on the LMIS website<sup>6</sup>. Although the current website is already impressive and includes a number of key elements, LMIS requires further developments and regular updating.

The MoESD plans to analyse job vacancies by sectors and occupations through data received from private and public job portals (subject to data sharing). In 2019, the MoESD conducted a skills survey in the construction sector<sup>[7]</sup>. The survey revealed the educational background of the construction sector workforce, which comprised 43 % of workers with a secondary education background, 33.9 % with VET and 23.1 % with a higher education background. It also showed the distribution of construction sector workers within small enterprises (50.5 %), medium-sized enterprises (31.9 %) and large enterprises (17.5 %). According to the survey, the construction sector workforce grew by 10 % in comparison to 2018, whereas 7 % of surveyed companies planned to recruit more staff. As regards investments and cooperation in skills development, only 18 % of companies reported that they had organised training for their staff, and only 3 % had contacts with VET providers. The prime minister's office has tasked the MoESD with producing a national skills forecast, for which the EU TA project is providing methodological support.

The EU–Georgia Association Agreement, including the Deep and Comprehensive Free Trade Area, was signed in 2014. It requires labour and employment legislation to be adapted to European standards, including those on decent work, employment policy, active labour market policies, occupational health and safety, social dialogue, social protection, social inclusion of people with disabilities and those from minority groups, and gender equality and anti-discrimination laws. The signing of the agreement was a turning point in labour law.

Georgia's Organic Law on 'Occupational Safety' (adopted in February 2019, in force as of September 2019) has extended the mandate of labour inspectors for unannounced inspections in all sectors. Georgia's draft Law on 'Labour Inspection' is to be submitted to parliament in 2020. The ultimate goal is to make the Labour Inspectorate an independent body, ready for effective implementation of labour rights, for example with regional offices in Batumi and Kutaisi at least. Consultations with employers and workers' unions on issues related to labour legislation are ongoing.

The Labour Inspectorate's budget was doubled in 2020, and number of inspectors is planned to increase to 100. The Labour Inspections Management System (LIMS) (Internal electronic business management system) is operational. The EU has stressed the need to further promote labour rights, i.e. the Labour Inspectorate should be further strengthened to fully cover labour rights, in line with international labour standards.

A new version of the OSH Law<sup>[8]</sup>, with the aim of better aligning the old law with the EU *acquis*, was adopted in 2019.

The SME Development Strategy 2016–2020 aimed to make it easier for SMEs to access financing, improve entrepreneurial learning, encourage innovative entrepreneurship and promote exports. Enterprise Georgia (EDA) and the Georgian Innovation and Technology Agency provide financial and technical assistance for entrepreneurship, innovation and export promotion, and support the growth of SMEs. EDA ran a pilot initiative in 2016–17 to analyse skills needs and gaps at sector level, and work is under way on improving skills intelligence to inform companies and training providers.

Including social partners in the policymaking process also remains an important issue. The Georgian Trade Union Confederation and Georgian Employers' Association have been closely involved, particularly in drafting the OSH Law, transposing EU directives and amending the Labour Code. In cooperation with the ETF, the EU has also engaged in a policy dialogue with the government to define the policy matrix and performance indicators for the new budget support programme. The financing agreement on the new Skills4Jobs programme was signed in November 2018, formally launching the

programme. The 2019–2022 programme will support reforms in employment, skills development and entrepreneurial learning, targeting young people and vulnerable groups in particular. In 2019, the EU Delegation, through a competitive bidding process, contracted two twinning projects and a technical assistance team. In addition, the programme includes a large grant scheme to support partnerships at sectoral, regional and institutional level. Six grant contracts were concluded by the EU in August 2020 and their implementation is underway.

Other development partners also provide generous support to Georgia to implement education, VET and labour market reforms. In 2018, the German government approved a new dual VET project that will run pilot schemes in different economic sectors. The Swiss Development Agency approved follow-up funding for the United Nations Development Programme to continue its skills development project in agriculture. In 2019, the World Bank launched a large project financed by the UK Good Governance Fund that focused on continuing VET professional development for teachers and managers, which was completed in 2021. The World Bank also approved the innovation, inclusion and quality project for Georgia, with the objective of expanding access to pre-school education and improving the quality of education and learning environments in secondary general and higher education. The USD 128 million project (which includes a USD 102.7 million loan) will run until 2026. In 2018, the International Labour Organization (ILO) launched a new project financed by the Danish government focusing on inclusive labour markets for job creation in Georgia. It aims to improve Georgia's capacity to enforce and respect labour laws and international labour standards, and to promote youth entrepreneurship and responsible business conduct. Until now the project has extensively supported the government in revising and developing the labour legislation package which was adopted at the end of September 2020.

