

**IVANE JAVAKHISHVILI TBILISI STATE UNIVERSITY
CENTER FOR MIGRATION STUDIES**

**Mirian Tukhashvili, Murman Tsartsidze, Tsiuri Antadze, Natela
Latsabidze, Mzia Shelia, Mamuka Toria**

**INTERNALLY DISPLACED PERSONS IN
THE GEORGIAN LABOUR MARKET**



Publishing House **“UNIVERSAL”**

Tbilisi 2012

The work addresses the problems of employment and social life of internally displaced persons from Abkhazia and Tskhinvali region in the light of formation and functioning of the Georgian labour market. The research was carried out on the basis of the contract made by the Danish Refugee Council and Ivane Javakhishvili Tbilisi State University.

The work is designed for state and nongovernmental structures, international organizations, scientific workers, students and other readers interested in internally displaced persons problems.

Editors: Professor **Mirian Tukhashvili**

Associate Professor **Tamaz Zubiashvili**

Reviewers: Professor **Revaz Gvelesiani**

Associate Professor **Eka Sepashvili**

The book is written on the basis of the research “Labour Market Research” carried out by the staff of the Center for Migration Studies, Tbilisi State University. The research was supported by the European Union and the Danish Refugee Council.

© Mirian Tukhashvili, Murman Tsartsidze, Tsiuri Antadze,
Natela Latsabidze, Mzia Shelia, Mamuka Toria, 2012

Publishing House “**UNIVERSAL**”

19, I. Chavchavadze Ave., 0179, Tbilisi, Georgia ☎: 2 22 36 09, 5(99) 17 22 30
E-mail: universal@internet.ge

ISBN 978-9941-17-605-0

Content

PREFACE	5
I. FORMATION AND FUNCTIONING OF THE GEORGIAN LABOUR MARKET UNDER CONDITIONS OF FINANCIAL AND ECONOMIC CRISIS	
1.1. Contemporary Tendencies of the Georgian Labour Market Formation.....	7
1.2. The Main Problems and Peculiarities of the Labour Market Functioning.....	13
1.3. The Ways of Development of the Labour Market Infrastructure	24
II. DETERMINATION OF DEMAND ON LABOUR FORCE IN THE GEORGIAN NATIONAL AND LOCAL LABOUR MARKETS	
2.1. Organizational and Methodological Problems of the Determination of Demand on Labour Force	31
2.2. Demand on Labour Force in the National Labour Market	33
2.3. Demand on Labour Force in the Regional (Local) Labour Market (The Case of Shida Kartli)	38
III. UNEMPLOYMENT AMONG INTERNALLY DISPLACED PERSONS AND THE WAYS OF IMPROVING EMPLOYMENT	
3.1. Reasons for Unemployment of Internally Displaced Persons from Abkhazia and Tskhinvali Region	52

3.2. Unemployed Internally Displaced Persons’ Socio-Demographic and Professional-Qualification Structure and Its Relevance to the Labour Demand in the Labour Market	64
3.3. The Ways of Improving Employment for Internally Displaced Persons	74
CONCLUSION	80
REFERENCES	97

PREFACE

Regulation of labour market formation and functioning represents one of the most pressing problems for Georgia.

Despite a great importance of the problem, scientific works about the Georgian labour market are of small number, and don't correspond to the importance of the question.

It should be noted that despite economic growth, reduction of mass unemployment in Georgia is still impossible. Population employment is the main objective in various programs and projects of the government and political parties. However, it should also be noted that these programs always are not properly grounded. One of the reasons for this is meager knowledge about the Georgian labour market. A great part of scientific researches is fragmental and pertains only to some aspects of the labour market. The works of complex nature are rare which have practical importance.

We consider that in study of the Georgian labour market the research on internally displaced persons in the Georgian labour market supported by the Danish Refugee Council is a step up.

Unlike other countries, existence of the large contingent of internally displaced persons greatly complicates the Georgian labour market formation and functioning. Their employment in a number of regional and local markets is extremely problematic. In the grave economic and political situation steadily formed imbalance between labour demand and supply is greatly increased by the large concentration of the contingent of internally displaced persons in separate regions and corresponding labour markets. In this respect, labour markets in Samegrelo, Shida Kartli and also in Tbilisi

are more visible.

We set a task to assess the internally displaced persons' unemployment and its reasons against the background of general analysis of the Georgian labour market formation and functioning, to discuss a contingent of the unemployed as a labour force, to determine possibilities of matching their qualification with the demand of labour market. The special researches were conducted for this reason: on employers – in the region of Gori, and on the unemployed – in the regions of Zugdidi, Gori and in Tbilisi. Despite the fact that the research was conducted within the frameworks of limited resources and period of time, we consider, that the results and suggestions reflected in the presented report which concerns the development of labour market infrastructure, demand on labour force, qualification enhancement and retraining of relevant personnel, increase of their labour potential, will interest the State and nongovernmental structures working on the settlement of employment problems, will help them with realization of the programs for unemployment reduction.

