



# Engagement of the agricultural private sector in vocational education

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For the project “Improving Formal, Non-formal  
and Informal Vocational Education for the  
Agribusiness in Georgia”

2/16/2016

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## **The list of Acronyms**

ATSU (Akaki Tsereteli State University)

CVET (Continuing Vocational Education Training)

DACUM (Developing a Curriculum Methodology)

ESF (European Social Fund)

EU (European Union)

FDV (The Continuing Education Fund)

GTUC (The Georgian Trade Unions Confederation)

IAAD (International Association of Agricultural Development)

IBF (IBF International Consulting)

ICC (The Information and Consultation Center)

ISCED (The International Standard Classification of Education)

IVET (Initial Vocational Education Training)

MOER (The Ministry of Education and Research)

MOES (The Ministry of Education and Science)

MOSA (The Ministry of Social Affairs)

NAEC (The National Assessment and Examination Center)

NCEQE (National Center for Educational Quality Enhancement)

NGO (A non-governmental organization)

NRC (National Response Corporation)

NSK (The National Register of Qualifications)

NÚV (The National Institute for Education)

OECD (The Organisation for Economic Co-operation and Development)

OSSC (The Occupational Sector Skills Council)

PIN (People in Need)

RVP (Framework Educational Program)

SC (The Sector Council)

SME (Small and medium enterprises)

SSDA (The British Sector Skills Development Agency)

ŠVP (School Educational Program)

SWG (Sector Working Group)

UK (United Kingdom)

UNDP (The United Nations Development Programme)

USAID (The United States Agency for International Development)

VET (Vocational education and training)

WBL (Work Based Learning)

## Executive summary

This research was conducted within the context of the TVET Imereti Project. The project is intended to improve synergy between the labor market demands of the agribusiness sector and the skills and qualifications offered by the formal, non-formal and informal Vocational Education and Training. This will be achieved through the following sub-goals:

- Improvement of partnerships between VET providers, private agribusiness and other social and governmental partners;
- Improvement of the quality and availability of agribusiness labor market information for all stakeholders;
- Introduction of innovative technologies for improving the quality and accessibility of VET; and
- Raising the profile of VET amongst secondary school graduates, farmers and unemployed persons.

This piece of research is primarily intended to support the first of these goals. It focuses on the consideration of current methods that are used by the government, formal and informal VET to reach out and engage with the private sector. These methods are assessed based on discussions with those involved with the process and those outside of it. Finally, this paper considers the issue in the context of international cases. The objective is to provide preliminary recommendations on how the VET sector, and particularly this project's partner organizations in Imereti, can better engage with the private sector.

Our research contained several components. Macro-data on the Imereti agricultural sector was collected through GeoStat, discussions with government-funded Information and Consultation Centers as well as through engagement with NGO projects and local experts. This was necessary for providing context for consideration of private sector outreach. Macro-data on vocational education provision was provided by the Ministry of Education and Science. Data on the three international cases of the UK, Estonia and the Czech Republic were gleaned primarily from desk research.

To gain a sense of the attitudes and perceptions of the private sector in Imereti, we put together a list of private sector entities (something which should be of use to VET institutions), combining a list of "registered and active businesses" from GeoStat with data received from government-run Information and Consultation Centers, VET centers and local experts. We conducted 40 semi-structured interviews of private sector entities, including cooperatives as well as VET providers and members of Sector Committees and Sector Working Groups. We also conducted two focus groups of teachers and four focus groups of students from the project's partner VET providers.

Imereti is one of the most agriculturally-rich regions in Georgia, producing more than one-fourth of the country's corn, 17% of its grapes, 15% of its hazelnuts (Georgia's largest agricultural export category) and 11% of its fruit. Imereti is also home to 17% of Georgia's cattle, 16% of its pigs, 18% of its chickens and 4% of its beehives.

As in the rest of Georgia, agriculture can be divided into two basic types, commercial farms and small-holdings. Larger-scale commercial agriculture is not only defined by size, but also by the level of capital investment and technical skill involved. Though small in number, Georgia's commercial farms can be large and well financed and operated with high levels of international expertise. Small holdings, on the

other hand, are usually multi-crop farms of between 0.7-1.5 hectares that employ few capital inputs. Output is primarily for self-consumption.

This range from large commercial farms to subsistence small holdings is a continuum, but the difference between the two rough categories is important for our purposes because the existing skill levels, required skills and the profile for engagement with either group are vastly different. In general, commercial farms have demand for skilled labor and management and the training offered by VET in this sector is insufficient and unreliable. Thus large commercial farms are often inclined to look to universities or even the internationally for recruitment. On the other hand, the training courses offered by VET institutions are generally too intensive, require too much commitment and are excessively specialized for most farmers.

The commercial agricultural sector is not just made up of large primary producers. It also includes input suppliers, veterinarians and processors. Using multiple sources, we generated a list of 335 agricultural businesses in Imereti. Only four of these are classified as large (with over 1 million GEL turnover or more than 100 employees), 23 are medium and the rest are small or are not classified. Three of four of the businesses classified as large are hazelnut oriented, while the fourth is a greenhouse vegetable producer. There are also 114 cooperatives in Imereti.

While it was important for our project to identify the formal and commercial agriculture, as these are obvious clients for vocational training employment, the bulk of the agricultural private sector in the region and in Georgia at large is made up of small holders. These farmers have between 0.5 and two hectares of land, produce a mix of crops and usually have 1-5 cows and perhaps a small number of pigs and chickens.

It is also important to understand the challenges facing the agricultural communities made up largely of small holdings, as well as consider the differences that exist between the more commercially-oriented small holdings and the actual subsistence farms. This is important for VET, because if the training apparatus is going to connect with small holdings, it must be able to identify their more commercially-oriented aspects.

Agricultural communities in Georgia suffer from fairly chronic unemployment. Official unemployment may be lower in rural areas than in urban areas, but this is explained by the fact that subsistence farmers are counted as employed despite the fact that the monetary value of their output is dramatically lower than the median income. Some suggest that agricultural self-employment, on average, only generates the equivalent of 20% of the median income. As a result, without additional sources of income, those relying solely on subsistence agriculture would be considered among Georgia's extreme poor.

Rural communities have several potential sources of cash income, however. Salaried employment is not the most common. Official statistics suggest that the percentage of workers with salaried employment could be as low as 20% in rural Georgia. Other sources suggest that as much as one-third of rural households have at least one source of salaried income. This income is usually connected to employment in government (including teachers), medical services and utility companies. More common than employment as a source of cash income is government assistance, most importantly in the form of pensions. Targeted social assistance is significant as well. This reaches roughly two-thirds of rural households. In addition, roughly 12% of rural households say that they receive money from international sources and another 12% report receiving money from a family member living in a city.

Finally, the level of income produced by farming will vary wildly depending on which product is being produced. This has a significant impact on the likelihood of VET provision. The most significant variable distinguishing farming households is the quality of land and the resources on the given land plot. Land plots containing hazelnut or fruit trees, plots with good irrigation and drainage systems and those which are proximate or connected to the property are significantly more valuable than those without these features. This demarcation forms the baseline for reasonable investment.

Our research also provides an overview of the VET system in Georgia, in the agricultural sector and in Imereti specifically. For a long time Georgia's VET system has suffered from the vicious cycle of low expectations and low interest. While the development community has shown considerable interest in promoting improvements in the sector, roughly until 2012 the Government was unprepared to allocate significant resources to the development of the sector. This has, of course, ensured the perpetuation of poor perceptions and low expectations in the sector, as it has seen little to no infrastructural or pedagogical improvements and has generally only attracted those unable to attain admission to university.

However, in recent years financing for VET has increased dramatically, rising more than 500% in absolute terms from its low point in 2011. Considerable attention has also been given to developing the VET curriculum. This has not, however, correlated with a significant shift in public opinion. In some sectors, a strong and sustained push by the development community has combined with private sector support to create dramatic and sustained improvements, particularly in the construction and tourism sectors. Agriculture has seen a significant uptick in interest in one particular VET center, which has been financed by UNDP for many years, but so far the sector is still generally perceived negatively by both students and businesses.

Reflecting the low level of public sector financing, there are only 17 public sector and 72 private sector VET centers in Georgia. As a result, there are only roughly 3,300 VET places available in public institutions, and only 190 of those are oriented towards agriculture. In addition, higher educational institutions provide VET for a total of roughly 2,500 places nationally, perhaps 10% of which are oriented toward agriculture. This is a small number, and one major hurdle for changing perceptions is that it is difficult to justify the use of resources for any kind of national public relations campaign over such a small number of places.

One of the main directions of VET reform is switching completely to a module-based approach over the traditional approach that is now dominant. The idea of a module-based approach is that students are able to choose those modules most relevant for them and skip subjects not relevant for their professions. Currently, more than 50 programs across the country are module-based. By 2017 it is expected that all VET programs will be module-based.

### **Private Sector Engagement in VET**

It is commonly accepted in the international community and by the government that private sector engagement is crucial to the development of VET. This is because the private sector is best-placed to identify immediately usable professional skills. In addition, since many professional skills can only be developed "on the job" VET plays an important role in workplace learning.

For this reason, private sector engagement is an explicit component of the Government's VET policy. However, as we will see in the discussion of the private sector, it is extremely hard to engage even in

the best of times; even countries like the UK, which have more large companies and a far larger economy, find it difficult. In Georgia, where initiatives of this kind are relatively new, companies are smaller and training budgets are more limited, public/private engagement is even harder.

Engagement with the private sector in Georgia operates on the national level and through VET centers. At the national level there exists a national council for vocational education. The council brings together a range of social partners to advise the evolution of the professional education sector. The council is chaired by the Minister of Education and Sciences and consists of six representatives from the government (deputy minister level), six members nominated by employers' associations, six members nominated by trade unions and six members from civil society organizations. The Council met twice during 2015 with an expanded composition that also included international organizations and experts. Meetings usually feature presentations on new initiatives and projects as well as a progress report on VET reform as a whole. We attempted to reach out to the relevant stakeholders from this group for the purposes of our research, particularly the farmers' association and the microfinance association--which has a particular orientation toward agriculture--but without success.

The second mechanism for engagement with the private sector is the Sector Councils. There are 11 Sector Councils in total, one of which is in agriculture. The main function of the Sector Councils is to review and adopt professional standards. Each council consists of nine members, of which three are nominated by the Trade Unions, one from private colleges, one from state VET centers, one from the Ministry of Agriculture and three from the employers' association.

Occupational standards for different agricultural specialties that are presented to the Sector Council for review are prepared by relevant Sector Working Groups (SWGs). In 2015, the Sector Council for agriculture reviewed eight agricultural professional standards. SWGs consist of 10-15 members and their work is supported and facilitated by the National Center for Educational Quality Enhancement (NCEQE) and UNDP.

While these mechanism appear to offer multiple points of engagement, in reality there is little real private sector input in the process. The National Council on Vocational Education does not engage with businesses directly but rather with business associations, and the business associations with which they connect generally represent small businesses (like the employers' association) or small farmers (like the farmers' association). These private entities often lack the time and resources to connect to VET and are generally not large employers.

The Sector Councils are similar in that they are skewed in favor of groups outside of the private sector. The three private sector connection points for the agricultural Sector Council are an agricultural inputs provider, a fish farm, and the Research Center from the Ministry of Agriculture. These entities are not well-placed to provide substantive input on the various sub-sectors within agriculture.

In the Sector Working Groups--a mechanism primarily responsible for developing standards for different specialties--the situation is somewhat different. In the eight agricultural Sector Working Groups set up in 2015, 83 of the 137 members came from the private sector. Their respective interest in involvement, however, is not always the same. Some businesses had more than one member participate in Sector Working Groups while others hardly participated at all.

This is not to say that the government does not want to engage with the private sector, but it has largely failed to do so. This is an obvious problem. The input of trade unions, international organizations and

governmental entities has value, but these groups are poorly placed to clearly articulate labor market needs.

VET centers can engage with the private sector in a number of ways. Private sector representatives can work on supervisory boards, provide input on syllabi and teach at VET institutions. But the primary, critical role they play is offering VET students opportunities for apprenticeships and work placements. Our project is collaborating with two main partners, Iberia Community College and the agricultural faculty of Akaki Tsereteli State University (ATSU). Before analyzing their respective levels of engagement with the private sector it is first necessary to understand the programs they offer.

Iberia Community College offers two agricultural courses, one in beekeeping and the other in growing decorative flowers. The students in these courses generally already hold college degrees. The college seeks to dramatically expand its agricultural course provision to include the vocations of farmer, fruit processing specialist, milk processing specialist, veterinarian, heavy machinery operator, and seeding farm specialist. Their facilities in Kutaisi and Baghdati are relatively modern and they recently received a grant from the central government to build a farm to accommodate 20 cows that would be used for the teaching of dairy production. However, any discussion of their plans must bear in mind that their current provision is low.

ATSU has a fairly large VET program with 430 students (based on the information they have provided to us). The agrarian faculty provides 10 courses, though only six of them are agricultural and only two of their courses attracted students this year: agricultural logistics and hydro construction. In addition, the business administration section of the university offers courses in agricultural management. We checked the National Assessment and Examination Center (NAEC) data and for 2015-2016 years ATSU had announced only 7 programs, 3 of which are agricultural programs (2 offered by the agricultural faculty and 1 offered by the business faculty). Other programs don't function as the university says that had been no demand when the programs were open. ATSU is also considering adding agricultural courses including farming, gardening and beekeeping

Private sector engagement in agriculture is minimal. Iberia Community College, as a VET institution, has a supervisory board with one private sector participant (who is not from the agricultural sector). Connected to agricultural courses, they have three partners, each of whom teach and provide work placements.

ATSU, on the other hand, provided us with a list of 22 private sector organizations it engages with. Some of these denied their involvement, however, and many were not related to agriculture. Among ATSU's listed agricultural partners we were able to interview five organizations. Most of these offered work placements. Work placements can involve payments to the private sector entity from the VET center, but based on our interviews, the principle reason for the engagement was for would-be employers to identify potential employees.

The VET centers generally have little to say about the quality of their private sector engagement. Each of the discussions we engaged in suggested that the only strategy VET centers currently utilize for recruiting private sector partners is the use of personal connections. It was suggested that links could be built through the central government, but this seemed very unlikely.

The private sector perception of VET is poor. We spoke with 40 agriculture-related businesses in total, of which 10 had engaged with VET and 30 had not. Out of the latter group, only eight had a positive

assessment of the VET sector in general, while from 10 VET partners none of them assessed VETs positively (6 assessments were negative and 4 were neutral). This is consistent with our experience that private sector institutions perceive VET as low quality and failing to attract high quality students in the first place. The fact that only eight (from businesses who hadn't partnered with VET centers) businesses were even aware that VET exists in Imereti may be forgiven, given that there are almost no students graduating in the region who are relevant to their work (because the specific courses taught are parochial). However, the lack of knowledge re-affirms the private sector's apathy towards VET.

If the connection between the formal VET sector and what we define as commercial farms is not strong, the connection with small holdings is essentially non-existent. Neither of our partners is connected directly with small farmers. We are currently conducting a research study that includes a survey of small farmers in the region and will provide an assessment of their attitude to VET as part of another assessment. At the current time, we attempt to provide an overview of the way in which farmers connect with, or fail to connect with, VET based on our background knowledge of the sector and our discussion with the Information and Consultation Centers set up by the government in 2013.

From the extensive research that GeoWel has conducted in the past, we know that small holders have very few reliable sources of information. They tend to rely heavily on word-of-mouth and other informal sources. Many complain of having no reliable sources of information. We also know from numerous research projects carried out in particular sub-sectors that small farmers routinely lack most basic information on simple issues, such as the types of fertilizers and pesticides to use or when to plant, irrigate, prune, and harvest. Similar basic information deficiencies exist in animal husbandry. As a result, significant improvements to output can be made with only the most rudimentary improvements in information.

One regular source of information comes from input suppliers. The provision of this information can constitute a conflict of interest, however many studies and several development projects implemented in Georgia have suggested that improvements in information provision through input suppliers can be mutually beneficial. This source of information can work beneficially for both crop production and animal husbandry. For plant growing, it can be provided from the shops that provide the seed, fertilizer and pesticides. For animal care it is occasionally provided by veterinarians, but veterinarians are scarce and mostly used for inoculations. However, veterinary drug suppliers can be a valuable source of information and can advise in much the same way that a human pharmacist can be useful for many common ailments in the absence of a doctor.

In a broad sense we know that the most common source of news and information is television. Owing to the accepted importance of agriculture, we have seen the emergence of some TV shows, particularly on regional TV, that discuss agriculture. However, such programming is irregular and coverage is rarely intended as a simple training model.

To attempt to improve this environment, the government launched Information and Consultation Centers (ICCs) in 2013. These centers are tasked with keeping track of the local agricultural environment and providing support to farmers. However, they are extremely under-resourced at current and, while it has been suggested that they might be a major source of extension provision in the future, that currently appears unrealistic. ICCs seem to be most effective at collecting municipality level data and feeding it back to the Ministry of Agriculture. ICC's were a vital resource for identifying agricultural businesses and were able to provide a far more comprehensive list than was Geostat.