The Asian Development Bank (ADB) has provided a loan of USD 100 million to the education sector, of which USD 80 million is a budget support policy loan and USD 20 million is an investment loan for the VET sector, with USD 17 million in co-financing from the government. The ADB programme has three objectives: 1) to improve the quality of VET in priority economic sectors, 2) to increase access and inclusiveness of VET and 3) to strengthen the institutional framework with private sector participation.

In 2021, USAID launched a USD 24 million Industry-led Workforce Skills Development Programme which has three components: 1) to strengthen private sector engagement in skills development, 2) to establish long- and short-term high-quality training programmes and 3) to replicate proven training programmes in rural areas outside of Tbilisi. KfW will provide a EUR 20 million loan and EUR 3 million grant to establish vocational centres of excellence.

Georgia's reform implementation capacity is hindered not only by the ongoing pandemic and resource constraints, but also by high staff turnover in government agencies and limited institutional capacity outside the capital. The new agencies being established are yet to become fully operational to advance skills development and employment reforms in the country and to deliver for vulnerable population groups.

<sup>[1]</sup> Since 2017, Geostat has been conducting a new, separate labour force survey on a quarterly basis with a revised questionnaire, which follows the Eurostat model and has a bigger sample size (around 6 000 households). All labour market data has been reweighted by Geostat according to the 2014 census, leading to the adjustment of previously published figures.

<sup>[2]</sup> European Training Foundation (ETF), Policies for Human Capital Development: Georgia, An ETF Torino Process Assessment, ETF, Turin, 2020. Available at: [https://www.etf.europa.eu/sites/default/files/2020-03/04\\_trp\\_etf\\_assessment\\_2019\\_georgia.pdf](https://www.etf.europa.eu/sites/default/files/2020-03/04_trp_etf_assessment_2019_georgia.pdf)

<sup>[3]</sup> European Training Foundation (ETF), *Skills Mismatch Measurement in ETF Partner Countries, Country report: Georgia*, 2018.

<sup>[4]</sup> European Training Foundation, *Young People Not in Employment, Education or Training (NEET): An Overview in ETF Partner Countries*, 2015. Available at:  
<http://www.etf.europa.eu/web.nsf/pages/NEET ETF partner countries>

<sup>[5]</sup> European Training Foundation, *Skills Mismatch Measurement in ETF Partner Countries, Cross Country Report: 2021*, forthcoming.

<sup>[6]</sup> <http://www.lmis.gov.ge>

<sup>[7]</sup> <http://www.lmis.gov.ge/Lmis/Lmis.Portal.Web/Handlers/GetFile.ashx?Type=Survey&ID=14be3988-37fd-4ad7-a818-2ae47e233eee>

<sup>[8]</sup> <https://www.moh.gov.ge/uploads/files/2019/Failebi/08.06.2019.pdf>

# STATISTICAL ANNEX, REFERENCES, ACRONYMS – GEORGIA

This annex includes annual data from 2010, 2015, 2019 and 2020 (or the last available year).

	Indicator	2010	2015	2019	2020	
1	Total population ('000) <sup>(1)</sup>	3 786.7	3 725.3	3 720.2	3 714.0	
2	Relative size of youth population (age group 15–24 and age in the denominator 15–64) (%) <sup>(1) C</sup>	22.3	19.4	17.7	17.5	
3	GDP growth rate (%)	6.2	3.0	5.0	-6.2	
4	GDP by sector (%)	Agriculture added value	8.5	7.8	6.5	7.4
		Industry added value	16.9	19.2	20.3	21.6
		Services added value	63.1	62.0	60.8	58.6
5	Public expenditure on education (as a % of GDP)	2.6 (2011)	3.6 (2016)	3.5 (2018)	M.D.	
6	Public expenditure on education (as a % of total public expenditure)	9.3 (2011)	12.7 (2016)	13.0 (2018)	M.D.	
7	Adult literacy (%)	M.D.	99.6 (2014)	99.4 (2017)	M.D.	
8	Educational attainment of adult population (aged 25–64 or 15+) (%) <sup>(2)</sup>	Low <sup>(3)</sup>	8.2	5.4	6.5	4.5
		Medium <sup>(4)</sup>	58.7	60.4	58.9	55.7
		High <sup>(5)</sup>	33.1	34.2	34.6	39.8
9	Early leavers from education and training (aged 18–24) (%)	Total	M.D.	5.8	9.3	8.2
		Male	M.D.	6.8	9.6	8.8
		Female	M.D.	4.7	8.9	7.4
10	Gross enrolment rates in upper secondary education (ISCED level 3) (%)	M.D.	95.1	104.3	M.D.	
11	Share of VET students in upper secondary education (ISCED level 3) (%)	M.D.	9.0	11.2	M.D.	
12	Tertiary education attainment (aged 30–34) (%)	47.1	44.9	M.D.	M.D.	
13	Participation in training/lifelong learning (age group 25–64) by sex (%)	Total	M.D.	0.6	0.8	1.1
		Male	M.D.	0.7	0.9	0.9
		Female	M.D.	0.6	0.8	1.2
14	Low achievement in reading, mathematics and science – PISA (%)	Reading	N.A.	51.7	64.4 (2018)	N.A.
		Mathematics	N.A.	57.1	61.1 (2018)	N.A.
		Science	N.A.	50.8	64.4 (2018)	N.A.
15	Activity rate (aged 15+) (%)	Total	63.3	66.8	62.9	50.5
		Male	73.8	77.2	72.6	62.0
		Female	54.4	57.9	54.5	40.4
16	Inactivity rate (aged 15+) (%)	Total	36.7	33.2	37.1	49.5
		Male	26.2	22.8	27.4	38.0
		Female	45.6	42.1	45.5	59.6

