



WORKFORCE DEVELOPMENT

SABER Country Report
2014

Dimensions

Status

1. Strategic Framework

The government and social partners are emphasizing the importance of a well-trained workforce to achieve economic and social development. However, a collaborative approach to linking workforce development to broader development goals is still emerging. Increased involvement of the business community would help make the system more responsive to employer needs, while regular assessments of current and future skills needs could increase the information available to decision makers. Progress has been made in establishing coordination mechanisms to align supply with demand, but a heavy focus on bolstering the vocational education system means that continuing education and targeted training – important for Georgia's aging population – receive inadequate attention.

Emerging
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2. System Oversight

The development of occupational standards and a national qualifications framework, as well as the adoption of accreditation standards and quality assurance mechanisms for training providers, has laid the groundwork for improving the effectiveness of system oversight. These accomplishments can serve as a basis for addressing current challenges related to student transfer between academic and vocational education tracks and recognition of prior learning. Efforts to establish market-based mechanisms for funding vocational education have sought to align funding allocation to skills demand but design and implementation issues pose barriers to improving the efficiency and equity of the TVET system. Overall resources for TVET remain limited.

Emerging
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3. Service Delivery

The market for vocational education services in Georgia consists of a broad range of state and non-state providers, increasing access and better enabling the system to respond to student and employer needs. In light of this diversity, improving measures for system monitoring and evaluation are important for ensuring the quality of service delivery. At present, relatively little information on system performance is collected, constraining the ability of regulators to set meaningful performance incentives for providers. Engaging a reticent business community more deeply as a partner in providing funding and equipment, giving training opportunities to students and instructors and developing curricula could improve the quality and relevance of TVET.

Emerging
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Executive Summary

This report presents the findings of the assessment of Georgia's workforce development (WfD) system, conducted based on the World Bank's Systems Approach for Better Education Results (SABER) WfD analytical framework and tool. The focus is on policies, institutions, and practices in three important functional dimensions of policy making and implementation—**strategic framework, system oversight, and service delivery**.¹ The findings suggest that the main focus in Georgia is shifting from policy conceptualization to implementation. Many of the gaps identified share common root causes, implying that addressing a selected gap may lead to progress on related fronts.

Assessment Results

On the **Strategic Framework** dimension, Georgia is rated at the Emerging level (2.3 out of a possible 4), reflecting both the inadequacy of the system in fostering a demand-driven approach to WfD, and fragmented advocacy for WfD. The overall strategic framework also suffers from an uneven focus on the various forms of vocational education and training (VET), with a stronger emphasis being placed on developing initial vocational education and training (IVET) compared to the fields of continuing vocational education and training (CVET) and active labor market programs (ALMPs). Despite the existence of institutional mechanisms for coordination among the key WfD stakeholders, and for aligning supply to demand, the lack of systemic assessments of skills gaps erodes the effectiveness of these mechanisms. These findings emphasize the importance of conducting regular assessments of the country's economic prospects as a basis for understanding and forecasting the demand for skills.

Reflecting the challenges of the Strategic Framework, Georgia also scores low for **System Oversight** (2.3). Nevertheless, the country performs better on this dimension than on the others, with the overall score

placing it between the Emerging and Established levels. This is mostly due to the well-functioning system of assessing and certifying individuals' skills, fostered by the development of occupational standards and the National Qualifications Framework (NQF), as well as the relatively well-enforced, if mainly input-based, accreditation standards and quality assurance mechanisms for training providers. However, there is still considerable room for improvement when it comes to the efficiency of the funding system, as there are no state-funded on-the-job training (OJT) programs for small- and medium-sized enterprises (SMEs), and there is limited evidence of evaluations of the impact of funding on program beneficiaries. The system's inability to offer diverse pathways for skills acquisition underlines the urgency for scaling up the nationwide occupational and career guidance system, eliminating educational dead-ends by simplifying movement between vocational and academic tracks, and increasing access to training opportunities for disadvantaged groups.

Another important constraint is the limited input of industry and employers in WfD policy-making, which represents a major challenge for the Georgian system. This adversely affects the quality of training, which is further exacerbated by the lack of performance incentives for public as well as private training providers. In addition, the effective delivery of training is hindered by inadequate system monitoring and weak impact evaluation of existing programs. These factors together explain why Georgia's score (1.9) for **Service Delivery** is low.

Implications of the Results

Fostering employer involvement, at both the strategic and service delivery levels, remains a major challenge to Georgian policy makers. While positive steps have been taken toward creating an institutionalized body (the National Professional Council) to facilitate partnerships between industry and training providers, in general, employers have not been convinced of the value of contributing to the VET system, largely because they are dubious of its quality and relevance. In light of the fact that many employers find it difficult to fund OJT, there is room for strategic government incentives to help expand training provision by employers and, hopefully, provide increasing incentives for broader participation.

¹ Details on the composition of the analytical framework are available at <http://saber.worldbank.org>. The framework provides the metrics against which Georgia has been benchmarked and has been developed based on detailed analysis of the practices of a range of highly successful countries, as well as a review of the technical literature on various aspects of WfD. Results for other countries that have implemented the SABER-WfD assessment are also available on the SABER website and provide additional comparative perspective.

While quality assurance is currently a weak point in the Georgian system, a strong foundation for identifying and certifying the skills demanded by industry has been laid by efforts to create occupational standards and weave them together into an NQF.

One issue, at present, is that the bulk of efforts to improve the efficiency and efficacy of governance and funding procedures are focused on qualifications earned through initial education and training. In the face of Georgia's aging population, increasing economic dynamism and the legacy of a rigid economic system, which in some instances has not allowed ease of movement through and among institutions and levels of study, it will be important to pay increased attention to continuing education and OJT. The goal would be to allow those who have already completed formal education but are struggling to find employment, as well as those who have found that their qualifications have led to educational dead-ends, to gain the additional skills necessary to find meaningful employment in economically advanced sectors. A

related challenge is that of the lack of a direct pathway from secondary VET to post-secondary education, vocational or otherwise. This limits the opportunities of graduates and runs the risk of positioning VET as a truly second-tier track, something that can blunt existing efforts to improve the quality and attractiveness of VET.

The strong foundations for quality assurance discussed above lay the groundwork for improving training delivery. Effort is needed to address the shortcomings of the training provision system. In particular, professional development opportunities for VET instructors and improving performance incentives for public and private training providers are areas where improvement is becoming increasingly possible. Currently, public Vocational Education Centers (VECs) are not given performance targets (e.g., employment rate of the graduates, their satisfaction level, etc.) and incentives to meet them, while private providers have limited financial and non-financial incentives for service provision. Such deficiencies adversely affect the quality of teaching.

1. Introduction

Georgia has undergone massive socio-political changes since regaining its independence in 1991. The country has enjoyed significant economic growth starting in 2004; however, the global financial crisis and the 2008 armed conflict with Russia adversely affected the pace of economic development, and exacerbated a significant unemployment problem.

To inform policy dialogue on these important issues, this report presents a qualitative analysis of the country's workforce development (WfD) policies and institutions. The results are based on a new World Bank tool designed for this purpose; known as SABER-WfD, the tool is part of the World Bank's Systems Approach for Better Education Results (SABER),² the aim of which is to provide systematic documentation and assessment of the policy and institutional factors that influence the performance of education and training systems. The SABER-WfD tool encompasses initial, continuing, and targeted vocational education and training (VET) that are offered through multiple channels, and focuses largely on programs at the secondary and post-secondary levels.

Analytical Framework

The tool is based on an analytical framework³ that identifies three functional dimensions of WfD policies and institutions:

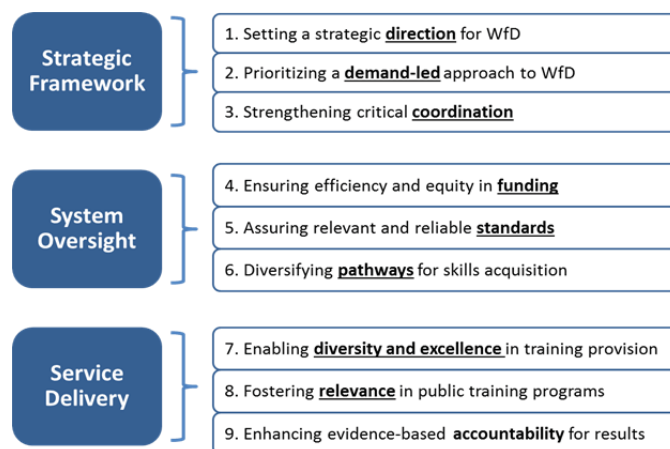
- (1) *Strategic framework*, which refers to the praxis of advocacy, partnership, and coordination in relation to the objective of aligning WfD in critical areas to priorities for national development;
- (2) *System Oversight*, which refers to the arrangements governing funding, quality assurance, and learning pathways that shape the incentives and information signals affecting the choices of individuals, employers, training providers, and other stakeholders; and
- (3) *Service Delivery*, which refers to the diversity, organization, and management of training provision, both state and non-state, that deliver

results on the ground by enabling individuals to acquire market- and job-relevant skills.

Taken together, these three dimensions allow for systematic analysis of the functioning of a WfD system as a whole. The focus of the SABER-WfD framework is on the institutional structures and practices of public policy making and what they reveal about capacity in the system to conceptualize, design, coordinate, and implement policies in order to achieve results on the ground.

Each dimension is composed of three Policy Goals that correspond to important functional aspects of WfD systems (see Figure 1). Policy Goals are further broken down into discrete Policy Actions and Topics that reveal more detail about the system.⁴

Figure 1: Functional Dimensions and Policy Goals in the SABER-WfD Framework



Source: Tan et al. 2013.

Implementing the Analysis

Information for the analysis is gathered using a structured Data Collection Instrument (DCI), designed to collect, to the extent possible, facts rather than opinions about WfD policies and institutions. For each Topic, the DCI poses a set of multiple choice questions that are answered based on documentary evidence and interviews with select knowledgeable informants. The answers allow each Topic to be scored on a four-point scale against standardized rubrics based on available

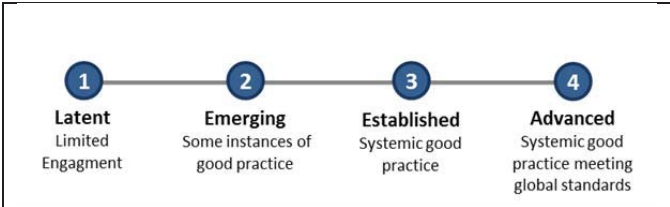
² For details on SABER, see <http://www.worldbank.org/education/saber>.

³ For an explanation of the SABER-WfD framework, see Tan et al. 2013.

⁴ See Annex 2 for an overview of the structure of the framework.

knowledge on global good practice (See Figure 2).⁵ Topic scores are averaged to produce Policy Goal scores, which are then aggregated into Dimension scores.⁶ The results are finalized following validation by the relevant national counterparts, including the informants themselves.

Figure 2: SABER-WfD Scoring Rubrics



Source: Tan et al. 2013.

The rest of this report summarizes the key findings of the SABER-WfD assessment and also presents the detailed results for each of the three functional dimensions. To put the results into context, the report begins below with a brief profile of the country’s socioeconomic makeup.

⁵ See Annex 3 for the rubrics used to score the data. As in other countries, the data are gathered by a national principal investigator and his or her team, based on the sources indicated in Annex 4, and they are scored by the World Bank’s SABER-WfD team. See Annex 5 for the detailed scores and Annex 6 for a list of those involved in data gathering, scoring, and validation and in report writing.

⁶ Since the composite scores are averages of the underlying scores, they are rarely whole numbers. For a given composite score, X, the conversion to the categorical rating shown on the cover is based on the following rule: $1.00 \leq X \leq 1.75$ converts to “Latent”; $1.75 < X \leq 2.50$, to “Emerging”; $2.50 < X \leq 3.25$, to “Established”; and $3.25 < X \leq 4.00$, to “Advanced.”

2. Country Context

Georgia has enjoyed rapid economic growth since independence. However, the rate of improvement in important indicators for social and human development has not kept pace. In addition, Georgia's growth has largely failed to create jobs, with capital accumulation and the introduction of more advanced technologies having contributed more to economic growth than the development of Georgia's human resources. The importance of appropriate workforce development (WfD) policies is underlined by the challenge of leveraging the talents of Georgia's comparatively highly educated population to support further economic development, as well as by the need to address poverty and reduce the stresses on social safety nets caused by an aging population. To lay the groundwork for systematically documenting Georgia's WfD system, this chapter briefly presents the social, political, and economic context in which it operates.

Political Landscape

After declaring its independence in 1991, Georgia faced complicated socio-economic challenges and mounting civil and ethnic conflicts. The disintegration of the Soviet Union destroyed long-standing economic links with the former Soviet republics. Inappropriate economic policies led the country into hyperinflation, which in turn had destructive consequences on the country's development. Significant progress on market reforms and democratization has been made since the Rose Revolution (2003), though another wave of conflicts, including the armed conflict with Russia in 2008, have curtailed this progress. A new coalition government with a majority in the parliament took office in October 2012 as a result of peaceful, democratic elections. The new government has announced the priority it accords to new initiatives in universal health insurance and improved vocational education and training (VET), as well as increased employment, among others.

Demographic Trends

Population growth in 2007 and 2008 remained negative. However, this changed soon afterward, as the population grew at an annual rate of over 0.6 percent (2009) and 0.9 percent (2010). At the beginning of 2012,

the population was estimated at 4,497,600 persons⁷. Looking at the age structure of the population, several trends warrant attention: First, the share of the population aged 65 and above is increasing rapidly (from 13 percent in 2003 to 17 percent in 2010), while the share of the youngest (0-14) increased only modestly from 15.9 percent in 2003 to 16.1 percent in 2010.⁸ According to the World Bank's projections, the old age dependency ratio⁹ will increase from the current rate of 21 up to 40 in 2040, meaning that significantly fewer economically active people will have to work hard to support the older generations.

Economic Trends

Since 2004, immediately after the Rose Revolution, Georgia has undertaken an impressive economic reform program. At the heart of the government's economic strategy has been the introduction of free market principles based on the rule of law, private sector competition, deregulation of markets, and, in most aspects of society, a dramatically reduced role for the state. Reforms in this regard included the simplification of customs procedures, modernization of the system of licenses and permits, privatization of state property, reform of the technical regulations and inspection systems, and the introduction of a liberal tax system and labor codes.¹⁰ As a result, Georgia has been rated as a country with the most liberal labor market regulations among the transition economies.¹¹ It also scores 5 out of a possible 7 on the Global Competitiveness Index (GCI)'s measure of the ease of hiring and firing employees.¹²

In 2011, GDP per capita was US\$1,334 in constant dollars. Standing at just US\$867 in 2003, the rapid growth in GDP in the decade since the Rose Revolution is often cited as a result of successful economic reforms. During 2004-2008, Georgia's annual growth rate averaged almost 10 percent, reaching its peak in 2007 (Figure 3). After several years of economic contraction in the wake of the twin crises in 2008 (global financial crisis and armed conflict with Russia), Georgia returned

⁷ Department of Statistics of Georgia/GeoStat.

⁸ ETF, 2012.

