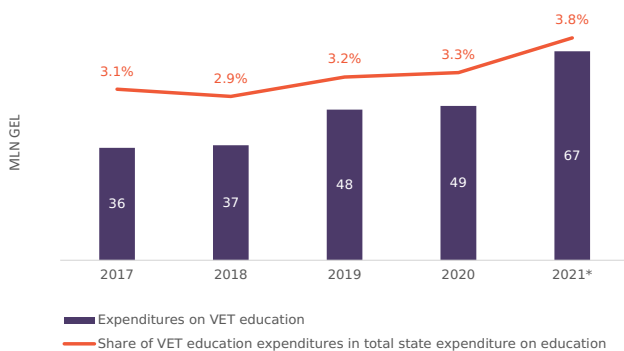


In recent years strengthening vocational education and training (VET) has been among the top priorities of Georgia's education strategy. In the process, several important reforms have been undertaken including the establishment of the "Vocational Skills Agency", with the primary goal of increasing private sector participation in VET, and amendments to the rules regarding the authorization of VET institutions, which are widely believed to improve the quality of education. Moreover, specific goals were set under the "2021-2025 Vocational Education Strategy" such as increasing the number of VET students to support the country's socio-economic development, ensuring their competitiveness by developing professional and general skills, and providing lifelong educational opportunities<sup>1</sup>. The following bulletin discusses the trends of development in VET in Georgia over the last five years.

State expenditures on VET education



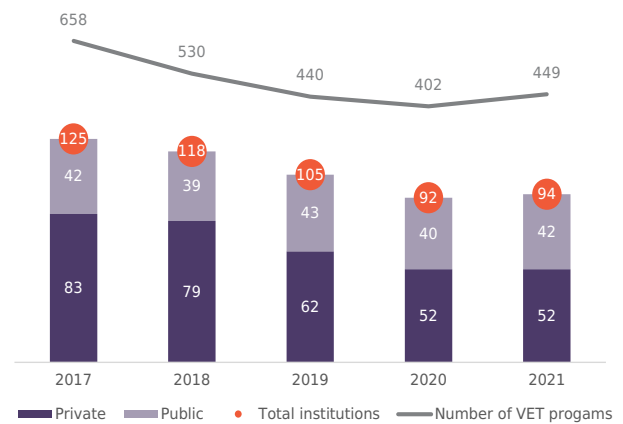
Source: MoF

Over the covered five-year period, state expenditures on VET increased. Indeed, from 2017 to 2021, expenditures increased from 36 million GEL to 67 million GEL. It should be noted that over the analyzed period, the growth of spending on VET was not consistent. For instance, from 2018 to 2019, this figure increased by 29.7% and from 2020 to 2021 it rose by 36.7%, whereas from 2017 to 2018 and from 2019 to 2020, the respective increases were only 2%.

With the increase in spending on VET, its share in total expenditures on education also increased. For instance, from 2017 to 2021, this share rose from 3.1% to 3.8%. However, despite this increase, the share of VET remained small in total education spending. To compare with higher education, state expenditures on VET has stayed significantly low. For instance, over the analyzed period, the average yearly state expenditures on VET was 47 million GEL, which is three times less than state expenditures on higher education (149 million GEL).

Over the last five years, the number of VET institutions has declined. From 2017 to 2021, the number shrank by 25% and amounted to 94 institutions. However, it should be noted that in 2021, this number increased slightly compared to 2020. The overall decrease in the number of educational institutions providing VET programs was mainly determined by the decline of private institutions. Specifically, from 2017 to 2021, the number of private institutions providing VET programs dropped from 83 to 52. It is unsurprising that during 2017-2021, with the dip in the number of educational institutions providing VET programs, the total number of VET programs also decreased, from 658 to 449.

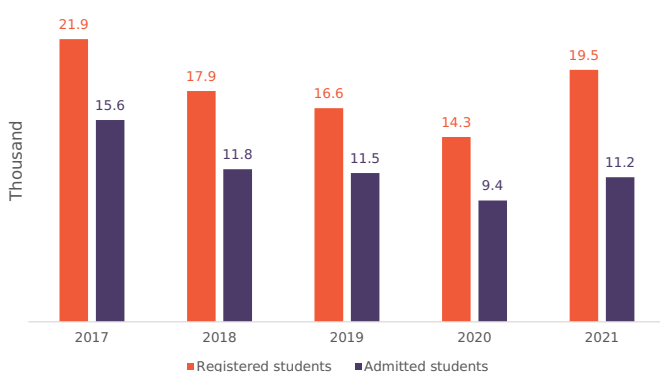
Number of educational institutions providing VET programs and total VET programs



Source: Geostat, Emis

The reduction in the number of educational institutions providing VET programs could be determined by changes made to the accreditation procedures of VET programs. Specifically, in 2018, the VET education system switched to modular programs, and the length of educational programs increased (from an average of nine months to 1.5 years)<sup>2</sup>. For many private VET institutions, these changes posed a significant challenge as they could not implement a more complex teaching method. With these changes number of VET institutions and VET programs has reduced, however, we can assume that the overall quality of education has increased.

