



ევროკავშირი  
საქართველოსთვის  
EU4Youth



Save the Children



## **YOUTH-FOCUSED LABOUR MARKET ASSESSMENT**

**(Kakheti, Shida Kartli, Samegrelo-Zemo Svaneti and**

**Mtskheta-Mtianeti)**

**Report**

**2018**

Foreword

## List of Abbreviations

CDC	Creative Development Center
CHCA	Charity Humanitarian Centre "Abkhazeti"
CSRDG	Center for Strategic Research and Development of Georgia
GITA	Georgian Innovation & Technology Agency
IDP	Internally Displaces Person
KEDEC	Kutaisi Education, Development and Employment Centre
NEET	Not in Education, Employment, or Training youth
NGO	Non-Governmental Organization
PWD	Persons with Disabilities
SGH	Small Group Homes
SKYE	Skills & Knowledge for Youth Economic Empowerment
VET	Vocational Education and Training
WVG	World Vision Georgia

## Table of Contents

Foreword.....	2
List of Abbreviations .....	3
Table of Contents.....	4
List of Tables and Figures.....	6
Executive Summary .....	9
Aim/Objectives & Methodology of the Study .....	15
Chapter 1. Overview of the main trends on Georgian Labour Market .....	18
Structural Problems.....	18
Youth on the Georgian Labour Market.....	19
The Problem of Skills Mismatch .....	22
Regional review of sectors/industries .....	26
General Description of the Kakheti Region.....	26
General Description of the Samegrelo-Zemo Svaneti Region.....	32
General Description and Economic Sectors in Shida Kartli Region.....	36
General Description and Economic Sectors of Mtskheta-Mtianeti Region .....	40
Chapter 2. Demand on the regional Labour Markets.....	44
Labor Market Demand of Kakheti Region .....	44
Labour Market Demand in Samegrelo-Zemo Svaneti Region.....	47
Labor Market Demand in Shida Kartli Region.....	50
Labor Market Demand of Mtskheta-Mtianeti Region .....	54
Reasons for Demand and Supply Imbalance in the labor market .....	58
Chapter 3. Supply of Young Labour Force on Regional Labour Markets.....	67
General Description of the Research Target Groups (demography).....	67
Description of the Young People Living in the Regions by Gender.....	69
Young People Living in the Regions - Description by Age.....	76
Description of the target groups in terms of their situation, barriers and encouraging mechanisms in the labor market .....	77
People with disabilities (PWDs) .....	77
Internally displaced Persons (IDPs).....	78
Young people neither in education process, nor in employment and trainings (NEET) .....	81
Situation of Young People Integrated into the Labor Market.....	82
Evaluation of Human Capital of the Young People from Four Target Regions of Georgia.....	89

Formal Education and Qualification of Young People .....	89
Transversal Skills of the Targeted Young People.....	94
Labor Market Orientation .....	109
Young People in Volunteer Activities .....	122
Barriers to Education for Young People .....	124
Young People’s Future Development Motivations and Orientations .....	127
Chapter 4. Non-Formal Education Providers.....	132
Summary & Conclusions .....	149
References.....	154

## List of Tables and Figures

Figure 1: Average salary of young workers in GEL .....	22
Figure 2: Highest level of education achieved by age groups .....	23
Figure 3: Distribution of labour force according to formal qualifications and occupations (%) .....	24
Figure 4: Gross Value Added in Kakheti region.....	27
Figure 5: Percentage Distribution of Total Value Added in Samegrelo-Zemo Svaneti Region .....	33
Figure 6: Percentage Distribution of the Total Value Added by Sectors in Shida Kartli and Mtskheta-Mtianeti Regions .....	36
Figure 7: <i>Distribution of Respondents by Age (%)</i> .....	67
Figure 8: Distribution of Respondents by Type of Residence (%) .....	68
Figure 9: Distribution of the 14-29 age category by age and gender having at least one up to 15 years old child (%) .....	70
Figure 10: Who is responsible for financial support and physical care of a child (children) * by gender (%) .....	71
Figure 11: Level of Educational attainment by 14-29 years old youth * gender (%).....	71
Figure 12: The occupations of BA degrees attained by 14-29 years old youth in the regions * gender (%) .....	72
Figure 13: Job searching strategies among men and women during the last four weeks (%).....	74
Figure 14: Please, evaluate how important it is for you the following items? *Gender dimension (average, where 10 means very important and 1 absolutely insignificant).....	75
Figure 15: Do you consider the following issues as the employment barrier for you? (N = 100) (%).....	78
Figure 16: Main reasons for leaving the work place by young IDPs (N = 35) (%) .....	79
Figure 17: What is the better description of your employment situation? * by regions (N=100) (%).....	83
Figure 18: In which sector are you employed (N=100) (%) .....	84
Figure 19: Job searching strategies and employment source (N=100) (%) .....	87
Figure 20: What are the topics of trainings/retraining courses (N=100) (%).....	88
Figure 21: Type of education received by the respondent after completing general education.....	89
Figure 22: Type of education received by the respondents after completing general education * by regions (%) .....	90
Figure 23: Type of education received by the respondent after completing general education * by social status (%) .....	91
Figure 24: Have you been employed? * by education level (%) .....	93
Figure 25: How frequently do you plan own work and other's work? (N=400) (%) .....	95
Figure 26: How frequently do you plan your/others work? * by regions * by social status.....	96
Figure 27: How frequently do you take the following actions? (N = 400) (%) .....	97
Figure 28: I never take the following actions * by social status .....	98
Figure 29: How frequently do you take the following action? (N=400) (%).....	99
Figure 30: Basic computer skills (office programs) and high level computer or programming skills evaluated by 10-point scale, where 10 means perfect knowledge and 1 - no knowledge / skills at all (N = 400) (%) .....	100
Figure 31: Average indicator of the basic computer and high-level computer skills measured by 10-point scale * by social status .....	100
Figure 32: What are your digital skills in following (N=400) (%) .....	101
Figure 33: Please, choose your digital skills level from the List below. *by gender (%).....	103

Figure 34: Please, evaluate your knowledge and skills development level, where 10 means perfect knowledge, and 1 – no knowledge / skills (N = 400) (%).....	107
Figure 35: Please, evaluate your knowledge and skills development level, where 10 means perfect knowledge, and 1 – no knowledge / skills * by social status (N = 400) (average indicators) .....	108
Figure 36: Please, evaluate your knowledge and skills development level, where 10 means perfect knowledge, and 1 – no knowledge / skills (N = 400) (average indicators).....	108
Figure 37: What percentage of surveyed youth have important documentation required for employment (%) .....	109
Figure 38: What percentage of surveyed youth have important documentation required for employment * by regions (%).....	110
Figure 39: How often do you receive and send e-mails? * by regions (%) .....	111
Figure 40: How often do you receive and send e-mails? * by social status (%).....	112
Figure 41: Which online search engines have you used? * by regions (%).....	113
Figure 42: Which online search engines have you used? * by social status (%) .....	113
Figure 43: Have you participated in internship programs? * by social status (%).....	114
Figure 44: Internship formats the young people participated (%) .....	115
Figure 45: Description of the internship process (%) .....	116
Figure 46: Result of internship (%).....	116
Figure 47: I know the employers' demands in my region * by region * by social status (%).....	120
Figure 48: Evaluate the importance of each aspect for the employer in the employment process on the 10-point scale (evaluate most important – 10, and the least important – 1) (average indicators).....	121
Figure 49: Characteristics of the civic activity (N = 400) (%).....	122
Figure 50: Share of respondents having 14 years old or younger child/children according to regions (%) .....	126
Figure 51: Share of respondents having child/children of age under 14 * by social status (%) .....	126
Figure 52: Thinking about next 5 years, do you wish to acquire additional skills and / or qualifications? * by regions (%).....	128
Figure 53: Thinking about next 5 years, do you wish to acquire additional skills and / or qualifications? * by social status (%) .....	128
Figure 54: What type of qualifications and/or skills do you wish to develop? *by regions (%) .....	129
Figure 55: What type of qualifications and/or skills do you wish to develop? * by social status (%).....	130
Figure 56: What benefits do you expect after acquired qualifications or skills? (%) .....	130

Table 1: Total employment by economic sectors (ISCO), 2016.....	21
Table 2: Distribution of Business Entities Registered in Kakheti Region by Number and Percentage.....	27
Table 3: Distribution of Business Entities Registered in Samegrelo-Zemo Svaneti region .....	34
Table 4: Activity Types of the Organizations Registered in Shida Kartli Region Based on the National Classifier of Georgia.....	37
Table 5: Type of activity of organizations registered in Mtskheta-Mtianeti according to the National Classifier of Georgia .....	41
Table 6: Demanded Professions in Kakheti Region .....	46
Table 7: Demanded Professions in Samegrelo-Zemo Svaneti.....	49
Table 8: Demanded Professions in Shida Kartli Region.....	52
Table 9: Demanded professions in Mtskheta-Mtianeti region.....	57
Table 10: Distribution of social groups of the 14-29 age category young people by the target regions (%) .....	68
Table 11: Distribution of social groups of the 14-29 age category young people by gender (%) .....	69
Table 12: Distribution of youth with concrete social status in the target regions by age groups (%).....	76
Table 13: What is your position at work? General and by gender (N = 100) (%) .....	85
Table 14: Benefits of obtained education *according to education level (%) .....	92
Table 15: Please, choose your digital skills level from the List below. *by social status .....	102
Table 16: Please evaluate at what frequency do you implement or have implemented the following activities during your employment or in everyday life? (N = 400) (%).....	104
Table 17: Please evaluate at what frequency do you implement or have implemented the following activities during your employment or in everyday life (N = 400) (%) .....	105
Table 18: Please evaluate at what frequency do you implement or have implemented the following activities during your employment or in everyday life (N = 400) (%) .....	106
Table 19: Knowledge of other foreign languages (except English and Russian) .....	107
Table 20: What percentage of surveyed youth have important documentation required for employment * by social status (%).....	111
Table 21: Awareness, involvement and efficiency of the employment programs (%) .....	117
Table 22: Awareness, participation, and efficiency of the entrepreneurship development programs (%).....	119
Table 23: What were your actions within the charity activities? (N = 400) .....	123
Table 24: In which educational activity have you faced/ are you facing the barriers. What were/are these barriers? .....	125
Table 25: Non-formal education providers in selected regions .....	132
Table 26: Local Non-formal education providers in Kakheti .....	139
Table 27: Local non-formal education providers in Samegrelo-Zemo Svaneti .....	143
Table 28: Local Non-formal education providers in Shida Kartli .....	146
Table 29: Local Non-formal education providers in Mtskheta-Mtianeti .....	148

## Executive Summary

Despite the impressive economic growth in previous decade Georgian economy was not able to increase the employment rate substantially. Unemployment in Georgia is largely a structural phenomenon, which is primarily determined by the delayed structural transformation of the economy and a considerable skills mismatch. Georgian economy is not producing large number of high productivity jobs and the labour market is primarily dominated by low productive service sector jobs.

### Labour Demand focuses on technical skills

Reflecting the structure of the economy, the demand for labour in highly qualified jobs is scarce, particularly in the regions. Given the specific focus of the study we have identified the most promising sectors in target regions in terms of their potential of offering decent job opportunities to young people. Namely, in Kakheti the study covered the companies operating in wine, ice cream and egg production, as well as tourism. About 60% of demand in these companies comes on low to medium qualified workers. However, it is worth mentioning that for most of the qualified positions (like mechanics, energy specialists, veterinarian etc.) employers recruit staff from Tbilisi. This indicates the scarcity of mentioned professionals in the region. Considering the information regarding the projects planned by governmental or donor funding in Kakheti region there will be limited demand for energy specialists, food and wine-technologists, civil engineers and ICT specialists during the next few years.

In Samegrelo Zemo-Svaneti we focused on fish processing and conserving, cargo transportation & logistics and food processing. Demand for workers in these sectors primarily focuses on individuals with vocational and higher technical education in respective fields. Specialists in fishing and fish processing have been noted as being especially difficult to fill. As for the other regions employers in Shida Kartli have been selected in the construction and food processing industry, which primarily talk about the difficulty of finding well qualified welders, masons, microbiologists, agronomists, civil engineers and IT specialists. Food processing has also been selected as a primary high-quality employment sector in Mtskheta-Mtianeti region, where the demand primarily focused on different types of technologists (food technologists), as well as administrative, finance and sales managers.

To sum up, it can be concluded that employers in all focus regions are primarily looking for people with medium to low qualification levels. They have particular difficulties in findings following specialists: electrical and electronics repairman, computer specialist, plumber, carpenter, catering and hotel management specialists, engineers, mechanics, veterinarians, industrial electrician, machinist, chemical and food technologists, civil technicians and welders. The youth survey results however, indicate that only 15% of respondents residing in targeted region have vocational education and they mainly specialize in pharmacy, informational technologies, nursing and

construction work. In other words, there is a large mismatch in the qualifications levels and fields of education requested and provided on the regional labour markets. It is critical to note that the demand articulated in previous paragraphs captures the difficulty of filling certain positions and does not necessarily imply massive demand in terms of numbers of required workers.

*Youth are missing technical, as well as transversal skills*

While technical competence is of paramount importance for employers' hiring decisions, they also point towards the necessity of future employees having certain set of transversal skills. During their assessment of young staff members and job applicants company representatives noted that they usually *lack sense of responsibility, punctuality, discipline and motivation*. In terms of interpersonal transversal skills, the ***employers demand the following ones: communication skills, cooperation, teamwork, leadership and problem solving***. Most of the employers note that youth are lacking most of these characteristics.

The results of the survey confirm this finding. Based on their self-assessment ***the least developed skills among the youth include: planning the activities of others, making speeches or presentations, instructing others, training or teaching people, individually or in groups***. Two third of youth have never done these kinds of activities, while others have done this only rarely. Half of the youth share the information every day or cooperate with others; one third is involved in counseling, advising or caring for customers or other people. In regard to problem solving we can see that regularly more than half of the youth solve simple problems, which approximately demand 5 minutes, less than 15% solves problems everyday, which approximately demands 30 minutes. About 20% of respondents do the work, which requires physical work. As we see young people are mostly experienced in simple communication skills, while majority of them have no experience of more complex tasks.

Among the transversal skills we have also measured the literacy, writing and mathematical skills. In general, the literacy level of the youth is rather low. Most of the respondents read letters and e-mails (one third do it everyday), instructions (one third reads it at least once a week) and books (only one fourth never reads books). Half of the respondents never read the newspapers, articles, manuals or reports. It is important to note that 80% of the respondents have never read the schematic material (e.e. tables, figures, maps, etc.). The writing skills of youth are even less developed: around 80% and more never fill the forms, never writes reports or informational booklets. One third of the youth write e-mails every day. Mathematical skills are yet another weak point of the respondents. About 70% use the calculators, while half of them never calculates the prices or does any form of calculation (e.g. budgeting). More than 80% does not engage in calculations using decimals, percentages or fractions, creating tables, figures, or any other advanced mathematical or statistical procedures.

In accordance to the labour market demands we have measured the digital skills and knowledge of foreign languages among the youth. 16-18% of youth do not have the basic computer skills, but

in general within the 10-point scale, they evaluate their knowledge as 5.63. Large part of the respondents have basic knowledge in relation to processing information, communication, security and creating digital content, while problem solving is even less prominent. Only 3% of youth possess professional digital skills and their self-evaluation on this is 3.29 on the 10-point scale. One third of youth speaks neither English or Russian, knowledge of other languages is even rare. The average of English language knowledge is assessed with 4 points and Russian language with 3.54 on a 10 point scale.

As a summary, we can conclude that transversal skills among the youth residing in four target regions of Georgia are rather weak. Obviously, they are in no position to satisfy the demand of employers in this regard.

### *Non-formal providers have only a limited focus on technical & transversal skills training*

Given this background it is of crucial importance to examine the operation of non-formal education providers in Georgia. The study reveals that absolute majority of non-formal education providers (especially those operating on a local level) focus on civil society development and respectively direct their training efforts on related topics (e.g. raising civil awareness of local youth). This represents about 50% of the training content delivered by these organizations. While about 40% come on soft/transversal skills and only 10% on vocational training. Hence, the large part of non-formal education providers efforts are directed to an area which has no direct bearing on increasing youths' employability.

Close look at the training content reveals that non-formal education providers mainly focus on topics like: making presentations, basic computer programs, job search (CV writing + preparing for the interview) and foreign language courses (particularly English). Only few national providers also focus on entrepreneurial learning and IT skills. Overall, there is a clear deficit in training which nurtures the development of skills in problem solving and communication and ability of youth to be leaders and take responsibility.

Another critical point about the training delivery is that despite of the large number of organizations and projects providing trainings, the pool of final beneficiaries remains limited, in relation to the total youth population of the regions. Respectively, the results of the survey indicating lower than average transversal skills among the youth should not be surprising.

Finally, it should be noted that school-to-work transitions mechanisms offered by non-formal education providers is limited to several projects having career guidance and internship component. As for the employers they are oblivious to the importance of such mechanisms for their own benefit. They primarily cooperate with formal education providers and provide small number of internship placements. However, even in this case the scope of operation is so narrow that it cannot have any meaningful effect on mitigating youth employment problems.

### *Youth with Disabilities, IDPs and NEETs are doing particularly bad on the labour market*

The survey results revealed that the share of PWD among youth (14-29) years old composes 1.6%. The number of PWD acquiring higher education is minimal (1.4% BA and 0.8% MA degree). Most of them (97.5%) are excluded from the labour market and this exclusion has the longitude character as the members of this group have the skeptical attitudes and low motivation for future employment prospects as well as indicate to the objective barriers - nonadaptive working conditions, unfriendly attitudes and low employment chances due to their low level of education and essential skills for employment. Most of PWDs mentioned that they also had barriers during their educational process (no adaptive infrastructure for accessing the educational institutions, the stereotypes of society members, lack of support from family members and ability to achieve the success in education). That might be one of the reasons why this group has the least developed skills, low level of orientation to the labour market and the least motivation for future development. The few members of PWD group engaged in the different support programs for increasing their employability indicate to the efficiency of the programs.

IDPs compose the 7.2% of the youth (14-29 years old) residing in targeted regions. They are unequally distributed between the targeted regions: majority of them residing in Samegrelo-Zemo Svaneti and Mtskheta-Mtianeti regions. 81.2% of internally displaced youth left their home territory till 1995, while 18.8% fled after the Georgian-Russian war in 2008. That is the reason why most of them are well integrated into local context. The employers never mentioned any differences between IDPs and local youth. While evaluating their chances on labour market, most of IDPs do not indicate to the unequal chances and if they mention this is mostly connected with their acute living conditions or lack of financial capital. 61% of internally displaced youth never was employed, although 35% of them left the job due to the discontented with working conditions, low salary or private reasons (marriage, small child, education). Every third of unemployed internally displaced youth show readiness for employment. Every fourth IDPs have high education and in this regard, they show almost the same achievements as employed youth. While evaluating their transversal skills, digital capacities and knowledge of foreign language, they mostly show the equal or slightly less proficiencies as the category of employed youth. Although while measuring their orientation to the labour market, they have less developed skills than employed youth (having CVs in English and Georgian languages, motivation letters, using the electronic bases for searching vacancies, etc.). The members of IDP youth group show the highest motivation for future development, in regard to acquire formal qualification, develop digital skills or other types of transversal skills.

NEETs compose more than 60% of youth (14-29 years old) in targeted regions. 60% of them never was employed, although others left the job due to the unsatisfying working conditions, low salary or private reasons (again marriage, childbirth and household responsibilities). Every fourth of NEET group member was searching for the job during the last four weeks. Those who are reluctant are skeptical about their possibilities to find job or again have the private reasons. In general youth

in NEET group can be characterized as inactive group as they show minimal intentions for employment or for future personal development. Only 10% of them has the higher education and 16.7% vocational education. Their transversal skills, digital capacities and knowledge of foreign language are ill developed as their orientation to the labour market is very weak. Although 59% of them have the incentives for future development, namely in regard to acquire vocational education (30%), higher education (20%) and studying foreign languages.

The share of employed youth among the youth of targeted regions composes 22.8%. The mean length of their work experience is three years. They are less inclined to work mobility and most of them do not search new employment as they are content with the working conditions. Most of them are employed in private sector, 33% at the public sector. The share of entrepreneurs among employed youth is minimal and composes 2.3%. The main three sectors of their employment are: healthcare, finance and trade, which is in accordance of the regional economic profiles. Every tenth of employed youth work at managerial position, every fourth as professional specialist; one fifth of employed youth work as unqualified workers. Their average salary composes 500 Georgian Lari. The group of employed youth has the most well-developed transversal skills, knowledge of foreign languages, orientation to labour market. 30% of them have acquired higher education, 13% - vocational education. Only half of employed youth has the motivation for future development and if they do, it is mostly in relation to formal education (higher or vocational) and foreign languages. The employed youth with their abilities, skills and qualifications best match to the demands of local labour market.

#### *Gender inequality existing on labour market and educational system is the result of culture and traditions*

Gender analysis of quantitative research data shows that girls' academic achievements go over boys' academic achievements, indicating that gender inequality rooted in culture does not negatively affect girls' education activities. The number of women having vocational education and bachelor's degree exceeds the number of boys, having the same education. This result is achieved by the equal access of both sexes to formal and informal education mechanisms. Moreover, the family often provides the education of the girls, while the part of the boys has to work and cover the costs of study from the salaries.

Women in the 14-29 age group is less employed than boys, but it is not explained by the discriminative attitude towards women in the labor market. Marriage, pregnancy and child care obligations forces women to leave the labor market. Disintegration of women from the labor market is mainly caused by Georgian traditional cultural values and partly by a weakly developed child care system when women have no choice due to no physical access to kindergarten. The survey results show that the labour market is gender segregated because of the different occupational preferences of male and female youth (when men choose professions related to the physical activities and the ladies - specialties related to lighter workload) or due to easier access

of men to the power (e.g. more male youth are employed in public sector), but this trend is violated in case of managerial positions, which are taken more often taken by women than men.

Analysis of the transversal skills and competences of young people on gender basis shows that in the age group 14-29 a number of activities related to work, co-operation, training or teaching of others, are more developed among men than women. Gender difference is expressed in the performance of physical work too: half of men perform physical work every day or weekly, while physical work is done by 25% of woman daily or weekly. Quantitative research revealed that girls' digital competences in four direction - information processing, communication, content creation and problem solving – are better developed than boys. The only issue where the male youth shows higher competence is safety. Girls' reading skills are also more developed than boys. The level of English language competence is higher among the girls than boys, but this trend is controversial in relation to Russian language. Documents needed for employment and orientation on the labor market are also more developed among girls than among boys.

## Aim/Objectives & Methodology of the Study

The aim of the study is to assess the modern labor market needs, existing non-formal educational services and analyze how youth's existing skills and available opportunities match the market demand in four regions (Kakheti, Shida Kartli, Samegrelo Zemo Svaneti, Mtskheta-Mtianeti) of Georgia.

Achieving the above aim the research reaches the following specific objectives: a) Identifies current and future trends on the labour markets of targeted regions with the focus on economic sectors that potentially require highly skilled and qualified workforce. Specifies the jobs and skills that are currently needed or would be generated in these sectors. b) Identifies what are the support mechanisms (financial and other) for youth in selected regions to develop their entrepreneurial potential and what skills are necessary for youth to become successful entrepreneurs. C) Studies and assesses the scope of educational programs of the non-formal education providers in selected regions in order to see how the demand for skills is met by these trainings and specify the gaps. D) Evaluates qualifications and skills of local youth which can they offer to labour market and identifies the challenges that youth face to on the local labour market.

The study targeted four groups of actors to achieve these objectives - local youth, private sector employers, non-formal education providers and key stakeholders (the latter include individuals with knowledge of the local socio-economic context, representatives of the local municipalities, chambers of commerce, employers' association, job centers, respective project staff, field experts etc.).

The research design of the study focused on using qualitative and quantitative research methods (desk research, secondary data analysis, expert interviews and survey) in different phases of the research process.

For assessment of the main economic sectors in these regions, main trends on the regional labour markets and other region-specific information the reports of the national agencies, research organizations and international/donor organizations were analyzed. The Database of business entities provided by the National Statistics office (Geostat) was processed in order to evaluate how sectors are performing and to select purposefully the employers for qualitative study.

For achieving the second part of first objectives and identifying the skills demanded on the regional labour markets 16 private sector employers (4 employers in each region) and 13 key stakeholders (2 in each region and 5 in the capital city) were interviewed. The relevant employers were defined by their field of work particular to the region economy and requiring the highly skilled and qualified workforce. The key stakeholders were the representatives of regional and municipal government, employment centers, employer associations, vocational educational schools, trade union, Ministry of Economy and Sustainable Development of Georgia.

In order to identify what are the support mechanisms (financial and other) for youth in selected regions to develop their entrepreneurial potential and what skills are necessary for youth to become successful entrepreneurs the following research methods were used: document analysis and interviews with non-formal education providers. Overall 15 interviews were conducted with the non-formal educational providers: 3 interviews in Kakheti, Shida Kartli and Samegrelo-Zemo Svaneti and two interviews in Mtskheta-Mtianeti. Other four interviews were conducted in Tbilisi, in the central offices of the organizations for generating information about the regions. The documents (reports, tracer-studies, etc.) were obtained from non-formal education providers after the semi structured interviews were conducted with their representatives.

Study of the youth labour supply and their problems on the labour market was performed via survey method. Considering the aim of the study to be concentrated on the youth (Defined as 14-29 years) with special status, we divided the youth in each region in four sub-groups (Youth with disabilities, IDPs, other vulnerable groups such as Not in Education, Employment, or Training (NEET) youth and youth who are already on the job). Overall sample size was 400 interviews, which was divided between four regions and for types youth groups. Thus, in each region 100 face-to-face interviews were conducted: 25 interviews were conducted with the representatives of each group in each region. The sample design was a multistage cluster sampling. The sample design allowed us to cover the sub-groups within the general youth population. At the first stage of the survey the interviewers were identifying the families with youth (14-29 years old), at the second stage in the randomly sampled families they filled out the short questionnaires in order to screen if in the family the youth belonged to one of the target sub-groups. If there was such member the structured interview was conducted with him/her. Two stage sample design was useful not only for identifying the targeted youth, but also to calculate the share of each sub-group within the 14-29 years old population. After calculating this proportion of each group, the statistician calculated the weight for each group and weighted the data base in order to guarantee the representativity of the survey results.

The survey fieldwork was done in the end of July - beginning of August, 2018. The method for collecting information was face-to-face interviews. After fieldwork the data was inserted into SPSS database, cleaned, weighted and statistically processed.

The research limitations of selected designs and conducted research on the one hand are related to the general limitations of the selected research method and on the other hand are related to this particular case. The first limitation is connected to the number of interviews conducted with the employers in order to identify the skills required in the labor market. Due to the limited financial and time-saving resources, four interviews were conducted with employers to identify the skills required in the prominent field in each region, which could not cover the all prominent economic sectors of the regions. However, we used the desk research to balance the existing limitations, which could have a relatively detailed and representational picture about the region's specificity.

Two types of restrictions were related to survey: the sample design and the impact of third person involves in the face-to-face interview. Generally, the sample size is representative for the youth (14-29 years old) residing in the targeted regions, but the sample size of target groups of research in each region (25 interviews for each group in each region) is small, which increases the sample error of the survey. However, this limitation is balanced with a two-stage sample model and screening.

As indicated above, using the screening questionnaires at the first stage of the survey guaranteed to calculate the share of targeted youth groups in each region. The calculated coefficient was used during the data analysis for weighting the quantitative data. The second restriction was related to the survey of young people with disabilities. In some cases, the special needs of the disabled respondents caused the necessity to involve his/her parents or guardians in the interviewing process, which had little impact on the results of the survey.

## Chapter 1. Overview of the main trends on Georgian Labour Market

### Structural Problems

During 2005-2016 GDP in Georgia increased on average by 5.7%, however, the effect on employment rate was moderate. This is primarily due to the fact that economic growth was steered by increased productivity, rather than availability of more jobs (World Bank, 2017). Respectively, there are number of problems on the Georgian labour market and high share of unemployed is number one among them (unemployment rate reached 13.9% in 2017).

High unemployment in Georgia is predetermined by several structural reasons. First of all we should mention the large share of self-employed (52% in 2017)<sup>1</sup>, absolute majority of which are subsistence farmers in the agriculture. The income they generate is hardly enough to satisfy minimum living standards<sup>2</sup>. Respectively, including them in the group of employed individuals artificially decreases the unemployment rate. Presence of almost half of the Georgian labour force in the agriculture is even more worrisome considering that this sector contributes very little to GDP (9% in 2016)<sup>3</sup>. This is a clear indication that agriculture is rather low-productive. According to World Bank considering the level of economic development of Georgia such a high share of workers in this field is abnormal. Thus, it can be argued that Georgian economy is in dire need of structural transformation and is not able to shift workers from agriculture to more productive economic sectors.

Manufacturing in Georgia is rather small and has been stagnating since 2004 (World Bank, 2017). Nevertheless, it contributes significantly to GDP (16.4% in 2017)<sup>4</sup>. Numbers of studies indicate that manufacturing has a good potential both in terms of increasing exports and the employment rate (GeoWel Research, 2016).

As for the service sector, there is a clear positive trend. Namely, the economic growth phase which started in 2005 was due to the increase in service sector. During 2006-2016 average annual value added by the service sector was 6% (World Bank, 2017). If not counting the agricultural field, private service sector created the most number of jobs during the last decade. At the same time employment in public sector has been decreasing over the same period of time (GFSIS, 2016).

While increase of private service sector jobs is an important positive development, one should also take into account the nature of these jobs. Based on the analysis of job data for the 2009-2015 period GFSIS concludes that majority of these jobs do not require higher education/qualifications

---

<sup>1</sup> [www.geostat.ge](http://www.geostat.ge)

<sup>2</sup> <http://www.lmis.gov.ge/Lmis/Lmis.Portal.Web/Handlers/GetFile.ashx?Type=Content&ID=b0c44289-6d97-44a7-b59a-336ca9b885c7>

<sup>3</sup> [http://geostat.ge/?action=page&p\\_id=145&lang=geo](http://geostat.ge/?action=page&p_id=145&lang=geo)

<sup>4</sup> [http://geostat.ge/cms/site\\_images/files/georgian/nad/Press%20release%20GDP%202017\\_Geo.pdf](http://geostat.ge/cms/site_images/files/georgian/nad/Press%20release%20GDP%202017_Geo.pdf)

(e.g. university diploma) (GFSIS, 2016). For instance, 53% of jobs were created spontaneously in 2015. This refers to jobs that are created by the worker himself and which does not require any formal education (e.g. taxi drivers, petty traders etc.). At the same time we should note, that the unemployment rate among the representatives of groups 4-9 of the International Standard Classification of Occupations (ISCO) (e.g. clerks, assisting personnel, physical workers, craftsmen and operators) is 45.7% lower than the national average, while unemployment rate among the specialists is 20.8% higher than the national average (GFSIS, 2016).

Based on this information it can be concluded that Georgian economy is not producing large number of high productivity jobs and the labour market is primarily dominated by low productive service sector jobs. Not counting agriculture, the largest employers in Georgia are trade and education. In terms of the dynamics of job creation one should also highlight mining, hospitality, transport, real estate, construction and financial intermediation. Starting from 2015 these sectors have created most jobs and they constitute for the 1/3 of all jobs in the entire economy (World Bank, 2017).

The composition and size of companies also affects employment trends in Georgia. Majority of companies here are facing number of institutional challenges, which hinder their development, diversification of activities and technological progress. This in itself negatively affects their potential for creating more and better quality jobs. Most important challenges include: lack of access to finances, lack of developed infrastructure and taxes (World Bank, 2017). As a result of these, large share of companies (90%) represent individual or micro entrepreneurs (with less than 10 employees). They employ about 29% of the labour force. In reality majority of these companies have 1 or 2 employees. On the other hand, large companies (with more than 100 employees) represent just 1% of the total; however, they take 43% of formal employment. The middle is disappearing – small and medium enterprises (employing between 20-99 people) represent only 5% of the companies and employ about 28% of the labour force (World Bank, 2017).

All companies, irrespective of their size, usually declare finding qualified staff members as one of the major problems<sup>5</sup>. Large employers manage this issue by own resources – they invest in staff training (e.g. many have created training centers)<sup>6</sup>. While small and medium companies cannot afford such investments, respectively, they depend on receiving qualified candidates from the labour market, which is becoming increasingly difficult.

### Youth on the Georgian Labour Market

Youth in Georgia represent one of the disadvantaged groups on the labour market marked by higher than average unemployment and activity rates (25.8% and 50.9% respectively for 2016).

---

<sup>5</sup> <https://matsne.gov.ge/ka/document/view/2659895>

<sup>6</sup> <http://documents.worldbank.org/curated/en/240291468030285150/SABER-workforce-development-country-report-Georgia-2014>

The share of youth Not in Employment, Education or Training (NEET) is also pretty high (32% in 2016)<sup>7</sup>. Young women in Georgia are less active than young men. Activity rates of young males and females increases with the level of education; however, the increase rate is much more pronounced among men compared to women. Respectively, young men have much higher employment rates than young women (47.1% and 27.5% respectively) (ETF, 2018).

The largest occupational groups among employed youth represent “market oriented skilled agricultural workers” (36.4%), personal services workers (15.4%), business & administration professionals (9.2%) as well associate professionals (8.2%) (See table 1). It is clear that the trends are similar: the first three largest occupational groups are identical for youth and for the general population, however, at a closer look one can observe that the share of youngsters is smaller in the more “traditional” and “blue-collar” jobs like “skilled agricultural workers” and “drivers” compared to general population. On the other hand, their share is larger in more “modern” jobs like business and administration professionals; legal, social & cultural associates compared to the rest of the workers. While this may look like youth have more “privileged” situation the labor market, the reader should note that this is only in comparison to general population. Within young workers themselves, most of them are working as “agricultural workers”, “personal service workers” and “food preparation assistants” indicating that in reality majority of youth are presented in the secondary labour market with less privileged jobs.

The youth study<sup>8</sup> carried out by the Ministry of Internally Displaced People, Labour, Health and Social Affairs sheds more light on the working conditions of youth in Georgia. According to this study, young people in hired employment work on average 5.4 days a week on average 8.7 hours per day. Majority of those who reported working overtime are working in the private sector. They stated working on average 10 to 12 hours overtime per week (MoLHSA 2016). According to the national integrated household survey of 2015 around 47% of youth reported working more than 40 hours per week, compared to the 25% of general population (Geostat, 2016) indicating that if young manage to find a job, they work really hard.

Based on the same study, 91% of the employed respondents say they received monthly regular remuneration. For the 63% wages are below 500 GEL (see Figure 1). Based on this survey, average salary among Georgian youth would be around GEL 500-600, which is significantly lower than the national average. It is important to note that the study revealed statistically significant difference between the wages of young males and females: the latter mostly report wages in the range of 100-300 GEL, while male’s wages are mostly 400 and higher. Interestingly enough, the

---

<sup>7</sup> Please note that this indicator was calculated by the European Training Foundation using the data of National Statistics Office of Georgia. Methodology applied in this research is somewhat different reflecting the different selection of questions asked during the survey. Respectively, the national and region specific indicators should not be compared at face value. Nonetheless, it can be argued that NEET rates in the focus regions are much higher than the national average.

<sup>8</sup> [https://www.moh.gov.ge/uploads/files/oldMoh/01\\_GEO/Shroma/kvleva/55.pdf](https://www.moh.gov.ge/uploads/files/oldMoh/01_GEO/Shroma/kvleva/55.pdf)

reservation wages as stated by the survey respondents are higher than their real wages for both men and women and constitute respectively GEL 749 and GEL 530 on average (MoLHSA 2016).

**Table 1: Total employment by economic sectors (ISCO), 2016**

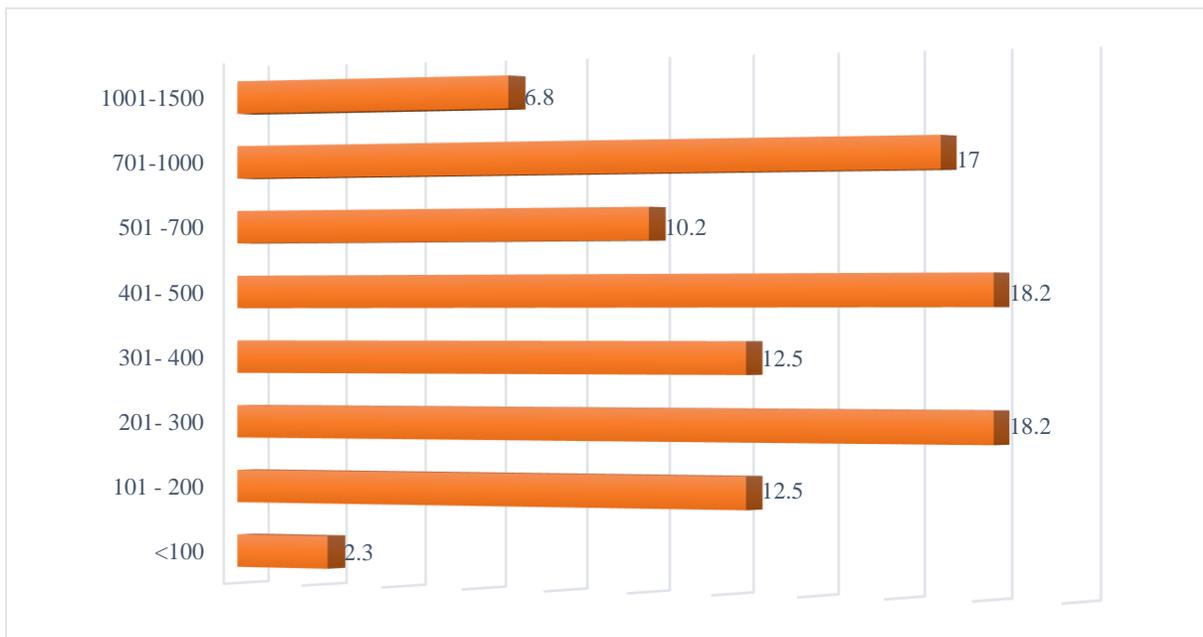
Occupational groups	Total labour force (15+)	Youth labour force (15-29)
Chief Executives & Managers	3.6%	2.0%
Science and Engineering Professionals	3.2%	2.8%
Health Professionals	3.0%	3.2%
Teaching Professionals	4.3%	1.6%
Business and Administration Professionals	5.0%	9.2%
Legal, social, cultural & related associate professionals	4.3%	8.2%
General and keyboard clerks	1.1%	1.6%
Customer services clerks	0.9%	2.5%
Personal Services workers	9.9%	15.4%
Market-Oriented Skilled Agricultural Workers	48.2%	36.4%
Building & Related Trades Workers	2.6%	2.3%
Metal, Machinery & related trades workers	1.0%	1.1%
Electrical & Electronics trades workers	1.2%	1.6%
Food processing, woodworking, garment & other craft & related trades workers	0.8%	1.0%
Stationary plant & machine operators	0.6%	0.8%
Drivers & mobile plant operators	4.0%	2.3%
Cleaners and helpers	0.4%	0.0%
Agricultural, forestry & fishery labourers	0.7%	0.8%
Labourers in mining, construction, manufacturing & transport	0.3%	0.6%
Food preparation assistants	4.7%	6.5%

*Source: Author's calculation based on data of National Statistics Office*

Youth have been rather outspoken about the harsh working conditions, especially in the private sector. According to them although they have written contracts with the employers: “almost nobody reads the contract and those who read it need professional consultations to understand what is written in it” (MoLHSA 2016). In their assessment, contracts usually give more power to the employers, if the latter terminate the contract they assume no obligations, however, if workers do, then they have to pay fines. This statement on the one hand indicates that young workers are not aware of their rights: according to the Georgian labour code if the employer terminates the contract they have to provide a severance pay. On the other hand, it also indicates that employers largely violate this clause of the labour code.

Young people also talked about other labour rights violations: in most cases they do not have a written job description which makes them bound to fulfil any orders from their employers. The latter usually go beyond original agreements. As indicated earlier, there is a large share of youth working in “personal services workers” (e.g. restaurants, supermarkets). A recent study by the Human Rights Monitoring & Education Centre (Chubabria, Gvishiani, & Jokhadze, 2017) provides a rich description of exploitation and violation of labour rights in these sectors, which resonates with the quotations of young people presented in MoLHSA study. Making us conclude that precarious employment is prevalent among Georgian youth.

**Figure 1: Average salary of young workers in GEL**



*Source: MoLHSA 2016, Youth Employment Survey*

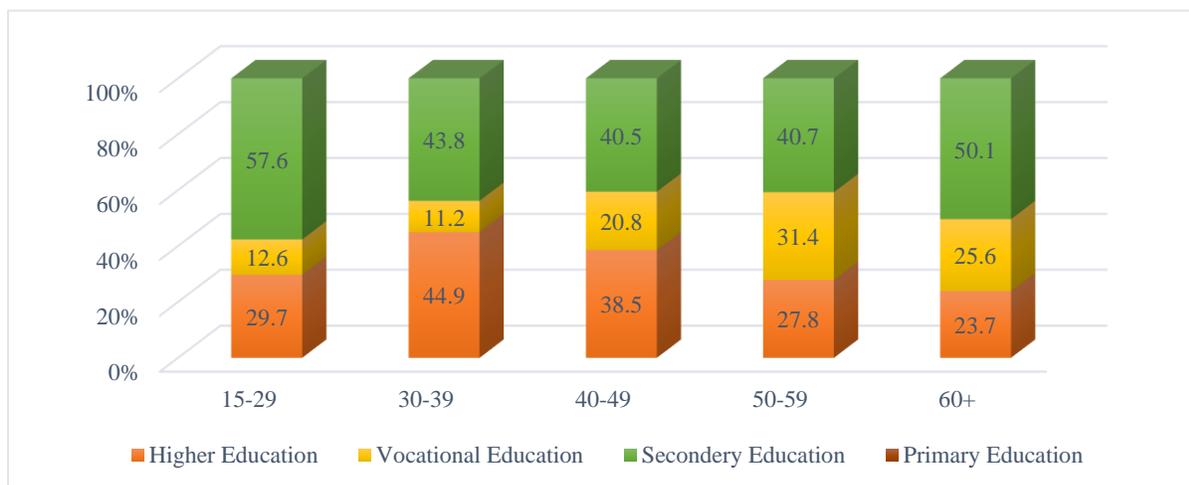
This scant evidence suggests, that while modern jobs (e.g. business & admin professionals, personal service workers) are more occupied by youth compared to general population, it does not always mean a dream job for them. On the contrary, as some respondents have noted: getting a job is a must to secure source of income, rather than a fulfilment of one’s professional goals. While assessing the satisfaction with their work places, those who expressed satisfaction it was mostly due to the “friendly staff & environment”, while remuneration and social benefit packages were the least highly ranked features.

### The Problem of Skills Mismatch

About 30% of youth have high education in Georgia, while only 12% obtain vocational education diploma, indicating that young Georgians see university education as more desirable than the latter (See Figure 2). This however, contributes to a rather high skills mismatch on the job market, since

high educational attainment of Georgian youth does not often correspond to the level and type of education required by the employers. A STEPS skills study<sup>9</sup> carried out by the World Bank in 2013 indicates that the most important skills that young (under 30) workers often lack are technical competences and problem solving skills as well as lack of English, leadership, creative and critical thinking. This refers to both to university and high school graduates. For example, close to 70% of employers say that university graduates often do not know English; over 50% say they lack leadership skills, and 40% say that they lack creativity and critical thinking skills. Occupation specific technical skills are also quite often deemed a problem. University graduates have insufficient technical skills according to almost 30% of employers, and high school graduates have insufficient technical skill according to close to 40% of employers (World Bank 2013b: STEP Skills Survey). The survey also finds that in terms of personal traits young workers mostly lack openness to experiences, which is alarming since it is the young people who should by definition be open to new experiences (World Bank 2013b).

**Figure 2: Highest level of education achieved by age groups**



In order to understand the problem of skills mismatch better it is critical to examine labour demand and supply in much more detail. According to formally obtained qualifications largest share (30%) of Georgian labour force represent “other professionals in the field of Education”. This group covers wide range of social science specializations. In case of Georgia it includes 37% of economists, 21% of lawyers and 20% of philologists/translators. Respectively, one can argue that this is the most prevalent formal qualification of Georgians. This also reflects the fact that social sciences are the most popular among Georgian students. The other largest groups include physics, math and engineering graduates (16%) and associate professionals (10%). Professionals with higher education

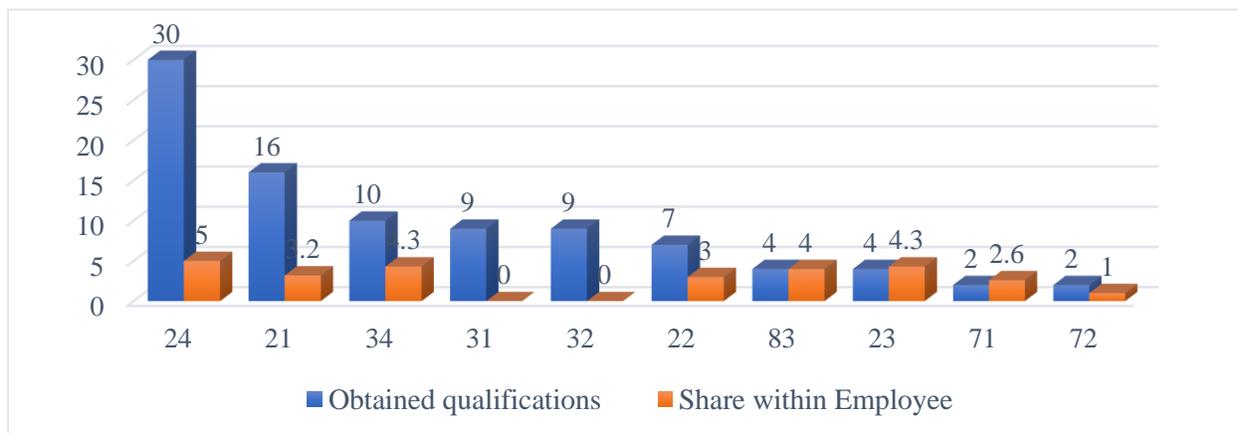
<sup>9</sup> <http://microdata.worldbank.org/index.php/catalog/2013>

diplomas in the area of STEM are very little in number<sup>10</sup>. Another striking feature of the Georgian labour force is the limited pool of graduates with vocational education. For instance, individuals with diplomas/certificates in metal work, mechanics and other craftsmen represent just 4% of the labour force.

When we look at the occupational groups, the picture is somewhat different. Not surprisingly, the largest share is represented by qualified workers in the field of agriculture (48%). The next major occupational groups are personal service workers (9.9%), other specialists in the field of education (5%), nonqualified workers in manufacturing, construction and transport (4.7%) and associate professionals (4.3%). It is important to note that representatives of highly qualified occupations (e.g. professionals in engineering, mathematics, physics and life sciences) represent only 6.2% of the total. Qualified craftsmen are also in shortage (2.6%).

Figure 3 compares the number of people holding a certain qualification and number of people actually doing a particular job. The largest difference can be observed in case of social science specialists, physics/math and engineering professionals and associate professionals. Number of people with formal qualifications in these groups heavily outnumbers the number of people actually doing the job. Thus, presumably these professionals are not in high demand and unemployment rate among these groups of professionals is very high. It is worth noting, that occupations in physical and technical sciences and life sciences is less than 1% (Migration study).

**Figure 3: Distribution of labour force according to formal qualifications and occupations (%)**



Code Key: 24 – other professionals in education, 21 – physics, mathematics and engineering professionals, 34 – other associate professionals, 31 – physical & technical sciences professionals, 32 – life science & health associate professionals, 22 – life science & health professionals, 83 –

<sup>10</sup> It is critical to note that while holder of diplomas in the field of Engineering form second largest group of the Georgian labour force, absolute majority of these individuals are beyond 50 years of age. Respectively, they have received education in soviet times, which makes their credentials obsolete.

drivers and mobile plant operators, 23 – education professionals, 71 – craft and related trades workers, 72 – metal, machinery and related trades workers.

This data clearly indicates a large mismatch of labour supply and demand on the Georgian labour market. Primary reason for this stems from the fact that majority of Georgians seek education in social sciences and generally in higher education, while demand on the market is primarily for medium to low qualified service jobs and jobs requiring technical/vocational skills (Amashukeli et. al., 2017).