⁹ Dependents/100 persons of working age.

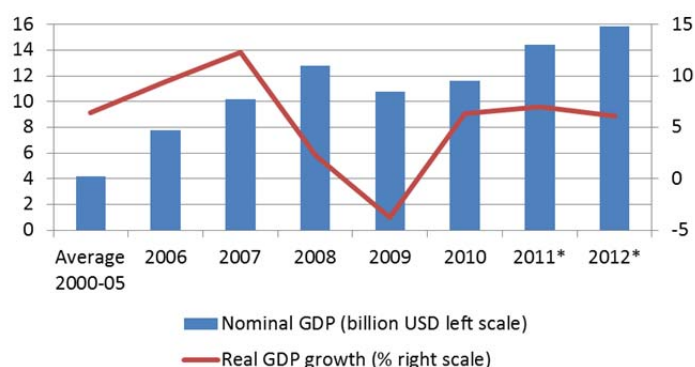
¹⁰ Ministry of Economy and Sustainable Development of Georgia, 2010.

¹¹ ETF, 2010.

¹² GCI, 2012.

to positive growth rates: In 2011, Georgia grew at 6.8 percent, which is lower than the pre-recession rate but significantly higher than that of most countries in the

Figure 3: Nominal GDP and real GDP growth, 2000-12

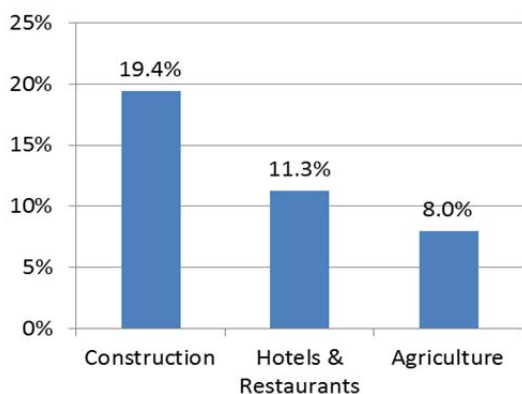


Source: Economic Policy Research Centre, 2012.

* Indicates preliminary data

Europe and Central Asia region.¹³

Figure 4: Real growth rates in construction, hotels and restaurants, and agriculture in 2011



Source: Ministry of Economy and Sustainable Development of Georgia, 2012.

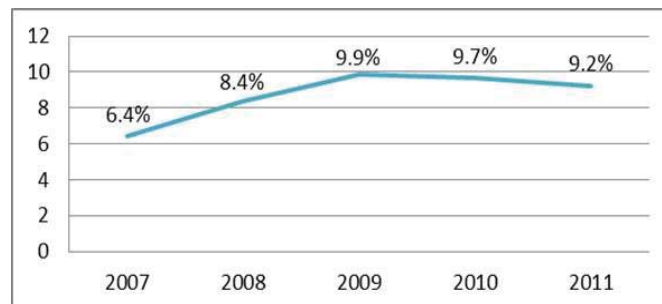
The largest contributing sectors to the GDP growth rate in 2012 have been industry¹⁴ (18 percent) and external trade (17.2 percent). It is worth noting that agricultural output has increased by an average of 6.1 percent per year since 2007, and in 2011 reached 8 percent. This places agriculture together with tourism/hospitality and construction as among the fastest-growing sectors in 2011, according to the Ministry of Economy and Sustainable Development (See Figure 4).

¹³ Economic Policy Research Center, 2011.

¹⁴ Mining and Quarrying, Manufacturing (food products, beverages, tobacco etc.), Electricity, gas and water supply.

Despite the relatively robust economic growth figures, Georgia still lacks progress in some key development areas; for instance, it ranks 75th out of 187 countries in the Human Development Index.¹⁵ Poverty is still a major issue; according to GeoStat, in 2011, 9.2 percent of the population was below the poverty threshold¹⁶ (Figure 5). While not directly comparable, other sources provide better insight into this situation. For instance, the Welfare Monitoring Survey by UNICEF estimated that, in 2009, 9.9 percent of the population was in extreme poverty (below US\$1.25 per day) and some 45 percent of the population was under the general poverty threshold (US\$2.25 per day).

Figure 5: Share of targeted social assistance recipients



Source: www.geostat.ge.

Unemployment remains a major challenge. Although the Georgian economy has experienced record growth rates since 2004, this growth has largely failed to create jobs. The liberal economic agenda of the previous government resulted in maximum deregulation of the labor market. The 2006 amendment of the Georgian labor code introduced easier procedures for hiring and firing, and at the same time set lower standards with regard to employment stability. Thus, “the relatively high unemployment rate (officially 15.1 percent in 2011, but 30 percent according to the IMF) cannot be attributed to labor market restrictions or benefit-based disincentives to work.”¹⁷

This paradox of “jobless economic growth” is mainly explained by the fact that there has been low growth in

¹⁵ UNDP, 2011.

¹⁶ As defined by the number of recipients of the “subsistence minimum” benefit, where the “subsistence minimum” is determined by the price of a basket of defined quantities of food products containing the amount of nutrients that is physiologically required to lead a normal life and have the ability to work.

¹⁷ IMF, 2012.

labor-intensive sectors. For instance, the agricultural sector, which employs more than half of the working population, contributes only modestly to GDP (9 percent in 2012¹⁸), despite being rated as one of the fastest-growing sectors in recent years.¹⁹ The sectors that have attracted the highest level of investments turn out to be the least labor-intensive, such as finance and communication.²⁰

Education, Skills, and Employment Trends

Georgia has a large supply of highly educated workers. Thirty-one percent have completed tertiary education, which is high not only for middle-income countries like Georgia, but also for high-income European countries. Only 9 percent have not completed secondary education.²¹ About 20 percent have professional vocational education diplomas.²²

In contrast to most EU countries, where unemployment is concentrated among less-educated workers, those with less than secondary education represent a minority among the unemployed in Georgia. Over 50 percent of all unemployed have a secondary school diploma, and as many as 40 percent have a higher education degree.²³

There is a high discrepancy between the traditional employment structure, which is indicative of limited demand for highly skilled labor, and a large supply of workers with tertiary education.²⁴ The Constraints Analysis carried out by the government in cooperation with the Millennium Challenge Corporation concludes that the qualifications and skills in most ready supply in the available workforce do not match those most in demand in the job market. This finding is supported by the Global Competitiveness Index report, according to which the second-largest problem for doing business in Georgia is the lack of an adequately educated workforce. These data obviously point to the weakness of the education system, which in the same study was scored at 3 out of 7 points.

Table 1: Performance of Georgia, CIS and CEE countries on TIMSS by subject and grade (2007 and 2011)

	Math Grade 4	Math Grade 8	Science Grade 4	Science Grade 8
TIMSS 2007	438	410	418	421
TIMSS 2011	450	431	455	420
TIMSS 2011 CIS Average	490	498	475	493
TIMSS 2011 CEE Average	500	501	520	511

Source: TIMSS 2011, 2007 International Mathematics and Science Report.

To emphasize the issue of underskilling in Georgia, it should be noted that the share of functional illiteracy among 15-year-olds is considerable (Figure 6). The performance of Georgian students on the Programme for International Student Assessment (PISA) and Trends in International Mathematics and Science Study (TIMSS) is below the average for the Commonwealth of Independent States (CIS) and Central and Eastern European (CEE) countries (Table 1), although the latest TIMSS results show modest but noteworthy improvements in Georgia's scores.

The other worrisome trends are declines in both the school enrollment rate and in the share of the economically active population. Between the academic years 2007-2008 and 2011-2012, total enrollment in basic and upper-secondary education fell by over 22,500 students (7.4 percent of all students). As for the economically active, their number has shrunk from 2.02 million in 2005 to 1.96 million in 2011.²⁵ Reportedly, a large number of Georgians are labor migrants, and dependence on them is significant, with around 5 percent of households receiving remittances that make up around half of their budgets.²⁶

Such trends in education and employment put a strain on the country's development and emphasize the vital importance of a WfD policy that takes into account all the existing socioeconomic particularities of Georgian society and puts together a policy agenda to address them.

¹⁸ Economic Policy Research Center, 2012.

¹⁹ Ministry of Economy and Sustainable Development of Georgia, 2012.

²⁰ Government of Georgia's Constraints Analysis, 2011.

²¹ Rutkowski, 2013.

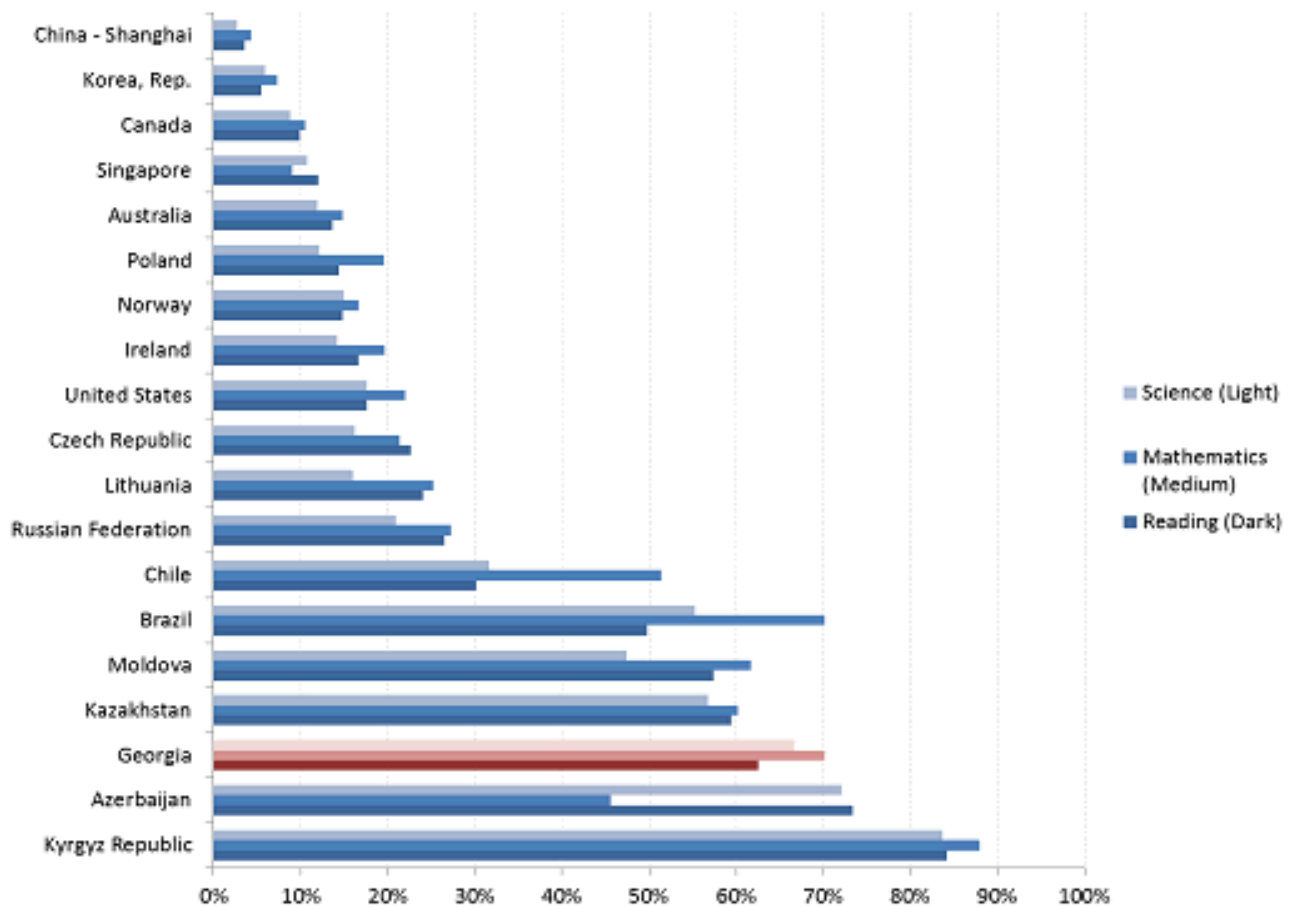
²² Department of Statistics, 2013.

²³ Rutkowski, 2013.

²⁴ Rutkowski, 2013.

²⁵ Geostat.

²⁶ ETF, 2012.

Figure 6: Share of functional illiteracy (below level 2 on PISA 2009)

Source: PISA 2009 (OECD) in Kutateladze and Kutner.

3. Key Findings and Policy Implications

This chapter highlights findings from the assessment of Georgia's workforce development (WfD) system based on the SABER-WfD analytical framework and tool. The focus is on policies, institutions, and practices in three important functional dimensions of policy making and implementation—strategic framework, system oversight, and service delivery. Because these aspects collectively create the environment in which individuals, firms, and training providers, both state and non-state, make decisions with regard to training, they exert an important influence on observed outcomes in skills development. Strong systems of WfD have institutionalized processes and practices for reaching agreement on priorities, for collaboration and coordination, and for generating routine feedback that sustain continuous innovation and improvement. By contrast, weak systems are characterized by fragmentation, duplication of effort, and limited learning from experience.

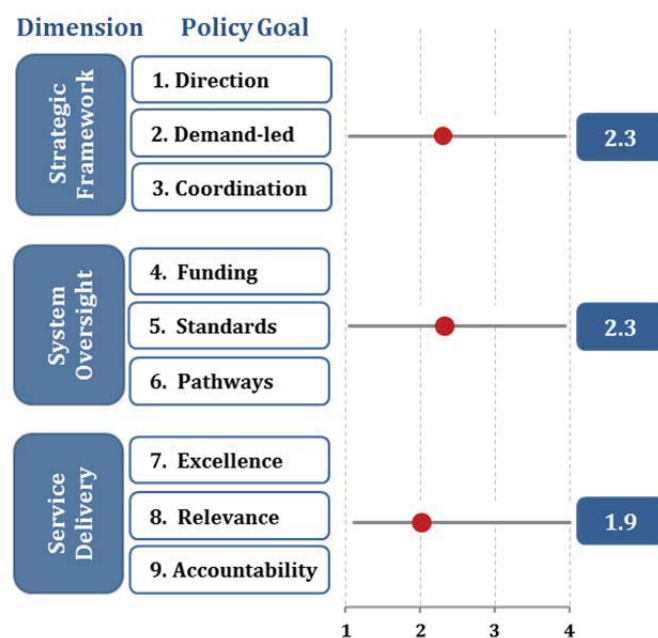
The SABER-WfD assessment results summarized in Figure 7 provide a system diagnostic for understanding the current status of the WfD system in the country, as well as a basis for discussing policy priorities for how best to strengthen it in the coming years.

Overview of the SABER-WfD Assessment Results

All three Dimensions are scored at the Emerging level. The findings show that, while government action has yielded results in some areas, such as adopting system-wide standards for quality assurance and encouraging and regulating non-state provision of training, these actions have not been part of an integrated agenda for sector-wide reform. The results also shed light on several thematic areas of weakness that stretch across the three Dimensions, in particular employer involvement and information-gathering activities to facilitate informed system review and reform.

