

GEORGIA

ETF COUNTRY PLAN 2007

1. Socioeconomic background

While average GDP growth in Georgia for 1998 to 2003—at 4.9% per annum¹—was the slowest in the Southern Caucasus, GDP growth has accelerated since 2002, remaining consistently above 5% per annum. Compared to the previous decade, however, the national economy is still in the recovery phase².

Demographic trends in the transition years have been marked by high net migration, decreasing natural growth and population ageing. The population of Georgia, which was 5.4 million in 1989, dropped to 4.5 million by 2005, when it dropped again by another 1%.³ The age structure of the Georgian population reflects this trend, with a fairly high share of the population above 65 years and a falling share of individuals aged up to 14 years (13.3% and 18.6% of the population, respectively, in 2004)⁴.

Since the late 1990s Georgia has compiled labour force data based on yearly surveys, and generally considered to be reliable. Analysis shows that the population activity rate is within the range 66.2% (2001) to 64.8% (2004). Economic activity is higher in rural areas (57% of total) and among the male population.

The employed population (age groups 15-64 years) decreased in the period 2002-2003. In 2004 the employment rate was 56.6%, and average annual growth in the employed population was around 1% for the period 1998-2003. The over-65 age group represents the largest share of the employed population (around 16% to 17% in the period 1998-2003), which demonstrates the inadequacy of the social security system and indicates widespread poverty.

In the economic conditions of Georgia, much of the reported employment data—captured applying internationally accepted statistical criteria—reflects employment that is far from what would be termed decent work in more developed labour markets. Many jobs are precarious and unproductive, requiring people to hold multiple jobs and/or accept jobs in the informal labour market.

The predominance of agricultural employment affects the overall picture. Statistics do not disclose qualitative aspects of employment, namely the fact that many jobs (including self-employment) in subsistence agriculture are precarious and unproductive. Unless investment is made in new production and marketing methods and skills, progress in the agricultural sector will be very slow, and, consequently, significant progress in poverty reduction will be further delayed.

Despite progress recorded in terms of the payment of substantial arrears in social subsidies and pensions by the new authorities (2004), poverty incidence remains high. Rural poverty in particular has reached crisis levels, clearly evident in the dynamics of extreme poverty. The share of population living below the official poverty level (subsistence level) increased significantly between 2002 and 2003 (to 54.5%), particularly in rural areas.

¹ Analysis of Recent Growth in Low-Income CIS Countries. E. Loukoianova and A. Unigovskaya / IMF Working Paper 04/151. p. 5 and 7. Armenia and Azerbaijan had, respectively, average annual growth rates of 7.7% and 9.7% in the same period.

² A particularly steep fall occurred in industrial output following the energy crisis in the aftermath of the disruption of former Soviet markets; in 1995 industrial output had slumped to around 18% of the level registered in 1991.

³ World Development Indicators 2006. World Bank.

⁴ In the period 1999-2004 the population aged 1-14 years fell, on average, by 3.3% per annum, with the fall in 2004 contraction reaching its highest recorded level (9%). See <http://www.statistics.ge/main.php?pform=47&plang=1>

The unemployment rate floated between 11.1% and 12.6% in the period 2001-2004⁵. In 2004 the new authorities implemented a large programme of staff renewal in major public structures (ministries, their agencies and other institutions) that led to immediate layoffs of several thousand civil servants. This is one of the underlying causes for increased unemployment in 2004.

According to an analysis by the Institute of Public Marketing, skills irrelevance represents a visible problem in the labour force, despite the significant numbers of employed and job seekers who have completed higher education or secondary general and vocational education. The Institute reports that over 40% of the employed population works in occupations unrelated to their educational profile. The occupation/education discrepancy is more frequent in public administration, but also in business sectors such as construction, trade, and agriculture.

There has been substantial growth in the number of non-public higher education establishments opened in the transition period. In 1990 Georgia had 19 public higher education establishments and around 104,000 students. By 2003 there were 176 establishments (150 private) and around 153,000 students (29,000 in private establishments)—this despite the absolute fall in population numbers⁶. The share of the population aged over 15 years with higher education increased from 15.1% to 22.4% between 1989 and 2002.