Given this background highly educated workers in Georgia are forced to take positions for which they are overqualified - for instance, 14% of them work in agriculture, 10% do physical work and another 10% are sales representatives (ETF, 2018b). Several other studies confirm this trend. For instance, according to World Bank unemployment rate is much higher among the medium and highly educated compared to those with vocational education. At the same time, 38% of the unemployed have high education. Among the highly educated unemployed 27% are youth in the age range 25-39 (World Bank, 2017).

Another major problem created by overrepresentation of workforce with university diplomas in social sciences is that there are no people left to do technical jobs requiring higher but most often vocational education (like plumbers, technicians etc). According to the Vacancy Monitoring study<sup>11</sup> of the Social Service Agency in each region of Georgia such professionals have been named as the most difficult to find (SSA, 2017). On a national level employers report having the most difficulty in hiring representatives of following professionals: physics/math and engineering professionals (23.4%), food technologists and related professions (17.8%) and individual services and guards (5%) (Ministry of Economy).

To sum up, in quantitative terms there is large demand for service sector related jobs. For instance, the most sought after professions are: assistant personnel in sales (16.1%), individual service workers and guards (7.5%), workers in mining and construction (6%), drivers and operators (3.8%) (Ministry of Economy). This demand is relatively easy to satisfy, since there are masses of unemployed university graduates looking for a job. However, in qualitative terms it is most challenging to find individuals with technical education (both vocational and higher) and respectively, they are the most difficult vacancies to fill.

---

<sup>11</sup> [http://ssa.gov.ge/files/01\\_GEO/PUBLIKACIEBI/FILES/angarishi.pdf](http://ssa.gov.ge/files/01_GEO/PUBLIKACIEBI/FILES/angarishi.pdf)

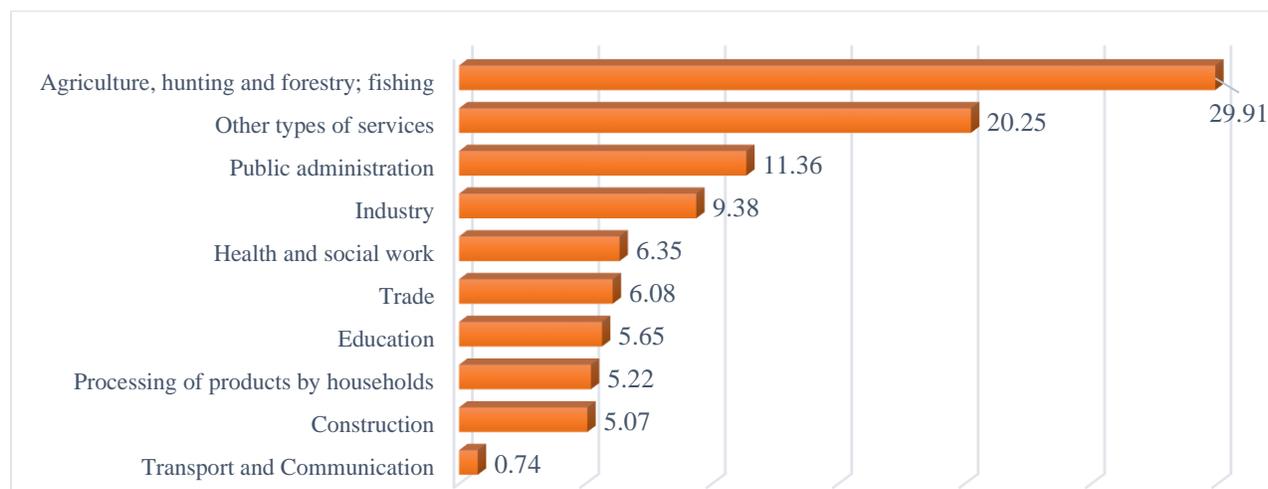
## Regional review of sectors/industries

### General Description of the Kakheti Region

Kakheti region is located in eastern Georgia and includes 8 municipalities, 9 cities and 333 villages. Its area is 11.385 sq.km, and as of January 1, 2016 its population is 314.7 thousand. 22.7% of the population lives in the urban settlements and 77.3% - in rural areas (National Statistics Office of Georgia, 2018). In the period of 1994 to 2016 the population of Kakheti region has decreased by 31%. However, this tendency is more seen in rural rather than in urban settlements: during the last 14 years the population in urban settlements has decreased by 21% and in rural communities by 33%. According to the expert interviews and review of the documents, the significant challenge of the region is outmigration. The outmigration is more distinctive among youth, which intensifies the aging process of the population (Ministry of Regional Development and Infrastructure of Georgia, 2013). Experts perceive migration from the region as a serious threat to its development; they underline that if the local population is not able to grow more efficiently, so that local residents receive higher revenue, then the migration process will be further intensified.

Despite the fact that Kakheti region covers 17.5% of the total territory of Georgia and share of its population is 8.4% of the total population, still its share of GDP is only 5.8%. The largest share of gross domestic product (29.9%) is comes from agriculture, hunting and forestry, fishing and fisheries (see Figure 4) (National Statistics Office of Georgia, 2018). However, in this category only 2.6% of the registered business entities operate in the region, and only two of them are medium-sized organizations (both are engaged in egg production), and the rest are small organizations. With its share in GDP (20.3%) the various services sector ranks the second place, while the state/public administration sector holds the third place. Industry is less developed in Kakheti region and its share in GDP is only 9.38%; according to the data of 2016, 3.9% of workers in the region are employed in this sector. According to the Regional Development Strategic Plan 2014-2021, traditionally the industrial sector is not developed in Kakheti: "The level of urbanization in Kakheti is low due to the mono-agrarian specialization of the region, indicating that in the nearest future the focus of Kakheti's economy will not be transferred to the industry"(Ministry of Regional Development and Infrastructure of Georgia, 2013, p.11). Interviewed experts also agree that industrial sector in Kakheti is less promising.

**Figure 4: Gross Value Added in Kakheti region**



Source: National Statistics Office of Georgia, 2018

As of 2018, in the Kakheti region there are only 7,509 organizations registered, representing 5.8% of the organizations operating in whole Georgia. Considering the size of organizations, the majority of them are small-size entities; there are only three large business entities, all of them operating in wine produced; and there are in total 52 medium-sized organization (14 among those are in wine production). 3.9% of the organizations are private foreign property (or with foreign property preference), and only 0.4% of the entities (27 organizations) are in state and municipal ownership.

**Table 2: Distribution of Business Entities Registered in Kakheti Region by Number and Percentage**

Types of Economic Activities	N	%
Retail trade, except of trade of motor vehicles and motorcycles	2445	32.6
Unidentified	1931	25.7
Trade of motor vehicles and motorcycles, their maintenance and repair	565	7.5
Wholesale trade and commission trade services, including motor vehicles and motorcycles	490	6.5
Manufacture of other food products including drinks	368	4.9
Construction	225	3.0
Hotels and restaurants	207	2.8
Land transport	179	2.4
Agriculture, hunting and services in similar fields	175	2.3
Other types of customer services	132	1.8

As shown in Table 2, among the registered business entities in Kakheti, the trade (retail or wholesale) dominates; considering the numbers, the food and beverage production which includes wine production, is on fifth place in the list and is as well dominant for the region.

The experts point out that the main resource of Kakheti is land and agriculture. The viticulture is a leading sector among the developed agricultural fields in the region. As experts underline, the largest share from the grape production in whole country falls on Kakheti. In addition to the fact that vast majority of Kakheti population is involved in viticulture, the grape processing and wine production itself are the leading economic sectors in the region; therefore, being the largest employer in the region. The experts also mention that grain production, field work and breeding are also developed in Kakheti region. According to their information, 80% of the grain production of Georgia is produced in Kakheti. Large scale lack of technologies and access to information on new approaches and innovations for the population as well as populations' low level of willingness to acquire additional knowledge on new agricultural risks and innovative methods of avoiding them are the main barriers for development of agriculture in the region. As one of the expert underlines, existing knowledge in agricultural sphere is outdated considering various new diseases and changing environment (soil, air and land structure), thus renewed knowledge is needed to cope with them.

Despite the fact that most of the Kakheti population is involved in agriculture mainly on households level, the demand for daily workers in newly developed farming industries or organizations (e.g., strawberry, peach, grape and other cultivation) gradually increases becoming one of the most popular forms of local employment. In a similar activity many villagers are involved chaotically. However, due to employment specifics, this tendency does not reduce neither demand for qualified employees in the labor market, nor the existing unemployment problem.

Experts assess positively the Strategic Development Plan approved by the Ministry of Agriculture for the purpose of developing the agricultural sector in Kakheti region. They note that without such strategic plan the development process of agriculture was chaotic and depended only on individuals. Accordingly, the approved Strategic Plan will contribute to the consistent and structural development of the sector. It is noteworthy that this plan envisages agro tourism, ecotourism and cultural tourism development strategies, which is especially important for Kakheti region; tourism is perceived as the second most promising sector for experts as well as for local population.

Kakheti tourism potential is big and growing. According to the local experts, in recent years significant progress has been observed in growing number of hotels as well as improved services. However, tourism potential should also be reflected in the improvement of local production in order to provide tourists with local bio products. Despite the high potential of tourism, the ecotourism is less developed in the region due to weaknesses of hotel management to offer local products to the clients and due to lack of ecologically clean local products; this is directly connected to the deficit of qualified personnel in the agricultural sector.

Tourism is unevenly developed in rural and urban settlements, concentration is mainly in the city. For example, there are about 70 guesthouses in Telavi, while in the villages of Telavi municipality might be only few. However, villages nearby the cultural heritage sightseeing areas have increased tourist flows. In such areas the trade, transportation system, family hotels and guesthouses are more developed, which in turn increases employment indicators and improves the quality of life of the local population. However, the villages without similar trends have high level of migration and local household budgets are filled with migrants' money transfers. In general, tourism sector development in Kakheti region is hindered mainly by poor infrastructure; for example, in Telavi there are no paths and camping system. Other barriers for tourism development in the region are poorly-qualified personnel involved in the hotel business, and lack of investments in this sector.

The experts point out that young people are employed mostly in hotel businesses, but they fill mainly positions with low-qualification requirements. In this regard, labor market demand is mostly for technical personnel and positions with vocational education requirements (for example, the cook). Although unemployment is a serious problem in the tourism sector (especially in hotels and restaurants), part of the vacancies still remain empty mainly due to the following reasons: the compensation offered to a potential employee is not satisfactory, the lack of qualified staff in the service sector, and the stereotypes associated with certain positions (e.g. waiter) which often is barrier for filling the vacant position.

Experts consider the trade as developed economic sector in the region as well. Nevertheless they assess it skeptically as it is not direct production, and main priority sectors for Kakheti development are tourism and agriculture. As shown above in the Table1, the largest number of organizations operates in the trade sector, while it is in the sixth position in terms of gross domestic product as well as being leading sector in regard with employment.

Public and state institutions are also distinguished by high rates of employment of local population. However, mostly the middle-age and older people are employed in the public sector, public schools and kindergartens. Usually they occupy these positions for a long period of time and the rotation or outflow of staff on these positions is less likely. This is a reason why creation of new jobs in public sector occurs seldom and if such vacant positions appear, they are mostly of a low social status (e.g., cleaner, watchman, unqualified worker, etc.) with low salary, which is less likely to attract young people.

Local self-government bodies and the Ministry of Regional Development and Infrastructure of Georgia are considered to be potentially growing employers in the region, however this employment is mainly project-based rather than structural (creating permanent positions). According to the local representatives, the local self-governance is mostly focused on implementation of infrastructural projects, namely road maintenance, public transport development, and rehabilitation of various cultural heritage monuments. In the future perspective the Tusheti road is planned to be rehabilitated. This project will have a significant impact on local

trade, hotel business, and transportation network, which will increase the overall employment rate. In Kakheti region, the construction of a waste processing plant is also planned; international rugby stadium is currently under construction as well as the sport-recreational complex with euro-standards. These sectors will require new personnel with new specialization and qualification in the future.

Kakheti Region has significant resources in terms of energy generation. Construction of several HPPs is planned. However, these projects will be more cost-effective in terms of efficiency and GDP growth rather than in employment growth rates. In terms of employment, medical activities are also important where both low-skilled and highly qualified personnel is employed.

In 2019-2020 the Techno Park is planned to be opened in Kakheti region. According to local public sector representatives, techno park will be arranged for activities (e.g. hackathons) targeting agricultural sector and development of new technologists and knowledge in this sector.

International Organizations (World Bank, GIZ, EBRD, etc.) are actively engaged in the development process of Kakheti by investing actively in the region. The Association Agreement with Europe has greatly benefited the region also improving its financial positions. Various projects with educational goals are also financially supported by the European Union. International actor GIZ actively participates in Kakheti region development process; by its direct support the Telavi General Development Plan has been developed. This is very important project which outlines the main priorities of the city as well as its development plan. When the General Development Plan is approved, any construction project in Telavi will be planned according to this document. Considering that tourism is the development priority for Telavi – Kakheti regional center, construction of the camping zones for low-budget tourists is planned with the support of GIZ. It will be a bounded protected area where tourists can stay in tents; construction of bathrooms and kitchens is planned, which will be available for tourists for low cost. Support of the international actors in the region is also reflected in agriculture. Initiatives of the local self-government in agricultural sector are especially supported by such donor organizations as UNHCR, Czech organization PIN, organization "CARE". These organizations have financial resources to support agricultural projects. In 2017 in Kakheti three major projects were implemented in wine-making, there were three enterprises developed into cooperative enterprise and millions of investments were made in each of them. Such organizations also promote development and cultivation of berries in the region. Such small projects are implemented in the region by the Association "Elkana". It is important to mention as well that the laboratory for soil research is planned to be launched in Kakheti.

Various projects in the region are financially supported by Eastern European Partnership Program. These projects are aimed at sharing European experience of public sector governance and providing modern services to citizens. Within the frameworks of these projects it is planned to

upgrade computer equipment in the local self-government sector and improve online services for citizens. Projects also provide trainings and workshops for staff.

With financial support of the World Bank a three-year project (750,000 euros) is planned to be implemented in 2019. Project will involve number of towns including Telavi, and will be named “Agreement of Mayors”. The project aims to plan and implement energy efficient projects, which means reduction of carbon dioxide in air by up to 20%, creating and improving public transport, effective outdoor lighting, rehabilitation of the kindergarten and public school buildings with the modern method of construction based on the energy efficiency principle (the heating of buildings will be provided with energy efficient boilers that work on solar energy), greenery and waste management.

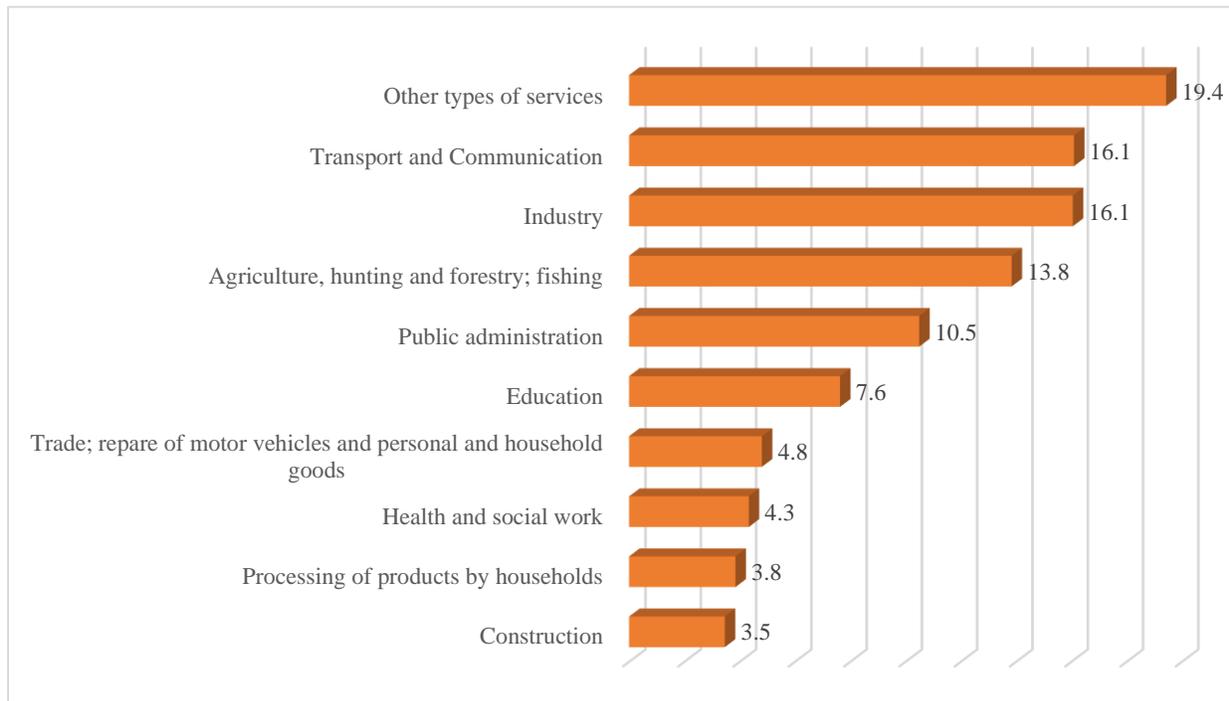
While the current state of the employment market in the region is underdeveloped and the demand for poorly-qualified or unqualified workers are observed, the analysis shows that implementation of mentioned projects and programs will increase the demand on relevant qualified personnel in following fields – energy, construction, services, information technology and management. However, this demand will not be significant enough to change the regional market requirements. The next chapter will analyses on what extend is the region able to meet even such small-scale demand of human resources described above.

## General Description of the Samegrelo-Zemo Svaneti Region

Samegrelo-Zemo Svaneti region is located in the western part of Georgia, on the Kolkheti lowland. The region comprises 8 municipalities, 8 cities, 2 towns and 521 villages. As of January 1, 2016 population of the region is 320.8 thousand people: 39.4% live in urban and 60.6% in rural settlements (National Statistics Office of Georgia, 2018). Since 1994 population of Samegrelo-Zemo Svaneti has decreased by 26.4%. Population decreases more in rural (28.2%) than in the urban areas (23.5%). Negative balance of natural growth and the migration are main impacts on population decrease in the region (Ministry of Regional Development and Infrastructure of Georgia, 2013). Compared to other regions of Georgia, the share of internally displaced persons (IDPs) is highest in Samegrelo-Zemo Svaneti region. According to the Ministry of Regional Development and Infrastructure of Georgia, 89.5 thousand IDPs (28.8 thousand families) are registered in the region; this is 18.7% of the total population in the region. Samegrelo-Zemo Svaneti region is the first in this regard among regions of Georgia. IDPs are living either in compact settlements (23.5%) or are settled individually. Housing problem has not been solved for majority of them until today (Ministry of Regional Development and Infrastructure of Georgia, 2013, p.7).

Samegrelo-Zemo Svaneti region covers 10.8% of the country's territory and the share of the region's population is 10.66% (Ministry of Regional Development and Infrastructure of Georgia, 2013). The share of region's gross domestic product is 7% of country's GDP. Unlike other regions, in Samegrelo-Zemo Svaneti the share of production in agricultural sector holds the fourth place in GDP of the region (Figure 5). Service sector is a leading economic sector in the region (19.1% of GDP). Geographical location of Samegrelo-Zemo Svaneti region and its port city of Poti makes transport and communication sector most profitable and prospective (share of transport and communications sector in the GDP of region is 16.1%). However, only 3.9% of the total workforce is employed in this sector. Industry is the third developed economic sector of the region. According to the Ministry of Regional Development and Infrastructure of Georgia, rapid growth of industry sector is observed since 2010 in the region, where mainly hazelnut and timber industries are developed (Ministry of Regional Development and Infrastructure of Georgia, 2013, p.15).

**Figure 5: Percentage Distribution of Total Value Added in Samegrelo-Zemo Svaneti Region**



*Source: National Statistics Office of Georgia, 2018*

As of 2018, there are 8711 organizations registered in Samegrelo-Zemo Svaneti region, which comprises 6.7% of the organizations operating in Georgia. There are 7 major organizations operating in the region: 4 organizations are engaged in supportive and supplementary transportation activities (mainly cargo shipment and transportation); other 3 organizations each work on meat production, wholesale trade, and steel bottling. There are 73 medium-sized organizations in Samegrelo-Zemo Svaneti region. Majority of the medium-sized organizations operates in supportive and transportation activities (15 organizations), food production (11 organizations), medical activities (10 organizations), and wholesale trade (7 organizations). 1.6% of the registered organizations (143 organizations) in the region are private foreign property (or with preference of foreign property), and only 0.4% (34 organizations) of the organizations are in state and municipal ownership.

As shown in Table 3, the economic activities of many business entities in Samegrelo-Zemo Svaneti region are unidentified. Among other organizations the retail trade, transport and warehousing, land transport and wholesale trade activities prevail. Agriculture sector producing 13.8% of the region's gross domestic product is the smallest in terms of number of organizations and it only comprises 1.2% of total business entities. Based on data, we can argue that production in agricultural sector is mainly on household level in the region.

**Table 3: Distribution of Business Entities Registered in Samegrelo-Zemo Svaneti region**

<b>Activity Type</b>	<b>Number</b>	<b>%</b>
<b>Unidentified</b>	2695	30.9
<b>Retail</b>	2686	30.8
<b>Transport and warehousing</b>	855	9.8
<b>Land transport and transportation with pipelines</b>	594	6.8
<b>Wholesale trade, except cars and motorcycle trade</b>	436	5.0
<b>Construction</b>	309	3.5
<b>Food products, including drinks</b>	295	3.4
<b>Provision of facilities, food and drink services</b>	258	3.0
<b>Real estate related activities</b>	218	2.5
<b>Health and social services</b>	116	1.3
<b>Agriculture, forestry and fish farming</b>	106	1.2

Experts underline that most important resources for Samegrelo-Zemo Svaneti region are the land and agricultural activities. Region is mainly engaged in hazelnuts, maize and citrus production. Local population engages in agricultural activities mainly on household level, however there are organizations that work in the field of producing and processing agricultural products. Meanwhile, aside traditional agricultural production also the new crops are cultivated in the region, for example, green cranberries and kiwi.

Poti port is a major resource of the region, which is the main local employer. However, the port-related activities are significantly affected by the impact of international and local economic relations. For example, last year the volume of cargo shipments decreased by 70% due to Iran's economic sanctions removal. Local experts believe that Poti port will be affected by the opening of Anaklia port as well. Experts estimate that sea cargo turnover in Georgia is not high enough for providing the full load of both ports - Poti and Anaklia, when construction of Anaklia port is complete. Overall, decrease of shipments in the port will cause capacity decrease of the companies related to cargo handling and transportation and as a result reduce the number of employees. On the other hand, construction of Anaklia port will increase use of sea resources by the municipality. In addition, it will improve the employment rate of local workforce during the construction process as well as during its functioning (one of the local expert estimates that during 3-year construction period around 3000 people will be employed).

Tourism is also an important economic sector for the region. Considering its location, Samegrelo-Zemo Svaneti region has a high potential as in sea tourism so as in developing mountain, natural or cultural heritage tourism. Development of this potential is highly supported by both governmental and non-governmental sectors. Over the last 5 years various festivals have been organized with the state support, which surely increases tourists flow into the region. In the process of festival infrastructure preparations local workforce is employed. Development of Martvili Canyon infrastructure (number of visitors reached 150,000) has greatly supported employment of

locals, among them also in food service sector. In parallel to the growth of tourists flows, the hotel network and small hotel businesses are developing (only in Anaklia and Gamukhuri coastline already 6 Guesthouse are built); city of Zugdidi is most active in this direction. Hotels are also being built in the region.

Local experts name general infrastructure problems as a main barrier for tourism development in Samegrelo-Zemo Svaneti region. The region has a great resource for development of alpinism and mountaineering, but there is no required security system that is necessary for attracting tourists. Deficiency is observed in all directions of tourism: low level of service in hotels and food facilities, non-certified, non-professional guides in museums. Experts consider public sector as the main employer in the region: local self-government, educational and healthcare facilities.

With support of the local and central authorities, the Asian Development Bank, the European Union and other private organizations, the following projects are planned to be implemented in Samegrelo-Zemo Svaneti: construction of the highway, construction of road in the direction of Tobavarchkhili, Construction of ski lifts and slopes in the direction of Tetnuldi, project for Zugdidi water supply system, coast protection works, conservation of the old landfill in Tsaisi and setting up landfill with new standards, transforming the Enguri dam to touristic attraction, building of roads, parks, stadium, reconstruction of Dadiani Museum and Botanical Garden, rehabilitation of Zugdidi Theater, construction of swimming Pool in Poti, and construction of Sports Complex in Khobi Municipality. However, the major project is the construction of Anaklia port. Part of local experts are critical of this potential: One part believes that since the port is built by a foreign company, they will not have a documented agreement with obligation to employ locals, whereas another part of experts think that locals do not have enough knowledge, experience and skills to be employed in port construction.

The company with fishing license with the aim to expand its activities in future is planning to build two new factories in the region specializing in combined flour and animal food production. Companies operating in food industry increase their production volume up to 20% each year, which accordingly leads to an increase in employment indicators annually.

Highly qualified personnel in Samegrelo-Zemo Svaneti region is mainly employed in public institutions - self-governing bodies, educational institutions, law enforcement agencies. However, local experts are skeptical about the qualifications and professionalism of those employed in these sectors.

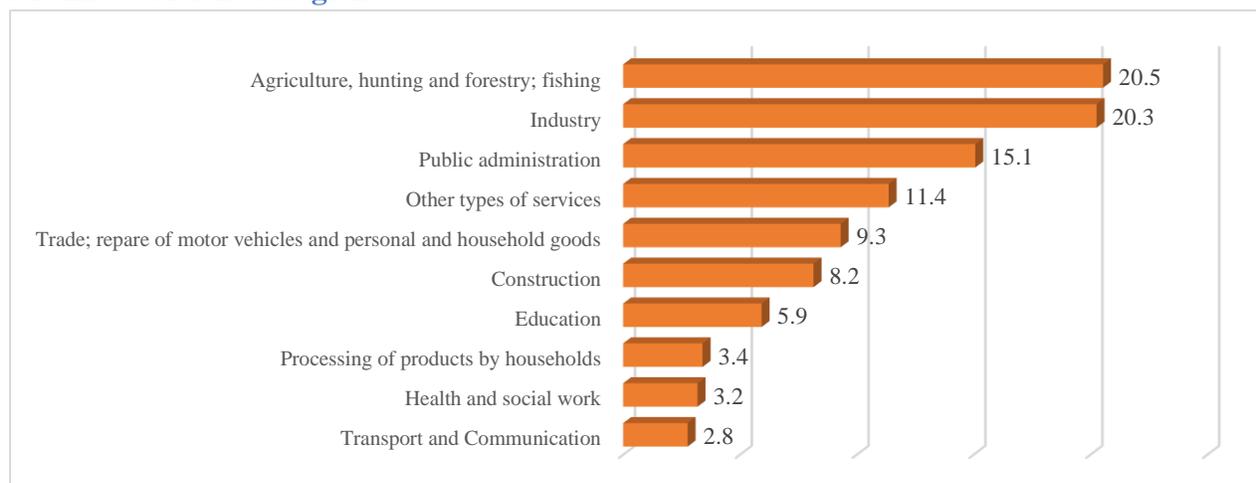
Alike Kakheti region, educational migration rate from Samegrelo-Zemo Svaneti is also high, though returning tendencies of young people is more common here. According to one of the experts, this is especially noticeable in Svaneti and it is related to tourism development there. In Mestia, the villages that were completely empty in the past, are now gradually filled by young people that returned back to develop guesthouses.

## General Description and Economic Sectors in Shida Kartli Region

Shida Kartli region is located in the central part of eastern Georgia. There are 4 municipalities in the region, 4 cities, 2 towns and 373 villages. The area of the region is 3428 thousand sq.km. As of January 1, 2016 the population of the region comprises 259.3 thousand people (National Statistics Office of Georgia, 2018). 39.6% of the population live in urban settlements, and 60.1% - in rural areas. Over the last 24 years, the population in Shida Kartli has decreased by 23.3%: in rural settlements number of population declined by 25% and in urban areas – by 20%. When describing the region, we should consider issue of internally displaced persons (IDPs). According to the Ministry of Regional Development and Infrastructure of Georgia, "There are 250,658 IDPs living in Georgia. Among them 14,298 live in Shida Kartli, which is 5.7% of all IDPs living in Georgia and 4.5% of the population of the region. Majority of IDPs (almost 70%) live in Gori municipality, in the city of Gori itself. Socio-economic integration of IDPs is one of the main challenges of the region (Ministry of Regional Development and Infrastructure of Georgia, 2013, p. 7).

Shida Kartli region covers 9.2% of the total territory of Georgia, and the population comprises 7% of the total population of country (Ministry of Regional Development and Infrastructure of Georgia, 2013). The gross domestic product of the region is calculated including data of Mtskheta-Mtianeti region, thus having the share of 6.2% in country's GDP. Alike other regions of Georgia, the agricultural sector has the biggest share in GDP of Shida Kartli and Mtskheta-Mtianeti regions too (see Figure 6). The second largest sector is industry, followed by the state governance sector. The least productive sectors in these two regions are transport and communications, healthcare and social services, and the product processing by households (National Statistics Office of Georgia, 2018).

**Figure 6: Percentage Distribution of the Total Value Added by Sectors in Shida Kartli and Mtskheta-Mtianeti Regions**



*Source: National Statistics Office of Georgia, 2018.*

There are 5,860 business entities registered in Shida Kartli region, which is 4.5% of the total number of business organizations operating in Georgia. Among those the three organizations are large-scale entities operating in construction and health care sectors. 30 organizations are medium-sized: 5 entities operate in food industry, 5 – in wholesale trade, 4 – in health care, and 3 organizations in processing industry sectors. According to the ownership forms, 45 organizations are private foreign property or property with preference of foreign capital, and 13 organizations are in municipal and state ownership. As you can see, most of the organizations are local private properties.

As shown in Table 4, one-third of registered organizations in Shida Kartli operate in retail trade, and economic activities of one-fourth of the organizations are unidentified. If we rank business entities operating in Shida Kartli, the third and fourth place goes for trade again, followed by land transport and production of food products and beverages; the list continues with construction sector, and accommodation and restaurant services. Apart from the ranking of the sectors, we can easily observe that overall, the number of organizations operating in the region is quite low.

**Table 4: Activity Types of the Organizations Registered in Shida Kartli Region Based on the National Classifier of Georgia**

	Activity Type	Number	%
1	Retail trade, except for automobiles and motorcycles	1920	32.8
2	Unidentified	1498	25.6
3	Wholesale trade, except for automobiles and motorcycles	506	8.6
4	Retail and wholesale trade of automobiles and motorcycles including repair service	283	4.8
5	Land transport	274	4.7
6	Food production, including beverages	204	3.5
7	Construction	159	2.7
8	Hotel and restaurant services	151	2.6
9	Real estate operations	119	2.0
10	Other types of customer services	95	1.6
11	Agriculture, forestry and fishing industries	88	1.5
12	Health and social care activities	67	1.1

According to expert estimates, the main economic sector of Shida Kartli region is agriculture and processing industry. Also, natural resource processing industry and construction material production can be named as leading sectors in the region. The municipality of Kaspi has the cement material and clay as a resource; accordingly two factories have been opened here – the cement and the brick factories. The leading employers of the region's population are organizations operating in extraction and processing industry sectors. Many local residents are employed in food and beverage production in large and medium-sized organizations operating in Shida Kartli, as well as

in construction companies. Then comes the public sector where locals are employed in municipal structures, health care and education institutions.

Most of the population of Shida Kartli is involved in agriculture, but this economic activity is mostly within the frames of households, has low productivity rate and the GDP. Experts note that agricultural activities carried out without any plan and lack of professional agronomists are serious problems for agro-sector development in Shida Kartli. The simultaneous cultivation of different crops by the households on small plots caused mutation of various diseases – when certain vegetable disease may also damage the fruits, the problem becomes much more difficult to resolve. Due to such problems the agricultural sector is poorly developed in Shida Kartli. According to the experts, at this stage Shida Kartli cannot only supply other regions with agricultural products, but it itself has to consume the imported agricultural products. Representatives of public sphere underline that the state is implementing and planning various agricultural projects with the aim of promoting cooperatives, supporting individual entrepreneurship and farming. According to their information, the largest share of beneficiaries of the projects implemented in the development of agriculture in Georgia is in Shida Kartli region. Consequently, this trend gives us a hope that in a certain period of time the quantity and value of the produced agricultural products will increase. In addition to the projects supporting entrepreneurship and farming, the state is implementing the melioration projects that are primarily aimed at development of agriculture and will bring concrete results in the near future.

Experts do not name tourism as an important economic sector for Shida Kartli. As they note, there are two popular tourist destinations in the region - Uplistsikhe and Stalin's house museum; though due to very close distance to Tbilisi, the visitors and not the tourists come to the region. Accordingly, the region does not have big economic returns from this sector. However, the experts note that the region has other tourist attractions (e.g. Gori Castle) and their rehabilitation and infrastructural development can increase their value in this sector. Public sector representative say that the government is working on construction of new tourist routes and better infrastructure in order to attract not only visitors but tourists too.

With the support of international organizations, the state carries out projects for road infrastructure repairs, water and gas supply systems. Osiauri-Chumateleti section of the highway is under construction currently, later it is planned to work on Rikoti direction. Road repair works are in process in tourist areas, namely in Tani Gorge, Dzami Gorge, Kaspi municipality, and Tedzmi Gorge. An important project for energy sector was to build a wind power plant. Construction of the reservoir is planned in Kaspi municipality. After the implementation of this project the population will have water supplies which will significantly help agricultural farming. With the support of USAID, water supply in several villages has been improved and the kindergartens built in the region.

Investments in the region over the last 3 years by the Municipal Development Fund of Georgia exceeded 20 million Gel. Fund implemented important projects in Shida Kartli, namely: sport complex was built in Kaspi; St. Ketskhoveli and Gorijsvari streets were constructed in Gori, 10 mini-stadium rehabilitation was completed; drinking water wells were built in bordering villages; water supply system was built in three villages of Nikozi administrative unit; emergency medical aid center was built in Tkviavi; full rehabilitation of the Samepo Street is planned in Gori in the nearest future.

Despite the fact that various projects are implemented in Shida Kartli, experts still talk about shortcomings. According to them, the projects implemented in the region are chaotically planned and developed, as there is no sustainable overall development plan of the region. For instance, in Shida Kartli's regional center several streets were rehabilitated in order to attract tourists to this area, but as a result two-three cafes and one guesthouse have been opened, and rest of the commercial space has been acquired by about 20 second-hand stores that cannot attract tourists. In fact, after the rehabilitation of these streets, if government would have provided local population with access to credit or improved their management skills, the projects could have been quite successful; but with such chaotic approach this goals were not achieved.

Experts underline that in terms of trainings and qualification improvement, the situation in Shida Kartli is better compared to other regions, as there are two higher education institutions in the region, as well as several professional institutions that are focused on local personnel training. However, the issue of the qualification remains a problem and especially in tourism sector, where qualified personnel is difficult to find and the local professional institutions do not offer relevant programs for training.

Development of Shida Kartli region is significantly hindered by the neighboring conflict zone and the creeping occupation that threatens the stable economic development of the region. In order to raise the issue of the creeping occupation, it is necessary to show the existing risks to tourists too. For instance, we can show occupying line that is only 200 meters away from Khurvaleti.

## General Description and Economic Sectors of Mtskheta-Mtianeti Region

Mtskheta-Mtianeti region is located in the north-eastern part of Georgia. The region consists of 5 municipalities, 2 cities, 6 towns and 599 villages. As of January 1, 2016, 93.9 thousand people live in the region – 23.3% live in urban and 76.7% live in rural settlements (National Statistics Office of Georgia, 2018). Since 1994 population of the region has decreased exactly by a third. Decrease in number of people living in urban settlements (39.3%) exceeded the population declines in the rural areas (31.1%) (National Statistics Office of Georgia, 2018). Reasons for the population decline can be explained by labor migration and depopulation of mountainous zones (it is noteworthy that 40% of the region's population live in Mtskheta municipality while only 5% of the population lives in Kazbegi municipality); meanwhile the natural growth rate is volatile and cannot balance the high migration rate in the region (Ministry of Regional Development and Infrastructure of Georgia, 2014, p.6).

After the 2008 Russia-Georgia war, as a result of the occupation of territory of Akhalkalaki municipality and ethnic persecution of the local inhabitants, the compact settlements of internally displaced persons (IDPs) emerged in the region of Mtskheta-Mtianeti (Tserovani, Prezeti, Tsinamdzgvriantkari, etc.). IDPs living in the region constitute about 9% of the total population of Mtskheta-Mtianeti (Ministry of Regional Development and Infrastructure of Georgia, 2014, p.6). Mtskheta-Mtianeti region covers 8.3% of the total territory of Georgia; its population is 2.53% of the total population of country. Gross domestic product of the region is not calculated separately. It has been already discussed above in frameworks of Shida-Kartli region.

In Mtskheta-Mtianeti region there are 2130 business entities registered, which comprises only 1.6% of the total number of business organizations registered in Georgia. Despite the low number of registered business organizations, there are 6 large organizations registered in the region, 3 of which operate in the food industry, and rest three consequently in manufacturing industry, health care and education. There are 22 medium-sized organizations registered in the region. Among the medium-sized organizations, 3 are active in hotel/hospitality business, others are engaged in food and beverage services, construction, trade, and healthcare. 40 organizations are founded based on foreign private capital or by preference to foreign private capital, and 22 organizations are in state and municipal ownership. As data shows, there are mostly local small organizations among the registered business entities in Mtskheta-Mtianeti region.

As shown in Table 5, alike other regions, also in Mtskheta-Mtianeti the trade sector is distinguished by high number of business organizations. In terms of numbers, next on the list are following activities: land transport, accommodation, food and beverages service, wholesale trade, and construction. However, the share of these organizations in total number of entities registered in Georgia is very low. And while the share of GDP is also low in these sectors of economy, to study the situation data of two regions Mtskheta-Mtianeti and Shida-Kartli are combined.

**Table 5: Type of activity of organizations registered in Mtskheta-Mtianeti according to the National Classifier of Georgia**

Type of Activity	Number	%
<b>Retail trade, except for trade with automobiles and motorcycles</b>	547	25.7
<b>Unidentified</b>	524	24.6
<b>Land transport</b>	199	9.3
<b>Hotel and restaurant services</b>	154	7.2
<b>Wholesale trade and trade through agents, trade with automobiles and motorcycles</b>	124	5.8
<b>Construction</b>	99	4.6
<b>trade with automobiles and motorcycles, their technical service and repair</b>	88	4.1
<b>Food production, including beverages</b>	64	3.0
<b>Agriculture, fishery and forestry</b>	37	1.7
<b>Manufacturing of other non-metallic mineral products</b>	36	1.7

Economic potential of Mtskheta-Mtianeti region is determined by its geographical condition and useful minerals. Local experts state that the zeolite, green diabase and other types of useful minerals can be found in the region. The drinking and mineral water resources are especially important for the region. The region is known with production of spring water “Sno”, Kobi water production is also underway. It must be noted that drinking water supply of the capital city Tbilisi is provided by water production in Shida Kartli. Number of abundant rivers in the region significantly increases its potential for construction of new HPPs. Energy generated in Zhinvali HPP in Mtskheta-Mtianeti region is used to provide water supply facilities to the capital city, and Dariali HPP located in the same region is the most powerful HPP ever constructed since country’s independence. The work for construction of new HPPs and maximization of use of hydro resources is in progress. Tianeti Municipality is rich in timber resources; foreign companies with relevant license are active in this sector.

Alike other Georgian regions, also Mtskheta-Mtianeti region's population is involved in agricultural activities, but mainly on the household level. Two thirds of the region’s territory is mountainous, making breeding industry developed, especially, in Kazbegi, Dusheti and Tianeti municipalities. In addition to the agricultural activities on the household level, these activities are also remunerated. For example, the main employer in the region is the "Agricultural Scientific-Research Center", which was granted with 78 hectares of “Agro Cartu” land in Mtskheta municipality, on the territory of village Jighauri. Tsilkani Selection Station is as well property of the scientific center. The center is important not only for employment purposes but also in terms of educational activities provided for farmers. In agricultural sector mostly the locals are employed by companies which produce onions, mushrooms, Chandler nuts, apples, and grapes. The state and ENPARD are providing 100% financing for farmers producing berries in the region, which is a very important instrument for encouraging small farmers in agricultural sector. By providing 70% of financial aid within the project "Plant the Future", the state promotes development of perennial

crops in the region. The agricultural activities in the region are supported by important projects that promote creation of agricultural cooperatives and other projects from the organization "Produce in Georgia". There are two large-scale organizations operating in the region in poultry, meat, and egg production.

Natakhtari area in Mtskheta-Mtianeti region is turned into food industry "island". Here are the main employer companies in the region producing beer, non-alcoholic beverages, and food. Although certain number of large and medium-sized companies are founded with foreign capital, employers underline importance of employing local people in these enterprises.

Experts estimate that tourism potential of Mtskheta-Mtianeti is quite high. Here are all the resources needed for tourism development: mountains, rivers, lakes, peaks, ancient towns, fortresses, and cultural monuments. However, this rich tourist resource is not yet fully utilized. Mtskheta, Kazbegi, Tianeti, Sioni are locations actively visited by tourists, but Dusheti potential is only partially used in this regard. Most of the tourists visit only Shatili, Barisakho and Mutso. Currently the roads to Pshavi are under rehabilitation so as to attract more tourists in the future.

City of Mtskheta is the main tourist destination in the region. In order to improve its tourism potential, there are number of projects planned to be implemented in Mtskheta: construction of a new building of Mtskheta Archaeological Museum, creation of new tourist rout system so that tourists can visit not only the Svetitskhoveli territory, but also the Bebris Castle, including the cinema building. It is planned to improve infrastructure of the Jvari Monastery, better organize parking system, and open new trade facilities. Mtskheta is a good space for trading agricultural products produced in the region. Even today, the city can be viewed as a trade market place for Mtskheta villages, but supply and demand is not developed systematically. The local products are permanently on sale, but still certain regulations are necessary for increasing the trade level. In order to increase tourism potential in the region, it is planned to rehabilitate the Chilashvili House and its square, Ananuri fortress-town, Dariali Monastery, and the adjoining areas in Dusheti municipality. Complete rehabilitation of the Gergeti Trinity and the bypass road is planned as well. Local population is actively involved in tourism: they have guesthouses, provide services for transportation and food as well.

Various infrastructural projects planned for tourism development in the region are financed by government, local or international organizations. Usually, these projects have specific aims and targets, but in general they have positive impact on region's economic development encouraging construction and supporting employment of local population.

Main city of the region is also involved in the World Bank's three-year project - "Agreement of Mayors", which aims to increase efficiency of public systems and public servants, development of energy efficient infrastructure, and construction of sports complexes. Within the framework of the World Bank project, it is planned to improve and rehabilitate Dusheti. Municipal Development Fund will allocate 35 million to the development of Mtskheta-Mtianeti region. This funding is

mainly used for the infrastructural projects of the region: arrangement of roads and other infrastructure in tourist places, setting up new tourist sites (such as Truso Gorge), creating Gudauri development plan, and construction of a ropeway in Gudauri-Kobi, construction of kindergarten in Mukhrani, and improvement of waste management system. Private investors are also involved in the improvement of tourism infrastructure. For example, the company Château-Mukhrani plans to increase the tourism potential of the village of Mukhrani by rehabilitation of Dzalisi old town, Mukhrani Church with its old fence, and Niko Buri palace.

The Biomass Association of Georgia works in Dusheti and Tianeti municipalities, which has implemented the project for popularization of biomass. Within the framework of the project, an efficient heating system for biomass burning was installed at school and awareness raising campaign conducted about the efficiency of biomass usage. UNDP and USAID implement various projects on issues of energy efficiency and water supply in the region. Other important projects should be also mentioned: full internet coverage of the mountainous villages, and providing them with first medical aid. In high mountainous areas, in villages above 1,000 meters, the doctors will be retrained and provided with primary first aid equipment in order to serve the local population in the villages. Implementation of this project will increase demand for the doctors with vocational education.

In general, Mtskheta-Mtianeti population employment structure reiterates the proportions of economic sectors in the region. Experts estimate that most of the population is self-employed, which gradually increase over years; the raise in self-employment rate is primarily due to household activities, but additionally due to increase in family hotels and tourist services. Important part of the region's population is employed by the gas, electric or hydro companies. Local people also work at the governor's office in the municipality. Some of them are also employed in the agricultural sector, food industry and construction, but mostly on low-qualified positions. Local experts consider that this is due to fact that big company investors prefer not to hire local people (prefer someone from the capital city or abroad) for highly-qualified positions. On their side the employers claim that it is difficult to find personnel on local level, that's why they have to invite personnel form the capital or abroad.

Despite the fact that there are trends of economic growth in Mtskheta-Mtianeti region, migration rate is still very high. Migration rate to Tbilisi is high due to territorial proximity to the capital, as well as labor migrations abroad. Labor migrants abroad are mainly women, who work abroad on low-qualification positions as is for example the family helper; it leads to their disqualification. As a result of proximity to the capital city Tbilisi, there is a lack of educational institutions or other types of training centers in Mtskheta. Mtskheta is either considered in general to be already developed tourist center not in need of additional attention or considered as a place where locals can always get the necessary services and resources from Tbilisi, which impedes development of Mtskheta as an independent city and trainings/retraining of the local personnel. That is why only one professional institution operates in the region.

## Chapter 2. Demand on the regional Labour Markets

### Labor Market Demand of Kakheti Region

General description of the tendencies of the regional labor market of Kakheti will be based on the report - "Monitoring Vacancies in Regional Labor Markets" prepared by the Social Service Agency of the Ministry of Labor, Health and Social Affairs; the monitoring was implemented by the EU support in 2017 (Ministry of Labor, Health and Social Affairs of Georgia; Social Service Agency; European Union for Georgia, 2018). Within the frameworks of the research, large, medium and few small-sized organizations of the leading economic sectors of Kakheti region were interviewed. Considering that the research revealed demand for personnel for last six and next six months, the results are relevant for our research.

The results of the abovementioned survey showed rather negative picture of the labor market in Kakheti region. Among the vacancies announced in the second half of 2017, vacancies of unqualified and low-qualified positions prevailed: unqualified workers, drivers, sanitary and cleaners; personnel with special education: wood masters, mobile technical equipment operators, nurses, electricians, cooks, barman, specialists working with customers; among highly qualified personnel the demand was for food technologist, assisting staff in statistics, mathematics and related spheres, accountant and auditor, managers and doctors of the enterprise-operation departments and financial-administrative departments. In the first half of 2018 employers were planning to announce vacancies for the following positions: unqualified workers, drivers and technical equipment operators, doctors (urologist, traumatologist, radiologist), sellers, engineers in construction, supplying agent, financial and administrative department managers, mechanics and specialists of mechanical and electronic devices (Ministry of Labor, Health and Social Affairs of Georgia; Social Service agency; European Union for Georgia, 2018. P.90).

For more detailed analysis of the existing situation, we will use the results of expert interviews prepared within the frameworks of the mentioned research; interviews were conducted with local public sector representatives, formal and informal providers of education and the leading economic sector employers of the region. Among the economic sectors we chose large and medium-sized enterprises from wine, egg, and ice cream and tourism spheres. Employers' surveys show that their demand was mainly for unqualified personnel. The share of unqualified personnel among their employees comprises about 60-80%. Personnel with the age of under 30 are mostly employed in the service sector by tourism businesses, whereas enterprises are mostly hiring middle and older-age personnel in general. Unlike other sectors, wine production is commonly employed by seasonal workforce, a large share of permanent staff is less qualified and the share of young people is about one third of the employees. The rotation of the staff is more common in younger employees and mostly on low-qualified positions. As employers state, this is due to better terms and career advances offered at other jobs.

During the interviews the employers did not name any hard-filling vacancies in their sector. But the fact that in several organizations the vacancies of mechanical engineer, energy engineer, electrician, zoologist, and veterinarian are filled by people living in Tbilisi (who either drive from capital or have moved to live in Kakheti) indicates that finding personnel with similar specialization in the region is related to certain difficulties. Representatives of two organizations noted that they had to announce a vacancy for the positions of electrician and housekeeper three times. It is noteworthy that part of the personnel hired for the positions with professional qualifications are in pensioners age; but while they are good professionals, the organizations employ them and do not seek or are not able to find other possibilities.