Strategic Framework: The government and social partners recognize the importance of a well-trained and qualified workforce for economic development. The government has, through legislation, laid out clear roles for WfD implementation for government ministries, training providers, and other stakeholders, and set up a tripartite body for collaboration in the National

Figure 7: Dimension-level scores



Professional Council (NPC). However, these measures have not generated coordinated or sustained action to articulate a strategic vision as to how WfD can support Georgia's socioeconomic priorities. In the absence of this strategic guidance from government or business leaders, WfD policy making is largely contained within the Ministry of Education and Science (MoES) and relies on the involvement of donors both for financial support and guidance on priorities. The result is that efforts for WfD reform do not consistently extend beyond improving the quality and supply of initial vocational education and the functioning of labor markets, and therefore crucial linkages with other sectors are not explored. Thus, the use of WfD as a tool for supporting economic diversification, attracting foreign direct investment (FDI), and improving the well-being of citizens remains largely untapped.

The government of Georgia has taken the strategic decision to pursue liberalization and promotion of the private sector as a means to create a diverse and vibrant economy. In the field of vocational education and training (VET), this means that the government has focused on putting in place a governance structure that offers incentives to providers and gives broad latitude to students and firms in their choice of providers. Clear

signals from businesses on skills needs are crucial to ensure that resources for training are invested efficiently and that public and private training providers keep up with demand. However, the business community has largely held back from engaging in WfD and the government has taken few steps to encourage such engagement. In addition, studies commissioned by the government to assess key growth sectors have neglected the skills dimension, and a lack of periodic, institutionalized assessments of skills constraints has meant that the coverage and regularity of data gathering on skills is poor. Due in part to these limitations, recent initiatives, such as defining priority vocations and the introduction and revision of technical and vocational education and training (TVET) programs, have tended to focus on existing, often low value-added industries and been largely supply driven.

System Oversight: Georgia has a well-functioning system for assessing and certifying people's skills. This is supported by the development of occupational standards and a National Qualifications Framework (NQF), as well as credible accreditation standards and quality assurance mechanisms for training providers. As a result, the score for Policy Goal 5 on *assuring relevant and reliable standards* is the highest compared to the other policy domains and represents the strongest aspect of the Georgian WfD system. However, the overall score for system oversight is dragged down by weaker performance in other areas related to system governance, such as procedures for ensuring efficiency and equity in funding, putting in place measures that allow for the recognition and transfer of skills, and a lack of direct pathways for secondary VET students to further education.

Despite reforms to create market-based mechanisms for funding initial vocational education and training (IVET), resources for TVET remain limited and there are concerns about the adequacy of such mechanisms for directing students to in-demand occupations. Funding for continuing vocational education and training (CVET) and active labor market programs (ALMPs) is more limited. Given that the allocation of funding is determined by the government without input from business or other stakeholders, this increases concerns about the efficient use of funds. This is partially related to the limited scope of reviews of the impact of funding on program beneficiaries. This in itself poses serious challenges for assessing efficiency in the funding of

existing programs. Georgia scores higher when it comes to putting in place procedures to facilitate ease of movement through the TVET system. The importance of Lifelong Learning has been officially recognized by adopting a national Adult Education Strategy, but measures such as a nationwide occupational and career guidance system and a framework for the recognition of prior learning have yet to be scaled up. Scores for this aspect of the system are at present held back by a lack of measures to ensure that the TVET system is accessible to particularly vulnerable groups. The score also reflects practical barriers to student transfers between academic and vocational education tracks, and, in particular, barriers to progression of secondary VET students to further study as a result of a general secondary diploma being a requirement for university admission.

Service Delivery: The market for vocational education services in Georgia consists of a broad range of state and non-state providers. This is in part attributable to effective state policy and is a strong point for Dimension 3. The existing regulatory framework permits the MoES to take limited measures for quality assurance, such as requiring registration and licensing for providers wishing to offer state diplomas. However, finding the appropriate set of requirements and incentives to promote quality among providers remains a concern. The lack of performance incentives for public and private providers and the limited opportunities for the further professional education of VET instructors pose considerable challenges to ensuring quality in the delivery of training. The latter discourages industry representatives from cooperating with the training providers.

Effective delivery of services is also hindered by the lack of institutionalized mechanisms for the monitoring and evaluation of state-run or private programs. While the MoES and the National Center for Education Quality Enhancement (NCEQE) collect administrative data, it is not intensively used for identifying opportunities for resource optimization or measuring the impact of programs on learning and employability. More importantly, much of the information is not widely disseminated, placing a crucial constraint on WfD leaders concerned with policy reform and on those businesses and individuals wishing to buy training services in the marketplace.

Policy Implications of the Findings

The above overview of the scores for the nine policy goals identifies the strong and weak points of the WfD system in Georgia and provides a basis for discussing the policy implications of these findings.

Although the establishment of vocational standards and the NQF has to be considered as a work in progress, they still provide a solid regulatory framework for delivering quality training for the Georgian workforce. However, standards alone are not sufficient for a well-functioning system that lags behind considerably in fostering a demand-driven approach to WfD. As the scoring results show, this is the most challenging area, requiring immediate attention from policy makers. The fragmented nature of labor market studies and skills gaps assessments in relation to the country's economic prospects represents a major problem. Existing initiatives in this area are limited to donor-funded projects, and so are not undertaken on a regular basis. Yet this is exactly what a well-functioning WfD system needs in order to be able to monitor labor market dynamics in a timely manner and adjust training provision accordingly.

While most training providers cooperate with employers on a formal level (e.g., inclusion of industry representatives on management boards), institutional mechanisms for the establishment of such cooperation are weak and there are only a few examples of fruitful collaboration. Establishment of thematic working groups under the NPC is a step forward in introducing more institutionalized ways of cooperation among training providers and employers. However, employers need to be convinced of the benefits of collaboration and the quality of training provided through Vocational Education Centers (VECs) if such bodies are to generate the levels of employer buy-in and participation desired.

With respect to the quality of training provided by VECs, the professional development of the VET instructors is gaining increasing importance alongside greater performance incentives for public and private training providers. Currently, public VECs are not required to operate with stringent performance targets (e.g., employment rate of the graduates, their satisfaction level, etc.), and private providers have limited financial and non-financial incentives for service provision. This situation adversely affects the quality of teaching.

Apart from these concrete issues, in order to practice a sustained advocacy for WfD, in general Georgia needs to pay more attention to other tools than IVET. First, CVET needs to be strengthened. The menu for publicly provided CVET (e.g., on-the-job training (OJT) programs in small- and medium-sized enterprises) is rather limited. Thus, the predominant share of the Georgian workforce has limited opportunities for professional development, since only large companies can afford OJT for their staff. The latter make up only around 30 percent of the entire workforce in Georgia.

Second, training-related ALMPs need to be considered from a holistic perspective. Currently, few actors are implementing such initiatives, and they act alone without any coordination between them. The design of ALMPs that provide short-term training also raises issues of equity in accessing training, as these are not targeted specifically to disadvantaged populations and some do not provide services such as job counseling or employment opportunities that can improve the labor market outcomes of unemployed and disadvantaged trainees. In addition, ALMPs are only one avenue to allow individuals to improve employment prospects. Procedures for certifying informal and non-formal learning so that skills become an asset in pursuit of employment or further training are also important for adult learners. Accordingly, important steps forward include (i) amending the VET law to include provisions for the recognition of non-formal learning; and (ii) establishing criteria for allocating state vouchers for training services that take into account the socioeconomic background of the potential students, thus giving opportunities to the socially disadvantaged to acquire a new profession.

Third, despite this progress, the VET system itself makes it difficult for individuals to gain access to a range of learning opportunities. The main problems lie with the difficulties in progressing from secondary to post-secondary vocational education and from vocational to academic paths. This educational dead-end represents a widely acknowledged problem in Georgia and demands a higher level of attention on the part of policy makers, as the attractiveness of vocational education is related to graduates' abilities to not only gain employment upon graduation, but their subsequent prospects for success and advancement. A system where VET graduates' prospects lag behind those of students in

academic tracks risks making VET a truly second-tier option and exacerbating existing inequalities that can inhibit the academic and economic success of vulnerable groups. Current efforts to improve public perceptions of VET through public awareness campaigns and infrastructure improvements are likely to fall short if students or parents rightly believe that VET will not create adequate opportunities for career success.

4. Aligning Workforce Development to Key Economic and Social Priorities

Workforce development (WfD) is not an end in itself but an input toward broader objectives – of boosting employability and productivity; of relieving skills constraints on business growth and development; and of advancing overall economic growth and social wellbeing. This chapter briefly introduces Georgia's socioeconomic aspirations, priorities, and reforms before presenting the detailed SABER-WfD findings on the Strategic Framework and their policy implications.

Socioeconomic Aspirations, Priorities, and Reforms

Georgia is a small, liberalizing economy. The government, which came to power after parliamentary elections in 2012, has laid out an economic development strategy that emphasizes job creation and poverty reduction through the creation of a favorable environment for private sector development and entrepreneurship. A State Employment Strategy, put in place in February 2013, aligns with this agenda.

Assessments initiated by the government have concluded that human capital represents a binding constraint to the development of the Georgian economy. In view of this, Georgia's 10-point Mid-term Action Plan, laid out in the *Basic Data and Directions (BDD)*, identifies education as important to job creation and global competitiveness. Accordingly, the “development of a flexible and labor market-oriented system of professional development” was declared as one of the priorities of the Ministry of Education and Science (MoES) in 2009.

The MoES puts particular emphasis on improving the quality of vocational education, increasing the population's access to vocational education and training (VET), and introducing an effective and equitable financing model for VET as means to alleviate skills constraints. This emphasis was formalized in the Medium-term Vocational Education and Training Strategy (2009-2012). This strategy has been renewed through 2020. Box 1 outlines key areas for system development for this period.

Skills gaps and mismatches in the labor market remain a major challenge. According to the European Training Foundation (2012): “despite efforts to better link VET

Box 1: Objectives and targeted outcomes of the National VET Development Strategy (2013-2020)

Objective

- Maximize the national and individual potential of the country's human resources

Targeted Outcomes

- Social partner and civil society participation in policy development and decision-making;
- Nationwide network of well functioning public and private VET providers, equipped with excellent facilities and equipment, accessible to all participants;
- Programs that supply labor needs of Georgia's growing and diversifying economy;
- Educators up-to-date on pedagogical techniques and developments in their field;
- System of internationally recognized qualifications;
- VET qualifications valuable for entry into appropriate employment or further study;
- Widespread recognition of VET as an attractive and rewarding pathway for personal development

Source: State VET strategy paper, MoES.

programmes with labour market needs, the offer of vocational training only partially corresponds to profiles and qualifications in demand.” The introduction of priority vocations within the VET system is aimed at addressing this mismatch. It is important to mention that the new government has expanded full state financing to include VET and bachelor degree programs.

The government is receiving strong international support for VET reforms. Major partners include Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), United Nations Development Program (UNDP), United States Agency for International Development (USAID), and the European Training Foundation (ETF). In 2009, the EU and the government of Georgia signed a financing agreement aimed at supporting the VET sector in Georgia through a VET Sector Policy Support Program (SPSP). The overall

objective of SPSP is to enhance the credibility and attractiveness of the VET system. It is worth noting that the structure of the Medium-term VET Strategy

discussed above is very much guided by the contents of the SPSP (see Box 2). The EU program covered the period of 2009-2012 with a budget of €19 million, composed of €17 million disbursed as budget support and €2 million as technical assistance.

Box 2: Key components of the EU Sector Policy Support Program

Sector Wide Conditions of Financing Agreement:	
<ul style="list-style-type: none"> National VET council established VET strategy 2009-2012 and action plans adopted 	
Priority Areas for Policy Action:	
Sector governance and social partnership	<ul style="list-style-type: none"> Improved capacity and coordination of VET at MoES Monitoring system established Formal partnerships with employers established Improved management practices at VET centers
Quality and relevance of VET for labor market	<ul style="list-style-type: none"> Vocational qualifications framework established Career guidance services enhanced Teaching and learning conditions improved
Participation in VET	<ul style="list-style-type: none"> Reform of VET financing system prepared Improved pathways for transfer to and from VET Inclusive VET provision and increased access

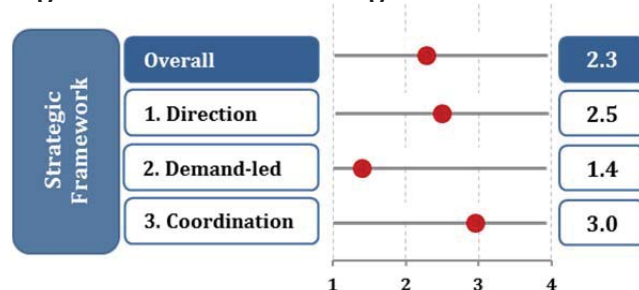
Source: National Indicative Program 2011-2013.

SABER-WfD Ratings on the Strategic Framework

In the SABER-WfD framework, the role of WfD in realizing Georgia's socioeconomic aspirations materializes through actions to advance the following three Policy Goals: (i) setting a strategic direction for WfD; (ii) fostering a demand-led approach in WfD; and (iii) ensuring coordination among key WfD leaders and stakeholders. The ratings for these Policy Goals are presented and explained below, followed by a reflection on their implications for policy dialogue.

Based on data collected by the SABER-WfD questionnaire, Georgia receives an overall rating of 2.3 (Emerging) for the strategic framework Dimension (see Figure 8). This score is the average of the ratings for the underlying Policy Goals: (i) setting a strategic direction for WfD (2.5); (ii) fostering a demand-driven approach (1.4); and (iii) ensuring critical coordination among the

Figure 8: SABER-WfD ratings for Dimension 1



actors at the leadership level of decision-making (3.0). The explanation for these ratings and their implications follow below.

Policy Goal 1: Articulating a Strategic Direction

Leaders play an important role in crystalizing a strategic vision for WfD appropriate to the country's unique circumstances and opportunities. Their advocacy and commitment attract partnership with stakeholders for the common good, build public support for key priorities in WfD, and ensure that critical issues receive due attention in policy dialogue. Taking these ideas into account, Policy Goal 1 assesses the extent to which apex-level leaders in government and in the private sector provide sustained advocacy for WfD priorities through institutionalized processes.

Georgia scores at the **Emerging** level on this Policy Goal, reflecting the fact that WfD receives attention from the top-level leadership, albeit on an *ad hoc* and limited basis. The number of champions for WfD, be it state or non-state, is limited. The latter have taken action to address specific WfD priorities, but an integrated strategy that links WfD to broader socioeconomic goals in concrete ways has not been put in place. Important national strategy documents like the *BDD*, issued by the government of Georgia to outline its development agenda, do not consider WfD's potential contributions to other goals in a systematic way.

The MoES, with strong support from international organizations, is currently the key actor steering the WfD strategy. For instance, it launched a large professional orientation program in 2012 and administers an advanced professional development program for vocational teachers. The Department of Labor and Employment Policy within the Ministry of Labor, Health and Social Affairs has responsibility for

key components of WfD, such as setting up employment centers and coordinating a professional orientation and consultation service for the unemployed. Until recently, when the Department of Labor and Employment Policy started working on the national employment policy, it had almost no influence on WfD in Georgia. Thus, WfD strategy making is largely contained within the MoES and to a lesser extent the Department of Labor and Employment Policy.