The research was carried out in 2010 by the staff of the Center for Migration Studies, Ivane Javakhishvili Tbilisi State University on the basis of the contract made by the Danish Refugee Council and the University. The authors will be grateful to accept all useful remarks and advice related to this work.

The authors of the separate topics of the research are: Professor Mirian Tukhashvili (scientific supervisor of the research, author of the preface and conclusion); Associate Professor Murman Tsartsidze (Chapter I), Tsiuri Antadze (Chapter II), Natela Latsabidze (Chapter III. §.1.§.3), Mzia Shelia (Chapter III. §.2).

I. FORMATION AND FUNCTIONING OF THE GEORGIAN LABOUR MARKET UNDER CONDITIONS OF FINANCIAL AND ECONOMIC CRISIS

1.1. Contemporary Tendencies of the Georgian Labour Market Formation

In the 90s of the last century in all the post-socialist countries, and inter alia, in Georgia, the regime of labour market formation and peculiarities were determined by abolishment of the system of planned labour distribution, formation of free labour market, creation of insurance system for unemployment and realization of the active policy for employment. Also, deregulation of salaries and inculcation of collective agreements represented an immediate task.

Post-socialist countries of Central Europe dealt with these tasks painfully but successfully after a few years since the introduction of systemic reforms. Naturally, different traditions of labour and employment sphere of Central Europe and Baltic States played a big role in this matter. Trade Unions always were rather strong there and there also was a certain mechanism for the labour market functioning. At the same time the noted countries had more or less normal starting socio-economic conditions and what is more, the world commonwealth made significant efforts to help them. Post-Soviet countries and inter alia, Georgia turned out in starkly different conditions.

Formation of labour market in Georgia started under conditions of economic collapse – economy of post-socialist countries was effectively paralyzed because it

remained without partners and commodity markets. Financial, economic, social crises deepened simultaneously, ethnic conflicts escalated dramatically. In such conditions the country's labour force remained effectively without function and prospects. The working age population instead of active participation in country's reconstruction turned out in the category of socially unprotected population.

Although the support and economic aid received by Georgia from the international commonwealth were much less by scales and degree with comparison to the aid given to the European and Baltic States, it was quite sufficient to resolve the most acute short and midterm socio-economic problems of our country. Due to the range of objective and subjective reasons a great share of the aid of international commonwealth was mishandled and it was used for alleviation of social problems or rehabilitation of already functioning enterprises and not for creation of new job places. For various reasons the accumulation of inner reserves failed that was anticipated for realization of the noted goals. As a result, there is a continuing and extensive stagnation in all the segments of economic activities.

Prolonged economic stagnation, exacerbation of social problems, protracted systemic reforms along with many other factors led to the stagnation in the labour market. Moreover, stagnation is characteristic of the labour market from the standpoint of purchase-sale process and institutionalization as well.

In recent 15-20 years the entire labour force in Georgia significantly diminished from the standpoint of quantitative indicators under the influence of demographic factors and external migration that gave some "comfort" to

the labour market. However, it should be noted that even this labour force encountered many outstanding problems in the labour market.

Reduction of the size of labour force under the influence of demographic factors and labour migration entailed deformation of the structure of labour force. Because of intensive external migration the country lost a part of young, mobile and enterprising people.

The indicators of labour force qualification deteriorated drastically. During the last 15-20 years a great mass of qualified specialists got ripped off appropriate job places and were forced to start labour activity in the sphere which was completely or partially unacceptable to them. Tens of thousands of specialists without appropriate labour arena virtually underwent complete dequalification and lost their knowledge and experience gained throughout the decades. Only a small share of them managed to acquire new skills.

Degradation of the active system of qualified labour force training had extremely negative impact on the qualitative indicators of labour force.

Under conditions of reduced demand on labour force all kinds of educational institutions, foremost among them higher educational ones provided trainings on a mass scale by so-called “prestigious” specialties. A great share of specialists trained in excessive number by higher schools exerted serious negative pressure on the labour market.

Proceeding from the above noted, it can be said that in the Georgian labour market which is in the process of formation there is “realized” (employed) to a certain degree or “presented for sale” relatively dequalified labour force and low competitive youth with “prestigious” di-

plomas who are agreed on any conditions of employment and labour remuneration.

Coming out from today's reality, an objective evaluator of the activity of higher educational institutions is labour market where is acknowledged an actual level and degree of specialist's knowledge and not his or her historical past, traditions and other artificially granted privileges. Thus, formation of competitive educational system both in domestic and international labour market is in the interests of any higher educational institutions.

How does buyer – employer of labour force meet the “cheap” labour force in the labour market? The aggregate demand on labour force is not distinguished by impressive indicators. The state management, defense, educational sphere, health care system, social security institutions, quite limited circle of enterprises of private and mixed properties, financial and credit institutions, railway, ports and some other spheres of service are practically saturated with labour force. At that, penetration into some spheres even for competitive specialists is complicated because of undeveloped infrastructure of labour market.

Formally, agriculture is distinguished from branches of economy and spheres of activity by relatively high indicators of demand on labour force. Realistically this is a result of unemployment registration which virtually is not done in rural areas. Those rural dwellers who are employed in agricultural activities on their own or rented land plots are registered as self-employed. However, this kind of activity frequently is low productive, ineffective and incomplete.