Employment of persons with disabilities is problematic in Kakheti region. None of the persons with disabilities are employed in the organizations studied (only one person with disabilities is employed in the head office of the organization in Tbilisi). Employers note that none of the persons with disabilities or any organization has applied for employment. But during the interviews one of the employers wondered why persons with disabilities should be employed, which indicates lack of awareness of employers about the need for inclusion of such minority groups in the labor market. According to experts, the working environment is not yet adapted to the needs of people with disabilities and it is often an insurmountable barrier. However, with the efforts of NGO sector there is a little progress at least. These organizations are trying to integrate people with disabilities into labor market by improving their skills and qualifications also cooperating with local municipalities. In Telavi municipality, in Tamaz Antadze Sports Complex the sports shooting corner is arranged; it is completely adapted to needs of the sportsmen with special needs and employees one person with disabilities. However, such cases are rare. Another expert states that most of the employers are quite open for hiring people with disabilities; if they have an opportunity to do so, they are doing it. Very often it is based on positive discrimination, but considering results it is still effective. The unemployment of persons with disabilities is not only due to low demand, but also due to the attitudes of family members of disabled persons who for years isolate them because of public pressure, which certainly leads to their disqualification.

Internally displaced persons (IDPs) are employed in a number of organizations but not based on their status. They have been employed according to their qualifications and skills. Employers note that number of IDPs is not significant in the region, mostly those displaced during Abkhazian war in 1990s; during this period of time they have adaptable and integrated in the region so well that locals and employers do not take into consideration their status at all.

Table 6 shows the list of demanded professions according the qualifications in Kakheti. The list includes: results of the quantitative surveys; professions that employers describe as not deficient but still to be filled by human resources from other regions; and professions with potential to be demanded after implementation of the planned projects in the region. It is important to note that demand for unqualified and low-qualified positions is the highest, whereas demand for

professional qualifications comparably low. However, it is difficult to find professional personnel, thus the lowest demand is for personnel with higher education and high professional qualifications.

**Table 6: Demanded Professions in Kakheti Region**

<b>Demanded Professions:</b>	
<b>Unqualified and low-qualification personnel</b>	<b>Worker without qualification</b> <b>Driver</b> <b>Sanitary</b> <b>Cleaner</b> <b>Seller and goods demonstrator in shops</b> <b>Hotel housekeeper</b>
<b>Personnel with special education</b>	<b>Wood craftsman</b> <b>Nurse</b> <b>Electrician</b> <b>Mechanical engineer</b> <b>Zoologist</b> <b>Waiter (with knowledge of English language)</b> <b>Barman</b> <b>Cook</b> <b>Mobile technical equipment operator</b> <b>Specialist working with customers (cashier)</b>
<b>High qualification Personnel</b>	<b>Food technologist</b> <b>Wine technologist</b> <b>Enterprise, operating, financial, administrative division manager</b> <b>Accountant</b> <b>Auditor</b> <b>Doctor</b> <b>Assistant staff of statistics, mathematics and related fields</b> <b>Energy engineer</b> <b>Veterinary</b> <b>Engineer in civil construction (especially with knowledge of energy efficiency principles)</b> <b>Information technology specialist (in terms of online services)</b>

## Labour Market Demand in Samegrelo-Zemo Svaneti Region

General description of trends of the labour market in Samegrelo-Zemo Svaneti region will be as well based on the report - "Monitoring Vacancies in Regional Labor Markets" prepared by the Social Service Agency of the Ministry of Labor, Health and Social Affairs; the monitoring was implemented by the EU support in 2017 (Ministry of Labor, Health and Social Affairs of Georgia; Social Service Agency; European Union for Georgia, 2018). Within the frameworks of the research, medium-sized organizations operating in leading economic sectors of Samegrelo-Zemo Svaneti region were interviewed.

Alike all the regions, also in Samegrelo-Zemo Svaneti region, among the vacancies announced in the second half of 2017, vacancies of unqualified and low-qualified positions prevailed – unqualified workers, drivers, sanitary; personnel with special education – nursing and obstetrics specialists and professionals, secretaries and operators, industrial and mobile technical equipment operators, mechanical engineers of electric and electronic equipment; among highly qualified personnel the demand was for architectures and engineers, teachers of secondary education level. In the first half of 2018 employers were planning to announce minimum number of job vacancies; among them the demand was for professions with the first level qualification requirements. The need for special and higher education included vacancies for mechanical equipment technicians, operators of industrial equipment, electrical and electronic equipment mechanical engineers, managers of production and operation departments. For the following positions the vacancies were not filled: operator of industrial equipment (crane operator), manager of production and operations department, mechanical engineer of electric and electronic equipment, technician of mechanical equipment, teacher and sanitary. (Ministry of Labor, Health and Social Affairs of Georgia; Social Service agency; European Union for Georgia, 2018. p.161).

For more detailed analysis of the existing situation, we will use the results of expert interviews prepared within the frameworks of the mentioned research; interviews were conducted with local public sector representatives, formal and informal providers of education and the leading economic sector employers of the region. Among the economic sectors we have chosen large and medium-sized enterprises operating in: processing and conserving fish and fish products, cargo shipment and transportation, and food production of various directions. In the survey of the above-mentioned sector employers, high demand was still for the following positions – sea industry and fishing specialist, machine tools operator, mechanic engineer, electric welder, water welder, bookkeeper, turner, repair engineer for hydraulic pump and engines. The electrician for repairing machine-tools in food industry was so deficient that two companies have invited specialists from Ukraine. Due to partnership with Turkey, there is high demand for personnel with Turkish language knowledge. Among the qualified personnel the demand is high for engineers, technologists, high voltage engineering specialists, food technologists, IT specialists, financial managers, manufacturing and operating managers, and laboratory expert in food industry. According to local expert, there is a serious demand for agronomist in the region. For example, in Zugdidi there might be only 3-4

agronomists with diplomas, which seriously hinders development of agriculture in the region as a prospective sector.

In Samegrelo-Zemo Svaneti the problem was revealed in finding personnel with sea industry and fishing specialization. This deficit is mainly filled by attracting and employing people from Adjara Autonomous Republic. In terms of providing prepared professional personnel, the vocational College "Pazisi" in Poti provides important support to the organizations working in fishing and cargo shipment industries.

Demand in the economic sectors selected within the framework of the research is mainly for qualified and highly qualified personnel. Whole personnel in the cargo shipment and transportation company is of high qualification as they have to work with mobile technical equipment and this requires not only qualification but also special certification, work is of high risk and can damage not only someone's property but put under threat health and life of a person. In fish and fish product processing company the qualified staff comprises 70%, in food production it is around 30% to 50%.

Employers note that they are less likely to have a qualified staff rotation in their organizations. Rotation is more common for unqualified personnel, which is not challenging for the employers. Usually, almost half of the personnel in companies are young people. However, high-qualification and managerial positions are more occupied by middle-aged personnel due to their experience and high sense of responsibility. But it is noteworthy that employers positively assess young personnel's energy and knowledge of modern technologies.

During the interview one of the NGO representative stated with regret that inclusion of people with disabilities in the labor market is still problematic in the region. Despite the fact that the state has a political obligation to create an inclusive economic environment, no effective steps are being taken in this regard. The state is generally ignoring the educational needs of persons with disabilities; it is inactive in awareness raising of public as well as unable to encourage employers in this regard. One of the experts positively assesses the Employment Project supported by the Social Service Agency, but notes that awareness about this project is very low among employers and persons with disabilities as well. This was evident when interviewing the employers: they did not have information on the possibility of such employment support. Among the researched organizations some have employed the persons with disabilities, but it usually happened based on personal networks or social connections. Experts noted that for persons with disabilities the Association for Disabled Women and Children "DEA" carries out several projects with the purpose of their education as well as integration into the labor market. Based on the grant allocated by NGOs, persons with disabilities founded and opened the social enterprises (e.g. sewing factories).

Despite the fact that share of IDPs in Samegrelo-Zemo Svaneti region is the highest compared to other regions, no specific social programs are implemented for integration of this social group into the local labor market. In order to address IDPs, mostly the infrastructural projects are

implemented to solve their housing problems. As experts note, there is no special need for integration of IDPs into the labor market as they are already well integrated within the local population and their status is not a barrier for employment in general. The survey revealed that IDPs are employed by all organizations, however not on preferential employment bases, but based on their competencies and knowledge.

**Table 7: Demanded Professions in Samebrelo-Zemo Svaneti**

<b>Demanded Professions:</b>	
<b>Unqualified and low-qualified personnel</b>	<b>Unqualified worker</b> <b>Driver</b> <b>Sanitary</b>
<b>Personnel with specific education</b>	<b>Nursing and obstetrician specialist/ professionals</b> <b>Secretary and operator</b> <b>Operator of industrial and mobile equipment</b> <b>Electrical and electronic equipment mechanical engineer</b> <b>Mechanical equipment technician</b> <b>Marine industry and fisheries specialist</b> <b>Electric welder</b> <b>Accountant</b> <b>Turner</b>
<b>Personnel with high qualification</b>	<b>Architecture</b> <b>Engineer</b> <b>Teacher of secondary education</b> <b>Manufacturing and operations manager</b> <b>Engineer-technologist</b> <b>Food technology specialist</b> <b>IT specialist</b> <b>High voltage electrical engineer</b> <b>Financial manager</b> <b>Agronomist</b>

## Labor Market Demand in Shida Kartli Region

For the general description of trends of the labor market in Shida Kartli region we will use the report - "Monitoring Vacancies in Regional Labor Markets" prepared by the Social Service Agency of the Ministry of Labor, Health and Social Affairs; the monitoring was implemented by the EU support in 2017 (Ministry of Labor, Health and Social Affairs of Georgia; Social Service Agency; European Union for Georgia, 2018). Within the frameworks of the research, 24 large and medium-sized organizations operating in leading economic sectors of Shida Kartli region were interviewed.

Alike all the regions, also in Shida Kartli region, among the vacancies announced in the second half of 2017, vacancies of unqualified and low-qualified positions prevailed – unqualified personnel in spheres of construction, industry, and healthcare. Demand on personnel with special education was high in the construction and industry sectors on following positions – locksmiths, house painters and related specialists, manual workers on wood, textile, leather, and other similar material, welders, industrial and mobile technical equipment technicians/repairers, sculptors, painters and related art specialists. New vacancies emerged for agronomist, poultry specialist, and assistant to veterinarian. Fourth level of qualification demand was for the specialists on positions as are teacher of higher education, managers of various specializations in production and food industry sector, engineers and chemists. (Ministry of Labor, Health and Social Affairs of Georgia; Social Service agency; European Union for Georgia, 2018. p.116).

For more detailed analysis of the existing situation, we will use the results of expert interviews prepared within the frameworks of the mentioned research; interviews were conducted with local public sector representatives, formal and informal providers of education and the leading economic sector employers of the region. Among the existing economic sectors for the purpose of more detailed research we have chosen large and medium-sized enterprises operating in spheres of construction, processing industry and food production.

The research revealed that the share of qualified personnel in all three sectors is 50% or less. The share of highly qualified personnel is low and it is mostly concentrated on top management level. Young people are least employed in the business organizations. This is mainly due to the fact that the positions with high qualification requirements (which usually require vocational education) are occupied by middle-aged and older persons. The surveyed organizations point out existing economic stagnation and negative impact of the external factors, which hinder expansion of the organizations and creation of new job opportunities. In addition, usually the organizations are functioning for a long period of time and the personnel hired years ago is reluctant of changing working place. It means that no vacancies are available to employ new generation. One of the reasons for the low rotation rates of the personnel is the poor economic situation in Shida Kartli region – existing organizations are not expanding and new organizations are not founded. Knowing well the situation of labor market, the employees safeguard their positions and stay on the same

positions in the same industries for years. Employers as well have no motivation to change the personnel. They say that, apart from the unqualified workers, every new staff member in the organization needs three to six months to adapt and become a professional. Having no motivation to spend additional money for trainings, the employers are not focused on recruiting new people. The personnel rotation is more likely for low-level positions, where people are temporarily contracted leaving their positions after the project is fulfilled (especially in the construction sector), finding new but again low-qualification positions or migrating abroad.

In general, employers do not assess very positively the employment of young people. Although they realize well the importance of employing young energized personnel with better knowledge of information technologies, the employers are still less likely to think about special mechanisms of attracting and hiring young people. There are few reasons for this: employers evaluate negatively the transferable skills and characteristics of young people (they often note that young people are less likely to be responsible, hardworking, organized, communicative, cooperative, enthusiastic, and motivated); Employers also focus on the cultural stereotypes and note that young people prefer "clean" office work rather than unqualified positions in the industry sector; Young people have higher education diplomas and not vocational knowledge, while in these organizations or in the region in general there is a high demand for good electricians, mechanics, welders, locksmiths, turners, and laboratory specialists. According to one employer, the lack of personnel with technical knowledge is a result of the economic developments in 90s: after all construction processes and factories stopped functioning, the young people decided not to choose the specializations with no future job opportunities. According to him, situation today is changing – these spheres of activities are getting stronger, demand increases and gradually, more young people will be interested in getting education in the field of technology, although this process will take some time.

Most of the researched organizations involve the young people in industrial practices. These organizations cooperate with local vocational and higher education institutions and invite students for internships. However, cases of later employing the intern rarely come across, mainly due to lack of the vacancies and less qualified young personnel.

Two organizations participating in the research previously have had employed persons with disabilities on the qualified and less qualified positions, but currently we do not observe persons with disabilities employed at any organization. Employers have less information about number of IDPs employed at their organizations as they do not hire according to this concrete social status. Organizations have never cooperated with the state or any non-governmental organizations on the above mentioned issues; thus they are not aware of any available employment programs. Only one organization representative noted that the municipal administration addressed them several times with the request of employing internally displaced persons and the organization considered this request within the scope of its capabilities.

Organizations rarely publish vacancy calls on the websites, they usually use this possibility when seeking personnel for qualified or highly qualified positions. Entrepreneurs have the lists of persons who are periodically employed by them; if a person with concrete qualification is needed, employer usually uses the contacts from the list. However, the practice of employing through social connections is quite common too. The representative of one of the organizations notes that when an employee asks to hire a friend or a relative, request is usually considered, because the employer believes that a person employed on friendship/social connection bases is more trustworthy. Similar practice of recruitment was also revealed by the Social Service Agency research (The Ministry of Labor, Health, and Social Defense of Georgia; The Social Service Agency; European Union for Georgia, 2018, p.125).

Based on analysis of the documents and expert interviews, Table 8 shows list of demanded professions with required qualifications in Shida Kartli region.

**Table 8: Demanded Professions in Shida Kartli Region**

<b>Demanded Professions:</b>	
<b>Unqualified and low-qualified personnel</b>	<b>Unqualified worker</b> <b>Construction/road construction worker, dam repair worker</b> <b>Seller and goods demonstrator at shop</b> <b>Driver</b> <b>Sanitary</b>
<b>Personnel with special education</b>	<b>Locksmith</b> <b>Welder</b> <b>House painter</b> <b>Office manager</b> <b>Manual worker on wood, textile, leather, and other similar material</b> <b>Worker on metallic material</b> <b>Poultry farmer</b> <b>Head of the security service</b> <b>Assistant to veterinarian</b> <b>Refrigerator systems specialist</b> <b>Industrial and mobile technical equipment operator</b> <b>Industrial and mobile technical equipment technician/repairer</b> <b>Road masters</b> <b>Electric and electrical equipment mechanical engineer</b> <b>Bookkeeper</b> <b>Mechanical engineer</b>
<b>Highly-qualified personnel</b>	<b>Doctor</b> <b>Microbiologist</b> <b>HR manager</b>

**Agronomist**  
**Food safety quality manager**  
**Teacher of higher education**  
**Procurement specialist**  
**Financial and administrative division manager**  
**Engineer, civil construction (computer knowledge)**  
**Supply and distribution manager**  
**Safety, health and quality inspector**  
**Sales and marketing manager**  
**Accountant**  
**Financier**  
**IT specialist (demand for AutoCAD skills)**

## Labor Market Demand of Mtskheta-Mtianeti Region

General description of the tendencies of the regional labor market of Mtskheta-mTianeTi will be based on the report - "Monitoring Vacancies in Regional Labor Markets" prepared by the Social Service Agency of the Ministry of Labor, Health and Social Affairs; the monitoring was implemented by the EU support in 2017 (Ministry of Labor, Health and Social Affairs of Georgia; Social Service Agency; European Union for Georgia, 2018). Within the frameworks of the research, 16 large, medium and few small-sized organizations of the leading economic sectors of Mteskheta-Mtianeti region were interviewed. Considering that the research revealed demand for personnel for last six and next six months, the results are relevant for our research.

During 1 year period of time, in Mtskheta-Mtianeti region the demand was mainly for low-qualified positions, namely, for unqualified workers (which comprises 41.7% of all vacancies). Alongside with unqualified personnel, quite a high demand was for the workers with professional education in the industrial sector: cooks, operators of the food processing machinery, operators of industrial equipment, mechanical engineers of electronic devices, technicians, and technical equipment operators. Among high-qualification positions demand was for: construction engineers, production and operational division managers, administrative and financial managers, sales managers, marketing managers, accountants, supply and distribution division managers (Ministry of Labor, Health and Social Affairs of Georgia; Social Service agency; European Union for Georgia, 2018. P.79).

For more detailed analysis of the existing situation, we will use the results of expert interviews prepared within the frameworks of the mentioned research; interviews were conducted with local public sector representatives, formal and informal providers of education and the leading economic sector employers of the region. Among the economic sectors we chose large and medium-sized enterprises from the food industry.

The organizations operating in food industry are mainly equipped with modern technologies, therefore the share of unqualified staff in these enterprises is small (almost 30%), as even the bottler needs certain qualification and knowledge in new technologies. But the size of highly qualified staff is small and positions are mainly filled by personnel from the capital city. There are cases when top managers are invited from abroad. Due to the deficit of personnel with knowledge of new technologies, there are cases when trainers and/or consultants from Germany or Turkey are invited to train local staff.

The share of young people in the surveyed organizations is 30-50%. Employers often prefer younger generation due to technological needs. The rotation of personnel in the organizations is low and when it happens then for low-qualified positions. However, there was one case when the competitor organization took away the qualified workers from another organization, which as a result had to retrieve the new staff, retrain and redistribute functions among internal staff members.

As in all other regions, in Mtskheta-Mtianeti too there is a shortage of personnel with professional education, especially in technical and agricultural spheres. Private companies as well as public organizations complain about the personnel deficiencies. As main reason for that they identify the wrong professional orientation of young people – young people choose professions based not on the country's or the labor market demand, but based on the social honor and prestige of the profession/position. Therefore, many graduates in the region have the diplomas of lawyers, journalists, or economists, while there is a serious need for mechanical engineers, technologists, engineers, architects, accountants and financiers, veterinarians, agronomists, welders, geodesists, hydroelectric specialists, agronomists, viticulture and winemaking specialists. The wrong career planning of young people is also due to the fact that young people want to start directly from the top level and earn high income, do not realizing that time and effort is needed to create a successful career.

Some of the employers are uncomfortable with the personal characteristics and the transferable skills of the young people. They often talk about low level of motivation, ambitions and lack of hardworking personality of young people. Transferable skills of the personnel in Mtskheta-Mtianeti region are less developed. One of the enterprise representatives, who feels social responsibility to employ local residents, mentions that for a long time he was looking for a receptionist with knowledge of English (because meetings are held with foreign representatives) and office programs; however, when such a person was hired, it turned out that employee felt uncomfortable preparing coffee for guests. Experts in public sector underline the low level of knowledge of new information technologies; they state that it is a serious challenge for people employed in the municipality administration to work in the Excel program.

These are the reasons why local employers say that it is very important for employees to have transferable and specific skills, qualifications and personal characteristics. Finding such a personnel is difficult among the local population. And as the food and beverage processing industries are mainly concentrated in Natakhtari, their employers often select personnel from Tbilisi and this way save training and retraining costs.

The representatives of the surveyed companies state that usually the hired person always needs certain period of time to be prepared/trained for the position. There are instances when the organization spends its resources retraining the new staff member and then loses him/her to another company. During the interviews employers noted that they cooperate with local and educational institutions located in Tbilisi and give the young people opportunity for internships. In some cases this cooperation is based on a contract, though sometimes verbal agreement is enough. Rarely, but there are cases when person on internship gets employed in the company. Main practice of training a newly-employed personnel in the organization is to learn from the professionals in the organization; it is very rare that new staff member is sent to a special training or trained by invited trainer. According to one local expert, there is such a serious deficit for the personnel in the region

that very often an employer is unable send the employee, who is in charge of entire work, to the trainings.

There are two factors influencing young people's initiatives and motivation for employment. While tourism in the region is quite a developed sector with high level of self-employed local population, the young people agree to take paid stable job only in case of a solid salary. For example, the representative of the Mtskheta-Mtianeti regional governor's office said the following: they needed workers in Kazbegi – to pick up trash on the road with a special stick. Working hours were 2 hours a day with salary of 1000 Gel. But they could not find the person interested in this position. Of course, in this particular case the salary was not an issue, but the type of the work was; but if the economic hardship is unbearable, in this case people take such positions too. The second barrier for the employment is the social allowance – in order to maintain it, people refuse to be employed.

Local experts also negatively evaluate the entrepreneurial skills of young people. Similar to other regions, in Mtskheta-Mtianeti as well there are number of programs that provide both educational and material resources for individuals who want to start a business. Local experts have been able to provide just a few successful examples when local people managed to start a business; for example, the production of beekeeping products was started with such grant support. However, most of the young people do not know how to write business plan, have difficulty in coming up with business idea and formulate it. In terms of entrepreneurship, local people need to be trained and prepared so that they can be able to formulate goals and tasks, create business plans.

The employment practice in the labor market depends on the needs for different qualifications in the region. Organizations are always trying to look for unqualified staff nearby the enterprise location, but for finding qualified personnel they use web sites and social connections, which certainly increases the level of nepotism and makes the employment process non transparent.

One of the barriers for the young people to be employed is the long-term experience required in qualifications. One employer noted in interview that very often the organizations announce vacancy for the 18-25 year old person and demand about 5 years of experience. It is clear that young people are unable to satisfy such a requirement which causes their disappointment.

Persons with disabilities are not employed in the surveyed organizations. Employers note that employment in their enterprises is not recommended because a number of operations may be harmful to their health. Public sector representatives noted that people with disabilities in the municipality are not employed, but they do not see significant and insurmountable barriers in this regard.

Considering that there is high number of internally displaced persons in the region including compact IDP settlements, IDPs employment rate is high. However, the representatives of the business entities do not employ IDPs through any special program; according to them, these people

have been living in the region for years and are fully integrated with the environment and society, thus their employment is based on their skills and competencies and not on their status. One of the companies had a factory in Akhalgori area. After the war in 2008, when they left the factory, all qualified employees of Akhalgori branch were later employed in Mtskheta-Mtianeti factory.

Table 9 summarizes the demanded professions in Mtskheta-Mtianeti region based on quantitative and qualitative research:

**Table 9: Demanded professions in Mtskheta-Mtianeti region**

<b>Demanded Professions:</b>	
<b>Unqualified and low-qualification personnel</b>	<b>Unqualified workers</b> <b>Drivers</b> <b>Sellers and goods demonstrators at shops</b>
<b>Personnel with special education</b>	<b>Cooks</b> <b>Guides</b> <b>Waiters, barmen, kitchen personnel</b> <b>Nurses</b> <b>Food production machinery operators</b> <b>Industrial equipment operators</b> <b>Mechanical engineers of electronic devices</b> <b>Technical engineers</b> <b>Technical equipment operators</b> <b>Installation specialists</b> <b>Tractor drivers</b> <b>Mechanical engineers</b> <b>Zoologists</b>
<b>Unqualified and low-qualification personnel</b>	<b>Civil construction engineers</b> <b>Engineers-technologists (in food industry and construction)</b> <b>Food technology specialists</b> <b>Architects</b> <b>Technologists (food industry, winemaking)</b> <b>Works manufacturers</b> <b>Accountants</b> <b>Manufacturing and operations managers</b> <b>Financial and administrative managers</b> <b>Sales and distribution managers</b> <b>Agronomists</b> <b>Veterinarians</b> <b>Geodesists</b> <b>Hydrologists</b>

## Reasons for Demand and Supply Imbalance in the labor market

Research conducted in four target regions clearly show that almost every region faces the labor demand and supply imbalance – on the one hand, there is a shortage of labor for certain positions, whereas on the other hand, unemployment rates, including among the youth, are quite high. Based on analyses of the expert interviews, we can explain the reasons contributing to such an imbalance. These reasons can be divided into three groups: a) Demand imbalance – caused by the situation in the labor market; b) Supply imbalance – caused by human resource discrepancy; c) structural reasons caused by general social, economic or cultural factors that ultimately lead to the imbalance in the labor market. Let us consider each of them separately.

### **a) Imbalance caused by the situation in the labor market:**

#### **1. Low salaries:**

In the circumstances of high unemployment, the employers offer low salaries to the workforce, especially on low-qualified and unqualified positions. This trend was also revealed in the Vacancy Monitoring Research conducted by the Social Service Agency.

In Kakheti region, "the most low-paid position is of a sanitation worker earning on average 160 GEL. Low salaries are paid also to the personnel working with the customers (cashiers, sellers, etc.) (200 GEL), also to: nurses (267 GEL), couriers and porters (400 GEL), cleaners (400 GEL), waiters and barmen (450 GEL)" (Ministry of Labor, Health and Social Affairs of Georgia; The Social Service Agency; European Union for Georgia, 2018, p.101). Sometimes, depending on the specifics of the working field, the unqualified labor is required to have such knowledge and skills that should not be low-paid. For example, employers in tourism sector in Kakheti region require the employee (e.g. the waiter) to know foreign language. The locals have most difficulties to meet such a qualification requirement, especially when the salary for these positions are low.

In Samegrelo-Zemo Svaneti region the low-paid positions (average salary up to 200GEL) are: cleaners, sanitation workers, nurses, secretaries and operators (Ministry of Labor, Health and Social Affairs of Georgia; The Social Service Agency; European Union for Georgia, 2018, p.163). Qualitative research has revealed that in Samegrelo-Zemo Svaneti region it is difficult to find the personnel, the cases of quitting the job by employees is frequent due to hard physical working conditions and nonstandard working hours (for example, fishing, which requires work in severe weather conditions and/or at night hours).

In Shida Kartli region "the most low-paid profession is the sanitation worker, who earns on average 165 GEL. Other low-paid positions are: security service worker (200 GEL), chemist (225 GEL), shop seller and goods demonstrator (230 GEL), nurse (237.5 GEL), safety, health and quality inspector (255 GEL), unqualified workers in trade and service spheres (GEL 281), driver and mobile technical equipment operator (300 GEL), poultry worker (300 GEL), assistant to

veterinarian (300 GEL) (The Ministry of Labor, Health and Social Affairs of Georgia; The Social Service Agency; European Union for Georgia, 2018, p.122).

As conducted quantitative research shows, in Shida Kartli both – the low-qualified labor as well as the qualified specialists are paid low salaries. Expert of the Georgian Trade Unions Confederation states that there is labor quality inspector specialist shortage in whole country; he claims that this deficit will increase when the Law on Labor Safety enters into force. Consequently, wage of only 255 GEL for such rare professions can be a prerequisite for failing to fill vacant positions.

In Mtskheta-Mtianeti region "the lowest paid position is of a cleaner earning monthly on average 180 GEL. The low-paid positions are: service servants working with customers (300 GEL), unqualified workers in trade and service spheres (300 GEL), unqualified workers (391.6 GEL), and waiters (450 GEL). There have been few cases when the employer pays the same salaries for both positions of the waiter and the cook" (The Ministry of Labor, Health and Social Affairs; The Social Service Agency; European Union for Georgia, 2018, p. 85).

Within the frameworks of the qualitative research, it became quite clear that employee turnover more often occurs among unqualified positions. Employers note that such employees are constantly in search of new positions with higher income. Considering that employers have to spend resources to prepare even unqualified employees for new positions, the high turnover rate is not useful for business entities and results in waste of resources. Very often the low-paid positions stay vacant due to fear of losing the social allowance; this issue of concern will be discussed later when analyzing structural problems of unemployment.

## **2. Excessive job requirements of employers**

Despite of the fact that in the regions researched the calls for vacant positions were mainly for unqualified workforce, very often the employers have excessive qualification demands from unqualified candidates. For example, the above mentioned report states: "Higher education requirement is often irrelevant for a vacant position. Employers require higher education from unqualified workers, servicemen, drivers, security personnel, nurses, electrical and electronic equipment mechanical engineers, manual workers on wood, textile, and leather (Ministry of Labor, Health and Social Affairs of Georgia; Social Service Agency; European Union to Georgia, 2018, p.99). In one of our interviews, the employer noted that higher education is less likely to be considered as an advantage of the candidate, because almost every candidate applying for the position does have a diploma; exactly this trend might be a reason for demanding higher education, disregarding the real need.

Excessive requirements are sometimes observed in terms of general skills of the candidates. For example, the employer demands leadership, critical thinking or problem solving abilities from the unqualified labor. Very often, the reason for such inappropriate demands is that employers are not

clear about exact requirements from the candidate to be employed (Ministry of Labor, Health and Social Affairs of Georgia; Social Service Agency; European Union for Georgia, 2018).

### **3. Non-transparency of the employment process**

All the employers interviewed within frameworks of the qualitative research indicated that they publish the calls for vacancies on special websites (www.jobs.ge, www.hr.gov.ge, etc.). However, they underlined that most of the times this method is not successful in finding good candidates for the announced positions, and the personal networks and social connections are much more effective in this regard. The same trend is observed according to the Vacancy Monitoring Report conducted in our target regions (Ministry of Labor, Health and Social Affairs of Georgia; Social Service Agency; European Union for Georgia, 2018, p.104). Even when the vacancy calls are published on web-sites, the labor with low qualification or no competencies in the information technologies, does not have access to such information. That is why employers in the regions mostly use the local media in order to disseminate information about vacant positions.

The experts claim that nepotism is the main practice of employment in the regions. Employment through friends is very common in the private sector, as there is no any official rule for filling the vacant position. Despite the fact that vacancies in public sector should be publicly announced, the experts point out that in this sector too employers give information to the acquaintances, friends, and relatives to apply on the vacant position. However, the monitoring system formally but still exists in this process. That means, the applicant's skills and qualifications should be formally in conformity with the requirements stated in the call for vacant position. According to experts, nepotism is more noticeable in cases of employing middle and low-qualified labor, while deficit of highly-qualified personnel is high and nepotism practices less. As already mentioned, young people in the regions mainly work on low-qualification positions; lack of personal networks and social connections reduce their employment chances and increase their vulnerability on the labor market.

### **4. Employment of non-local personnel by foreign organizations**

Experts note that in the regions where large and medium-sized businesses are founded based on foreign capital, the practice of non-local personnel employment is widespread. For example, in Shida Kartli region, the flour producing Azerbaijani company employs either ethnic Azerbaijanis or citizens of Azerbaijan. In Mtskheta-Mtianeti region, large-scale employers are employing the personnel from Tbilisi. While the main benefit of the foreign capital and generally foreign investments in the region is to employ local human resources, this practice has a very negative impact on economic development of the region.

#### **b) Supply imbalance – caused by human resource discrepancy**

##### **1. Shortage of human resources with professional-technical qualifications**

## **and skills in the labor market**

Over the last period of time, every report in the field of labor market analysis underlines that among the existing problems in the labor market the most acute is the shortage of skilled technical labor with professional education. According to the report on Regional Labor Market Vacancy Monitoring, every region of Georgia faces the professional labor shortage.

In Kakheti region there is a shortage of labor with specific professional and technical skills: nurses, electrical and electronic devices mechanical engineers, civil construction engineers, mechanical equipment technicians, flooring installers“ (Ministry of Labor, Health and Social Affairs of Georgia; Social Service Agency; European Union for Georgia, 2018, p.90). In Samegrelo-Zemo Svaneti region it is problematic to find personnel for the following positions: industrial equipment operators (crane operators), manufacturing and operations managers, electrical and electronic devices mechanical engineers, mechanical equipment technicians. In Shida Kartli region it is problematic to fill in the following vacant positions: drivers and mobile technical equipment operators, manufacturing and operations managers, physical and technical science technicians, metal folders, welders, blacksmiths, locksmiths, electrical and electronic device mechanical engineers. As for Mtskheta-Mtianeti region, the following positions are difficult to fill: managers of manufacturing and processing departments, industrial equipment operators and workers of related professions (machine, crane operators, production operators, auto load operators, heavy equipment operators, pump operators, concrete factory operators, quarry machine operators, conveyor operators), metalworkers, welders, electric and electronic device mechanical engineers and assemblers, accountants, auditors, mechanical equipment technicians, assistant staff of statistics, mathematics and of related fields (accountant assistant, assistant of commercial department, administrator assistant, logistics assistant), waiters, barmen and kitchen staff, carpenters and joiners, installation worker at heights.

Within the qualitative research, the employers of all four target regions indicated that their organizations faced serious problems in finding qualified professional personnel. In order to fill the shortage of labor with vocational education, the organizations use several strategies: hire a low-qualification candidate and train; find an employee who works in various organizations and occasionally comes to this organization; invite specialist from the capital (which contributes to the pendulum migration, mostly in eastern Georgia, and does not reduce the level of unemployment in the region); and invite personnel from abroad, which is quite expensive. Inviting a specialist from abroad occurs either on the top management level where the invited expert with high qualification will have a high salary, or the organization temporarily invites the expert to consult a local personnel. Mainly such a need occurs in the organization when new technologies are launched and it is impossible to find an experienced local personnel with the knowledge of innovative technologies.

The shortage of professional qualified labor is connected to other more systemic factors – attitude of the society towards education, educational system development and the prestigious job opportunities; these will be discussed later when analyzing systemic factors.

## **2. Deficit of transversal and general skills in labor**

Considering that employers have to train qualified and unskilled personnel by themselves, the transversal skills of the employees become very important. Employers often note that employees have poor communication and team work skills. However, in regard with young labor force the employers mostly complain about low level of motivation and enthusiasm, irresponsibility and lack of hard work.

During the qualitative research, employers emphasized the need for general skills such are knowledge of foreign language (mainly English, frequently Russian), computer skills and working experience. In industrial enterprises, in construction sector the need for foreign language knowledge is relatively low and it is mostly demanded from high-qualification personnel, or from those who work with foreign investors, partners and/or clients. Knowledge of foreign languages is more frequently required by organizations operating in tourism sectors, including from unqualified personnel. Local labor often lacks the knowledge of foreign languages.

Computer skills are more often demanded by employers, but in terms of labor supply with these skills they still face problems. Employers believe that younger personnel is more qualified in this regard than middle-age and older people, but possessing this general skill is still a problem. Local personnel with knowledge of specific computer programs (e.g. AutoCAD, Accounting Software, Management Program, etc.) is almost impossible to find.

### **c) Structural reasons due to the general social, economic or cultural factors that ultimately lead to labor market imbalances**

#### **1. Social allowance vs. low-paid work**

A serious barrier to employment at low-paying positions is also a social allowance issue. If people receive the same amounts of money from both, the social services and their work place, then they prefer to get paid for no working. Refusal to get employed with this argument is quite common in the regions of Georgia. Salary from the workplace can slightly exceed the social allowance amount, but when making a decision the potential employee considers stability provided by the Social Agency and other benefits associated with status of socially vulnerable person.

#### **2. Negative attitude of society towards vocational education**

Experts note that almost all young people in the target regions, who have high academic achievements at school, continue to study in higher education institutions. It means, the higher education is a value itself for the society, it determines the social status and is not considered

rationally in terms of economic benefits – as a job opportunity perspective. Consequently, the vocational education which is in demand in the regional labor market, is less attractive for young people and especially for the successful young people. After graduation, having a higher education diploma it becomes difficult for the young person to take “low-qualification” position, plus not having any specific professional skills demanded in the market. The higher education, as an important determining factor for the social status, is decisive in all regions. For example, an expert interviewed in Samegrelo-Zemo Svaneti noted that not only the higher education but also the profession in higher education is chosen based on social prestige, and as a result young people in the region study law, economics, international relations, when the region really is in need of qualified agronomist.

One of the experts noted that this trend is changing; under the influence of mass media the vocational education gradually “recovers” its positive status, also the high rates of employment of the graduates of vocational educational institutions will impact the process positively in the future.

### **3. The prestigious work place**

Cultural barriers existing in the Georgian society hinders employment process on number of positions. One of the experts speaks about the widespread trend when candidate’s demands for a concrete position is not compatible with his/her knowledge and skills. This trend is especially difficult regarding the positions which are considered to be non-prestigious or undesirable in the region (for example, street sweeper, waiter, cleaner, hotel housekeeper, etc.). When the tourism is a leading and growing economic sector with high demand for service personnel, of course such cultural stereotypes lead to vacant positions. However, the experts say that these trends are gradually weakening among the young generation and if employees on such positions have higher salaries, the social discomfort can be overcome and young people won’t be shy to take such jobs.

### **4. Migration as a factor for labor shortage**

Migration in general is one of the most problematic issues in Georgia and especially in regions. Experts speak of the "brain drain" from the regions, which is especially high among young people. Young students of high academic excellence after graduating from secondary education continue with higher education either in the capital or abroad, and after graduation, due to deficit on labor market and low-paid positions, do not return to the home region. Consequently, the region is deprived of its vast majority of perspective young human resources.

Unlike educational migration, the labor migration abroad very negatively affects the local human resource skills and qualifications. While the locals perform mostly unqualified work abroad, they neither can increase nor maintain their qualification level. This leads to the expulsion of the returned migrant workers from the local labor market.

### **5. Weakness of the state structures promoting employment process**

The main state structure for promoting the employment process is the State Service for Employment of the Social Service Agency; as the research showed, it is addressed by every fifth organization operating in the region. The qualitative research also revealed that the organization operating in the tourism sector addressed the agency with information about the vacancies, but in the latter case this cooperation had no results. Within the scope of the research, the experts outlined following reasons for low efficiency of the State Service for Employment of the Social Service Agency: 1. Low level of awareness among employers, i.e. organizations operating in the region lack information about services of the state structure – what can Agency offer and how it can simplify the process of finding needed personnel; 2. On the other hand, the Social Service Agency itself does not have enough resources to study the situation in the labor market in the region: visit the companies, offer their services; 3. There is a problem of supply and demand balance in labor market. The Social Service Agency needs a large human and technical resources to identify a needed workforce in the labor market and connect potential employer and employee.

As the second instrument supporting employment process we consider the educational institutions. Within the qualitative research, such cooperation was more clearly identified. It is more effective when the educational institutions cooperate with employers in advance, giving the students practicing and internship opportunities in the business enterprises. In such cases, the employer himself/herself chooses the prospective person and offers the concrete position. Examples of such cooperation are frequent in tourism and wine industry sectors and mainly for personnel with special education (cooks, wine technologists, waiters or guides).

Another instrument for employment support, we consider internship and volunteering in the organizations; however, as experts state, these practices are less developed in the regions. There are two barriers for internship and volunteer practice: a) Young people have an expectation to start directly with high paid jobs. In the course of their careers, it seems that they do not want any commitment from their side in advance; b) Problems occur from the other side too. Most companies claim to be open for interns, but situation is opposite in reality. Employers expect young people to come to the company, choose concrete position and define the internship or volunteer process himself/herself. In fact, this is impossible to accomplish; if the young person can so clearly define own career and position with ability of good planning, than this person could already be an entrepreneur or start-upper rather than internship seeker.

## **6. Unregulated professions in the labor market**

Experts interviewed in the regions often speak about the professional chaos created in the labor market when the employer does not pay attention to the person's formal qualifications at all. Local experts give examples when the philologist is employed at engineer's position, and the engineer teaches Georgian language and literature at school. On the one hand this practice opens opportunities for actors in different spheres, but considering high level of nepotism in the employment processes, this practice encourages employment of non-qualified un-professional

labor. This problem is considered as very acute in Shida Kartli region, which supports the increase of regulated professions.

Experts assess the existing situation in labor market as unfair when labor with professional qualification is demanded and the employer considers two candidates on equal bases – carpenter with one year vocational education from the vocational education institution and carpenter with 2 months of practical experience learned from master or with skills obtained from the ancestor. If the number of regulated professions increase in the labor market, which restricts employer to hire whoever he/she desires, then the value of vocational education will rise and demand for the higher education diploma will decrease. While these regulations can be understood as limiting freedom of labor market, experts believe that there is no time to wait for mindset change of the society, so regulations are needed.

### **Self-employment and entrepreneurship in youth**

The employment process on the labor market does not only comprise the paid jobs, it also considers self-employment and entrepreneurship development. In this regard, however, the targeted regions have not very promising picture. Experts estimate that low growth rate of entrepreneurship development in the regions are due to several factors:

- 1. Lack of initial capital:** A beginner businessman must obtain a start capital as start-up loan either from bank or a donor. Start-up entrepreneurs seldom address the banks because the start-up loans have high interest rates or the amount of the loan is small (for example, experts mentioned a grant of 5000 GEL within the project "Produce in Georgia").
- 2. Low level of knowledge:** Local population including youth have no required knowledge and skills to turn an entrepreneurial idea into a project and manage it; they have difficulty of writing a project proposal, considering the details in the project, drawing up time table, and writing the budget. According to the experts, this is a reason the local population mentions, that start-ups are not tailored to the needs of beginner entrepreneurs. One of the experts believes that locals take spontaneous decisions about starting a business, cannot estimate expected results, risks, and thus often fail. Experts also note that locals mostly do not have innovative entrepreneurship ideas, but often start a business imitating someone and later fail considering high level of competition.
- 3. Lack of motivation and fear of obscurity:** the analysis show, that there is no shortage of entrepreneurship skills development programs in the region. According to one of the representatives of one educational organization, the special trainings on startups and self-employment issues are attended mostly by middle-age or older people, the young people are less involved in this process. One of the experts thinks that this is not due to low motivation of young people but their skeptical attitude towards self-

employment: very often, the young people who have lands in ownership, still seek the job opportunities with 200 or 300 GEL salary offers in labor market. Despite of the fact that young people can expand their businesses, communicate with each other, collaborate to unite the households into cooperatives and earn greater income, they still seek paid jobs because of the obscurity of the prospects of starting up a new business, they "prefer today's egg over tomorrow's chicken".

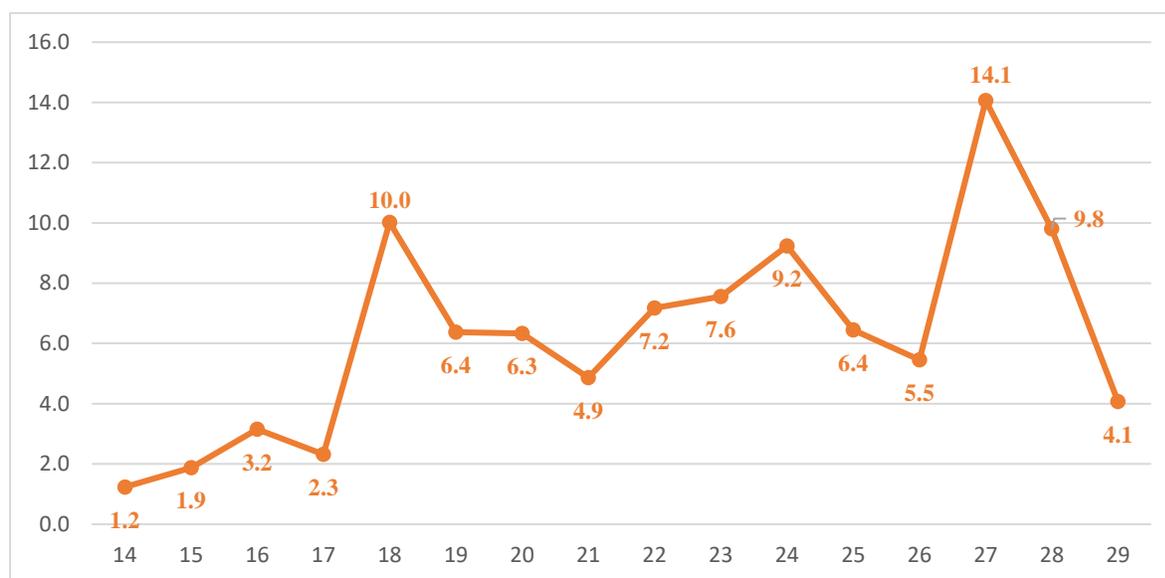
- 4. Locals in the agricultural sector mainly work within the households and it is less likely to create cooperatives.** Experts note that local population mainly owns small lands and usually do not cooperate among each other to create the cooperatives, which will significantly increase their income. As experts underline, this is due to lack of communication and cooperation skills.
- 5. No new relevant knowledge in traditional agriculture.** Experts point to the reluctance of local population to get new knowledge and learn about new challenges. According to them, local inhabitants are convinced that they take best care of grapes, nuts, corn or wheat, but very often this knowledge is outdated and ineffective for new challenges. For example, experts in Samegrelo region say that the dramatic fall of the hazelnut harvest is not only because of the harmful insects (Brown marmorated stink bug), but because of the fungal disease, which locals are uninformed about and do not know how to cope with it.

## Chapter 3. Supply of Young Labour Force on Regional Labour Markets

### General Description of the Research Target Groups (demography)

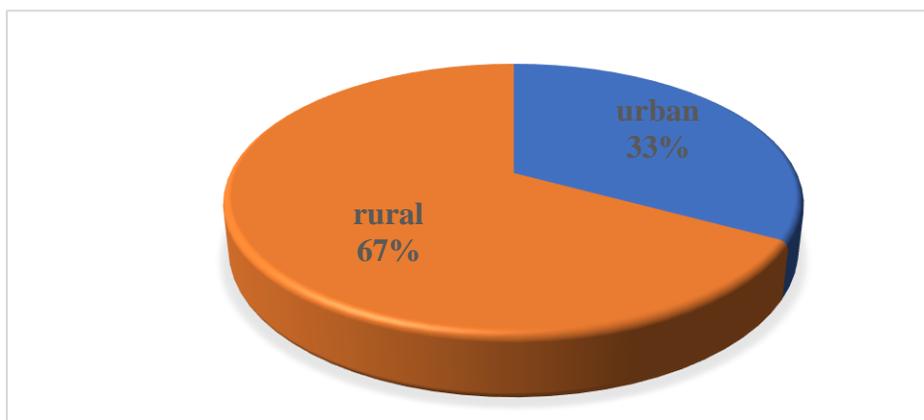
Target population of the research was the 14-29 age category young people from four different regions of Georgia accordingly distributed in four target groups. Accordingly, 25 respondents were interviewed in each group of each target region, which comprises 100 interviews generally in each region and in each status group. 56.6% of the respondents were female, while 43.4% were male. Distribution of young people by their age is shown in Figure 7. 8.6% of the respondents were underage. Young people with disabilities (PWD) and young internally displaced persons (IDPs) are almost equally distributed in all age groups, while share of NEETs and employed persons is higher in the 18 plus age category. There are only few underage young persons who neither study nor work, and share of employed persons among them is very low.

**Figure 7: Distribution of Respondents by Age (%)**



From the total number of respondents, 32.9% come from urban and 67.1% from the rural settlements (Figure 8). If we observe the distribution of targeted youth by their social status, we see that 28.1% of IDPs, 31.8% of NEET, 32.5% of PWDs and 37.9% of employed persons live in urban areas.

**Figure 8: Distribution of Respondents by Type of Residence (%)**



Sampling method of the quantitative research allowed us to determine share of each social group of young people in total number of surveyed young people in all 4 regions. In general, among the 14-29 age group of young people from four target regions, the share of persons with disabilities is 1.6% and the share of IDPs - 7.2%. The share of young people who neither study nor work and are not involved in any educational activity is 68.4% and comprises the majority of young people in the regions. One fifth of the people from 14-29 age category are employed with paid jobs (see Table 10).

**Table 10: Distribution of social groups of the 14-29 age category young people by the target regions (%)**

Status	Total share	Region	% of persons with social status in the 14-29 age category in the region
PWDs	1.6	Kakheti	0.9
		Samegrelo-Zemo Svaneti	1.9
		Shida Kartli	2.1
		Mtskheta-Mtianeti	1.5
IDP	7.2	Kakheti	0.5
		Samegrelo-Zemo Svaneti	14.3
		Shida Kartli	5.1
		Mtskheta-Mtianeti	10.2
NEET	68.4	Kakheti	75
		Samegrelo-Zemo Svaneti	65
		Shida Kartli	68.6
		Mtskheta-Mtianeti	57.5
Employee with paid job	22.8	Kakheti	23.6
		Samegrelo-Zemo Svaneti	18.7
		Shida Kartli	24.2
		Mtskheta-Mtianeti	30.8

Distribution of the target groups by regions and social status shows the following trend: young people with disabilities are least concentrated in Kakheti, whereas the highest number of young IDPs we see in Shida Kartli. The share of young IDPs in Kakheti only 0.5% and is less than the share of young people with disabilities in the region. Among the other three regions, the largest share of youth is in Samegrelo-Zemo Svaneti region (14.3%), followed by Mtskheta-Mtianeti (10.2%) and Shida Kartli (5.1%). Distribution of young internally displaced persons in the target regions generally corresponds to the overall IDP distribution pattern in Georgian regions.