It is therefore no surprise that a holistic strategy for WfD, which is integrated with strategy in other sectors, has not emerged. Input from other stakeholders, whether within or outside government, has been predominantly concerned with addressing the immediate skills mismatch in several strategic industries. This is perhaps the reason why most of the strategic WfD decisions over the last five years have focused on initial vocational education and training (IVET) in support of key strategic industries. The introduction of priority vocations at secondary and post-secondary VET level and the introduction of a presidential program of VEC rehabilitation serve as good examples of this. Meanwhile, attention to continuing vocational education and training (CVET) and active labor market programs (ALMPs) has remained very limited in nature.

The National Professional Council (NPC) was established in 2010 in order to improve coordination among the stakeholders in IVET. The NPC is a consultative body with members drawn from ministries, training providers, and employers. It is responsible for reviewing progress on the IVET strategy, revising the VET law, and introducing the National Qualifications Framework (NQF). It is worth noting that the majority of these decisions stem from bilateral discussions with major international donors. In some cases, conditionality associated with donor support has been the driving force behind reforms such as the abovementioned Medium-Term VET Strategy. Establishment of the NPC and NQF constitutes two of several subsector conditions stipulated by this document. In other cases, like the introduction of priority vocations for which the government makes vouchers for training available, the MoES has relied on the close collaboration with and strong support of multiple donor organizations, as well as the studies and assessments of the local labor market conducted by these organizations. In the case of priority vocations, the MoES has also taken into account input

from Vocational Education Centers (VECs) and some employers when forming and updating the list.

Annual reports by the NPC as well as by various NGOs about the state of VET reform development provide some information to leaders on the state of implementation of the VET strategy issued by the MoES. International donor organizations regularly monitor and issue reports regarding the achievements and challenges in implementing the strategy. Reviews are thus largely limited to discrete aspects of education and WfD strategy. Reviews that examine WfD's contributions to priorities outside of the sector, as laid out in documents like the *BDD*, do not exist.

Policy Goal 2: Fostering a Demand-led Approach to WfD

Effective advocacy for WfD requires credible assessments of the demand for skills, engagement of employers in shaping the country's WfD agenda, and incentives for employers to support skills development. Policy Goal 2 takes these ideas into account and benchmarks the system according to the extent to which policies and institutional arrangements are in place to: (i) establish clarity on the demand for skills and areas of critical constraint; and (ii) engage employers in setting WfD priorities and in enhancing skills-upgrading for workers.

Georgia scores at the **latent** level for Policy Goal 2 as assessments of the skill implications for Georgia's economic strategy are rare and mostly donor-driven, and employers, vital partners in assuring that WfD is demand-driven, have almost no role to play in defining strategic WfD priorities.

Efforts to assess the current demand for skills are sporadic, limited in scope, and focus only on specific sectors. While Georgia conducts studies to determine the attractiveness and viability of certain industries, these studies focus on the investment climate and usually do not go the implications for skills demand, though there are exceptions. For instance, the Ministry of Economy and Sustainable Development recently completed an assessment of four sectors (tourism, apparel, information and communication technologies, and food processing) with the support of GIZ. For each sector the study looked at pertinent developments in Georgia, labor characteristics, and, importantly, the labor qualifications demanded by each sector.

This example highlights a challenge in the assessment of skills demand in Georgia: it is predominantly international organizations taking the lead in funding and implementing labor market studies. There is no national body in charge of coordinating assessments of skills demand, and the present capacity of the government to carry out such surveys is limited. Indeed, in the GIZ project above, the goal of building the capacity of the Analysis and Planning Department of the Ministry was as important to the parties involved as producing the report itself.

The lack of coordination among ministries on strategic development priorities means that donors and others do not necessarily have clear signals about priority industries. This can lead to fragmentation of information, as the selection of priority industries can vary depending on the various assessments and priorities of those commissioning and conducting the study. This fragmentation in turn impedes the development of a coordinated strategy linking WfD to economic development. The identification of priority vocations by the MoES is an example. Despite challenges related to the availability of data and limited resources for such analyses, the MoES has identified critical skills constraints in several key sectors based on the available research and consultations with the international organizations leading the sector assessment studies. As a result, 65 vocations have been put on the priority list for which state funding is available. However, based on the fact that the underlying studies are *ad hoc* and sector coverage is limited, concerns have been raised about the appropriateness of the occupations on this list.

Another source of concern is the limited involvement of employers in strategic decision-making. While the Georgian Employers Association (GEA) is officially tasked to represent employers' interests in the process of setting WfD strategy, they face the twofold challenge of (i) securing the input of various industry representatives, many of whom are uninterested or unable to participate, and (ii) gaining support from MoES officials for their recommendations, as the ultimate decision-making power rests with the MoES. In addition, the Georgian Small and Medium-sized Enterprises Association (GSMEA), a body dedicated to representing the particular needs of small- and

medium-sized enterprises (SMEs), is not involved in strategic decision-making on WfD.

Employers tend not to be actively involved in addressing skills needs, either through engaging at the strategic level or providing training. This suggests that employers may be facing constraints in training provision that are not being addressed. The government provides no incentives, such as a levy scheme, to formal and informal sector employers to develop and upgrade the skills of their employees. In the context of Georgia's strategic decision to promote a private market for VET, governed primarily through consumer choice and competition, the lack of employer participation is particularly worrying as it runs the risk of the government abdicating key regulatory and coordinating functions without the gap being effectively filled by employers and training providers.

Policy Goal 3: Strengthening Critical Coordination for Implementation

Ensuring that the efforts of multiple stakeholders involved in WfD are aligned with the country's key socioeconomic priorities is an important goal of strategic coordination. Such coordination typically requires leadership at a sufficiently high level to overcome barriers to cross-sector or cross-ministerial cooperation. Policy Goal 3 examines the extent to which policies and institutional arrangements are in place to formalize roles and responsibilities for coordinated action on strategic priorities.

Georgia scores at the **Established** level for Policy Goal 3. Legislation and agreements amongst state and non-state stakeholders exist to promote coordination on WfD policy and implementation. With few exceptions, WfD measures are accompanied by implementation plans and budgets that allow for a clear division of responsibilities among government implementing agencies. However, such measures do not always have clear roles for vital non-government partners or provisions for review and evaluation of implementation; these are issues that can impede effectiveness.

The Law on VET defines the roles and responsibilities of the government ministries and agencies responsible for WfD. Non-government stakeholders, notably social partners such as trade unions and the GEA, also have legally defined duties and obligations as stipulated by the Agreement on Social Partnership, which was signed

by the government and these parties in 2011. The Agreement, as well as the creation of an institutionalized mechanism of coordination, the NPC, was the result of an ongoing debate regarding persistent mismatches in skills demand and supply and how input from social partners, notably the GEA, could be more effectively offered and incorporated by the government.

However, having the laws and agreements in place does not guarantee the effective functioning of the system. A number of concerns have been raised regarding the effectiveness of the coordination mechanisms and implementation of strategic WfD measures. The first involves the composition of the NPC (see Box 3), which is made up predominantly of state actors and thus does not serve as an effective forum for cooperation between the government and other stakeholders. Second, the NPC was bypassed in decisions on the revision of the priority vocations for which public funding is available to students, which were made based on direct consultations of the MoES with WfD stakeholders. While this might not have undermined the effectiveness of the decisions taken, it clearly demonstrates the weak decision-making power of the NPC. Thus, in practice, most strategic decisions that involve stakeholder input are still taken in bilateral discussions between the MoES and other WfD

stakeholders. Implementation of the social partnership agreement suffers from a similar lack of impact, as it is not backed by an action plan or a set of agreed targets, making it impossible to track the degree of success of social partners in achieving common goals.

Strategic WfD measures promulgated by the government, either with or without the input of other WfD stakeholders, are typically accompanied by implementation plans and a budget allocation. This allows for productive coordination among government ministries and agencies on the implementation of WfD policies. Coordination is much weaker when it comes to policy conception. For instance, the VET Law only contains two provisions that concern the Ministry of Labor, Health and Social Affairs. The ministry is empowered to (i) appoint a representative to the NPC and (ii) jointly with the MoES, appoint the head of the National Professional Agency, a body concerned with quality assurance and skills testing. Thus, WfD policy making takes place almost exclusively within the education sector, an institutional arrangement that can hinder connections between labor market demand and the supply of skills. As mentioned earlier, connections between WfD policy and other important government ministries is weaker still.

Implications of the Findings

The findings for Dimension 1 reveal that fostering a demand-driven approach represents a major challenge. There are two obstacles that policy makers face in this regard: (i) the lack of systematic assessments of skills demand, and (ii) the lack of industry inclusion in this process.

Identification of priority sectors for stimulating economic growth is clearly an important initiative to overcome these challenges. However, most of the research on the skills constraints faced by these sectors is done by international donor organizations. This implies that these studies, although crucially important, do not lay the groundwork for a WfD system that can monitor and adapt to changes in skills demand, as they are not an institutionalized part of government practice. Labor market dynamics change on a daily basis, a fact that has prompted many countries to create a national agency solely dedicated to conducting such analyses.

Box 3: National Professional Council: Objective and membership



Source: www.mes.gov.ge.

The inclusion of employers is of paramount importance as they are the end users of skills. From this perspective, industry representatives are most knowledgeable about skills demand and should be actively involved in defining WfD priorities. Thus, it is of crucial importance to put in place coordination mechanisms, accompanied by a detailed division of responsibilities and action plans for all the parties involved, to enable fruitful cooperation between the industry and other WfD stakeholders.

In light of high unemployment, employers are unlikely to absorb all excess workers—even when appropriately trained—in the short term. Promoting entrepreneurship has been identified by the government as a way to further increase employment. Measures to do so have been limited however. In addition, these efforts have focused primarily on short-term training for unemployed, equipping them with skills to start small businesses to improve livelihoods or generate additional household income. This type of training may successfully provide individuals with the means to start small businesses, but is unlikely to generate significant employment opportunities for others.

While promising, the desirability of reviving or continuing such programs depends in part on the alternative interventions to support out-of-work, low-income or other vulnerable populations. Entrepreneurship education to seed innovation and create competitive firms often takes a different form and is delivered more often in formal educational

settings. Partnerships between private colleges and the Entrepreneurship Association of Northern Germany through the Association of Private Colleges of Georgia could serve as a useful partnership to explore this option. Though careful thought is necessary, as programs' successfulness is mixed, even if students do not become entrepreneurs, such education can help cultivate a set of interpersonal and critical thinking skills that employers often struggle to find.

Last but not least, very little importance has been attached to ALMPs and CVET. Initiatives in this direction are *ad hoc* and implemented by various actors who often operate in silos. This results in a fragmented WfD policy and calls for more sustained advocacy on the part of both government and non-state actors. A well thought-out strategy in these two areas, in combination with the existing IVET strategy, would be important steps toward a comprehensive WfD system capable of tackling high unemployment in Georgia. It could also help facilitate the creation of more options for those seeking training. In this endeavor, the likely need for increased funding for such provision will need to be balanced against the reality that, unless employers are tapped as a source of funds for training, the amount of resources available for the WfD system are not likely to increase substantially. In light of this, one area of focus in the new strategy may be revising the organization of the voucher system to ensure that current funding modalities are achieving desired outcomes in an efficient and equitable manner.

5. Governing the System for Workforce Development

An important function of workforce development (WfD) authorities is to facilitate efficient and effective skills acquisition by individuals and to enable employers to meet their demand for skilled workers in a timely manner. The objective is to minimize systemic impediments to skills acquisition and mismatches in skills supply and demand. This chapter begins with a brief description of how the WfD system is organized and governed before presenting the detailed SABER-WfD findings on System Oversight and their policy implications.

Overall Institutional Landscape

As in many other countries, technical and vocational education and training (TVET) is the primary mechanism for supplying the low- and middle-level skills demanded by industry. TVET in Georgia is run and administered by the Ministry of Education and Science (MoES), which at the same time represents a key agency leading the process of vocational education and training (VET) policy elaboration and steering implementation of the national VET strategy. Another state body playing a key role in WfD system oversight is the National Center for Education Quality Enhancement (NCEQE) (see Box 4), which took the lead in the adoption of the National Qualifications Framework (NQF) in December 2010, one of the biggest achievements in WfD during the past few years. Up to June 2012, Georgia had adopted 247 occupational standards for qualifications according to the five levels of the vocational qualifications sub-framework. The first three levels of this sub-framework represent secondary initial vocational education and training (IVET) provided by Vocational Education Centers (VECs) and community colleges, while post-secondary IVET (levels IV and V) are delivered at universities and community colleges.

In the Georgian education system, 12 years are required to complete general secondary education. After completing the first nine years, students can choose to switch to a vocational track by either attending a VEC or a community college. Should students electing to take a vocational track subsequently wish to continue their studies (vocational or academic) at post-secondary level, they must first re-enroll in a general secondary school to complete grades 10-12 (general secondary education). Only the diploma of full secondary

education (12 grades) makes students eligible to proceed to post-secondary education.

Sources of funding for TVET include the government, donors, and private households. The contribution of firms is negligible. At the secondary IVET level, students can obtain public funding through a state voucher system. At the post-secondary level, state grants are issued based on performance in the national entrance exams. While lack of data makes it difficult to estimate the exact share of private financing, it can be assumed that private spending on TVET is considerable due to the fact that state voucher funding applies predominantly to state VECs, which have been decreasing in number over the past few years and make up a relatively small portion of total VET training providers.

In nominal terms, the state IVET budget for 2012 reached around GEL 24 million, of which GEL 8 million was allocated for voucher financing (see Table 2). Vouchers are allocated to students studying one of the priority vocations as established by the MoES. The remaining share of the state budget (about GEL 16 million) is allocated through the presidential program of “Rehabilitation of VET Colleges.” Public spending on IVET has only accounted for 4.1 percent of the state education budget in 2012, making recurrent funding for IVET low in comparison to other components of the MoES budget. However, it should be noted that this is a considerable increase, both nominally and relative to the total budget, from previous years’ allocations for IVET.

Apart from IVET, active labor market programs (ALMPs) and continuing vocational education and training (CVET) also represent an important source for workforce up-skilling. The newly created Ministry of Employment is in the process of developing a database of unemployed individuals as a first step toward the provision of market-relevant training to them at a later stage. The Ministry of Employment is not the only actor in the ALMP field. The MoES implemented a “Professional Retraining and Orientation” project in 2012, which aimed at job counseling and retraining of 20,000 individuals across the country in English language and PC skills. However, this project has not been formalized and no official information has been released regarding its continuation in 2013.

Table 2: Budget for IVET by main components, millions of GEL (US\$), 2008-2012

Budget Line	2008	2009	2010	2011	2012
1. Ministry of Education and Science	465.2 (268.9)	520.0 (311.4)	550.4 (308.2)	556.2 (320.9)	596.5 (360.3)
2. Total IVET	9.4 (5.4)	9.2 (5.5)	8.4 (4.7)	8.8 (5.1)	24.6 (14.9)
<i>a. IVET Program (VET quality enhancement + improved access)</i>	8.7 (5.0)	9.2 (5.5)	7.9 (4.4)	6.4 (3.7)	8.3 (5.0)
<i>b. President's National Program "Rehabilitation of IVET Colleges"</i>	0.7 (0.4)	N/A	0.5 (0.2)	2.4 (1.4)	16.3 (9.8)
3. Share of Total IVET in MoES budget	2.0%	1.8%	1.5%	1.6%	4.1%

Source: Ministry of Education and Science of Georgia.