Number of registered students and admitted students



Source: Emis

Naturally, the decrease in the number of VET institutions had a bearing on the statistics of students registered<sup>3</sup> and admitted<sup>4</sup> to VET programs. From 2017 to 2020, the number of registered students reduced significantly, from 21.1 thousand to 14.3 thousand. However, compared to 2020, in figure for 2021 increased noticeably, by 36%, and amounted to 19.5 thousand. Over the analyzed period, the number of admitted students also decreased, from 15.6 thousand to 11.2. However, a positive trend was visible in 2021, as compared to 2020 the number of admitted students increased by 19%. It is also worth noting that from 2017 to 2021, on average, 67% of registered students were admitted to VET programs over the analyzed period.

The sharp decline in the number of registered applicants and admitted students in 2020 could be attributed to the COVID-19 pandemic and the regulations imposed to limit the spread of the virus. Before 2020, there were two admission periods per year for VET programs, one in spring and one in autumn, while after the outbreak of the pandemic the spring admission period was removed.

To assess the popularity of VET in Georgia, it is worth comparing the number of admitted students in VET programs and higher education bachelor's programs. From 2017 to 2021, on average, 12 thousand were admitted to VET programs yearly, whereas the corresponding figure for bachelor's programs was 31 thousand.

1. <https://mes.gov.ge/uploads/files/2021.5.11%20VET%20strategy%20draft.pdf>  
 2. The reduction of the VET institutions might also be attributed to the changes in procedures of VET institution authorization. <https://mes.gov.ge/uploads/files/2021.5.11%20VET%20strategy%20draft.pdf>  
 3. A person who officially submitted documentation and registered on VET program, but have not gone through selection process.  
 4. A person who registered on VET program and have gone through selection process and was accepted on VET program.  
 \*. planned.

The regional distribution of educational institutions providing VET programs shows that VET is relatively less accessible in the Georgian regions than in the capital city Tbilisi. The highest numbers of both institutions providing VET programs and admitted students to those programs were recorded in Tbilisi (45% of the total share of institutions, and 38% of admitted students), followed by Adjara (14% and 15%, respectively). Conversely, the lowest numbers were recorded in Guria, Racha-Lechkhumi and Kvemo Svaneti, and Mtskheta-Mtianeti (4% for both categories), and Samtskhe-Javakheti (3% of educational institutions and 4% of admitted students).

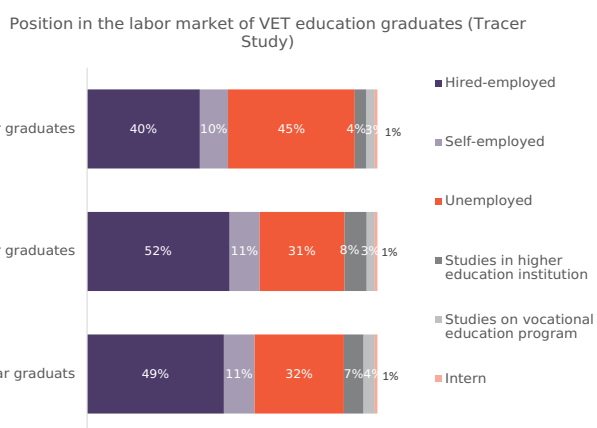
Besides the relatively unequal access to VET between Tbilisi and other regions of Georgia, the distribution of VET institutions and the number of admitted students to VET programs also differs by region. For instance, in Kakheti, which has a population of 310 thousand, only there were 4 VET educational institutions, and only 707 students were admitted thereto in 2021. By contrast, in Adjara, which has a population of 355 thousand, there were 13 institutions and 1,705 students admitted in 2021<sup>5</sup>.

To properly evaluate the quality of VET in Georgia, it is essential to analyze VET graduates' positions in the labor market. The Ministry of Education and Science conducts permanent Tracer Studies to track how VET students' social and economic conditions have changed after one year of graduation.