The aggregate demand on labour force and employment rate is increased countrywide at the expense of self-

employment. According to the official statistical data the self-employed make up more than a half of the total number of the employed.

Among the employed still there are many so-called “hidden” unemployed. However, it should be noted that by this indicator, in comparison with the past five-year period, there is significant progress.

So-called “seasonal” unemployment is also widespread in the country where people are more or less fully employed only during a few months in a year.

It should be also taken into account quite large scales of secondary employment while tens of thousands of people are not employed at all. 10% of the employed have additional positions, frequently in several job places. Here several aspects should be taken into account; those high skilled specialists of technical field are engaged in secondary, additional employment where they perform substantial and necessary activities, also, pedagogues, lawyers and healthcare workers that is conditioned by the specificity (flexible time regime for employment) of their activity.

In the process of labour market formation one more peculiarity is marked. This is irrelevance of occupied positions to the received professional education. In some cases employers are not strict about labour force’s qualitative indicators and professional and qualification relevance. Irrelevance of occupied positions to received professional education is also with high level managers in the state sector as well as in private one. Such situation with mid and low level managers is accepted as the norm. Frequently relevance of received education to occupied position is ignored and employment occurs according to the principles of relatives and close relations.

The analysis of the situation ensures that labour market is only in the stage of formation. An important element of infrastructure such as employment service (labour exchange) practically has not been formed. Information about vacant jobs and personnel with relevant qualification and profession is not accessible to employers and job seekers. Serious problems are in the functioning of employment private services. It is necessary to define the main directions and functions of their activity and include them in the legislative frameworks.

We must assume that in spite of intensity of labour emigration and not a big number of population who reached the working age, the supply of labour force in the labour market will not be reduced in the near future. Besides graduates of various educational institutions, under conditions of employed population's low incomes and meager pensions economic activity of working-age and retirement-age population will be still high. Consequently, the aggregate supply of labour force in the labour market is expected to rise.

As for the aggregate demand on labour force, significant changes with regard to the increase of aggregate demand in the state sector are not expected in the short term period. The liberalization program of entrepreneurial activity provides a real opportunity for creation of new job places and its realization will give a certain category of job-seekers the chance of employment and entrance into the labour arena.

Proceeding from the above noted tendencies of the formation of labour market it can be drawn the conclusion that discrepancy between labour demand and supply will remain again in prospect. It is likely that in the following

few years the labour market will get saturated still more with educated lawyers, economists, financial specialists, managers and marketologists. Their full employment by the received specialties is practically impossible in the short run. In case there should be solid foreign investments and creation of thousands of high-skilled and specific job places in a short period of time it's still difficult to staff a part of them because of structural discrepancies between job places and labour force. Foreign labour force is likely to be brought in the Georgian labour market that is undesirable from many points of view. This generates additional motives for our citizens to emigrate abroad that still occurs with great intensity. Hence training and re-training of each specialist must be oriented to the demand of labour market.

1.2. The Main Problems and Peculiarities of the Labour Market Functioning

Effective functioning of labour market exerts a significant influence on degree of the use of country's labour and economic potential as well as population's living standards and social satisfaction. In Georgia, still against the background of difficult socio-economic situation, it's natural that reduction of unemployment, eradication of poverty and improvement of living standards still remain the foremost objective.

A significant part (22.1%) of the country's population lives below the official poverty line (see table 1).

Table 1

**Poverty Level in Georgia by Urban and Rural Areas in
1997-2005
(in percentages)**

	Share of the population below the poverty line								
	1997	1998	1999	2000	2001	2002	2003	2004	2005
urban	103.6	54	61	57	54	55	53	49	51.4
rural	117.1	45	42	46	48	49	56	55	58.4
on average in the country with respect to the minimum subsistence level	46.2	50.2	51.8	51.8	51.1	52.5	54.5	52.0	54.9
with respect to 60% of median consumption	25.0	23.3	23.6	23.0	21.6	21.8	20.9	22.0	24.1

Poverty Indicators in 2006-2008 (in percentages)

indicators	2006	2007	2008
poverty level			
with respect to 60% of median consumption	23,3	21,3	22,1
with respect to 40% of median consumption	9,4	9,2	9,5
depth of poverty			
with respect to 60% of median consumption	7,2	6,9	7,0

with respect to 40% of median consumption	2,8	2,7	2,7
severity of poverty			
with respect to 60% of median consumption	3,3	3,2	3,2
with respect to 40% of median consumption	1,3	1,3	1,2

The main reason for poverty is unemployment. In the estimation of experts, the unemployment level in Georgia is approximately 32.0%, and according to the official statistical data in 1998-2008 it fluctuated from 10.3% to 16.5% (table 2)¹. Proceeding from the above noted, it is natural that unemployment for the country is the most acute socio-economic phenomenon and is related to the greatest losses. By our calculation, economic losses due to unemployment in the country throughout 2008 amounted at least to 5007.2 million lari that is 26.25% of the gross domestic product (19075.0 million lari) and 76.12%² of the country's 2008 state budget (6578.2 million lari in the share of incomes).