Box 4: The National Center for Educational Quality Enhancement (NCEQE)

Mandate

- Authorization of training providers
- Accreditation of training program
- Leading the process of vocational standards development
- Elaboration of the National Qualifications Framework

Services Provided

- Validation of education credentials issued in Georgia
- Recognition of foreign education credentials
- Administer procedures for students and instructors transfer among institutions
- Render legal aid to education institutions on a contractual basis
- Conduct small-scale research

Source: www.eqe.ge.

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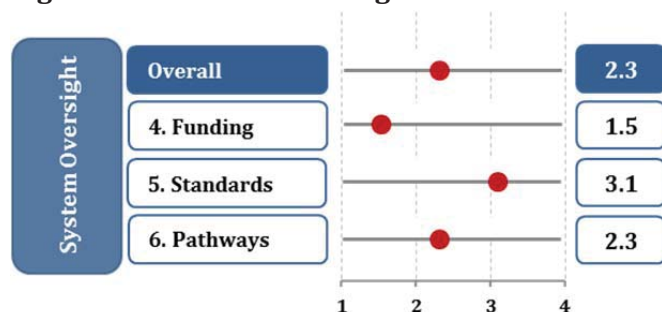
PC skills. However, this project has not been formalized and no official information has been released regarding its continuation in 2013.

Similar to ALMPs, publicly provided CVET is rather limited in Georgia. The Teacher Professional Development Center (TPDC) is a good example of providing continuing vocational education. This agency offers individual development plans and continuing counseling to secondary school teachers. Those enrolled in the program have to pass an exam proving that their qualification complies with the requirements set forth in the teachers' professional standards. A certificate indicating the professional status of the teacher is issued after passing the exam. Around 80 percent of all teachers in Georgia benefit from this service. However, a predominant share of the Georgian workforce still has very limited opportunities for professional development, since it is only large companies that can afford on-the-job training (OJT) for their staff. Employees in such companies make up only around 30 percent of the entire workforce in Georgia.

Informal learning is slowly gaining a foothold in the country. Some of the landmark events in this regard include changes in the VET law stipulating procedures for acknowledging prior/informal learning and the elaboration of the "Adult Education Strategy" by the Adult Education Association of Georgia (AEAG) which,

however, has not been incorporated into the plans of the government. One of the key players in the promotion of informal learning is DVV International. They are among the few actors who, in cooperation with AEAG, are operating informal educational centers for disadvantaged groups of the population across the country. In general, informal training provision is concentrated in the hands of NGOs.

Figure 9: SABER-WfD ratings for Dimension 2



SABER-WfD Ratings on System Oversight

The SABER-WfD framework identifies three pertinent Policy Goals corresponding to oversight mechanisms for influencing the choices of individuals, training providers, and employers: (i) ensuring efficiency and equity in funding; (ii) assuring relevant and reliable standards; and (iii) diversifying pathways for skills acquisition. The ratings for these Policy Goals are presented and explained below, followed by a reflection on their implications for policy dialogue.

Based on data collected by the SABER-WfD questionnaire, Georgia's system receives an overall rating of 2.3 (Emerging) for system oversight (see Figure 9). This score is the average of the ratings for the underlying Policy Goals: ensuring efficiency and equity of funding (1.5); assuring relevant and reliable standards (3.1); and diversifying pathways for skills acquisition (2.3). The explanation for these ratings and their implications follow below.

Policy Goal 4: Ensuring Efficiency and Equity in Funding

WfD requires a significant investment of resources by the government, households, and employers. To ensure these resources are effectively used, it is important to examine the extent to which policies and institutional arrangements are in place to: (i) ensure stable funding for effective programs in initial, continuing, and

targeted VET; (ii) monitor and assess equity in funding; and (iii) foster partnerships with employers for funding WfD.

Georgia scores at the **Latent** level on Policy Goal 4. The rating reflects the weakness of the processes for budgeting. Funding for IVET is done through voucher and grant programs that are meant to introduce market efficiency into funding procedures. But the programs have been questioned on the grounds of both equity and their ability to channel students into occupations demanded by key industries. Funding for both CVET and ALMPs, which take place through the formal process of application and approval, is limited. There are few procedures for considering the equity dimension of funding for TVET, and the absence of recent formal reviews of the impact of funding on the beneficiaries of training programs leaves the government unable to determine to what extent procedures promote equity. The government also gives no incentives to employers to invest in their staff's professional development.

Funding for IVET: The government relies on routine budgeting processes to determine the level of funding for IVET institutions and programs. The criteria are reviewed on an *ad hoc* basis. Students choosing to study the priority vocations receive vouchers in the amount of 1,000 GEL (100 percent voucher) if they belong to vulnerable groups (e.g., below the poverty line). If they do not belong to vulnerable groups, students receive a 700 GEL (70 percent) voucher. Currently, there are 65 vocations on the list for which students can get state funding if they choose to study these vocations.

This form of funds disbursement is a first major attempt to reform the IVET financing system. Introduced in 2012, the government is planning for continued revision of the current model, especially due to the shortcomings highlighted by various actors. For instance, the voucher program does not yet seem to have had an impact on addressing skills constraints in many sectors. Some suggest that this is because vouchers are provided for a large set of "priority vocations," not all of which are equally in demand. Thus, students might not choose the subjects most in demand in the labor market. However, the misalignment of demand and supply in VET is not the only source of skills mismatch. The same can be assumed of higher education, as most of the highly educated try to leave the country, finding it difficult to

utilize their skills in the local economy.²⁷ Some training providers and experts also voice concern that even the 100 percent voucher is sometimes not enough to cover the costs of fees for certain priority vocations. The abovementioned flaws of the voucher system were highlighted in several expert studies by GIZ. Unfortunately, the lack of formal reviews of the impact of funding on the beneficiaries in other programs makes the judgement about system efficiency impossible. The MoES is receiving technical support from international experts on assessing the effectiveness of the system and suggestions for introducing a new model of financing for the first three levels of IVET. Funding at the post-secondary level is less calibrated to addressing systemic efficiency, as grant allocation is not aligned with strategic decisions regarding priority vocations.

Funding for CVET and ALMPs: The government determines recurrent funding for CVET through a formal process of application and approval. In general, government provision of funding for CVET is limited. Visible examples include the TPDC and the Academy of the Ministry of Finance. However, state-supported OJT programs in the SME sector simply do not exist. Despite the lack of state incentives to upgrade employees' skills, quite a few employers do so at their own expense. According to the Georgian Small and Medium-sized Enterprises Association (GSMEA) and Georgian Employers Association (GEA), it is predominantly large companies (e.g., supermarket Goodwill, pharmaceutical company Aversi) that can afford to spend on employee up-skilling, while providing such training is seen as too much of a financial burden by smaller enterprises.

Large companies tend to set up their own training center or OJT programs (see Box 5) or fund short-term retraining courses for employees at different VECs. A good example of the second option includes cooperation between mineral water company Borjomi and Georgian Technical University (GTU). GTU representatives have created a month-long retraining course for the employees of the Borjomi factory at the request of the company. GTU has a similar cooperation arrangement with the brewery Castel Georgia.

Funding for ALMPs also comes from the state budget and is channeled through the implementing agencies.

Box 5: Georgian Banking Training Centre

Creation

- Established in 2006 by the Association of Banks of Georgia (ABG) and the Caucasus University (CU)
- Financial support from USAID

Mission

- Provide financial services professionals with continuous training that meets the requirements of local business community and aligns with international standards

Services

- The center offers training services to the staff of ABG member banks at considerably lower prices than in international centers
- Main programs include:
 - Foundational Banking Studies
 - Financial Operations
 - Financial Institution Management

Source: www.gbtc.ge

There are no special criteria that programs have to meet for further continuation of funding. The current programs reflect the desire of the MoES and Tbilisi City Hall to help with the up-skilling of the unemployed to facilitate better access to jobs. But these are the only major ALMPs in Georgia, which makes it obvious that such programs are rather limited in scope and funding. Additionally, they are not targeted to specific vulnerable groups like youth, women, minorities, or the rural population; thus, implementation options are limited.

Policy Goal 5: Assuring Relevant and Reliable Standards

The WfD system comprises a wide range of training providers offering courses at various levels in diverse fields. An effective system of standards and accreditation enables students to document what they have learned and employers to identify workers with the relevant skills. For Policy Goal 5, it is therefore important to assess the status of policies and institutions to: (i) set reliable competency standards; (ii) assure the credibility of skills testing and certification; and (iii) develop and enforce accreditation standards for maintaining the quality of training provision.

Georgia scores at the **Established** level for this Policy Goal. The score is consistent with the country's progress in introducing competency standards and the NQF,

²⁷ CRRC, 2007.

which feature as the key strengths of this Policy Goal. However, existing accreditation and competency standards are not robust and need further refinement as well as a permanent system of review.

Georgia has put in place institutionalized processes for developing competency standards. Thirteen sector committees were set up under the National Professional Council (NPC) in 2009 to discuss and elaborate occupational standards. Since 2010, the number of committees has increased to 14, and their activity has focused on contributing systematically to the design and further development of the qualifications system. Training providers, industry experts, and professionals, as well as international organizations, were actively involved in this process. For instance, representatives of the major hotels and tourism experts have taken the lead in developing standards for hotel receptionists. More than 200 competency standards have been approved in a range of categories (termed “directions” in the NQF) including agriculture, engineering, the social sciences, health care, business administration, natural sciences, law, and the fine arts. Following quickly after the establishment of the sector committees, Georgia approved the NQF, which provides an organizational structure for cataloging qualifications and defines procedures for the creation of new standards.

Elaboration of competency standards made it possible for most of the providers to utilize competency-based curricula and testing to certify qualifications in most skilled and semi-skilled occupations. All students studying at an accredited institution who accumulate the required number of credits get tested and receive a State Professional Diploma. For most occupations, testing assesses both theoretical and practical knowledge. However, these measures have not had much impact on sectors where there is a high degree of informality. For most professions within these sectors no state certificate is required, and thus the measures have had little effect on employment chances.

The NCEQE is responsible for overseeing Georgia’s system for quality assurance of training providers (see Box 6). Training providers are required by law to obtain (and renew every five years) authorization from the NCEQE to operate in order to be legally allowed to provide training services. Programs offered by these providers are required to be accredited. Accreditation

standards are drawn up by the NCEQE with input from training providers and social partners. Enforcement of these standards is also managed by the NCEQE through the review of annual self-assessment reports describing conformity to standards submitted by providers.

Despite these developments, there remain problems with this part of the WfD system that prevent the score from reaching the Advanced level. For instance, accreditation standards for training institutions are reviewed on an *ad hoc* basis only, with the last revision taking place in 2011. Major challenges remain with the competency standards such as the poor definition of the occupations and overly generic formulation of occupational profiles. A number of standards have been established without strong support from relevant industry representatives, something that affects the quality and relevance of the standards. However, this was at times due to a lack of interest or capacity to engage on the part of industry. In cases where it was clear that sufficient industry involvement was not achieved, the committee made a strategic decision to nonetheless adopt the standard in order to be able to start a dialogue with employers. In light of these issues, the VET community acknowledges that the development of standards should be seen as a work in progress requiring constant monitoring and further development. However, there are currently no institutionalized mechanisms for facilitating revision of the standards and the process is therefore happening on an *ad hoc* basis.

Box 6: Quality assurance mechanisms for training providers overseen by the NCEQE

Legal Requirements for Operation

- Authorization of training provider, renewed every five years
- Accreditation of educational programs

Mechanisms for Enforcement and Quality Improvement

- Training providers required to submit annual self-assessment report showing compliance with standards
- Individualized feedback to providers based on self-assessment reports
- Workshops to address emerging challenges

Policy Goal 6: Diversifying the pathways for skills acquisition

In dynamic economic environments, workers need to acquire new skills and competencies as well as keep their skills up to date throughout their working lives. They are best served by a system of initial and continuing education and training that promotes lifelong learning by offering clear and flexible pathways for transfers across courses, progression to higher levels of training and access to programs in other fields. For those already in the workforce, schemes for recognition of prior learning are essential to allow individuals to efficiently upgrade their skills and learn new ones. Policy Goal 6 therefore evaluates the extent to which policies and institutions are in place to: (i) enable progression through multiple learning pathways, including for students in TVET streams; (ii) facilitate the recognition of prior learning; and (iii) provide targeted support services, particularly among the disadvantaged.

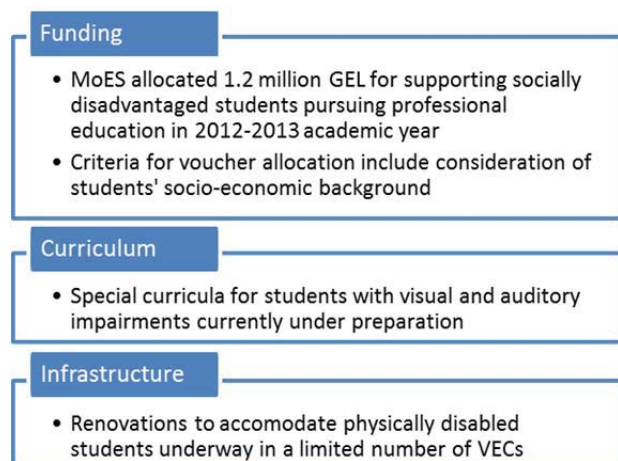
Georgia scores at an **Emerging** level (2.3) for Policy Goal 6. While the creation of learning pathways and the recognition of prior learning are government priorities, the current system has not effectively addressed obstacles to progression within different educational levels and tracks. Career development and guidance services are also very limited in nature.

Progression through learning pathways: Ease of progression through the education system remains one of the key challenges of the WfD system in Georgia. Progression from different educational levels, as well as between academic and vocational tracks, is possible but difficult. In the 9th grade of the general secondary school, students choose between the vocational and academic tracks of education. Those who select the vocational track receive an education that is meant to provide them with the skills necessary to practice an occupation upon completion of their secondary education. However, if these students wish to enter university or continue vocational studies at a higher level they need to go back to general secondary school and do an additional three years of schooling in order to complete high school so as to be eligible to take the national university entrance examination. The requirement to pass secondary education exams in addition to the national university entrance exams is a deterrent to many students wishing to pursue vocational education.

The de-motivating effect of the progression problems is particularly alarming considering that vocational education still suffers from the Soviet time cliché of being the “last resort for less academically inclined students.” In response, the government has taken some action to improve the image of vocational education. This included TV ads, printed materials, and the opening of information centers. These efforts, together with overall VET reform, have clearly contributed to increased rates of enrollment. In the 2012/13 academic year, enrollment in public VECs almost doubled to a record of 12,746 students. The introduction of voucher funding for vocational education has likely also given a boost to demand for VET courses.

