



Effective Coordination Prospects of Business, Vocational Education and Employment Services in the Tourism Sector (Georgia)

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ARTICLE INFO

Article history:

Accepted: October 15, 2021.

Approved: December 15, 2021.

Keywords:

Business, Vocational Education,
Employment Services.

ABSTRACT

One of the main goals of vocational education is, on the one hand, to increase the knowledge capital of jobseekers and, on the other, to ensure supply for professions in the employment market. In conditions of high unemployment, it is especially important to support this direction in order to facilitate the increase of access to highly qualified specialists tailored to the requirements of the labour market by focusing on vocational training. In the field of vocational education, in order to represent the interests of the private sector and improve services related to vocational education, we conducted qualitative research and ran focus groups in the tourism sector. The study involved the private and public sectors, experts in the field, vocational education institutions, sectoral associations, and others. As part of the study, we compiled a list of key activities that respondents considered promote and stimulate vocational education in the tourism sector. The main employment motivators and incentive mechanisms were identified in the research process.

The paper presents conclusions and recommendations on effective coordination of vocational education, business and government employment services to help alleviate problems in the sector. Measures to be taken include programme updates, modification / restoration of canceled programmes, intensive involvement of the private sector in the teaching-learning process, increasing the awareness and popularity of vocational education in general, and more.

The research process highlighted the need to implement a number of measures to address the existing challenges, which will help to encourage and stimulate vocational education in the tourism sector.

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Introduction

The policy of state intervention in the labour market is defined in two directions: active and passive policy. The overall goal of an active policy is to plan and implement supporting measures for those who are unable to find stable employment or transfer to the ranks of the employed. Job assistance, vocational training, employment subsidies or job creation in the public sector are common forms of an active policy (State employment policy of Georgia and European Countries, 2021). Unlike active policies, passive policies are not intended to increase labour market efficiency. Passive policies are focused on improving the well-being of the unemployed found at a disadvantage. Unemployment insurance and early retirement are typical tools of a passive policy.

According to the Organization for Economic Co-operation and Development (OECD, 2015) classification, active policy instruments are:

1. Public employment services;
2. Vocational training programmes;
3. Encouraging employment;
4. Support and rehabilitation of the labour force without skills;
5. Creating new jobs;
6. Encouraging startups.

The passive policy includes the following tools:

1. Unemployment insurance;
2. Early pension.

The purpose of public employment services is to ensure a rapid flow of information between a potential employer and employee. This tool often includes the provision of open information portals, the creation of individual job seeker profiles, the dissemination of knowledge related to job searching, the financial provision of job search costs, etc.

These programmes are ultimately designed to both increase the efforts of job seekers and their overall competitiveness.

Vocational training programmes include so-called institutional and “on-the-job” training programmes, as well as integrated and vocational training programmes.

Employment incentive programmes include tools for employment subsidies, job retention, job rotation, and redistribution. Unlike vocational training programmes, employment incentives have an impact on labour demand.

Workforce support and rehabilitation programmes are targeted at specific groups in the community. Their goal is to integrate people without labour skills into the workforce, as well as to motivate and encourage employers to maximize their involvement in the integration process.

New job creation programmes focus on either providing publicly beneficial employment, or supporting the creation of additional jobs in the private sector by providing wage subsidies.

Startup incentive programmes focus on encouraging private entrepreneurship by providing start-up capital. Such programmes are aimed at facilitating the start-up of new activities or the expansion of existing activities.

As we mentioned, the state does not actively interfere in labour relations through passive policy instruments. The unemployment insurance mechanism pays a certain amount of money to a person participating in an insurance scheme for a limited period of time. In addition to unemployment insurance, countries often have unemployment assistance programmes that apply to people who do not have unemployment insurance, or whose insurance has expired. In some cas-

es, we find so-called “bankruptcy compensation”, when people are not paid due to their employer firms going bankrupt.

Early retirement programmes are mainly aimed at older people who have very low chances of employment, or who are being replaced by younger workers.

If we evaluate the content, purpose and results of active and passive employment instruments, we will see that active policy instruments are aimed at eliminating or maximally influencing the circumstances causing unemployment, whereas passive policy instruments aim to alleviate the consequences of unemployment to a certain degree and periodically for the beneficiaries. Hence, the choice of a state to pursue an active or passive policy is often conditioned by the political, economic and social factors of the country in question.