¹ Ministry of Economic Development of Georgia, Department of Statistics, Tbilisi 2009. www.statistics.ge;

² Computed: Ministry of Economic Development of Georgia, Department of Statistics, Tbilisi 2009. www.statistics.ge; Tsereteli G., Bibilashvili N., Unemployment in post-Soviet countries and methodical fundamentals of determination of its socio-economic consequences, problems of the development of labour economy in Georgia, collection of scientific works, volume II, publisher "Metsniereba," Tbilisi 2002. pp. 27-40.

Table 2³

**Dynamics of Indicators of Contemporary Situation in
the Georgian Labour Market
in 1998-2008**

indicators		1998	2005	2006	2007	2008	
population above age 15 (in thousands)		3016.7	3159.9	3169.8	3103.8	3062.9	
economically active population (in thousands)		1972.8	2023.9	2021.8	1965.3	1917.8	
Among them	employed	1728.5	1744.6	1747.3	1704.3	1601.9	
	Among them	hired	724.4	600.5	603.9	625.4	572.4
		self-employed	987.1	1143.3	1141.6	1078.8	1028.5
		unclear	17.0	0.8	1.8	0.1	1.1
	unemployed	244.2	279.3	274.5	261.0	315.8	
level of unemployment (%)		12.4%	13.8%	13.6%	13.3%	16.5%	
level of economic activity (%)		65.4%	64.0%	62.2%	63.3%	62.6%	
Level of employment (%)		57.3%	55.2%	53.8%	54.9%	52.3%	
Average monthly salary (lari)		55.4	204.4	277.9	368.1	534.9	

The functioning of labour market is significantly affected by existing economic and political situation in the

³ Ministry of Economic Development of Georgia, Department of Statistics, Tbilisi 2009. www.statistics.ge;

country, rates of economic growth and a number of macroeconomic factors. There is analysis of interrelationship between employment level and macroeconomic indicators of socio-economic development. Namely, the analysis of the dynamics of the gross domestic product, employment level and labour productivity enabled us to draw certain conclusions. The fact is that the rates of economic growth are reflected in employment situation and labour productivity. In 1990, despite the high rates of economic growth, the level of unemployment decreased by 2.4%. The analogous situation was in 2003, 2004, 2005, 2006 and 2008 years. There is impression that in 2000-2008 economic growth occurred at the expense of labour productivity that can't be said about many important branches of the national economy. For example, the fall of labour productivity and ineffective employment are particularly visible in Georgia's traditional branches – agriculture, not to mention industry (see table 3).

In 2008, compared with 1990, the share of the employed in agriculture increased from 25.2% to 63.2%, and the share of agriculture production in the total volume of the gross domestic product decreased from 29.8% to 8.13%.

For identification of the peculiarities of labour market functioning we considered it necessary to make clear the status of the employed (table 4).

As is shown from the data of the table, as of 2008, 64.2% of population employed in economy is self-employed, as for rural population, 83.3% of them is self-employed. A great part of them (approximately 80.0% and over) is employed in households, in private estate or is

unpaid helpers for their relatives. This is not effective employment and way of worthy income for each household.

Table 3⁴

Dynamics of Interconnection between the Level of Population Employment in Agriculture and the Gross Domestic Product in 1990-2008

years	Population employed in agriculture		Production output	
	in thousands	%	absolute	in percentage with respect to the GDP
1990	695,0	25,2	4454,0 million rubles	29,8%
2000	910,0	52,1	1197,0 million lari	20,1%
2002	989,0	53,8	1436,4 million lari	20,6%
2004	962.0	53.9	1589,7 million lari	16,2%
2006	1132.2	64.8	1544.3 million lari	11.2%
2007	1065.8	62.5	1562.7 million lari	9.2%
2008	1012.7	63.2	1551.1 million lari	8.13%

Quite large scales of informal employment in State sector as well as in private sector are important out of the peculiarities of the national labour market functioning

⁴ Computed: Population Employment in Georgia. The Collection of Statistics, part II, Tbilisi 1991. pp. 8-9. Data of the Department of National Accounts and Macroeconomic Analysis, The State Department for Statistics. Ministry of Economic Development of Georgia, Department of Statistics, Tbilisi 2009. www.statistics.ge.

which is in the process of formation.

Almost all social and demographic groups of population are actively involved in informal employment. However, the motive of their involvement in informal activities is somewhat different: earning of livings, in separate cases aspiration for economic independence and professional labour employment, flexible regime of labour, receiving of solid income and others.

Through the study of peculiarities and reasons for informal employment, as it was noted, on the basis of the sociological research, it was found the following tendencies:

Table 4

Population Employment Structure by Status in 2008
Totally in Economy and Agriculture
(in thousands)

status of employment	totally in economy		in agriculture	
	absolute	%	absolute	%
employed	1601.9	100.0	1012.7	63.2
hired	572.4	100.0	163.7	28.6
self-employed	1028.5	100.0	848.3	82.5
employed	1601.9	100.0	1012.7	100.0
hired	572.4	35.7	163.7	16.2
self-employed	1028.5	64.2	848.3	83.3

- Informal employment involves a significant part of economically active population and, in many cases it

remains the only alternative for employment of unemployed citizens.