We spoke with some of the clearly-identified success stories in the VET sector to see what lessons they can share. This discussion was not part of the originally planned research and will warrant a more detailed follow-up. Spektri is a large VET center based in Tbilisi that focuses on construction and Icarus is a VET center that focuses on the tourism sector. Both have received considerable sums of money from development projects as well as attention from government. Both have also been able to develop strong relationships with the private sector. The companies that they have connected with have generally been large and profitable. Due to their success and the high demand for their respective sectors, Spektri now boasts 3 million GEL of private investment and Icarus says that it no longer has to approach private sector companies. Rather, companies usually approach them. Both of these organizations remarked that the cornerstones of their relationships with the private sector are trust in the quality of training and a very pro-active human resource department.

We also spoke to Aisi, the VET center in Kakheti that has received financing from UNDP since 2007. Thanks to that support they have been able to finance demonstration plots and have become an informational hub for the region. As a result, they have built strong relationships with 60 agricultural companies and a strong local reputation.

Finally, we reviewed the cases of the UK, Estonia and the Czech Republic as case studies for investigating the methods by which private sector outreach is conducted in other places. The UK is an interesting case. While the UK context is dramatically different from that of Georgia, it does not have a strong track record of public/private partnership in this area. Accordingly, some of the challenges it has faced are illuminating. Also, in the light of the 2010 change of government in the UK a range of modifications to the VET system have been made, which can offer some useful insights.

Like in Georgia, the principle focal points for engagement are the Occupational Sector Skills Councils (OSSCs), which oversee modifications to standards and exert some influence over the prioritization of funding for particular skills. In addition to this, the government has pressed to expand apprenticeships as the key model for VET and private sector engagement.

While the apprenticeship system has expanded significantly since the reforms were implemented, problems persist, particularly the continued difficulty to encourage the private sector to engage, marked by a failure to make OSSCs financially sustainable and by the fact that they are not well understood in the private sector. Analysis of this has suggested a number of guiding principles that could aid private sector engagement:

- Define what is expected from the employer and judge a realistic level of engagement
- Make engagement as administratively uncomplicated as possible
- The best engagement occurs when the employer is directly connected to VET for developing its own skilled staff
- It is necessary to distinguish the skills levels as required by the individual employer

Similar, the experiences of the Czech Republic and Estonia suggest that financial incentives can be effective. For example, the tax law can be expanded to exempt company expenses that use VET trainees. Government-supported internship programs also seem to be effective.

Altogether, our research on Georgia offered a challenging overview for the project. The VET centers offer relatively few courses and many of those are not oriented toward the main market opportunities in the region. As a result, private sector entities would have little interest in engaging with them. There

are certainly opportunities to expand outreach and adopt a more systematic approach, even without expanding provision, but it would need to be properly targeted.

If the course offerings expand then so do the opportunities for outreach, but the formal and commercially-oriented entities in the region form the smaller part of the agricultural sector, and if the VET sectors are to have the greatest possible impact, they will need to reach beyond this group to engage with small holding farmers. This will require new strategies and new models of communication. If this could be achieved, given the high government and international donor interest in VET at the moment, there is a good chance that this would receive considerable outside financing. This offers a considerable opportunity for the organization that can take advantage of it.

## **Recommendations and preliminary reflections on private sector outreach strategy in Vocational Education in Georgia, particularly in the Agricultural Sector**

### National strategy

- The current state of affairs is inadequate. There is limited private sector involvement in the national structures in which it is supposed to be included. Neither Sector Councils, nor the national council for professional education seem to have tangible engagement with private sector. These entities have far higher participation from government, trade unions and academia. The exception seems to be Sector Working Groups, though it is unclear the extent to which their involvement reflects outside financing.

There is clearly a desire to engage the private sector, but the government seems to lack a program for doing so. Therefore, there needs to be a wholesale rethinking of private sector engagement. This should prioritize:

- o Identification of the small pool of large employers that care about specific issues.
  - o High level politicians need to be visibly involved in the process of engagement.
  - o Engagement of the business associations that have strong relationships with their members. In the first instance these are not the associations representing SMEs but associations representing large companies, like the Business Association of Georgia, the American Chamber of Commerce and the International Chamber of Commerce.<sup>1</sup>
- There needs to be a distinction of the realistic level of engagement, so that different entities can engage to varying degrees. This would include at least five different forms of engagement (based on our analysis of the UK model):
    - o Employers engaged in Sector Councils to develop strategy and work administratively with government, as well as potentially provide financial support.
    - o Employers engage in qualification development.

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<sup>1</sup> Note that, in the interest of full disclosure, the author of the report is also the Executive Director of the American Chamber of Commerce in Georgia (AmCham). As a result, he is extremely familiar with the business association terrain.

- Employers make use of initiatives, applying for grants and/or developing apprenticeships.
- Employers make themselves available to be surveyed to keep researchers up to date on demanded skills.
- Employer is willing to receive information about policy.
- Administrative demands on engagement should be kept to a minimum.
- Current engagement at the VET level should be built upon. The clearest point of connection for drawing private sector actors into public sector discussions of education is generally where the private sector is already working with the VET system to practically identify potential employees.
- Other incentives for engagement and hiring of VET graduates– such as a two-year income tax moratorium – could be beneficial.
- A national campaign should be implemented highlighting jobs and salaries (this might be already under consideration).
- Formal apprenticeships should be considered within the Georgian context. For large commercial operations, this could be an effective model.

For the VET –practical issues to engage in:

- Identifying businesses who might be social partners. There is little point in reaching out to a wide range of agricultural partners until there is a commitment to provide more courses. However, it will be beneficial to identify private sector partners, both for current programs and for the future.
  - Generate a list of potential partners. This will include information from:
    - A list of large commercial actors. This will be different from the general local list, and may involve national companies.
    - Information and Consultation Centers.
    - GeoStat.
    - Local government bodies.
    - Other NGO programs.

This list of sources can be used to develop a comprehensive list of private sector partners. This can be updated each year.
  - Depending on the courses that the institution chooses to develop, it can also approach cooperatives. Therefore, a list of cooperatives is also necessary.
- Partnership – there are so few training places available agricultural VET that the different institutions should not imagine themselves as competitors.. They should develop ways to work together as a small amount of coordinated effort might increase interest overall, which would grow generate new recruits for all the institutions working in their area. As the expression goes, ' a rising tide lifts all boats!'
- Outreach and communication – VET centers need to target students, potential business partners and potential teachers. Below are some methods:
  - Television – possibilities for free media on local TV that is focused on employment possibilities.

- Website development for marketing.
- Systematic engagement with graduates.
- Demonstration plots and assistance in video production can help to develop connections.
- ICCs can be used for outreach and engagement and perhaps can provide demonstration plots or work with VET to do so.
- Becoming a hub of information in the area where a VET institution can claim expertise. For example, VET centers that provide training for bee-keepers can be centers of expertise for bee-keeping. In this way, they can provide formal and informal training, including:
  - Providing forums on the issues of the day.
  - Connecting with cooperatives inside or outside the region that share expertise and interest.
- Apprenticeship and work placement:
  - Must be more flexible in engagement with the private partner – attempting to set goals and standards of success which are connected to the demands of the particular work place rather than the demands of professional standards. For example, if a particular workplace requires the development of skills not included in the general professional standards, then training in this skill could be a criteria of success.
  - Must have a more vigorous monitoring mechanism.
- In order to attract good teachers
  - Develop as an informational hub.
  - Form connections with cooperatives.
  - Build on private sector partnerships – while private sector partners care more about trust, improved remuneration for teachers would still help attract better teachers.
- With so few programs providing so few places there is little chance to gain traction and make a positive impact on agricultural programming without doing the following:
  - Expanding the range of agricultural courses.
  - Partnering or coordinating with other VET institutions and universities who provide agricultural courses.
  - Improved perception of VET generally will, in turn, improve the perception of agricultural VET and only working to improve the perception of agricultural VET may be too narrow a focus for PR efforts. We (the PiN project) should therefore engage with private sector actors on broader courses – not just agriculture, so that we can help market VET generally.
- Expanding agricultural programming. Developing a metric for deciding which programs will have the most demand. This is not obvious. Honey is popular in spite of the fact that it is a modest sector. It produces a high value product and involves technical skill. Others to consider:
  - Green-houses
  - Nuts
  - Grapes and wine

Recommendations for how VET institutions can benefit from improving the informal education system:

- VET centers are unlikely to provide long-term training for small holdings, but by aiming to become knowledge hubs, they can:
  - o Leverage their skills and enhance the public service that they offer. This can in turn allow them to argue for more financing from the government and donor community.
  - o attract people for short-term courses
  - o raise the VET center's visibility for commercial operators
- Training of input suppliers
- Use of Georgian language videos
- Demonstration plots – which could be supported by the VET system

Further research questions:

- Our assessment of the labor market, and most other research, focuses on demand. What is also needed is a clear consideration of where well paid jobs exist now and in the future.
- Discussions with small holding farmers who are already growing high value products such as nuts, grapes or honey to see what level of formal education they may be prepared to invest in. This will partially come from market mismatch but may require further attention.
- Identifying large farmers who have internal training programs or have attempted to develop them.
- International examples of ways that formal and informal skills have been integrated into small-holder farms using Vocational Education courses, apprenticeships and other platforms.

## Methodology

This study utilized a range of methods and took place from the beginning of November, 2015 to the end of January, 2016. The initial phase included consultations with the key project stakeholders: PiN project staff, project partners in Imereti and the Ministry of Education and Sciences.

Field-work in Imereti started in December and its central focus was interviews with 40 businesses, among which 10 were partners of different VET education providers. There were 2 criteria for selecting businesses: 1) their experience of working with VET centers. We asked the VET centers to provide the list of partners from which we tried to contact all agricultural businesses; 2) size of a business. As we compiled a database of 337 agricultural businesses in Imereti from various sources, we wanted to focus on relatively large ones. The reasoning was that this category of businesses has a greater chance of cooperating with VET centers. For smaller agricultural businesses, we interviewed additional 17 agricultural cooperatives.

In our interviews with businesses, we were interested in the nature of existing cooperation and perceptions about the VET sector in general and, specifically, in of VET providers in Imereti. These interviews also helped us identify the gaps in VET-private sector cooperation are and the potential solutions that can be applied by PiN. We also attempted to document the informal VET education mechanisms and how important they are for the region's agriculture sector.

We had continuous communication with the project's partner VET providers in Imereti, Iberia Community College and the Agrarian Faculty of the Akaki Tsereteli State University (ATSU). They provided us with information about their partners as well as information about the teaching process and needs. In addition, we conducted a total of six focus groups: one focus group was with 6 teachers at Iberia Community College, the second focus group was with 5 teachers of the Akaki Tsereteli State University; and the remaining 4 focus groups were with 40 students of different specialties within both VET providers.

We compiled a database of agricultural businesses in Imereti. This database is primarily based on the data provided by Geostat but is significantly enhanced with data provided from Imereti's Information and Consultation Centers (operated under the Ministry of Agriculture). We also added data collected through other development assistance projects. In total, we compiled data on over 300 agricultural businesses in Imereti. To our knowledge, this is the most comprehensive database of the sort for Imereti and can be used effectively not only for analyzing agricultural business activities in the region but also for providing VET centers with the contact information of potential partners.

To understand the policies relevant to private sector engagement we also spoke with a representative from the National Center for Educational Quality Enhancement (NCEQE) and reviewed its national strategy for 2013-2020 years as well as its action plan. We also spoke with representatives of the Sector Committees and Sector Working Groups to gain an understanding of how the private sector is being involved in the process of developing occupational standards.

It is important to explore the existing situations in Georgia and abroad to identify relevant experiences that can be replicated in the project. We spoke with major VET providers in Georgia with differing private sector experiences. In Imereti we interviewed the region's largest agricultural VET provider, which is located in the village of Didi Jikhaishi and belongs to the Georgian Technical University. We also

visited Aisi VET center in Kakheti and the Icarus and Spektri VET centers in Tbilisi. All of these VET centers have different experiences, thus useful lessons can be drawn.

In addition to local experience we also reviewed VET-private sector cooperation experience in 3 European countries: the United Kingdom, Estonia and the Czech Republic. We reviewed the ministry of education website information and analysis documents, and public policy documents from the different countries as well as European Training Foundation sources, OECD, think-tank and academic papers. The material that we were able to find within this search, on private sector outreach in the agricultural sector, in particular, was minimal. We therefore largely looked at the way that private sector outreach is considered generally and tried to apply the lessons to our more specific circumstances. Contexts are different in each of these three countries and the contrast between their respective situations and that of Georgia is great. Nevertheless, useful lessons can be drawn and applied to Georgia.

This report will lead to a second report focusing on the labor market mismatch in the agricultural sector in Imereti. While some of the information from this report will be used and expanded, particularly with regards to informal VET education we will draw additional data from surveys and focus groups among small farmers and schoolchildren.

## Imereti agricultural business sector overview

Imereti because of its size and geographic location is one of the most important agricultural regions in Georgia. Some of the key agricultural products and live animals come primarily from Imereti. The breakdown is provided below. .

Figure 1: Production of agricultural products in thousands of tons. 2013 Geostat data.<sup>2</sup>

	Imereti	Georgia	Share of Imereti
Corn	100	364	27%
Melons	14	66	21%
Haricot beans	2	11	18%
Grapes	37	223	17%
Hazelnuts	6	40	15%
Fruits	24	218	11%

Imereti is also a leading region in terms of live animals and animal production. Approximately 18% of country's meat production comes from Imereti, a larger share than in any other region.

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<sup>2</sup> We use the 2013 data instead of the 2014 data because there was a drought in Georgia in 2014 and production of most agricultural products decreased compared to 2013.

Figure 2: Number of live animals and beehives in thousand heads. 2013 Geostat data.

	Imereti	Georgia	Share of Imereti
Cattle	209	1230	17%
Pigs	31	191	16%
Goats	8	61	13%
Poultry	1215	6761	18%
Beehives	14	399	4%

As in the rest of Georgia, the agricultural sector can be divided into two fundamentally different businesses. On the one hand, there are commercial agricultural producers with considerable investments and some expertise and who are entirely oriented toward selling to the market. On the other hand are smaller farmers who generally have very small land plots, fewer resources for making investments and a lower skill base.

To get a sense of commercial farming, we have used the databases of registered and active businesses provided by Geostat as well as information provided by the Information and Consultation Centers in Imereti, which we supplemented with data from various non-governmental projects. In total, we compiled a list of 337 agricultural businesses in Imereti that formed the basis for our interviews. Four of these are categorized as large, 23 are considered medium size businesses, and 151 are small.<sup>3</sup> The remaining 157 businesses didn't specify size.

Three out of four large businesses are greenhouses, with the other being in hazelnut processing. Geographically, three-fourths of all agricultural businesses in Imereti are located in rural areas. This is logical as most agricultural businesses require land such as crop fields, greenhouses, livestock farms, fish basins, forestry farms and mixed-type farms. Businesses that are located in urban areas provide services such as consultation, agricultural inputs, mechanization/equipment service and food processing.

The most popular/common agricultural activity in Imereti is livestock farming, mostly cattle and poultry as well as crops and plants (including greenhouses). However, Imereti is known for having small agricultural plots. According to the latest official agricultural census (which was conducted in 2004. The results from the 2014 census will be published in April, 2016), over 99% of households in Imereti had less than 1 hectare of land.<sup>4</sup> This makes conditions difficult for farmers to build large agricultural businesses.

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<sup>3</sup> Geostat classified a company as large if it has more than 100 employees, medium size companies have 20 to 100 employees and GEL 0.1 to 0.5 million. Small companies have fewer than 20 employees or less than 100,000 GEL turnover.

<sup>4</sup> Geostat (2004) Classification of holdings by total land area, Agricultural Census, p 52, available online at [http://www.geostat.ge/cms/site\\_images/\\_files/georgian/agriculture/census/ganyofileba2.pdf](http://www.geostat.ge/cms/site_images/_files/georgian/agriculture/census/ganyofileba2.pdf) (accessed on March 11, 2016)

Figure 3: Break-down of agricultural activities in Imereti region. Aggregated database compiled from data from Geostat, ICCs and additional data

Agricultural activity	Share of businesses in total agriculture
Livestock	32%
Crops and plants, including greenhouses	24%
Food processing, including beverages	14%
Agricultural service, including mechanization and logistics	13%
Mixed farming, including food processing	8%
Fishing	5%
Forestry and related services	2%
Unspecified	1%

In addition to registered agricultural businesses, we also compiled a database of cooperatives which was mainly based on the information provided to us by the ICCs. In total, there are 114 cooperatives in Imereti. Cooperatives benefit from international donor projects on the one hand, and from governmental assistance on the other. For example, PiN is helping 10 cooperatives across the region develop their capacities. At the same time, the government established the Agricultural Cooperatives Development Agency (ACDA) in 2013 which provides assistance in the form of trainings and technical equipment to the established cooperatives. By the end of 2015, ACDA had provided different kinds of assistance to over 500 beneficiary cooperatives. Often, however, cooperatives do not seem to operate as institutionalized entities. Rather, individual farmers combine to apply for grants or other kinds of assistance.