Results of the quantitative research are analyzed in the following directions: description of the young people living in the regions by gender and age; description of the four target groups (PWDs, IDPs, NEETs, employees) in terms of their situation, barriers and encouraging mechanisms in the labor market; description of the four target groups of young people living in regions, based on the following: formal education and qualification, general transversal skills (interpersonal and intrapersonal characteristics, digital literacy, foreign knowledge), involvement in volunteer activity and orientation in the labor market (with the necessary documentation for employment and past experience); barriers to education for young people; young people’s future development motivations and orientations.

### Description of the Young People Living in the Regions by Gender

55.8% of youth (14-29 years old) living in the targeted regions are women, while 44.2% are men. The distribution of targeted social groups of the 14-29 age category by gender shows the following tendencies (see Table 11): the share of men in the category of persons with disabilities is slightly higher than for girls. The share of the girls in the category of IDPs is twice as high as the boys, the share of girls in the NEET category is 2.4% more than boys, while the share of male amongst employees is 6.7% higher than the share of girls. The current situation shows that the young men in the regional labor market are more integrated than the young women, although this difference is not high.

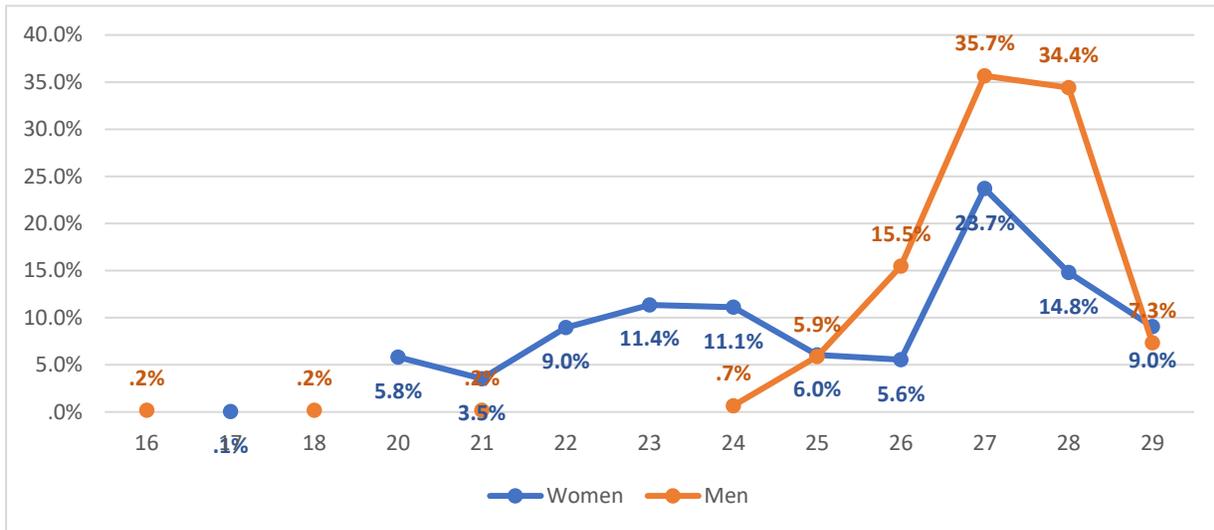
**Table 11: Distribution of social groups of the 14-29 age category young people by gender (%)**

Status	Women	Men
PWDs	1.4%	1.9%
IDP	9.3%	4.5%
NEET	69.1%	66.7%
Employee with paid job	20.3%	27.0%

49% of the women aged 14-29 years have at least one up to 15 years old child and 14.9% of men have at least one child. If we analyze this data by age, we will see the following tendency (see Figure 9): there are only few cases of under-aged youth having child and these cases are among the girls as well as among the boys. However, girls are having children in elder ages, than boys.

The average age of women having at least one child up to 15 years old is 25, while among men the average age is 27.

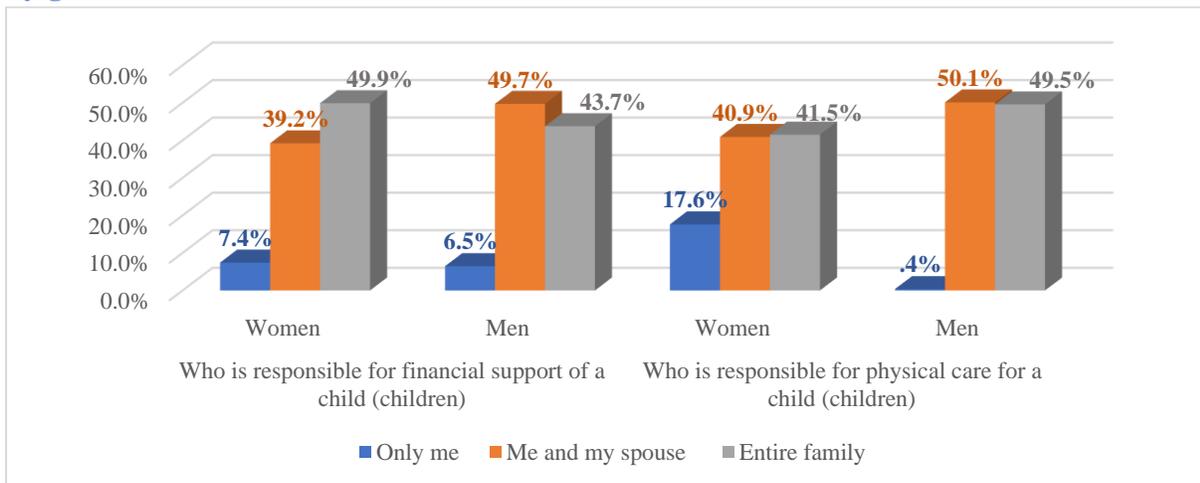
**Figure 9: Distribution of the 14-29 age category by age and gender having at least one up to 15 years old child (%)**



There are many researches and works done in Georgia about gender inequality in the family, politics or business and generally in society (ACT & UN Women, 2013) (Kachkachishvili & Nadaraia, 2014) (Sumbadze, 2008) (Tsereteli, 2006). All researches or authors evidence that the Georgian families are traditional "where both the husband and wife agree that the husband has more power and authority (Tsereteli, 2006, p. 62). In this type of family responsibility for child care is primarily women's function. A study conducted in 2014 shows that "In a lot of cases (varying between 30% and 42%), fathers never prepare food, change diapers, or bathe children aged 0 to 6 (Kachkachishvili & Nadaraia, 2014, p. V). Besides the childcare the women are responsible for overall household work, which takes lots of time and effort and hinders women's full integration on labour market.

In our survey, we asked the respondents who are responsible for the financial support and physical care for a child (children) (see Figure 10). The analysis underlined the importance of the extended family, when the entire family takes the financial as well as physical responsibility of child care. Large share of the respondents (40-50%) indicate that both parents patronize under-age children financially and physically. However, the male respondents more often indicate to the shared responsibilities than female ones. There are cases when the financial obligation towards child are met only by father or only by mother of a child (children). The portion of such cases is small but equal. This evidences that the stereotype of the "breadwinner-father" alters. However, the stereotype of "caring mother" is firmer, as 17% of women indicate that only they are responsible for physical care for a child (children), which is never a case for men.

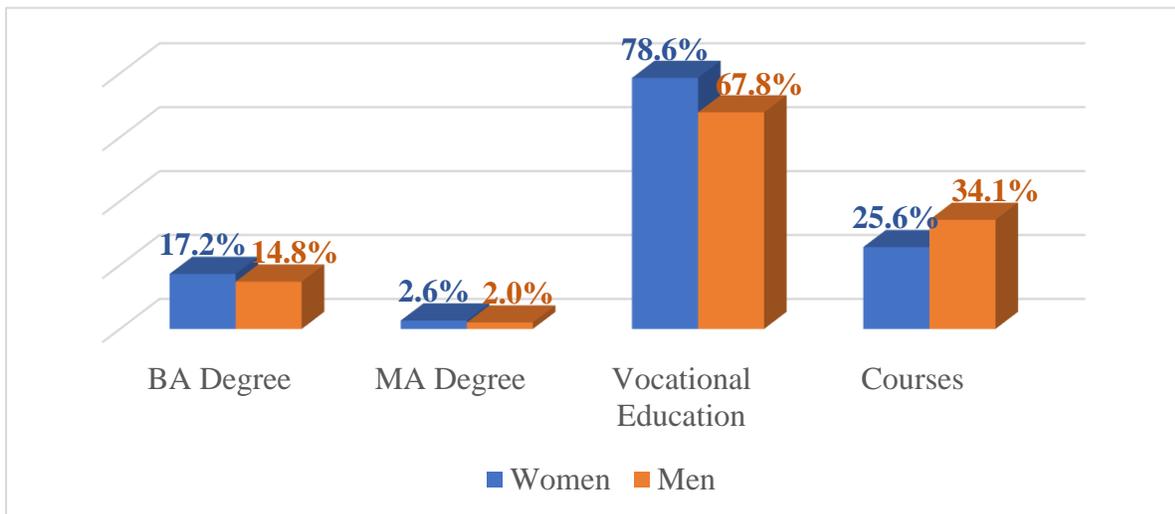
**Figure 10: Who is responsible for financial support and physical care of a child (children) \* by gender (%)**



As mothers remain main child guardians, for their integration at the labour market there should be well-developed childcare institutions. These institutions will weaken the responsibility of mothers to daily care and release their time for income generating activities. 44.7% of the interviewees indicate that their kids do not go to the kindergarten. The survey displayed that 13.7% of mothers do not have physical access to the child care institution and they remain in childcare for 24 hours and loose employment chance.

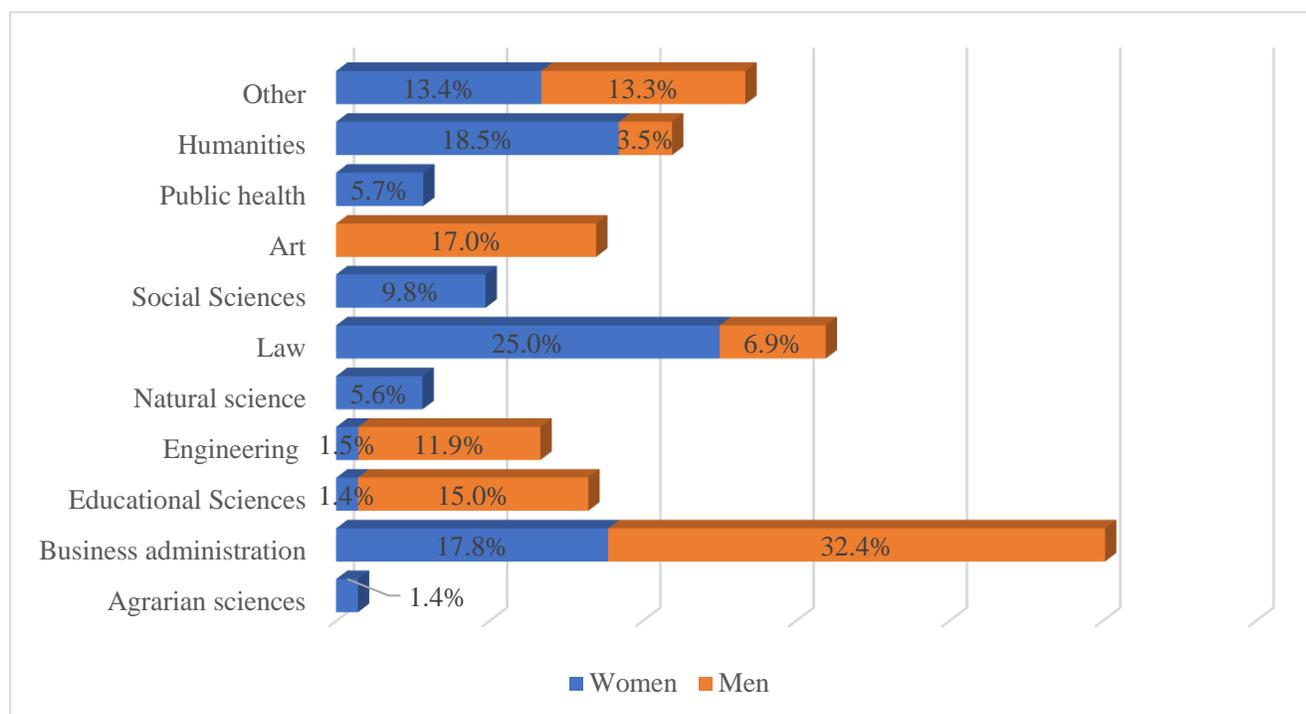
The survey revealed the following gender aspects of educational attainment of youth in target regions (see Figure 11): in comparison to boys, more girls have BA degrees (the difference is 2.4%); the MA degree is equally attained by boys and girls; 10.8% more girls have vocational education than boys, while 8.5% more boys took different courses.

**Figure 11: Level of Educational attainment by 14-29 years old youth \* gender (%)**



Although gender inequality is not reflected in educational achievements, but is produced in occupational segregation by sex. As shown in Figure 12, women are more often graduating humanities, social sciences, health care, justice, while men are more often attaining BA degrees in business administration, education, engineering. These findings indicate that traditional views about the acceptable and desirable professions for girls and boys are still significant and influence the professional orientation of young people.

**Figure 12: The occupations of BA degrees attained by 14-29 years old youth in the regions**  
\* gender (%)



The occupational segregation by sex happens in the framework of the vocational education and courses as well: girls mainly choose the pharmacy, accounting, nursing, stylistic, while boys more often choose professions of information technologist, electrician, mechanics, metalworker cook and so on.

The survey revealed the accessibility of education supporting mechanisms for youth. Among the youth having BA degree the state financed studies of 25% of female and 26.4% of male youth. More families financed BA studies of girls (76.9%), than boys (67.6%). 12.2% of men covered the educational expenses from own salary, while we do not have such cases among women. There is no case when municipality or employer covered educational expenses of youth.

During the research process, the respondents evaluated the benefits of educational achievements. Girls (20.4%) and boys (26.1%) appraised personal development as the positive results of BA study likewise. The share of girls (55.9%) who said that BA education had helped her to work is

two times high than share of boys (25.8%) saying the same thing. 19.3% of young girls do not see any positive result of BA education, while 51.5% of boys think alike. It is difficult to make a definitive conclusion from these cases, but the girls find more practical benefits of education than boys.

To summarize, we can say that by academic achievements, girls show better attainments than boys, indicating that gender inequality instituted in culture does not affect negatively the educational activities of girls. Moreover, more women have vocational or bachelor education than boys. This result is stipulated by the equal access to the formal as well as the non-formal educational support mechanisms for both sexes. Besides, the family more often support the education for the girls, while the part of the boys has to work and cover the costs of study from their salaries.

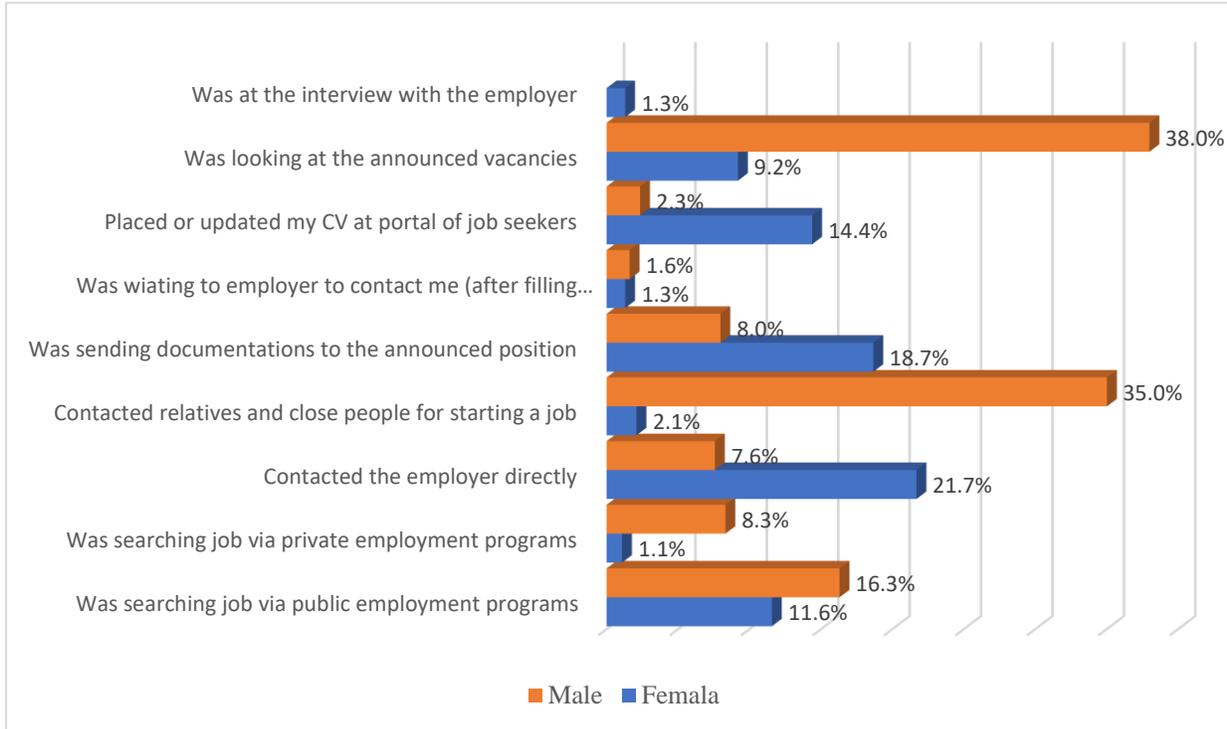
The share of girls in the 14-29 age group in the NEET category is relatively high, while their share in the category of employed youth is lower than boys, which indicates to the worse integration of young women at the labour market. The study revealed that 49% of 14-29 young girls were never employed, while 47% for boys were not ever employed. 29.8% of girls were employed and quitted the job, while 25.2% of boys left labour market.

The reason for leaving the working position for 15.3% of girls is childbirth, while 11.3% is obliged to take care for children or adolescence. These kinds of obstacles only exist in relation to female youth, while boys generally leave the labour market, due to the low salary, bad working conditions or schedule, poor health. This data once again confirms that the entry into the labor market for female youth is not a problem, but cultural norms force them to give up their job due to family obligations.

Within the survey, we asked a question - whether the respondent was looking for a job for the past four weeks. 18.1% of girls and 25% of the boys were looking for jobs. 23.3% of unemployed girls named a pregnancy and a small child as a reason for not searching employment, while 14.4% of female respondents are obliged to care for children and adolescents, that prevents them from searching for a place at the labour market. These factors never hinder boys' employment or job-seeking.

14-29-year-old girls living in target regions, who are looking for jobs prefer to have a position with a flexible schedule (35.7% of cases), while only 10.5% of boys have the similar preference. The preferred amount of wage indicated by job-seeking female respondents is rather low than boys: the highest amount of preferential salary indicated by girls is 800 GEL and average is 388 GEL, while the maximum wage for boys is up to GEL 1500 and the average is 505 GEL. 11.4% of women seeking a job have no expectation as the employment in itself is very important, while only 2.5% of job seekers boys indicate the same thing.

**Figure 13: Job searching strategies among men and women during the last four weeks (%)**

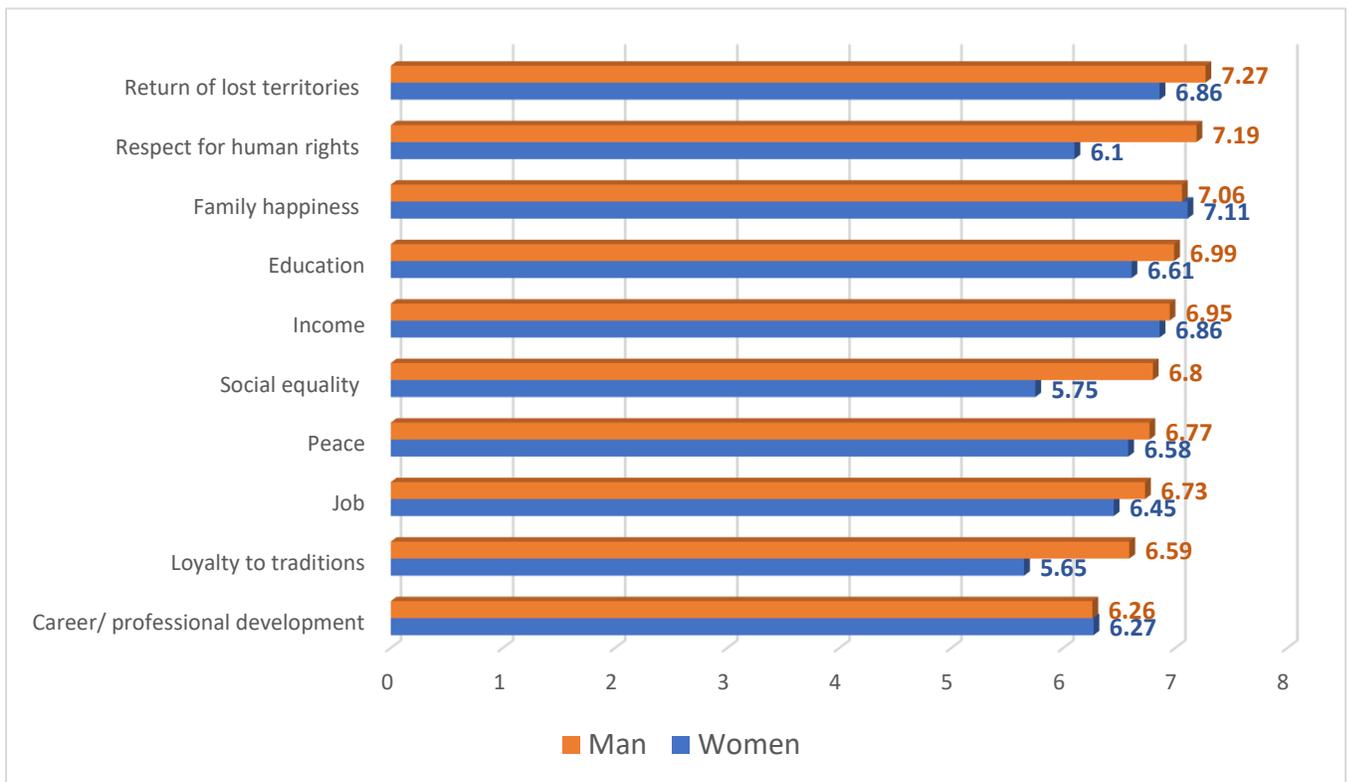


Significant difference is revealed when observing gender dimension of the job searching strategies among men and women (Figure 13): men are more likely to use informal mechanisms; 35% of men try to find a job with the relatives' help, while only by 2.1% of women tend to use this method. Women job seekers are more inclined to contact the employer directly, post the CV on the employment portal as well as send required documentation to the vacant positions. The job seekers have quite a high motivation to work: 88.6% of young women and 99.9% of young men job seekers claim that they are ready to start working right away. Those young women who cannot start immediately explain it by their responsibility to take care of children or the adults in the family.

The large share of employed 14-29 year old young women in the target regions is employed in the private sector (72.5%); majority of young men are also employed in the private sector (66.7%), however the number is less than in case of young women. More young men than the young women are employed in the public sector (33.2% of men, 23.5% of women) and are the entrepreneurs (2.8% of men, 1.3% of women). Gender segregation is observed in the different fields of employment. Majority of employed women work in the following sectors: health care and social services (23.4%), trade (18.9%), financial activity (18%), and education (8%). Majority of employed men work in: trade (16%), state governance (13.2%), construction (10.9%) and other areas. Occupational segregation, which takes roots from the education period, further continues in employment process.

The survey targeting 14- to 29 year old youth of the target regions also revealed the value priorities of young people. Respondents were asked to evaluate 10 different values (Figure 13). The results show that gender significantly determines the value priorities of the youth. The first three priorities for the 14-29 year old young men are as follows: “return of the lost territories“, “respect for human rights“, and the “family happiness“. As for the young women, the highest priority is assigned to the “family happiness”, followed by “return of lost territories” and “income”. Young women and men evaluate differently the following issues: men attach great importance to the social equality and the loyalty to traditions, while for women these values are less significant. Out of the 10 priorities suggested, the young men have estimated their careers and professional development at least significant and gave higher priority to the job. This indicates that a job is important as the source of income and the social recognition and advancement are less important values for the respondents.

**Figure 14: Please, evaluate how important it is for you the following items? \*Gender dimension (average, where 10 means very important and 1 absolutely insignificant)**



Data gender analysis show that the academic achievements of young women are slightly higher than of young men, and both have equal access to the formal and informal support mechanisms during their education process. There are fewer women employed, but this is not due to the fact that they are less likely to find a job, but it is due to the fact that they are forced to leave the labor market after marriage, pregnancy and child care responsibilities. Disintegration of young women

from the labor market is mainly due to the existing traditional cultural values and partly due to the weakly developed child care system.

### Young People Living in the Regions - Description by Age

The targeted young people have been divided into three age groups: minors (14-17-year-olds), young people who continue their studies in vocational and higher education institutions (18-20 - years-olds), and 21 to 29 years old persons. Distribution of respondents by their social status in age groups looks as follows (Table 12): due to the uneven intervals among the age categories, it is difficult to identify concrete shares of people with different social statuses from different age groups; however some tendencies can be discussed. Young people with disabilities we observe more in the age group of 14-17-year-olds, although number decreases over the age increase. The age group of 18-20-year-olds has the least number of IDPs, which can be explained by their migration to the capital city for further education. Majority of NEETs are present in the age group of 21-29-year-olds. This can be explained by the fact that younger people are mostly engaged in educational activities. The share of employed young persons with paid job also increases with the age. Only 3% of the employed are from the age group of 14-17-year-olds, 19.3% - in the age group of 18-20 years old persons, and 77.7% are young people aged 21 to 29.

**Table 12: Distribution of youth with concrete social status in the target regions by age groups (%)**

Status	14-17	18-20	21-29
PWDs	30.7%	20.3%	49.0%
IDP	26.4%	17.6%	56.0%
NEET	7.9%	24.2%	67.9%
Employee with paid job	3.0%	19.3%	77.7%

Employment and work experience of 14-29 years old young people increases over age. This is related to the completion of the educational process and the entry or the attempt to enter the labor market. Accordingly, data analysis by the age groups is useless.

## Description of the target groups in terms of their situation, barriers and encouraging mechanisms in the labor market

### People with disabilities (PWDs)

As already mentioned, share of people with disabilities in the 14-29 age category in all four target regions together is 1.6%; considering gender, the distribution is asymmetric: 1.4% women and 1.9% men. Formal education level of the young PWDs is low (1.4% has Bachelor's degree, and 0.8% - Master's degree). Most of them are excluded from the labor market (97.5%). 1.1% of them have been working till today, whereas 1.4% were employed in the past but currently are jobless. In this case, the personal decision – bad health conditions has been indicated as a reason for quitting a job.

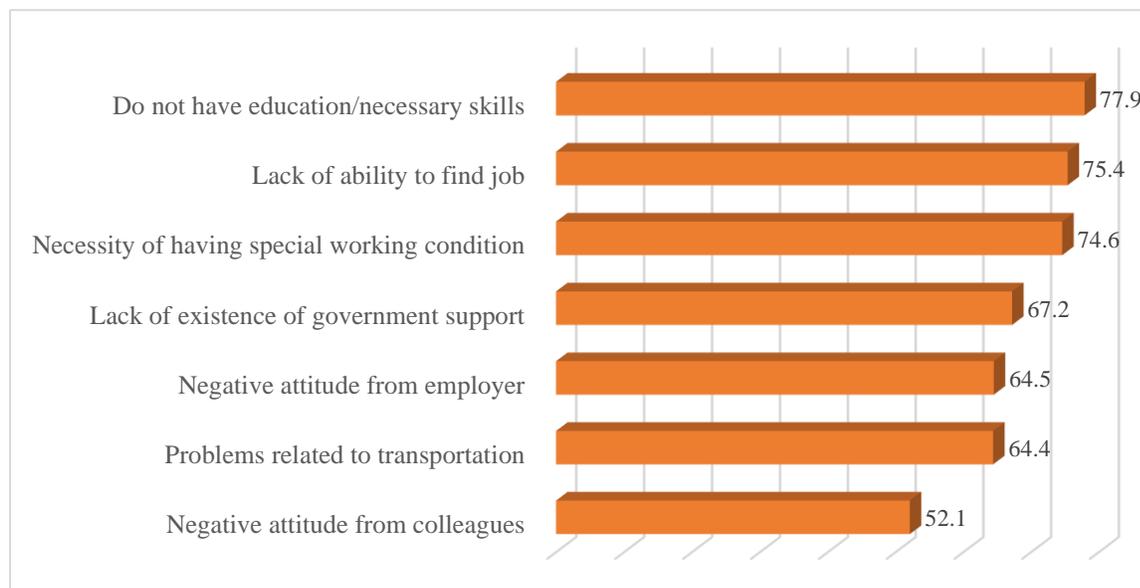
People with disabilities are less motivated for being integrated in the labor market. During the period of last four weeks only 4.4% of them have tried to find a job. Self-stigmatization can be one of the reasons for such a behavior, while 86% of them blame the limited abilities (in more detail they name: mental disabilities, lack of literacy, physical restraints, wheelchairs). People with disabilities also name the following barriers to job search: education process (2.6%), obligation to care for another family member (1.4%), and no employment expectations (1.5%). Among the PWDs seeking a job, 0.4% are looking for a job in the private and 0.7% - in the public sectors. 3.3% of them are searching for a work place adapted to the needs of people with disabilities. The desired monthly salary for people with disabilities ranges from 200 to 1500 GEL, and is on average 450 GEL. Among those who are looking for employment there was only one person who tried to integrate into the labor market through the employment program. Two people with disabilities asked friends and relatives for help to get employed, one person used the private employment agency, and one person placed his CV on the employment portal.

Among the PWDs that are currently employed: 1 person works in the public sector and 1 is self-employed, another one is involved in hotels and restaurants services, one is an assisting personnel, and one is self-employed in sports sphere. Two persons with disabilities were contacted by the organization itself, and one of them got a job with the relative's help. Two persons work part time (about 15 hours per week), and one - overtime (72 hours). PWDs with part time employment receive salary of 150 GEL, and in full time case - 300 GEL. Employed PWDs never demanded any changes to their workplace in order to perform their official duties – they believe that their disabilities are not hindering their performance in the working process.

During the research, PWDs were offered to evaluate their employment barriers according to 7 categories suggested. Majority of them named all 7 categories as the barriers (see Figure 15). People with disabilities most often refer to the lack of education and qualifications required for employment as the first barrier, which is followed by inability to orientate in the labor market. Lack of special adapted environment for work was ranked as the third barrier in the list. Negative

stereotypes of the employers and the society are named as less of a barrier, however this problem is still hindering employment of half of the PWDs. 67.2% of people with disabilities state that a lack of support from the state is an employment barrier. 7% of them indicate that there is no barrier for their employment. Other barriers named were as follows: personal decision, lack of family support, public aggression, inability to work (physical or mental limits).

**Figure 15: Do you consider the following issues as the employment barrier for you? (N = 100) (%)**



There were only two disabled people involved in the employment support programs for people with disabilities (1.1%). One program was funded by an NGO and the second by a private organization. Persons with disabilities involved in the programs were assisted in development of transversal skills, foreign language and digital skills, employment and increase of self-esteem.

Analysis of the current situation clearly shows that people with disabilities are excluded from the labor market. Their skepticism and no motivation for integration is further worsens this process.

### Internally displaced Persons (IDPs)

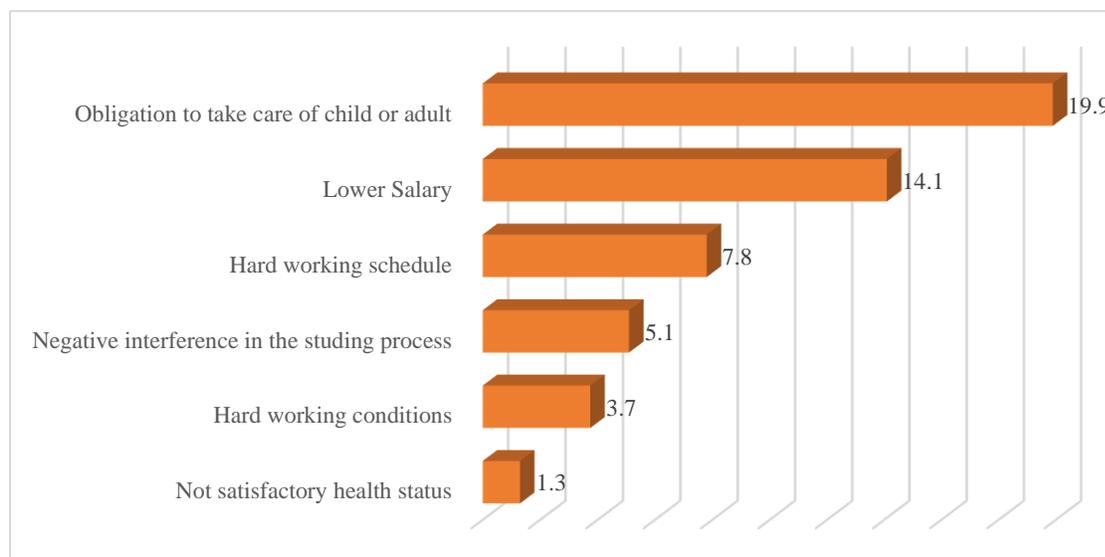
According to the survey results, the share of internally displaced persons in the 14-29 age category in all four regions is 7.2%. Highest population of IDP youth is in Samegrelo-Zemo Svaneti and Mtskheta-Mtianeti regions, relatively less live in Shida Kartli, and share of the yougn IDPs in Kakheti region is minimal. This distribution pattern of the young IDPs coincides with the general distribution of IDPs in the regions of Georgia.

In terms of gender, the distribution of young IDPs is asymmetric: their 9.2% are female and 4.5% - male. The share of young IDPs decreases with increase in age, which indicates to their outmigration from the regions.

81.2% of IDPs left their homes before 1995, and the share of young internally displaced people from the 2008 Georgia-Russia war is 18.8%. 24.5% of the young IDPs live in the compact settlements and 75.7% live in the private properties.

61% of IDPs have never been integrated into the labor market; 4.1% have been employed and are currently working, whereas 35% worked in the past but today are unemployed. 24.4% of IDPs from the latter category are unemployed since last 2 years. The main reasons for leaving the job are personal – obligation to care for a child or adult family member, bad health conditions, or wish to get education. Among the work-related problems, 25.7% are related to low salaries, heavy working hours and conditions (Figure 16).

**Figure 16: Main reasons for leaving the work place by young IDPs (N = 35) (%)**



36.4% of young IDPs are willing to integrate into the labor market (this desire is real, since 95% of them express readiness to start working right away if there is an offer). The majority of those young IDPs who do not attempt to find a job, name the personal problems as a reason, which include: education process (27.1%), obligation to care for a child or another family member (18%), and unwillingness to work (4.5%). There were only few cases (5%) when young IDPs do not search for a job out of their skeptical attitudes (tired of useless searching, there are no jobs in my settlement, etc.).

IDPs searching for a work place, give priority to the employment with flexible schedule (19.3%). 5.7% of respondents express desire to work in public sector, 4.9% - in the private sector, 2% are willing to work abroad, and for the 4.2% of respondents the most important is to be employed

disregarding employment form. The preferred salary for the young IDPs varies from 200 to 800 GEL and is on average 500 GEL; however for 8.8% of the respondents salary does not have a crucial importance. 45% of job seeker IDPs say that work should be in line with their level of education, and 29% think that it is normal if job corresponds to lower level of education. From the IDPs searching for an employment: majority looks up the job vacancies (12.5%), upload CVs on job seekers' portal (8.4%), try to find employment with help of the relatives (6.8%), use employment programs (5.2%), or contact directly the employers (4.9 %). Only one IDP has applied by sending the application for the vacancy announced.

Among the small number of IDPs employed, the 2.7% work in the public sector, 1.7% are employed in the private sector, and 0.7% are self-employed. 3.8% of them work as the qualified personnel and 0.8% are unqualified workers. 2.3% of the employed young IDPs have found their jobs after uploading CVs on the job-seeking portal, and the rest got employed with the help of social connections. While searching for the jobs, these individuals used different formal methods, as are contacting employers directly or asking relatives for help. Majority of employees are full time staff (3.7%). Their average salary ranges from 250 to 800 GEL, and comprises on average 550GEL. 4% of employees indicate that their position corresponds to their qualifications.

93.2% of young IDPs living in target regions have not been involved in any program/project that would increase their employment opportunities. Programs supporting IDPs in employment process were mainly funded by NGOs, government or private organizations. These programs assisted IDP beneficiaries to improve technical, transversal and job seeking skills, foreign language competences and digital skills, as well as helped them to connect with other IDPs, assisted in starting work, helped to increase self-esteem and to develop agricultural activities.

During the qualitative research, the interviewed experts indicated that young IDPs are fully integrated into society and they do not have any employment barriers. Within the quantitative research we have checked how much of this opinion is shared by internally displaced young people. 86.4% of young IDPs think that local and internally displaced people have equal opportunities for employment in the local labor market. 11.6% of respondents that indicated that locals and IDPs do not have the same chances of employment, name the following barriers: negative attitudes of employers (0.9%), lack of information on vacant positions (2.7%), limited private connections (2.8%), less employment chances in compact settlement areas (2%), distrust of local population (2%), hard social conditions (among them residential) (3.1%), low economic status that hinders their education / qualification chances (3.4%). We asked similar question to young IDPs regarding entrepreneurship development. 81.8% of young IDPs think that IDPs and locals have equal opportunities to start a business. 13% of respondents indicating uneven chances for starting a business, name the following reasons: absence of initial capital (13%), low access to loan / credit (0.9%), negative attitude of the locals (0.7%), lack of information on start-up businesses (1.5%), limited personal connections (2.1%), low chance for start-up business in

compact settlements (2.1%), hard social conditions (including residential) (3.7%), low economic conditions which hinder development of their business management skills (2%).

Let us evaluate the current situation. Young IDPs are more or less successfully integrated into the local society and labor market. Majority of them think that IDPs and local population have the equal opportunities in terms of employment and business development. IDPs interviewed within frameworks of the research are mainly unemployed, however, most of the time this is due to the educational process and family affairs (care for a child or other family member). IDPs that are already well integrated into the labor market, have used various methods including formal ones to get employed; currently, they are mainly employed according to their qualifications. Those IDPs who do not search for a job are mainly busy with education or have own personal reasons for doing so. One third of the young IDPs are job seekers; this young people have high motivation and are ready to be employed taking the concrete steps to achieve this goal.

### Young people neither in education process, nor in employment and trainings (NEET)

As a result of the research, the share of young people in four target regions who are not involved in any educational activities, neither work nor are engaged in any training program (so called NEETs) is quite high and equals 68.4%. Young people with this status are particularly concentrated in Kakheti region (75%), and the least of them are living in Mtskheta-Mtianeti region (57.5%). The share of women in NEETs is slightly higher than men's (69.8% female, male 66.7%), although significant disproportion is not revealed. Youth in this category is almost equally distributed among all age groups, except for the 18 years category where 93.8% of young people neither study nor work. This is due to the fact that these young people graduated from the school during our field work period, and thus were not yet involved in any higher education process. According to the living places of NEETs, we have significant disproportions: 71.9% of NEETs live in rural and 28.1% in urban areas.

The NEETs educational competences and skills are discussed in detail in the second chapter. In this chapter we analyze the reasons for their alienation from the labor market, their employment motivations and past experiences of employment.

60.4% of NEETs have never been employed. 39.6% have been working but are currently unemployed: 3.5% of them are unemployed already for about 7-10 years, 6% of them - for 3-6 years, and majority (21.9%) have no work for last 2 years. As the reason for quitting the last job, the 20.9% of NEETs name work conditions: low salary (7.4%), hard working conditions (7.1%), hard working hours (5.6%), and unhealthy environment (0.9%). Due to personal problems, the job was dropped by 10% of NEETs naming new-born child and family obligations as the main reasons; shut-down of the organization, reorganization, termination of the term of the contract were the reasons for leaving a job for 3.9% of the NEETs. In about half of the cases NEETs have been working at unqualified positions during their latest employment.

During the period of past four weeks, the 25.5% of NEETs were seeking a work place; it can be considered as real desire as 93.6% of them were ready to start working rightaway in case of a job offer. The remaining 74.5% not seeking a job, name the following reasons: do not expect to find a job (14.4%), pregnancy or little child in the family (13.4%), obligation to care for child or other adult family member (9.9%), other personal or family obligations (9.2%), no need/ no desire to work (4%), and no job close to home (3.5%). It is important that 11% of people in this category cannot explain why they did not search for a job. NEETs also named other reasons for not looking for employment: desire to leave the country, wish to continue education (this category includes school graduates, that are waiting for exam results), and health problems.

Over the last four weeks, out of the total number of job seeker NEETs, 4.4% did prefer to work in private sector, 3% in the public sector, 4.7% preferred working with flexible schedules, and for 7.9% - most important was to be employed disregarding other details. The desired salary for people in this category varied from 250 GEL to 1200 GEL and on average was 500 GEL. 5.9% of job seekers say that the job should be in line with their education, whereas 12.7% think that important is employment even if it does not correspond to their educational level. With the purpose to get employed, 10.7% of NEETs were contacting friends, 5.3% were looking at job vacancies, 3.8% were directly contacting employer(s), 3.1% were looking for employment through employment programs, and 3.7% were sending applications to the announced vacancies.

A group of young people who are neither in education nor in employment can be considered as a very inert group. Most of them do not have any work experience (in this case underage and high school graduates are not considered) and the motivation to be employed. People in this category claim that personal and family obligations are the main reasons for their inactions; in such case, the gender inequality and burden of family obligations for women can be considered as factors of distancing women of this age category from the labor market. However, majority of NEETs are very skeptical about finding a job. Only one fourth of the NEETs have motivation for employment and make necessary steps to achieve this aim. Very often they are ready to take any job despite of the position and salary too, although this kind of readiness is observed only in less than a fourth part of the NEETs.

### Situation of Young People Integrated into the Labor Market

In the targeted four regions the employment rate of young people in general is 22.8%. Employment rates differ among the regions: it is highest in Mtskheta-Mtianeti (30.8%) and lowest in Samegrelo-Zemo Svaneti - 18.7%. There is a gender imbalance as well among the employed young people: 19.6% are girls and 27% are boys. There are only few cases of an underage person's employment; with the increase in age, the employment rate increases: the employment rate is highest (35-40%) in young persons aged 25 and 26.

Majority, the 66.9% of employed people work in private sector, less than one third (30.9%) – in public/state administration, 2.3% of them are entrepreneurs, self-employed are 1.8% , and 0.4%

are active in non-governmental sector. Rates are different in all four regions (See figure 17). The main employer of the youth in Samegrelo-Zemo Svaneti region is the private sector (84% of employees). Mtskheta-Mtianeti young people are least active in the private sector; half of young employees in Mtskheta-Mtianeti region are employed in the public / state sector. Rate of employment of young people in the public sector is lowest in Samegrelo-Zemo Svaneti. Among the young employees, the NGO employees are found only in Mtskheta-Mtianeti, and the entrepreneurs - only in Samegrelo-Zemo Svaneti and Mtskheta-Mtianeti.

**Figure 17: What is the better description of your employment situation? \* by regions (N=100) (%)**

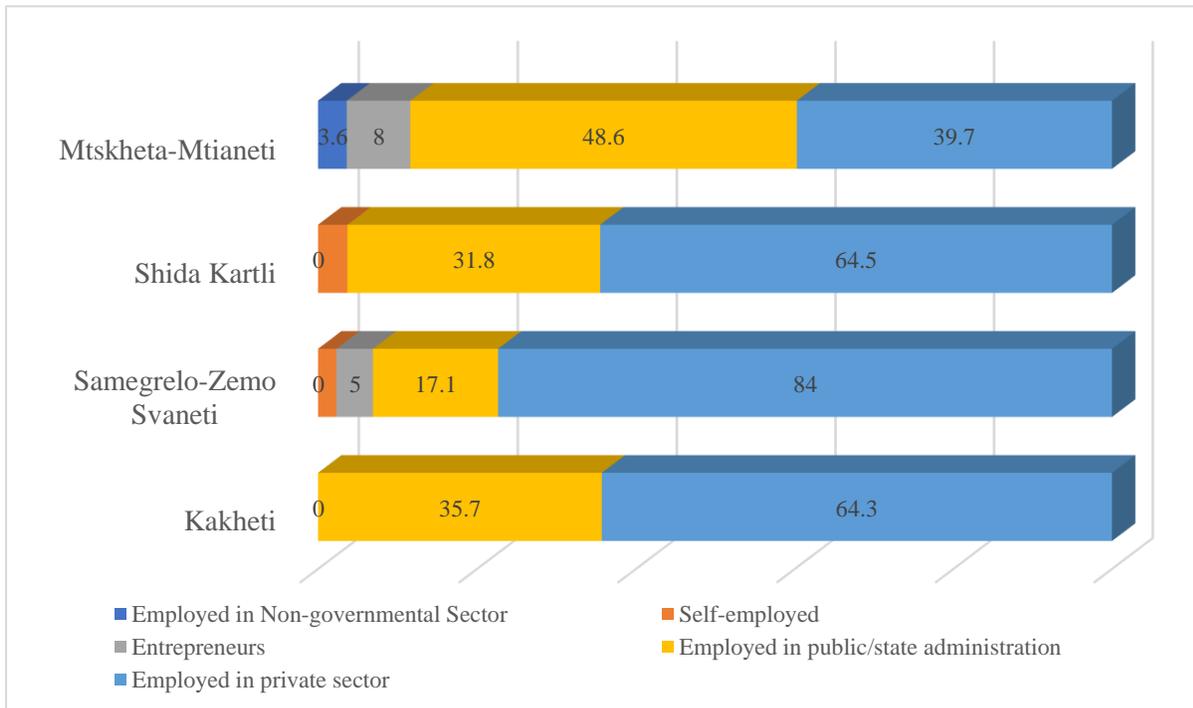
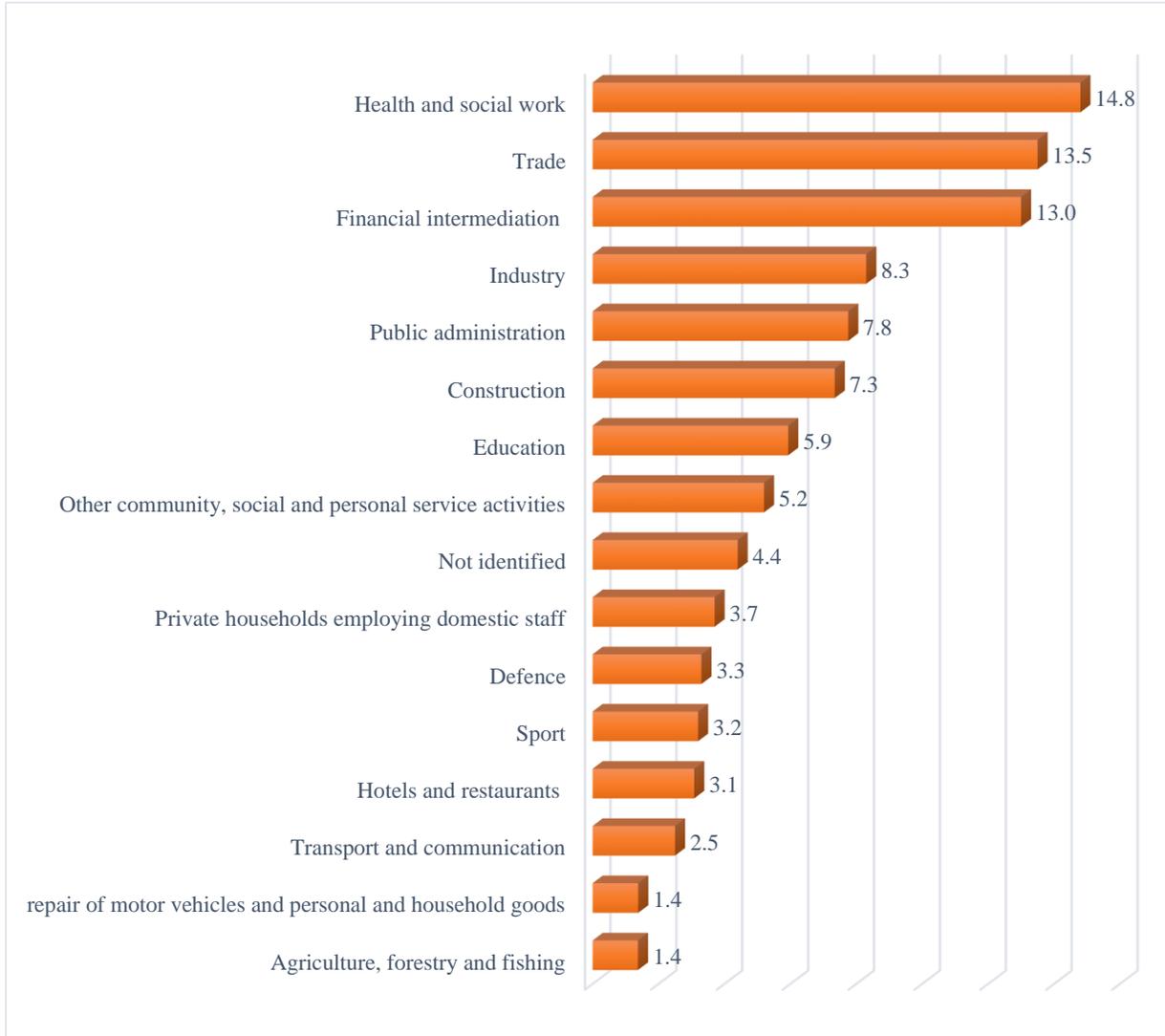


Figure 18 depicts the percentage distribution of respondents by their employment sectors. Three dominant areas of employment are: health and social services, trade and financial activity, which coincides with the economic sectors developed in the regions. In Kakheti region, after the trade sector (24.2%), the share of youth employed in industry (14.5%) is relatively high; every fifth young employed person in Samegrelo-Zemo Svaneti region is working in financial sector. As for other sectors, here the distribution of employees is almost equal among the sectors. In Shida Kartli region the employed young people are almost equally distributed among the public, construction and health and social service sectors; in Mtskheta-Mtianeti region the share of young people involved in health care and social services is relatively high - 29.7%, and 11.6% of young employed people are working in the agriculture, hunting, forestry, fishery and fish farming sectors.