1. Overview of Georgia’s employment market

At present, one of the main challenges for Georgia is the high level of unemployment. According to the National Statistics Office of Georgia, in 2021, the unemployment rate was 22.1%. 1.2 million people were employed and 344 thousand were unemployed. 31% of employees were self-employed, but were mostly structurally unemployed.

There are half a million recipients of social assistance in the country, and very many cases when people able to work refuse to look for a job, or get a job in order to receive / maintain receipt of social benefits from the state. As a result of long-term unemployment, a large part of these potentially economically active citizens become disqualified and get stuck outside the labour force. An un-

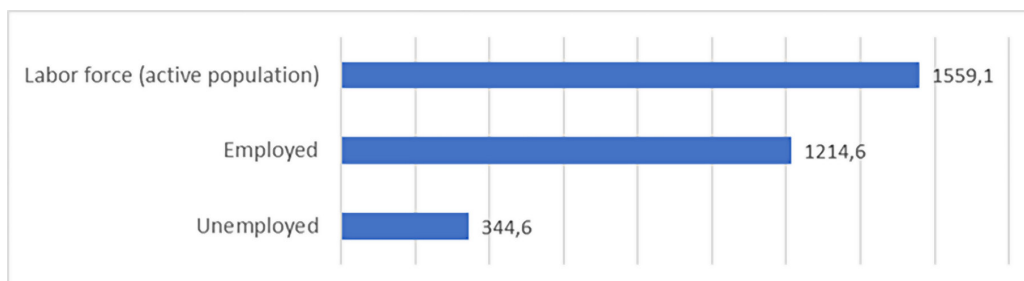


Fig. 1. Distribution of the population by economic activity, 2021, QII (in thousands)

Source: National Statistics Office of Georgia. <https://www.geostat.ge/>

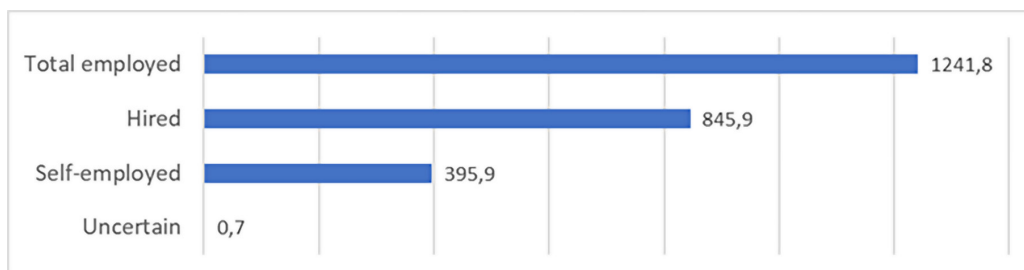


Fig. 2. Distribution of labour force by employment category (in thousands)

Source: National Statistics Office of Georgia. <https://www.geostat.ge/>

used labour force hinders both the business and the economic and social development of the country.

Despite the various educational and economic programmes implemented by the state, the ultimate goal of which is to improve the qualifications of job seekers and create new jobs, the next major challenge for the country in 2021 remained the following:



Fig. 3. Employment activities in Georgia, 2021

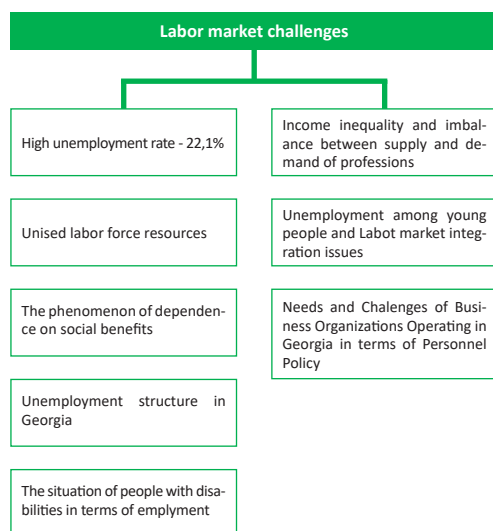


Fig. 4. Labour market challenges in Georgia, 2021

As such, it is necessary for the government to help these people improve their skills and find a job, thus eliminating their demotivation linked to employment. It is planned to create jobs for these individuals and allow them to return to the labour market and replace their social assistance with the payment of wages.