While agricultural registered commercial entities are of particular interest to this project, the overwhelming majority of entities are not commercial and are made up of small farmers on 0.8-1.25 hectare land plots, spread out over several parcels of land that are not necessarily contiguous and may not even be in close proximity to one another. These small holdings have a similar profile across Georgia and will generally include 2-5 cows that calve in the spring and produce fresh milk from as early as April until as late as October. Calves will sometimes be fattened by the household, but often will be sold to cattle traders to generate early season cash flow or killed and consumed as veal. The principle purpose of cattle in Georgia is to produce milk, most of which is consumed raw by children or eaten as cheese. Small holdings will also routinely have a small amount of pigs and chickens. They also grow crops of vegetables including potatoes, onions, tomatoes and grapes for making wine, as well as fruit if the land has fruit trees. Most of this output, across the board, is used for home consumption.

Small farmers are a diverse group. Some have a genuine interest in becoming small agricultural business people while others are better understood as individuals trying to enhance their lives with locally-grown food. Three main differences define which of these two categories any given farmer will fall into, level of cash income generated from non-farming sources, quality of land-holding and the attitude of the farmer.

Firstly, households with other sources of cash income are the most likely to invest and attempt to expand their agricultural output. There are three main sources of cash, except for the sale of agricultural products, for rural households: salaried employment, remittances and government payments. According to official data unemployment in Georgia is higher in urban areas than in rural areas. However, the vast

majority of people classified as “employed” in rural areas are merely working on land plots. Only roughly 20% of people living in rural areas have salaried employment.<sup>5</sup> Furthermore, roughly one-third of rural households in Georgia report that their household has income from salaried employment, compared to more than 60% in urban areas.<sup>6</sup>

Apart from salaried employment, the other two major sources of cash flow for rural households are remittances and pensions. Roughly 12% of households report that they receive money from relatives living abroad, with the same number saying they receive money from relatives inside the country.<sup>7</sup> However, the largest source of income for households in Georgia is the state pension. Roughly two-thirds of households in rural areas say that they receive pensions and government benefits.<sup>8</sup>

This information is important for our purposes, because varying sources of income make families vastly more financially secure. Agricultural production may create surpluses, but small-scale agriculture in Georgia is an unreliable business, with droughts and floods occurring every few years as well as endemic animal disease reducing output creating the risk of unexpected animal death. Families with non-agricultural sources of income are shown to be far more likely to develop their agricultural business than families in which agriculture is the only income source. The latter group is more likely to remain in a low-input, low-output model.

Apart from income profile, two other factors are particularly important in determining the likely success of an agricultural business. The first is the quality of land and nature of production. If farmers produce high-value products such as nuts, citrus fruits, grapes, honey or ham, they are more likely to demonstrate the potential for growth.

Secondly, attitude is crucial. There has long been a prevalent perception in Georgian society that finding opportunity means going to the city. A research study that GeoWel conducted for World Vision involved holding focus groups in schools in a number of Georgian regions. Almost none of the students who participated saw any prospects for those choosing to stay in the rural area. Fewer still saw agriculture as a potential opportunity. Thus, in addition to financial resources and the quality of land/nature of production, there is the simple question of whether members of the rural population actually want to be farmers.

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<sup>5</sup> GeoStat (reviewed 25 August 2015), Distribution of Population age of 15 and older by economic status in rural/urban areas

<sup>6</sup> Caucasus Barometer (2013), Income Source: Salary, CRRC (<http://caucasusbarometer.org/en/cb2013ge/codebook/>)

<sup>7</sup> Caucasus Barometer (2013), Income Source: Relatives Living Abroad, CRRC and Income Source: Relatives Living in Georgia, CRRC (<http://caucasusbarometer.org/en/cb2013ge/codebook/>)

<sup>8</sup> Caucasus Barometer (2013), Income Source: Pensions and Government Benefits

These factors are important for our purposes because perceptions about the nature of farming help determine the informational needs of the farmers in question. In particular, while agricultural VET is seen as a means of improving agriculture in the mass marketplace and, by extension, ameliorating the poverty faced by farmers, it is not likely to be subsistence farmers who benefit most from formal VET because subsistence farmers, almost by definition, lack the funds or the time to be able to engage in the formal education sector. Even in the area of small-holders who have some additional sources of finances and the inclination to be farmers, we have found over many years of research, there is a strong resistance to pay for education.

For this reason we must pay particular attention to the logic of *informal* education. If farmers are unlikely to pay and take the time to improve using formal VET then it is important to help improve their skills by improving the channels through which can gain information outside of the formal system. This will have the biggest likely impact on the productivity of small farmers, and will therefore have the biggest impact on low income households and overall national output. This might be able to connect to the VET system, if VET institutions can make themselves regional centers of expertise, but it will not be restricted to that avenue.

## **The existing VET system on a national level**

### ***Growing attention to the VET sector***

A necessary component of understanding the private sector's interest in VET is the realization that, until relatively recently, VET (particularly in the agricultural sector) has not been the focus of attention of senior government bodies. This is both cause and consequence of the fact that VET has historically been poorly regarded in Georgia. Until recently, neither the government, the public, nor the private sector considered VET education and VET institutions to have much value.

This has changed in recent years. Almost all major donor organizations have been involved in VET sector reform in various capacities. The recent EU project *Technical Assistance to VET and Employment Reforms in Georgia*, which is coordinated by IBF but includes four different projects, is one major demonstration of the increasing interest in VET by international donors.

We can assess the importance the Georgian government places on vocational education in a number of ways. The most obvious is analyzing the budget.

Figure 4: Expenditures on different education components (in millions of GEL). State Budget (functional). 2010-2016 years.

Year	Professional education	General education	University education and scientific research	Total budget on education	Share of professional education expenditures in total education budget
2010	10.7	350.9	73.6	542.1	2%
2011	6.5	393.5	61.7	555.8	1%
2012	9.3	451.6	68.2	641.2	1%
2013	9.3	444.7	100.9	682.5	1%
2014	15.0	521.1	87.9	739.7	2%
2015	22.7	477.3	109.8	848.3	3%
2016 <sup>9</sup>	35.8	572.8	106.6	975.2	4%

The above figure shows that in 2016, government expenditures on professional education will account for roughly 4% of total education expenditures. This is an unprecedented increase, given that from 2011-2013 the share of VET expenditures accounted for only 1% of the education budget in each year. However, if we look at European examples, the share of VET expenditures tends to be much higher. For example, in the Netherlands the proportion of the education budget devoted to VET is 10%, while in the UK it is roughly 14%.

Nationally, there are two principal governmental responsible for Georgia's VET system. The Vocational Education Development Department at the Ministry of Education and Science of Georgia is responsible for day-to-day policy implementation and monitoring tasks in the VET sector. The National Center for Educational Quality Enhancement is primarily responsible for developing qualification standards and coordinating the work of supervisory and working bodies in the VET sector, an undertaking which involves private sector participation.

Another way to observe the importance that the government now places on the VET sector is to analyze strategic documents and the implementation of related programs. The government has adopted a VET strategy for the 2013-2020 period. The relevant document and its action plan are considered to be ambitious and aim toward a more market-based approach, among other things.

### ***VET centers in Georgia***

According to the database provided by the MoES, there are currently 89 VET centers in Georgia, 17 of which are state institutions and 72 of which are private. The database doesn't include data about the universities and high schools that are also authorized to provide VET education. In Imereti, for example, Akaki Tsereteli State University (in Kutaisi) and Georgia's Technical University (in Didi Jikhaishi), both provide VET education. Below is a breakdown of VET centers by region:

<sup>9</sup> 2016 data is not from the functional budget, but from the assignments section.

Figure 5: State and Private VET centers by region. 2015 MoES data.

Region	State	Private	Total
Tbilisi	5	37	42
Imereti	1	13	14
Samegrelo-Zemo Svaneti	3	4	7
Adjara	2	4	6
Shida Kartli	1	5	6
Kvemo Kartli	1	4	5
Samtskhe-Javakheti	1	3	4
Kakheti	1	2	3
Guria	1	0	1
Racha	1	0	1
Total	17	72	89

Almost half of Georgia's VET centers are concentrated in Tbilisi. However, if we look at the 17 state institutions, there is greater geographical variation with fewer than one-third of them located in Tbilisi. State VET centers are also located in regions with no private VET center, such as Guria and Racha. This appears to be an indication that the government is attempting to ensure the accessibility of VET education.

The data provided by MoES also includes the number of students enrolled in the 17 state VET centers but lack comparable data for private VET centers. We provide totals for VET places generally and agricultural specialties by region:

Figure 6: Number of students at state VET centers by region. 2015 MoES data.

Region	Total number of students	Students in agricultural programs
Tbilisi	1143	0
Adjara	601	37
Imereti	489	21
Kvemo Kartli	418	0
Kakheti	209	69
Guria	170	15
Samtskhe-Javakheti	135	24
Samegrelo-Zemo Svaneti	120	0
Shida Kartli	51	15
Racha	26	9
Total	3362	190

The total share of students at state VET centers who study in agricultural programs is 6%. More than one-third of these students attend the Kachreti VET center in Kakheti.

Among the 20 agricultural programs in state institutions across the country, only 4 have specified program levels. 2 are offering education up to 3<sup>rd</sup> level and 2 – up to 4<sup>th</sup> level.<sup>10</sup>

Although there is no data on the number of students at private VET centers, the MoES data does include the number of programs offered. In total, there are five institutions (three in Tbilisi, one in Imereti and one in Shida Kartli) offering a total of 11 agricultural programs. In terms of education levels, seven are offering education up to the third level, two up to the fourth level and two up to the fifth level.

In addition, 13 Higher Educational Institutions across Georgia offer VET programs. This includes our partner Akaki Tsereteli State University (ATSU) as well as Imereti's largest agriculture VET provider, the Technical University in Didi Jikhaishi. The MoES was not able to provide us with aggregate data so we attempted to reach each of the institutions directly. In total, there are roughly 2,500 students studying in VET programs in various Higher Educational Institutions, roughly 10% of which are in agriculture-related specialties.

The government uses the [www.vet.ge](http://www.vet.ge) website to raise awareness about the ongoing reform of the VET sector. The website hosts pertinent information including the contact details of VET providers and minutes from the meetings of the National Council on Professional Education. However, some of the information is outdated and it is impossible to find out precisely which courses are provided. The websites of individual VET providers vary in terms of quality and breadth of the information provided. These sites usually contain a list of programs that they offer, but further detail about the program is usually absent.

### ***From subject-based to modular standards***

In addition to the limited attention paid to VET institutions until the last few years, the structure of VET training has generally been considered to lack focus and involve little serious effort to develop the practical skills that define vocational education. While international development projects often attempt to initiate private sector outreach, such efforts have generated few results. One way in which this has changed recently is the shift toward modular teaching.

Evolution of the modular approach is occurring through cooperation with the private sector in such venues as the Sector Councils and Sector Working Groups. The current tendency in vocational education is toward switching from the currently applied subject-based standards to competence-based modular professional standards<sup>11</sup> (54 standards currently exist in Georgia). The former subject-based programs are “broken down” into a number of modules, thus providing more flexibility to student in choosing what to study. There was only one modular professional set of standards in agriculture approved in 2015: beekeeper. Eight other standards are currently under consideration.

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<sup>10</sup> The Georgian VET system recognizes 5 levels of VET education, starting from level 1 (basic) to level 5 (advanced)

<sup>11</sup> Competence-based programs are usually characterized as more practice-oriented than subject-based modules, with focus on what learners can do rather than what courses they cover. Here is a summary from the Australian Chamber of Commerce and Industry ““A way of approaching (vocational) training that places primary emphasis on what a person can do as a result of training (the outcome), and as such represents a shift away from an emphasis on the process involved in training (the inputs). It is concerned with training to industry specific standards rather than an individual’s achievement relative to others in the group” (from a GIZ report - [https://www.giz.de/akademie/de/downloads/Lehrbrief\\_14\\_-\\_Competency-based\\_Education\\_and\\_Training\\_\(CBET\).pdf](https://www.giz.de/akademie/de/downloads/Lehrbrief_14_-_Competency-based_Education_and_Training_(CBET).pdf))

The new modular system is more efficient and better adjusted to the needs of learners: it allows the student to follow the modules or competences within the program to gain specialization in that particular competence. This is possible because, as defined by the Ministry of Education of Serbia, *“modules are specific, separate segments or learning packages that lead to achievement of defined learning outcomes ... The structure of modules also enables gaining knowledge, skills and attitudes (competences) interdisciplinary, i.e. it enables cross-subject linking.”*<sup>12</sup>

For instance, if one compares the subjects and modules of the veterinary service specialist program, one finds that the modular program offers a higher degree of specialization within the program content and is in fact competence-based, compared to the subject-based program, which represents a more theoretical course:

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<sup>12</sup> Ministry of Education of Republic of Serbia (2008), *Vocational Education and Training Reform in the Republic of Serbia: Methodologies for the Development of Competence-based Modular Curricula in VET*, p9. <http://www.vetserbia.edu.rs/Zbirka%20dok%202/English/02/2/Methodologies%20for%20the%20development%20of%20curriculum%20in%20VET.pdf> (Reviewed January 21, 2016)

Figure 7: Veterinary Service Specialist: Comparison of subject-based and modular VET program<sup>13</sup>

Veterinary Service Specialist			
Subject-based		Modular	
Profession-specific subjects	Pharmacology and toxicology	Biological characteristics of animals	Mandatory modules
	Principles of zoo-technics	Diagnostics of animal diseases	
	Anatomy and physiology	General prophylactics of animal diseases	
	Food and husbandry	Specific prophylactics of animal diseases	
	Epizootiology and parasitology	Treatment of animal diseases	
	Therapy	First veterinary aid	
	Surgery and gynecology	Veterinarian supervision of animal slaughter	
	Trainings at the VET	Pasture and water reservoirs protection	
	Trainings at the enterprise	Labor safety and environmental protection	
General subjects	Entrepreneurship	Food safety	
	Foreign language	Biochemical principles of veterinary	
	IT and communication	Veterinary activity planning	
	Introductory training		
	Trainings at the enterprise		
	Individual practical project		
	Communication		
	Entrepreneurship		
	Personal and interpersonal skills		
	Quantitative literacy		
	IT		
	Foreign language		Optional modules
	Cat and dog diseases, their treatment and prophylactics		
	Poultry diseases, their treatment and prophylactics		
	Bee diseases, their treatment and prophylactics		
	Fish diseases, their treatment and prophylactics		

If we compare the “old” subject-based professional standards to the new module-based ones we also notice several basic differences in structure:

<sup>13</sup> Ministry of Education and Science of Georgia (2015), *Database of Vocational Educational Institutions*; National Center for Educational Quality Improvement (2015), *Agricultural Professional Standards*.

Figure 8: Comparison of subject-based and modular VET professional standards

Criteria	Subject-based programs	Modular programs
<b>Program Structure</b>	<ul style="list-style-type: none"> <li>Professional subjects</li> <li>General subjects (Ex.: computer skills, foreign language skills, communication psychology, principles of entrepreneurship)</li> </ul>	<ul style="list-style-type: none"> <li>Mandatory modules</li> <li>Optional modules (Ex.: operating a tractor, operating other equipment)</li> <li>General modules (Ex.: communication, entrepreneurship, personal and interpersonal skills, quantitative literacy, IT, foreign language skills)</li> </ul>
<b>Document structure</b>	<p>Lists knowledge and skills without any logical sequence by the following categories:</p> <ul style="list-style-type: none"> <li>Knowledge and comprehension</li> <li>Applying knowledge into practice</li> <li>Conclusion skills</li> <li>Communication skills</li> <li>Learning skills</li> <li>Values</li> </ul>	<p>Lists professional knowledge and skills categories that are further subdivided by detailed practical skills with logical sequence:</p> <ul style="list-style-type: none"> <li>Labor safety and environmental protection</li> <li>Quality assurance</li> <li>Professional development</li> <li>And various professional skills categories based on the activity type</li> </ul> <p>Further it lists:</p> <ul style="list-style-type: none"> <li>Personal qualities</li> <li>Equipment and tools</li> <li>Future tendencies</li> </ul>
<b>Sector Working Groups members' lists</b>	Not included	Included
<b>Assessment standard and process description</b>	Not included	Included
<b>Evaluator instructions</b>	Not included	Included
<b>Evaluator record forms (knowledge, process, product or outcome)</b>	Not included	Included
<b>Competence evaluation form</b>	Not included	Included
<b>General framework document</b>	Not included	Included
<b>Knowledge and skills</b>	<p>Very detailed list but almost without any logical sequence and with very little grouping of related skills, therefore it was very hard to regroup them for our skills mapping exercise tables.</p> <p>Differentiates between skills and knowledge but these are basically the same – “knows how to do something” vs “does that something.”</p>	<p>Grouped according to professional activity, and more precisely differentiates between knowledge and skills. Makes it easier to develop skills-mapping exercise tables. Appears to be more practical and skill-based, although it also involves a number of knowledge-based topics.</p>

To sum up, the overall structure and content of the new modular standards mean they are not only more comprehensible for the learner and better present what the program has to offer but also can

easily serve as a principal guide for the evaluator. Moreover, each program level is designed based on the direct advice of employers and experts.<sup>14</sup> Modular programs also require more involvement from the VET teachers in curricula development and evaluation.<sup>15</sup> Both Iberia and ATSU plan to launch modular farming programs in 2016.