Transition in Georgia has been accompanied by an unstable internal and external political situation, increasing poverty, and brain drain due to emigration. The new government that took office after the Rose Revolution⁷ established its priorities as the fight against corruption, state territorial integrity, poverty reduction, and recovery of Georgia's international credibility. The new authorities have been acclaimed for the progress made in tax collection in 2004 (a severe problem in Georgia), and in the settlement of large arrears in salaries and social subsidies.

2. Key policy issues and strategies in human resource development

The new government has determinedly addressed serious problems in the education sector. New general education and higher education legislation, for example, was passed at the turn of 2004-05.

Higher education remains a priority within the policy framework drawn up by the Ministry of Education and Science. The Bologna principles were promptly subscribed to with the aim of integrating Georgia into the European Higher Education Area. Measures have been adopted to eliminate corruption (especially by changing student admission regulation), the first phase of accreditation of higher education establishments has been completed, and relevant measures to enforce quality assurance mechanisms have been implemented.

As far as accreditation is concerned, only 110 of approximately 240⁸ establishments have passed the first cycle of the accreditation process, which will be completed in 2006. The number of enrolments in higher education centres consequently decreased significantly in the 2005-2006 academic year. Out of over 30,000 secondary school graduates, only around 17,000 were admitted to higher education. In the present situation, the question of new alternative education pathways—namely, an attractive vocational education and training (VET) system offering relevant qualifications at various levels—acquires new importance and urgency.

By 2005 VET had acquired a new level of importance in the government development agenda, and a concept paper to underpin a reform strategy was adopted that introduced a lifelong learning perspective and an orientation to the European education system and coherence with the Bologna process. It also recognised the role of non-formal learning and the importance of boosting the attractiveness of VET, proposed shorter vocational pathways at the initial and tertiary levels, and professional qualifications as a quicker entry route to the labour market.

⁵ Georgian Department of Statistics. Data based on labour force surveys, not on officially registered unemployed.

⁶ Social Trends in Georgia 2004. Ch. 5, p. 56. Available from <http://www.statistics.ge/printpublication.php?plang=1&pform=-999999>

⁷ The presidential elections of January 2004 confirmed the political choices of the Rose Revolution in December 2003.

⁸ These numbers include subsidiaries and sections in the various regions.

In 2006, VET legislation was drafted, whose text was under discussion by the parliament in early 2007. The draft text, however, does not quite reflect the same spirit as the concept paper—one important element which remained ill-defined, for example, was a vision of lifelong learning.

There are positive developments, nonetheless, aligned with current international policy trends:

1. The draft law suggests how the VET system will receive an impulse from approval of the new legislation. There are references to the continuity of VET with other branches of education, with different levels of qualifications and with formal and informal learning. There appears to be a clear intention to promote the role and place of the VET system in the world of work and in society.
2. The draft law encourages openness and provides for the participation of other actors in VET governance (e.g., employers, unions, professional associations, regional entities and families).
3. The draft law envisages the establishment of a National Qualifications Framework (NQF), alignment with European standards, and the concept of guidance. At the same time it has to be noted that explicit public-private partnerships should be considered as a necessary pre-condition for a functioning NQF and effective standards. The establishment of an NQF needs to include the concept of different modalities of learning in both formal and informal settings.
4. The draft law recognises the need to establish specialist agencies in partnership with social stakeholders, primarily through a National Professional Agency, which could eventually become the VET Council envisaged by the VET concept paper approved in 2005.
5. The draft law acknowledges the need for decentralisation to regionally-based authorities.

Beside the legislative initiative, which will be accompanied by a reorganisation of VET responsibilities between ministries, the Ministry of Education and Science has set the establishment of 10 VET centres as a priority. These new (or refurbished) centres are intended to represent excellence in the sector, and so will be provided with new infrastructures and equipment, as well as newly selected and trained teachers and managerial staff. The centres will be multi-functional and will offer a blend of general and VET college-style courses. It is worth noting that—thanks to the support of the Greek government—one centre focusing on the tourism-related professions is at an advanced stage of completion.

In the adult learning area, active training providers face difficulties in developing sustainable operations. Their interaction with VET institutions is only sporadic, and the available training offer mostly focuses on generic competencies (management and accounting, languages, the information and communication technologies, and social skills), with a clear deficit in training in technical skills for agriculture and industry.

