

GEORGIA

ETF COUNTRY PLAN 2009

Summary

The overall mid-term objectives of the ETF Work Programme are to: i) support the European Commission in the development and deployment of external assistance; and ii) support the continuing development of partner country capacities in human capital development, with view to innovation, competitiveness, growth and equity.

ETF assistance in 2009-2013 will support the implementation of the reform programmes of the Ministry of Education in the context of a planned SPSP, through specific initiatives including policy dialogue and policy improvement, emerging from current needs and developments in human capital development.

The focus of the country plan for 2009 is policy advice and capacity building activities in the context of SPSP, with view to the development and implementation of strategic reform measures.

The expectations are that policymakers and key stakeholders in Georgia will strengthen their capacities in policy planning and implementation, cooperation on cross-sectoral issues, and are better prepared to implement reforms in the context of the SPSP contribution to human capital development.



1. Socio-economic background

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 Revolution established its priorities as the fight against corruption, state territorial integrity, poverty reduction, and recovery of Georgia's international credibility.

Georgia's main **economic activities** include the cultivation of agricultural products; manganese and copper mining; and output from a small industrial sector: steel, aircraft, machine tools, electrical appliances, chemicals, wood products, wine.

The bulk of its energy needs are covered through import, including natural gas and oil products. Its hydropower capacity is rather underdeveloped. The country is pinning its hopes for long-term growth on its role as a transit state for pipelines and trade.

In 2007 Georgia's economy expanded by 12%. **GDP growth** is expected to be driven mainly by industrial output, construction and investment activities related to the South Caucasus gas pipeline. Georgia ranks 90 out of 131 economies, and needs to develop its economy and human capital to its global competitive index. Economic development is characterised by a big share of individual enterprises, with small employment capacity, and a large informal economy.

The high **poverty** level is still a serious challenge with one third of the population living below the poverty line. Despite recent economic growth, about 11% of Georgian students still lived below the poverty line. The main determinants of vulnerability and poverty are **unemployment**, under-employment, as well as low paid and insecure jobs in the **informal economy**. Many working people live below the poverty line.

Demographic trends have been marked by high net migration, decreasing natural growth and an **ageing population**. The population of Georgia dropped from 5.4 million in 1989 to 4.4 million by 2006. Georgia is a multi-ethnic country tormented by several ethno-territorial conflicts since the demise of the Soviet Union. The country faces the challenge of defusing inter-ethnic tension and promoting the integration of ethnic minorities. The three largest ethnic groups in Georgia are Georgians (83.8% of the population), Azeri (6.5%), and Armenians (5.7%), the latter two being concentrated near Georgia's borders with Armenia and Azerbaijan. Work in Georgia has focussed on the predominantly Armenian region of Javakheti in the south of the country and the multiethnic Kvemo Kartli region in the southeast. The integration of national minorities is a big issue for Georgia. As Azeris and Armenians are the largest ethnic groups, discussions about **minority issues** revolve mainly around them.

The working age population (age range 15-64) represents 68% of total. The two extremes of the labour force (younger and older) currently have a greater share than the middle-age groups. A **gender misbalance** is noticeable in the Georgian population: women predominate in the labour force (currently 52%) and exceed 60% of the older group. According to the Department of Statistics, in 2006 the activity rate of the population was about 63% and the unemployment rate 13.6%. Economic activity is higher in rural areas (57% of total) and among the male population. Georgia's labour market is characterised by self-employment which accounted for about 65% of total employment in 2005.

2. Key policy issues and strategies in human capital development

The unprecedented societal change in Georgia presents a challenging context. Key labour market issues are higher than average **unemployment** rates among the population with higher education, which implies the inadequacy of the skills mix of the active population in relation to the skills requirements in current economy. **Skills irrelevance** is a visible problem in the labour force, despite the level of education. A large proportion of employed people work in occupations not related to their education profile. The occupation/education discrepancy is more frequent in public administration, but also in business sectors such as construction, trade, and agriculture.

A large proportion of education graduates that either directly enter the labour market or simply drop out of the education and training system, mean that an effective and attractive VET system as an alternative education pathway, offering relevant qualifications at various levels is required urgently. The absence of a coherent employment policy and respective institutions is a major gap.