17	Employment rate (aged 15+) (%)	Total	52.3	57.4	55.7	41.1
		Male	59.7	65.2	63.3	49.5
		Female	46.0	50.7	49.0	33.9
18	Employment rate by educational attainment (aged 15+) (%)	Low <sup>(3)</sup>	32.1	30.9	30.5	14.7
		Medium <sup>(4)</sup>	54.7	60.1	56.6	37.9
		High <sup>(5)</sup>	58.0	61.6	63.9	57.5
19	Employment by sector (%)	Agriculture	48.0	43.9	38.2	19.9
		Industry	10.6	11.0	13.9	17.6
		Services	41.4	45.2	48.0	62.5
20	Incidence of self-employment (%)		58.8	53.5	49.7	31.9
21	Incidence of vulnerable employment (%)		57.4	52.1	47.7	29.0
22	Unemployment rate (aged 15+) (%)	Total	17.4	14.1	11.6	18.5
		Male	19.1	15.6	12.8	20.2
		Female	15.5	12.4	10.1	16.2
23	Unemployment rate by educational attainment (aged 15+) (%)	Low <sup>(3)</sup>	9.3	8.5	10.9	26.5
		Medium <sup>(4)</sup>	16.3	13.4	11.8	20.5
		High <sup>(5)</sup>	21.4	16.1	11.3	14.8
24	Long-term unemployment rate (aged 15+) (%)		8.1	6.2	5.1 (2018)	M.D.
25	Youth unemployment rate (aged 15–24) (%)	Total	37.9	33.8	30.4	39.4
		Male	35.1	31.7	28.9	40.1
		Female	42.7	37.6	32.9	38.2
26	Proportion of people aged 15–24 not in employment, education or training (NEETs) (%)	Total	M.D.	26.6	26.0	28.5
		Male	M.D.	21.0	23.3	28.7
		Female	M.D.	32.8	29.1	28.3

[Last update: September 2021](#)

#### Sources:

**Indicators** 8, 9, 12, 13, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26 – GEOSTAT, National Statistics Office of Georgia (data received).

**Indicators** 5, 6, 7, 10, 11 – UNESCO, Institute for Statistics

**Indicator** 14 – OECD Statistical database

**Indicators** 1, 2, 3, 4 – The World Bank, World Development Indicators database

#### Notes:

There is a break in series in the year 2017. Data from the Integrated Household Survey recalculated according to 2014 general population census (2010–2016); LFS – the sampling frame is the 2014 Population Census Database (2017).

(1) The values shown are mid-year estimates.

(2) Data refer to the active population.

<sup>(3)</sup> LOW: lower secondary education and below.

<sup>(4)</sup> MEDIUM: upper secondary education, vocational programmes and secondary professional programmes.

<sup>(5)</sup> HIGH: higher professional programmes, bachelor's, master's and doctoral programmes.

<sup>(6)</sup> Expert/ETF calculations based on Geostat data.