Recognition of prior learning and services for the disadvantaged: An amendment to the VET law that allows for the recognition of informal learning (made in 2010) is of crucial importance for diversifying the pathways for skills acquisition. It sets the conditions and procedures for recognition of informal (non-formal) professional education, and specifies the bodies authorized to review individual requests for recognition, as well as the documentation required, the conditions for submission, and the procedures for decision making. However, groups such as the AEAG have raised concerns that the administrative procedures put in place as a result of the law often create impediments to obtaining recognition, particularly for disadvantaged groups. Such groups (e.g., ethnic minorities, internally displaced persons) often face language barriers, lack the basic IT skills necessary to make an official application, have little access to internet and computer software to process the applications, and often have difficulties in obtaining information about to whom and when to send their application. Generally speaking, the WfD system is rather weak in offering training opportunities for disadvantaged groups of the population, though some steps to address the specific challenges faced by these groups have been taken in recent years (see Box 7).

Box 7: Measures to address the training needs of disadvantaged groups



Author's construction.

Implications of the Findings

The main function of WfD oversight is to ensure that an individual has diversified access to skills acquisition and has the resources to afford quality training. Based on the findings for Dimension 2, there is room for improvement in each of these areas in Georgia.

Ease of progression through Georgia's formal educational system continues to be widely acknowledged as a key challenge for WfD, and this is at odds with the government's objective to make VET a rapid pathway to employment. In certain areas of the educational system, Georgia shows signs of good practice in this regard. For example, some community colleges implement programs together with

universities. Students can study academic subjects at a community college that will count as credits if they decide to continue studying at an associated university. However, this is not a sizable initiative and does not ease the process of transition from secondary to university level, as students still have to pass national entrance exams. It would be worthwhile to consider applying similar solutions to the progression problem in the TVET system. One of the ideas already discussed in this regard is the introduction of vocational subjects into mainstream academic secondary education.

Apart from the progression problems, many students struggle to afford the costs of studying at VECs, even if they get a state voucher, as the cost of some courses is higher than the value of the voucher. Issues like this question the efficiency of the system and point to the need to revise the approach. The need for reviews is particularly evident for CVET programs and ALMPs. Without assessing the effect of funding on the beneficiaries of training, it will be difficult to discuss the benefit of such programs. On the other hand, having clear allocation criteria for state funding is a cornerstone for efficient financing. From this perspective, grant allocation at the post-secondary level of teaching can be improved if funding criteria are aligned with strategic decisions, as in the case of voucher funding. Targeting programs to the most vulnerable groups with more serious problems of integration into the labor market would also help improve efficiency.

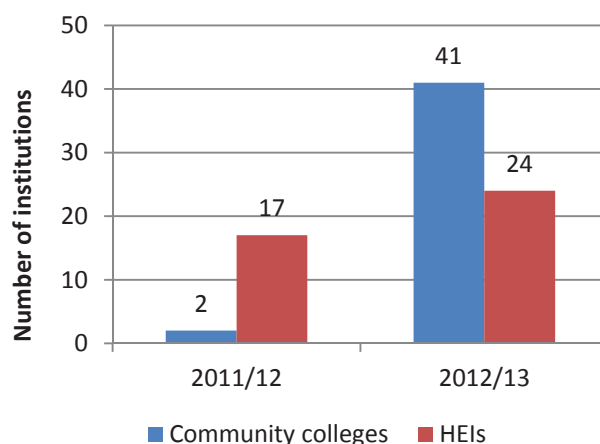
6. Managing Service Delivery

Training providers, both non-state and government, are the main channels through which the country's policies are translated into results on the ground. This chapter therefore provides an overview of the functions of the line ministries or agencies responsible for overseeing non-state providers and managing public institutions.

Overview of the Delivery of Training Services

Enrollment rates in public initial vocational education and training (IVET) have increased substantially in 2012 compared to the previous year (Table 3). As mentioned earlier, for the 2012/13 academic year, 12,746 students enrolled in public Vocational Education Centers (VECs). Over the past few years, the number of private providers has increased significantly at both the secondary as well as post-secondary levels. However, because data about enrollment in private training centers is not collected through a central information system, enrollment statistics are not publicly available. In the 2012/13 academic year, there were 14 public and 78 private vocational education and training (VET) providers (public and private VECs and community colleges). Additionally, in the 2012/13 academic year, there were a total 24 public and private higher education institutions (HEIs) providing post-graduate level training in VET (see Figure 10). The sharp increase in the number of providers between the 2011/12 and 2012/13 academic years is in part due to the establishment of private community colleges and HEIs in response to measures by the state to encourage private provision of training. Considering the significant increase in the number of private providers, the total number of IVET students is presumably substantially

Figure 10: Number of institutions providing post-secondary level VET



Source: European Training Foundation, 2012.

larger than the figures on enrollment in public IVET indicate.

Available data indicates that attrition is a major problem. In the 2011/12 academic year, only 2,945 students earned a certification from a public VET institution. While the overall graduation rate is difficult to compute given the variable length and start dates of courses, with 4,652 students enrolled in 2010/11 and 6,500 students enrolled in 2011/12, it is clear that many students do not complete their courses of study.

Compared to IVET, providers of continuing vocational education and training (CVET) are not that large in number. However, due to the scarcity of reliable statistics about CVET providers, it is difficult to estimate the level of on-the-job training (OJT) and continuing training, as it is mostly implemented by employers and no statistics are officially collected. The most recent information on participation in CVET comes from a World Bank enterprise survey implemented in 2008. According to this study, only 14.5 percent of firms in Georgia offer formal training to their staff, and the proportion of workers offered formal training is around 28 percent.

According to the Georgian Small and Medium-sized Enterprises Association (GSMEA) and Georgian Employers Association (GEA), only large companies such as the supermarket chain Goodwill and the

Table 3: Enrollment in VET (public vs. private providers)

	Public	Private	Total
2005/06	20,904	7,491	28,395
2006/07	18,242	10,578	28,820
2007/08	9,377	7,658	17,035
2008/09	2,177	434	2,611
2009/10	5,504	N/A	N/A
2010/11	4,652	N/A	N/A
2011/12	6,500	N/A	N/A
2012/13	12,746	N/A	N/A

Source: National Statistics Office of Georgia; ETF, 2012.

Note: After the 2008/09 academic year data on private enrollments was not available. The low enrollment for private providers in 2008/09 reflects, in part, the decreasing availability of data.

pharmaceutical company Aversi can afford to invest in OJT, while smaller enterprises find that providing such training is prohibitively expensive. One area where CVET is common is among teachers. About 80 percent of the teachers in Georgia are currently involved in various training programs at the Teacher Professional Development Centre. However, the Centre mainly focuses on professional development for secondary school teachers, while VET instructors have limited training opportunities.

Providers of active labor market programs (ALMPs) are even fewer in number. The few programs falling under the category of ALMP are implemented through programs by the Ministry of Education and Science (MoES) and the Tbilisi City Hall, which obviously represent much more than just training providers. Currently, more than 5,000 individuals have received free English and computer training at the Tbilisi City Hall. A recently launched MoES program of “Professional Retraining and Orientation” envisages the training of 20,000 individuals aged above 25 in English language, basic computer skills, and entrepreneurship, as well as providing general professional orientation.

Georgia has just begun putting in place systems to measure the quality of VET. Some of the studies initiated by donor organizations provide an interesting glimpse into the post-graduate situation of VET graduates (see Box 8). The first tracer study for IVET was conducted by the World Bank in 2012, although the findings have not yet been officially released. However, this initiative is just in its initial stages and, given the

Box 8: Evaluation of the Norwegian Refugee Council Project on VET

Purpose and Scope

- Evaluate the effectiveness of the NRC funded vocational education programs for internally displaced persons and local vulnerable youth
- The survey was implemented in 10 regions of Georgia
- Total sample size = 329 persons

Key Findings

- Employment status of participants one month after graduation:
 - Employed 25%
 - Self-employed 11%
 - Unemployed 63%
- Occupation studied is the most important determinant of employment outcomes
- Job matched occupation studied for 40% of those employed

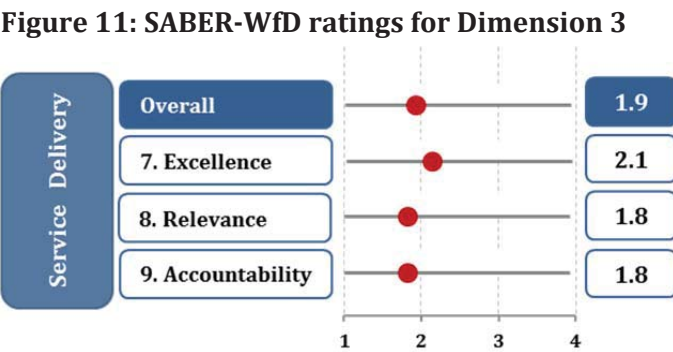
Source: Norwegian Refugee Council, 2009.

lack of reliable statistics on private provision of training, Georgia currently has few tools to monitor and improve the performance of training delivery.

SABER-WfD Ratings on Service Delivery

The Policy Goals for this Dimension in the SABER-Workforce Development (WfD) framework focus on the following three aspects of service delivery: (i) enabling diversity and excellence in training provision; (ii) fostering relevance in public training programs; and (iii) enhancing evidence-based accountability for results. The ratings for these three Policy Goals are presented below and are followed by a brief reflection on their implications for policy dialogue.

Based on data collected by the SABER-WfD questionnaire, Georgia receives an overall rating of 1.9 (Emerging) for the Service Delivery Dimension (see Figure 11). This score is the average of the ratings for the underlying Policy Goals: (i) enabling diversity and excellence in training provision (2.1); (ii) fostering relevance in public training programs (1.8); and (iii) enhancing evidence-based accountability for results (1.8). The explanation for these ratings and their implications follow below.



Policy Goal 7: Incentivizing Diversity and Excellence in Training Provision

Because the demand for skills is impossible to predict with precision, having a diversity of providers is a feature of strong WfD systems. Among non-state providers the challenge is to temper the profit motive or other program agendas with appropriate regulation to assure quality and relevance. Among state providers, a key concern is their responsiveness to the demand for skills from employers and students. Striking the right balance between institutional autonomy and accountability is one approach to address this concern.

Policy Goal 7 takes these ideas into account and benchmarks the system according to the extent to which policies and institutional arrangements are in place to: (i) encourage and regulate non-state provision of training and (ii) foster excellence in public training provision by combining incentives and autonomy in the management of public institutions.

Georgia is rated at an **Emerging** level for Policy Goal 7, reflecting the breadth of providers allowed to offer training and the considerable autonomy of public institutions. These strengths are counterbalanced by a lack of systematic measures for incentivizing performance among public institutions and limited measures for monitoring service delivery.

There are many private VET providers in Georgia, the vast majority of which are registered and authorized by the state. The government allows authorized non-state providers to issue government certified diplomas equivalent to those issued by public institutions, which represents a strong pull factor for potential students. Private institutions are also eligible to enroll students receiving state financial aid. However, the power of these incentives is questionable considering that many of the priority vocations for which vouchers may be used are only taught at certain VECs, the majority of which are public. Thus, students with vouchers and grants are not always able to enroll in private training institutions. One other area of weakness with respect to government oversight of private provision is a lack of reviews of policy towards non-state training providers.

Systematic measures are in place to assure the quality of non-state training provision: Mechanisms of internal and external quality assurance apply equally to private and public providers. Non-state and state providers are required to report annually to the National Center for Education Quality Enhancement (NCEQE) on the physical infrastructure, the availability of facilities to cater to students with disabilities, current and proposed programs, and their internal evaluation systems. The NCEQE conducts systematic audits of training providers, often randomly selected from a pool of institutions identified based on their reports to the NCEQE. Such visits are carried out both in public and private institutions and are part of the NCEQE's quality control mechanisms. In case of a negative assessment, the training provider (public or private) can be given a probation period, the length of which is set on a case-

by-case basis, followed by a monitoring visit at a later stage. If the second monitoring visit still does not show satisfactory results, the accreditation status will be revoked. Revocation of accreditation does not mean that training providers cannot continue working, but they will not be able to give state diplomas.

Most VECs generate and retain revenues and are governed by a management board. Public VECs enjoy broad autonomy over admissions, operations, and staffing, but are not subject to the same level of competition as private ones, as they receive state funding through vouchers. This gap in competitive pressure is not compensated for by setting specific targets for employer satisfaction or job placement rate or through other measures to incentivize performance, which can affect the quality and relevance of public training. To compound this problem, the introduction and closure of VET programs are heavily supply driven. The government must approve the introduction and closure of programs but does not have a formal, institutionalized process for doing so. Capacity and the support of the relevant stakeholders, notably employers, are two important factors that training providers consider when applying for approval to introduce a new program. However, in practice, most providers monitor applications coming into the central VET registration system and make decisions about course offerings and resource allocation accordingly, an arrangement that can obscure the link between students' demand for training and employers' demand for skills. Similarly, the lack of applications for a particular program represents the main reason for closing down the program. This explains why the programs for galvanization and chemical production were terminated at the Georgian Technical University (GTU) in 2012.

Policy Goal 8: Fostering Relevance in Public Training Programs

Public training institutions need reliable information on current and emerging skills demands in order to keep their program offerings relevant to market conditions. It is therefore desirable for public training institutions to establish and maintain relationships with employers, industry associations, and research institutions. Such partners are a source of both information about skills competencies and expertise and advice on curriculum design and technical specifications for training facilities and equipment. They can also help create opportunities

for workplace training for students and continuing professional development for instructors and administrators. Policy Goal 8 considers the extent to which arrangements are in place for public training providers to: (i) benefit from industry and expert input in the design of programs and (ii) recruit administrators and instructors with relevant qualifications and support their professional development.

Georgia is rated at an **Emerging** level of development for Policy Goal 8, reflecting the *ad hoc* collaboration between public training providers and industry and the limited measures to recruit and train institution heads and instructors in a way that promotes the market relevance of training provision.

Integrating expert and industry input into the design and delivery of public training is a weak point of the WfD system in Georgia. Links between research institutions and training providers do not exist, while cooperation among training institutions and industry has not been firmly established. Collaboration therefore tends to be *ad hoc* and the success in establishing and maintaining linkages mostly depends on the personal contacts of the heads of the VEC. There are, nonetheless, some instances of productive engagement in the areas of curriculum development, internship and work-based training opportunities for students, and, to a lesser extent, donation of equipment. Participation of industry in curricula development and the specification of facility standards occur mostly through VECs' hiring of industry experts as instructors, who then become actively involved in these processes (e.g., a significant share of the trainers at VEC "ICARUS" are at the same time working in industry). This is a particularly widespread practice among private universities, which have been more successful in establishing working relations with employers.

Other types of cooperation, like donation of equipment or the participation of employers in student assessment, are rare. One example of productive collaboration in this area is the partnership between the GTU and the electricity company TELASI, which donated infrastructure costing GEL 500,000 to the energy department and equipped a physics laboratory with the latest technology.

An area where collaboration between industry and training providers is more consistent is the provision of

work-based training for students. At least partly due to a requirement for practical training in national curricula, most of the VECs send their students to employers for internships. In a similar manner, many VECs have industry representatives on their board. However, these opportunities to establish working relations with employers are not adequately used to seek feedback from employers regarding their level of satisfaction with trainee performance or possibilities for improvement. This obscures the market relevance of training programs, in addition to other systemic challenges described earlier in the report.