Georgia has opted for the total liberalisation of employment and labour relations in which the market is the single regulator. The labour market is marked by the predominance of self-employed among the working population, reaching approximately two-thirds of the work force. Much unemployment is long term. Lack of effective **employment and labour market policies** and disrupted social safety nets have exacerbated the labour market distortions. A state programme for professional preparation at work was adopted in 2006 to better address the mismatch between the job offer and workers' skills. The second stage of the President's state employment programme initiated in 2006 started in June 2007. The "Employment programme 2007 development of small and medium size businesses" envisages lending support to small and medium sized businesses engaged in tourism and the creation of new jobs. The main objectives of the programme are supporting and strengthening small and especially family-run businesses in the tourism sector and increasing access to credit resources for SMEs. A Business Information Centre was established under the Georgian National Investment Agency. Its main activities relate, among others, to awareness raising campaigns for economic operators and promotion of networks between private and public sectors.

Equity is currently an issue in Georgia; there is a problem of equal access and quality for the people in rural and especially mountainous areas, particularly for the poor and other vulnerable groups, like internally displaced people and the non-Georgian ethnic population. Lack of job opportunities, non-affordable health care and low quality education affects the displaced.

Currently Georgia does not have a written **migration** policy document and there is no single government body coordinating migration management. Legal provisions regulating the issue of entry into Georgia do not comply with the European framework and there are a number of significant legislative gaps regarding entry. Labour migration to and from Georgia is unregulated, and leaves room for concern.

The Georgian government developed in early 2007 a national strategy on **internally displaced people**, but as of October 2007, implementation of the strategy had not started. Refugees of the conflict zone represent one of the most socially vulnerable population groups. According to the data of the Ministry for Refugees, by January 2005 the number of refugees due to conflicts in the country amounted to 241,449 of which 229,131 were from Abkhazia and 12,318 from the Tskhinvali region.

A major problem for **ethnic minorities** in Georgia is isolation due to several factors, the absence of a common language being one of them. The minority population mainly receive primary and secondary education in their native languages. The quality of Georgian language instruction in the regions dominated by ethnic minorities is low. There is only one version of the unified national examination for university admission (UNE) available in Georgian and Russian. The option of Russian language tests does not adequately meet the needs of minority applicants, particularly if they did not receive Russian language education. The number of minority students entering Georgian universities has declined since the introduction of the UNE.

The government has taken steps to improve the lives of people belonging to Georgia's national minorities, inter alia through the implementation of a civic integration programme, investment in road and infrastructure rehabilitation in regions inhabited by minorities, as well as the state management school named after Mr. Zurab Zhvania, established to offer continuing education to Georgian and other minority representatives employed (or prospectively employed) in the public sector. In order to facilitate the process of integration of the non-Georgian population into the society, the Ministry of Education and Science implemented the following programmes: "Civic Integration Programme", "School Partnership Programme" and "the Future Starts Today". The programme that subsidises the provision of Georgian textbooks to non-Georgian schools is also implemented.

Disabled people are another concern of the government. On 13 February 2004, the Georgian parliament adopted the document "On Main Directions of Social Policy for Protection of Rights of Children with Disabilities". A concept was prepared, which addresses a special education service in the schools for children with limited intellectual abilities and envisages relevant education; high standards of education services; special education services to disabled children and their families. Ten pilot schools operate where this inclusive education process is successfully carried out.

To support students from poor families, up to 2.5 million Lari (about €1.1 million) was allocated to school books for 57,699 students in 2007. The government also paid particular attention to the integration of ethnic minority children, as well as internally displaced children from conflict regions such as Abkhazia and South Ossetia. The government prioritised inclusive education in order to promote equal access.

The development of professional skills in the new juvenile justice system alongside other different programmes such as psycho-social rehabilitation, therapy, and sports activities, is tailored to the specific needs of children in conflict with the law, and aims at the rehabilitation and reinsertion of juveniles through different programmes,

The reform of **vocational education and training** progressed well with the adoption of a package of new legislation in May 2007, based on reform principles announced in 2005. **Key measures** included governance and financing reform, licensing of education institutions and quality assurance. The development of a national strategy and action plan for lifelong learning is currently under way, including the elaboration of a national qualifications framework in line with European standards. Further measures are required to expand and enhance quality education and training provision, realise equity in vocational education and training in relation to

minorities, the economically vulnerable and women. Attention must also be given to the provision of lifelong learning and the **validation of non-formal learning**, and professional **qualifications** as a quicker entry route to the labour market. The law suggests the continuity of VET with other branches of education, with different levels of qualification and with formal and informal learning. It encourages openness and provides for the participation of other actors in VET governance, with a view to promoting the role of the VET system in the world of work and in society.

For now VET reform doesn't yet benefit from a **strategy and action plan** with a set of monitoring tools. The effective implementation of VET reforms lacks specific VET centred research (about the employability of VET graduates; data on the enrolment of ethnic minorities in vocational schools; data on gender issues in the VET system, etc).