**Legend:**

C = calculated data

N.A. = Not Applicable

M.D. = Missing Data

## ANNEX: DEFINITIONS OF INDICATORS

	Description	Definition
1	Total population ('000)	The total population is estimated as the number of people having their usual residence in a country on 1 January of the respective year. When information on the usually resident population is not available, countries may report legal or registered residents.
2	Relative size of youth population (age group 15–24) (%)	This is the ratio of the youth population (aged 15–24) to the working-age population, usually aged 15–64 (74)/15+.
3	GDP growth rate (%)	Annual percentage growth rate of GDP at market prices based on constant local currency. Aggregates are based on constant 2010 US dollars. GDP is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources.
4	GDP by sector (%)	The share of value added from Agriculture, Industry and Services. Agriculture corresponds to ISIC divisions 1–5 and includes forestry, hunting, and fishing, as well as cultivation of crops and livestock production. Value added is the net output of a sector after adding up all outputs and subtracting intermediate inputs. It is calculated without making deductions for depreciation of fabricated assets or depletion and degradation of natural resources. The origin of value added is determined by the International Standard Industrial Classification (ISIC), revision 3 or 4.
5	Public expenditure on education (as a % of GDP)	Public expenditure on education expressed as a percentage of GDP. Generally, the public sector funds education either by directly bearing the current and capital expenses of educational institutions, or by supporting students and their families with scholarships and public loans as well as by transferring public subsidies for educational activities to private firms or non-profit organisations (transfer to private households and enterprises). Both types of transactions together are reported as total public expenditure on education.
6	Public expenditure on education (as a % of total public expenditure)	Public expenditure on education expressed as a percentage of total public expenditure. Generally, the public sector funds education either by directly bearing the current and capital expenses of educational institutions, or by supporting students and their families with scholarships and public loans as well as by transferring public subsidies for educational activities to private firms or non-profit organisations (transfer to private households and enterprises). Both types of transactions together are reported as total public expenditure on education.
7	Adult literacy (%)	Adult literacy is the percentage of the population aged 15 years and over who can both read and write a short simple statement on his/her everyday life, and understand it. Generally, 'literacy' also encompasses 'numeracy' – the ability to make simple arithmetic calculations.



	Description	Definition
8	Educational attainment of adult population (25–64 or aged 15+) (%)	Educational attainment refers to the highest educational level achieved by individuals expressed as a percentage of all persons in that age group.  This is usually measured in terms of the highest educational programme successfully completed, which is typically certified by a recognised qualification. Recognised intermediate qualifications are classified at a lower level than the programme itself.
9	Early leavers from education and training (age group 18–24) (%)	Early leavers from education and training are defined as the percentage of the population aged 18–24 with at most lower secondary education who were not in further education or training during the four weeks preceding the survey. Lower secondary education refers to ISCED 1997 levels 0–2 and 3C short (i.e. programmes lasting under two years) for data up to 2013 and to ISCED 2011 levels 0–2 for data from 2014 onwards.
10	Gross enrolment rates in upper secondary education (ISCED level 3) (%)	Number of students enrolled in a given level of education, regardless of age, expressed as a percentage of the official school-age population corresponding to the same level of education.
11	Share of VET students in upper secondary education (ISCED level 3) (%)	Total number of students enrolled in vocational programmes at a given level of education (in this case, upper secondary), expressed as a percentage of the total number of students enrolled in all programmes (vocational and general) at that level.
12	Tertiary education attainment (aged 30–34) (%)	Tertiary attainment is calculated as the percentage of the population aged 30–34 who have successfully completed tertiary studies (e.g. university, higher technical institution). Educational attainment refers to ISCED 1997 level 5–6 up to 2013 and ISCED 2011 level 5–8 from 2014 onwards.
13	Participation in training/lifelong learning (age group 25–64) (%)	Participants in lifelong learning refers to persons aged 25–64 who stated that they received education or training in the four weeks preceding the survey (numerator). The denominator is the total population of the same age group, excluding those who did not answer the question on participation in education and training. The information collected relates to all education or training, whether or not it is relevant to the respondent's current or possible future job. If a different reference period is used, this should be indicated.
14	Low achievement in reading, maths and science – PISA (%)	Low achievers are the 15-year-olds who are failing to reach level 2 on the PISA scale for reading, mathematics and science.
15	Activity rate (aged 15+) (%)	The activity rate is calculated by dividing the active population by the population of the same age group. The active population (also called 'labour force') is defined as the sum of employed and unemployed people. The inactive population consists of all people who are classified as neither employed nor unemployed.
16	Inactivity rate (aged 15+) (%)	The inactivity/out of the labour force rate is calculated by dividing the inactive population by the population of the same age group. The inactive population consists of all people who are classified as neither employed nor unemployed.
17	Employment rate (aged 15+) (%)	The employment rate is calculated by dividing the number of employed people by the population of the same age group. Employed people are all people who worked at least one hour for pay or profit during the reference period or were temporarily absent from such work. If a different age group is used, this should be indicated.
18	Employment rate by educational attainment (aged 15+) (%)	The employment rate is calculated by dividing the number of employed persons by the population of the same age group.