2.Vocational education in the tourism sector

According to the classification of the Organization for Economic Co-operation and Development (OECD), a good tool of an active employment policy is vocational training.

Among the main goals of vocational education is, on the one hand, to increase the knowledge capital of jobseekers and, on the other, to ensure supply for professions in the employment market. In conditions of high unemployment, it is especially important to support this direction in order to facilitate access to the employment of highly qualified specialists, who are tailored to the requirements of the labour market by focusing on vocational training.

In the field of vocational education, we conducted qualitative research and ran focus groups in the tourism sector in order to present the interests of the private sector and improve services related to vocational education. The research process was attended by experts in the field, and representatives of the private and public sectors, vocational education institutions, sectoral associations, and others.

The tourism sector has been experiencing a severe crisis due to the pandemic. International travel, local tourism, catering and restaurant services were substantially impacted due to the entire tourism industry being forced to a standstill. The players in the tourism industry (hotels, restaurants, airlines, travel companies and cultural and natural tourism facilities) have been facing an

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unprecedented crisis, as a result of the complete abolition of all their activities.

It is because of these challenges that the sector now needs full retraining and adapting to the demands of the labour market, as it slowly moves to a new stage of development and shows greater growth potential.

At the meeting, the parties identified the challenges in the labour market:

- Promoting and coordinating vocational education;
- Increasing the number of staff tailored to the specifics of the field, increasing competencies (knowledge of a foreign language, communication skills, problem solving skills, etc.)
- Encouraging and researching initiatives to update existing programmes in the field of tourism, tailored to the modern market;
- Fixing the demand-supply imbalance in the field of tourism;
- Restoring / renewing programmes canceled from vocational schools (guiding, etc.);

- Adjusting the curricula of vocational schools to the requirements of the business;
- Addressing the need for further retraining of staff produced by vocational colleges;
- Improving the qualification of teachers, training practicing teachers;
- Studying the requirements of employers, defining the required professions;
- Strengthening the coordination of employers and colleges, focusing on quality;
- Increasing the popularity of staffing the hotel industry;
- Improving working conditions (salary, introduction of shifts, etc.)
- Improving personnel retrieval channels, eliminating the information vacuum;
- Reducing the degree of labour demotivation;
- Eliminating the fear of losing social assistance, introducing unemployment benefits, offering training courses, encouraging employment.

According to a study carried out by the Chamber of Commerce and Industry, the

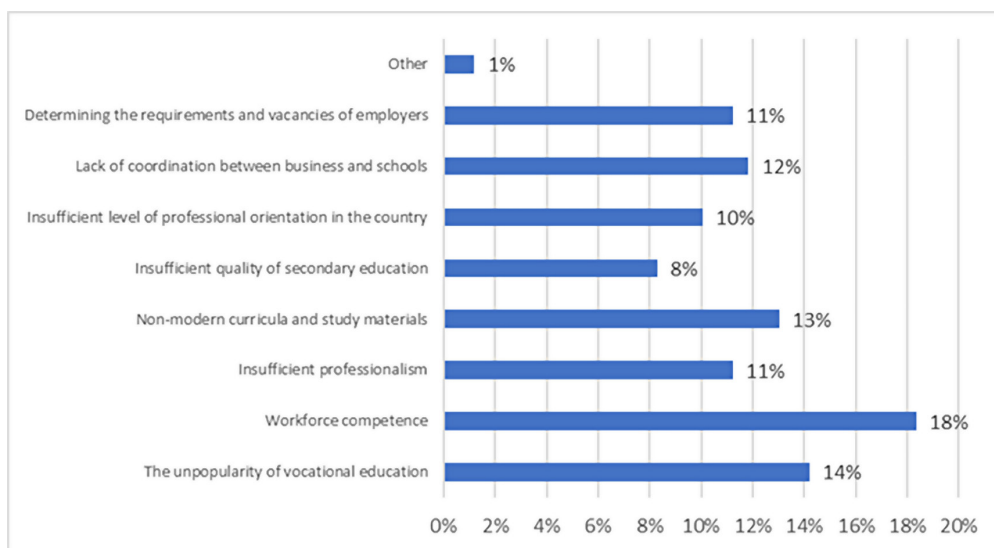


Fig. 5. Challenges of vocational education in Georgia, 2021

Source: Developed by the author based on the data of the Chamber of Commerce and Industry of Georgia.

main challenges for vocational education in Georgia are the lack of popularity and stereotypes of vocational education, (lack of) curricula and teaching materials tailored to modern standards, poor coordination between the private sector and vocational schools, and unsystematic planning and analysis of the required professions.