Distribution of institutions with VET programs and number of admitted students by region (2021 year)						
Region	population (thousand)	%	Number of educational institutions with VET programs	%	Number of admitted VET program students	%
Tbilisi	1,203	32%	42	45%	4,289	38%
Imereti	481	13%	9	10%	1,104	10%
Kvemo Kartli	437	12%	6	6%	590	5%
Adjara AR	355	10%	13	14%	1,705	15%
Kakheti	310	8%	4	4%	707	6%
Samegrelo-Zemo Svaneti	308	8%	6	6%	1,235	11%
Shida Kartli	254	7%	7	7%	665	6%
Guria/Racha-Lechkhumi and Kvemo Svaneti/Mtskheta-Mtianeti	229	6%	4	4%	481	4%
Samtskhe-Javakheti	151	4%	3	3%	428	4%
Total	3,729	100%	94	100%	11,204	100%

Source: Geostat, EMIS

According to Tracer Study data, 60% of the 2017 year graduates were employed, 32% were unemployed, 1% were interns, and 11% were involved in education. Compared to the 2017 year graduates, the figures for the 2018 year graduates reflected no significant change. However, the proportion of graduates employed increased by 3 percentage points and amounted to 63%. In 2020, due to the COVID-19 crisis, employment among 2019 year graduates, compared to the 2018 year graduates, dropped by 13 percentage points and amounted to 50%. Moreover, the share of unemployed graduates increased from 31% to 45%.



Source: Ministry of Education and Science of Georgia

Despite the relatively high employment figures, compared to the general situation in the Georgian labor market, it is essential to evaluate what proportion of graduates have started working due to their profession. According to tracer studies, among the 2017 year graduates, only 42% of hired employees' jobs were directly related to their VET program. Among the 2018 year graduates, this figure increased to 47%, while for 2019 year graduates this figure decreased to 45%.

Another important part of VET reform was implementing adult training-retraining programs in the vocational education system in 2019<sup>6</sup>. Training and retraining programs aim to provide short-term courses to make people more employable on the labor market, with the specific (and changing) needs of the labor market borne in mind.

In 2021, 64 training and retraining program providers delivered 255 programs in Georgia. From 2019 to 2021, the number of admitted students in training and retraining programs increased significantly from 763 to 4,062. However, it should be noted that the quota for the 2021 year was 6,548, meaning a shortfall of 2,486 places. Moreover, in 2021, out of 255 available programs, 66 were left without admission.

Like the VET professional programs, in the case of training and retraining programs, there is relatively unequal distribution between Tbilisi and the Georgian regions. For instance, 48% of program providers, 42% of programs, and 58% of students are located in Tbilisi.

Training and retraining programs (2021 year)						
Region	Number of training and retraining program providers	%	Number of training and retraining programs	%	Number of admitted students	%
Tbilisi	31	48%	108	42%	2,337	58%
Imereti	5	8%	16	6%	196	5%
Kvemo Kartli	4	6%	12	5%	171	4%
Adjara AR	4	6%	35	14%	338	8%
Kakheti	4	6%	23	9%	301	7%
Samegrelo-Zemo Svaneti	6	9%	26	10%	396	10%
Shida Kartli	3	5%	8	3%	80	2%
Guria/Racha-Lechkhumi and Kvemo Svaneti/Mtskheta-Mtianeti	5	8%	16	6%	177	4%
Samtskhe-Javakheti	2	3%	11	4%	66	2%
Total	64	100%	255	100%	4,062	100%

Source: EMIS

Overall, since the Government of Georgia outlined VET as a priority sphere, the following important reforms were launched: the "Vocational Skills Agency" was established; training and retraining programs were introduced; accreditation of VET programs became more stringent; authorization standards of VET institutions were brought up to date; and increased overall state expenditure on VET. However, expenditure on VET as a share of total education expenditure remained low, and from 2017 to 2021 the number of VET institutions and students admitted thereto decreased. At the same time, the new authorization standards have presented challenges for VET institutions and require enhanced quality of governance. Meanwhile, Tracer Studies have illustrated that employment among VET graduates has been relatively high compared to the general labor market in Georgia albeit a considerable proportion of employed VET graduates have not secured a job in the profession they obtained.

5. It is complimentary that in the recent period, the education institutions in the regions of Georgia have been rehabilitated / built.

6. <https://mes.gov.ge/uploads/files/2021.5.11%20VET%20strategy%20draft.pdf>

Basic Economic Indicators	2017	2018	2019	2020	2021
Nominal GDP (mIn USD)	15 141.7*	17 596.6*	17 470.7*	15 888.1*	18 700.1*
GDP per Capita (USD)	4 062.1*	4 722.0*	4 696.2*	4 274.6*	5 015.3*
GDP Real Growth (%)	2.9%	4.8%	5.0%	-6.2%*	10.4*
Inflation	2.1%	2.6%	4.9%	5.2%	11.8%
FDI (mIn USD)	1 652.6	1 317.1	1 335.8*	572.0	1 152.8*
Unemployment Rate (%)	21.7%	19.2%	17.6%	18.5%	20.6%
External Debt (mIn USD)	4 516	5 434	5 741	7 535	7 956
Poverty Rate (relative)	21.0%	20.5%	20.1%	19.7%	-

\*Preliminary data



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