### ***Existing Strategies for VET outreach at the national level***

The main document in the VET sector is the VET strategy for 2013-2020 and the attached action plan. The strategy is considered to be ambitious and the implementing institutions are having difficulties in meeting the pace of implementation of reforms in the established time frame. The strategy includes seven key directions or outcomes that the VET sector is to achieve:

- 1) Social partners are involved in the sector.<sup>16</sup>
- 2) There is a strong network of VET providers.
- 3) VET matches the needs of a changing labor market.
- 4) Teachers are qualified and have opportunities for professional growth.
- 5) The professional qualifications system is designed in a way that maximally promotes employment.
- 6) Graduates are prepared for employment.
- 7) Professional education is an attractive alternative for the wider public, including youth and adults.

The first direction of the strategy is deepening relations with social partners. This emphasizes that the government has acknowledged the importance of private sector involvement. This is intended to be achieved through the following activities (according to the action plan):

- Balancing the composition of the National Council, Sector Committee (council) and Sector Working Groups
- Increasing capacity
- Ensuring that VET centers have mechanisms for cooperation with social partners
- Increasing the number of partners for VET centers

The main entity responsible for the facilitating and development of social partners in the sector is the National Center for Educational Quality Enhancement. The center provides support and guidance to VET centers when creating memorandums with new partners and, when there is interest, involving them in the work of Sector Committees and Sector Working Groups.

Another direction in the strategy which directly deals with the private sector engagement is the direction #3: , *matching VET with labor market needs*. One of the main responsibilities for this direction lies with the Ministry of Labor, Health and Social Issues. The ministry has already developed the first comprehensive labor market survey and are expected to periodically update the document so that VET standards and programs follow labor market trends.<sup>17</sup> The labor market report developed by the

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<sup>14</sup> We will discuss the process through which this formulation occurred later in this paper. Our next paper will consider

<sup>15</sup> Interview with Ketevan Kintsurashvili, Dean of Agrarian Faculty at Akaki Tsereteli State University in Kutaisi (December 2, 2015)

<sup>16</sup> Social partner is generally taken to include different agencies of government, trade unions (where applicable), NGOs (including business associations, cooperatives and expert institutinos) and the private sector.

<sup>17</sup> The labor market report developed by the Ministry of Labor, Health and Social Issues consists of two parts: 1) a nation-wide survey of businesses; and 2) a qualitative report. The quantitative component analyzes a regional and

Ministry of Labor, Health and Social Issues consists of two parts: 1) a nation-wide survey of businesses; and 2) a qualitative report. The quantitative component analyzed regional and sectoral breakdowns of the number of employees, the demanded skills and professions and the profiles of current employees.<sup>18</sup> This report will be periodically updated so that the government can accordingly plan its VET policy. Standards and programs will be developed together with Sector Councils and Sector Working Groups, along with the support of the National Center for Educational Quality Enhancement.

### **The National Council on Professional Education**

The National Council on Professional Education is a high-profile advisory institution. The list of members of the council was approved by decree of the Prime Minister. The council is chaired by the Minister of Education and Sciences and has 25 members based on a parity principle: six members from the government, including deputy ministers from the relevant fields (education, economy, health, sports, infrastructure and agriculture); six members from employers' associations (the Employers' association, Women entrepreneurs association, Goodwill Training Center, SME Association, Hotels and Restaurants Federation and the Association for development of micro-finance organizations); six members from Trade Unions (two representatives from the Trade Unions Association, one from the Adjara Trade Unions Association, one from the Metallurgical workers trade union, one from the transport and road workers trade union and one from the energy sector workers trade union) and six are from other CSOs (the Farmers Association, Women for Tomorrow, Association "Anika", Associations Management Center, Education and Welfare and the Professional Education Fund). In 2015, the Council held two meetings with wider involvement, including participants mainly from international organizations. The agenda included presentations on the reforms and relevant research.<sup>19</sup> We attempted to arrange meetings with two of the council's private sector representatives but were unable to do so.

### **The Sector Councils**

The Sector Councils (SCs, Councils) were formed in 2015 as reformed "Thematic Groups." In total, there are 11 Sector Councils, one of which focuses on agriculture. The main function of the Sector Councils is to review and adopt professional standards. Each council consists of nine members, three of which are nominated by Trade Unions, one from private colleges, one from state VET centers, one from the Ministry of Agriculture and three from the employers' association (for the Agricultural Sector Council, the currently represented businesses include an agricultural inputs provider, a fish farm and the Research Center from the Ministry of Agriculture). The councils discuss the professional standards and modules presented by the SWGs, make their comments and, based on majority voting, either approve them or send them back for amendment based on their comments. The SC for agriculture held three such meetings between July and December, 2015, at which they discussed roughly 15 modular professional standards.<sup>20</sup> So far, the only standard to be approved is beekeeping.

Currently, one of the main issues facing Sector Councils is that there are too many standards to discuss in a short period of time. Some standard documents contain more than 40 pages (sometimes up to 80

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sectoral breakdown of the number of employees, demanded skills and professions and the profiles of existing employees.

<sup>18</sup> As the labor market survey was not directly relevant to this report, we provide a summary of key points in Annex 1.

<sup>19</sup> Meeting of the National Council on Professional Education, protocol #2, June 29, 2015, available online at <http://www.mes.gov.ge/uploads/oqmi.pdf> (accessed on January 30, 2016)

<sup>20</sup> Interview with Guladi Lominashvili, Specialist at the Analytical Department of the Georgian Trade Unions Confederation (January 25, 2016)

pages) and are distributed to the SC members only a few days in advance of each Council meeting. For instance, the first agricultural Council was dedicated to the beekeeper's standard only, was quite comprehensive and took 3.5 hours to conclude. However, the next two Council meetings were dedicated to roughly seven standards each and therefore devoted only one hour to each standard. This issue was pointed out by the members of the Council.<sup>21</sup> This was confirmed neither by a private sector representative of the council nor the National Center for Educational Quality Enhancement (NCEQE). We asked the NCEQE to provide either council meeting protocols or aggregated data but they did not provide the requested information.

As for popular discussion topics at the SCs, a notable suggestion from the Georgian Trade Unions Confederation (GTUC) was the inclusion in the professional standards of knowledge of the labor code and professional relationships. This was subsequently adopted in all new standards. Other notable topics include Georgian professional terminology and technical issues.<sup>22</sup>

### **The Sector Working Groups**

Sector Working Groups (SWGs) are responsible for developing professional standards for each profession. In order to commence the work of a SWG, the NCEQE chooses one large employer in the field, contacts them and asks them to form a working group. It is then the employer's responsibility to gather relevant employers (including individual entrepreneurs) or associations to comprise the SWG. The UNDP VET project also takes part in gathering group members such as professors or experts in agriculture;<sup>23</sup> for instance, professors from the Agricultural University of Georgia or from various vocational educational institutions across the country. UNDP also pays the compensation, travel, trainings, materials and other expenses of SWGs. There are on average 10-15 members in each SWG, but these members also take part in the discussions of SWGs in other related fields. For instance, members of the zoo technician or plant grower SWG can participate in farmer SWG discussions.

83 out of 137 members of the eight agricultural SWGs that developed professional standards in 2015 came from the private sector. However, the level of activity and engagement by these organizations varies greatly. For example, the Farmers' Association did not put us in touch with their person involved in the work of VET reform. On the other hand, several businesses had more than one representative in the SWGs.

If we look at the list of private sector participants in each of the SWGs, we find that they usually come from large businesses, but in some professions, individual farmers are more prominent. For example, for the Viticulturist specialties (wine making and vine growing), 11 large wine companies (Shumi, Agri-Export Georgia, Alaverdi Monastery Cellar, Kindzmarauli, Kakheti Wine Cellar, Vine and Wine Group, Kimerioni, Telavi Wine, Petriaant-Marani, Chateau-Gremi and Shuchmann Wines Georgia) and four individual entrepreneurs are represented, while in the Animal Keeping SWG there is one company representative (Chirina) and six individual entrepreneurs.

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<sup>21</sup> Interview with Guladi Lominashvili, Specialist at the Analytical Department of the Georgian Trade Unions Confederation (January 25, 2016)

<sup>22</sup> Interview with Guladi Lominashvili, Specialist at the Analytical Department of the Georgian Trade Unions Confederation (January 25, 2016)

<sup>23</sup> Interview with Ilia Mchedlidze, private sector representative and expert on plant growing (December 22, 2016); Interview with Giuli Gogoli, Professor at Agricultural University of Georgia and Georgian Technical University, expert on zoo-technics (December 22, 2016)

The same company, Chirina, also has representations in the Farmer and Plant Grower SWGs. Similarly, Grato Greenhouses and Agro-Kartu also have representatives in the Farmer and Plant Grower SWGs. In the Milk Processing SWG there are no individual entrepreneurs but six companies (Sante, Georgian Eco, Kartu, Vimi, Nikora and GDCI consulting company). In the Beekeeping SWG most private sector representatives come from the beekeepers' unions in different regions. The Fruits and Vegetables SWG has only two private sector representatives (Diko and Margebeli Holding), while the Veterinary specialists SWG has three individual farmers and four company representatives (International Association of Agricultural Development (IAAD), Farm "Margebeli", Veterinary Clinic "Buneba" and Veterinary Association of the Kakheti Region).

Before commencing professional standard development work, SWG members are trained for one week by western extension experts using DACUM<sup>24</sup> methodology, which includes development of the standards, learning components and student evaluation forms. After completing the training members meet at least twice per week for roughly six months to work on the development of each module of the professional standard, conducting research on the skills and qualifications demanded by Georgian employers and analyzing comparable international experience or professional standards in the field. The SWG members are asked to analyze the needs of roughly 20 businesses (identified through their own networks) within the sub-sector. Based on this research the members develop professional standards per specialty according to the DACUM methodology, which involves developing the curricula through a focus group that discusses the tasks, knowledge, duties, responsibilities, skills and traits required for getting a new job in the field.<sup>25</sup> The new module-based professional standards are not as detailed as the previous standards. Therefore, along with the standards the SWGs also develop high-quality illustrated guidebooks per specialty that are used by professors in VET programs. For instance, the guidebook for the farmer program is more than 700 pages long and includes subcomponents of each of the five farming sub-sectors (livestock, poultry, fish, bees and plants) that are developed by the respective SWGs. These guidebooks are developed for use by VET providers and are distributed to them after publication. The new guidebooks are used by VET providers starting from 2015. These guidelines provide important clarifications for businesses. Consider this example:

*"For instance, if the standard says that the VET graduate has to know how to appraise a piece of land, some people think this involves solely measuring the size of the land and its looks. But for me it means measuring the land inclination level, the probability of a prevailing wind, from which side it will most probably blow, so that when the greenhouse is built, it is not destructed by the wind - and this has happened before."<sup>26</sup>*

It is important for professionals working on a particular standard in a SWG to describe in detail the meaning of land appraisal, for example, so there are no later misunderstandings.

Following the completion of standards and guidebooks, the SWG members conduct trainings for the VET teachers on the new standards, modules, teaching components, student evaluation process, etc. – essentially all materials produced by the SWGs work.

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<sup>24</sup> DACUM is often used to abbreviate the "Developing A Curriculum" methodology which refers to a process that incorporates the use of a focus group in a facilitated storyboarding process to capture the major duties and related tasks included in an occupation, as well as the necessary knowledge, skills and traits. See more at <http://facilitation.eku.edu/what-developing-curriculum-dacum>.

<sup>25</sup> DACUM. <http://www.dacum.org/> (Reviewed January 21, 2016)

<sup>26</sup> Interview with Ilia Mchedlidze, private sector representative and expert on plant growing (December 22, 2016)

## **Agricultural VET providers in Imereti**

PiN's project partners providing agricultural VET courses in Imereti include Iberia Community College and Akaki Tsereteli State University Faculty of Agriculture (ATSU). There is also the Agro-engineering and Food Production Technology College which operates under the auspices of the Georgian Technical University in the village of Didi Jikhaishi (Samtredia); this institution is not a project partner but plays an important part in providing agricultural VET education in the region. This section will discuss these institutions in detail.

### **Iberia Community College**

Iberia Community College was established in 2006 following the reorganization of the sewing and modeling lyceum. Since 2007, the college expanded in Baghdati as well and, due to its specific geographic location, began to offer beekeeping and decorative plant-growing VET programs in 2009. In total, the two branches of Iberia Community College have 489 students, of which 21 are in Baghdati and 15 of which study beekeeping. The youngest beekeeping student is 21 years old.

Although only about 4% of Georgia's bee-hives are located in Imereti, beekeeping is a fast-growing sector that is often supported by donor projects. The practice requires a fair amount of technical knowledge and training, thus providing a good opportunity for relevant VET programs.

In a focus group we conducted with Iberia VET students, five were from Baghdati center, two were from a village near Baghdati and one was from Kutaisi. Six of the eight students hold university diplomas and only two came with a high school diploma only. Participants in the focus group were primarily people who already had small, family-owned beekeeping businesses or were planning to acquire one in near future. These findings highlight the fact that individual families see value in VET education provision in their respective fields. Often students partook in VET not necessarily in anticipation of obtaining new knowledge and skillsets, but rather to receive a certificate that might come handy for their family businesses should they apply for grants.

Iberia Community College actively cooperates with private companies and international organizations, among them are UNDP, USAID and NRC. As for partnerships with private organizations they have agreements with 100 mostly large enterprises, including three in the agricultural sector (all of which are individual entrepreneurs). The total number of students at Iberia Community College is 489, of which 21 are in agricultural programs. Currently, Iberia Community College offers two agricultural programs to students, both of which are available in Baghdati and are subject-based rather than module-based (from 2017 every program will be module-based). This involves extensive work for teachers but offers a more concrete and efficient learning experience.

Moving forward, the college plans to add more agricultural specialties including farmer, fruit processing specialist, milk-processing specialist, veterinarian, heavy machinery operator and seeding farm specialist.

In terms of infrastructure, Iberia Community College has a good quality facility in Kutaisi which is currently being renovated. The Baghdati branch also has a fairly modern building equipped with the necessary equipment. Iberia Community College has also begun construction of a dormitory for students

in Kutaisi, with plans to do the same in Baghdati. In Baghdati they also recently received government funds to build a farm with 20 cows to provide practical training for students studying milk processing.

An issue regarding the technical base of the college is that it lacks a library with materials accessible to students and computer labs currently lack internet access, though the latter issue is expected to be rectified soon. More specifically, beekeeping equipment is outdated and unsuited for proper practical study.

### **The Agrarian Faculty of Akaki Tsereteli State University (ATSU)**

The Agrarian Faculty, which offers VET courses in agriculture at ATSU, was formed in 2011 through a merger with the former Sokhumi Subtropical Agricultural State University. In total, there are 430 VET students at ATSU, spread across various faculties. The Agrarian Faculty offers 10 specialties, only six of which are related to agriculture (others are not related to agriculture and the Faculty said that they can, in principle, open any program that they want to open). Only two of the faculty's programs have managed to attract students: agricultural logistics (levels 4 and 5; 60 students in total) and hydro-construction technician (15 students). In addition, the business administration faculty of the university offers courses in agricultural entrepreneurship (currently attended by 30 students). We cross-checked the National Assessment and Examination Center (NAEC) data and for 2015-2016 years ATSU had announced only 7 programs (of which, as discussed, 2 are offered by the agricultural faculty 1 is offered by the business faculty). Other agricultural programs don't function as the university says that had been no demand when the programs were open. ATSU is also considering adding agricultural courses including farming, gardening and beekeeping.

It is notable that VET students are often young people who failed university entrance exams and were instead offered study at VET programs. Fifteen of the 60 VET students from agricultural logistics programs either currently study at a university or already have a degree, usually one related to either agriculture or logistics.

In terms of infrastructure, the Agricultural Faculty is a separate entity from the main ATSU complex and located in a different part of Kutaisi. The faculty building is old and in worse condition than other ATSU facilities, with no heating system, no internet connection and an insufficient number of computers. Teaching materials are often outdated. There is no lab or other facilities that VET students could use for practical training.

### **Didi Jikhaishi Food Production Technology College, Georgian Technical University**

Although the Didi Jikhaishi college is not initially been a project partner, it is an important regional agricultural VET education provider with five agricultural programs and 167 students. Specialties offered by the college are: food production specialist; amelioration specialist; agricultural technician; tractor operator; and veterinary service specialist. They are also planning to add farming and beekeeping specialties.

In terms of infrastructure, the Didi Jikhaishi college appears to be in a better position than the other two major VET education providers. The college owns 31 hectares of land for practical courses during studying process. The building and equipment are old, but there are plans to modernize them. As part of the Georgian Technical University, the college is receiving support from the University for renovation works and the construction of a dormitory for its students. The current dormitory is occupied by internally-displaced persons from Abkhazia.