54% of respondents said they believe that vocational schools partially meet the demands of the labour market. Only 4% think that the work of schools is fully in line with the challenges of the labour market.

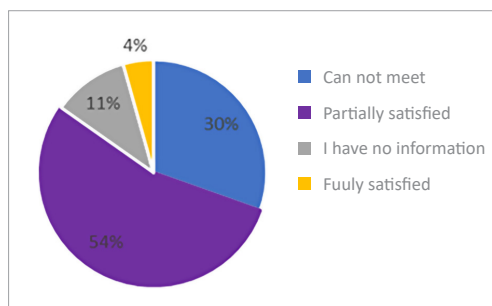


Fig. 6. Indicators of labour market satisfaction by the institution, 2021

Source: Developed by the author based on the data of the Chamber of Commerce and Industry of Georgia.

41% of the respondents state that updating the curricula and adjusting it to international standards, developing joint programmes with the involvement of more employers, and taking into account the requirements of the employer, will help vocational schools to better meet the demands of the labour market.

A survey of employment demotivators found that 35% of respondents consider seasonal and volatile work to be the main demotivator.

The results of the research show that the educational profession of specialists employed in the tourism sector more often does not suit their job than it does. 52% of respondents agreed.

The results show that the level of qualification of staff employed in the tourism sector is more than satisfied, though none of the respondents thinks that they are fully satisfied.

100% of respondents point to the combination of updating programmes tailored to market challenges in the tourism sector. 76% of respondents believe that the restoration of canceled professional programmes

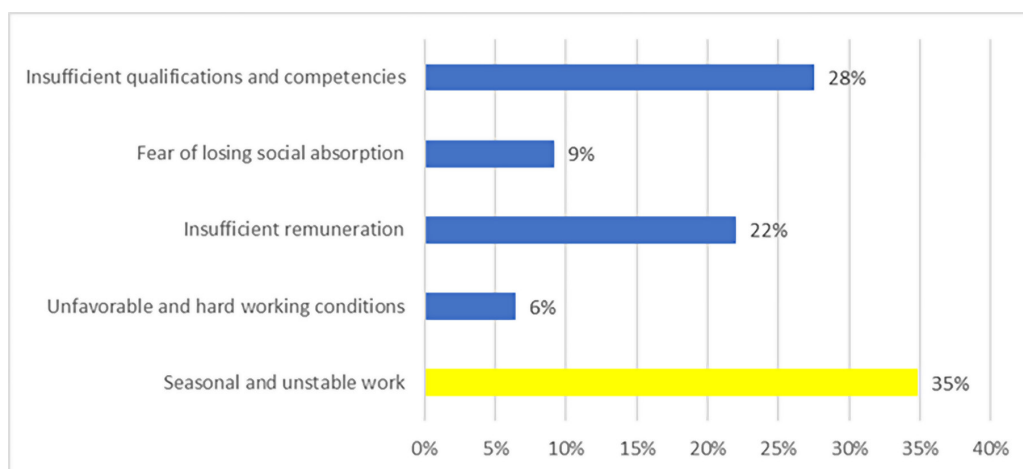


Fig. 7. Employment demotivators in the tourism sector, 2021

Source: Developed by the author based on the data of the Chamber of Commerce and Industry of Georgia.