- Informal employment involves mainly a few spheres. Namely, a high share of the employed is in trade, goods repair services, transport and communications, education and healthcare system;
- Incomes of the employed in informal sector are rather differentiated;
- The main reasons for informal employment are: low salaries of the official job places; prolonged unemployment; employment impossibility by specialties; part-time employment and others.
- An effective remedy for avoiding further expansion of informal employment is stability of employment in formal sector of economy and increase of demand on labour force. Otherwise employment of labour force or its movement from formal to informal sector will continue.
- Coming out from the scales of employment it can be said that informal sector forms its own demand on labour force.

Informal employment for a large part of the employed represents a remedy for maintenance of physical existence, inhibits further sharp fall of population's living standards and the increase of unemployment, but discussion of positive sides of informal employment is expedient in short-term period; in the long run the state must develop orientation to its legalization and reduction to its minimal form. This requires that the state takes complex socio-economic measures. As the world experience proves it doesn't "disappear" only by creation job places in formal sector. Informal sector's expansion and reduction scales

significantly will be depended on socio-economic and political stabilization in the country. Effective measures are to be taken for reduction of unemployment level, regulation of labour remuneration, social protection. Otherwise informal sector may expand even more.

Mass labour migration creates certain complexities for functioning of national labour market which is in the process of formation. Difficult socio-economic conditions in the post-Soviet period along with other negative phenomena brought about intensive emigration that is of mass and uncontrolled nature for two decades. More than one million people emigrated abroad, and the size of labour emigrants reached almost a half million. This process is going on even at present without any regulation and control and significantly worsens country's labour potential as the majority of emigrants are able-bodied, middle-aged and high-skilled specialists.

At the contemporary stage an important peculiarity of the national labour market is the mixed type of conjuncture that formed from the ratio of labour demand and supply. Namely, under conditions of mass and chronic unemployment there is shortage of labour force of certain professions and qualifications that is conditioned due to the absence of appropriate system of training and retraining for skilled personnel and specialists. At that, in the country there is formed virtually closed labour market where employers solve the issue of staff recruitment by evading relevant offices involvement. Solution to the noted problem requires from economy the determination of demand on workers personnel and specialists and generally, development of relevant method for labour market

analysis and monitoring situation.

Imperfect functioning of the labour market speaks to the fact that low level of labour incomes of the employed in national economy conditions the problems of so-called “poor employees.” Smallness of incomes received from labour employment stimulates so-called “secondary employment” for employees. It should be noted that a large scale of “secondary employment” has a negative impact on labour market functioning as well as employees’ labour productivity and their health condition. However, in the existing situation it is the only real way for supplement to the incomes of many families;

Through the analysis of functioning of the Georgian labour market it can be outlined the following main problems and peculiarities:

- The labour market conjuncture where unemployment is mainly of prolonged nature became typical of the country; high unemployment level is also still stable in the country;
- Unemployment level in the Georgian regions is different, in some regions relatively low “statistical” level is conditioned by ineffective self-employment in agriculture;
- Among the unemployed there is a high share of those specialists who have higher education and this noted indicator is stable over the years. This points to the fact that received education, partially due to its low degree, in Georgian reality, can’t protect a citizen from unemployment risk.
- An adequate infrastructure system of labour market has not been formed in the country;

- There is a big difference between the supply and demand on labour force both in quantity and by professional and qualification structure.
- Regulating legislative basis for employment and socio-labour relations is imperfect;
- Scales of labour emigration, informal employment, hidden unemployment, incomplete and imperfect employment are quite large.

Difficulties in labour market functioning, many outstanding problems in the sphere of effective employment and unemployment require immediate State regulation of the labour market.

At present due to the existing situation it is expedient to pursue a policy favoring country's economic development and social protection of the unemployed and to take measures of employment active and passive policy. At that, the State employment policy must be closely related to the country's economic and social programs development. Otherwise its effective implementation will be impossible. This is required by the basic conventions of the International Labour Organization (on "Employment Policy," on "The Goals and Norms of Social Policy," on "The Development of Human Resources"), Georgia is attached to those conventions, and "European Social Charter." Adherence to their principles is one of the required preconditions for membership of the EU.

1.3. The Ways of the Development of the Labour Market Infrastructure

Achievement of the optimal convergence between supply and demand on labour force represents a criterion for effective functioning of labour market infrastructure. Concretely, the labour market infrastructure must fulfill the following functions:

- ***Labour mediation; professional training and re-training for the employed and unemployed;***
- ***Creation and maintenance of job places;***
- ***Informational provision of population.***

Formation of civilized labour market and its relevant infrastructure started in Georgia from the 1990s. Despite the short period of time, it can be outlined 7 stages in the development of infrastructure and activities of the employment State services.