Despite the recent policy developments acknowledging the role of lifelong and adult learning in education reform, further steps are required, such as: the development of a regulatory framework, the enabling of conditions for the development and supply of adult learning options, the development of mechanisms for the recognition and validation of prior learning and the outcomes of non-formal learning, the provision of lifelong information and guidance, the development of quality assurance systems, improved linkages with the education system at various levels, and the development of learning methods and financing.

Georgia adopted the Economic Development and Poverty Reduction Programme (EDPRP) in June 2003, with the government subscribing fully to its implementation. The political change at the end of 2004 raised the need to reconsider the 3-year action plan envisaged in the EDPRP, to adapt it to the key principles set by the new authorities. The EDPRP progress report (January 2005) identified these priorities, which are related basically to transparency, quality of public service, reducing bureaucracy, human rights, and the eradication of poverty.

3. EU and other donor policies and interventions

Building on previous European Commission (EC) commitments through the TACIS (Technical Assistance to the Commonwealth of Independent States) programme, the European Neighbourhood

Policy (ENP) Action Plan 2007-2013 identifies education and training, human resource development (HRD), and lifelong learning as priority areas.

Support to higher education will continue via both the Tempus scheme and the Centre for European Studies at Tbilisi State University.

As regards VET, completed in mid-2006 was a policy advice project to support VET reform by assisting in the elaboration of the reform strategy and the new VET legislation. The EC has expressed openness to additional requests for cooperation in regard to VET from the relevant ministries and national agencies.

Few international cooperation partners are active in the VET area. Among them only the German Technical Cooperation Agency (GTZ) has assisted VET development—with a regional programme and a teacher training project. The latter, which focuses on modernisation of teaching methods using participative active methods, is implemented through the usual cascade approach. However, difficulties in implementation of the new learning methods exist within a system that has only recently opened up to innovation.

Other international NGOs are conducting studies and debates in the area of adult education (e.g., IIZ-DVV, the Institute for International Cooperation of the German Adult Education Association) and are lobbying for the elaboration of a high-level framework for lifelong learning.

The Swedish International Development Cooperation Agency (SIDA) has assisted the Georgian Employment Agency with capacity building and policy advice activities. However the latest strategic reorientation of the Employment Agency has weakened the involvement of SIDA in the employment and labour area.

The World Bank Education Sector Reform Project has focused on general education. A first Adaptable Program Loan (APL) is in the completion phase and a second larger loan is planned. This new project will broaden its scope to other education sub-sectors (including VET), in accordance with country needs and government strategies. The World Bank is open to the development of joint activities with other partners, particularly the ETF.

In 2005, the United States Agency for International Development (USAID) was planning to allocate a large fund to support education sector development.

4. Mid-term perspective ETF intervention strategies contributing to added value in national, EU and donor reform-support policies

In accordance with its mid-term perspective (2007-2013), the ETF will streamline its cooperation with Georgia, and will take into particular consideration the current phase of re-elaboration and re-design of the VET system. The debate developing around the text of the new VET law may lead to the establishment of new priorities, e.g. in regard to the actual implementation of the law following its approval.

As of the time when this report was being prepared, there appeared to be two areas for ETF focus, namely, structuring the qualification system with a view to improving the attractiveness of VET, and enhancing social dialogue in regard to VET.

4.1. The qualifications system and labour market intelligence

The existing qualifications system in Georgia does not allow for flexible pathways between levels of a qualification and between qualifications. Way of certifying competence acquired non-formally or informally are not systemised, and incentives to continuous learning are also limited. This situation creates gaps on the supply side of the labour market, while at the same time limiting perspectives for career development for workers and technicians. These aspects of VET contribute to making the system unattractive to young people and families.

A transparent and accessible system of qualifications relies on robust and continuously updated assessment of labour market requirements, and simultaneously, on well informed choices on the part of students and parents and on high-quality learning opportunities available throughout an individual's lifetime.

The ETF can add value in these strategic areas by offering policy advice and information on EU policies and practice, and by arranging regional exchanges and joint work. Tourism, as a fast-growing economic sector in need of quality innovation, offers fertile ground for both policy advice and pilot operational work.

4.2. Social dialogue on VET

Although employers in promising sectors, such as services (including tourism), are forming associations to better represent their interests, these associations are not equipped to play an active role as regards the planning and implementation of education and training.