	Description	Definition
		<p>Employed persons are all persons who worked at least one hour for pay or profit during the reference period or were temporarily absent from such work. If a different age group is used, this should be indicated.</p> <p>Educational levels refer to the highest educational level successfully completed. Three levels are considered: Low (ISCED level 0–2), Medium (ISCED level 3–4) and High (ISCED 1997 level 5–6, and ISCED 2011 level 5–8).</p>
19	Employment by sector (%)	This indicator provides information on the relative importance of different economic activities with regard to employment. Data are presented by broad branches of economic activity (i.e. Agriculture/Industry/Services) based on the International Standard Industrial Classification of All Economic Activities (ISIC). In Europe, the NACE classification is consistent with ISIC.
20	Incidence of self-employment (%)	The incidence of self-employment is expressed by the self-employed (i.e. employers + own-account workers + contributing family workers) as a proportion of the total employed.
21	Incidence of vulnerable employment (%)	The incidence of vulnerable employment is expressed by the own-account workers and contributing family workers as a proportion of the total employed.
22	Unemployment rate (aged 15+) (%)	The unemployment rate represents unemployed people as a percentage of the labour force. The labour force is the total number of people who are employed or unemployed. Unemployed people comprise those aged 15–64 or 15+ who were without work during the reference week; are currently available for work (were available for paid employment or self-employment before the end of the two weeks following the reference week); are actively seeking work, i.e. had taken specific steps in the four-week period ending with the reference week to seek paid employment or self-employment, or had found a job to start later (within a period of, at most, three months).
23	Unemployment rate by educational attainment (aged 15+) (%)	The unemployment rate represents unemployed people as a percentage of the labour force. The labour force is the total number of people who are employed or unemployed. Unemployed people comprise those aged 15–64 or 15+ who were without work during the reference week; are currently available for work (were available for paid employment or self-employment before the end of the two weeks following the reference week); are actively seeking work, i.e. had taken specific steps in the four-week period ending with the reference week to seek paid employment or self-employment, or had found a job to start later (within a period of, at most, three months). Educational levels refer to the highest educational level successfully completed. Three levels are considered: Low (ISCED level 0–2), Medium (ISCED level 3–4) and High (ISCED 1997 level 5–6, and ISCED 2011 level 5–8).
24	Long-term unemployment rate (aged 15+) (%)	The long-term unemployment rate is the share of people in the total active population who have been unemployed for 12 months or more, expressed as a percentage. The duration of unemployment is defined as the duration of a search for a job or as the period of time since the last job was held (if this period is shorter than the duration of the search for a job).
25	Youth unemployment rate (aged 15–24) (%)	The youth unemployment ratio is calculated by dividing the number of unemployed people aged 15–24 by the total population of the same age group.

	Description	Definition
26	Proportion of people aged 15–24 not in employment, education or training (NEETs) (%)	This indicator provides information on young people aged 15–24 who meet the following two conditions: first, they are not employed (i.e. unemployed or inactive according to the ILO definition); and second, they have not received any education or training in the four weeks preceding the survey. Data are expressed as a percentage of the total population of the same age group and gender, excluding the respondents who have not answered the question on participation in education and training.

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## LIST OF ACRONYMS

ADB	Asian Development Bank
EDA	Enterprise Georgia
EMIS	Education Management Information System
ETF	European Training Foundation
FDI	Foreign direct investment
GDP	Gross domestic product
ILO	International Labour Organization
ISIC	International Standard Industrial Classification
KFW	Kreditanstalt für Wiederaufbau (German Development Bank)
LFS	Labour force survey
LMIS	Labour Market Information System
MoES	Ministry of Education and Science
MESCS	Ministry of Education, Science, Culture and Sport
MoESD	Ministry of Economy and Sustainable Development
NAEC	National Assessment and Examination Centre
NCEQE	National Centre for Educational Quality Enhancement
NEET	Not in employment, education or training
NQF	National Qualifications Framework
OSH	Occupational Safety and Health
PISA	Programme for International Student Assessment
SME	Small and medium-sized enterprise
SESA	State Employment Support/Promotion Agency
SSA	Social Service Agency
VET	Vocational education and training
WBL	Work-based learning

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