Formulation of the legislative basis started at the first stage (1991-1993). In this regard, the important thing was the law adopted on July 25, 1991 “on employment” which determined the economic, organizational and legal grounds of Georgia’s population employment policy and social protection of the unemployed.⁵ The prioritized directions for the employment State policy were considered the following:

- Support and incentives for citizens labour initiatives;
- Provision of social protection for the unemployed;
- Support for population’s employment, maximum

⁵ Georgian government decree on «Social Guarantees for Population Employment» #19, 1991.

reduction of unemployment level;

➤ Coordination of the measures to be taken in the sphere of employment and in other directions of socio-economic policy.

On the basis of the above noted law (clause – 12) and the decree passed by the Georgian government were shaped the main subjects of the labour market infrastructure and determining and regulating organs of employment integrated State policy. Namely, at the Ministry of Labour, Social Affairs and Demography was established the employment State service in the form of integrated State fund of employment, State labour exchange, professional training and retraining system of the unemployed. The employment State service was bound to develop and realize relevant programs for population's employment and social protection of the unemployed.

The second stage of the employment State service (1994 – first half of 1998) virtually included again the formation of legislative basis for population's social protection and assistance system.

Some decrees restricted the system of social support provided by the law on employment.⁶

Distribution of family benefits started from the beginning of 1997.⁷ For example, the number of the unemployed receiving benefits in July of 1997 reached the maximum – 20.5 thousand people. In 1998 this indicator

⁶ See the Decree 634 of the Cabinet of Ministers of the Republic of Georgia on “Radical reform of price-forming and financial system, immediate measures for population social protection in the Republic of Georgia. September 5, 1993.

⁷ See the President's decree №184 on “Social (family) benefits,” December 25, 1996.

declined to 5.6 thousand people that was conditioned by some amendments made to the law “on employment.”⁸

The third stage (1998-1999). The Unified State Fund of Employment, Department of Employment and the Center for Professional Orientation and Training united on the basis of the United State Fund of Employment. Employment centers were established in towns and regions.

The fourth stage. The new structure⁹ of the United State Fund of Employment was founded and the main principle of its activity was transition to targeted programs financing.

The fifth stage is related to the new law “on employment” adopted on September 28, 2001 that shaped economic organizational and legal grounds of the state policy in the sphere of employment. The Ministry of Labour, Healthcare and Social Affairs of Georgia was recognized as the State organ for Regulation of the employment sphere. There was established a juridical person of public law “Employment State Service”¹⁰ whose main goal of activity became: a) support for realization of State policy in the sphere of employment and b) realization of the measures for social protection of the unemployed.

The sixth stage (end of 2004). The Employment Service was abolished and on its basis was created the State

⁸ See the Georgian law №1082 on “the changes and amendments “on employment” in the law of the Republic of Georgia.” November 12, 1997.

⁹ See the Georgian President’s decree №180 on “the tenet of the unified State fund of employment of Georgia, May 7, 2000.

¹⁰ See the President’s decree №63 on “Realization of the reforms in employment sphere,” February 21, 2001; 1996. The President’s decree №402 on “Juridical person of public law – the tenet of Employment State Service,” September 13, 2002.

Agency of Social Protection and Employment¹¹. Its goal is realization of State policy in the sphere of employment and social protection and taking measures for social benefits that are provided by the Georgian legislation. The agency carries out its activity under the direct supervision of the Ministry of Labour, Healthcare and Social Affairs.

Proceeding from the analysis of the labour market infrastructure and its formation stages we can draw the conclusion:

- Throughout the reorganization period the activity of the Employment State Service was confined mainly to pursuing passive policy on the labour market and substantial, effective measures for overcoming mass unemployment were not taken; effective policy of employment virtually was not pursued, and effectiveness of the programs realized in the sphere of employment was low;
- Virtually there is no mechanism for labour market research, analysis and forecast;
- Informational infrastructure of the Georgian labour market is unsatisfactory;
- The connection between employment central and regional services is weak that is expressed in the absence information exchange system. As a result this produced nonintegrated local labour markets which are in the process of development.

Proceeding from the above noted, the labour market infrastructure which is called to foster population's placing in jobs, professional orientation, professional training

¹¹ See the Georgian law №959 about the changes and amendments in the law "on employment." December 29, 2004.

and retraining, achievement of convergence between supply and demand on labour force, provision of contacts between employers and employees, coordination of activities of different organs and achievement of effective employment in the long run, it still cannot fulfill its main function.

For development of labour market infrastructure and perfection of its functioning we consider it is expedient to raise the issue of reinstatement of the employment service, naturally, with stronger functions than it had earlier. Namely, it must provide:

- Targeted expenditures of funds appropriated from the State budget for social protection of the unemployed and employment support programs that will stimulate the creation of new job places;
- Inculcation of practice for regulation of collective bargaining of social and labour relations between employers and employees within the frameworks of social partnership system. Collective agreements reached on the basis of collective bargaining must become the basis of the conclusion of individual labour contracts;
- Pursuance of effective employment policy with respect to the private agencies for the purpose of creation of competitive conditions, training and retraining of the unemployed considering labour market demands and development of programs for employment of low competitive groups;
- Taking measures necessary for employment of the youth and for increase of their competitiveness. Out of them the particular importance is attached to: financial support for enterprises employing the

youth; promotion of secondary vocational education system reinstatement, perfection and development, its adaptation to the market conditions, direction of its activity for the satisfaction of needs of regions.