Collaboration with research institutions, valuable in some systems for the guidance on pedagogy and on the state of the art in various industries, does not take place at all. This is partially due to the fact that there are no public research institutes and VECs cannot afford the services of private research companies.

There are also no systematic measures in place to assure that suitable individuals are recruited to lead VECs. Heads of public training institutions are not recruited on the basis of explicit standards. The only requirement set forth by the VET law is that they should not be more than 60 years old. The situation with regards to instructor recruitments is different, as they are hired on the basis of explicit criteria: They need at least three years of practical experience to be able to teach the first three levels of VET and a higher academic degree to teach at post-graduate level. However, the low salaries earned by VET instructors discourage many appropriately qualified individuals from pursuing this career track. Considering this and the fact that there is no initial VET teacher education offered at education faculties in Georgia, many VET teachers have weak professional competencies. The bulk of VET teacher training is delivered after individuals have already obtained a post. However, such training opportunities for instructors, as well for heads of public training institutions, are limited to workshops and seminars within the framework of donor-funded projects. For instance, a project "Let's Help to Develop VET in Georgia – Vocational Training and School Management Today," funded by the Government of Estonia, included a study tour to Estonia for, among others, seven VET Centre directors. In June 2009, the GIZ Project, "Private Sector Development Georgia" included a study tour to Frankfurt, Germany.

Policy Goal 9: Enhancing Evidence-Based Accountability for Results

Systematic monitoring and evaluation of service delivery are important for both quality assurance and system improvement. Accomplishing this function requires gathering and analyzing data from a variety of sources. The reporting of institution-level data enables the relevant authorities to ensure that providers are delivering on expected outcomes. Such data also enable these authorities to identify gaps or challenges in training provision or areas of good practice. Additionally, periodic surveys and evaluations of major programs generate complementary information that can help enhance the relevance and efficiency of the system as a whole. Policy Goal 9 considers these ideas when assessing the system's arrangements for collecting and using data to focus attention on training outcomes, efficiency, and innovation in service delivery. Georgia scores at the **Emerging** level for Policy Goal 9. Establishment of a VET monitoring mechanism has been acknowledged as being of crucial importance in Georgia, but the necessary steps to put such a mechanism in place are still in the initial stages. The system scores at the emerging level due to the lack of systems for monitoring training outcomes and for integrating collected information into processes for review and improvement of the service delivery system.

All training providers (public and private) are required to deliver annual self-assessment reports to the NCEQE. These reports cover a wide range of issues like

Box 9: Example of state-funded studies: Student Satisfaction Survey

Objective

- Identify motivation, values, expectations of the VET students
- Assess student satisfaction level by program and institution

Key Findings

- High levels of satisfaction due to the perceived high quality of teaching at VECs
- Key motivating factors to study at a VEC include:
 - Increased employment opportunities as a result of practical skills acquisition
 - Government financial support
 - Money and time required are relatively low
 - Desire to develop one's talents;
 - Opportunity to gain formal recognition for informally acquired skills and knowledge

Source: RCG Consulting, 2012.

enrollment, staffing, a description of physical infrastructure, information about current educational programs, programs that the institution plans to introduce, and alignment of programs with established standards. However, this information is mostly of an administrative nature. Information on graduation rates, job placement rates, earnings of graduates, and other factors critical to evaluate the effectiveness of the WfD system is not collected. The MoES also collects information from providers, but not in a systematic manner. The MoES is empowered to make *ad hoc* requests for information to which training providers are bound to respond. This information, which is fed into a database currently being developed with strong support from the international community, will cover a wide range of data from providers and will be made publicly available once completed. This effort has run into some difficulty as private providers are reluctant to share financial information with the MoES.

The government occasionally conducts or sponsors skills-related surveys; one recent example is a study of VET student satisfaction by the education consulting firm RCG Consulting (see Box 9). The government is also taking limited steps to analyze collected data to identify good practices at both the provider and system levels. The NCEQE uses collected data to provide individual feedback to training providers as well as to analyze system-wide developments and trends. For instance, in 2011, NCEQE produced an analysis of the demand for and provision of professional programs at the post-secondary level. Despite these limited good practices, one gap is that impact evaluations of major programs are not conducted.

Implications of the Findings

In order to offer market relevant qualifications, training providers need accurate information about current and emerging trends in skills demands. Employers and research institutions represent key informants in this regard. The findings in Georgia reveal that linkages among industry and VECs are sporadic. The main challenge when it comes to cooperation among the VECs and industry is that employers mostly do not consider VET graduates as highly qualified potential hires, since they question the quality of the education gained at VECs. Thus, apart from a few exceptions, VEC graduates have very little comparative advantage over other candidates. The exceptions do not refer to any

specific occupation, but rather to the name and prestige of the VEC from which the student has graduated.

There are a number of reasons why training is not consistently market-relevant, and these explain why employers have limited interest in cooperating with VECs. First is the quality of teaching. Instructors require continued training for professional development, which in Georgia is only provided through donor-funded projects. Even when such projects materialize, they have struggled to achieve desired outcomes. For instance, of the 25 participants in a USAID-funded six-month training program for VET instructors, only three managed to pass the final exam.

The second reason is that, apart from well-trained and qualified personnel, training providers need proper incentives to achieve high-quality performance and produce high-caliber graduates. This will help address the mistrust employers have towards the existing

training system. However, as the findings reveal, the practice of setting detailed targets is not fully operational. Some VECs subscribe to the idea that it is unrealistic to set targets when it comes to graduate employment or satisfaction rates in view of fluctuating labor markets.

In the end, it should be emphasized that regular monitoring of training provision is a hallmark of a good WfD system. While efforts to put in place the foundations for a high-quality monitoring and evaluation system have already been made, policy makers have to ensure that the database currently being created for such purposes will contain comprehensive information beyond administrative data to include, for example, employment and retention rates of the graduates. This will be an important tool to identify and quickly address shortcomings in the WfD system.

Annex 1: List of Acronyms

AEAG	Adult Education Association of Georgia
ALMPs	Active labor market programs
BDD	<i>Basic Data and Directions</i>
CEE	Central and Eastern Europe
CIS	Commonwealth of Independent States
CVET	Continuing vocational education and training
DCI	Data Collection Instrument
DVV	Deutsche Volkshochschul-Verband
ETF	European Training Foundation
EU	European Union
GDP	Gross domestic product
GEA	Georgian Employers Association
GEL	Georgian Lari
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GSMEA	Georgian Small and Medium-sized Enterprises Association
GTU	Georgia Technical University
HEI	Higher education institution
IMF	International Monetary Fund
IVET	Initial vocational education and training
MoES	Ministry of Education and Science
NCEQE	National Center for Education Quality Enhancement
NPC	National Professional Council
NQF	National qualifications framework
NRC	Norwegian Refugee Council
OJT	On-the-job training
PISA	Program for International Student Assessment
SABER	Systems Approach for Better Education Results
SME	Small and medium-sized enterprise
SPSP	(VET) Sector Policy Support Program
TIMSS	Trends in International Mathematics & Science Study
TPDC	Teacher Professional Development Centre
TVET	Technical and vocational education and training
UNDP	United Nations Development Program
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
USD	United States Dollar
VEC	Vocational Education Center
VET	Vocational education and training
Wfd	Workforce development

Annex 2: The SABER-WfD Analytical Framework

		Policy Goal		Policy Action		Topic	
Dimension 1	Strategic Framework	G1	Setting a Strategic Direction	Provide sustained advocacy for WfD at the top leadership level	G1_T1	Advocacy for WfD to Support Economic Development	
					G1_T2	Strategic Focus and Decisions by the WfD Champions	
		G2	Fostering a Demand-Led Approach	Establish clarity on the demand for skills and areas of critical constraint	G2_T1	Overall Assessment of Economic Prospects and Skills Implications	
					G2_T2	Critical Skills Constraints in Priority Economic Sectors	
				Engage employers in setting WfD priorities and in enhancing skills-upgrading for workers	G2_T3	Role of Employers and Industry	
					G2_T4	Skills-Upgrading Incentives for Employers	
					G2_T5	Monitoring of the Incentive Programs	
		G3	Strengthening Critical Coordination	Formalize key WfD roles for coordinated action on strategic priorities	G3_T1	Roles of Government Ministries and Agencies	
					G3_T2	Roles of Non-Government WfD Stakeholders	
					G3_T3	Coordination for the Implementation of Strategic WfD Measures	
Dimension 2	System Oversight	G4	Ensuring Efficiency and Equity in Funding	Provide stable funding for effective programs in initial, continuing and targeted vocational education and training	G4_T1	Overview of Funding for WfD	
					G4_T2	Recurrent Funding for Initial Vocational Education and Training (IVET)	
					G4_T3	Recurrent Funding for Continuing Vocational Education and Training Programs (CVET)	
					G4_T4	Recurrent Funding for Training-related Active Labor Market Programs (ALMPs)	
				Monitor and enhance equity in funding for training	G4_T5	Equity in Funding for Training Programs	
				Facilitate sustained partnerships between training institutions and employers	G4_T6	Partnerships between Training Providers and Employers	
		G5	Assuring Relevant and Reliable Standards	Broaden the scope of competency standards as a basis for developing qualifications frameworks	G5_T1	Competency Standards and National Qualifications Frameworks	
					G5_T2	Competency Standards for Major Occupations	
				Establish protocols for assuring the credibility of skills testing and certification	G5_T3	Occupational Skills Testing	
					G5_T4	Skills Testing and Certification	
				Develop and enforce accreditation standards for maintaining the quality of training provision	G5_T5	Skills Testing for Major Occupations	
					G5_T6	Government Oversight of Accreditation	
					G5_T7	Establishment of Accreditation Standards	
					G5_T8	Accreditation Requirements and Enforcement of Accreditation Standards	
					G5_T9	Incentives and Support for Accreditation	
		G6	Diversifying Pathways for Skills Acquisition	Promote educational progression and permeability through multiple pathways, including for TVET students	G6_T1	Learning Pathways	
				Facilitate life-long learning through articulation of skills certification and recognition of prior learning	G6_T2	Public Perception of Pathways for TVET	
				Provide support services for skills acquisition by workers, job-seekers and the disadvantaged	G6_T3	Articulation of Skills Certification	
					G6_T4	Recognition of Prior Learning	
					G6_T5	Support for Further Occupational and Career Development	
					G6_T6	Training-related Provision of Services for the Disadvantaged	
Dimension 3	Service Delivery	G7	Enabling Diversity and Excellence in Training Provision	Encourage and regulate non-state provision of training	G7_T1	Scope and Formality of Non-State Training Provision	
					G7_T2	Incentives for Non-State Providers	
					G7_T3	Quality Assurance of Non-State Training Provision	
				Combine incentives and autonomy in the management of public training institutions	G7_T4	Review of Policies towards Non-State Training Provision	
					G7_T5	Targets and Incentives for Public Training Institutions	
					G7_T6	Autonomy and Accountability of Public Training Institutions	
					G7_T7	Introduction and Closure of Public Training Programs	
		G8	Fostering Relevance in Public Training Programs	Integrate industry and expert input into the design and delivery of public training programs	G8_T1	Links between Training Institutions and Industry	
					G8_T2	Industry Role in the Design of Program Curricula	
					G8_T3	Industry Role in the Specification of Facility Standards	
				Recruit and support administrators and instructors for enhancing the market-relevance of public training programs	G8_T4	Links between Training and Research Institutions	
					G8_T5	Recruitment and In-Service Training of Heads of Public Training Institutions	
		G9	Enhancing Evidence-based Accountability for Results	Expand the availability and use of policy-relevant data for focusing providers' attention on training outcomes, efficiency and innovation	G8_T6	Recruitment and In-Service Training of Instructors of Public Training Institutions	
					G9_T1	Administrative Data from Training Providers	
					G9_T2	Survey and Other Data	
					G9_T3	Use of Data to Monitor and Improve Program and System Performance	

Annex 3: Rubrics for Scoring the SABER-WfD Data

Functional Dimension 1: Strategic Framework				
Policy Goal	Level of Development			
	Latent	Emerging	Established	Advanced
G1: Setting a Strategic Direction for WfD	Visible champions for WfD are either absent or take no specific action to advance strategic WfD priorities.	Some visible champions provide <i>ad-hoc</i> advocacy for WfD and have acted on few interventions to advance strategic WfD priorities; no arrangements exist to monitor and review implementation progress.	Government leaders exercise sustained advocacy for WfD with occasional, <i>ad-hoc</i> participation from non-government leaders ; their advocacy focuses on selected industries or economic sectors and manifests itself through a range of specific interventions; implementation progress is monitored, albeit through <i>ad-hoc</i> reviews.	Both government and non-government leaders exercise sustained advocacy for WfD, and rely on routine, institutionalized processes to collaborate on well-integrated interventions to advance a strategic, economy-wide WfD policy agenda; implementation progress is monitored and reviewed through routine, institutionalized processes.

Functional Dimension 1: Strategic Framework				
Policy Goal	Level of Development			
	Latent	Emerging	Established	Advanced
G2: Fostering a Demand-Led Approach to WfD	There is no assessment of the country's economic prospects and their implications for skills; industry and employers have a limited or no role in defining strategic WfD priorities and receive limited support from the government for skills upgrading.	Some ad-hoc assessments exist on the country's economic prospects and their implications for skills; some measures are taken to address critical skills constraints (e.g., incentives for skills upgrading by employers); the government makes limited efforts to engage employers as strategic partners in WfD.	Routine assessments based on multiple data sources exist on the country's economic prospects and their implications for skills; a wide range of measures with broad coverage are taken to address critical skills constraints; the government recognizes employers as strategic partners in WfD, formalizes their role, and provides support for skills upgrading through incentive schemes that are reviewed and adjusted .	A rich array of routine and robust assessments by multiple stakeholders exists on the country's economic prospects and their implications for skills; the information provides a basis for a wide range of measures with broad coverage that address critical skills constraints; the government recognizes employers as strategic partners in WfD, formalizes their role, and provides support for skills upgrading through incentives, including some form of a levy-grant scheme , that are systematically reviewed for impact and adjusted accordingly.

Functional Dimension 1: Strategic Framework				
Policy Goal	Level of Development			
	Latent	Emerging	Established	Advanced
G3: Strengthening Critical Coordination for Implementation	Industry/employers have a limited or no role in defining strategic WfD priorities; the government either provides no incentives to encourage skills upgrading by employers or conducts no reviews of such incentive programs.	Industry/employers help define WfD priorities on an <i>ad-hoc</i> basis and make limited contributions to address skills implications of major policy/investment decisions; the government provides some incentives for skills upgrading for formal and informal sector employers; if a levy-grant scheme exists its coverage is limited ; incentive programs are not systematically reviewed for impact.	Industry/employers help define WfD priorities on a routine basis and make some contributions in selected areas to address the skills implications of major policy/investment decisions; the government provides a range of incentives for skills upgrading for all employers; a levy-grant scheme with broad coverage of formal sector employers exists; incentive programs are systematically reviewed and adjusted ; an annual report on the levy-grant scheme is published with a time lag .	Industry/employers help define WfD priorities on a routine basis and make significant contributions in multiple areas to address the skills implications of major policy/investment decisions; the government provides a range of incentives for skills upgrading for all employers; a levy-grant scheme with comprehensive coverage of formal sector employers exists; incentive programs to encourage skills upgrading are systematically reviewed for impact on skills and productivity and are adjusted accordingly; an annual report on the levy-grant scheme is published in a timely fashion .