**Figure 18: In which sector are you employed (N=100) (%)**



More than a third of the employed young people cannot identify their position at work (see Table 13). The most frequent position occupied by young people is the position of a specialist, followed by a manager, then the specialist-professional. Share of unqualified workers is small among the employees and comprises 5.4%. However, if you sum up the shares of employees working on assisting positions, unqualified workers and service servants in service and trade companies, we get 15.7%; it means that most of the positions are still for unqualified labor. The positions of unqualified workers are mainly found in construction, transport and communication sectors; more than one third of the employees are holding the positions of a specialist.

Gender analysis of employed youth reveals that women are more likely to be employed on assisting positions and office jobs; however, 14-29 years old young women are mostly occupying managerial positions. Men are more likely to occupy positions of specialists and specialist

professionals, unskilled workers, service personnel at markets, craftsmen and legislators. The result indicates that occupational segregation is either according to the professions (when men choose professions closer to the physical activities, and women prefer lighter workload related specialties) or access to authority which is more available for men; however this trend is broken by the fact that number of women occupying managerial positions exceeds three times the number of men managers.

**Table 13: What is your position at work? General and by gender (N = 100) (%)**

Positions	Women	Men	%
Specialist	15.7%	20.8%	19.5
Manager	16.5%	4.5%	11.5
Specialist-professional	7.2%	8.2%	7.7
Assisting personnel	14.6%	2.0%	5.6
Unqualified worker	4.0%	6.1%	5.4
Service personnel of service and trade companies	2.8%	13.6%	4.8
Legislator		6.0%	3.4
Office personnel	5.9%		3.2
Handyman / workers with similar professions		5.1%	2.8
Entrepreneur / owner		1.3%	.7

Almost 40% of employees work in their communities/districts, 24.3% - in the capital, 17% - in the region, 10% - in the city of another region/ municipality center / village, and 8.6% - in own village. This data differs significantly among different regions. Only 7.5% of employees from Samegrelo-Zemo Svaneti are working in Tbilisi, for Kakheti region this indicator equals 26.4%, 36.1% of Mtskheta-Mtianeti employees are working in Tbilisi, and 35.5% of Shida Kartli employees are employed in Tbilisi. None of the employees from Samegrelo-Zemo Svaneti and Kakheti that are employed in the capital work on low or unqualified positions, the young people only from those regions that are close to Tbilisi (Mtskheta-Mtianeti and Shida Kartli) work on low and unqualified positions in the capital.

76.7% of employed young people feel that their position is in line with their qualifications. 12.3% believe that they are overqualified for their position, and 2.4% think that position requires higher qualification (8.6% could not answer the question).

Majority of youth employed in target regions is long-term employed, 38% of them have unlimited contracts, and 35.2% - have contracts with concrete term with prolongation option. It is worth noting that every fourth young employee does not know exact term of own employment contract.

Employed young people from the target regions have on average the 3 years of work experience on their current employment position. However, in one case a person has been employed in the same company on the same position since 2008. Young employees have difficulties in terms of

vertical mobility: only three cases have been reported when young employee was promoted, in one of the cases – only after three years of work.

86.6% of the employees are working full-time, but when they were asked about working hours per week: only 14.7% of the employees work 40 hours a week, and 40% work overtime. The employment sectors significantly determine the average working hours of the employees. The employees in public sector work on average 41.99 hours a week, the NGO employed persons work exactly 40 hours. The workload of those employed in private organizations is on average 46.54 hours per week. Average working hours per week for entrepreneurs is significantly less than the workload of other sectors - it is 17.83 hours.

As for the workload young people currently have, 55.7% wish to work without any changes in working hours, 31% would like to work more, and 9.8% would prefer to work less (3.4% could not answer). It is noteworthy that the desire of the young people to work more or work less compared to their current workload, does not depend on their current working hours at work.

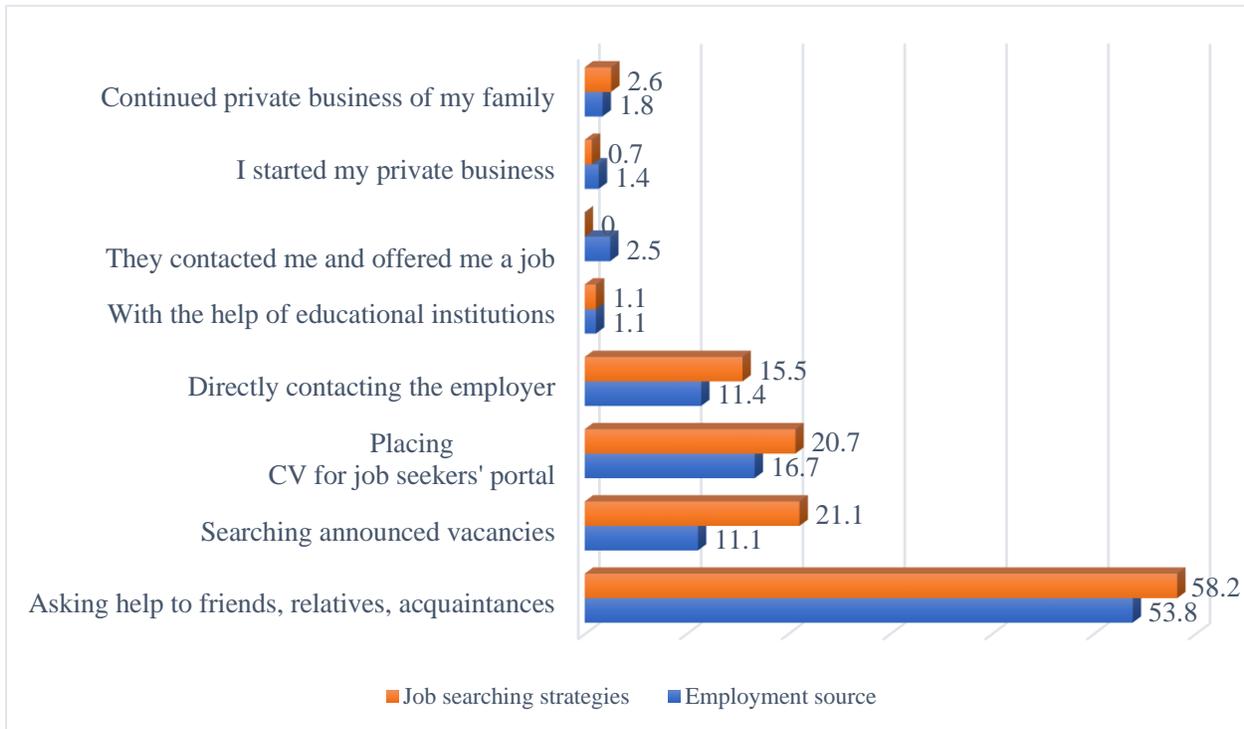
Average salary of the young employed people from the target regions varies from 50 GEL to 1000 GEL and on average is 496 GEL. Average monthly salary is not significantly different in different sectors: in the public sector it is 510 GEL, in non-governmental sector - 400 GEL, and in private sector - 497 GEL. However, the average salary depends on the place of employment, the position and the sector of economy. The salary of young people employed in the capital city is 608 GEL while the salary of employees in the district is 420 GEL. According to the official positions, on average, the highest paid position is of a handyman and related professions (average 856 GEL), followed by a specialist - on average 655 GEL. The most low-paid positions are - assisting staff (303 GEL) and unqualified worker (365 GEL). By employment spheres the wages vary as follows: the highest paid sector is the industry (average salary 925 GEL), followed by the transport and communications sector (on average 850 GEL); the lowest paid are: hired workforce in private family households (200 GEL) and the education sector (326 GEL).

Young employed people in target regions are less prone to rotation (63.1% work in the same organization where they initially started). One third of the employed young people who changed their working place, name the following reasons for leaving their jobs: low salary (23.6%), better offer from other employer (12.1%), no prospects of career growth and professional development (9.8%). When changing the working place, employees most often stay employed in the same type of organization and field. Majority of employed young people are not searching for jobs (only 3.9% are job seekers), 94% of them state that they are satisfied with their current position.

As shown in Figure 19, most of the employed young people have found the job using social connections, which was in fact their initial strategy in job searching. Every fifth employed young person was checking information about vacant positions, and 11.1% for those found a job. Alike social connections, uploading CV on job seekers' portals is also quite effective tool for employment process: this strategy was used by 20.7% of the employed persons and as a result 16.7% were

employed. 15.5% of young people have contacted the employers directly and as a result 11.1% for them got employed.

**Figure 19: Job searching strategies and employment source (N=100) (%)**



The employment strategies differ among the employment sectors. For instance, only 24.4% of employees in the state/public administration indicate that they were employed by help of the acquaintances; the experts have been talking about the widespread practice of employment by social networks in the public sector. Employees in the public sector often indicate that they personally found a vacancy or personally contacted the potential employer. 77% of private sector employees indicate that got employment by the help of friends and acquaintances. However, every fifth employee in private organizations found their jobs by uploading their CVs on job seekers' portal. 11.5% employed in the private sector are employed as a result of applying to the announced vacant position. There is no case of any direct contact with private companies from the job seekers.

The survey revealed that only a quarter of employees (25.1%) are offered trainings / retraining courses from the employers. Majority of the offered trainings are related to the organization's activities profile (22.6% of employees) (See figure 20). Trainings related to introduction of new technology are offered to 5.1% of the employees. Only minor part of the offered trainings were aimed at improvement of the general and transversal skills of employees. It is interesting that trainings / retraining courses are equally available for the employees in public as well as in private sector. Those organizations that offer different trainings to the employees, conduct them quite intensively (8.5% per month, 5.6% per quarter, once in six months - 2.6%, once a year - 7.6%).

**Figure 20: What are the topics of trainings/retraining courses (N=100) (%)**



To summarize, we can say that among the young employed people, the majority is male, which is mainly the result of gender inequality and is directly related to poorly developed child care institutions, obligation of girls for family and child care, and other factors discussed earlier. The main employer in the target regions is the private sector, number of young people engaged in entrepreneurship is very low. Employers' profile often coincides with the leading economic sectors in the regions. Despite the fact that experts talk about the widespread practice of employing young people on unqualified positions, this has not been confirmed by the conducted quantitative research: only 16% of young people are employed at low and unqualified positions. Most of the employees are employed locally, however, the practice of employment in Tbilisi is more spread for those regions that are located close to Tbilisi. Employed young people are less likely to experience rotation as between organizations so within the organizations or working sphere, which is a result of the vacant positions shortage in the labor market. Almost half of the employees work overtime, but this practice is more common for private organizations. According to the National Statistics Office of Georgia, average salary in Georgia in 2017 was 999.1 GEL; however, the average salary of young people in the targeted regions is much lower than official data indicates and is only 496 GEL. Such inequalities between wages of the center and the regions can lead to strengthened labor migration process of young people living in the regions. Quantitative research has confirmed the experts' opinions expressed during the qualitative research phase that the main policy of recruitment in the regions is based on social connections. Knowing this well, young people most often use this strategy for employment; nevertheless, this is not solving the problem in general, as the weak social networks of the young people significantly reduce their chances of employment.

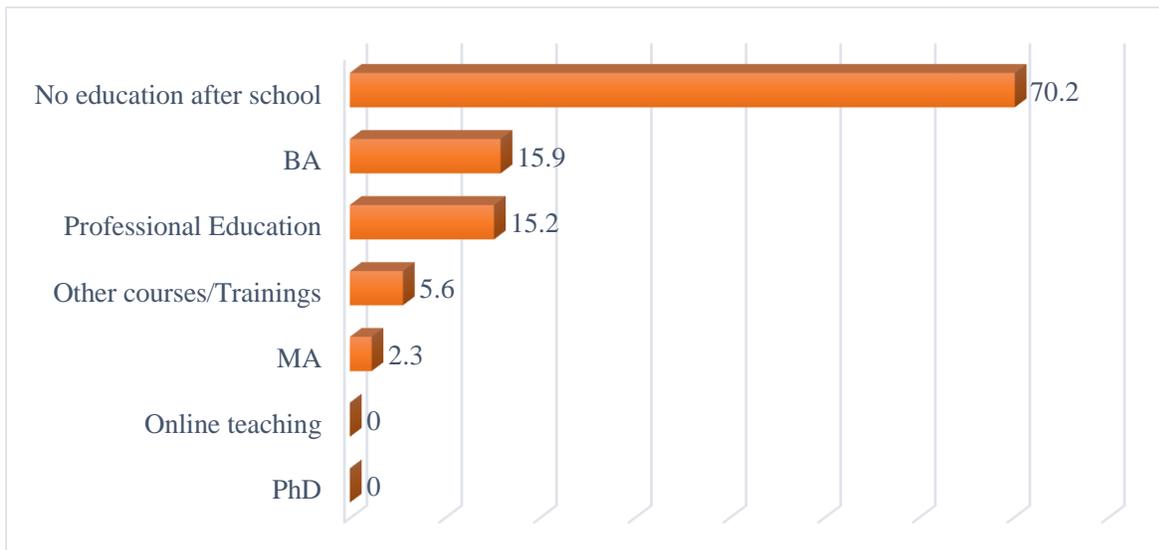
## Evaluation of Human Capital of the Young People from Four Target Regions of Georgia

Human capital is generally described as the stock of knowledge, habits, competences and other social and personality attributes used to get economic value on the market. Human capital of the targeted young people with four different social status from the 14-29 age category was evaluated based on four criteria: formal education and qualification, general transversal skills (interpersonal and intrapersonal characteristics, digital literacy, foreign language skills), labor market orientation (measured by documentation necessary for employment and the past experience), and participation in volunteer activities. Last chapter of the study we discuss the barriers faced by young people in the education process, as well as their future development motivations and orientations.

### Formal Education and Qualification of Young People

Majority of the researched target group of young people (70.2%) have not pursued any type of education after completing the general education. The most popular among young people are the baccalaureate (15.9%) and vocational education (15.2%). In different types of training courses have participated the 5.6% of respondents, while 2.3% received or are in process of receiving the graduate level education (see Figure 21). Two categories - PhD and online/distance learning are very unpopular, as none of the respondents were involved in such educational programs. This picture significantly changes in terms of the regions and social status.

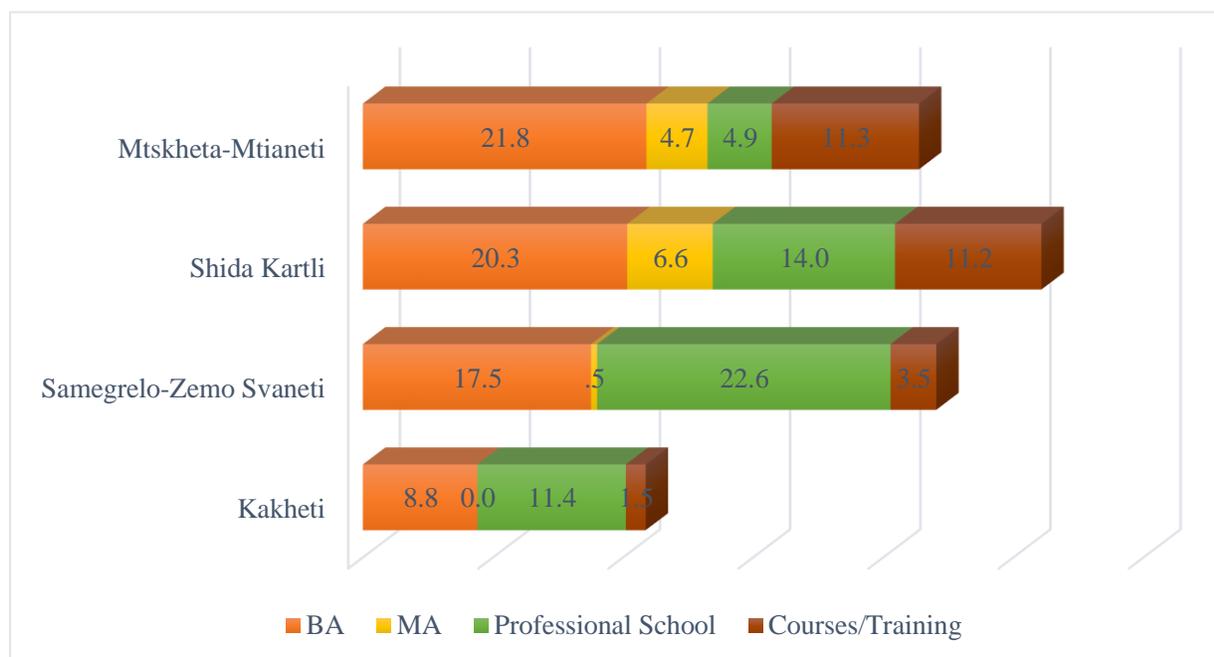
**Figure 21: Type of education received by the respondent after completing general education**



Generally, the lowest number of educational activities are among the young people living in Kakheti region, although the numbers are relatively high in terms of vocational education in the region. Less than half of young people (42.7%) in Mtskheta-Mtianeti have been engaged in educational activities; share of young people participating in bachelor's degree programs, different

courses and trainings is higher compared to other educational activity participation level in the region. In Samegrelo-Zemo Svaneti the participation level in educational activities is 44.1%, but every fifth young person here has a vocational education, which is the highest rate compared to other regions. Participation of young people in educational activities was the highest in Shida Kartli region; every fifth young person has a bachelor's degree, whereas the vocational education and different courses and trainings are also very popular (see Figure 22)

**Figure 22: Type of education received by the respondents after completing general education \* by regions (%)**

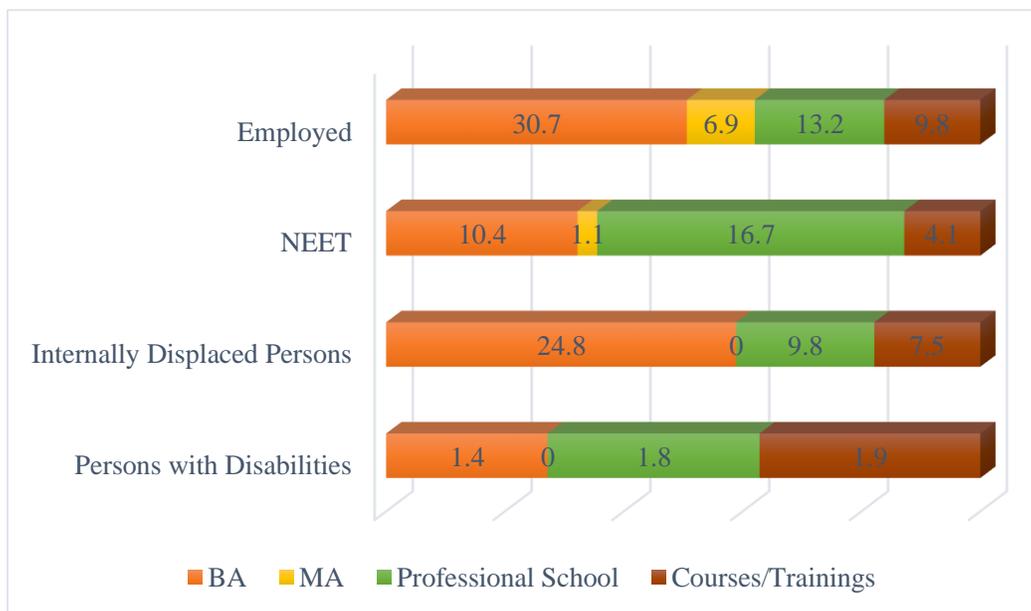


Two young persons with disabilities (1.4%) have continued studying at higher education level (see Figure 23); 1.8% of PWDs received the vocational education, and 1.9% - have passed different courses/trainings. 24.8% of IDPs interviewed in the target regions continued their studies on the Bachelor's degree level, however, none of the youngsters from this group have continued with graduate level studies. 9.8% of IDPs are receiving or have received the vocational education, while 7.8% of them are participating/participated in different courses/trainings. 10.4% of NEETs have obtained a Bachelor's degree and 1.1% a Master's degree. 16.7% of NEETs received the vocational education and 4.1% of them were involved in various trainings/courses. 30.7% of employed young people have Bachelor's degrees, 6.9% - Master's degrees, 13.2% have vocational education, and 9.8% of them participate or have participated in various types of trainings and courses.

Analyzing the respondents' education in terms of their social status gives the following picture (see Figure 23): young people with disabilities are the least involved group in the educational activities after completing their general education studies (share of those involved is 5.2%);

activeness is also low among NEETs (32.2%), but the strong side of this group is the highest share of young persons with vocational education (16.7%). 42.1% of IDPs were engaged in different educational activities - majority of them at the first stage of higher education. 60.6% of the employed IDPs were involved in different types of educational activities mostly on bachelor's degree level.

**Figure 23: Type of education received by the respondent after completing general education \* by social status (%)**



Being involved in any type of educational activity is also determined by gender of a young person. The survey revealed that the share of females participating in main educational activities exceeds the share of male participants. However, participation of boys in different courses and trainings is higher compared to girls' participation. 77.8% of young people engaged in vocational education are female, while only 22.2% are male. In terms of age, people in the age group of 19-24 are more often involved in vocational education, than those who are younger or older.

Research showed, that young people prefer and most often choose economic studies in bachelor's programs; also such professions as the law, humanitarian sciences, education, health care, and social sciences are quite popular. Among those who received the Bachelor's degree, 5.3% received higher education in Engineering, while only one student have chosen agrarian studies. The same trend is observed on master studies level: students mainly choose economy, management, journalism, and public administration. There are several cases when the master's degree has been obtained in the information technology and engineering economics. Experts claim that young people from the regions do not pursue specialties that are relevant to the economic sectors developed in the regions (agronomy, engineering, technology), but choose popular professions, which then hinder their employment while demand for these types of professions in the local

market is low. Higher education studies of 33.2% of young people were financed by the State; there is no case when higher education was financed by the municipality or the employer. 4.7% of students enrolled in higher education have financed it by their own means; and nearly two-third of the students were supported financially from their families. 74.7% of the youth with higher education have studied in Tbilisi.

The popular fields of study in vocational education are: pharmacy, information technology, accounting, nursing, and construction work. Acquiring vocational education for 40% of young people was financed by the state and the rest by their families. One third of young people received vocational education in the capital, 54.4% - in own city/district center, while 13% - in the regional center.

Courses and trainings the students attend are mostly in sphere of information technologies, but fields of accounting, hair styling, and nursing are popular as well. There were only few cases when young people participated in foreign language and working skills development courses. Different special courses and trainings are mainly taken locally and financed by the state or individually by the participant.

During the research process, the respondents were asked to evaluate the benefits received after the completed education. Table 14 reflects on the benefits the young people received after completing studies at vocational institution or at bachelor's degree level. Assessments are similar: the bachelor's degree enabled slightly more young people to get employed, whereas the salary increase or career advancements are less related to the obtained degrees. Education is not an inspiration for starting up or developing entrepreneurial activities. Skepticism that received education won't help, among the young people with both levels of education, is quite high.

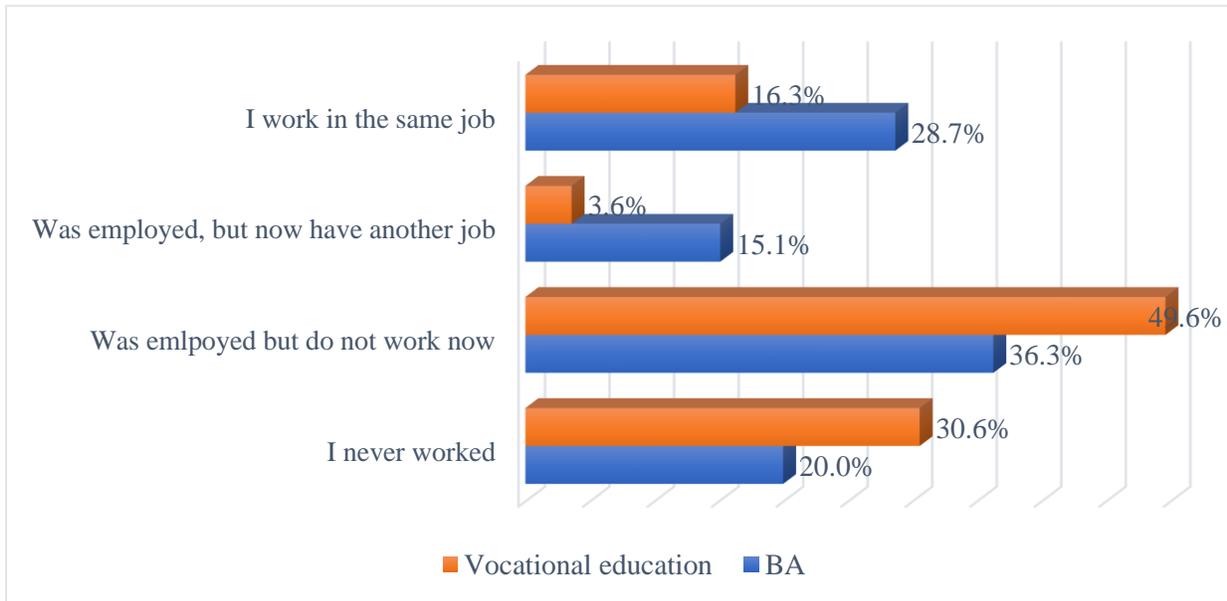
**Table 14: Benefits of obtained education \*according to education level (%)**

	Vocational education	Bachelor's degree
Employment	6.8	7.4
Career advancement	0.6	.6
Increase in salary/ income	0.6	0.8
Personal development	3.8	4.6
Nothing	4.6	4.8

Despite this skepticism, 56.3% of the young people with Bachelor's degree are currently unemployed and 43.7% are working (See figure 24); 79.6% of the young people with vocational education are currently unemployed and 20.4% are working. However, detailed analysis of the data makes it clear that after receiving vocational education, the 30.6% of young people have not ever been employed, and after receiving Bachelor's degree - 20% have never worked. It means that half of young people with vocational education, and a third of high-educated youth find jobs

in the labor market, but later they leave these jobs. It is important to find out what causes these people to disintegrate from the labor market and whether this is due to personal issues or the problems related to employment process.

**Figure 24: Have you been employed? \* by education level (%)**



The reasons for leaving a job for young people with vocational education are as follows: health condition 0.3%, desire to continue education - 8%, new born child - 23.9%, obligation to care about child and / or other family member - 10%, low salary - 14%, and hard working schedule - 13.8%. From this we can conclude that as a result of vocational education, the young people have normal chances of employment and almost half of them leave the labor market due to personal or family issues. Only 27.8% of young people with vocational education leave their jobs due to the work process related complaints.

The reasons for leaving a job for young people with higher education are as follows: continue education - 10.4%, new born child - 3.8%, personal or family obligations - 14.3%, low salary - 29.9%, hard working schedule - 24.5%, hard working conditions - 15.4%. Thus, 28.5% of young people with higher education leave the labor market due to personal reasons, and 69.4% - due to the working process dissatisfactions.

The explanations for leaving the labor force are different in terms of education level of the respondent; it can be explained as follows: people with vocational education are employed on the positions according to their specialization and qualifications, thus do not face any disappointments later. Due to shortages in the labor market, young people with higher education get employed on the positions which require less qualifications; after certain period of time these employees get disappointed regarding low salaries or poor working conditions, which leads them to leave the job.

To summarize, we can say that big part of young people surveyed in the target regions (70%) do not participate in any educational activities after completing general education; number of young people with higher education and those with vocation education in the targeted youth is almost the same. Higher education is mainly financed by families; the young people choose professions according to their popularity rather than based on the market demand. Vocational education is often funded by the state and obtained professions are closer to the labor market requirements. In terms of employment, the young people with higher education have slightly higher chances of employment than those with vocational education; however, the young people with higher education leave the jobs more often than those with vocational education, who are more likely to leave the labor market due to family obligations or gender inequalities.

Among the four targeted groups of young people, the young PWDs generally do not continue with further education after completing general education; rate of continuing education is moderate in case of NEETs and IDPs, and the young employed people have the highest educational achievements. However, youth integration into the labor market cannot be explained only by the level of formal education, as there are another important factors as general transversal skills and labor market orientation, which are also well developed in employed persons.

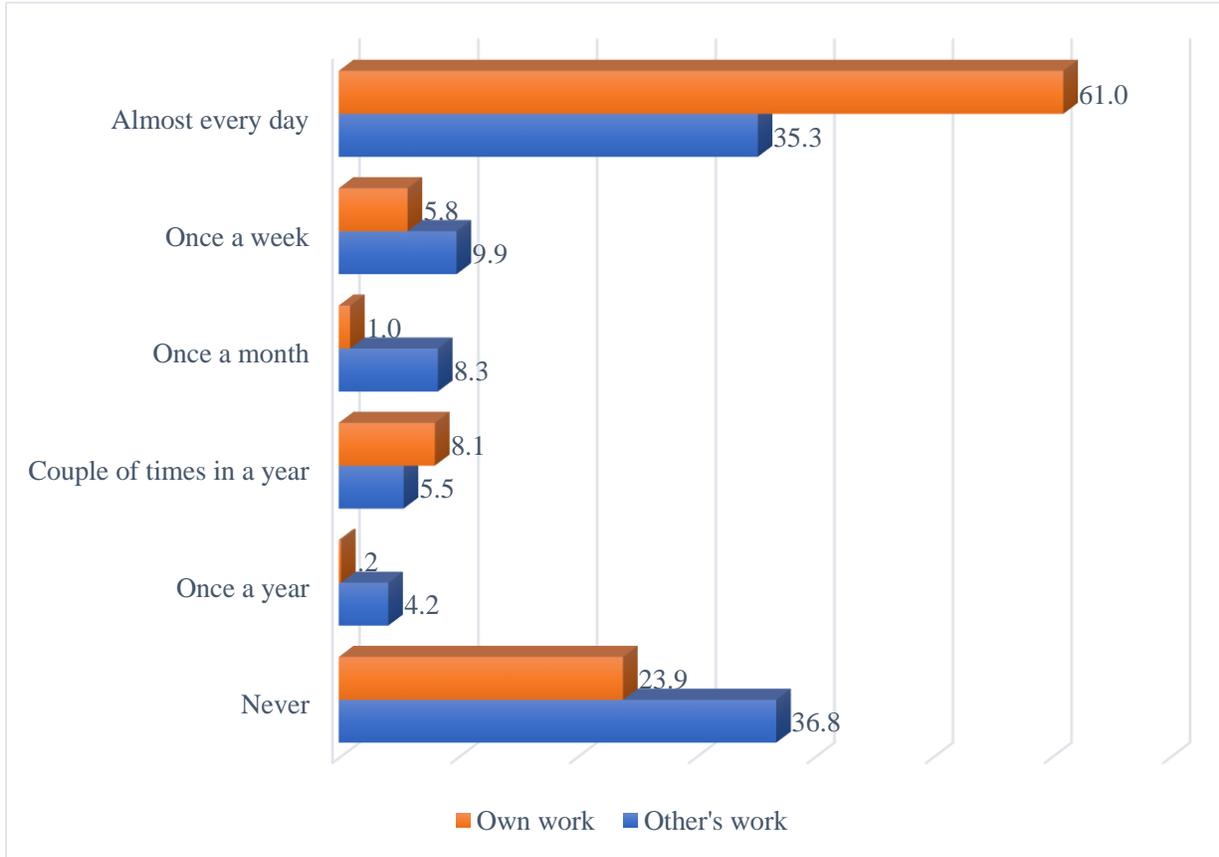
### Transversal Skills of the Targeted Young People

Within the labor market research project, the current labor market demands were studied by analyzing the documents and expert interviews. The survey revealed that employers often give a greater significance to the transversal skills rather than to the special skills; first of all it is due to a quality of supply. Employers note that they do not remember almost any case, when new employee (qualified or unqualified) would not need time and resources for preparation/trainings. That is why the employers often point out that a good employee needs first of all well-developed skills, as the job specifics he/she can learn at the spot (this is especially relevant for low and unqualified positions).

Employers most often emphasize the importance of the following **intrapersonal** characteristics for the employed: **responsibility, punctuality, neatness, discipline, motivation.**

These are the skills that employers frequently complain when talking about young people. Most of the employers note that despite the fact that young people are energized and have power, they often lack a sense of responsibility; this leads them to employ middle-age persons. Within the frameworks of the management and planning research, we asked young people how often they plan their own and other's work (see Figure 25). As a result, it has been revealed that more than half of young people plan their work every day, and every third person plans work of others. Every fourth young person does not plan his work at all, and every third - does not plan others work.

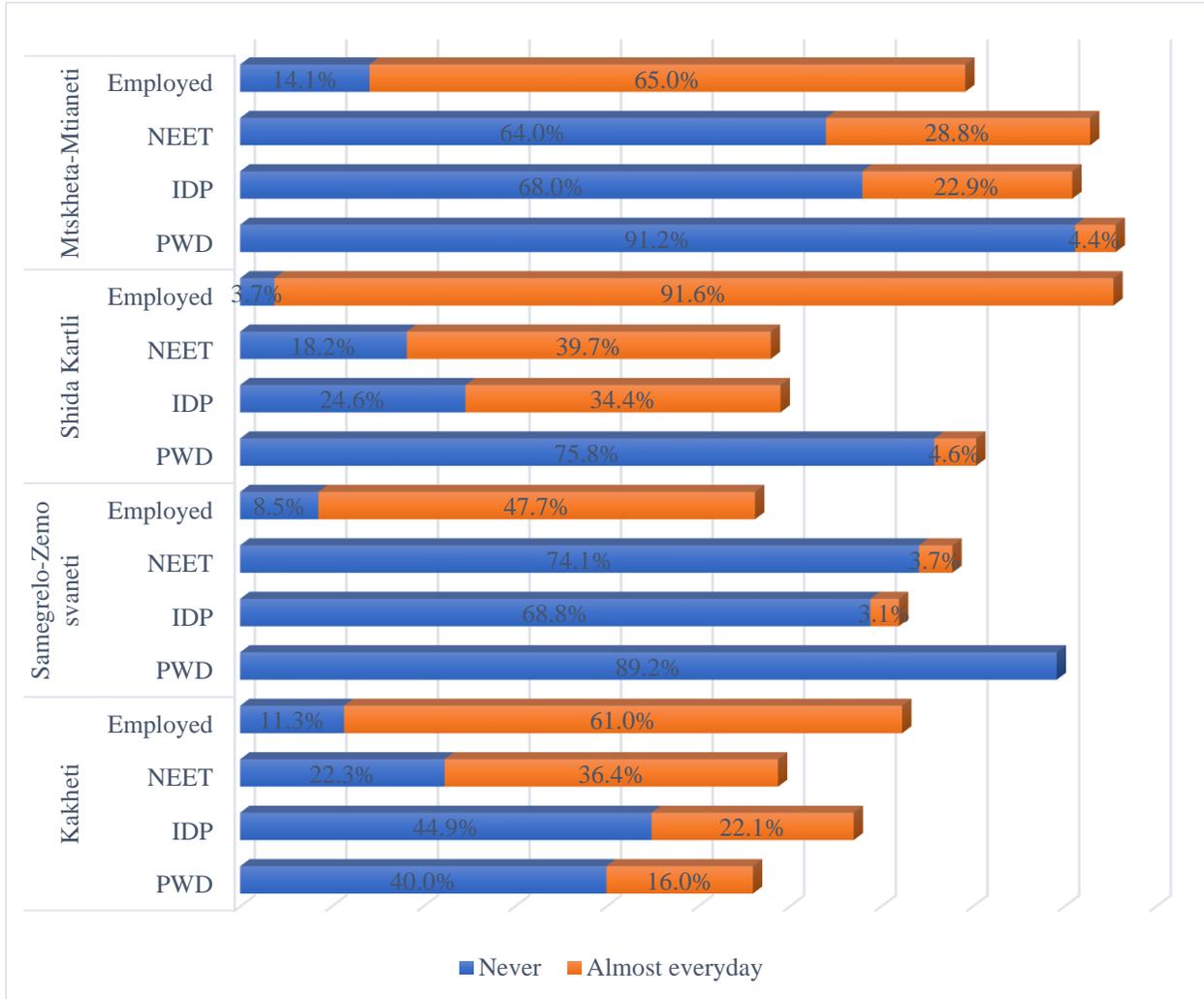
**Figure 25: How frequently do you plan own work and other’s work? (N=400) (%)**



To study the issue in detail, we checked the data about planning own work according to the regions and social status (see Figure 26). In almost every region, the work planning skills are more developed in employed persons, though this indicator is relatively low in Samegrelo-Zemo Svaneti. People with disabilities do not possess this skills at all, but compared to other regions, we observe better situation in Kakheti. NEETs from Mtskheta-Mtianeti and Samegrelo-Zemo Svaneti are rarely planning the work, whereas the management skills in Kakheti and Shida Kartli are more developed in young people of this status. In terms of work planning, IDPs are much unorganized in Samegrelo-Zemo Svaneti region and in Shida Kartli, and a relatively positive picture we see in Kakheti region.

There is a slight difference when analyzing job related activities by gender dimension: cooperation, training of others (teaching), job planning is more often performed by men compared to women. There is not a significant difference in the performance of other activities.

**Figure 26: How frequently do you plan your/others work? \* by regions \* by social status**



From the interpersonal transversal skills the employers and experts consider the following skills most important: communication skills, cooperation, teamwork, leadership, critical thinking.

Experts indicate that very often the young people do not know how to present themselves to the employer, how to talk about their experience or knowledge. On the other hand, employers observe a low level of communication skills in the process of working. Lack of communication ability is observed in terms of teamwork, as well as in knowledge and experience sharing. Low level of communication skills in personnel is especially problematic for the service providers. Research showed the importance of co-operation / collaboration skills especially in entrepreneurship development. Some of the experts note that exactly the low level of cooperative skills and culture hindered the local residents from converting small lands into cooperatives, they still continue agrarian work on their household level. Employers often associate leadership skills with

experience and age, and note that young people often lack this skill. These are the reasons why employers give priority to middle age and older personnel when hiring on managerial and high positions.

Research revealed that generally every second young person has the interpersonal communication skills (information sharing, cooperation) (see Figure 27). One third of the young people give advice or consult others on everyday bases. Among the intrapersonal communications the least developed is the practice of planning others work, it is partly related to leadership, but also is associated with social status and role. Young people are less active in participating in trainings and courses, and negotiation skills are used by only half of the young people.

**Figure 27: How frequently do you take the following actions? (N = 400) (%)**

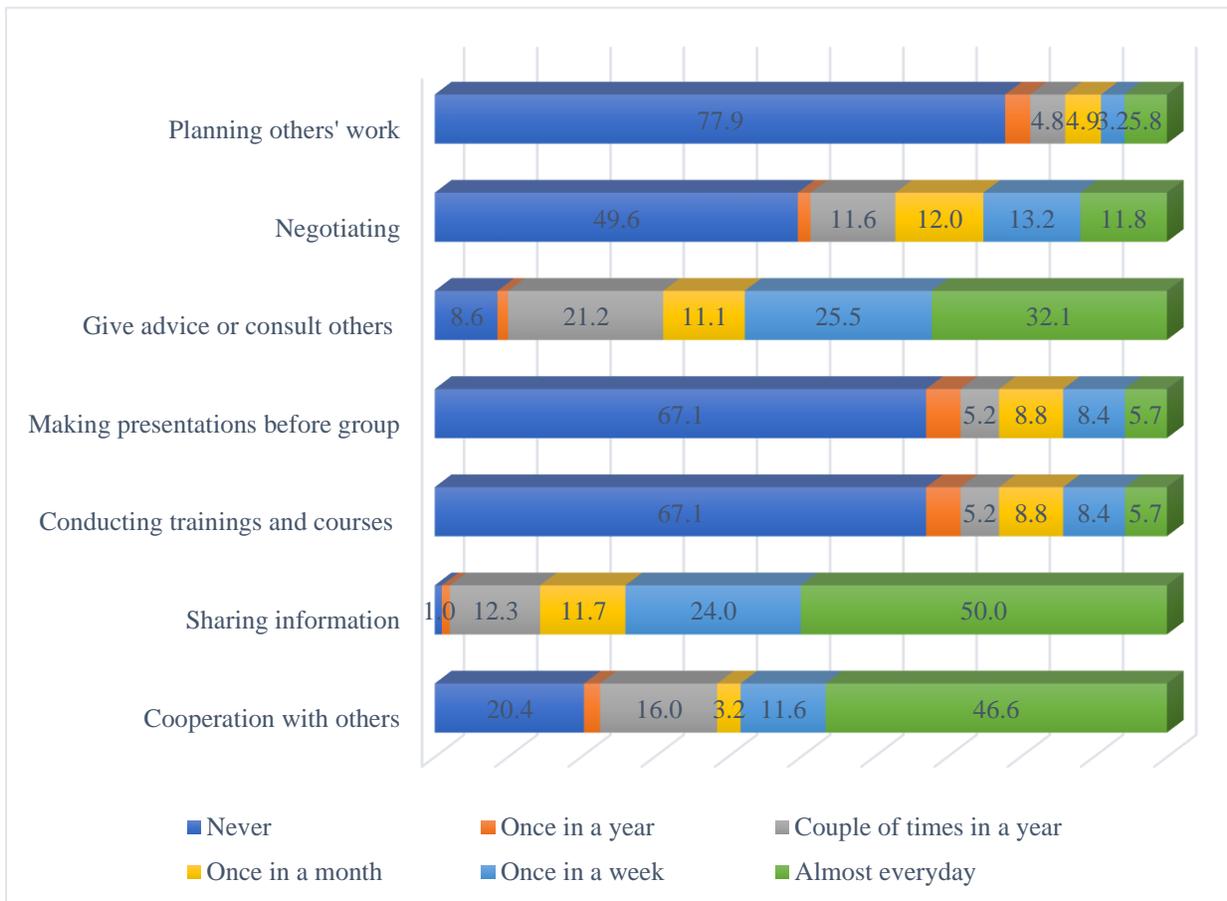


Figure 28 shows the data on the mentioned communication skills according to the social status of young people. Majority of the young PWDs most often do not practice the skills related to cooperation capabilities; from those, the information sharing is the most developed skill among young PWDs. IDPs and NEETs show similar trends and these groups as well cannot be characterized by high level of communication skills. Representatives of these two groups are less likely to perform particularly the following actions: make presentations / reports to the group, plan others work, train others individually or in groups; more than half of them never negotiate and plan

their work. Employed young people implement almost all collaboration activities. But such actions as are - making presentations / reports to the group, planning others work - are not implemented by half of them, while one third of this young people never conducts individual or group trainings.

The research results indicate that in the context of communication, young people living in the regions have relatively simple communication skills; it includes skills for daily co-operation, exchange of information and advice to people, but they are not using management or high communication skills in everyday life. This can become a barrier for young people in the employment process as well as during the work management.

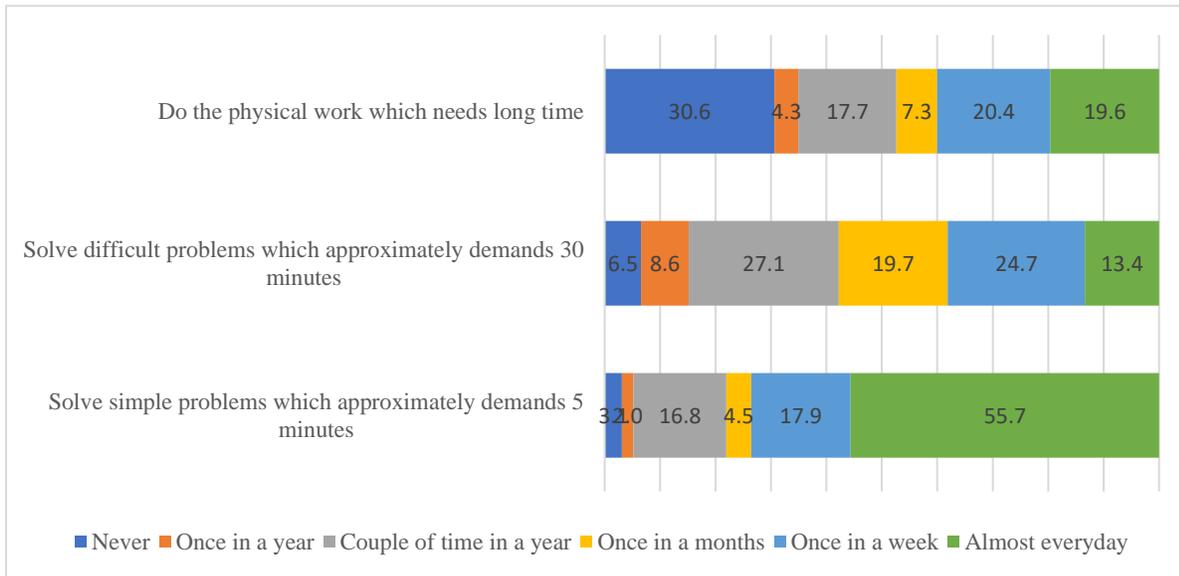
**Figure 28: I never take the following actions \* by social status**



The quantitative research has not revealed any direct demand for problem solving skills from the employers, however the quantitative survey conducted by the Social Service Agency found out that employers have demanded the problem solving skills for most of the vacancies, both for qualified or unqualified positions. The study revealed that more than half of the target region's youth are solving the simple problems on a daily basis (which needs about 5 minutes) (see Figure 29). It is interesting that young people more often deal with issues that are related to physical activity. About 85% of young people can solving the difficult problems that require about half an hour and an intellectual work. The problem solving abilities among young people differ according

to their social status. Young employed persons have the most developed problem solving skills, however it decreases as problem gets more difficult. The least developed problem solving skills we observe in the young people with disabilities.