Links between VET policy and other sector and cross-sector policies concern mainly the Economic Development and Poverty Reduction Programme (EDPRP), and the social inclusion of internally displaced people and minorities.

Actions to raise the quality of education and labour liquidity are considered as major components for increasing labour market efficiency. A revisited employment agenda and strategy could support the coherence of various sector policies directed towards job creation, economic sector development and skills development.

A special focus is put on **VET provision for internally displaced people** in order to enhance their employment chances. There are some special training programmes for adults (e.g. in Tbilisi there is a VET centre providing courses in mechanics, etc.), but not on a systematic basis. A special strategy on VET education for internally displaced people is being developed.

Georgia is the only country that introduced education **structure reforms**, in particular of the VET sub-system, by establishing two levels, more consistent with the Bologna process (initial or apprenticeship, and higher vocational education based on the short study cycle). Vocational education and training centres with open profiles to satisfy various skills development needs were created, and provide multi-level training for all categories and age groups. Considerable investment was made by the government, the first big state investments in the VET infrastructure since 1986. The **National Professional Agency** (NPA) and other specialised agencies were established to implement the reforms. The NPA is responsible for qualifications. Currently it has the responsibility for coordinating issues related to VET as well as the work of other specialised agencies. The key responsibilities of NPA include provision of support to the implementation of VET reform; development and approval of a national qualifications framework for VET (determining levels, level descriptors, definitions of key concepts used, development and approval of occupational standards for the qualifications included). All VET providers receiving state funding will have to implement these occupational standards; develop and approve the rules for the establishment of VET certification (awarding) bodies; develop the VET certification rules and conditions, including those for informal learning (RPL); develop the list of regulated professions; provide policy suggestions for VET reform to the Ministry of Education; develop the professions database.

Higher education remains a priority within the policy framework drawn up by the Ministry of Education and Science. Georgia subscribed to the Bologna principles with the aim of integrating itself into the European Higher Education Area. Measures have been adopted to eliminate corruption (e.g. changing student admission regulations), the first phase of accreditation of higher education establishments has been completed, and relevant measures to enforce quality assurance have been implemented. Tempus was instrumental in supporting universities in the implementation of higher education reforms in line with the Bologna principles; in particular in the development of a credit transfer system, the assessment of learning outcomes and the development of modern curricula and teaching methods. Student mobility to the EU increased through participation in the Erasmus Mundus and Erasmus Mundus External Cooperation Window programmes, which also promoted academic cooperation.

The development of **lifelong learning** in Georgia is recognised in the state education policy as a priority and guiding line. Development of a national strategy and action plan for lifelong learning is currently underway. An important aspect of these activities is the elaboration of National Qualifications Framework allowing qualifications across different levels and forms of education to be translated not only in the country but abroad as well. Despite recent policy

developments, there is no coherent system for adult education, training and retraining in the country, and 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 links with the education system at various levels, and the development of learning methods and financing.

As mentioned above, a key challenge for the reform implementation phase concerns the **monitoring** of reforms. A number of topics require analysis and updated information for the relevance and quality of policymaking:

- Transition from school to work of VET graduates;
- Equity in VET in relation to minorities, gender, economically vulnerable children;
- Qualifications framework, also in relation to lifelong learning, cooperation with the world of work, recognition and validation of non-formal learning;
- Quality in VET;
- VET system governance, with emphasis on: a) school management and school autonomy; and b) the system of skills needs analysis, with participation of employers and other players in the labour market.

3. EU and other donor policies and interventions

Now that the law on VET has been enacted, the National Professional Agency and other centres have been established, and the VET centres have been renovated and equipped, the conditions for donor involvement are favourable.

The main donors active in the field of vocational education are USAID, UNDP, EU, GTZ, IOM, Eurasia Foundation, and foreign NGOs (e.g. from Greece). Donor support ranges from the rehabilitation of vocational schools to the elaboration of occupational and professional standards and policy development in the field of VET.