Functional Dimension 2: System Oversight				
Level of Development				
Policy Goal	Latent	Emerging	Established	Advanced
G4: Ensuring Efficiency and Equity in Funding	The government funds IVET, CVET and ALMPs (but not OJT in SMEs) based on <i>ad-hoc</i> budgeting processes, but takes no action to facilitate formal partnerships between training providers and employers; the impact of funding on the beneficiaries of training programs has not been recently reviewed .	The government funds IVET, CVET (including OJT in SMEs) and ALMPs; funding for IVET and CVET follows routine budgeting processes involving only government officials with allocations determined largely by the previous year's budget ; funding for ALMPs is decided by government officials on an <i>ad-hoc</i> basis and targets select population groups through various channels; the government takes some action to facilitate formal partnerships between individual training providers and employers; recent reviews considered the impact of funding on only training-related indicators (e.g. enrollment, completion), which stimulated dialogue among some WfD stakeholders.	The government funds IVET, CVET (including OJT in SMEs) and ALMPs; funding for IVET is routine and based on multiple criteria, including evidence of program effectiveness; recurrent funding for CVET relies on formal processes with input from key stakeholders and annual reporting with a lag ; funding for ALMPs is determined through a systematic process with input from key stakeholders; ALMPs target diverse population groups through various channels and are reviewed for impact but follow-up is limited ; the government takes action to facilitate formal partnerships between training providers and employers at multiple levels (institutional and systemic); recent reviews considered the impact of funding on both training-related indicators and labor market outcomes; the reviews stimulated dialogue among WfD stakeholders and some recommendations were implemented.	The government funds IVET, CVET (including OJT in SMEs) and ALMPs; funding for IVET is routine and based on comprehensive criteria, including evidence of program effectiveness, that are routinely reviewed and adjusted ; recurrent funding for CVET relies on formal processes with input from key stakeholders and timely annual reporting ; funding for ALMPs is determined through a systematic process with input from key stakeholders; ALMPs target diverse population groups through various channels and are reviewed for impact and adjusted accordingly; the government takes action to facilitate formal partnerships between training providers and employers at all levels (institutional and systemic); recent reviews considered the impact of funding on a full range of training-related indicators and labor market outcomes; the reviews stimulated broad-based dialogue among WfD stakeholders and key recommendations were implemented.

Functional Dimension 2: System Oversight				
Policy Goal	Level of Development			
	Latent	Emerging	Established	Advanced
G5: Assuring Relevant and Reliable Standards	Policy dialogue on competency standards and/or the NQF occurs on an <i>ad-hoc</i> basis with limited engagement of key stakeholders; competency standards have not been defined ; skills testing for major occupations is mainly theory-based and certificates awarded are recognized by public sector employers only and have little impact on employment and earnings; no system is in place to establish accreditation standards.	A few stakeholders engage in <i>ad-hoc</i> policy dialogue on competency standards and/or the NQF; competency standards exist for a few occupations and are used by some training providers in their programs; skills testing is competency-based for a few occupations but for the most part is mainly theory-based ; certificates are recognized by public and some private sector employers but have little impact on employment and earnings; the accreditation of training providers is supervised by a dedicated office in the relevant ministry; private providers are required to be accredited, however accreditation standards are not consistently publicized or enforced ; providers are offered some incentives to seek and retain accreditation.	Numerous stakeholders engage in policy dialogue on competency standards and/or the NQF through institutionalized processes; competency standards exist for most occupations and are used by some training providers in their programs; the NQF, if in place, covers some occupations and a range of skill levels; skills testing for most occupations follows standard procedures, is competency-based and assesses both theoretical knowledge and practical skills ; certificates are recognized by both public and private sector employers and may impact employment and earnings; the accreditation of training providers is supervised by a dedicated agency in the relevant ministry; the agency is responsible for defining accreditation standards with stakeholder input ; standards are reviewed on an <i>ad-hoc</i> basis and are publicized or enforced to some extent; all providers receiving public funding must be accredited; providers are offered incentives and limited support to seek and retain accreditation.	All key stakeholders engage in policy dialogue on competency standards and/or the NQF through institutionalized processes; competency standards exist for most occupations and are used by training providers in their programs; the NQF, if in place, covers most occupations and a wide range of skill levels; skills testing for most occupations follows standard procedures, is competency-based and assesses both theoretical knowledge and practical skills ; robust protocols , including random audits , ensure the credibility of certification; certificates are valued by most employers and consistently improve employment prospects and earnings; the accreditation of training providers is supervised by a dedicated agency in the relevant ministry; the agency is responsible for defining accreditation standards in consultation with stakeholders ; standards are reviewed following established protocols and are publicized and routinely enforced ; all training providers are required as well as offered incentives and support to seek and retain accreditation.

Functional Dimension 2: System Oversight

Policy Goal	Level of Development			
	Latent	Emerging	Established	
G6: Diversifying Pathways for Skills Acquisition	Students in technical and vocational education have few or no options for further formal skills acquisition beyond the secondary level and the government takes no action to improve public perception of TVET; certificates for technical and vocational programs are not recognized in the NQF; qualifications certified by non-Education ministries are not recognized by formal programs under the Ministry of Education; recognition of prior learning receives limited attention; the government provides practically no support for further occupational and career development, or training programs for disadvantaged populations.	Students in technical and vocational education can only progress to vocationally-oriented, non-university programs ; the government takes limited action to improve public perception of TVET (e.g. diversifying learning pathways); some certificates for technical and vocational programs are recognized in the NQF; few qualifications certified by non-Education ministries are recognized by formal programs under the Ministry of Education; policy makers pay some attention to the recognition of prior learning and provide the public with some information on the subject; the government offers limited services for further occupational and career development through stand-alone local service centers that are not integrated into a system; training programs for disadvantaged populations receive ad-hoc support.	Students in technical and vocational education can progress to vocationally-oriented programs, including at the university level ; the government takes some action to improve public perception of TVET (e.g. diversifying learning pathways and improving program quality) and reviews the impact of such efforts on an ad-hoc basis; most certificates for technical and vocational programs are recognized in the NQF; a large number of qualifications certified by non-Education ministries are recognized by the Ministry of Education, albeit without the granting of credits ; policy makers give some attention to the recognition of prior learning and provide the public with some information on the subject; a formal association of stakeholders provides dedicated attention to adult learning issues; the government offers limited services for further occupational and career development, which are available through an integrated network of centers ; training programs for disadvantaged populations receive systematic support and are reviewed for impact on an ad-hoc basis.	Students in technical and vocational education can progress to academically or vocationally-oriented programs, including at the university level ; the government takes coherent multiple fronts to improve public perception of TVET (e.g. diversifying learning pathways and improving program quality and relevance, with the support of a media campaign) and routinely reviews and adjusts such efforts to maximize their impact; most certificates for technical and vocational programs are recognized in the NQF; a large number of qualifications certified by non-Education ministries are recognized and granted credits by formal programs under the Ministry of Education; policy makers give sustained attention to the recognition of prior learning and provide the public with comprehensive information on the subject; a national organization of stakeholders provides dedicated attention to adult learning issues; the government offers a comprehensive menu of services for further occupational and career development, including online resources , which are available through an integrated network of centers ; training programs for disadvantaged populations receive systematic support with multi-year budgets and are routinely reviewed for impact and adjusted accordingly.

Functional Dimension 3: Service Delivery

Policy Goal	Level of Development		
	Latent	Emerging	Established
G7: Enabling Diversity and Excellence in Training Provision	There is no diversity of training provision as the system is largely comprised of public providers with limited or no autonomy ; training provision is not informed by formal assessment, stakeholder input or performance targets.	There is some diversity in training provision; non-state providers operate with limited government incentives and governance over registration, licensing and quality assurance; public training is provided by institutions with some autonomy and informed by some assessment of implementation constraints, stakeholder input and basic targets.	There is diversity in training provision; non-state training providers, some registered and licensed, operate within a range of government incentives, systematic quality assurance measures and routine reviews of government policies toward non-state training providers; public providers, mostly governed by management boards, have some autonomy; training provision is informed by formal analysis of implementation constraints, stakeholder input and basic targets; lagging providers receive support and exemplary institutions are rewarded .
			There is broad diversity in training provision; non-state training providers, most registered and licensed, operate with comprehensive government incentives, systematic quality assurance measures and routine review and adjustment of government policies toward non-state training providers; public providers, mostly governed by management boards, have significant autonomy; decisions about training provision are time-bound and informed by formal assessment of implementation constraints; stakeholder input and use of a variety of measures to incentivize performance include support, rewards and performance-based funding.

Functional Dimension 3: Service Delivery

Policy Goal	Level of Development		
	Latent	Emerging	Established
G8: Fostering Relevance in Public Training Programs	There are few or no attempts to foster relevance in public training programs through encouraging links between training institutions, industry and research institutions or through setting standards for the recruitment and training of heads and instructors in training institutions.	Relevance of public training is enhanced through informal links between some training institutions, industry and research institutions, including input into the design of curricula and facility standards; heads and instructors are recruited on the basis of minimum academic standards and have limited opportunities for professional development.	Relevance of public training is enhanced through formal links between some training institutions, industry and research institutions, leading to collaboration in several areas including but not limited to the design of curricula and facility standards; heads and instructors are recruited on the basis of minimum academic and professional standards and have regular access to diverse opportunities for professional development, including industry attachments for instructors.

Functional Dimension 3: Service Delivery				
Policy Goal	Level of Development			
	Latent	Emerging	Established	Advanced
G9: Enhancing Evidence-based Accountability for Results	There are no specific data collection and reporting requirements, but training providers maintain their own databases ; the government does not conduct or sponsor skills-related surveys or impact evaluations and rarely uses data to monitor and improve system performance.	Training providers collect and report administrative data and there are significant gaps in reporting by non-state providers; some public providers issue annual reports and the government occasionally sponsors or conducts skills-related surveys; the government does not consolidate data in a system-wide database and uses mostly administrative data to monitor and improve system performance; the government publishes information on graduate labor market outcomes for some training programs.	Training providers collect and report administrative and other data (e.g., job placement statistics, earnings of graduates) and there are some gaps in reporting by non-state providers; most public providers issue internal annual reports and the government routinely sponsors skills-related surveys; the government consolidates data in a system-wide database and uses administrative data and information from surveys to monitor and improve system performance; the government publishes information on graduate labor market outcomes for numerous training programs.	Training providers collect and report administrative and other data (e.g., job placement statistics, earnings of graduates) and there are few gaps in reporting by non-state providers; most public providers issue publicly available annual reports and the government routinely sponsors or conducts skills-related surveys and impact evaluations; the government consolidates data in a system-wide, up to date database and uses administrative data , information from surveys and impact evaluations to monitor and improve system performance; the government publishes information on graduate labor market outcomes for most training programs online .

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- Office of the State Minister of Georgia for Employment: www.employment.gov.ge
- Professional Orientation and Training program: www.po.ge
- National Center for Education Quality Enhancement: www.eqe.ge
- Web-site of the professional Colleges: www.prof.ge
- Teacher Professional Development Center: www.tpdg.ge
- Job Counseling and Placement Project in Georgia: www.jcp.ge
- National Investment Agency: www.investingeorgia.org

Vocational Education Project (VEP) in Georgia: http://www.air.org/expertise/index/?fa=viewContent&content_id=755

Tbilisi City Hall: www.tbilisi.gov.ge

Adult Education Association of Georgia: www.aeag.org

Ministry of Finance of Georgia: www.mof.ge

Center for Professional Development, Science, Education and Culture of GTU: www.hpep.ge

Georgian Banking Training Center: www.gtbc.ge

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Annex 5: SABER-WfD Scores

		Policy Goal		Policy Action		Topic	
Dimension 1	2.3	G1	2.5	Provide sustained advocacy for WfD at the top leadership level	2.5	G1_T1	2
						G1_T2	3
		G2	1.4	Establish clarity on the demand for skills and areas of critical constraint	2.0	G2_T1	2
						G2_T2	2
				Engage employers in setting WfD priorities and in enhancing skills-upgrading for workers	1.0	G2_T3	1
						G2_T4	1
						G2_T5	1
		G3	3.0	Formalize key WfD roles for coordinated action on strategic priorities	3.0	G3_T1	4
						G3_T2	3
						G3_T3	2
Dimension 2	2.3	G4	1.5	Provide stable funding for effective programs in initial, continuing and targeted vocational education and training	2.2	G4_T1	info
						G4_T2	2.5
						G4_T3	2
						G4_T4	2
				Monitor and enhance equity in funding for training	1.0	G4_T5_IVET	1
						G4_T5_CVET	1
						G4_T5_ALMP	1
				Facilitate sustained partnerships between training institutions and employers	1.0	G4_T6	1
		G5	3.1	Broaden the scope of competency standards as a basis for developing qualifications frameworks	3.0	G5_T1	3
						G5_T2	3
						G5_T3	3
				Establish protocols for assuring the credibility of skills testing and certification	3.0	G5_T4	3
						G5_T5	3
				Develop and enforce accreditation standards for maintaining the quality of training provision	3.3	G5_T6	info
						G5_T7	3
						G5_T8	4
		G6	2.3	Promote educational progression and permeability through multiple pathways, including for TVET students	2.5	G6_T1	3
				Strengthen the system for skills certification and recognition	2.5	G6_T2	2
						G6_T3	2
						G6_T4	3
				Enhance support for skills acquisition by workers, job-seekers and the disadvantaged	2.0	G6_T5	2
						G6_T6	2
Dimension 3	1.9	G7	2.1	Encourage and regulate non-state provision of training	2.3	G7_T1	3
						G7_T2	2
						G7_T3	3
						G7_T4	1
				Combine incentives and autonomy in the management of public training institutions	2.0	G7_T5	1
						G7_T6	3
						G7_T7	2
		G8	1.8	Integrate industry and expert input into the design and delivery of public training programs	1.9	G8_T1	2
						G8_T2	2
						G8_T3	2.5
						G8_T4	1
				Recruit and support administrators and instructors for enhancing the market-relevance of public training programs	1.8	G8_T5	1
						G8_T6	2.5
		G9	1.8	Expand the availability and use of policy-relevant data for focusing providers' attention on training outcomes, efficiency and innovation	1.8	G9_T1	2
						G9_T2	1.5
						G9_T3	2

Annex 6: Authorship and Acknowledgments

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The **Systems Approach for Better Education Results (SABER)** initiative produces comparative data and knowledge on education policies and institutions, with the aim of helping countries systematically strengthen their education systems. SABER evaluates the quality of education policies against evidence-based global standards, using new diagnostic tools and detailed policy data. The SABER country reports give all parties with a stake in educational results—from administrators, teachers, and parents to policy makers and business people—an accessible, objective snapshot showing how well the policies of their country's education system are oriented toward ensuring that all children and youth learn.

This report focuses specifically on policies in the area of **Workforce Development**.

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