## Private sector engagement in Imereti

### *Current engagement with the private sector among partner VET providers in Imereti*

In general, VET providers initiate contact with the relevant businesses in their area. Much of this engagement depends on private contacts. The same is true for PiN's partner institutions, Iberia Community College and ATSU. However, the two institutions differ in their structures and form of engagement mechanisms with the private sector. Cooperation between VET providers and private sector actors can take many different forms involving varying degrees of intensity of involvement:

- Working on the supervisory board;
- Providing feedback on programs and syllabi;
- Teaching at a VET institution; or
- Offering VET students apprenticeships and work placement.

**Figure 9: The number of VET partners in agriculture**

College	Number of VET partners	
Iberia	Beekeeping	2
	Decorative plant growing	1
	<b>Total</b>	<b>3</b>
ATSU	Agronomy	4
	Product technology	7
	Hydro technician management	8
	Agro-engineering	3
	<b>Total</b>	<b>22</b>

Iberia Community College lists 99 partner organizations but only three of them are connected with the Baghdati branch, where they teach agricultural specialties, beekeeping and decorative plant growing. However, this stems from individual interest rather than strategic decisions by companies to provide teachers for VET training. Being involved as teachers allows Iberia's partner businesses to have influence on the education process. However, teachers have to follow the standards and guidelines adopted by the government. Iberia Community College also has a supervisory board consisting of seven members. This includes one representative from each of the following groups:

- VET administration
- Local government
- Private sector (not from agricultural sector)
- Parents
- Teachers
- NGOs
- Students

The coordinator for the college's agricultural VET programs stated that the functions of the board include elaboration of the curriculum development process and adoption of program budgets.<sup>27</sup>

Unlike Iberia, ATSU does not have a supervisory board. While the three agricultural private sector partners of Iberia Community College are essentially engaged with VET solely in the form of teaching, ATSU is striving to put an internship practice in place. The agricultural faculty provided us with a list of 22 relevant organizations. According to ATSU representatives, the main form of cooperation is a two-month internship at a partner company, with the process monitored by ATSU. Usually a supervisor from the company is appointed who is responsible for monitoring the process, providing feedback to students and keeping timesheets. ATSU representatives commented that they pay 8 GEL per hour for this person. The funding is allocated from the state voucher (the government provides funding to state VET institutions based on the number of students they receive). VET providers are free to allocate as much from their received vouchers as they deem necessary. The National Center for Educational Quality Enhancement (NCEQE) only monitors whether potential private sector partners have the necessary facilities in place; whether a VET provider decides to pay the company is for it to decide. It was apparent from our interviews with companies and VET centers that for companies, a trusting relationship with the VET center is a more important factor than compensation for the time of its employee (who acts as a supervisor of VET students).

In practice, internship arrangements vary from company to company. For example, in 2014 ATSU approached Extra Meat and offered them the opportunity to become ATSU's private sector partner. The two sides signed a memorandum. The director of the company was interested because it would provide more access to youth from which they could recruit potential employees. During 2014, only six students from ATSU went there for practical training, and all for meat processing rather than agro-logistics. The on-the-job trainings lasted two weeks, while the director of the company had expected that practical trainings would last at least one month.<sup>28</sup>

### ***Experience of other VET providers in engaging with the private sector***

We analyzed the experiences of some of the VET centers from various sectors and geographical regions across Georgia to see which private sector engagement strategies are available and how they work in practice. Looking at these experiences allows us to certain conclusions. Some of the conclusions relate to objective factors that are difficult to change, while others can be addressed with the help and support of international donors.

It is apparent that geography and sector orientation are important for any VET provider. For example, tourism-focused Icarus and construction-focused Spektri have a huge market of potential partners in Tbilisi, including some very large companies that can afford long-term investment and cooperation. While some companies attempt to establish their own study learning centers in which to train future employees, it is logistically a very difficult, prolonged, and expensive process. They must not only invest in infrastructure, but also go through the authorization process, find and train appropriate teachers and recruit potential students, among others. Instead, they can collaborate with a VET center and pay for short courses for train their own employees, or develop longer-term cooperation including providing internship opportunities or master classes to VET students. According to Roin Takidze, director of Spektri

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<sup>27</sup> Interview with the Shorena Chubinidze, Agricultural Programs Coordinator, Baghdati Branch of Iberia College, January 18, 2015

<sup>28</sup> Interview with a meat processing company from Kutaisi, December 13, 2015

VET center, private companies have invested almost 3 million GEL in various forms to the VET center over the past three years. *“There is a great demand for certified employees in the construction sector: people who can be trusted”*, was the reason she gave<sup>29</sup>

Icarus benefits from its location and emphasis on the hospitality sector. Tbilisi is the center of Georgia’s hospitality sector, with a growing number of hotels and restaurants seeking qualified employees. Icarus has managed to form cooperation arrangements with roughly 180 private sector partners. It is not uncommon for new businesses to approach Icarus several months in advance of graduation to ensure that some students will work for them.

Human resources are also an important factor. A coordinator for private sector relations should be a proactive, persistent and dynamic person who can systematically maintain a database of private sector partners and update it with new contacts. All VET centers contacted said that private sector contacts are important, especially for those located in isolated geographic locations.

The cornerstone of successful private sector engagement is a demonstration of quality by the VET provider. The private sector has to trust that its efforts and time won’t be wasted and that the VET center can deliver employees with the appropriate qualifications. The experience of established VET centers suggests how this can be achieved and what assistance might be important.

The first step is to introduce itself to businesses. In addition to individual networks, successful VET centers often organize meetings and presentations where potential partners can see the facilities, learn about the programs and opportunities for cooperation and ask any questions they might have. We attended one such event at Aisi, a VET center in Kachreti (Kakheti region) and one which has the most students in agriculture among VET centers.

Aisi VET center has been building its profile and reputation, with significant support from UNDP, since 2007. UNDP has helped them set up extension services with experts and supporting work in five municipalities across Kakheti. UNDP helped ensure constant communication with farmers of all sizes and show them the technical know-how and opportunities for learning available at the VET center. Aisi has demonstrational land plots where new equipment and techniques are used and consultations for local farmers are provided. Currently the VET center has established strong relations with up to 60 agricultural companies in Kakheti, and internships and work placement programs appear to be adequate for meeting the needs of VET graduates.<sup>30</sup>

Didi Jikhaisi VET center has a very specific focus on mechanization and tractors. As the government has helped set up mechanization centers across the country, it is natural that the VET center can provide help. We talked to mechanization centers across Imereti, and the ones located in close proximity to Samtredia have intensive relations with the Didi Jikhaishi VET center. For example, roughly 80 of the 120 employees at the Samtredia Mechanization center have gone through short courses or full VET programs at Didi Jikhaishi VET center.

## ***Business sector perspective on VET***

### **Experience of the existing private sector partners**

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<sup>29</sup> Interview with Roin Takidze, Spektri VET center, Director, February 2, 2016

<sup>30</sup> Interview with Malkhaz Aslamazashvili, Deputy Director of Aisi VET center, February 6, 2016

Our interviews with the VET private sector partners showed that the main motivator for them to engage in providing professional training to VET students is the possibility of finding prospective young employees among the VET program trainees. There is a considerable shortage of skills and specialists in Imereti's agricultural sector and this type of arrangement is a win-win proposition for all three parties – the VET institution, the private sector enterprise and the student. In some cases monetary remuneration is offered to private sector partners for training each group of the VET students. The presence and amount of this remuneration depends entirely on the public VET provider's decision and the two parties' negotiation terms.

Most of the businesses we spoke to do not require higher education from their prospective employees but rather pay more attention to their professional experience and practical skills. However, the private sector partners of VET institutions are usually dissatisfied with the level of practical knowledge VET students acquire during their studies, and often even with the level of theoretical knowledge. An owner of a milk processor in Kutaisi, who is one of the few companies intensively involved with ATSU, complained that although the VET center asks them which skills and competencies they feel need to be taught, *“how they are taught is a different story.”* He also complained about the level of general, basic knowledge of student who choose to go to VET centers.<sup>31</sup>

Everyone, including parents, prefers to have higher education, which is considered to be more prestigious. Even those businesses that partner with VETs view VET education as unpopular in society, with people giving greater status to university-level education.<sup>32</sup> Moreover, agricultural work and the prospect of staying in the village don't attract many young people.<sup>33</sup> A farm service owner from Terjola echoed a concern often raised by other businesses regardless of their partnership status with VET institutions:

*“Often the only motivation for VET students is that they need a certificate, which might come handy at some point. But the quality of the teaching process is being neglected by students and teachers alike.”*<sup>34</sup>

A tea business owner from Tskaltubo highlighted that even if teachers are qualified, the literature and materials are outdated. This in turn forces business to devote too much time to the education of students who are on internship, as they cannot be left unsupervised: *“You can't make experiments when running a business.”*<sup>35</sup>

Some of the partner organizations also said that VET cooperation was not what they had expected. For example, a representative of a meat processing company said that ATSU approached them about internship possibilities. In 2014, ATSU sent six students to the company. However, the duration of the practical training lasted only two weeks even though the company had expected at least one month of cooperation.<sup>36</sup> In another case, a livestock farm owner from Kutaisi told us that, although they are happy to receive students for internships, these students usually don't seem eager to work. Moreover, students couldn't demonstrate basic theoretical knowledge, which probably could have been caused by

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<sup>31</sup> Interview with an owner of a milk processor in Kutaisi, December 15, 2016

<sup>32</sup> Interview with an owner of a beekeeping business in Samtredia, December 17, 2015

<sup>33</sup> Interview with a potato farm owner in Sachkhere, December 12, 2015

<sup>34</sup> Interview with a farm service owner in Terjola, December 11, 2015

<sup>35</sup> Tea business owner in Tskaltubo, December 10, 2015

<sup>36</sup> Interview with a meat processing company from Kutaisi, December 13, 2015

outdated teaching materials. This business had wanted to hire someone as a full-time employee but couldn't find an eager student with even minimum qualifications.<sup>37</sup>

In sum, although businesses are in need of qualified employees, the general level of trust toward the VET sector is low, even for businesses which are involved with VET centers in various forms.

### Potential private sector partners

We interviewed 40 agricultural businesses in Imereti over the course of field work, including 10 private sector partners of agricultural VET programs. The remaining 30 businesses had no partnerships with VET providers. For businesses not partnering with VET centers, we explored their attitudes towards the VET sector in general, their awareness of specific VET centers in Imereti and their interest in partnership.

Figure 10: Attitudes, awareness and interest in partnership with VET centers among 30 agricultural businesses in Imereti.

Positive attitudes toward the VET sector in general	8/30
Awareness of VET providers in Imereti	8/30
Interest in partnership	20/30

Most businesses said that the VET sector was strong during the Soviet period, but they were not aware of developments in recent years and had a generally low level of trust toward the current VET sector. Only 8 out of 30 businesses assessed the VET sector positively. Coincidentally, only 8 out of 30 were aware of VET centers based in Imereti.<sup>38</sup> On the other hand, a relatively large number of businesses (20 out of 30) are interested in cooperating with VET providers, mainly in the form of offering internships and, in some cases, even stipends for exceptional students. This highlights the information gap between businesses and the VET sector and suggests there are opportunities for productive cooperation.

As we already highlighted, most agricultural businesses are not aware of the VET programs available in the Imereti region. In some cases, even those businesses listed as VET partners did not confirm their cooperation.

The low level of trust toward the VET sector in Georgia is the main reason why businesses are not actively engaged. They do not have information on the developments that have taken place in Georgia's VET sector. While this is a broader challenge, there are also more specific, practical reasons why some agricultural businesses don't seek cooperation with VET centers.

The owner of a fish farm in Chiatura expressed his doubts that there is enough competence among VET providers to provide relevant knowledge about the fish sector: *"they might provide certificates or diplomas, but it doesn't matter as they don't have enough knowledge to teach. Fish sector requires a lot of practice, otherwise, students won't be able to learn much."*<sup>39</sup>

<sup>37</sup> Interview with a livestock farm owner in Kutaisi, December 18, 2015

<sup>38</sup> Note that this is not the same eight companies who assess the VET sector positively. Some of those who assessed the VET system positively were also unaware of the existence of VET in Imereti.

<sup>39</sup> Interview with a fish far owner in Chiatura, December 7, 2015

The size and type of business also matters. Smaller companies tend to be wary of short-term employees or interns who might be able to see how the business model operates and learn the necessary skills simply to go on to set up their own businesses. Such businesses small often include family beekeeping enterprises and milk collection centers.

*“I don’t need interns because it’s a small bee-hive business and I and my family can manage it. Beekeeping is not something you can learn theoretically, it needs practice and can take a lot of time, maybe more than a year. Why would I want to invest so much time in teaching someone who will then leave and maybe become a competitor?”<sup>40</sup>*

Similarly, a representative of a large milk processing company said that they are not interested in offering internships as they have their own unique know-how and ways of doing business which they do not want to share with people from outside the company.<sup>41</sup>

There are also businesses who do not feel they either need or are prepared to take time supervising interns. A livestock farmer from Khoni, for example, said that he is simply not prepared to take up interns because it isn’t relevant to how his business is structured.<sup>42</sup>

Knowledge about VET education in Imereti is lacking with only eight out of 30 companies saying that they know about VET centers in the region. For example, we spoke with a new investor in the milk sector in Imereti which had been trying to find a VET center to prepare dairy specialists for a laboratory testing. They were referred to a VET center in Gori and accordingly made arrangements to send potential staff members to that VET center there for training. If they had known about VET centers in Imereti and were confident about the quality of education offered, they would have much preferred cooperation with a local VET.<sup>43</sup> Another company from Terjola who specializes in canning of food products also said that they are currently cooperating with a VET center in Gori.<sup>44</sup>

Most businesses are interested in cooperation with a VET sector for the purpose of finding competent employees (20 out of 30 companies responded with this answer). Businesses generally do not view VET centers positively, but few of them expressed eagerness not only to cooperate, but also to make additional investments to improve the overall quality and make them more specific to their needs. For example, a farm service owner from Terjola said they would be happy to provide a stipend to three bright and successful agricultural VET students.<sup>45</sup>

## **Documenting informal and non-formal vocational education**

According to Geostat and other databases, small farmers account for most of the agricultural output in Imereti and Georgia as a whole. Working on small land plots and looking after a few heads of livestock isn’t a strong enough incentive to go through formal VET education. Hence, small farmers usually have to rely on other sources of information.

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<sup>40</sup> Interview with a small beekeeping far in Samtredia, December 14, 2015

<sup>41</sup> Interview with an owner of a milk processor in Kutaisi, December 15, 2015

<sup>42</sup> Interview with a livestock farmer in Khoni, December 15, 2015

<sup>43</sup> Interview with a new start-up dairy processor in Terjola, December 25, 2015

<sup>44</sup> Interview with a canning factory in Terjola, December 14, 2015

<sup>45</sup> Interview with a farm service owner in Terjola, December 14, 2015

The Information and Consultation Centers (ICC) that were launched in 2013 serve two main purposes: 1) they collect local agricultural information so the Ministry of Agriculture can aggregate the data nationally and make informed decisions; and 2) they provide consultations to local farmers to help them develop their businesses. With the right training and support, ICCs can become effective extension services. They can be plugged in with agricultural VET programs where VET providers could set up demonstrational farms.

In order to make up for the lack of access to qualified professional consultations, local farmers and agricultural businesses use informal channels to get needed information and advice. Word-of-mouth and informal discussions and unpaid consultations, are the major means for getting any type of information in Imereti, including agricultural advice on topics such as veterinary activities, medicine, chemicals, agronomy, seeds, fertilizers and pesticides. Discussions are conducted with relatives, friends and neighbors in the region, or with qualified and experienced local farmers. We also found the example of the director of a cannery in Terjola receiving recommendations from his foreign partners.

The main source of information is agricultural input supply shops. This information usually concerns how to use the different kinds of pesticides and fertilizers available at shops. However, making informed choices rather than relying entirely on the input salesperson is both a necessity and a challenge for farmers. Miscommunication or misinterpretation of provided information is common, exacerbated by most farmers' lack of knowledge of the basic foreign language and computer/internet skills they could use to find more information on the products they buy.

The lack of adequate information follows in part from scant access to computers. In rural Georgia, only one in five households owned a personal computer in 2013.<sup>46</sup> However, even for that fortunate minority, access to a computer does not mean access to the right information unless it is in the right language and one knows how to look for it.

Agricultural input providers located in urban areas also have a hard time finding qualified local employees as there is little desire there to work in the agricultural sector and available salaries do not cover urban rent or commuting expenses. This further constrains access to necessary information.