**Figure 29: How frequently do you take the following action? (N=400) (%)**



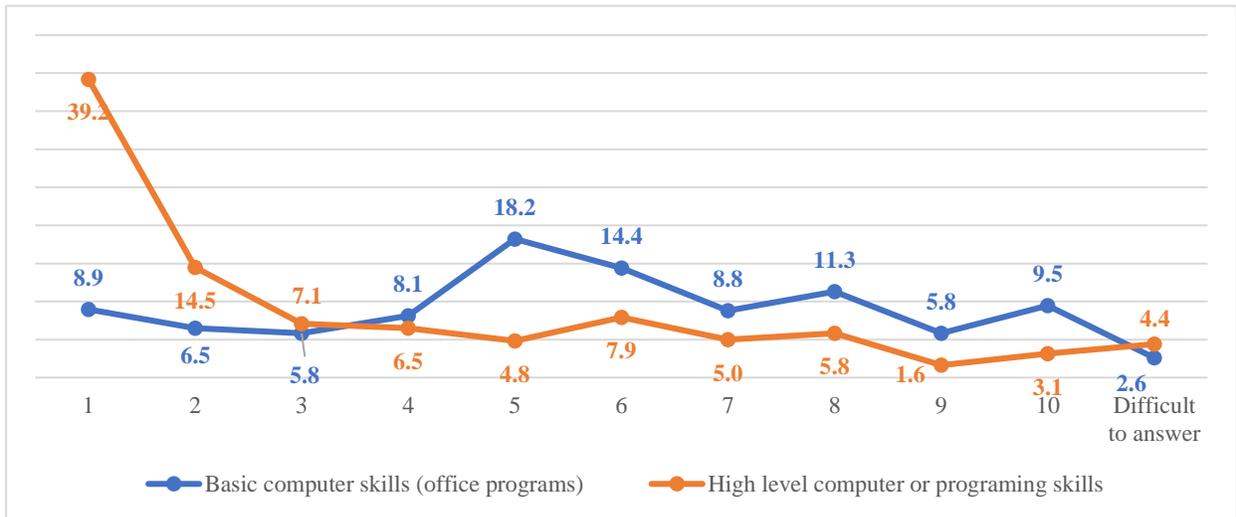
There is a slight difference when analyzing job related activities by gender dimension: cooperation, training of others (teaching), job planning is more often performed by men compared to women. There is not a significant difference in the performance of other activities.

**Digital literacy** is also a transversal skill that is very often demanded at the labor market. Digital literacy is considered to be more advanced in younger generations, however it is often a myth and employers in the target regions often point out that the competences of young people in this regard are often low. In terms of digital literacy of young people two problems were observed: 1. Computer skills are required for low-paid and unqualified positions, whereas the potential employee may not have this skills developed or may deny the position due to low salary; 2. Employers are demanding not only the general skills but also specific and specialized knowledge, such as AutoCAD, computer management of new technologies introduced in industry, etc. Young people very often cannot meet this requirements.

The digital literacy level of target regions was measured by different types of questioners and scales. First of all we evaluated the basic computer skills of young people (office programs) and high-level computer or programing skills (Figure 30). Respondents mostly have basic skills, about a tenth of them does not have this skills at all, and about 40% - have high-level computer and programing skills. Measured by 10-point scale (where 10 means perfect knowledge, and 1 – no knowledge/skills at all), the average assessment of basic computer skills was 5.63, and for high-level computer and programing skills the evaluation was 3.29. Consequently, we can assume that

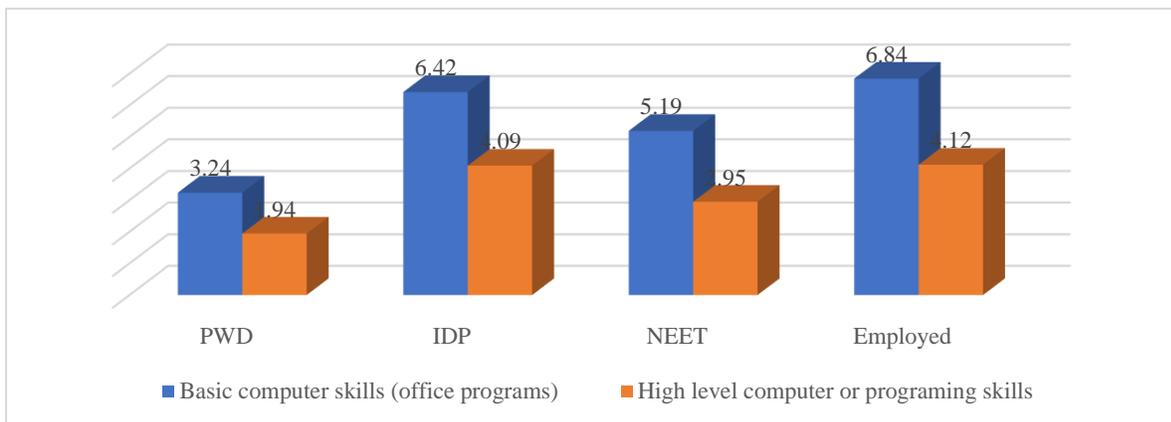
young people can satisfy employers' demands only at the general level, and for the positions with requirements of fundamental and specific knowledge - the problem of supply will arise.

**Figure 30: Basic computer skills (office programs) and high level computer or programming skills evaluated by 10-point scale, where 10 means perfect knowledge and 1 - no knowledge / skills at all (N = 400) (%)**



The differences in skills developments were revealed by the social status of targeted young people. Every group of young people has developed basic computer skills more than high-level computer or software skills (see Figure 31). Young people with disabilities have poorly developed basic skills, and none of them has the high level of computer or programming skills. Basic computer skills are developed above average in young employed and internally displaced people, while higher level skills can be evaluated as poorly developed. Basic digital skills are evaluated as average in NEETs, but the high computer literacy skills in this group are less developed.

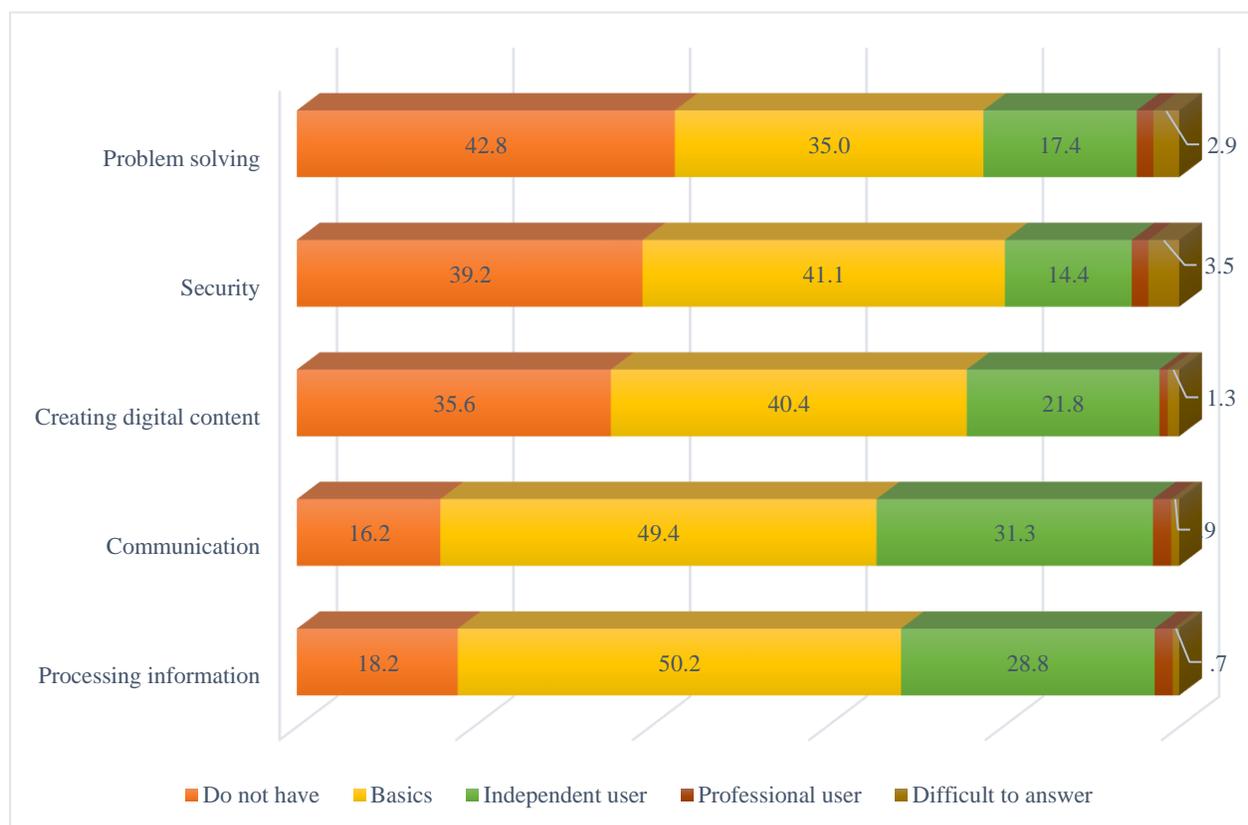
**Figure 31: Average indicator of the basic computer and high-level computer skills measured by 10-point scale \* by social status**



We measured the digital literacy also by EUROPASS instrument<sup>1212</sup>, where the five level of digital competences are outlined - information processing, communication, creation of digital content, security and problem solving; and the assessment is carried out by 4 point evaluation (0 – no literacy, 1 - baseline, 2 - independent user, 3 - professional user).

As shown in Figure 32, the young people interviewed in the target regions do not show any knowledge of professional users. Independent users of digital technologies in terms of communication and information processing are the biggest share of young people, which is less than one third of interviewed young persons. Creating digital content, security and problem solving can be done independently by one fifth of the respondents. Majority of the respondents are characterized by the basic knowledge of digital technologies and half of them have communication and information processing skills. Half of the interviewed youngsters are not able to solve problems when using digital technologies, more than a third cannot ensure security of computer systems and applications and create the digital content.

**Figure 32: What are your digital skills in following (N=400) (%)**



<sup>1212</sup> Source: <https://europass.cedefop.europa.eu/editors/en/cv/compose>

The presented question revealed that the share of interviewed young people who do not have even basic digital skills varies from 16% to 18% and it is slightly higher than the number of respondents identified in the above questioner who claim not to have any basic computer skills (8.9%).

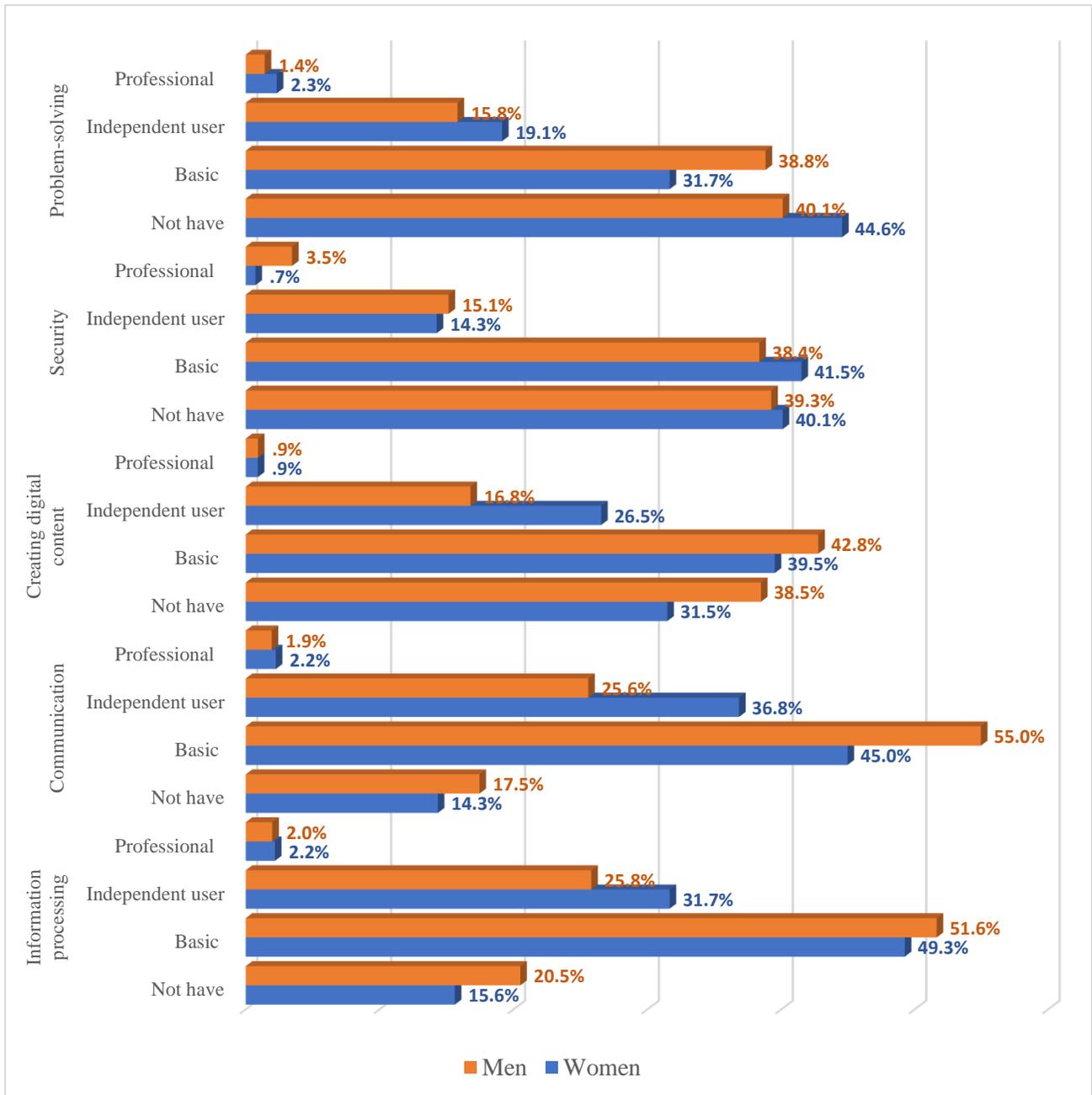
Digital competences in youth with different social status are unevenly developed (see Table 15). Majority of the people with disabilities indicate that they do not have digital skills developed in any direction, part of them only at basic level can process and communicate information. Nearly half of NEETs has basic knowledge skills in processing and communicating information, and none of them can evaluate own competences at the professional level. IDPs have average or above average developed digital skills and are mainly either basic level or independent users. The share of professional users varies from 1% to 5% in this group. The employed IDPs most rarely indicate not having computer skills at all, they have basic knowledge or are independent users. The share of people with professional digital skills varies from 3% to 5%.

**Table 15: Please, choose your digital skills level from the List below. \*by social status**

		<b>PWD</b>	<b>IDP</b>	<b>NEET</b>	<b>Employed</b>
<b>Information processing</b>	Not have	61.9%	9.9%	22.1%	6.5%
	Basic	26.2%	46.5%	50.9%	51.1%
	Independent user	3.7%	42.8%	24.9%	37.3%
	Professional	1.0%	.7%	1.2%	5.1%
<b>Communication</b>	Not have	59.6%	14.2%	19.4%	4.5%
	Basic	28.3%	38.3%	49.0%	55.7%
	Independent user	5.6%	42.8%	29.4%	35.1%
	Professional		4.6%	1.0%	4.7%
<b>Creating digital content</b>	Not have	77.6%	25.8%	42.3%	16.1%
	Basic	15.2%	33.6%	37.8%	51.6%
	Independent user	4.0%	39.2%	18.7%	26.9%
	Professional	0	.7%	0	3.8%
<b>Security</b>	Not have	82.9%	42.8%	42.5%	25.1%
	Basic	11.0%	29.2%	41.4%	45.9%
	Independent user	2.9%	25.2%	10.3%	23.8%
	Professional		.7%	1.3%	4.2%
<b>Problem-solving</b>	Not have	81.9%	41.0%	48.0%	25.5%
	Basic	11.2%	30.6%	33.3%	43.0%
	Independent user	2.2%	24.1%	13.6%	27.5%
	Professional	0	2.0%	1.6%	2.9%

It is interesting to know how the digital skills of young women and men differ. Traditionally, it is considered that men have well-developed thinking and skills in technical matters, but our research indicates the opposite (See Figure 33). Young women’s digital skills of independent and professional users prevails those of young men in four issues (information processing, communication, creation of digital content, problem solving). The only issue where men perform with higher competence is the safety.

**Figure 33: Please, choose your digital skills level from the List below. \*by gender (%)**



In order to reveal the competences of young people, we also studied their writing, reading and mathematical skills. It is to be noted that these are the basic skills required for qualified and highly qualified personnel, but it is often necessary for low and unqualified personnel too, as it generally measures the level of education and literacy of a person. We have reviewed the reading capacity by eight criteria, evaluated according to the using frequency on a 6-point scale.

Young people interviewed in the target regions have not-so-developed reading skills (see Table 16). Almost a third of young people often read the letters and email notifications, and share of those who never read any type of information is less than a third. Frequency of reading different orders and instruction texts is ranked as the second based on general evaluation method; this type of information is received and read by 13.6% of young people, whereas the 33.2% of them never receives or reads them. By its frequency, reading the books is on the third place. 26% of young people never read books, but only 9% read books daily, and the majority reads books several times a year. Newspaper and journal articles are read daily by 9.1% of respondents, however almost half (41.6%) – never reads them. Almost 60% of young people do not read textbooks and reports, different financial documents (receipts, invoices). Most rarely the young people read schematic material (diagrams, maps, etc.). The reading skills are unevenly developed among 14-29 years old young men and women. Young women read different material more frequently (among the answers “never” - the difference varies 5% to 20%) than young men.

**Table 16: Please evaluate at what frequency do you implement or have implemented the following activities during your employment or in everyday life? (N = 400) (%)**

	Read orders and instructions	Read letters and e-mail notifications	Read news-paper and magazine articles, information booklets	Read books	Read textbooks and reports	Read different types of financial documents	Read data tables, diagrams, maps, schematic material
<b>Never</b>	33.2	29.5	41.6	26.0	58.2	61.6	80.4
<b>Once a year</b>	1.9	2.3	6.0	7.4	4.7	4.5	4.3
<b>Several times a year</b>	17.1	14.9	23.7	24.9	11.0	9.8	5.2
<b>Once a month</b>	12.8	6.1	7.6	14.8	6.1	13.8	2.8
<b>Once a week</b>	17.7	14.7	10.2	13.9	11.2	4.3	3.9
<b>Almost every day</b>	13.6	30.9	9.1	9.1	5.3	4.6	1.8

The writing skills of the young people interviewed in the target regions is even poorer than reading skills (see Table 17). Writing skills are most commonly used in the form of creating letters both online and handwritten; there are 27.8% of young people that never practice this skill, and every third young person uses this skill on everyday basis. 94% of young people never write any newspaper and magazine articles or information booklets, 83.6% - never write any kind of report, and 75.5% - never fill out any application form. While writing skills are less developed in young people, this does not occur to be a big barrier in the employment process, since employers do not demand written content from the employees, except from those on high-qualified specific positions. However, in terms of entrepreneurship development, the writing skills together with mathematical and other transversal skills are highly necessary for elaborating the start-up project proposal and its implementation. In this circumstances, when young people show such a low competence level, absence of these crucial skills can be regarded as one of the most important barriers to youth entrepreneurial development.

**Table 17: Please evaluate at what frequency do you implement or have implemented the following activities during your employment or in everyday life (N = 400) (%)**

	<b>Write letters, e-mail letters</b>	<b>Write news-paper, magazine article, information booklets</b>	<b>Write reports</b>	<b>Fill in different applications</b>
<b>Never</b>	27.8	94.0	83.6	73.5
<b>Once a year</b>	3.2	1.6	2.7	4.6
<b>Several times a year</b>	18.3	2.9	5.9	5.9
<b>Once a month</b>	5.6	.8	1.1	5.4
<b>Once a week</b>	13.8	.3	3.6	4.4
<b>Almost every day</b>	31.3	.5	3.1	6.1

We assessed the mathematical skills of young people with 6 criteria (see Table 18). Among the mathematical skills, the majority of young people (70%) use calculators, half of them use cost calculation and budgeting skills, but the rest of the mathematical skills are never used by majority of the respondents. Alike writing skills, the mathematical skills are also not demanded by employers unless it's not necessary for specific position; however, in this case too, the mathematical skills could be an important value in development of entrepreneurial activities in youth groups.

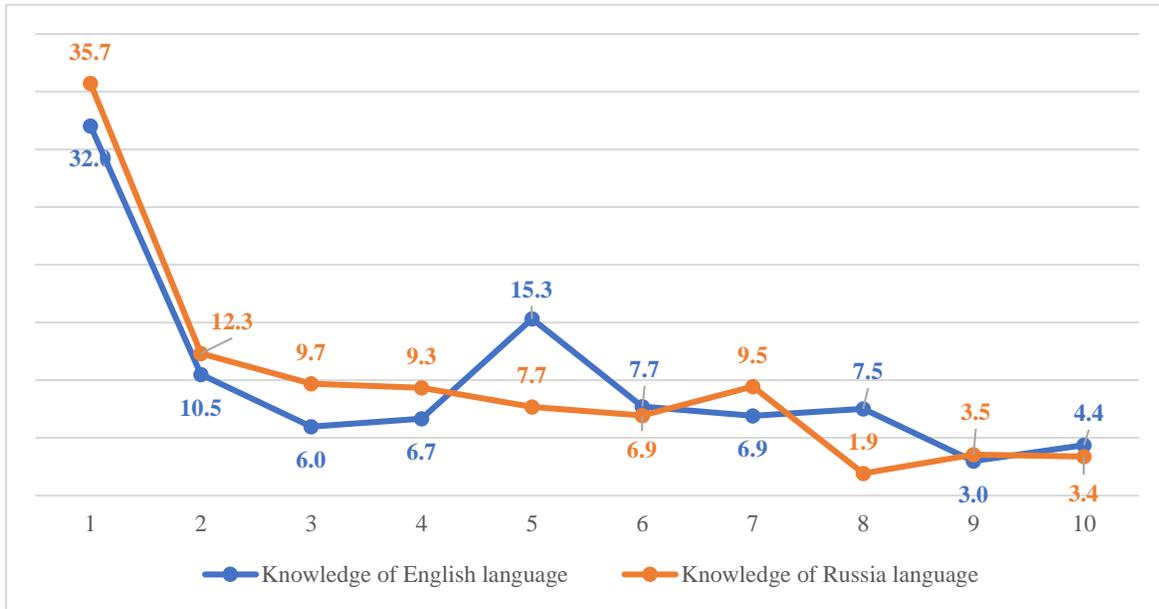
**Table 18: Please evaluate at what frequency do you implement or have implemented the following activities during your employment or in everyday life (N = 400) (%)**

	Calculate value, costs, work on budgeting	Calculate fractions, percentages	Use calculator (digital or manual)	Create data tables, figures, diagrams	Use the algebra and formulas	Use complicated mathematic (Calculus, algebra, trigonometry, regressive technique)
<b>Never</b>	53.4	73.7	29.8	82.4	88.5	91.1
<b>Once a year</b>	1.8	5.1	5.6	2.2	1.1	2.1
<b>Several times a year</b>	9.4	9.4	25.1	6.1	2.6	1.4
<b>Once a month</b>	7.3	3.7	14.3	2.1	3.1	2.0
<b>Once a week</b>	15.2	5.4	13.8	4.5	2.7	2.9
<b>Almost every day</b>	12.9	2.9	11.4	2.7	1.9	.5

One of the most important skills among the competencies required by employers in the labor market is – the knowledge of foreign languages. Of course, this competence is less likely to be demanded for low-skill and unqualified positions, but in the tourism sector which develops into most growing and priority sectors in the regions, the foreign language skills become necessary for low-qualified personnel as well. Employers often say that this is an insurmountable challenge of employment for the young people in the region. In addition, several important international projects are planned to be implemented in the regions which will support the business circles to export Georgian goods. Consequently, the demand for foreign language knowledge will increase and a lack of this competence should not hinder the developments in the future.

The quantitative research results show that 32% and 35% of the young people do not know consequently English and Russian languages. Share of young people speaking these languages fluently is not more than 5%. Looking at the evaluation data, we see that the average rate of English language literacy is 4 (by the 10-point scale, where 10 means perfect knowledge) and for Russian language it is 3.54 (See Figure 34). Gender differences are observed in the level of foreign language skills: young women have higher level of English language knowledge (average arithmetic 4.55) than young men (average arithmetic 3.32). In contrast, the young men know Russian language better (3.69) than young women (3.48).

**Figure 34: Please, evaluate your knowledge and skills development level, where 10 means perfect knowledge, and 1 – no knowledge / skills (N = 400) (%)**



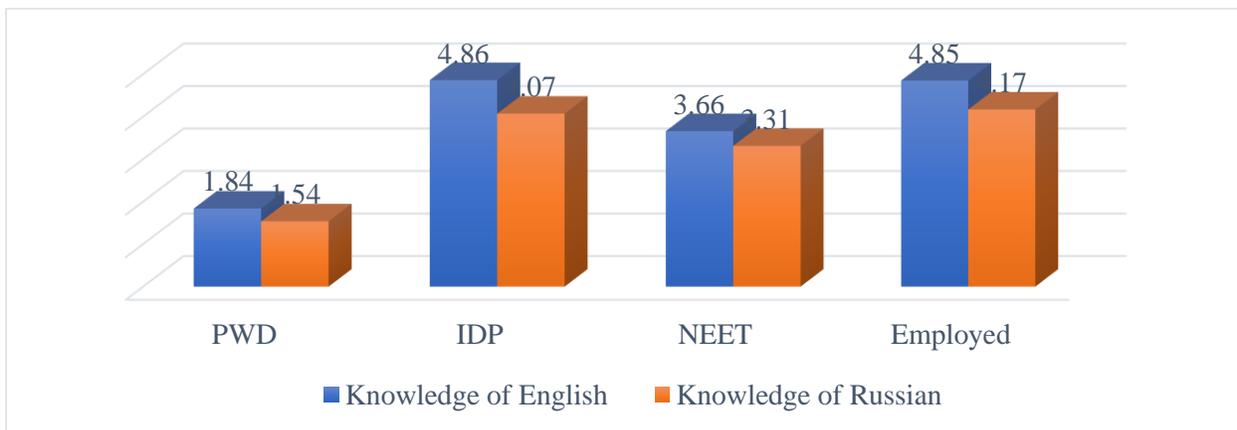
Besides Russian and English, 17.8% of the respondents speak other languages. In case of knowledge of other foreign languages, the competence level is on average higher comprising 5.17. Among other foreign languages German and Turkish languages are most common, considering that only few individuals have competence of knowing other languages (see Table 19).

**Table 19: Knowledge of other foreign languages (except English and Russian)**

Language	%
Italian	0.05
Kisty	0.05
Ossetian	0.1
Azerbaijani	0.1
Armenian	0.2
Arabic	0.2
Chinese	.2
Polish	0.3
Greek	0.3
French	0.6
Latin	0.8
Turkish	4.1
German	5

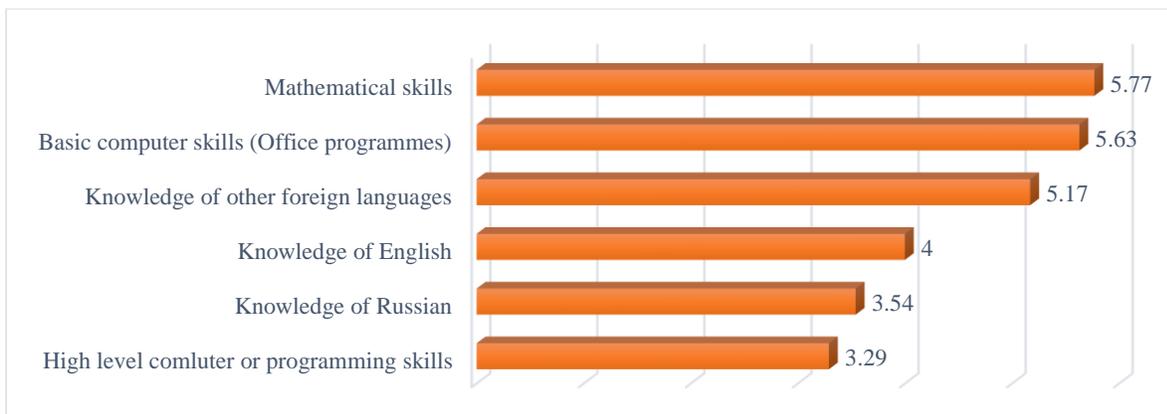
Foreign language knowledge skills differ in accordance with the social status of the young people (see Figure 35). People with disabilities show low competence in knowledge of both languages, 63.5% and 69.5% of them do not know consequently English and Russian languages. NEETs also show a low competence in language knowledge skill, their average assessment in both languages is low, 35.5% do not know English at all and 41.8% has no knowledge of Russian language. Young IDPs and employed people have almost equally developed linguistic competencies. About 21% of neither groups speak English, but there is a significant difference between these two groups in terms of Russian language knowledge (this does not reflect on average ratings). 29.4% of IDPs and 16.1% of employees do not have any knowledge of Russian language.

**Figure 35: Please, evaluate your knowledge and skills development level, where 10 means perfect knowledge, and 1 – no knowledge / skills \* by social status (N = 400) (average indicators)**



If we compare the average indicators of the foreign language, computer and mathematical skills (Figure 36) in general, we see that in each category the young people have average or less than the average competence level. High-level computer and programming competencies and knowledge of foreign languages are particularly deficient.

**Figure 36: Please, evaluate your knowledge and skills development level, where 10 means perfect knowledge, and 1 – no knowledge / skills (N = 400) (average indicators)**

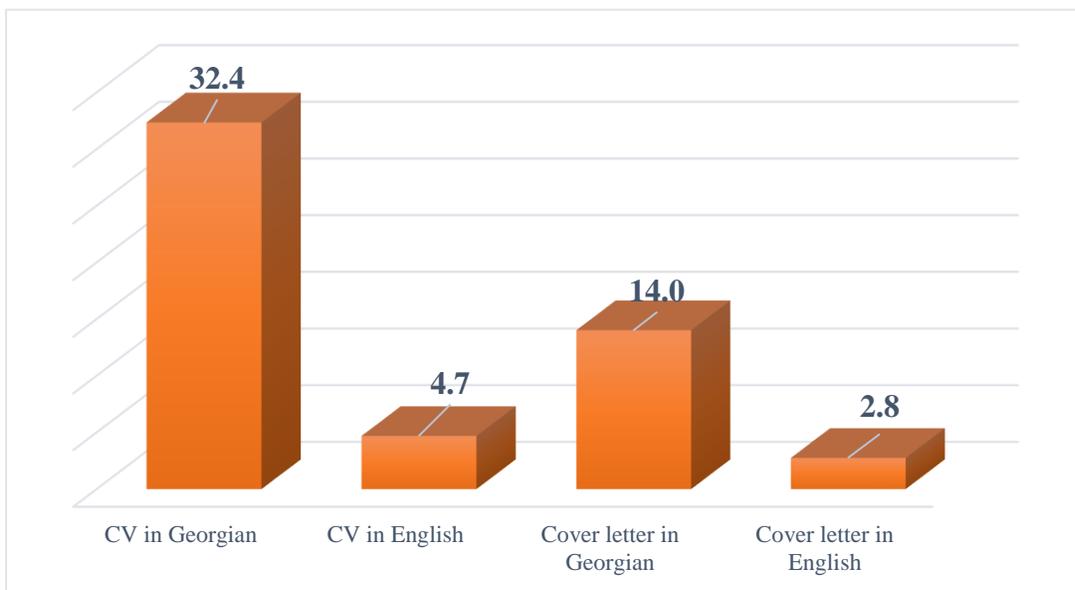


In general, the professional orientations and formal qualifications of the young people cannot meet the labor market demand for the professional personnel; in addition to that, also in terms of transversal skills the young people from the regions cannot satisfy the labor market demand. Alongside with working place deficit, the deficit of demanded personnel is a challenge for employment; this is evident also by the fact that mostly the already employed personnel has the mentioned skills developed. Thus, we can conclude that people with more developed transversal skills are already employed in the regional labor market. This is a serious challenge for employment of the other target groups (NEET, IDPs and PWDs).

### Labor Market Orientation

Labor market orientation skills of the young people living in four target regions was assessed by examining the required documentation and information availability during employment and engagement in this process. The results of the study revealed that young people living in regions do not have important documentation for employment even in Georgian language (see Figure 37). Every third young person has CV in Georgian, although only 4.7% have it in English. 14% of respondents have cover letters written in Georgian, only 2.8% - in English. Within the qualitative research, it was found that employers frequently announce vacancies on different web-sites which requires to present the above-mentioned documentation during the employment process. The quantitative outcomes showed that big part of young people would not be able to pass the formal procedures of employment due to lack of such knowledge and experience.

**Figure 37: What percentage of surveyed youth have important documentation required for employment (%)**



Obtained results vary according to the residence, social status and gender (See Figure 38). Most of the young people from Mtskheta-Mtianeti region have the documents required for employment ready (43.8% have CV in Georgian language, 12% - in English language; motivation letter - 22.2% have in Georgian language and 3.8% - in English language). After Mtskheta-Mtianeti, Shida Kartli region is distinguished with young people being ready with required documentation for employment, although only a minimum number of young people have skills for the CV and motivation letter elaboration in English. In Samegrelo-Zemo Svaneti and Kakheti regions it is common to have CVs in Georgian, but availability of other types of documents is rare.

**Figure 38: What percentage of surveyed youth have important documentation required for employment \* by regions (%)**

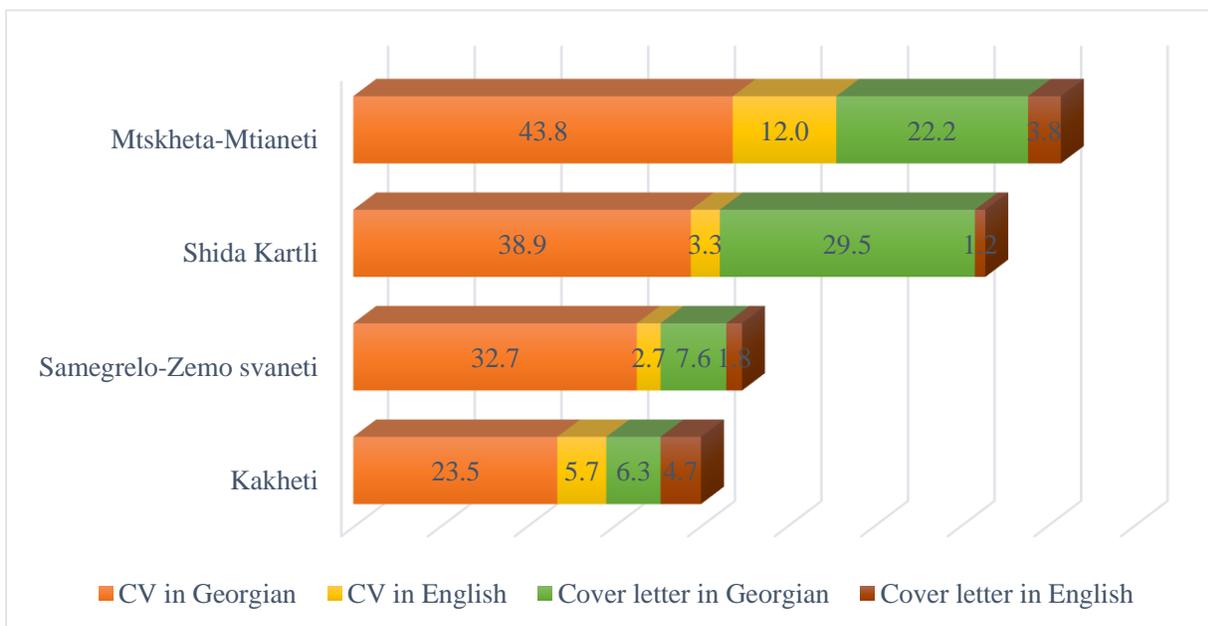


Table 20 reflects the availability of important documentation for employment according to the social status of young people. The survey revealed that the least prepared for employment are people with disabilities. They do not have CV or writing skills to prepare motivation letter in Georgian or English languages. The share of young IDPs able to prepare documentation in Georgian is relatively high, it is less than of the employed people; however, the problem of preparing the documentation in English is a problem in this group too. Relatively better indicators have the NEETs only in preparing CVs in Georgian language, but indicators for other three components are very low. Share of young people having all documentation ready is high in group of employed persons. It can be said that this skill is precondition for employment of this group.

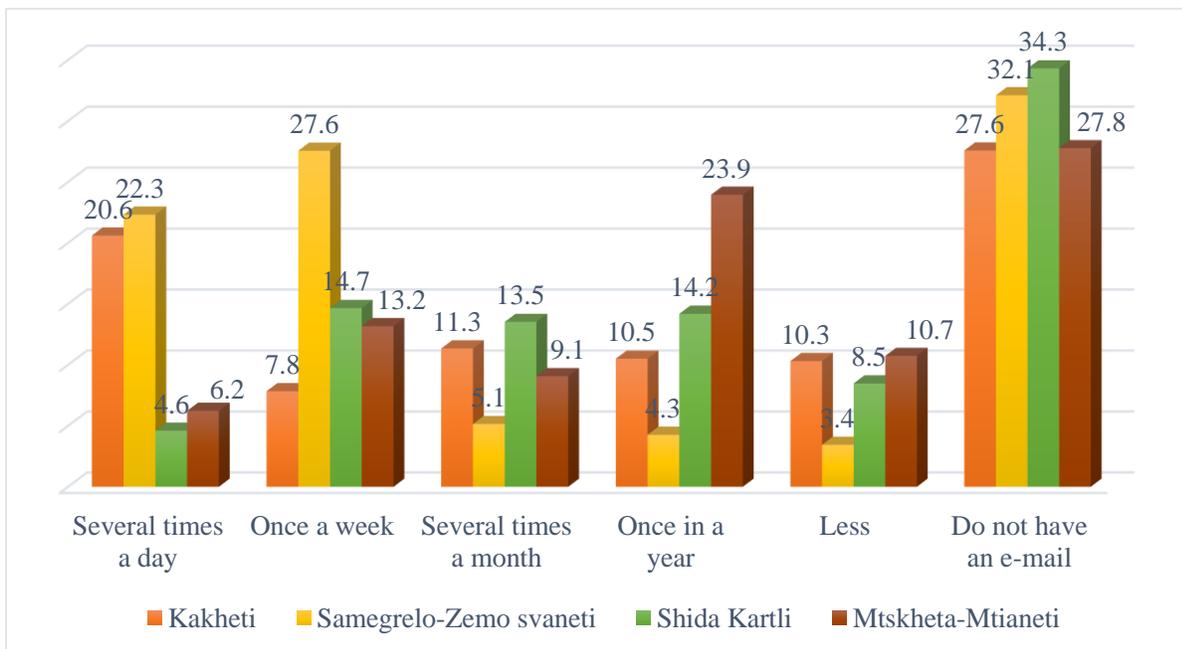
**Table 20: What percentage of surveyed youth have important documentation required for employment \* by social status (%)**

	CV in Georgian	CV in English	Cover letter in Georgian	Cover letter in English
PWD	3.0	0.7	0.7	0.7
IDP	29.8	4.9	13.2	3.7
NEET	23.7	2.0	9.0	1.4
Employed	60.6	12.8	29.8	6.5

Gender analyses of the data showed, that in general the girls have more often the necessary documentation ready for employment, but more boys have the cover letters in Georgian ready. An interesting trend was revealed by age analyses: underage respondents of all four social status groups do not have any employment process skills. Among the respondents above 18, the increase in age gradually increases the share of prepared Georgian but not English documentation necessary for employment. In total, young people in the 20-25 age category have relatively good indicators in all four components.

Considering that vacancies are published online and the potential employees engage in online communication on the first stage of employment process, in the frameworks of the research we have additionally measured their digital skills (Figure 39). 29.8% of respondents do not have an e-mail. 11.9% of respondents send and receive e-mails - several times a day, 13.2% of them – once a week, 10.6% - several times a month, and 24.7% - once in a year or less. The level of digital skills depends on the place of residence, social status and age of the respondent.

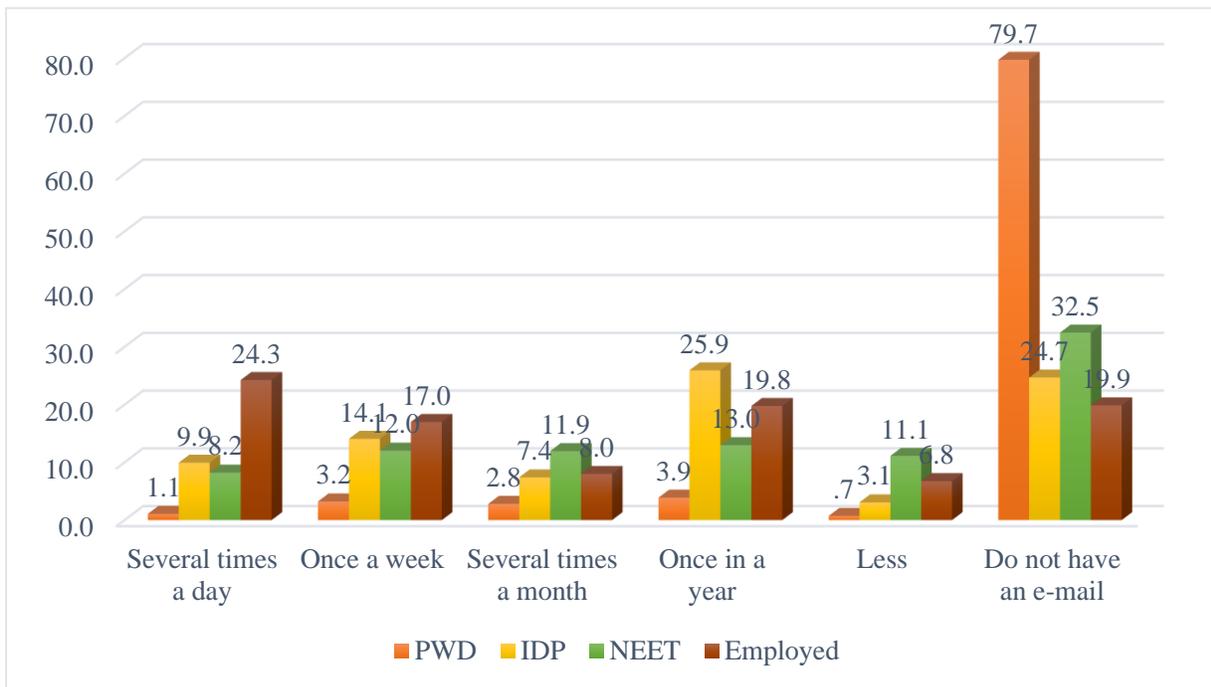
**Figure 39: How often do you receive and send e-mails? \* by regions (%)**



As shown in Figure 39, the category – “no e-mail” has the biggest share; this share is highest in Shida Kartli and Samegrelo-Zemo Svaneti. Those young people from Samegrelo-Zemo Svaneti having an email, are more intensively using it compared to other regions’ youth.

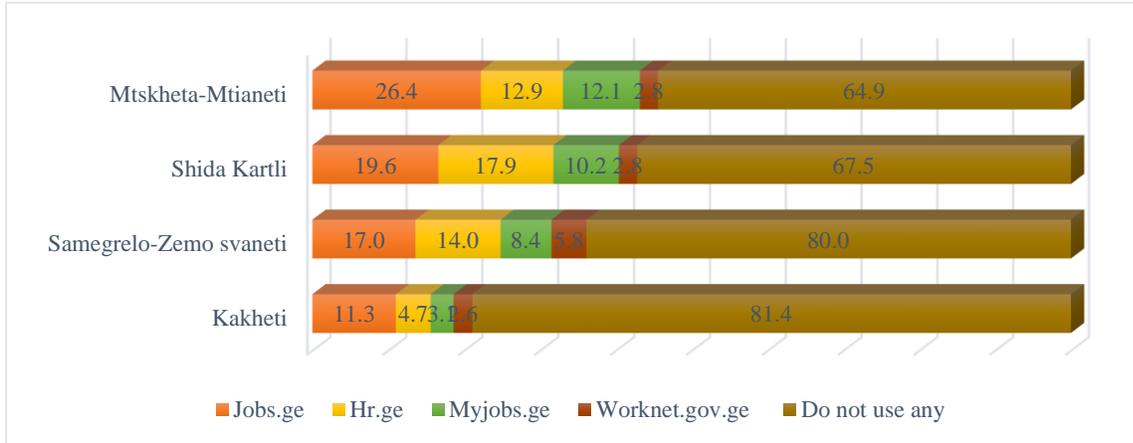
As for the digital skills, there are more radical differences in terms of the social status of young people. 79.7% of people with disabilities do not have an e-mail address, when this is true only for 33% of young people from other social groups. The employed young people have higher digital skills, followed by IDPs. Every third young person who is neither studying nor working has no e-mail address (See Figure 40).

**Figure 40: How often do you receive and send e-mails? \* by social status (%)**



Considering that most of the vacancies are announced online, access to this information and use of it is a prerequisite for the employment. The survey revealed that 75.9% of respondents do not use any online search system to find vacancies. Jobs.ge is the most popular job search engines used by 16.7% of the respondents, followed by hr.ge used by 11.9% of young people. Web-site myjobs.ge was used by 7.5% of respondents and only 3% visit worknet.gov.ge – the web-site launched by the state to promote employment. Other online search systems (cv.ge, Myvacancy.ge, ss.ge, the state employment programs) are addressed by less than 1% of young people.

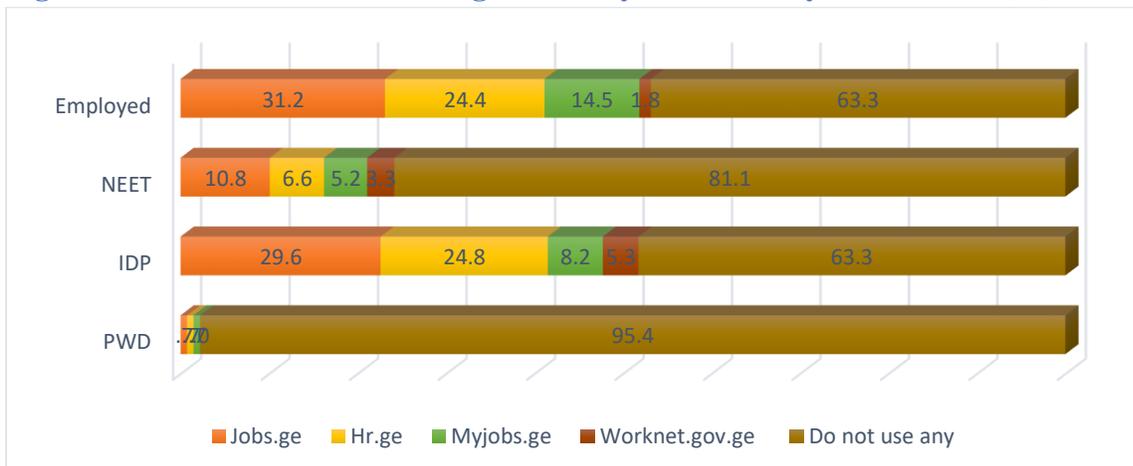
**Figure 41: Which online search engines have you used? \* by regions (%)**



The survey revealed that majority of youth (81.4%) do not use online search engines. The same trend is observed in Samegrelo-Zemo Svaneti (see Figure 41), however unlike Kakheti, such sites as are jobs.ge, hr.ge are popular compared to other regions. Young people living in Shida Kartli and Mtskheta Mtianeti are more active in terms of using the job search systems, though more than half of them do not have vacancy online searching skills.

Practices of online job search differs according to the social status of young people (see Figure 42). Young employed and IDPs are characterized by similar and comparatively more advanced skills, however still at least half of them do not use any job search engine; the same is for 95.4% of the young PWDs and 81.1% of NEETs. Jobs.ge is the most popular search engine, whereas Hr.ge is only used by IDPs and those already employed.

**Figure 42: Which online search engines have you used? \* by social status (%)**



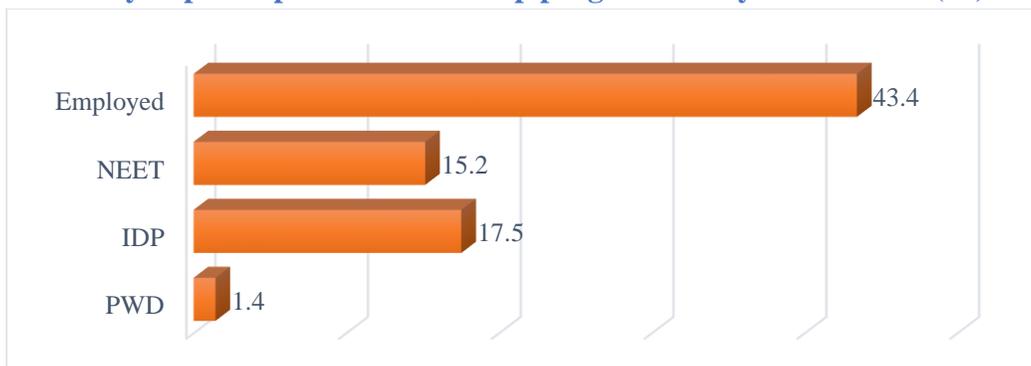
In the employment process, it seems that interviewing potential employees is more popular than testing/written exams. 79.1% of young people have never written test/exam, while 64.8% of respondents have no experience of job interview. Respondents who are tested or interviewed for

employment, on average 3.2 times have been interviewed and 5.66 times have been tested by written exam. Among the 80% of young people who have never written the test for employment processes, majority comes from Kakheti and Samegrelo-Zemo Svaneti region, and the PWDs and NEETs. Between the 65% of those young people who have never been interviewed for employment, the same groups (population of Kakheti and Samegrelo Zemo Svaneti, Persons with Disabilities and NEETs) are in majority.