- The ENP Action Plan 2007-13 identifies education and training, human resources development and lifelong learning as priority areas. The EU has supported the development of VET reform through a Tacis policy advice project by assisting in the elaboration of the reform strategy and the new VET legislation. It has expressed openness to additional requests for cooperation from relevant ministries and national agencies. For 2009, there are plans for an SPSP. A pre-feasibility study has been carried out, the baseline study prepared and discussed with stakeholders. The ETF provided support to EU activities, mainly via in-depth studies, a pre-feasibility study, and the national qualifications framework project.
- The USAID project will support capacity and management development in two VET centres. USAID will also assist capacity building of the NPA and develop performance monitoring.
- In 2007 the IOM carried out an important study of labour force needs and employers' skills requirements in several regions. These studies are available on the web and will be updated regularly. IOM supports the new Job Counselling and Referral Centre, established in 2007 in Tbilisi, within the ITVET Centre. The centre for professional guidance set up a website with job vacancies, and began active co-operation with the private sector. It trains vocational teachers as well as consultants for vocational guidance in every VET centre.
- The British Council assists the Ministry of Education, the NPA and VET centres (project "Skills at work") with capacity building on the qualifications framework, quality assurance, and implementation of active partnerships between colleges (with Dundee College).

- The UNDP run a project to support to the modernisation of the vocational education and training system in Georgia. The overall objective is to build a standards-based qualification and training system that will respond to labour market needs. In agreement with the Ministry of Education and Science, the project helps the selected VET centres in Akhaltsikhe and Kachreti to deliver vocational education and training in the areas of construction and agriculture. In addition, the project includes the following components: a) labour market surveys to identify skill shortages; b) development of professional standards and teaching modules; c) retraining of trainers. UNDP will work together with the national and regional authorities to mobilise additional resources for the expansion of the project to other regions of Georgia.
- The German Technical Cooperation Agency (GTZ) has assisted vocational education and training development with a regional programme and a teacher training project, which focuses on the modernisation of teaching methods using participative active methods.
- Other international NGOs are conducting studies and debates in the area of adult education and are lobbying for the elaboration of a high-level framework for lifelong learning. The Eurasia Foundation has launched a policy research project on vocational education, aiming at the development of analysis and policy options on VET. A policy paper is expected to be finalised by December 2007. Some international organizations (DVV-international, FHRD) supported social partnership activities. The Ministry of Education co-operates actively with Estonia on the project “Let’s help to develop VET in Georgia – vocational training and school management today”, which includes several areas (teacher development, management development, curriculum, exchanges among schools).

Donor assistance to VET reform needs to comply with Georgian sector policy, the key instrument to support ownership and coordinated actions and sector development. VET fields where expert assistance is necessary should be clarified in line with the development of VET sector policy.

Technical assistance and institution-to-institution contacts are needed to support further development at the education policy and programming level (capacity building) and at the individual school level (partnerships with local networks and with networks in partner countries, exchanges with local training and employment networks, management capacity building, etc).

4. ETF strategy of intervention in the mid-term 2009-13

In the mid-term perspective, ETF support will be provided in Georgia, with two distinct and important features: 1) the country has moved to rapid and comprehensive implementation of the reforms, with a clear need and request in relation to social partnership and capacity development for NPA, 2) the EC Delegation started preparations for SPSP intervention in VET.

In more general terms the ETF will help promote human capacity development in the country through promoting a learning, analytical and intellectual culture necessary to face such development.

The ETF mid-term objective is (1) to contribute to the programming and the ENPI support of education and training in Georgia; (2) to assist VET reform implementation through the ETF policy learning activities combined with capacity building; (3) to enhance the networking of key stakeholders and their involvement in the implementation of the reforms.

More specifically, the ETF will provide support, in particular in the course of the SPSP process, through a series of events, organised within the areas of its expertise and mandate, including a sector-wide approach, lifelong learning mechanisms; qualifications system and frameworks; development of observation, information and analysis to support policy-making and programming; building a national VET capacity; exchanges between and with people and institutions. The ETF will help fill key gaps in capacity to develop and implement human capital development strategies, with a particular focus on facilitating social dialogue.

The areas of focus for the ETF are the structuring of the qualification system with a view to improving the attractiveness of VET, enhancing social dialogue in regard to VET, and

information and analysis to support VET policy. The ETF will place its strategic focus on policy advice relevant to the following specific areas:

- A prioritised plan for VET reform and modernisation that adopts a sector-wide approach;
- Lifelong learning mechanisms supporting attractive and flexible education options and a more open VET system;
- A qualifications system and frameworks, and a new conceptual basis in line with international developments, as well as methodologies for the sound elaboration of broad occupational and educational profiles and a review of the catalogue of occupations;
- Reliable and accessible information and guidance in support of education choices;
- Development of quality assurance policy and mechanisms;
- Curriculum development and assessment and VET learning content and methods;
- Observation, information and analysis systems to support policymaking and programming; new generation of education researchers and practitioners with solid and up-to-date knowledge of VET and lifelong learning developments and practice; exchanges between and with people and institutions to contribute to national VET capacity.