Another mode of informal advice provision is on-call consultations. These often involve veterinarians visiting farmers from time to time as well as providing informal, unpaid recommendations by phone. Veterinarians and other consultants are usually professionals from the same municipality, but may also be from other municipalities in Imereti or even from Tbilisi or other regions in Georgia. However, it is extremely difficult to find local professionals and, when it is possible, the professional usually serves several businesses at the same time and is not employed full-time anywhere. Meanwhile, in order to minimize the need for external help farmers learn from these consultants and of their own accord; however, many farmers still feel the need for a full-time young professional veterinarian. According to one farmer:

*"I used to live and work in Tbilisi and when I had an idea of starting a [poultry] farm, I inquired around about the specifics and consulted veterinarians there. From consultations with them I learnt how to do things. Now when I need something, for instance when I notice something strange about the chicken, I call the veterinarian in Tbilisi and consult him on the phone; This works, but I really want to have one locally, but I can't find one, especially since it's a very small village."*

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<sup>46</sup> CRRC Caucasus Barometer, 2013, (<http://caucasusbarometer.org/en/cb2013ge/OWNCOMP-by-SETTYPE/>)

Some larger farmers utilize other online and offline sources of information such as looking up recommendations online or attending international and regional agricultural symposiums (where they might be presented with new technologies or equipment) and conferences where they can get information on novelties in the field and attempt to implement them in Georgia. However, these types of farmers are rare in Imereti and mostly represent larger enterprises or consultation centers.

Recently, the Government of Georgia began supporting cooperatives across the country. This initiative has received significant attention from international donors and NGOs. While currently there is no cooperation between VET providers and cooperatives, there is obvious potential for such cooperation. Cooperatives often apply for grants and low-interest loans as part of government or donor projects. If VET providers can demonstrate their value, their chances of receiving extra funding would increase. More importantly, in the ideal case cooperatives would become platforms by which VET providers could demonstrate technical know-how, instead of simply being entities where a small group of farmers can share their experiences.

The non-existence of agronomy and veterinary programs (even though it seems that there is a greater demand for veterinary programs) offered in VET institutions in Imereti and the low level of awareness of them in general creates further obstacles for delivering needed information to farmers. All of these factors together thus contribute to informal channels being the crucial source of information and training provision in Imereti.

# International practice

## *The United Kingdom*

Using the UK as a case study for identifying strategies for Georgian private sector outreach initially seems inappropriate. The UK's GDP per capita is 10 times that of Georgia<sup>47</sup> and its population is 14 times greater.<sup>48</sup> However, the two countries share similarities. The British vocational education system is diverse, featuring VET provided at school, university, through parochial institutions and by private companies. In order to make this system workable, the British system is modularized, utilizing a model which the Georgian system is aggressively adopting.

The British system also works through a structure fairly similar to the Georgian model. "Occupational Sector Skill Councils" are the starting point for private sector engagement, and have similarities to the Sector Councils and Sector Working Groups discussed above.

Perhaps most importantly, Britain does not have a long tradition of government/employer/employee engagement of the kind common in Germany and Northern Europe, despite "private sector engagement" being formally considered to be at the heart of the British system. In Britain there is little formalized public policy engagement between the private sector and government. As a result, attempting to develop strong public/private partnerships in the country has proved challenging.

Lessons from the UK vis-à-vis engagement with the private sector can be summarized in three main recommendations:

- Define what is expected from the employer and judge a realistic level of engagement;
- Make engagement as administratively simple as possible;
- Recognizing that the best engagement occurs when the employer is directly connected with the VET institution for developing its own skilled staff.

The UK launched a drastic reform package for vocational education in 2010. The need for reform was driven by the perception of increased international competition in education. As a government report stated: "*British businesses and their employees can benefit from increased trade and new export markets, but only if they have the skills to be globally competitive. So to succeed as a nation strong vocational education is essential.*"<sup>49</sup>

## **Reforms since 2010**

Following the 2010 UK general election, the country's vocational education system has been reformed to streamline administration and make it more responsive to labor market demands. These reforms

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<sup>47</sup> World Bank, *GDP Per Capita (Current US\$)*, 2014. <http://data.worldbank.org/indicator/NY.GDP.PCAP.CD> (Reviewed January 14, 2016)

<sup>48</sup> World Bank, *Population, Total*, 2014. <http://data.worldbank.org/indicator/SP.POP.TOTL> (Reviewed January 14, 2016)

<sup>49</sup> Department for Education & Department for Business Innovation & Skills (2013), *Rigour and Responsiveness in Skills*, p4. <https://www.gov.uk/government/publications/rigour-and-responsiveness-in-skills> (Reviewed January 14, 2016)

have included efforts to decentralize VET provision and ensure that “funding now follows the learner”<sup>50</sup> through a single adult skills budget supervised by the Skills Funding Agency and Education Funding Agency. This placed at its core the importance of employer-learner relationships.

The UK’s vocational skills provision strategy now focuses on the concepts of rigor and responsiveness. Professional qualifications need to be rigorous in order to satisfy employers’ needs and guarantee the students’ competitiveness on the labor market. In order to achieve this, the VET system needs to be responsive, i.e. flexible to employer and the student needs (including the possibility of government or employer co-funding). Most importantly, it needs to provide widely accessible information to the public.<sup>51</sup> Below we list some of the most relevant reforms the UK has implemented since 2010.

These include the dramatic expansion of apprenticeships. In 2013 the UK announced that it would allocate £40 million for more than 20,000 higher apprenticeships over the 2013-2014 and 2014-2015 academic years. In 2014, additional funding of £20 million for the 2014-2015 and 2015-2016 fiscal years was made available to employers for co-investment in apprenticeships including higher education up to the postgraduate level.<sup>52</sup> More than 200,000 employers participated in the apprenticeship program with more than 500,000 apprenticeships beginning in 2012. Compared with 2009-2010, the number of apprenticeship starts grew by 86%. This includes advanced apprenticeships (level 3), which have grown by 114% since the 2009-2010 academic year.<sup>53</sup> Moreover, the apprenticeship success rate, measured by the number of students completing all stages of the framework, improved from 48.6% in 2005-2006 to 73.8% in 2011-2012.<sup>54</sup>

In addition to apprenticeship reform, an innovative incentive was offered to the private sector to encourage them to compete for portions of £340 million in public funding to support new, innovative training approaches. This program has turned out to be very popular and has formed interesting synergies such as BMW working with Siemens. It has even generated additional investments from the private sector alongside the aforementioned public funding.<sup>55</sup>

Moreover, low-interest loans were offered for those ages 24 and over who want to undertake learning at an advanced level. According to the report, “*This gives people a low-risk way of investing in their own*

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<sup>50</sup> Department for Education & Department for Business Innovation & Skills (2013), *Rigour and Responsiveness in Skills*, p10. <https://www.gov.uk/government/publications/rigour-and-responsiveness-in-skills> (Reviewed January 14, 2016)

<sup>51</sup> Department for Education & Department for Business Innovation & Skills (2013), *Rigour and Responsiveness in Skills*, pp5-6. <https://www.gov.uk/government/publications/rigour-and-responsiveness-in-skills> (Reviewed January 14, 2016)

<sup>52</sup> Department of Business Innovation & Skills (2015), *A Dual Mandate for Adult Vocational Education*, p32. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/427342/bis-15-145-A-dual-mandate-for-adult-vocational-education.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/427342/bis-15-145-A-dual-mandate-for-adult-vocational-education.pdf) (Reviewed January 14, 2016)

<sup>53</sup> Department for Education & Department for Business Innovation & Skills (2013), *Rigour and Responsiveness in Skills*, p17. <https://www.gov.uk/government/publications/rigour-and-responsiveness-in-skills> (Reviewed January 14, 2016)

<sup>54</sup> Department for Education & Department for Business Innovation & Skills (2013), *Rigour and Responsiveness in Skills*, p10. <https://www.gov.uk/government/publications/rigour-and-responsiveness-in-skills> (Reviewed January 14, 2016)

<sup>55</sup> Department for Education & Department for Business Innovation & Skills (2013), *Rigour and Responsiveness in Skills*, pp6-7. <https://www.gov.uk/government/publications/rigour-and-responsiveness-in-skills> (Reviewed January 14, 2016)

*skills, which they pay back only when in a well-paid job. It also puts purchasing power directly in the hands of the learner, so they can exercise real choice.”*<sup>56</sup>

The UK has already announced a relaxation and exemption to the Equivalent and Lower Qualifications Policy (ELQ), which will allow learners to take up a part-time higher education degree and a part-time first degree in technology, engineering and computer science as well as access to tuition fee loans for retraining from 2015-2016 onward.<sup>57</sup>

Following the onset of reforms, in 2011-2012, 83.9% of adults ages 19 and over achieved a qualification at the end of their course. As mentioned above, the apprenticeships success rate also improved significantly. Overall satisfaction by VET providers has increased as well.<sup>58</sup>

## **Level & nature of engagement with the private sector**

Responsibility for sustaining links between the VET system and the private sector falls with the UK Commission for Employment and Skills. The Commission is responsible for licensing and is comprised of 25 Occupational Sector Skills Councils (OSSCs). These councils provide the starting point for high-level engagement between the employer and the VET system.

The OSSCs are employer-led organizations.<sup>59</sup> However, they differ from their Georgian equivalent in a number of ways. Firstly, there are a wider range of groups in the UK than in Georgia, because the Georgian Sector Councils and Sector Working Groups are more general. Secondly, the OSSCs are permanently funded by the government but maintain separate staff, so they are not simply working with the government but are semi-independent entities. Thirdly, their remit is broader than that of their Georgian equivalent. In the UK, OSSCs have three roles: they maintain and modernize occupational standards; they provide feedback on the system as a whole; and they help the government set priorities for funding and training within their respective sectors.

In addition to the work of the Occupational Sector Skills Councils, another route by which the VET system engages with the private sector is through work placements and apprenticeships. This area has expanded as a result of the 2010 reforms.

The apprenticeship model differs fundamentally from a simple work placement extension of vocational training because the apprentice is supposed to be more fully integrated into the workplace for the full duration of the training. The apprenticeship is usually sponsored by a particular employer, most of the training takes place at work rather than in the classroom and the apprentice is paid a salary. The 2010

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<sup>56</sup> Department for Education & Department for Business Innovation & Skills (2013), *Rigour and Responsiveness in Skills*, p7. <https://www.gov.uk/government/publications/rigour-and-responsiveness-in-skills> (Reviewed January 14, 2016)

<sup>57</sup> Department of Business Innovation & Skills (2015), *A Dual Mandate for Adult Vocational Education*, p34. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/427342/bis-15-145-A-dual-mandate-for-adult-vocational-education.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/427342/bis-15-145-A-dual-mandate-for-adult-vocational-education.pdf) (Reviewed January 14, 2016)

<sup>58</sup> Department for Education & Department for Business Innovation & Skills (2013), *Rigour and Responsiveness in Skills*, p10. <https://www.gov.uk/government/publications/rigour-and-responsiveness-in-skills> (Reviewed January 14, 2016)

<sup>59</sup> European Training Foundation (2013), *Sector Skills Councils. What? Why? How? Contribute to Better VET Relevance to the Labour Market Needs*, p10. [http://www.etf.europa.eu/eventsmgmt.nsf/\(getAttachment\)/E8ABC2132D7FBDBDC1257CB70056AA61/\\$File/SSCs%20position%20paper.docx](http://www.etf.europa.eu/eventsmgmt.nsf/(getAttachment)/E8ABC2132D7FBDBDC1257CB70056AA61/$File/SSCs%20position%20paper.docx) (Reviewed January 18, 2015)

reforms were largely driven by the belief that apprenticeships offer a route to highly-paid professional jobs, and that this route is underappreciated by most students when they leave school. As a result of the 2010 reforms, more than 200,000 employers participated in apprenticeship programs, more than 500,000 apprenticeships began in 2012 and more than £100 million was invested by private business funds solely in the first round of apprenticeships.

Another crucial element of the 2010 reforms was the recognition that while apprenticeships were a useful mechanism for intensively developing advanced skills in certain professions, there was also space for a less intensive level of training, one that would give exposure to the work environment and some basic educational support to the unemployed and those attempting to enter the workforce. This traineeship model was not necessarily based on engagement with the sectors that are usually associated with VET. Nonetheless, by combining education and structured work placement it has certain overlap to VET.

The US also has National Skills Academies (19)<sup>60</sup> that gather private sector representatives and other bodies. These Academies work closely with the OSSCs and are the first point of contact for employers looking for training provision.<sup>61</sup>

## **Problems with private sector engagement and lessons learned**

The British government's approach to supporting employer engagement has led to some positive improvements, and there may be lessons for the Georgian government to learn, especially in the expansion of apprenticeships. However, it is also useful to consider instances in which the UK government has had difficulties engaging with the public sector and the strategies they have employed to combat those problems. Reads the report:

*"There needs to be more widespread engagement with and involvement of employers. In its 2012/13 annual report, Ofsted [Office for Standards in Education, Children's Services and Skills] reported that there is still too much provision that is not responsive to local employment needs. Vocational provision should more consistently demonstrate a clear line of sight to work, shaped by genuine collaboration with employers who are actively engaged in designing the curriculum, qualifications used and facilities, and delivered by teachers and trainers with up-to-date occupational and teaching expertise. This is a two-way street."<sup>62</sup>*

The simplest problem they have faced is that many employers still don't see the benefit of engaging with government. The Occupational Sector Skills Councils did not become financially self-sustaining<sup>63</sup>

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<sup>60</sup> The National Skills Academy. <http://www.nsa-network.co.uk/> (Reviewed January 18, 2015)

<sup>61</sup> The National Skills Academy, *What is A National Skills Academy?* <http://www.power.nsacademy.co.uk/about-us/what-national-skills-academy> (Reviewed January 18, 2015)

<sup>62</sup> Department of Business Innovation and Skills (2014), *Further Education Workforce Strategy: The Government's Strategy to Support Workforce Excellence in Further Education*, p9. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/326000/bis-14-679-further-education-workforce-strategy-the-government-strategy-support-workforce-excellence-in-further-education.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/326000/bis-14-679-further-education-workforce-strategy-the-government-strategy-support-workforce-excellence-in-further-education.pdf) (Reviewed January 20, 2016)

<sup>63</sup> According to an OECD review, in 2006 they were only 7% self-financing. Kathryn Hoeckel, Mark Cully, et al. (2009). *Learning for Jobs: OECD Review of Vocational Education and Training in England and Wales*, OECD, p18.

and have not gained the trust of private sector actors (particularly SMEs).<sup>64</sup> This may simply reflect a history where collective action by business and engagement with government has been rare<sup>65</sup>.

One important reason for this weakness is that governments often fail to clearly express what exactly they want from the private sector. There are different levels of engagement that can be sought, and most businesses do not need the full range. The British Sector Skills Development Agency (SSDA) lists five different forms of engagement, each requiring more intensive interaction:

1. Employers engaging in Occupational Sector Skills Council strategy, working closely on an organizational level, including connecting with the OSSC Board and providing input into policy and financial support.
2. Employers engaging in qualification development.
3. Employers making use of initiatives, applying for grants or developing apprenticeships.
4. Employers making themselves available to be surveyed to help VET institutions keep up to date on issues related to skills.
5. Institutions being willing to receive information about policy.<sup>66</sup>

The OECD goes further, offering specific recommendations for how to manage private sector engagement. First, they suggest that public policy involvement is more likely when an employer is already utilizing the system to generate trained staff. Second, they point out that many businesses fear the administrative burdens that sometimes come with government engagement. Third, they highlight, consistent with the above list, that there are different forms of employee engagement and it is necessary to be systematic about determining which institutions are likely to engage at which level. For example, it is generally accepted that larger firms are more likely to engage at the higher level, but smaller firms may be able to connect to OSSCs as well, but will principally take a role that is focused on work placement and apprenticeship provision.<sup>67</sup>

A number of other changes have also been suggested by the 2010 reforms. We have highlighted some of the reforms which appear most relevant for the Georgian case:

- 1. Further reforming apprenticeships** – Even though the number of apprenticeships and their success rate has drastically increased thanks to the above-mentioned reform, the quality and value of apprenticeship programs are inconsistent. As, according to the UK government, the success of an apprenticeship depends on the relationship between the employer and the apprentice, the possible solution would be the employer becoming more active in the relationship. Standards for the completion of an apprenticeship should be set by the employer, against which the apprentice's competence should be tested at the end of the program.<sup>68</sup> Also, instead of including very narrow tasks, the standards should focus on outcomes -- on what the

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<sup>64</sup> Steve Johnson, Fiona Walton, et al. (2006). *Skills for Business Network: Phase 3 Evaluation Main Report*. South Yorkshire, UK, Sector Skills Development Agency

<sup>65</sup> Jonathan Payne (2007). 'Sector Skills Councils and Employer Engagement: Delivering the 'Employer-Led' Skills Agenda in England', *Skope Research Paper 78*. p11

<sup>66</sup> Ibid. p15

<sup>67</sup> Jonathan Payne (2007). 'Sector Skills Councils and Employer Engagement: Delivering the 'Employer-Led' Skills Agenda in England', *Skope Research Paper 78*. p18

<sup>68</sup> Department for Education & Department for Business Innovation & Skills (2013), *Rigour and Responsiveness in Skills*, p8. <https://www.gov.uk/government/publications/rigour-and-responsiveness-in-skills> (Reviewed January 14, 2016)

apprentice can do at the end of the apprenticeship (*“It is important to avoid a tick-box culture”*).<sup>69</sup> Four basic principles are: the employer should be the customer; the employer should co-invest; the government should not set the price of training; and government funding should be linked to achievement.<sup>70</sup>