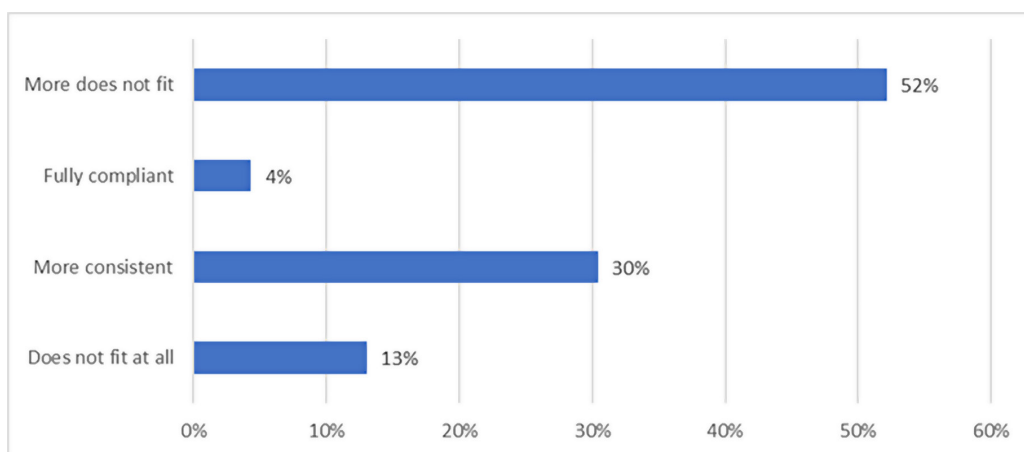


Fig. 8. Matching the education of specialists employed by specialists in the tourism sector to their place of work, 2021

Source: Developed by the author based on the data of the Chamber of Commerce and Industry of Georgia.

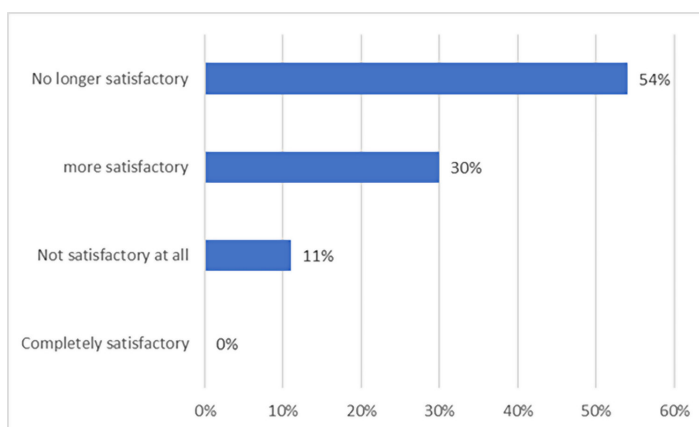


Fig. 9. Qualification level of staff employed in the tourism sector, 2021

Source: Developed by the author based on the data of the Chamber of Commerce and Industry of Georgia.

is necessary, such as guide and tour operator courses. Representatives of the tourism sector note that in order to encourage initiatives to renew programmes adapted to the modern labour market, it is important to coordinate between professional institutions and employers to improve the qualifications of teachers and address the challenges of an unstable environment.

24% of respondents said they believe that increasing employment popularity will lead

to stronger communication with employers, taking into account their needs, and will result in the development of joint programmes. Only 5% believe that access to employment services will help popularise employment, which can be explained either by distrust of the service or by a lack of awareness of employment services.

60% of the respondents noted their belief that the main measures needed to increase and stimulate vocational education in the

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tourism sector are: Introduction of a coordination mechanism to promote vocational education throughout the country; an increase in the supply of a labour force tailored to the specifics of the field and with relevant competencies (foreign languages, emotional intelligence, technical skills, etc.), and raising the qualifications of teachers involved in vocational education, attracting practicing

teachers, taking into account foreign experience, and developing various motivational schemes for them. Only 7% of respondents believe that eliminating labour demotivation is necessary to stimulate the uptake of vocational education.

The COVID-19 pandemic significantly damaged the tourism sector both globally and in Georgia.