While different sectors require skilled workers at different levels of competence and specialisation, employers are poorly organised in terms of analysing their own needs in a satisfactory manner and being able to formulate requests to the education—and notably the VET—system.

This stimulus to the education and training system and the quality of education provision is ill-defined, and reflects a limited capacity to imagine other forms of partnerships—between schools and companies, between public and private organisations, etc. The possibilities for a range of cooperation, co-financing and complementary functions between employers and the education system thus remain a latent potentiality.

Any strategy aimed at making the role and functions of lifelong learning social partnerships more visible and effective can only be achieved by involving the main actors. Sensible measures to support this strategy imply information provision, exchanges, self-assessment, peer-learning and learning-by-doing, preferably at the sector level. Based on previous experience in Georgia, it is recommended to continue focusing on the tourism sector, for subsequent transversal application to all future initiatives.

5. Work programme 2007: objectives and indicators (see logframe)

The ETF will focus its cooperation with Georgia by concentrating on a single project catering for policy aspects underpinning the development of an NQF, and including the enhancement of social dialogue. The project started in 2006 and Georgian officials from the Ministry of Education and Science, the Ministry of Economic Development (notably the Tourism Division) and the Ministry of Health, Labour and Social Affairs have supported its continuation.

Regular dialogue will be ensured, with a view to new, specific requests emerging from the debate taking place around the draft reform VET law. This additional support of ETF can be provided directly to the national authorities or via the EC/European Neighbourhood and Partnership Instrument (ENPI) channel, as appropriate and depending on requirements.

ETF 2007 ACTIVITIES AND SERVICES IN GEORGIA

ETF objectives for Georgia 2007: To support implementation of EU policies and interventions and to strengthen national capacities for VET reform particularly in the area of national qualifications

Project number	Project title	Specific country objectives	Expected outcomes	Achievements indicators	Sources of verification	Yearly outputs	Project duration
ENPI 07-01	Facility to respond to EC requests	To provide policy analyses to enhance the role of education and training in the design and implementation of EU policies in the region	Information provided to relevant EC services on the state of implementation of ENP Action Plans and country developments in the HRD area	Monitoring reports on implementation of ENP Action Plan include some of ETF findings	Monitoring reports on implementation of ENP Action Plan include some of ETF findings	Input provided to EC for monitoring of VET issues in ENP Action Plan	2007
ENPI 07-04	Policy learning to support VET reform processes	To support regional cooperation in the Southern Caucasus by providing intelligence on VET and labour markets in the three Southern Caucasus countries and identifying areas of common concern	VET and labour market intelligence in the region carried out Information provided to inform policy makers and donors on key issues for regional VET development and possible areas for regional cooperation	ETF cross-country report produced and validated Report disseminated in regional NQF workshop	ETF annual activity report Editorial Board minutes ETF website	ETF draft report produced and validated	2007
ENPI07-05	NQF	To transform occupational standards in the tourism sector into a learning outcome-based qualifications framework. To review pilot tourism sector experiences in the perspective of drafting an informed NQF policy paper.	Pilot tourism sector qualifications framework in each country completed, consisting of agreed learning outcome-based qualification profiles, level descriptors, assessment approaches (formal, informal, non-formal learning) NQF policy paper drafted by each country, reviewing the pilot experience, identifying policy issues, reporting on national consultations, and making proposals for further steps	Complete tourism NQF dossier produced by national working groups and national NQF coordinator NQF strategy paper produced by national working groups and national NQF coordinator	Project documents, mission and progress reports by ETF and experts	Learning outcomes / qualification profiles Level descriptors Country technical report	2007-08

ENPI07-07	Networking	To reinforce regional exchanges of experiences on sector policy development and implementation	<p>Strengthened policy formulation and implementation capacities of national stakeholders in overall or specific reform issues</p> <p>Dissemination and networking activities that expose national stakeholders to EU policies and other partner country experiences on education and training sector reform</p>	<p>Selected stakeholder participation in networking activities and provision of relevant input when requested</p> <p>New networks fully operational in an integrated manner at the national and regional levels and in coordination with other ETF networks</p>	<p>ETF quarterly reports</p> <p>2008 project plan</p>	Concept note and work plan	2007-2013
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