2. **Creating a new “Teach Too” program** – The program involves encouraging occupational experts from the industry to become involved in vocational teaching and learning by providing training, participating in curricula development and adding to teachers’ experience while continuing to work.<sup>71</sup>
3. **Further reforming qualifications, standards and curricula** – *“There are some employers in the UK who have taken action themselves and developed their own standards and internal training programmes to deliver their workforce requirements: EDF, Tata Steel, Siemens and Nissan to name a few. Whilst this works for the individual company it doesn’t support the development of a wider UK workforce. These, and other employers, need to be at the heart of qualification development.”*<sup>72</sup>
4. **Shift to more work-based learning** – *“We will need to shift, as some of our best further education institutions have done from a traditionally pedagogic approach based on the premises of the college to one in which learning is taken to the workplace and centred on business need... We may also need to consider other ways of ensuring this line of sight with work is in place, for example by making work experience an expected part of all higher vocational education.”*<sup>73</sup>
5. **Provision of more publicly available, relevant information about VET** – This will allow both the potential student and the employer make more informed and rational decisions: *“In a world of apps and mobile devices the government is unlikely to be the best provider of user interfaces for these data. Our priority should be to make data available to developers to create their own applications which ease access.”*<sup>74</sup>

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<sup>69</sup> Department for Education & Department for Business Innovation & Skills (2013), *Rigour and Responsiveness in Skills*, p19. <https://www.gov.uk/government/publications/rigour-and-responsiveness-in-skills> (Reviewed January 14, 2016)

<sup>70</sup> Department for Education & Department for Business Innovation & Skills (2013), *Rigour and Responsiveness in Skills*, p36. <https://www.gov.uk/government/publications/rigour-and-responsiveness-in-skills> (Reviewed January 14, 2016)

<sup>71</sup> Department of Business Innovation and Skills (2014), *Further Education Workforce Strategy: The Government’s Strategy to Support Workforce Excellence in Further Education*, p16. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/326000/bis-14-679-further-education-workforce-strategy-the-government-strategy-support-workforce-excellence-in-further-education.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/326000/bis-14-679-further-education-workforce-strategy-the-government-strategy-support-workforce-excellence-in-further-education.pdf) (Reviewed January 20, 2016); Education and Training Foundation, Teach Too. <http://www.et-foundation.co.uk/supporting/support-for-employers/teach/> (Reviewed January 20, 2016)

<sup>72</sup> Department of Business Innovation & Skills (2015), *A Dual Mandate for Adult Vocational Education*, p42. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/427342/bis-15-145-A-dual-mandate-for-adult-vocational-education.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/427342/bis-15-145-A-dual-mandate-for-adult-vocational-education.pdf) (Reviewed January 14, 2016)

<sup>73</sup> Department of Business Innovation & Skills (2015), *A Dual Mandate for Adult Vocational Education*, p48-49. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/427342/bis-15-145-A-dual-mandate-for-adult-vocational-education.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/427342/bis-15-145-A-dual-mandate-for-adult-vocational-education.pdf) (Reviewed January 14, 2016)

<sup>74</sup> Department for Education & Department for Business Innovation & Skills (2013), *Rigour and Responsiveness in Skills*, p9. <https://www.gov.uk/government/publications/rigour-and-responsiveness-in-skills> (Reviewed January 14, 2016)

6. **Reforming the VET image** – *“High status institutions are vital if we are to establish quality higher vocational education which young people aspire to study. Employers often make the complaint that FE can be outdated – with an overreliance on using old equipment and established techniques, rather than preparing learners for changing technology, and the need for transferable and adaptable skill sets. This highlights the need for greater specialisation and employer leadership, and a greater separation between lower level, remedial training, and higher level vocational education.”*<sup>75</sup>

## **The Czech Republic**

The Czech Republic provides a relevant case for Georgia, as the two countries have experienced similar historical trajectories and faced similar challenges in terms of vocational education. The Czech Republic recently made several major steps toward strengthening private sector engagement. The following relevant lessons can be drawn:

- The importance of incentivizing internships with companies through government programs; and
- The importance of providing financial incentives for companies for stronger engagement with the VET sector.

## **Evolution of social partnership in the VET system**

The role of social partners in VET has been gradually strengthened. The new School Act (effective since January 1, 2005) reinforced the role and involvement of social partners in shaping the content and objectives of VET, as well as evaluation of its outcomes both at the national (Framework Educational Programs, RVPs) and local levels (School Educational Programs, ŠVPs). The role of social partners has also been strengthened in the area of VET completion (a professional is a member of the examination board at the final tests in each field of study involving a vocational certificate - ISCED 3C).

Also the Act on recognition of CVET outcomes (No. 179/2006 Coll.) has significantly contributed to the process of getting social partners involved in the broader context of the development of educational programs. The law clearly defines the role of social partners in the process of creation and approval of the relevant qualification and evaluation standards within the development of the National Qualifications Register.

Field groups, sector councils and regional councils for human resource development constitute additional conduits for involving social partners in VET. Despite these bodies being informally linked, no official system exists as such. Field groups operating under the governance of the National Institute for Education (NÚV) have been established based on the need to foster, on a national level, the creation of RVPs whose objectives and contents are in line with labor market needs. There are currently 25 field groups consisting of experts from the respective relevant areas of education, the labor market and occupations. Sector councils (sektorové rady) represent a relatively new type of entity operating in the country. The councils bring together the representatives of key players, especially employers, in particular sectors and are involved in the process of defining occupations and qualification standards

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<sup>75</sup> Department of Business Innovation & Skills (2015), *A Dual Mandate for Adult Vocational Education*, p35. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/427342/bis-15-145-A-dual-mandate-for-adult-vocational-education.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/427342/bis-15-145-A-dual-mandate-for-adult-vocational-education.pdf) (Reviewed January 14, 2016)

(primarily the latter). The concept has been in development since 2006 and the number of sector councils has gradually increased (currently there are 29 sector councils). Regional councils for human resource development are established at the regional level and have a consultative function.

In recent years the Czech Republic has also made use of the opportunity to receive funds from the European Social Fund (ESF), which contributed to the successful implementation of multiple nationwide projects focusing on the pilot testing of a system of adjustments and measures in the area of VET. Projects have included activities aimed at enhancing the involvement of employers in VET, both in the development of curricular documents and in education and training itself (e.g. the projects “Internships for Young Job Seekers” and “Internships in Companies”). There have also been media campaigns carried out aiming at promoting technical fields of study.

At the local level, partnerships between VET institutions and employers are usually implemented in the form of medium or long-term cooperation that includes the participation of employers in the development of ŠVPs and the defining of requirements for professional competencies, participation in VET (provision of practical training in a working environment on company premises) and co-operation with teachers (continuing education). However, schools also benefit from the opportunity to acquire acquiring new machinery and equipment, or other incentives such as safety equipment, transportation or accommodation allowances or scholarship programs. Some larger companies establish their own private vocational schools in order to ensure a qualified workforce to meet their needs.

The National Register of Qualifications (NSK) constitutes an important new tool for VET as well as for the labor market; it provides descriptions of skills and competencies required for the successful performance of an occupation or particular tasks within an occupation. It represents a state-guaranteed national system based on employer’s real requirements for performance of tasks within particular occupations and jobs. The NSK defines requirements for competencies within particular qualifications regardless of the manner in which they were obtained, as well as criteria for the verification of professional competence within a particular occupation. At the same time, it constitutes a systemic framework linking Initial Education Training (IVET) and Continuing Education and Training. In fact, these are two inter-connected systems: a set of complete vocational qualifications based on study programs and fields of study framework and a register of vocational qualifications which represent a new element in the system:

- 1) Complete vocational qualification (source [www.nsk.cz](http://www.nsk.cz)) is defined as professional competence to perform tasks within an occupation. There are three ways to obtain it:
  - By means of IVET, i.e. successful completion of a study program provided at the secondary or tertiary level by the relevant school authorized to perform an occupation (the existing method);
  - By means of obtaining individual vocational qualifications that together constitute a set of qualifications within the relevant complete vocational qualification, and passing an examination required by the School Act for relevant complete vocational qualification. Provided the candidate delivers a certificate of vocational qualification, they are entitled to take the examination (e.g. final examination in fields of study with vocational certificate) without having to complete school education; or
  - By means of obtaining vocational qualification or several vocational qualifications enabling them to duly perform an occupation in combination with achieving a degree of education in a field of study; i.e. cases when a person has already achieved a degree of education and obtains vocational qualifications leading to a complete vocational

qualification of that degree (e.g. a qualified bricklayer obtains all the partial qualifications that together constitute the complete qualification for the occupation of upholsterer); this section also includes the complete vocational qualifications which are not covered by any field of study or study program.

- 2) Vocational qualification can be acquired by means of successful completion of the examination prescribed by the assessment standard for each respective vocational qualification. Qualification is defined by the competence to duly perform a task or a set of tasks within an occupation (e.g. preparation of cold foods or production of hats).

## **Internships in Companies – Education through Practice (2012 –2014)**

This two-year project was launched by the Ministry of Labor and Social Affairs in cooperation with the Ministry of Education, Youth and Sports in June 2012. It is co-financed by the ESF and implemented by the Continuing Education Fund (FDV).

Internships in companies aims at helping both fresh graduates who fail to find employment due to the lack of professional practice as well as other disadvantaged groups in the labor market, such as the long-term unemployed or persons returning to the labor market, e.g. women after maternity leave. The internships are also suitable for companies who fail to find an adequate candidate for a specific position. The trainee programs enable them to train and educate employees in line with their own needs. The trainees are given opportunity to restore their working habits, get re-accustomed to work procedures and get up to speed in fields undergoing fast technological development during their absence. Internships last from one to six months and internship providers are paid the fixed costs for placements. On average, a three-month internship costs 60 - 120 thousand CZK (approximately 2,400 – 4,800 EUR).

The companies must be able to provide a mentor for the trainee or trainees and create conditions for implementation of the internship on the basis of the contract with the FDV and the trainee. Trainees are not entitled to wages; they receive only a contribution for food and travel expenses and for accommodation only in exceptional cases also. In addition to new knowledge and professional experience, the internship helps boost their competitiveness in the labor market. It also provides them with the opportunity for employment with the company in which the internship was performed.

Upon completion of an internship the trainee receives a certificate affirming the acquired professional skills. In case a person registered with the Labor Office and receiving unemployment benefits becomes a trainee, participation in the internship does not terminate their right to unemployment benefits. The positions offered depend on the current skill needs of the employers and can be managerial and administrative positions as well as craft positions.

Within the project, there are so-called internship templates being developed that specify framework content, the requirements for trainees as and providers of internship opportunities and calculation of the costs covered by the project. As of September 2012, there have been 28 templates launched in selected fields (IT, management, construction, economics, etc.) and that number will continue to increase until the target of 150 is reached. The registration of applicants as well as providers began in mid-September, and by the end of the first month there were almost 270 registered applicants among employers and more than 1,200 internship applicants. Five-thousand participants are to be trained under the project, with the main objective being to establish trainee programs as a universal tool for gaining professional skills in a particular field, as well as linking education with practice. The project should help to anchor continuing education, in the form of internships, in Czech legislation. Business

entities involved in the project have the unique opportunity to train and educate future specialists in the field in which they operate, and subsequently to employ those skilled workers.

## **Financial incentives for engaging the private sector**

Tax incentives were recently introduced for vocational education. Since 2014, direct and indirect funding of secondary and tertiary vocational education by employers is deemed a tax-deductible expense:

- A deductible amount of the equivalent of approximately 7 EUR per hour of practical training or internship provided to a pupil/student on the taxpayer's premises.
- A deductible amount of the equivalent of the costs of the assets at least partially used for the purposes of vocational training.

In addition, the limit on the tax deduction amounts for corporate scholarships was raised, the principle objective being to partially defray entrepreneurs' costs and motivate new companies to commence cooperation with schools.

As regards continued vocational education and training (CVET), two tax incentives are provided for in Czech legislation: (a) costs for employees' training are deemed part of overall business costs for taxation purposes; and (b) individuals can deduct costs related to exams in line with the act on validation and recognition of the outcomes of CVET from their tax base.

The possibility for schools to finance instructors from companies has been enhanced by an amendment to the School Act of 2009. The schools may use part of the per capita labor costs to pay an employee of the company leading the practical training. The schools shall, by means of this measure, be able to more easily engage with companies to implement practical training and, as contractual partners, may more effectively check on the quality of training.

Employers can apply for public grants to support the training of their employees upon meeting defined conditions. There are several programs operated by the state and funded from the state budget or with EU funds. The co-funding principle is applied. The programs include:

- Active employment policy schemes. A company can apply for a contribution for the (re)training of employees.
- Investment incentives (according to the Act on Investment Incentives). Investors in regions with high unemployment can receive support for the training of their employees.
- Operational programs co-funded by EU programs. Companies can draft projects that include training modules and receive co-funding by meeting the criteria set by the programs.

Most regions provide scholarships or other benefits for students entering secondary level programs that are less popular but highly demanded by the labor market. The goal is to attract and/or motivate students to complete the program. Regular school attendance, excellent learning results and good behavior are usually prerequisites for receiving a scholarship. Details of the scholarship programs may slightly differ in the regions. A student can usually obtain a total amount of roughly 1,000 EUR per three years of study (the monthly amount derives from the particular grade of study). Some fields have recorded an uptick in interest. In others, however, student interest continues to decline.

As for the company level, some enterprises provide scholarships and other benefits to students in their fields of interest. An agreement that the benefitting student will work for the company after completion of studies is sometimes required.

## ***Estonia***

### **Main features of VET in Estonia**

An analysis of the VET system in Estonia is useful for our purposes. Both Estonia and Georgia have faced similar hurdles in recent years. After decades under the centralized Soviet government, Estonia's old VET system was no longer relevant for new labor market needs. Students could no longer count on automatic employment upon graduation.

In Estonia, the government is ultimately responsible for developing national strategies by adopting and implementing stated education development plans and strategies. The legal basis for the country's VET was established in the late 1990s. The main laws relevant to vocational education are: the Vocational Education Institutions Act, which regulates the provision of VET at the upper and post-secondary (non-tertiary) levels and the operation of VET institutions; the Institutions of Applied Higher Education Act, which regulates the foundation and operation of applied higher education institutions; the Professions Act, which regulates the work of the Vocational Councils and the qualifications system; the Hobby Schools Act, which specifies the activities of municipal hobby schools; and other related laws. The Ministry of Education and Research coordinates the preparation and implementation of education policies through local governments and other relevant ministries, such as the Ministry of Social Affairs and the Ministry of Culture.

Initial Vocational Education Training (IVET) exists on three separate levels within the Estonian education system: basic education, upper secondary and post-secondary and professional higher/tertiary education. In addition, there is continuing vocational education and training, generally aimed at people who are no longer in full-time education.

At the level of basic education, the duration of studies is nine years, with a short (up to 15 week) introductory course available in certain specializations (there are a small number of general education schools where this option is used, however).

At the upper-secondary education level (Gümnasium or Vocational Institutions), the duration of studies is three years, including 1-2 years of exclusive VET training. At upper-secondary general schools, pre-vocational courses (15-40 weeks) are available as one path for optional studies. At upper-secondary vocational schools IVET defines a minimum study duration of three years or 120 study weeks, at least half of which must be dedicated to subjects related to the profession or area of specialization (general subjects usually take 40 weeks with practical training making up the remainder).

At the post-secondary level, IVET's objective is to prepare workers for skilled work. Students are introduced to the knowledge, skills, experiences and attitudes required to perform complicated work independently. The study duration at the post upper-secondary level is 0.5-2.5 years or 20-100 study weeks. At the upper-secondary and post upper-secondary non-tertiary levels practical training forms at least 50% of the total volume of professional studies.

At the level of professional higher education (universities offering Bachelor's or Master's degrees) the duration of study is 1-2, 3-4 or 5-6 years depending on the specific area of study. At the tertiary level, IVET studies last a minimum of three years with practical training forming at least 30% of the total volume of the curriculum. Graduates who have completed their studies are awarded a diploma.

Continuing Vocational Education Training (CVET) focuses on adults. Adult education (governed by the Adult Education Act of 1993) is a broad field of activity financed by Ministry of Education and Research (MoER), the Ministry of Social Affairs and the Ministry of Economic Affairs and Communications. CVET provides trainings according to a number of needs. Adults in institutions of higher education can study at a VET institution through evening courses or distance learning, with participants being required to pay a fee in certain cases. VET institutions organize adult professional education and training if there is demand and the relevant resources and teachers are available. For the unemployed and others vulnerable to exclusion from the labor market, training is commissioned by county employment offices and paid for by the MoSA.

In 2013 there was a considerable push in Estonia to reform the VET system. Among the reforms introduced, new categories of vocational training directly linked to the Estonian Qualifications Framework were developed. Outcome-based principles were introduced in the evolution and establishment of qualification criteria for different types of vocational training, curriculums and for personnel working in the teaching and pedagogical profession. Reforms also established the right to provide instruction and defined and implemented the use of a new methodology (Estonian vocational education credit points) for measuring study volumes.