- Creation of integrated information base about existing professions and vacancies;
- Conduction of monitoring for measures provided for social support for the unemployed and restriction of increase of unemployment;
- Development and realization of the branch and regional targeted programs.

We consider that employment services must provide the fulfillment of a set of specific analytical functions along with the above-noted ones:

- Study and forecast of the conjuncture of national and regional labour markets;
- Analysis and forecast of the changes of labour market capacity and structure;
- Analysis of the changes of economic, scientific-technical, demographic, social, ecological, legislative and other factors;
- Study of employment dynamics;
- Study of motivation of labour employers' behavior and its determining factors;
- Study and forecast of the structural changes of national economy; provision with labour force and determination of the tendencies of demand changes on it;
- Study of the structure of existing job places and their qualitative characteristics;
- Study and forecast of competitiveness of region's

labour force;

- Analysis of the cost and price of labour force in the total expenditure of labour;
- Analysis of factors affecting the price of labour force;
- Analysis of stimulating policy pursued in the sphere of employment;
- Analysis of the works conducted with the goal of professional orientation;
- Analysis of the reasons for labour migration in the country (regions);

Central and regional employment services must take on also marketing management functions of labour force:

- Strategic and operative planning of the marketing of labour force;
- Promotion of the development of business relations between social partners in the sphere of employment;
- Methodical provision of marketing activity in labour market;
- Promotion of the transformation of vocational training system considering the labour market demands on labour force.

Effectiveness of the activities of employment service must be periodically evaluated by the following indicators: unemployment level and dynamics entirely in the country and regions; length of unemployment; size of the unemployed; number of vacancies per unemployee; perfection and timeliness of the distribution of benefits; satisfaction level of the demand of employer and unemployee; training and retraining for the unemployed and so on.

II. DETERMINATION OF DEMAND ON LABOUR FORCE IN THE GEORGIAN NATIONAL AND LOCAL LABOUR MARKETS

2.1. Organizational and Methodological Problems of the Determination of Demand on Labour Force

Reduction of employment is the most difficult task. In order to solve this task it is necessary, along with the acceleration of economic development, **to conduct an in-depth research on the factors conditioning unemployment and to develop a mission-driven strategy.** It must form the basis for planning and realization of concrete programs for the promotion of employment.

The researches prove that among the reasons conditioning unemployment **in Georgia one of the main ones is the existence of structural and qualitative imbalance between supply and demand on labour force.** Namely, professional structure and training quality of the personnel trained in the country frequently doesn't correspond to the demands of employers. Personnel of some professions are trained in excessive number, and the demand on some professions is unsatisfied.¹² For reduction of the imbalance between supply and demand on labour force it is necessary to conduct systematic researches on employers demand and to strengthen orientation to the vocational training system on the labour market demand. This will favor

¹² See the reports of the researches conducted in 2007-2009 by the International Organization for Migration (IOM) for study of the demand on labour force (see the information about these researches at: www.iom.ge and www.jerc.ge); report of the research conducted in Poti in 2009 by BAC Gateway.

employment of job-seekers and increase of profitability of business as well. This, in turn, is a necessary precondition for creation of new job-places and reduction of unemployment.

Unfortunately, operative system of research on the demand of labour force has not been formed up to date in Georgia. Separate researches are conducted by various international and nongovernmental organizations, but these researches are not comprehensive and of systematic character. It is necessary to conduct researches on labour market in all regions periodically (for example, once in a year). Creation of the data base of research results and analysis of dynamics will increase the accuracy of the forecast of demand in prospect and will promote the balancing process of demand and supply in the labour market.

At present in Georgia in the sphere of labour demand there are not only organizational problems and difficulties (as is known, there is no relevant State structure whose function would be conduction of such researches, processing of data and creation of data base), but also of methodological character. Namely, **research methodology generally of labour market and specifically of employers demand on labour force, method and technique for the organization of national as well as local researches is to be developed.** Although separate institutions and researchers have developed concrete methods for conduction of similar researches and they are already in use, they require further study, systematization and formation in the form of methodology.

Unfortunately, in the country there is no institution of scientific-research profile that would work on the design

and development of the noted methodology. As is known, the “Scientific-Research Institute for the Organization of Labour and Production” attached to the Ministry of Labour, Healthcare and Social Affairs of Georgia was abolished in 2005 and creation of similar organizational institution is not expected in prospect. At the given stage of development we consider it expedient to create a scientific-research laboratory at Ivane Javakhishvili Tbilisi State University which would carry out in-depth study of the existing problems in the Georgian labour market and make scientifically grounded recommendations for overcoming those noted problems. This laboratory would be called to take on, along with other functions, the development of methodological principles of study of the demand on labour force, planning and realization of concrete researches and intensive involvement of students and youth in this process. In case of necessity the noted laboratory would receive and perform orders from business-subjects and teaching institutions in the field of labour demand and supply.

2.2. Demand on Labour Force in the National Labour Market

At the contemporary stage, discussion about demand on labour force in the Georgian national labour market is possible only in the form of assessment of general tendencies and problems.