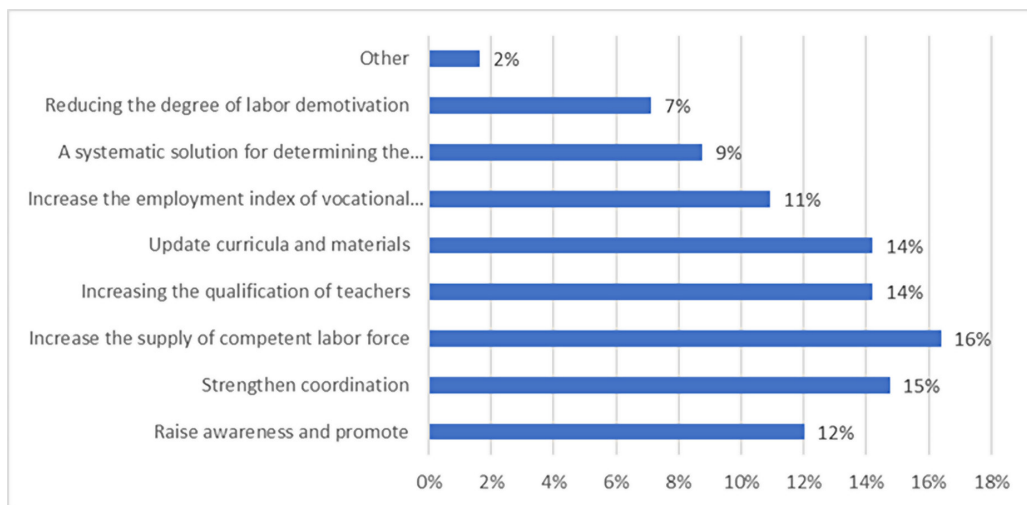


Fig. 10. Measures to be taken to promote and stimulate vocational education in the tourism sector

Source: Developed by the author based on the data of the Chamber of Commerce and Industry of Georgia.

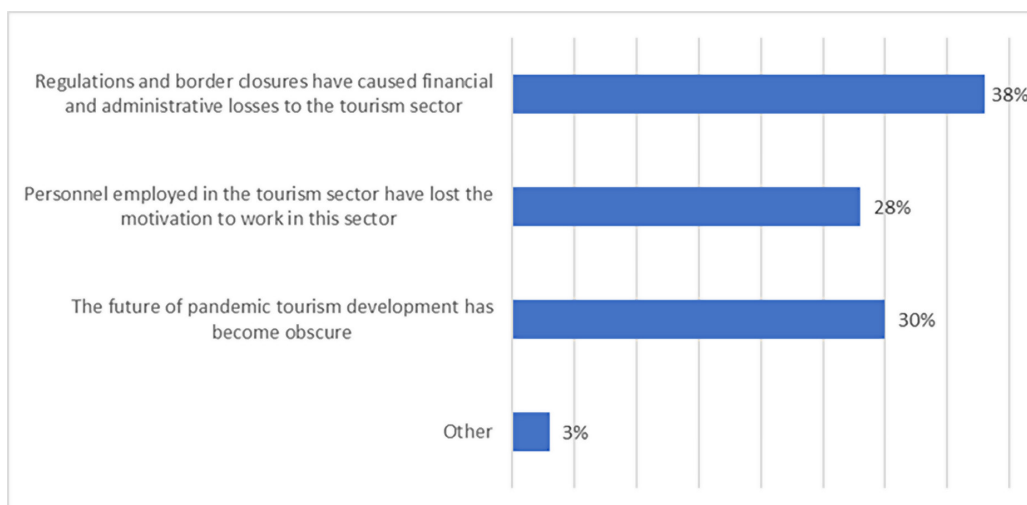


Fig. 11. Measures to be taken to promote and stimulate vocational education in the tourism sector

Source: Developed by the author based on the data of the Chamber of Commerce and Industry of Georgia.

According to the representatives of the tourism sector, in addition to financial and administrative losses, the future of the development of the tourism sector in general has become uncertain, although it should be noted that the sector is modernizing and starting to grow rapidly.

Conclusions

Analysis of the studies carried out allows us to draw up conclusions and recommendations for representatives of the tourism sector, as well as for the overall professional education, private and public sector:

- Increase the awareness of vocational education, clearly define its role and benefits to society;
- Introduce a coordination mechanism to promote vocational education throughout the country;
- Increase the supply of the labour force tailored to the specifics of the field and with relevant competencies (foreign languages, emotional intelligence, technical skills, etc.);
- Take effective steps to improve the qualifications of teachers involved in vocational education;
- Strengthen cooperation with the private sector and involve more facilities in vocational training;
- Make employment services available, and vocational schools one of the main labour force suppliers to fill the deficit in the tourism sector;
- Update and adapt to modern standards existing professional training programmes in the tourism sector, analyse the possibility of restoring canceled programmes;
- Carry out a complex legislative reform to eliminate dependence on social assistance;
- Plan various benefits and initiatives to reduce the losses of the Covid-19 pandemic, so that the industry can modernise and return to the forefront of the country's economy.

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