Adults can obtain general, vocational and higher education in the formal education system. Outside of formal education structures there are training courses available for employees, the unemployed and other vulnerable groups to improve their professional skills and augment employability. Training providers are mainly in the form of VET and higher education institutions, private training centers, enterprises and other public and private institutions. Adult training is funded by employers, the government and by participants themselves.

VET institutions have become important providers of formal and non-formal training for adults. Recognition of prior learning has improved accessibility. VET is open to learners from diverse educational backgrounds and socioeconomic conditions and financial assistance for housing and travelling expenses is available to VET students. In addition, VET infrastructure has been renovated in recent years.

Social partners, through cooperation with companies and the creation of professional trade councils, are highly involved in VET. Their participation is regulated by national legislation as well as through agreements with other stakeholders. At the national level, social partners play an important role through their participation in sector skills councils developing occupational qualifications standards. They also participate in working groups on VET policy. At the local level, their representatives participate in the council boards of VET institutions. Occupational standards in the new eight-level Estonian qualifications framework are outcome-based. They are created and updated regularly and form the basis for the national VET curricula on which school curricula are based. These councils, in addition to Georgia's sector committees, determine the professional standards for each sector. However, they are not engaged in establishing actual curricular content. For the process of determining students for study places in state-funded courses the MoER consults regularly with social partners such as employers' and employees' organizations.

Until 2010, the number of VET students was relatively stable, but there has been a decrease since 2010/2011 due to the country's low birth rate in the second half of the 1990s. Based on information provided by the Estonian Education Information System (EHIS), as of September 2013 there were 25,699 VET students were in Estonia.

Traditionally more males than females participated in vocation education. However, there are demographic differences between VET levels: in upper-secondary vocational programs 66.2% of graduates are male, but in post-secondary vocational training only 36.9% are males. The most preferred field of study for men are technological trades such as mechanics and metal work, while women primarily study personal services, business and administration. At the same time, the level of participation in lifelong learning has been increasing significantly since 2005.

In Estonia, the VET system has become more flexible to accommodate a wide range of population segments. Some courses have been shortened to facilitate access and courses have been modularized, with e-learning now providing more options and thus more access to prospective students. This has expanded access for school leavers, adults returning for additional training, young mothers raising small children, citizens who need assistance in learning the state language, persons with disabilities, prisoners and companies and their employees who seek in-service training or who need new skillsets. At the same time, participation in European and international skills competitions, as well as the promotion of exchange or study abroad opportunities for VET students, serve to change the public's image of VET education.

Vocational education and training within formal education is mostly financed from the state budget on the basis of state-commissioned education. Few privately-funded VET programs are also available in state and municipal VET schools. Of 25,699 VET students, 97% studied at state-funded study places in 2013-2014.

## **Non-formal education**

In addition to formal education for adults, there is also non-formal education in the form of work-related training and popular adult education. Work-related training provides the opportunity to acquire and develop professional and occupational knowledge, skills and experience through opportunities for retraining at the current place of employment or at an educational institution. Popular adult education provides the opportunity to develop personality, creativity, talent, initiative and sense of social responsibility as well as the knowledge, skills and abilities needed to succeed in life.

Non-formal training is provided primarily by private training centers, which form a major part of Estonia's adult education sector. Non-formal education and training can also be provided for free or paid for either by the participant or the employer.

## **Engagement with employers**

Vocational education and training (VET) in Estonia is a key to cultivating a flexible and skilled workforce that is able to adapt to changes in the labor market. VET is under the jurisdiction of the Ministry of Education and Research. To better respond to labor market needs, social partners are closely involved in VET policy development.

Foresight in identifying labor market needs is important for Estonia. In addition to the labor market needs forecast published annually by the Ministry of Economy and Communications, the government in 2014 adopted the Estonian lifelong learning strategy 2020. One of the main aims of the strategy is bringing lifelong learning opportunities in line with the needs of the labor market. The occupational qualifications system forms a link between the labor market and lifelong learning system.

As participation in VET is considered important, different incentives and actions have been adopted both for individuals and enterprises to support the growth of VET participation rates. Among them are study loans, study allowances, tax exemption on training costs, study leave for working adults, incentives for unemployed, tax exemptions (meaning that enterprises are exempted from income tax if they provide formal education for their employees) and wage subsidies and work practice supervision remuneration, which means that employers receive remuneration for supervising the work practice of students.

Apprenticeship schemes and structured work-based learning programs in Estonia are provided either in the form of school-based or workplace-based (apprenticeship) training. In 2007, workplace-based study is defined as a form of study where the work practice constitutes at least two-thirds of the total volume of the curriculum (in school based study, work practice constitutes up to one-half of the volume of the curriculum). Half of the practical training takes place at the company with the remainder of the studies being undertaken at the VET institution. There are no separate curricula for workplace-based learning. Vocational education institutions play a key role in adopting curricula for school-based study. According to legislation, WBL can be implemented at all levels of VET.

Workplace-based study is conducted upon the signing of an intern contract between the school, student and employer, which stipulates the rights and obligations of the parties as well as the particulars of the learning process. The employer must recompense the student for tasks performed to the amount agreed upon in the intern contract. The agreed remuneration must not be less than the statutory minimum wage established by the government. In cases where the student and employer are already bound by a valid employment contract, no extra wages are paid. Each year, some 500-600 students participate in vocational education institutions under workplace study arrangements. Government-sponsored expansion of workplace-based study in Estonia is a primary goal for the vocational education training system until 2020.

Roughly 2% of all VET students, 583 students in total, participated in work-based study programs in 2013/2014. These are divided between retail sales (22%), forestry (11%), social work and counseling (10%), electronics and automation (9%), motor vehicles, ships and aircraft (9%), electricity and energy (9%) and mechanics and metal work (8%).

An apprentice has two appointed supervisors, one at the school and the other at the workplace. An apprenticeship program is usually funded through the state-funded study scheme. In such cases the school pays the salary of the supervisor at the enterprise.

## **Challenges**

As in Georgia, VET education has historically been viewed unfavorably in Estonia. Traditionally Estonians have placed more value on higher education. But there, the perceived value of vocational education has risen against the background of economic recession and unemployment.

As in Georgia, the Estonian authorities accept that VET needs to be made more relevant to the labor market. Curriculum reform has been launched further to the implementation of new VET legislation.

Many study programs will be shortened, especially in post-secondary VET, to expedite the employment of graduates in companies. New CVET study programs will be developed to raise qualifications and offer a greater variety of specializations.

Also, to ensure the relevance of teachers' skills, it is necessary to increase VET teachers' in-service training with companies. Another important step is to better adapt learning content to labor market needs by integrating general education and key competences of lifelong learning into specialty subjects. Teachers and trainers should be supported in modernizing the study process. Special efforts are being made to teach teachers and trainers to modernize the teaching process and focus more on students' personal and professional development. The formative assessment of students in new learning outcomes and modular-based curricula system also requires a change in attitudes on the part of teachers. Teacher training (both initial and continuous) is the key to improving VET teachers' knowledge and skills. More attention should be paid to training teachers in enterprises.

Helping students to select relevant fields of study and careers and supporting them after graduation should be priorities. Efforts to reduce dropout rates should also be intensified. Compulsory educational and psychological counseling and career services are planned to be made available to all students in VET institutions. A new study allowance system for VET learners will be developed and implemented.

VET should be better promoted among young people. Various measures are needed to raise awareness of VET. Examples include skills competitions, information campaigns and the dissemination of information about VET on the Internet, social media and other channels.

## Annex 1: Summary of the relevant key points from the Labor Market Survey of the Ministry of Labor, Health, and Social Issues

- 63,400 organizations in total (56,500 commercial and 6,900 non-commercial).
- Imereti has 7,000 organizations (second after Tbilisi), and 78,300 thousand employees (third after Tbilisi and Ajara).
- In terms of employment, there are roughly 900,000 employees.
- In agriculture (across Georgia) there are 960 organizations and almost 22,000 employees.
  - o In the last 12 months, 1,341 new jobs were created in this sector and 808 jobs were lost, resulting in the net growth of 533 jobs.
- Minimum education level requirements for employees
  - o 50% - higher education
  - o 32% - secondary education
  - o 15% - professional education
- Actual educational profile of employees
  - o Secondary – 290,000
  - o Professional – 133,000
  - o Higher – 451,000
  - o DK – 34,000
- Specific jobs for people with professional education (nurses are leading) in thousands:

Nurses	10.8
Accountants	5.6
Pre-school teachers	5.5
Music teachers	5.0
Directors and managers	4.0
Machinery operators	3.6
Truck drivers	3.5
Pharmacists	2.9
Process control technicians	2.8
Cashiers	2.6

- The needed qualifications and skills for employers are a major issue.
- The most demanded professions in Imereti:
  - o Janitors
  - o Guards/watchers for buildings
  - o Specialties associated with arts
  - o Interior designers and decorators
  - o General vocational specialties
- How employers find employees: mostly through informal connections and to a lesser extent through the Internet.

## Annex 2: Lists of interviews and focus groups

### The list of interviews with agricultural businesses

#	Respondent	Position	Organization	Municipality	Agricultural activity	Interview date
1	Akaki Beltadze	Director	LTD Ligo	Vani	Hazelnut	11-Dec-15
2	Alu Gamakharia	Director	LTD Ternali & LTD Ternali+	Kutaisi	Tea	10-Dec-15
3	Andrea Ghvinjilia	Director	LTD Atinati	Kutaisi	Dairy	10-Dec-15
4	Beka Chikhladze	Director	LTD Opazi	Khoni	Poultry	3-Dec-15
5	Besarion Leladze	Member of cooperative	LTD Khortskombinati	Zestaponi	Livestock	22-Feb-16
6	Dato Chaprava	Individual Entrepreneur	IE Dato Chaprava	Kutaisi	Hazelnut	10-Dec-15
7	Davit Chkheidze	Deputy Director	LTD Imereti Greener	Samtredia	Greenhouse	24-Nov-15
8	Davit Kiknavelidze	Individual Entrepreneur	IE Davit Kiknavelidze	Baghdati	Beekeeping	3-Dec-15
9	Giga Chkhobadze; Davit Chubabria	Director; Chief Accountant	LTD Extra Meat	Kutaisi	Meat processing	24-Dec-15
10	Giorgi Kezevadze	Director	LTD Mukhnari 2007	Terjola	Poultry	17-Dec-15
11	Guram Kotaladze	Individual Entrepreneur	IE Guram Kotaladze	Samtredia	Fishery	10-Dec-15
12	Iuri Chkhenkeli	Director	LTD Chai +	Khoni	Tea	3-Dec-15
13	Iza Komladze	Director	LTD Alva	Sachkhere	FSC	25-Dec-15
14	Jemal Bigvava	Director	LTD Jemal Bigvava	Kutaisi	Fruit processing	23-Dec-15
15	Kakhaber Manjavidze	Director	LTD Agro Eco	Terjola	Dairy	25-Dec-15
16	Ketevan Akhmelidze	Director	LTD Gurmani	Kutaisi	Livestock; meat processing	10-Dec-15
17	Kote Natsvlshvili	Individual Entrepreneur	IE Kote Natsvlshvili	Samtredia	Fishery; FSC	17-Dec-15
18	Lamara Chikhelidze	Director	LTD Nektari	Chiatura	Beekeeping	25-Dec-15
19	Levan Goksadze	Individual Entrepreneur	IE Levan Goksadze	Chiatura	Fishery	25-Dec-15
20	Maia Beradze	Director	LTD Gibra-98	Kutaisi	Poultry	18-Nov-15
21	Malkhaz Shengelia	Individual Entrepreneur	IE Malkhaz Shengelia	Vani	Livestock	16-Dec-15
22	Mamuka Kublashvili	Partner	Nikora 2015	Kutaisi	Livestock	1-Dec-15
23	Mamuka Tsikoridze	Director	LTD Geguti 2005	Tskaltubo	Greenhouse	3-Dec-15
24	Mikheil Barbakadze	Individual Entrepreneur	IE Mikheil Barbakadze	Sachkhere	Potato growing	25-Dec-15
25	Mikheil Kuchava	Individual Entrepreneur	IE Mikheil Kuchava	Khoni	Greenhouse; Livestock; Fish	17-Dec-15
26	Nikoloz Tevzadze	Individual Entrepreneur	IE Nikoloz Tevzadze	Samtredia	Corn	17-Dec-15
27	Raindi Kvenetadze	Individual Entrepreneur	IE Raindi Kvenetadze	Baghdati	Livestock; Dairy; Greenhouse	11-Dec-15
28	Ramaz Tskipurishvili	Director	LTD Terjola Farmer House	Terjola	FSC	16-Dec-15

29	Revaz Kandelaki	Individual Entrepreneur	IE Revaz Kandelaki	Kutaisi	Poultry	12-Dec-15
30	Roman Gorgodze	Individual Entrepreneur	IE Gorgodze Roman	Baghdati	Greenhouse	4-Dec-15
31	Sergo Chitadze	Director	LTD Georgian Herbs	Tskaltubo	Greenhouse	3-Dec-15
32	Shakro Julukhadze	Individual Entrepreneur	IE Peranidze Nanuli	Baghdati	Poultry	4-Dec-15
33	Shalva Ioseliani	Director	LTD Putkari	Samtredia	Beekeeping	25-Dec-15
34	Shalva Kapanadze	Individual Entrepreneur	IE Shalva Kapanadze	Terjola	Winemaking, vinegrowing	24-Dec-15
35	Sulkhan Metreveli	Director	LTD Edena	Terjola	Cannery Factory	18-Dec-15
36	Tamar Tevdoradze	Accountant	LTD Vest Batoni	Kutaisi	Agrologistics	23-Dec-15
37	Tariel Svanidze	Director	LTD MGB	Kutaisi/ Samtredia	Hazelnut	18-Dec-15
38	Temuri Giorgadze	Director	LTD Tractorservice	Kutaisi	Agricultural equipment manufacture and service	1-Dec-15
39	Vazha Nutsbidze	Deputy Director	LTD Leader	Tskaltubo	Wheat processing	16-Dec-15
40	Vladimer Gegeshidze	Individual Entrepreneur	IE Vladimer Gegeshidze	Baghdati	Beekeeping	3-Dec-15

#### The list of other interviews with state bodies and international organizations

#	Respondent	Position	Organization	Date
1	Giuli Gogoli	Member of a Sector Working Group working on developing professional standards of farmer and animal keeper (zootechnist); Full professor at Agrarian University of Georgia;	Sector Working Group	22-Jan-16
2	Guladi Lominashvili	Member of an Agricultural Sector Council; Specialist at the Analytical Department of the Georgian Trade Unions Confederation	Agricultural Sector Council	25-Jan-15
3	Iliia Mchedlidze	Member of Sector Working Group working on developing professional standards of plant grower, viticulturist, vegetable grower and farmer; Director of AgriExportGeorgia	Sector Working Group	22-Jan-16
4	Nikoloz Zazashvili	Member of an agricultural Sector Council; Director of Agro Development Group	Agricultural Sector Council	26-Jan-15
5	Oliver Deasy; Magda Gurgenidze	Deputy Team Leader & VET Policy Expert; VET Project Assistant	IBF	15-Jan-16
6	Ruediger Heining	International projects manager	UNDP	30-Nov-15
7	Thea Siprashvili	Consultant for TVET qualification development support program	National Center for Educational Quality Enhancement	23-Dec-15

### The List of interviews with VET providers

#	Name	Position	Institution	Location	Date
1	Ketevan Kintsurashvili	Dean of the Faculty of Agriculture	Akaki Tsereteli State University (ATSU)	Kutaisi	2-Dec-15
2	Koba Manjgaladze	Deputy Director	Didi Jikhaishi Professional College	Samtredia	24-Dec-15
3	Malkhaz Aslamazashvili	Deputy Director	Aisi (Kachreti)	Sagarejo	6-Feb-16
4	Mate Takidze	Director	Spektri	Tbilisi	4-Feb-16
5	Murtaz Svanadze	VET Programs Coordinator	Akaki Tsereteli State University (ATSU)	Kutaisi	9-Dec-15
6	Pati Jikidze	Career Manager	Iberia Community College	Kutaisi	4-Dec-15
7	Rusudan Chartolani	Director	Icarus	Tbilisi	4-Feb-16
8	Tinatin Losaberidze	Director	Iberia Community College	Kutaisi	1-Dec-15

### The list of Focus Groups

#	Location	Institution	Group	Number of participants	Date
1	Kutaisi	ATSU	Lecturers	5	2-Dec-15
2	Baghdati	Baghdati Branch of Iberia College	Lecturers	6	2-Dec-15
3	Baghdati	Baghdati Branch of Iberia College	Beekeeping	8	9-Dec-15
4	Kutaisi	ATSU	Students of the Agrologistics program	18	10-Dec-15
5	Kutaisi	ATSU	Students of the Hydrotechnical Construction Technician program	16	10-Dec-15
6	Kutaisi	ATSU	Students of the Agricultural Business Entrepreneur program	8	16-Dec-15