The strategic option to use the national qualification framework as a potential tool for modernising the education and training system will be further explored with the network of stakeholders.

The two priority directions of the future ETF support are:

- a) Direct support to the EC Delegation on fine-tuning and implementation of the SWAp as a process of policy dialogue and policy improvement, which may include specific assistance to the NPA and the Ministry of Education.
- b) VET system governance, with emphasis on: a) school management and school autonomy; and b) a system of skills needs analysis, with participation of employers and other labour market players, as means to improve the institutional capacity to deal with one of its core functions.

At the end of the mid term period (2013), ETF activities in Georgia will have contributed to the following outcomes:

- enhanced effectiveness and relevance of Community assistance programmes to partner countries in the field of human resources development, alignment of the EU aid flow to national priorities;
- capacities developed for implementing the SPSP in VET, with view to more integrated and relevant education and training policies and strategic measures to meet the need of priority target groups;
- transfer of relevant policy lessons between EU Member States and partner countries, as well as the facilitation of the engagement of partner countries in relevant EU policies and programmes;
- NQF strategy measures developed by key stakeholders, and contributed to the implementation of VET reform.

The overall objectives of the 2009 work programme are (1) to support the European Commission in the development and deployment of external assistance, in particular SPSP; (2) to support the continuing development of partner country capacities in human resources development, through targeted assistance to the NPA.

The specific objectives for ETF work in 2009 will be (1) at the request of the EC services, to contribute to the definition of the SPSP to the EC Delegation in the context of the sector-wide approach, (2) to assist national stakeholders in the implementation of the VET reform, through

capacity building, for informed policy making, in particular in the area of school autonomy and effective school management.

- In 2009 the ETF will finalise the **National Qualifications** project, which serves as a platform for exchanging information and cooperation in technical and policy issues within a wider VET reform agenda. The concept of a national qualification framework as a potential tool for modernising the education and training system, for structuring the qualification system, with a view of improving the attractiveness of VET, enhancing social dialogue in regard to VET, as well as improving information and analysis to support VET policy, will be further explored with the network of stakeholders.

Practical experience translated into policy recommendations, will be reviewed and summarised in the form of a publication. Sharing of experience with EU Member States and with the other countries involved in the project will take place at a final conference in Moscow.

The finalised document on the accreditation of prior learning in Georgia is one of the outputs that will be helpful for the work of the National Qualifications Agency.

- In the context of the Black Sea Synergy Initiative, in the second phase of the **Black Sea Employment Review** project, the ETF will carry out a comparative employment review. This activity adds value in strategic areas by offering policy advice and relevant information for evidence-based policy, by proposing both the methodology for research and the analysis, as well as developing local capacity for labour market research.

The project addresses the challenges faced by the Black Sea countries, and as highlighted in several ENP Action Plans: decreasing activity rates and high unemployment levels, informal economy, low-quality and low-paid jobs, skills mismatch, migration.

The project will focus on analysing the above-mentioned issues of the labour markets in five countries in a comparative perspective. Special attention will be given to gender aggregated data and analysis. The regional focus of the project on selected labour market issues will help policymakers understand the structural trends in the region and provide relevant analysis on the generation of human capital and how outputs from the education and training systems are used and allocated in the labour markets.

The analysis will be complemented by a number of awareness-raising and information/experience sharing activities for key policy-makers of the countries.

Both activities can help employers in promising sectors, in terms of analysing their own needs in a satisfactory manner and being able to formulate requests to the education—and notably to the VET system.

- The ETF will **support legislative and institutional developments** that will accompany the reform process, in particular through tailored support to NPA in the form of capacity building in the area of policy and tools for the effective functioning of schools, in particular through school autonomy and effective school management.

ETF activities will involve the main actors. Regular dialogue will be ensured, with a view to new, specific requests emerging from the debate taking place around the draft VET reform law. This support will be provided directly to the national authorities or via the EC/ENPI channel, as appropriate and depending on requirements.

In its work, the ETF will use tools such as information provision, exchanges, self-assessment, peer-learning and learning-by-doing, in particular at the sector level. The tourism sector will remain a priority.

The expected results of ETF interventions are improved relevance of human resources development components in EU funded interventions, enriched education and training policy debates, and measures developed to build an education and training system that contributes to active employment, social inclusion and poverty reduction efforts.

The policymakers and stakeholders in Georgia will have strengthened capacities in human capital development policy planning and implementation, for cooperation on cross-sectoral issues, and are better prepared for a possible SPSP contribution in human capital development.