Young people who have been interviewed for employment, were asked how successful the last interview was. 73.8% of respondents think that the interview was successful, and 12.2% indicate that it was more successful than unsuccessful. The results of the interview were negatively assessed by 13.7%. Among those who consider the interviews unsuccessful, the majority of young people are residents of Samegrelo-Zemo Svaneti and Kakheti regions, PWDs and NEETs, female and relatively older persons. As the reasons for unsuccessful interview young people mostly refer to lack of transversal skills (24.9%), also lack of foreign language knowledge, lack of vocational knowledge, and insufficient qualifications. According to the categories, the insufficient professional knowledge as a reason for failure at interview is named mostly by young people and IDPs living in Kakheti, whereas the lack of transversal skills is mostly indicated by residents of Samegrelo-Zemo Svaneti and NEETs.

Interviews with employers and experts revealed that internship as an opportunity for intern to learn the working style, specifics, management model and other details of the organization, is an important process for further employment. There were cases when an intern was employed after completing the internship in the company. However, as the general assessment, experts pointed out that internships and volunteering are not very attractive activities for Georgian youth, since they want to earn money from the very beginning of their career. Every fifth young person (21.7%) participating in the research has completed the internship. Situation is almost the same in all regions (slightly higher in Shida Kartli, and slightly lower in Kakheti region). In terms of internships, there are radical differences among young people with different social status (see Figure 43). Almost every second young person employed has been an intern and almost none of the PWDs. In IDPs and NEETs this indicator is less than 20%.

**Figure 43: Have you participated in internship programs? \* by social status (%)**



Most of the internship duration is 1 month (29.3% of cases), but there are occasions when the internship lasts a year, one and a half or two years. An average duration of an internship is 5 months. Duration of the internships are different from region to region. For instance, internships in Kakheti region have a duration of month and a half, while in Samegrelo-Zemo Svaneti they last for almost five months, in Shida Kartli - for half a year, and in Mtskheta-Mtianeti - for 7 months. People with disabilities were interns for about a month, IDPs for a month and a half, and the employed young people - for three and a half months. NEETs participated in the longest internship programs with duration of on average 7 months.

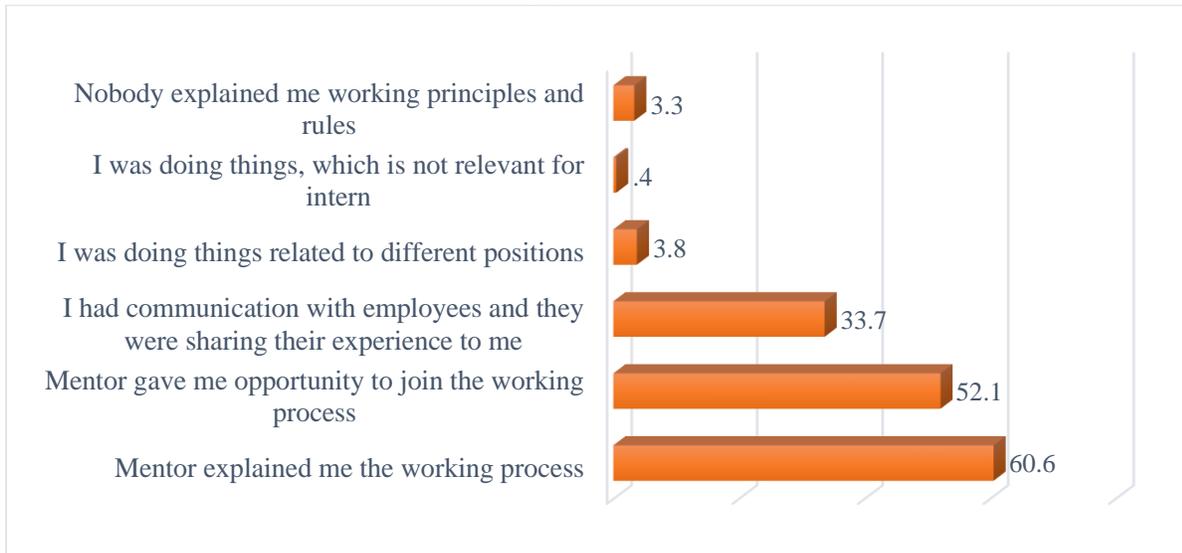
**Figure 44: Internship formats the young people participated (%)**



As indicated by Figure 44, most of the time the young people become interns on demand of the potential employers. This format of internship is most often found in Kakheti and Samegrelo, as well as among the employed people. 6.4% of the total young people interviewed were interns in the education program and production practice format, which is almost a half of those who have completed the internships. Production practice internships are most common in Shida Kartli, then in Mtskheta-Mtianeti, followed by Samegrelo-Zemo Svaneti; least common it is in Kakheti. Most often the employed persons and IDPs chose production practice within their internships. There are few cases of internships on the initiative of the young persons (8.7% of total internships), but such initiatives are more common among the employed, then IDPs and finally NEETs young groups. There is no similar initiative among people with disabilities. The most frequently in the internships within the employment program have participated the IDPs, more rarely employed and the NEETs. There are no such cases with PWDs.

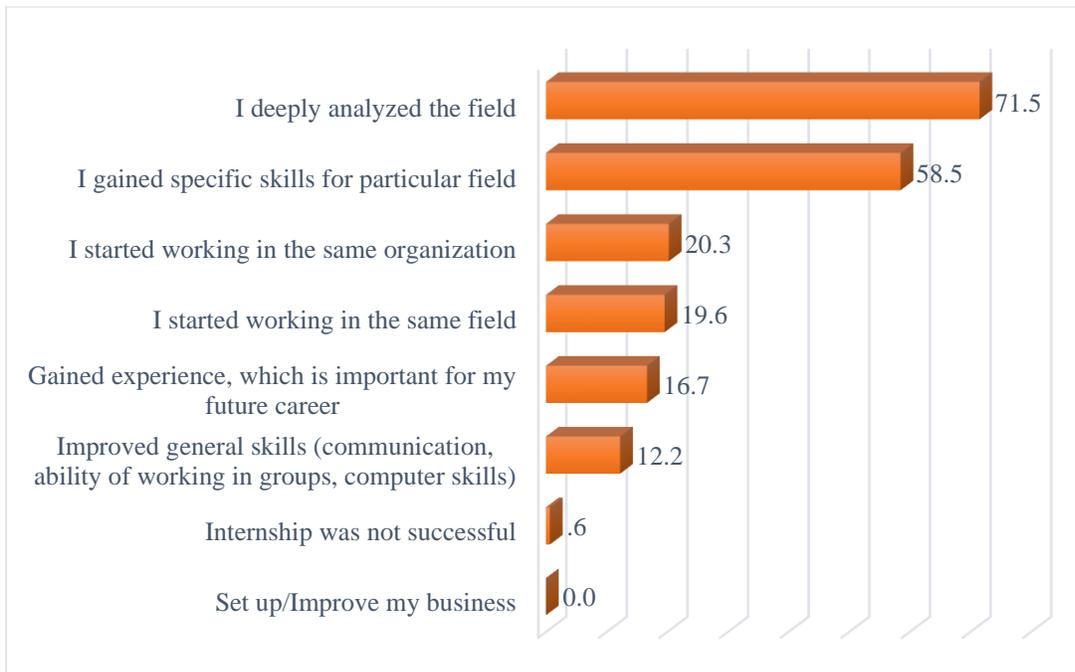
As research revealed, the young people with internship experience evaluate this process quite positively (see Figure 45). Only few cases are recorded when an intern has been involved in irrelevant work, or when intern’s duties were not explained. Young people describe the internship process positively: mentor explained work process, gave opportunity to work independently, had intensive communication with other employees.

**Figure 45: Description of the internship process (%)**



Research showed that internship is most efficient for deeper understanding of the sphere of work (Figure 46). This aspect is particularly emphasized by the employed young people and NEETs, residents of Samegrelo-Zemo Svaneti region. More than half of those involved in the internships are developing special skills, this was emphasized more in the IDPs social group and residents of Samegrelo-Zemo Svaneti. After the internship, every fifth intern started working in the same organization. The fact that internship is an efficient tool is confirmed by the trend that every fourth person got employed in the same sphere where he/she took an internship.

**Figure 46: Result of internship (%)**



In the frameworks of the qualitative research, the experts evaluated negatively the effectiveness of employment support programs. The state structure supporting the employment process is the Employment Promotion Department of the Social Service Agency; we decided to check the information awareness of the young people about the projects implemented by the Department, their involvement and how program beneficiaries evaluate the program efficiency; the questionnaire in addition included questions on municipal employment programs. Evaluation of the programs was carried out with the following criteria: awareness, engagement, and outcome. Table 21 shows the results of the survey.

**Table 21: Awareness, involvement and efficiency of the employment programs (%)**

<b>Employment programs</b>	<b>Awareness</b>	<b>Involvement</b>	<b>Participation results</b>
<b>State program for professional training/retraining and qualification improvement of the job seekers</b>	13.0	6.9	Got employed
			Started Internship
			Became more competitive in labor market
			Learnt to prepare required document for employment (CV, Cover Letter
			Registered on worknet.gov.ge
			Receive job vacancy information
			Can correctly evaluate own capabilities
			Consultations helped in career planning
			Met and talked to potential employers
<b>Individual and group consultations for job seekers</b>	4.2	5.1	Got employed
			Developed important (transversal) skills required for employment
			Started Internship
			Became more competitive in labor market
			Learnt to prepare required document for employment (CV, Cover Letter
			Received information on rules of an job interview
			Registered on worknet.gov.ge
			Receive job vacancy information
			Can correctly evaluate own capabilities
Met and talked to potential employers			
<b>Employment forum</b>	24.1	4.6	Developed important (transversal) skills required for employment
			Obtained/developed employment prospective profession
			Started Internship
			Received information on rules of an job interview
			Registered on worknet.gov.ge
			Receive job vacancy information

Employment programs	Awareness	Involvement	Participation results
			Met and talked to potential employers
<b>Working place salary subsidizing</b>	<b>4.5</b>	<b>0.0</b>	
<b>Labor Market Information Management System worknet.gov.ge</b>	10.9	5.4	Developed important (transversal) skills required for employment
			Started Internship
			Became more competitive in labor market
			Received information on rules of an job interview
			Registered on worknet.gov.ge
			Receive job vacancy information
			Can correctly evaluate own capabilities
			Consultations helped in career planning
			Met and talked to potential employers
			Registered at the Employment Promotion Services of the Social Service Agency
Became beneficiary of the working place salary subsidizing program			
<b>Professional counseling and career planning services</b>	<b>5.1</b>	<b>0.0</b>	
<b>Supported employment</b>	8.7	8.7	Became more competitive in labor market
<b>Employment Shuttle</b>	<b>4.4</b>	<b>0.0</b>	
<b>IDP Employment Grant Program</b>	5.7	1.2	Developed important (transversal) skills required for employment
			Became beneficiary of the working place salary subsidizing program
<b>Employment municipal program</b>	4.7	1.8	Obtained/developed employment prospective profession
			Can correctly evaluate own capabilities

In general, the awareness about employment programs is low. The most famous for youth is "employment forum", which is known to every fourth young person. Every tenth young person knows "State program for professional training/retraining and qualification improvement of the job seekers" and the "labor market information management system worknet.gov.ge". The information about the rest of the programs is known to not more than 5% of the respondents.

Lack of information about employment programs leads to low participation level in these programs. The highest rate of participation is in the “State program for professional training/retraining and qualification improvement of the job seekers” (6.9%). Although the Employment Forum is the most recognizable employment program, the share of participation does not exceeds 5%. Young people engaged in employment programs evaluate the programs rather positively in terms of their efficiency, but it is important that only two of the program beneficiaries were employed by the programs " State program for professional training/retraining and qualification improvement of the job seekers" and "individual and group consultations for job seekers." The results of the survey indicate that people involved in employment programs consider these programs to be quite effective, but the main challenge for these programs is to increase awareness and participation motivation in the society.

Within the framework of the project, the subject of research was not only the person’s employment process at paid-job but also entrepreneurial activities. 7% of the target group of employed persons were entrepreneurs. Considering the importance of entrepreneurship development, similar to the employment program evaluation, we asked the respondents to evaluate entrepreneur programs according to the awareness, participation, and efficiency (see Table 22).

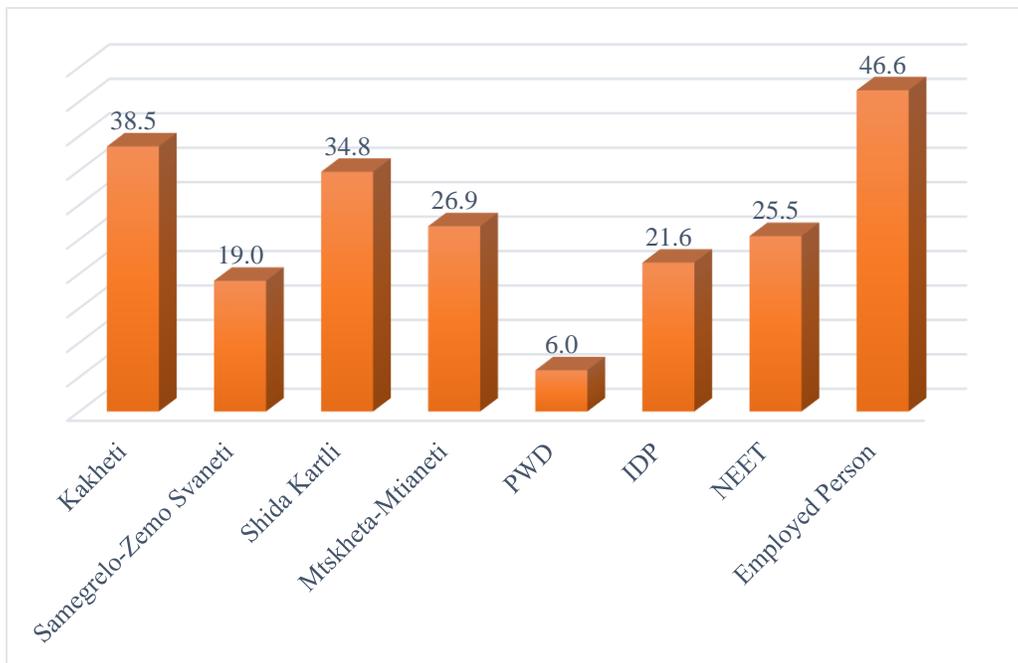
**Table 22: Awareness, participation, and efficiency of the entrepreneurship development programs (%)**

<b>Entrepreneurship programs</b>	<b>Awareness</b>	<b>Participation</b>	<b>Participation Results</b>
<b>Plant the future</b>	40.1	2.7	No benefits received
<b>Agricultural Promotion Program</b>	19.6	0	
<b>Preferential agro credit</b>	27.6	0	
<b>Young entrepreneurs living in villages support program - "Young Entrepreneur"</b>	14.7	0	
<b>Produce in Georgia</b>	56.5	0,7	Got full-scale financial support for business development No benefits received
<b>Co-financing project for</b>	8.7	0	

Young people are more informed about entrepreneurship programs than the employment programs. One of the most famous programs for entrepreneurship is the program "Produce in Georgia", which is known to more than a half of the young people; the most unknown is support program for entrepreneurs living in villages - "Young Entrepreneur". Very few from the young people surveyed in the regions participated in the entrepreneurship supporting activities. The results of programs for entrepreneurship development are more skeptical. None of the 4 people involved in the programs have evaluated the program efficiency positively. Unlike employment programs, entrepreneurship programs do not need awareness raising activities, but to raise the effectiveness of its content is an important challenge.

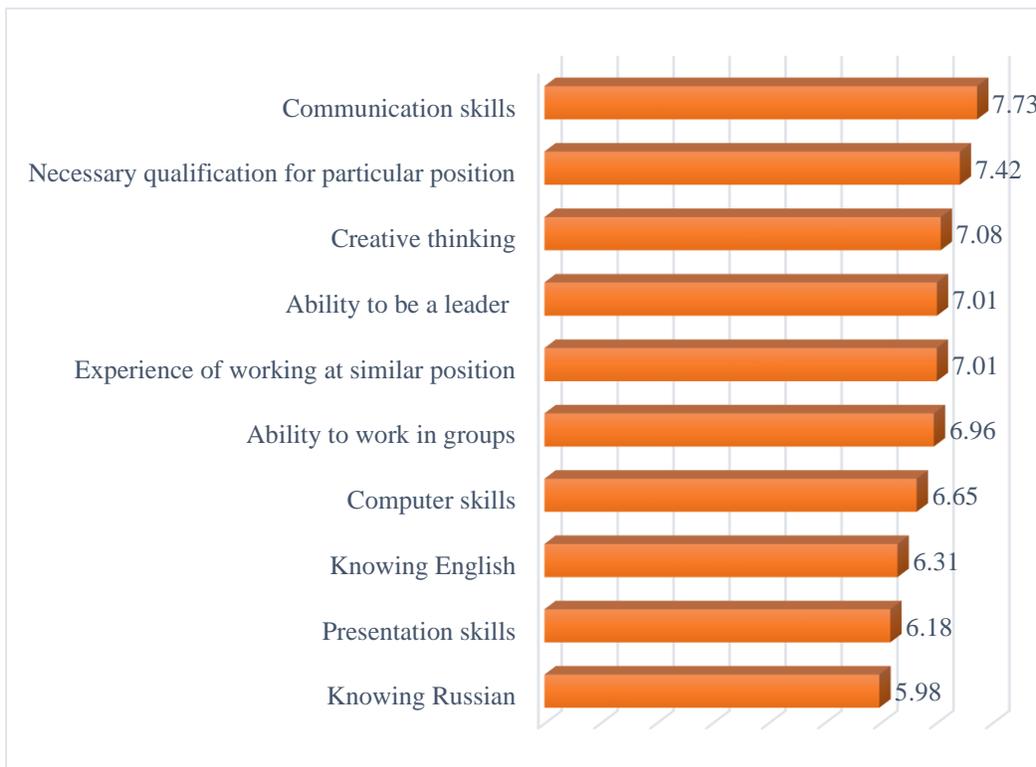
The labor market orientation, of course, means to be aware of its requirements. During the research process the respondents were asked whether they were informed about the employers' labor demands in the region. Only 29.8% of young people have this information. The most informed about these demands are the employed persons (46.6%) (see Figure 47), and the least informed - persons with disabilities (6%). Every fifth IDP and every fourth NEET have information about labor market demands. According to regions, young people living in Kakheti and Shida Kartli are best aware of the labor market requirements, and the least informed are young people living in Samegrelo-Zemo Svaneti region.

**Figure 47: I know the employers' demands in my region \* by region \* by social status (%)**



The young respondents, who were aware of the labor market demands, have evaluated 10 criteria important for the employer by 10-point scale. Figure 48 shows the average indicator for each criterion (where 1 is minor and 10 is very important). Young people have given each component a fairly high estimate, which is in principle compatible with the employer's excessive demands. From the transversal skills the respondents considered most important for the potential employer the communication skills, critical thinking, and leadership skills. The qualification is on the second place and the work experience shares the fourth position with leadership skills. Interestingly, the young people considered the knowledge of foreign languages and the digital skills less important than the general transversal skills (knowledge of Russian language was considered the least important).

**Figure 48: Evaluate the importance of each aspect for the employer in the employment process on the 10-point scale (evaluate most important – 10, and the least important – 1) (average indicators)**



Results significantly differ among young people with different social status. People with disabilities value each component by lower scores (the highest importance is given to communication skills - 6.62 and the lowest to the appropriate qualification of the position - 3.59). Employees and NEETs make almost similar assessments to each component, although there are differences too. The young employed person gave the highest rating (7.75) to critical thinking, and the lowest to Russian language (5.98), while NEETs consider the most important the appropriate qualification of the position (7.57), and the lowest - the presentation skills (6). Compared to other

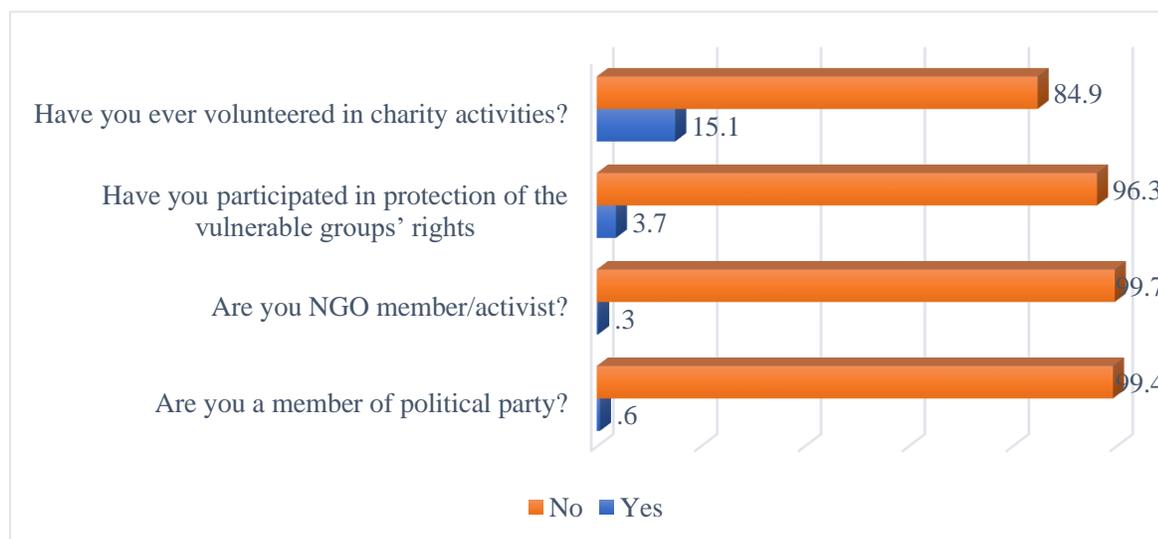
groups, the young IDPs assign higher points for each component; the most important are the communication skills (8.98), and the least important is (3.75) knowledge of Russian language.

The labor market orientation skills are less developed among the target youth living in four regions of Georgia. Young people do not have the skills to prepare the necessary documents for employment, one third of them do not have online communication possibility with the potential employers (no e-mail), more than two thirds of them do not use any online job searching system, the majority never participated in internship programs, have not written job test and have no job interview experience. Majority of the young people are not aware of local market demands. In the formal employment process (very often the social connections are main tool for employment) this situation can be insurmountable barrier to the employment for most of them. Targeted youth are less aware of employment support programs, but those involved in these programs consider them as effective. Young people are aware of the entrepreneurial programs, but participation level is low and there are no positive assessments. However, this may be due to less initiatives and skepticism towards entrepreneurship in general.

### Young People in Volunteer Activities

The last component evaluated when studying the targeted youth of four regions, was the participation in volunteer activities. However, the respondents show low activeness in this direction too. As shown in Figure 49, local young people are very passive in terms of civic and political participation. There are only few cases when young people are NGO members/activist or political party members. Only 3.7% of them have participated in protection of the vulnerable groups' rights. Relatively more young persons have participated in the charity activities, but this indicator is only 15.1%.

**Figure 49: Characteristics of the civic activity (N = 400) (%)**



Civic activeness of young people is significantly determined by their place of residence (region), social status, gender and age. There are 4 cases of political party membership, where: 1 is a person with disabilities and three are IDPs (2 cases in Samegrelo-Zemo Svaneti region, 1 in Mtskheta-Mtianeti and 1 in Shida Kartli; 3 are male and 1 is female; their age group is 24-25 years). There are two members of the non-governmental organizations: one is IDP and another - young person employed, both from Mtskheta-Mtianeti region, male and female of 17 and 25 years old. For the protection of vulnerable group rights relatively active are the IDPs (7.7%), employed persons (5.6%), and persons with disabilities (4.1%). NEETs are passive in this direction too. Higher activeness in protection of the vulnerable groups rights is observed in Kakheti region (6.3%), followed by Shida Kartli (4.1%). The participants of this activity are gender balanced and represent different ages. In the charity activities the participation of employed young persons is 16%, followed by NEETs (15.2%), and IDPs (14%). Only 5% of young PWDs have been involved in charity activities. In regional terms, comparatively high activeness is in Mtskheta-Mtianeti region (28.8%), followed by Kakheti region (16.8%). In charity activities male participation is higher (20.1%) than of females (11.3%); there is no unequivocal trend in terms of age.

In terms of charity activities, young people mainly provided support by financial resources or by collecting money (13.2%) (See Table 23). There are also few cases of implementation of different types of activities.

**Table 23: What were your actions within the charity activities? (N = 400)**

<b>Charity activity</b>	<b>%</b>
<b>Helped financially</b>	6.7
<b>Collected money</b>	6.5
<b>Helped physically</b>	4.6
<b>Helped with different resources (cloths, food, medication, etc.)</b>	4.1
<b>Organized charity event</b>	3.3
<b>Collected different resources (cloths, food, medication, etc.)</b>	3.1
<b>Was involved in environment protecting activity/in clean up activity</b>	3.0
<b>Started information campaign to help an individual/ a group</b>	1.9
<b>Sang at the concert</b>	0.3
<b>Prepared the performance</b>	0.3

In general, the targeted young people are characterized with low level of civic and political activism. In charity activities the participation is relatively high, however it is only 15%. In volunteer activities the people with disabilities are also reluctant, and slightly more active are the IDPs and employed persons.

## Barriers to Education for Young People

During the research process, we asked the target group of young people what barriers have they faced or are facing in their education process. Share of young people who faced/are facing barriers to receiving the desired education comprises 17% (4.1% have difficulty to answer this question). Every second young person living in Mtskheta-Mtianeti (50.5%) refers to barrier faced in education process, and each fifth young person speaks about it in Shida Kartli. 15% of young people living in Samegrelo-Zemo Svaneti region speak about educational barriers. The share is lowest in Kakheti region (5.8%). In the process of education, the barriers were faced by 24.6% of PWDs, 17.1% of NEETs, and 15.1% of employed young persons and IDPs. The existing barriers in educational process are differently evaluated by young women and young men. 20% of young women and 11.2% of young men claim that they have faced certain barriers in the process of receiving the desired education. However, a significant gender difference in content assessment does not occur, except when young women more often than young men refer to the issue of physical access to schools.

Table 24 outlines the percentage indicators showing the barrier to education at different educational levels and the type of barriers. Young people participating in the survey most often face barriers at the bachelor's level of education, then in the vocational education process. At the stage of general education, PhD level and certificate courses the level of barrier occurrences is low.

The problem of physical access to an educational institution – the issue most important for PWDs is a barrier at all stages of education. The lack of skills required for learning is still a problem for people with disabilities and can be found at the primary, secondary and bachelor's levels of education. Although the State has taken the obligation of inclusive education to ensure persons with disabilities, it seems that it has difficulties to fulfill it. It is alarming that in Mtskheta-Mtianeti one PWD was denied general education at school. There is no well-organized educational infrastructure in the regions. The essence of educational integration of people with disabilities is also incorrectly understood. The main purpose of including PWDs in education process is their integration and not the growth of academic performance. The fact that people complain about the lack of skills needed to start learning, difficulties in learning process is direct indication of wrong understanding of the concept of inclusive education.

Young people also noted the financial barriers for education. Learning fees and costs for studying are the barriers to education at every level except the general education and it is the main obstacle for PhD studies. Low level of learning is observed as obstacle at secondary schools, vocational education and higher education institutions. However, the situation at schools is aggravated by the bullying among pupils, which was quite often mentioned by the respondents and which is characteristic of the general education level. Unequal distribution of gender roles are directly

related to the barriers at higher and vocational education levels. Marriage, maternity, obligation of child or older family member care are main barriers to many girls to get the desired education.

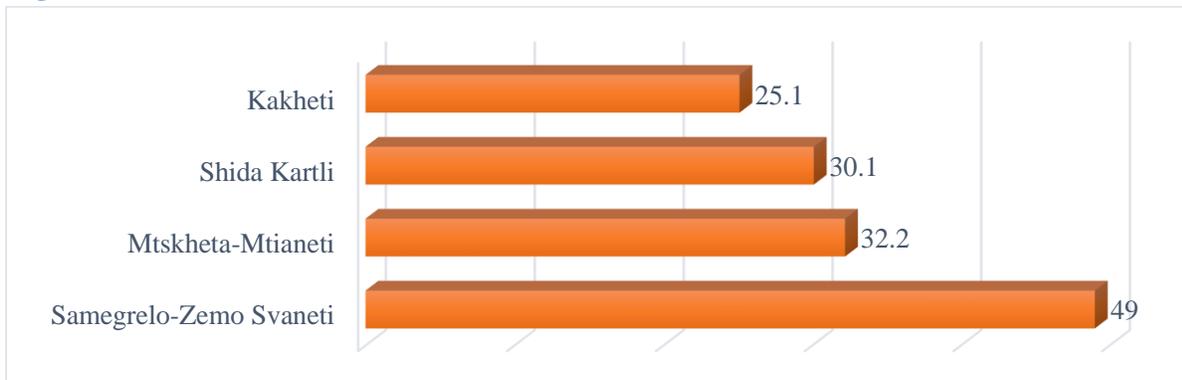
**Table 24: In which educational activity have you faced/ are you facing the barriers. What were/are these barriers?**

	<b>%</b>	<b>What kind of barriers were faced</b>
<b>Primary school</b>	0.1	Could not drive/walk to the institution
		No skills for starting studying
<b>Secondary school</b>	0.5	Could not drive/walk to the institution
		Costs required for studying
		No skills for starting studying
		Low level of teaching in the educational institutions
		Heavy health conditions
		Was not excepted at school
		Bulling
		Problem with study program
<b>Vocational education institution</b>	4.4	Could not drive/walk to the institution
		Institution was far away and difficult to reach
		Study fee amount
		Costs required for studying
		Lack of information
		No skills for starting studying
		Obligation of child and elderly care
		Low level of teaching in the educational institutions
<b>Bachelor's level</b>	8.6	Could not drive/walk to the institution
		Institution was far away and difficult to reach
		Costs required for studying
		No skills for starting studying
		No support from family
		Obligation of child and elderly care
		Low level of teaching
		Marriage, pregnancy
		No information about entrance procedures
		Deaf-mute people are not excepted at higher education institutions
<b>Master studies</b>	1.0	Could not drive/walk to the institution
		Institution was far away and difficult to reach
		Study costs
		Obligation of child and elderly care
		Working schedule
<b>PhD</b>	0.2	Study costs
<b>Certificate courses</b>	0.7	Could not drive/walk to the institution
		Study costs
		Obligation of child and elderly care

Unequal distribution of gender roles are barriers to many girls not only in access to education but also in terms of labor market integration; this has been repeatedly observed in the research when the female employees left their jobs because of the marriage, pregnancy, care for child or other family members. One of the mechanisms for preventing such facts is the well-developed childcare institutions (kindergartens) at the regional level. In the study we evaluated how the undeveloped childcare system can be a cause of unemployment.

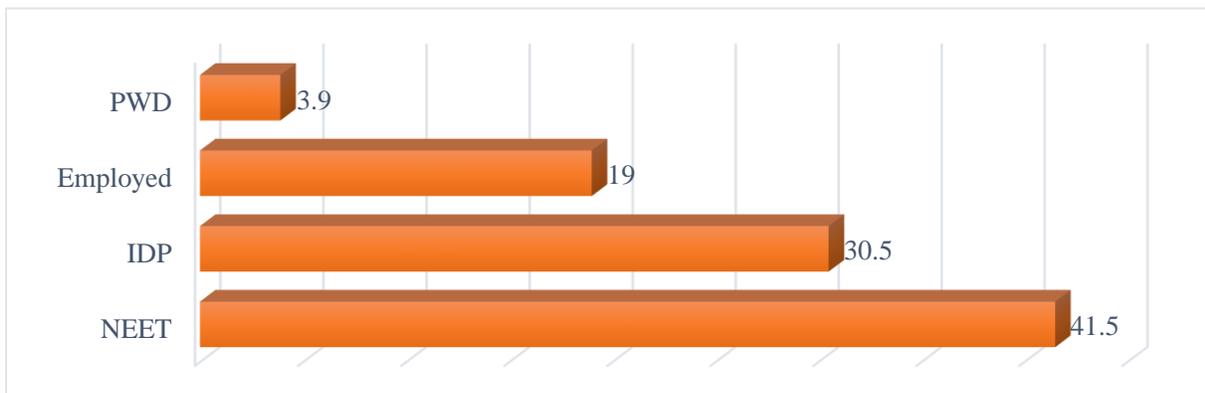
From the participants of the survey, 35% of young people aged between 14 and 29 years have a child (children). Every second young person living in Samegrelo-Zemo Svaneti has child/children. Least often representatives of this age group have kid(s) in Kakheti (25.1%), followed by Mtskheta-Mtianeti (30.1%) and Shida Kartli (32.2%) (see Figure 50).

**Figure 50: Share of respondents having 14 years old or younger child/children according to regions (%)**



Only one underage respondent has a child. In terms of gender, 81.6% of girls and 18.4% of boys are having child/children. According to the social status, only few of the PWDs (3.9%) have child/children. Numbers are low in case of young employed persons: only every fifth person in this group has child/children. Every third internally displaced person has a child/children. Most often the NEETs have child/children (see Figure 51).

**Figure 51: Share of respondents having child/children of age under 14 \* by social status (%)**



Research showed that physical care for a child or children is the function of mothers in 17.6% of cases. Distribution of responsibilities of child care among the spouses we found in 43% cases, and sharing this responsibility in a large family is in 41.7% cases. This fact indicates that if a child is little or there is no kindergarten in the village, then about 17.6% of mothers will drop out of the labor market and look after a child at home. Cases when mother is a primary child carer are most often in Mtskheta-Mtianeti (23.7%), and the least cases are in Samegrelo-Zemo Svaneti (11.3%). It should be noted that 46.2% of people with disabilities who have children are primary child carers. Occasions when the parent works and at the same time is primary carer is only 4.4%. 7% of respondents are primary child carer in financial terms. Financial responsibilities are shared between the spouses in 41.8% of the cases, and among the big family members - in 48.5% of the cases.

Children of the 55.3% of respondents of the 14-29 age category are taken care/taught in educational care institutions. The care institution can deny access of a child only due to age (i.e., child is not yet 2-3 years old). 13.7% of respondents indicate that the educational institution is not physically accessible to them. 43.3% of young parents in Shida Kartli and 8.9% in Mtskheta-Mtianeti are facing this problem. This very situation once again confirms our conclusion that existing cultural barriers hinder girls from receiving higher education and integrate into labor market; this is further aggravated by poorly developed child care systems in the regions.

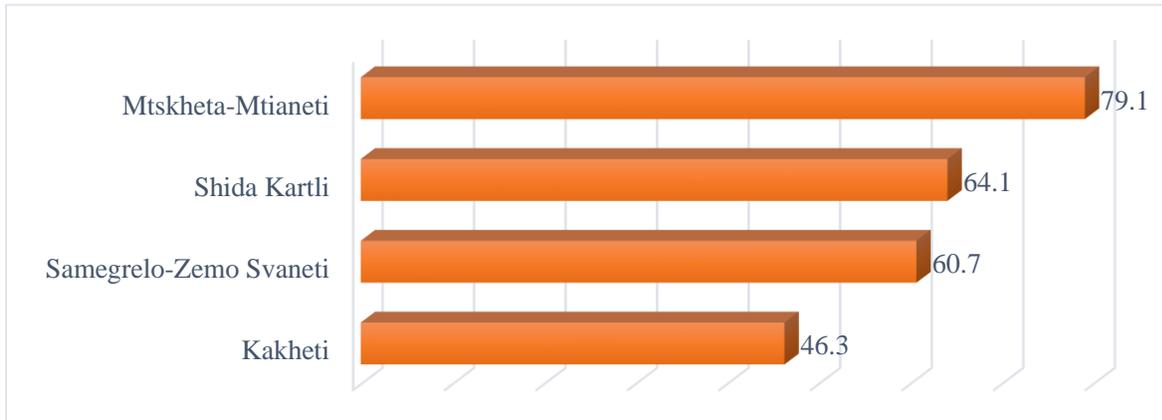
### Young People's Future Development Motivations and Orientations

Local experts talk about the lack of motivation of young people more often in terms of entrepreneurship development. They note that young people lack the initiative, interest and effort to think about starting a new business. According to one of the representatives of one of the educational organizations, when information about certain events or trainings on start-ups or self-employment is announced, only the middle age or older people participate and youth is less involved in this process. Unlike attitudes towards the entrepreneurial activities, the young people tend to have more interest in receiving further education or improvement of different skills.

58.6% of young people interviewed are willing to acquire additional skills and / or qualifications next 5 years. 32.2% of young people do not have a desire to pursue further studies and 9.2% of them do not have future plans. Future education plans of the young people differ according to their sex, residence and social status.

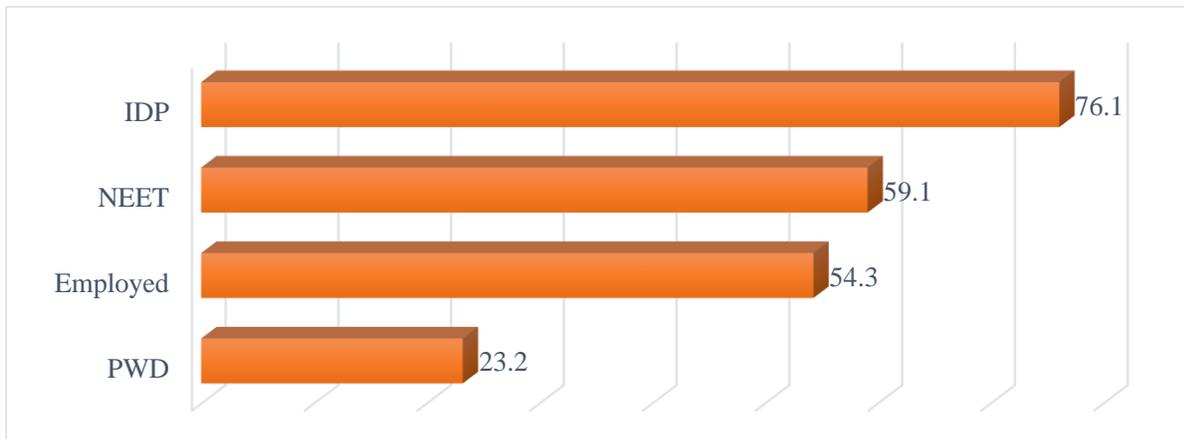
Young people with desire to pursue further education are mostly residing in Mtskheta-Mtianeti region; highly motivated is also majority of youth in Shida Kartli and Samegrelo-Zemo Svaneti; the least motivated are young people in Kakheti region (see Figure 52).

**Figure 52: Thinking about next 5 years, do you wish to acquire additional skills and / or qualifications? \* by regions (%)**



Motivation for further education is the highest among IDPs and NEETs; 54.3% of those employed are willing to acquire qualifications or develop the knowledge. Motivation for education is very low in young people with disabilities; only 23.2% of them wish to get qualification or develop skills (see Figure 53).

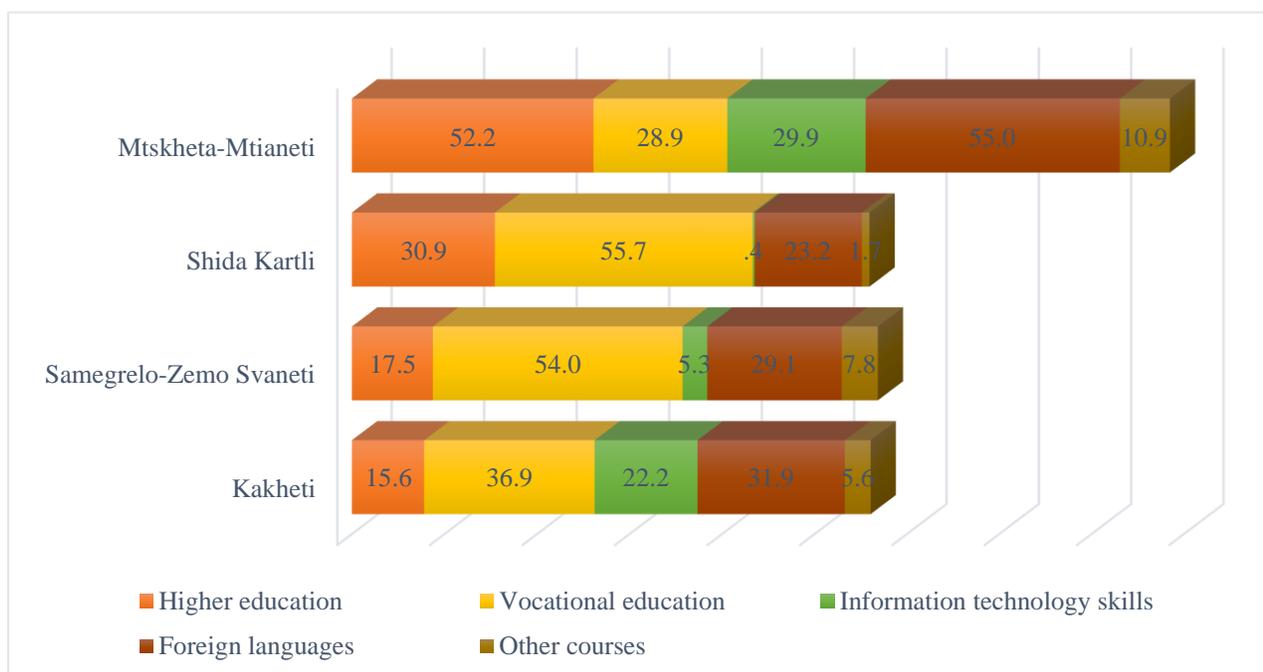
**Figure 53: Thinking about next 5 years, do you wish to acquire additional skills and / or qualifications? \* by social status (%)**



Majority of young people surveyed in the target regions (47%) are willing to get vocational education. The Desire to get vocational education does not depend on the education acquired by person. Out of those youth, who wish to acquire vocational education 38% has BA degree, 45.8% already has vocational education. 31.5% of the respondents wish to study foreign language, every fourth young person desires to receive higher education (25.1%), and 11.4% - develop information technology skills. 5.9% of respondents would like to attend other types of courses.

Desire and type of education a young person wants to acquire is determined by gender, social status and place of residence. As it turned out, the desire to get formal education is more often in boys than in girls, except for other types of causes. Motivation of education in Mtskheta-Mtianeti region is the highest (see Figure 54). Most of the young people living in this region want higher education qualifications, but more than half of them wants to study foreign language. More than half of the young people living in Samegrelo-Zemo Svaneti and Shida Kartli regions wish to receive vocational education, whereas this indicator is relatively low for Kakheti and Mtskheta-Mtianeti. Motivation to develop the computer, internet and programming skills is relatively high in Mtskheta-Mtianeti and Kakheti, and is insignificant in other regions.

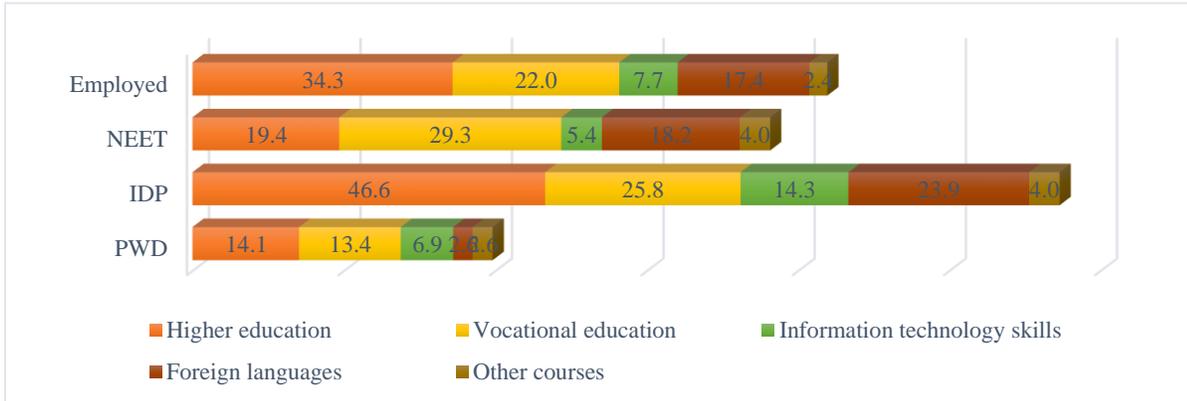
**Figure 54: What type of qualifications and/or skills do you wish to develop? \*by regions (%)**



Future educational motivations are the lowest among young PWDs (see Figure 55). 14.1% of them want to get higher education qualifications, 13.4% - vocational education, 6.9% - develop the computer, internet and programming skills, 2.6% - study foreign language. Educational motivations are not very high among NEETs, and those interested in obtaining vocational education in this group exceed those who seek higher education. In this group, the share of young people who want to learn foreign language is high, however, it is less than those who wish to develop the computer, internet and programming skills. Share of employed young people willing to receive education or develop different skills is less than the share of those among NEETs (this can be explained by the fact that young people in this group already have different levels of education). However, this group has the higher education motivation than of a vocational education. Among the employed young people desire to learn foreign language is also high. Young IDPs have the

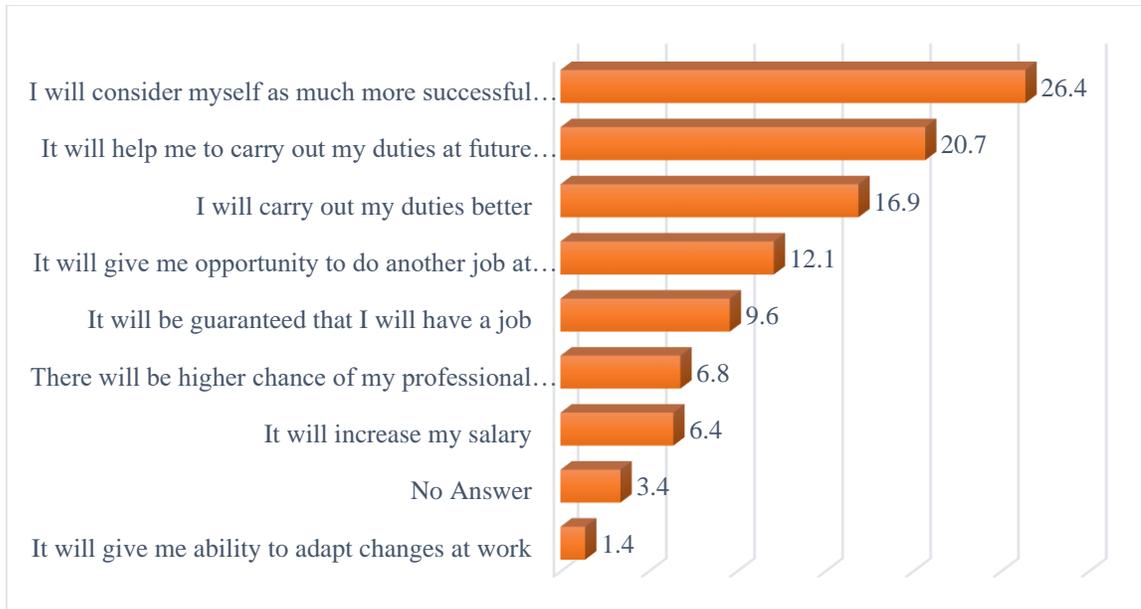
highest motivation for education; almost every second IDP wishes to receive higher education, and every fourth - the vocational education. Desire of those in this group to study foreign language, or acquire information technology skills is much higher than in other groups.

**Figure 55: What type of qualifications and/or skills do you wish to develop? \* by social status (%)**



For Georgians often education is perceived as not a pragmatic instrument for future income, employment or career growth, but as a value itself. This has been observed several times in the research. Every fourth respondent who plans to get education in different directions in the future, underlines that in this case he/she will feel/perceive him/herself more successful (see Figure 56). Other reasons that are also underlined are the motivation for better performance of functions in the current or future work. The least mentioned motivators for education are the specific goals as increase in income and career advancement. Among the educational motivations respondents also mention wish for traveling abroad which is more often related to foreign language studies.

**Figure 56: What benefits do you expect after acquired qualifications or skills? (%)**



As results show, more than half of young people have future development wishes in terms of acquiring formal qualification, as well as developing skills required for the labor market (foreign languages and digital skills). As for different social status groups, research identified that young PWDs are among the most inert groups in terms of development motivations. Young IDPs show exceptional high motivation for development in almost every direction. The research also revealed that motivation for development in one fourth of the youth is a goal itself and is not related with better integration and career advancement in the labor market. However, sorting and refining these orientations can have a positive impact on young peoples' human capital development and increase their chances of employment in the labor market.

## Chapter 4. Non-Formal Education Providers

This chapter presents an overview of the non-formal education providers in selected regions. Namely, it analyzes the programs/projects run by these organizations vis-à-vis the demand for labour and local economic development perspectives. Two groups of providers are distinguished: the ones operating on a national level and those operating on local level. National level providers are usually headquartered in Tbilisi (with the exception of KEDEC, which has its head office in Kutaisi) and they operate in the regions either via local partners or via branch offices. The local providers, as definition suggests, operate only in their region/municipality. Assessment of the operation of national providers is provided separately and reflected upon in the sub-sections on specific regions. Table 25 provides overview of the organizations, which operate in the four regions of interest.

**Table 25: Non-formal education providers in selected regions**

<b>Samegrelo-Zemo Svaneti</b>	<b>National providers:</b> GITA, KEDEC, WVG, CDC, CHCA
	<b>Local Providers:</b> Atinati, Dioskuria, Youth for Mountains
<b>Kakheti</b>	<b>National providers:</b> WVG, CDC, CHCA
	<b>Local Providers:</b> Knowledge Café, TEDEC, KRDF
<b>Shida Kartli</b>	<b>National providers:</b> CHCA, CDC, KEDEC
	<b>Local Providers:</b> Biliki, Welfare & Development Centre, Shida Kartli Civil Forum
<b>Mtskheta-Mtianeti</b>	<b>National providers:</b> CHCA, WVG
	<b>Local Providers:</b> For Better Future, Association for the Welfare of Society

The reader should bear in mind that organizations, which are reviewed in this chapter, do not represent educational institutions. In Georgian context NGOs have taken the lead in providing non-formal education. Respectively, the report discusses not only the training content, but also the projects/programs implemented by these organizations, since it is through the framework of these projects that non-formal training takes place.

### National Non-Formal Education Providers

The study focuses on five main providers in Georgia, which have the largest scope of operation. These include World Vision Georgia (WVG), Kutaisi Employment, Development and Education Centre (KEDEC), Centre for Creative Development (CDC), Charity Humanitarian Centre

Abkhazia (CHCA) and Georgian Innovation and Technology Agency (GITA). These organizations operate in several regions of Georgia and respectively, manage to cover considerable number of beneficiaries. Below is the overview of the major areas of their operation.

### **Charity Humanitarian Centre Abkhazeti (CHCA)**

CHCA works in all 4 target regions identified in this study. The organization has 4 main operation areas: a) livelihood support for vulnerable groups of population b) Youth and Child development c) Charity for IDPs and d) Peace building. Under the Child and Youth direction CHCA currently has 3 projects:

- 1) Supporting children residing in Small Group Homes
- 2) Supporting employment of children in conflict with law
- 3) Supporting employment of children in the system of state care

The second and third projects are of particular importance for given analysis as they include non-formal education provision, as well as other school-to-work transition mechanisms. Below we provide details for each project.

#### Supporting children in conflict with law

*Project Duration: Spring 2017 – spring 2020*

*Geographical Location: Kakheti, Shida Kartli and Samegrelo*

This project has 2 sub-components: a) working in the penitentiary institutions and b) working with ex-offenders. The first component is carried out in two penitentiary institutions in Rustavi (Kvemo Kartli) and thus is not relevant for current analysis. As for the second component, it covers 75 beneficiaries in selected regions. CHCA supports them through provision of start-up grants and in some cases vocational education. Namely, there are three types of grant schemes:

- a) Grants of EUR 400 + vocational training courses for 2-3 months. Training takes place outside VET colleges by CHCA hired trainers.
- b) Grants of EUR 1200 + training in soft & business skills
- c) Grants of EUR 3000 + training in soft & business skills. Beneficiaries are required to employ at least 1 ex-offender.

The package of soft skills training includes following topics: communication, conflict management, team building, job search (CV writing, job interview skills and looking for job online). This set is elaborated and delivered by Centre for Strategic Research and Development of Georgia (CSRDG). The entire package of trainings runs for 4 days. As for the business trainings, these are done by CHCA itself. This is a 2-day training primarily focusing on development of business plans.

## Supporting employment of children in the system of state care

*Project Duration: 2016-2019*

*Geographical Location: Shida Kartli, Kakheti, Mtskheta-Mtianeti*

This project targets youth in the age range of 14-22 who have just left the state care system. This includes Small Group Homes (SGHs), foster care and day care centers etc. As CHCA representative note these are a rather difficult target group and involving them in project activities is difficult. CHCA has wrongly assumed that all of them would be eager to work. As it turns out many of these young people are not psychologically ready for taking up a job.

The project has two main components: trainings and internships, which should lead to employment. There are 115 beneficiaries in total. All of them are supposed to receive training, 92 out of 115 will undertake internships and at least 55 should find employment by the end of the project.

The trainings cover soft skills and trainings on social entrepreneurship. CHCA has 2 volunteers in each region, who received the ToT and who continue training the final beneficiaries. The set of trainings include:

- 1) perception objectivity management
- 2) verbal communication
- 1) non-verbal communication
- 2) conflict management
- 3) types of behavior
- 4) group work and leadership
- 5) self-branding
- 6) creativity
- 7) job search training (CV Writing, Job Interviewing, Looking for a job online)

Each training course lasts for 4 hours and the total course usually takes 2-3 months. These are not standard classroom training. Given the background of the participants (some of them can't read or write) it has to be non-theoretical and appealing. Thus, trainers use forum theater method, role-plays and movies to deliver the training.

As for the internship component it is open for any project participant, however, the latter are very reluctant to engage in such an activity. For those who express interest CHCA identifies relevant private company and starts the job mediation process. As CHCA project manager notes employers have rather welcoming approach and are eager to open their doors for inters.

CHCA has two main ways for employing the beneficiaries of this project. Through job mediation in the private sector (as described above) and through operation of the Social Enterprise (SE) grant

scheme. Choosing an employment sector is based on the wish of the beneficiary. CHCA starts the mediation process with companies once the young person has made up her/his mind about starting a job. CHCA has placed 20 youth in jobs in this way.

Another way of increasing employment statistics is through providing social enterprise grants. CHCA has come up with original approach to social enterprising: namely, it has announced an open call for SE for existing businesses. This component has a budget of EUR 17 000 which was used to fund the establishment of 6 SEs (2 in each target region). After selecting a business company CHCA forms a joint venture with this company with 2/3 of votes belonging to CHCA. In this way the organization ensures that the private company stays true to the social component of the venture and employs at least 2 project beneficiaries. Average number of beneficiaries employed per SE is 5.

### **Georgian Innovation & Technology Agency (GITA)**

GITA is the only state agency, which was included on the list of non-formal education providers, due to the significance and scope of their activity. GITA works to promote innovations and technologies through infrastructure development, technical assistance & skills development, and access to finance. Their priorities are infrastructure for digital technology, technological support to SMEs, digital use of households, and collaboration with universities through the creation of Techno-Parks, Fab-Labs and Innovation Centers. With the financial support of the World Bank, GITA creates “Community Innovation Centers” throughout Georgia where they develop broadband fiber internet connection for all, so that everyone in community has access to internet. Regional innovation centers have four main components: classroom for trainings, computer lab, co-working space and Maker Space (collaboration space for those working on developing prototypes). Trainings in innovation centers run in social media, web-page development, HTML, print media, operating a blog, as well as other tailor-made trainings. For the last couple of years this included trainings in innovation management, IT project management and courses in different programming languages like Android, Java, iOS, PHP, Python etc. It is critical to note that course selection is based on market research and constant communication with the industry making the trainings highly relevant.

It is critical to note though, that Community Innovation Centers are just being established and at the moment of writing exist only in Zugdidi, Bagdadi, Kharagauli and Choporti (except of Tbilisi of course). Out of these only Zugdidi falls in the focus area of given study.

Nevertheless, the scope of the activities is quite tangible and GITA plans to expand its service provision by building more “innovation centres” in other regions of Georgia. Main funding comes from the government ensuring sustainability of the programme for the nearest future. The only challenge with described training courses is that GITA does not follow the training participants upon completion and thus cannot track/evaluate the long-term impact of its intervention.

## **Creative Development Centre (CDC)**

CDC is a non-governmental organization, which works very closely with GITA. It was established in 2014, with the primary objective of supporting youth with vulnerable background. Three priority areas of operation include: non-formal learning, youth capacity building and social innovations. The organization puts much emphasis on developing IT skills and innovations among youth and most of their projects are focused on this area. Probably the most interesting intervention is the project on “Developing Digital Marketing Skills in Tourism Sector”. The project was launched in 2019 and it covers Samegrelo (Zugdidi, Tsalenjikha, Anaklia), Kakheti (Akhmeta) and Shida Kartli (Gori, Kaspi) regions where an open call was announced for participation. Everyone with interest in engaging in touristic business (e.g. opening a guest houses, renting a room on Airbnb) could join the program. CDC conducted trainings in areas like digital marketing, fundraising, creation of web-site, registering hotel online etc. In total 200 new businesses were established in target regions. Important to note that this project was open to every age group representative, however, youth ended up as the main beneficiaries. The project ends in 2021.

Apart from this, CDC runs a one –year project on strengthening civil society in the regions of Georgia. In this case youth are the primary target group. Groups of young people in Leliani (Kakheti), Senaki (Samegrelo), Keda (Adjara), Bagdati (Imereti), Koda (Kvemo Kartli) and Gori (Shida Kartli) receive training/seminars on various challenging issues surrounding youth (unemployment, access to education opportunities, etc). Based on the information received during the seminar young participants organize a forum theatre to initiate public discussion on the topic. The project is one year in duration and ends by the end of 2018.

CDC in cooperation with GITA runs number of other initiatives as well, which have a nation-wide coverage, but their implementation does not take place in the regions. These include competitions and hakatons announced for any interested participant from Georgia. Selected participants are invited to Tbilisi, where they receive additional training and support. Since, these activities do not have specific regional focus we do not include them in the analysis.

## **World Vision Georgia**

WVG operates in 7 municipalities and 3 regions (Imereti, Kakheti, Samtskhe-Javakheti). Enhancing youth participation and engagement to create positive changes at individual, family and community levels is one of its three major work areas. The programme targets young people aged 13-17 (lower secondary school students) with an objective of increasing their civic participation. WVG operates through youth clubs at community and regional level. The youth clubs have two main areas of activities: non-formal learning and mini-grants scheme.

The non-formal learning component comprises of the series of trainings in soft/life skills (e.g. communication, leadership etc.), while through the mini-grant component local youth get the opportunity to develop project ideas for local community development and apply for funding. WVG provides active support in project writing, application, as well as financial support. In total, 50 community clubs and 30 school clubs have been created with each uniting around 20-25 youngsters (e.g. total number of beneficiaries up to 1600 youth). The programme is highly effective in mobilizing youngsters and increasing their public engagement as evidenced by the number of community projects they produced and implemented so far. However, this initiative can only have a marginal effect on school-to-work transition, since “increased employability” does not even represent the objective of the programme and it only focuses on “increasing youngsters’ civic engagement”.

Apart from the Youth Empowerment Programme, WVG launched a “Skills & Knowledge for Youth Economic Empowerment” (SKYE) initiative in 2017, which aims at increasing the employability of youth aged 18-25. The programme envisages creation of so called SKYE clubs with each having around 20-25 participants. The club members meet on a regular (weekly) basis where the mentor provides counselling and trainings in four main directions: active citizenship, employability, leadership, and social entrepreneurship. There are number of training modules under these topics:

Active Citizenship – SKYE & myself, Me and Myself, Assessment, Advocacy, Diversity, Environment, Corruption, Health, Violence, Communication;

Employability – My Profession (my future, my strengths, opportunities, my labour rights); Personal Development (Communication & conflict management, time management, decision-making, innovation & creativity, debating and argumentation); Applying for a job (preparing a CV, Job interviews, mentoring, attitudes of employer and employee); Financial responsibility (money and value of money, money flow dynamics, budgeting, savings, bank operations, bank credits, credit management);

Leadership – Leadership, team leadership (creating and motivating the team);

Social Entrepreneurship – my entrepreneurial potential, business ideas, business plans, business operations, marketing, financial side of business, special topics related to social entrepreneurship (agribusiness, tourism, handcraft).

At the moment SKYE clubs operate in Samegrelo, Kakheti, Mtskheta-Mtianeti, Tbilisi and Samtskhe-Javakhet (4 in this region). Thus, totally about 160 youth are involved in the program.

**Kutaisi Education, Development and Employment Centre (KEDEC)**

Youth represents one of the major target groups for KEDEC, which is headquartered in Kutaisi, but operates in other regions of Georgia as well. Two directions of KEDEC's activities are particularly interesting in the context of school to work transition. These include the Economic Development and Training & Education components. These two form a well-developed package of activities, which KEDEC has practiced in number of its projects. Namely, they carry out labour market needs studies and based on this roll out vocational training courses. These are usually combined with trainings is soft skills and personal development, as well as entrepreneurial learning. Starting from 2<sup>nd</sup> of November KEDEC will launch a project aimed at supporting employability of IDP youth in Samegrelo (Zugdidi) and Shida Kartli (Gori) regions. The project includes all components listed above and it will cover total of 370 beneficiaries. Project is funded by the EU and has 2 years lifespan.

Apart from this KEDEC implements number of projects focused on developing entrepreneurial competences of the participants and provided them with start-up grants. Currently, KEDEC runs another EU funded project, which aims at supporting existing and future social entrepreneurs. The beneficiaries of this project receive tailor-made trainings, develop business plans and receive funding. At the first stage 95 applicants were selected and trained, 45 out of them will proceed with developing business plans and finally 13-14 social enterprises will get funded. The project covers whole west Georgia, including Samegrelo- Zemo Svaneti region.

### **Local Non-formal education Providers**

#### **Kakheti**

Three main providers were interviewed in Kakheti. They include: Kakheti Regional Development Foundation (KRDF) located in Akhmeta; Telavi Education, Development and Employment Centre (TEDEC) and a social enterprise "Knowledge Café" based in village Tsnori.

All three represent non-governmental organizations. TEDEC and Knowledge Café originally had exclusive targeted youth and children; however, over the course of last few years they have widened their focus and included other target groups as well. As for KRDF it has been established with the support of UN High Commissioner for Refugees and the organizations' main target group have respectively been refugees residing in Pankisi gorge. Given the resettlement of refugees from Georgia to third countries and subsequent decrease in number of refugees, KRDF has also expanded its activity base by including local youth and women in their programs.

#### **Training content – reasons for selecting specific trainings**

Selection of training topics is for most cases not related to the demand on the local market. For instance, Knowledge Café positions itself as a "knowledge provider" to help young people develop in number of areas. This results in a rather broad spectrum of training starting from fundraising to

culinary workshops. As they note training/project ideas come from their interaction with young people, their wishes and opportunities that other partners have to offer.

**Table 26: Local Non-formal education providers in Kakheti**

<b>Provider</b>	<b>Target Group</b>	<b>Areas of Operation</b>	<b>Training Areas</b>	<b>Comments</b>
KRDF (Akhmeta)	Primarily refugees, but also work with local youth and women	Educational Centers for Youth and Women (ends in 2018)	Training in school subjects (history, geography) Vocational Courses (primarily working on felt, also culinary courses, nurse preparation, carpenters, accounting courses) Computer literacy Presentation skills Dancing Painting	Educational Centers are funded by the EU until the end of 2018. KRDF is currently looking for funds to continue operation.
TEDEC (Telavi)	Primarily Youth	Employment project for PWDs	Job Search skills (CV, application, job interview) Vocational courses	Project completed in 2017
		Internships for youth		10 beneficiaries only. Project ends in 2018
		Support to disadvantaged youth	English language training	Completed
Knowledge Café (Tsnori)	Youth Elderly	Cinema/Book/English language Club Multimedia Library Lobbying youth topics at the local government	Orientation for local youth who are preparing to study in the capital Using ICT for business purposes Photo shooting English training for teenagers Culinary workshops Developing online applications Fundraising	Has no ongoing projects

As for the educational centers at KRDF they have a rather specific focus: to prepare refugees for receiving Georgian citizenship. Due to this reason they teach secondary school program including Georgian history, geography, Georgian language etc. which is necessary for them to pass the citizenship exam. KRDF also runs vocational training courses, which by definition are supposed to boost employment. The courses vary in duration, for instance, the culinary workshop lasts for 4

months, while course on accounting runs for 3.5 months. During the last year KRDF has provided courses in felt processing, carpentry, nursing, accounting etc. (see table 26). Selection of these specific courses was based on common sense understanding about the most critical skills needed on the local market or for supporting self-employment, no formal labour market analysis has been carried out. The organization does not engage in tracking the success of participants post-training.

Training component at TEDEC is rather limited. According to the previous projects they have implemented job search training (package of training on issues like CV writing, preparing for a job interview, looking for jobs etc.) and English language courses. TEDEC has partnered with local vocational education colleges for provision of vocational courses, however, these components are not operational at the time of writing.

### Inclusion of private sector

Inclusion of private sector in selection, organization or delivery of trainings is almost absent at the selected providers. Out of the three only TEDEC has been cooperating with private companies, which is due to their former experience of working with companies and already established networks. However, even in this case companies are approached as a recipient of potential intern and/or employee, without including them in the preparation phase.

### Overall Assessment of Non-Formal Education Provision and School-to-Work transition mechanisms in Kakheti

As it can be observed local providers in Kakheti have a rather limited scope of operation. Most of the projects/trainings, which they currently run, will finish by the end of 2018, with no specific plans for continuation. They rely on donor funding or partnering up with a major national organization to continue operation. They provide wide range of trainings in soft skills (CV writing, job search) and to some extent vocational courses; however, total number of beneficiaries remains modest. Local providers do not offer any school-to-work transition mechanisms.

As for the national providers, 3 out of 5 discussed in the beginning of this chapter operate in Kakheti. World Vision Georgia runs youth community center and a SKYE club, CDC is implementing “Developing Digital Marketing Skills in Tourism Sector” project and CHCA has two of its most important projects in the region, which have both trainings and entrepreneurship support component.

If we look at the efforts of all organizations together, one can argue that soft skills trainings are most prevalent, while only CHCA and KRDF offer rather limited vocational courses. However, the latter largely do not reflect the demand described in chapter in xx. Training in entrepreneurship is offered through CDC and CHCA. Given the small number of beneficiaries of described interventions this is obviously not enough to have a tangible effect on the youth in this region.

As for the school-to-work transition mechanisms local providers offer none at the moment. While national level providers it is only CHCA, which provides start-up grants to a very specific subgroup of youth (persons in conflict with law). Neither do employers surveyed during the study have a structured approach to this topic. Some of the large representatives in wine industry have noted that they cooperate with local VET colleges to source talented students, which are further trained in the company. Representatives of VET college “Prestigi” note that internships are mandatory for their students and they usually send them for practical learning in the companies. This cooperation is particularly fruitful in case of cooks, tourism and wine sector – large number of interns gets employed during or after the internship. However, in absolute terms this refers to around 20-30 young people per year.

### Samegrelo Zemo-Svaneti

Organizations studied in Samegrelo-Zemo Svaneti region include “Atinati” in Zugdidi, “Dioskuria” in Poti and Akh'algarzdebi Mtistvis (Youth for Mountains) in Mestia. Like providers in other regions these are also non-governmental organizations, which focus largely on non-formal education provision. It should be noted that only Atinati and Dioskuria turned out to be actively running programs, while “Youth for Mountains” struggles to get projects funded.

While Dioskuria almost exclusively is busy providing trainings, Atinati is the only organization among the three, which carries not only trainings but also other school-to-work transition mechanisms: namely it organizes internship programs and provides youth with professional orientation support. What is more important is that these activities have been streamlined through the projects and are provided almost on regular basis. Atinati selects few partner organizations at the beginning of each year, which agree to receive interns and then matches these companies with youth depending on their interest. The internships vary in terms of duration (e.g. internships at Techno-park lasted 2 to 3 months, while internship at the public service hall had only 2 weeks duration). Atinati stresses the need for internship component, which is the only way they can attract student to their programs. As their representative noted, if students do not see any direct benefit (like a potential for finding a job) they are reluctant to engage with NGOs. As for the professional orientation is provided through two main measures: organizing visit of young people to a certain employer (e.g. visit to Poti port) and providing trainings on professional orientation (both for teachers and students).

“Youth for Mountains” is a very young organization, which was established just two years ago. This is the only non-governmental organization based in Svaneti region (in Mestia). Organization was established by local youth and it has very limited resources. The entire organization revolves around operating a local youth center named “Betkili”. The center hosts different events from time to time. They rely on donor and local government funding to hold these events. Several trainings and workshops have been implemented so far, however, the center is also used for movie screening or celebrating birthday parties.

### Training content – reasons for selecting specific trainings

As it can be seen from table 27 training content provided by these organizations is rather diverse. However, majority of them feature civic education, which covers topics like leadership, group work, effective communication etc. Atinati and Dioskuria make strong emphasis on teaching IT and foreign languages skills. Vocational courses are almost missing from the scene, with only sewing classes being offered by Dioskuria, which is a one-off project of a short life span. The STEM club of Atinati is probably worth of a particular mention since, STEM subjects are not popular among Georgian youth. Largest share of students enroll in social science disciplines, while STEM areas remain neglected (see chapter #2).

No special studies are commissioned to determine training topics. All organizations base their decisions on existing knowledge about the need of young people. IT and foreign languages are considered essential for modern youth, for whom visa liberalization with the EU has opened new avenues of opportunities. In other words local providers in Samegrelo-Zemo Svaneti specialize in soft skills, while vocational courses are not given priority. Respectively, private sector involvement in these trainings is rather weak.

### Overall Assessment of Non-Formal Education Provision and school-to-work transition mechanisms in Samegrelo-Zemo Svaneti

Samegrelo-Zemo Svaneti region receives considerable attention from the national level organizations as all of them operate there. Respectively, there is strong provision of all types of trainings (soft and hard skills, entrepreneurship). However, vocational courses are provided only via CHCA, while KEDEC will start them soon.

Among the national providers only “Atinati” offers school-to-work transition mechanisms like internships and professional orientation. CHCA and KEDEC also provide internship opportunities, career guidance and small grant support.

When it comes to local employers only few examples of cooperation with educational institutions has been revealed. For instance, a fish processing company has employed 2 students sent from the VET college (Fazisi located in Poti), and another (Meat producer “Nikora”) has recruited an engineer from Kutaisi State University. These findings suggest school-to-work transition mechanisms in the region are rather weak.

**Table 27: Local non-formal education providers in Samegrelo-Zemo Svaneti**

<b>Provider</b>	<b>Target Group</b>	<b>Areas of Operation</b>	<b>Training Areas</b>	<b>Comments</b>
Atinati (Zugdidi)	Youth (primarily school pupils and students) Women IDPs	Integration of IDPs Raising capacity of socially vulnerable population Women rights/capacity building	Civic education for secondary school teachers and pupils (6-11 <sup>th</sup> grade) – leadership, team work, effective communication, tolerance School clubs providing trainings in civic education, healthy life-style, ecology, English language STEM clubs – practical side of theory – experiments in Chemistry, Physics etc. Financial education – how to save and manage finances? Gender awareness	Majority of trainings end in 2020
Dioskuria (Poti)	Youth IDPs PWDs Socially vulnerable population	Computer Lab Speaking club Young rangers club	Foreign languages: English, French, German, Turkish, Russian  Sewing classes for girls with hearing impediments  Trainings for rangers on eco topics	All trainings are focused on secondary school pupils
Youth for Mountains (Mestia)	Youth	Operates youth club “Betkili”	Protecting Natural Heritage Managing Guest-houses (taking photos, placing them on touristic web-pages)	The organization does not have any on-going projects/trainings

## Shida Kartli

Just like in other regions, three main organizations have been identified in Shida Kartli. These include: Biliki, Welfare & Development Centre and Shida Kartli Civil Forum. All of these NGOs operate in Gori, but their projects have beneficiaries from neighbouring villages and communities as well.

Biliki runs two day care centers for children deprived of parental care, where they receive non-formal training and education. NGO also has a training center which is designed for teachers, parents and for children itself. Apart from trainings, Biliki arranges internships for their beneficiaries. Some of the host organizations include: Justice House, NGOs, media, as well as private sector like car repair service, restaurant etc. In recent months 3 to 4 children have been employed through internships. Last but not least Biliki organizes visits to various workplaces/companies, so as their beneficiaries get interested in wide spectrum of working life (they especially emphasize agriculture and have taken children to visit a wine producer during the last month).

Welfare & Development center was established in 2011. Their primary focuses involved People with Disabilities, but later they made youth as a general target priority. Within the USAID funded project they work on building civil awareness and tolerance among youth (16-26 age range). They also run another project which focuses on Democratic Development and they focus on even younger group in this case (14-20 age range). Apart from trainings, both projects include internship component, which have produced very modest results – few students have been employed upon completion of internships.

Welfare & Development centre also runs 3 social enterprises: enamel production, sewing workshop and clay production. They try to engage project beneficiaries in these enterprises and get them trained in respective vocations.

Last but not least, Shida Kartli Civil Forum is given relatively less attention, as this NGO is primarily engaged in international youth exchange programs. They also host EVS volunteers and do primarily trainings in civic awareness and education. They also send Georgian volunteers abroad to work in NGOs for maximum 6 to 10 months period.

### Training content – reasons for selecting specific trainings

It is easy to see that local providers in Shida Kartli almost exclusively focus on soft skills and very broad topics like gender, human rights, domestic violence etc. Obviously, selection of these topics is determined by the objectives of the projects, which are primarily focused on raising active citizens. Soft skills, particularly those directly related to employability only offered by Welfare & Development Centre.

Worth noting, that in coming year Biliki plans a project to support 30 young people in conflict with law. The project is exclusively oriented on building up employability of these children. Thus, it will focus on topics like searching for jobs, CV writing, conflict management, entrepreneurship, business administration (running small business). Apart from trainings, visits to different companies will be organized in the region.

#### Overall Assessment of Non-Formal Education Provision and School-to-Work transition mechanisms in Shida Kartli

Local providers in Gori have noted that their cooperation with private sector is rather difficult. They have been invited for job fairs several times, but without much success. On the other hand, winning attention of local youth (especially students) is also problematic. Similar to Samegrelo, this group is only motivated to join the programs if they see prospects of employment. This is not very surprising, given the fact that most of the trainings are focused on rather general topics, which would have no effect on increasing youth employability.

CDC and CHCA, which also operate in Shida Kartli area have not mentioned the problem of mobilizing young participants. This could reflect that fact that both of them offer practical support in developing enterprises, which should be more appealing to local youth. Yet, vocational courses are not reflected in non-formal training provision in Shida Kartli, with the exception of short courses offered by CHCA.

The range of school-to-work transition mechanisms is modest here, just like in other regions discussed in the report. Two of three local providers are actively engaged in finding internships opportunities for their project beneficiaries. In addition, CHCA provides small grants for persons in conflict with law.

**Table 28: Local Non-formal education providers in Shida Kartli**

<b>Provider</b>	<b>Target Group</b>	<b>Areas of Operation</b>	<b>Training Areas</b>	<b>Comments</b>
Biliki	Youth IDPs Children in state care institutions	Children program	At day-care centers: support in school program + crafts + culinary English language courses	Day care centers are for kids 6-18
		Civic Education	Gender equality Human Rights Active Citizenship Professional Orientation Domestic violence Media (movie production, scenaris wera)	from 8 <sup>th</sup> grade to 11 <sup>th</sup>
		Community Development Program Volunteers Program		
Welfare & Development Centre	Youth PWDs	Civic Education Running social enterprises	Human Rights Discrimination & Tolerance Ecology Advocacy Team Work Gender CV writing/job interviewing Leadership	All ongoing programs finish in 2020
Shida Kartli Civil Forum	IDP & non- IDP youth (14- 29)	Youth Exchange programs (abroad) Volunteerism	Civic activism Gender Producing documentaries (the list is not exhaustive, they have millions of trainings)	

### Non-formal education providers in Mtskheta-Mtianeti

Non-formal education providers are very scarce in Mtskheta-Mtianeti region. Only two local organizations were identified during the research process: “Association for the Welfare of Society” and the “For the Better Future”. The first one is a brand-new organization established at the beginning of 2018 with the objective of strengthening local civil society and increasing participation of women and youth in decision-making processes. Main objective of the current (and only) project is focused on increasing awareness about violence against women among high-school pupils. 20 girls are currently involved in training. The project is funded by foundation “Women in Georgia”.

The other organization - For Better Future - has been established in 2009 and respectively has longer experience of running projects. Originally it focused on IDPs only, however, it has widened the target group over the course of last few years to include youth and women in general. “For Better Future” concentrates on working in IDP settlements of Tserovani, Frezeti and Tsinamtdzgvriantkari. They run a mobile library, which contains number of clubs in it. At the same time, they also invite guest speakers. The project has been renewed for 5 consecutive years now and organization plans to continue so in the future.

In addition to trainings, For Better Future organizes a career day: they invite representatives of various (often not very popular) professions who talk about their career. They are picking the least popular vocations, in order to widen the understanding of local children, majority of which want to become lawyers or businessmen.

“For Better Future” has implemented projects supporting entrepreneurship, as well as trainings on increasing participants employability. However, they do not operate in this area at the moment. The only connection to entrepreneurship is that they run a Social Enterprise, which was established through a grant and now employs up to 12 young people.

### Training content – reasons for selecting specific trainings

Training areas are obviously determined by the scope of the project. Since both organizations focus on civil society development in the broadest sense of the word, training content is diverse and covers wide range of topics, which directly or indirectly contribute to development of an active citizen (see table 29).

### Overall Assessment of Non-Formal Education Provision in Mtskheta-Mtianeti

Non-formal education provision is the weakest in Mtskheta-Mtianeti region. Not only is there scarcity of local providers, but also of projects run by national providers. Out of the five major providers in the country only 2 (CHCA and WVG) have projects (establishment of social enterprises and SKYE club) in this area.

School-to-work transition mechanisms are basically absent, if not counting the career days organized by one of the local providers, to help youth in making career choices. CHCA also offers an internship opportunity through one of its projects.

Considering this background non-formal education provision in this region can under no circumstances be considered enough to meet the demand of local employers or to encourage the spirit of entrepreneurship.

**Table 29: Local Non-formal education providers in Mtskheta-Mtianeti**

<b>Provider</b>	<b>Target Group</b>	<b>Areas of Operation</b>	<b>Training Areas</b>	<b>Comments</b>
Association for the Welfare of Society	Youth Women	Civil society development	Gender Children Rights Violence (Cyber/Bullying) Discrimination/Stigma	2 running projects. Both end in 2018
For Better Future	IDPs Youth Women	Peace Building Civil Society development	English language club Reading club Movie club Financial Skills Development Program	

## Summary & Conclusions

Based on the major findings discussed in the report it can be concluded that youth in the target regions have considerable difficulty of integrating on the labour market. This is primarily due to the following factors: young people lack technical and transversal skills required on the market and there is scarcity of school-to-work transition mechanisms they could make use of. On the other hand, structure of the local labour markets does not really offer them innovative and highly productive job opportunities, in which they could grow and thrive as professionals.

Although demand for workers with technical/vocational education is limited in numbers, it is extremely hard for employers to find workers with such qualifications. Usually these positions are taken up by middle age and senior workers, who would retire soon. This will inevitably create a major gap in skills provision. Hence, this topic deserves serious consideration from both private as well as public sector. It is important to note that youth who reported having received vocational education have received training in vocations that are largely misaligned with the local demand (e.g. “accounting” is a rather popular specialization chosen by survey respondents, while employers in their regions are desperately looking for food and wine-technologists, energy specialists, electrical and electronics repairman, carpenter, mechanics, civil technicians and welders).

Considering this background developing entrepreneurial skills and knowledge among youth is gaining particular importance. However, there are only few non-formal education providers in Georgia who target this niche (e.g. entrepreneurial training and start-up support). On the other hand, youth themselves prefer mid-level, but a secure job, rather than taking a risk of starting their own business.

The quantitative, as well as qualitative part of the study shows that transversal skills are critical both for hired, but even more so for self-employed. However, a point worth noting is that when asked about the importance of transferable skills in their hiring decisions, employers would first of all refer to personal characteristics and attitudes of young workers/job applicants. In their opinion, younger workers mostly lack sense of responsibility and work ethics. As for the transversal skills communication skills, cooperation, teamwork, leadership and problem solving have been noted as most important.

The scope of school-to-work transition mechanisms available for youth in target regions is rather limited. For instance, only about half of the assessed non-formal education providers arrange internships for their program beneficiaries. However, this represents an add-on to their other activities, rather than a well-established school-to-work transition mechanism.

As for the specific sub-groups covered during the study, youth with disabilities and NEETs stand out as most problematic. When it comes to people with disabilities, the primary issue for them is self-stigmatization and absence of family support. This hinders their social development starting

with receiving education and ending with finding a job. NEETs are the second most vulnerable group. It is worth mentioning that NEET phenomenon has a specific gendered dimension in Georgia. For young women staying away from education, training and employment is primarily determined by family responsibilities (e.g. taking care of the kids etc.). Last but not least, IDP youth turned out to be on par with non-IDP peers – there is very small difference in skills levels and usually they display quite high motivation and readiness for self-development.

In order to tackle the issues of concern identified during the study three main areas of intervention can be discerned: 1. better employment policy making (with special focus on youth and women), 2. improving employment services and 3. stronger social dialogue.

### **Need for better employment policy**

Georgia has rather limited experience in carrying out Labour market & Employment policies. Despite of the fact that it has taken the responsibility of having one by signing ILO convention 122 on “Employment Policy”<sup>13</sup> the most recent strategy on “Labour Market Formation”<sup>14</sup> was adopted only in 2013. The strategy did not feature youth as a specific sub-group and respectively there have been no specific interventions targeting them. It was assumed that young people would benefit from services and programs alongside other beneficiaries.

Another major challenge of the strategy has been its inherent assumption that employment policy should primarily focus on satisfying the market demand. As indicated earlier in the report, number of labour market studies in Georgia find that there are not enough inclusive and high-productivity jobs<sup>15</sup>. This primarily affects youth and women, who have been “left out of good jobs”. *Respectively, during the elaboration of the renewed Labour & Employment Policy Strategy particular attention should be paid to a) shifting attention away from satisfying market demand (e.g. supply side policies) towards creating better job opportunities and generating demand for highly productive jobs (e.g. demand side policies) and b) paying particular attention to youth (among them the most vulnerable sub-groups e.g. NEETs, youth with disabilities) as a specially vulnerable groups on the labour market.*

### **Need for Improved Employment Services**

With the launch of Labour Market Formation Strategy and respective action plan in 2014 Georgia also established Employment Support Services within the offices of Social Service Agency. At the moment they are providing range of employment services, however, the latter are suffering from

---

<sup>13</sup> [https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100\\_INSTRUMENT\\_ID:312267](https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_INSTRUMENT_ID:312267)

<sup>14</sup> <https://matsne.gov.ge/ka/document/view/2659895?publication=0>

<sup>15</sup> <http://documents.worldbank.org/curated/en/995521527068940160/Georgia-at-work-assessing-the-jobs-landscape>

severe limitations in financial and human resources, lack of know-how and trust from the population. Nevertheless, they represent the only state entity providing such type of services. As discussed in the last chapter of this report, number of non-formal education providers are also providing services which by definition are “employment services”, however, there is little to no linkage between the activities of state (formal) and non-formal actors in this regard. ***Given the limited resources it would be of critical importance to join forces in employment service delivery. This however, requires additional activity: in order to create a common framework of service delivery country needs national standards and guidelines, so that the activities of formal and non-formal actors are complementary.***

More precisely this refers to the following services/programs:

- **Career Guidance:** Georgian government adopted a State Decree No. 721 on Developing Publicly Available Lifelong Vocational Counselling and Career Planning<sup>16</sup> in 2014. It was followed by the elaboration of the national standards on Professional Orientation and Career Guidance. Despite of the legal grounds being established the service delivery is in nascent phase of development. Neither state nor non-state actors are providing services that could cover the entire youth population. Number of challenging issues identified during the research can be addresses through the development of this service. For instance, ***career counselors can point out the importance of vocational education as an alternative or supplement to higher education, which is much cheaper to acquire and may bring employment in shorter time period. This can alter the status quo and channel youngsters to vocational courses, which seem to be sought after on the regional labour markets.***

- **Transversal skills training:** the study clearly indicated critical deficiency of transversal skills among the surveyed youth and we also found that only few non-formal providers focus on such trainings. For instance, despite of numerous organizations providing trainings in job search and CV writing, only 32% of survey respondents note having CV in Georgian and only 5% have it in English. This clearly indicates that efforts taken do not have the required scope. ***Respectively, it is of paramount importance to scale up on transversal skills training both as part of formal, as well as non-formal education.***

- **Entrepreneurship support:** support to entrepreneurship is one of the strategic goals of the Government 4 point strategy<sup>17</sup>. Given this ambition the government launched number of state programs to provide technical and financial support for future entrepreneurs. These first of all include “Start-up Georgia”<sup>18</sup> implemented by the Georgian Technology & Innovation Agency and “Produce in Georgia”<sup>19</sup> program implemented by Ministry of Economy and Sustainable

---

<sup>16</sup> <https://matsne.gov.ge/ka/document/download/2657572/0/ge/pdf>

<sup>17</sup> [http://www.economy.ge/uploads/files/2017/news/prezentacia\\_20\\_12\\_2017.pdf](http://www.economy.ge/uploads/files/2017/news/prezentacia_20_12_2017.pdf)

<sup>18</sup> <http://startup.gov.ge/geo/home>

<sup>19</sup> <http://www.enterprisegeorgia.gov.ge/ka>

Development. None of these programs have special focus on youth, however, given the nature of “Start-up Georgia” which focuses on ICT and technology driven innovation, major share of beneficiaries is below age of 30. These efforts are matched by various small-scale projects implemented by non-formal providers. It is evident however that these efforts have not stirred much of entrepreneurial spirit among Georgian youth, who as indicated by the study, prefer stable hired employment rather than starting their own business.

**- Re-qualification and training:** Social Service Agency is implementing a training program of job-seekers twice per year<sup>20</sup>. Program assessment shows that the number of involved beneficiaries is increasing year by year. However, the post-training employment rates remain modest<sup>21</sup>. The scope of similar trainings provided by non-formal providers is very limited as well. ***In general, this creates a lack of training and re-training opportunities, which should increase significantly in order to bring more people back to the labour market. Young job seekers could be given special quotas for participation in the program. It is critical to note, however, that the design of such programs should be very much aligned with existing and/or future labour demand, which in itself requires development of labour market monitoring and forecasting system.***

### **Need for better social dialogue**

Number of research findings point towards critical importance of constructive dialogue between the state, employers and employees (e.g. social dialogue). Social dialogue at the moment is very weak in Georgia. It has been institutionalized through the establishment of the National Tripartite Social Partnership Committee in 2014<sup>22</sup>. The latter is supposed to be the main mechanism to establish regular discussion on the topic of labour relations. However, the committee currently operates only on ad-hoc basis to tackle the most urgent issues as they come up on political agenda.

***There is a need for more systematic dialogue with employers to tackle the challenges related to workforce development.*** For instance, one of the major concerns raised by the surveyed youth as well as the regional experts has been the problem of inflated demands from the side of employers: they often require higher education credentials for positions even for lower qualified positions. This phenomenon could be linked with the abundance of highly educated labour in Georgia. However, it creates confusion and provides skewed picture of the labour demand in country, which had adverse effect in planning educational, as well as labour policies. ***The issue can be addressed by making the national qualifications framework (NQF) reference point for the private sector. The NQF provides clear information on what educational background is required for a specific job and if used by the private sector it would contribute to better articulation of the labour demand.***

---

<sup>20</sup> [goo.gl/V53hhc](http://goo.gl/V53hhc)

<sup>21</sup> [o33o](http://o33o)

<sup>22</sup> <https://matsne.gov.ge/ka/document/view/2037256?publication=0>

Other than the topics covered above, it is of crucial importance to consider the gender dimension of youth labour market integration. It is critical to ensure **better access to child-care services for (young) women, which would enable them to freely participate on the labour market.** This issue was named as particularly problematic in Shida Kartli region, where 43% of young mothers noted that absence of accessible child-care services was a major hindrance to them. In other regions, this issue has not been cited as a major problem.

## References

- ACT & UN Women. (2013). *Perceptions on Gender Equality in Politics and Business*. Tbilisi: UN Women. მოპოვებული 12 წლის 2018 July, [http://www.ge.undp.org/content/dam/georgia/docs/publications/GE\\_UNDP\\_Gender\\_%20Research\\_ENG.pdf-დაბ](http://www.ge.undp.org/content/dam/georgia/docs/publications/GE_UNDP_Gender_%20Research_ENG.pdf-დაბ)
- Chubabria, T., Gvishiani, L., & Jokhadze, S. (2017). *An Assessment of the Labour Inspection Mechanism and a Study of Labour Rights Conditions in Georgia*. Tbilisi: Human Rights Education and Monitoring Center (EMC).
- Kachkachishvili, I., & Nadaraia, K. (2014). *Men and Gender Relations in Georgia*. Tbilisi: UNFPA, Institute of Social Studies and Analysis (ISSA). მოპოვებული 16 წლის 2018 July, [https://georgia.unfpa.org/sites/default/files/pub-pdf/Men\\_and\\_Gender\\_Relations\\_in\\_Georgia\\_ENG.pdf-დაბ](https://georgia.unfpa.org/sites/default/files/pub-pdf/Men_and_Gender_Relations_in_Georgia_ENG.pdf-დაბ)
- Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs; Social Service Agency; Delegation of the European Union to Georgia - Skills4Jobs. (2018). *Monitoring of Vacancies at Regional Labour Market*. Tbilisi: Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs, Social Service Agency. მოპოვებული 14 წლის 2018 July, [http://ssa.gov.ge/files/01\\_GEO/PUBLIKACIEBI/FILES/angarishi.pdf-დაბ](http://ssa.gov.ge/files/01_GEO/PUBLIKACIEBI/FILES/angarishi.pdf-დაბ)
- Ministry of Regional Development and Infrastructure of Georgia. (2013). *Shida Kartli Regional Development Strategy 2014-2021*. Tbilisi: Ministry of Regional Development and Infrastructure of Georgia. მოპოვებული 13 წლის 2018 July, [http://www.mrdi.gov.ge/sites/default/files/shida\\_qartli\\_regional\\_development\\_strategy\\_2014-2024.pdf-დაბ](http://www.mrdi.gov.ge/sites/default/files/shida_qartli_regional_development_strategy_2014-2024.pdf-დაბ)
- Ministry of Regional Development and Infrastructure of Georgia. (2013). *Kakheti Regional Development Strategy 2014-2021*. Tbilisi: Ministry of Regional Development and Infrastructure of Georgia. მოპოვებული 15 წლის 2018 July, [http://www.mrdi.gov.ge/sites/default/files/kakheti\\_regional\\_development\\_strategy.pdf-დაბ](http://www.mrdi.gov.ge/sites/default/files/kakheti_regional_development_strategy.pdf-დაბ)
- Ministry of Regional Development and Infrastructure of Georgia. (2013). *Samegrelo-Zemo Svaneti Regional Development Strategy 2014-2021*. თბილისი: საქართველოს

რეგიონული განვითარების და ინფრასტრუქტურის სამინისტრო. მოპოვებული 16 წლის 2018 July, <http://www.mrdi.gov.ge/en/page/legislation-დან>

Ministry of Regional Development and Infrastructure of Georgia. (2014). *Mtskheta-Mtianeti Regional Development Strategy 2015-2021*. Tbilisi: Ministry of Regional Development and Infrastructure of Georgia. მოპოვებული 15 წლის 2018 July, <http://www.mrdi.gov.ge/en/page/legislation-დან>

National Statistics Office of Georgia. (2018). *Statistics of Mtskheta-Mtianeti Region*. Tbilisi: National Statistics Office of Georgia. მოპოვებული 18 წლის 2018 July, <http://geostat.ge/regions/#-დან>

National Statistics Office of Georgia. (2018). *Statistics of Kakheti Region*. Tbilisi: National Statistics Office of Georgia. მოპოვებული 17 წლის 2018 July, <http://geostat.ge/regions/#-დან>

National Statistics Office of Georgia. (2018). *Statistics of Samegrelo-Zemo Svaneti Region*. Tbilisi: National Statistics Office of Georgia. მოპოვებული 20 წლის 2018 July, <http://geostat.ge/regions/-დან>

National Statistics Office of Georgia. (2018). *Statistics of Shida Kartli Region*. Tbilisi: National Statistics Office of Georgia. მოპოვებული 29 წლის 2018 July, <http://geostat.ge/regions/#-დან>

Sumbadze, N. (2008). *Gender and Society: Georgia*. Tbilisi: UNDP, SIDA, Parliament of Georgia. მოპოვებული 16 წლის 2018 July, <http://www.ipseng.techtone.info/files/5113/3491/5442/179-308eng.pdf-დან>

Tsereteli, M. (2006). *Gender – Cultural and Social Construct*. Georgia: Center for Social Sciences. მოპოვებული 12 წლის 2018 July, [http://css.ge/index.php?lang\\_id=ENG&sec\\_id=26&info\\_id=329-დან](http://css.ge/index.php?lang_id=ENG&sec_id=26&info_id=329-დან)

### Study Reports

Amashukeli M. Lezhava D. Gugushvili N. (2017) – Education Return, Labour Market and Job Satisfaction in Georgia. Center for Social Sciences

[http://css.ge/files/Books/Education%20return/Amashukeli,\\_Lezhava,\\_Gugushvili\\_2017\\_ENG.pdf](http://css.ge/files/Books/Education%20return/Amashukeli,_Lezhava,_Gugushvili_2017_ENG.pdf)

Bendeliani N. Turk P. Amashukeli M. Khechuashvili L. (2014) – Gender Discrimination on Georgian Labour Market. Center for Social Sciences

[http://www.tanastoroba.ge/files/Labor\\_Market\\_Report.Final.English.pdf](http://www.tanastoroba.ge/files/Labor_Market_Report.Final.English.pdf)

Georgian Foundation for Strategic and International Studies (2016) – Structure of Employment and Structural Unemployment in Georgia

<https://gfsis.org/files/library/pdf/2456.pdf>

European Training Foundation (2017) – Youth School to Work Transition report

European Training Foundation (2018) – Skills Mismatch Measurement in the ETF Partner countries. National Report on Georgia

Friedrich Ebert Stiftung Georgia (2016) – Generation in Transition – Youth Study 2016, Georgia

<http://library.fes.de/pdf-files/bueros/georgien/13150.pdf>

Ministry of Economy and Sustainable Development of Georgia (2017) – Labour Demand Study

<http://www.lmis.gov.ge/Lmis/Lmis.Portal.Web/Handlers/GetFile.ashx?Type=Survey&ID=f7fe927d-6684-47f9-9da2-da850754aad3>

Ministry of Labour, Health and Social Affairs (2016) – Labour Demand Study

<http://www.lmis.gov.ge/Lmis/Lmis.Portal.Web/Handlers/GetFile.ashx?Type=Survey&ID=448d5d41-63fb-4fcc-9e1a-8db786d77e07>

Ministry of Labour, Health and Social Affairs (2016) – Study of youth’s attitudes, motivation and employment strategies

<http://www.lmis.gov.ge/Lmis/Lmis.Portal.Web/Handlers/GetFile.ashx?Type=Survey&ID=43237faf-fc4e-4d6c-b90b-61450d7fea1e>

Social Service Agency (2017) – Vacancy Monitoring on Regional Labour Markets in Georgia

World Bank (2017) – Georgia at Work: Assessing the Jobs Landscape

<http://documents.worldbank.org/curated/en/995521527068940160/Georgia-at-work-assessing-the-jobs-landscape>

Policy Documents & other material

International School of Economics at TSU (2015) – Improving Entrepreneurial Learning in VET System in Georgia

Ministry of Education and Science (2015) – Vocational Education Strategy and action plan

Ministry of Education and Science (2015, 2016, 2017) – Annual tracer study reports of the VET graduates

Ministry of Labour, Health and Social Affairs (2015) – Concept on Developing full-fledged employment counseling and professional orientation service in Georgia

Ministry of Labour, Health and Social Affairs (2015) – Labour market and Employment Strategy for 2015-2018. Georgia

Ministry of Regional Development and Infrastructure (2013) – Regional development plans for 2014-2021 period.

National Statistics Office of Georgia (2017) – Statistical Bulletin of Georgian regions. Reports for selected regions.