As we have noted, in Georgia there is not formed a complex system for study of labour demand and supply and such researches are realized periodically by different

organizations, business-subjects and separate persons on the basis of various programs and orders. Out of them the researches conducted in 2007-2009 by the International Organization for Migration are distinguished by complex and in-depth approach. The goal of these researches was to study employers' demand on labour force in different sectors of economy and regions of Georgia. Namely, in 2007 the current and future demands on labour force were studied in 14 regions of Georgia in the following spheres of economic activity: 1. manufacturing industry; 2. construction; 3. tourism; 4. population (social and personal) service; 5. ports and their infrastructure. In 2008, in Tbilisi the demand on labour force in the spheres of transport, communications, public healthcare, financial mediation, pharmaceutical and insurance activities was studied in the framework of organized research. In 2009 the research was conducted in the Autonomous republic of Adjara and it covered the regional labour market. Besides the International Organization for Migration separate researches for study of employers demand on concrete kinds of professions were conducted also by the Ministry of Education and Science of Georgia. In 2009 the research for identification of the 5 most-demanded professions was conducted by the BAC Gateway in Poti.

Naturally, it's difficult to combine results of the researches of different scales and conducted in different time, but guided by them it is possible to outline a number of tendencies and problems existing in the Georgian labour market in the sphere of supply and demand on labour force. Namely:

- Between supply and demand on labour force

there is a significant quantitative imbalance, that conditions a high level of unemployment and tendency of its increase.

- Limitation of the possibilities of forecasting the demand on labour force conditions the fact that between the demand and supply of labour force in the country there is a sharp structural imbalance: a number of professional cadres are trained in excessive number (for example, lawyers, economists, journalists, doctors, pedagogues and others), while there is a unsatisfied demand on high-skilled engineers, technologists, technicians and mechanics, qualified workers personnel (electricians, welders, joiners, craftsmen, smiths, turners, waiters, culinary specialists, barmen, operators of construction and road building technical devices and many others). Unsatisfied demand is on a number of those professions which are trained excessively in the country. For example, under conditions of excessive number of economists there is a shortage of financiers-analysts, specialists with the knowledge of computer accounting; despite the fact that medical personnel are trained in excessive number there is a shortage of doctors-radiologists, doctors-reproduction specialists, dentists-implantology specialist and others); for agriculture there is a shortage of skilled agronomists, vets, entomologists, mechanics of agricultural technical devices and so on.
- A significant part of demanded professional

personnel is not trained in Georgia. These are professional personnel of average and high qualification. In the regions there is a shortage of personnel of such professions which are redundant in the country, namely in the capital. This can be explained by non-existence of forecasting system of the demand on labour force, ineffective management of education, absence of educational and teaching workshops of relevant profile as well as by incorrect professional orientation of the youth, absence of relevant infrastructure in the regions, large scales of migration from the regions and etc.

- Besides quantitative and structural imbalance existing between the demand and supply of labour force there is also qualitative imbalance. Namely, the quality of professional skills of the personnel trained in the country frequently doesn't meet the employers demands. The share of employers who are unsatisfied with the qualification of their employees is high almost in all the spheres of economic activities. This indicator fluctuates from 30% to 65%. Proceeding from the noted, it is necessary to perfect the training system of professional personnel by way of increasing the orientation to the demand of labour market, improving the quality of training, providing the territorial and economic accessibility, increasing the involvement of employers in training process.

Proceeding from the noted, satisfaction of qualified

labour force in Georgia, even under conditions of high level of unemployment, is somewhat problematic. The researches prove that 20-35% of employers have problems in the sphere of finding and recruiting personnel of required profession and qualification. Finding of high-skilled workers personnel is particularly problematic. 60-70% of so-called “problematic” personnel (for employers it’s difficult to find them) is just for qualified workers.

Employers try to satisfy the demand on labour force by way of organizing professional training at job places or sending their staff to the training courses, however, due to the restraints of financial resources a great share (50-55%) of employers is not able to take care of the qualification improvement of their staff. Recently organization and financing of training and retraining courses quite frequently is provided by various donor or nongovernmental organizations, but these courses in most cases are short-termed and the qualification received here don’t meet the demand of employers. Hence training of labour force for demanded qualification must become the main priority for the State. It will favour the solution of employment problems and promote the increase of business effectiveness.

An important way and remedy for the reduction of imbalance between demand and supply in the Georgian labour market are also the formation and development of the system of adults’ professional training, assessment, acknowledgement and confirmation of informal education. In recent years on the initiative of the European Training Foundation (ETF), collaboratively with the Ministry of Education and Science of Georgia, with the support of German public universities association (dvv-international)

and with participation Georgian association of adults education were developed the strategy for adults education, projects of necessary documents for formation of the system of assessment and acknowledgement of informal education. But these questions have not become components of the State policy yet. But otherwise continuous increase of labour market mobility and a great number of people, who gained qualification through informal way in the country, make the solution of the above noted tasks extremely urgent. This direction is also important for integration with the European Union and entering into the international labour market.

2.3. Demand on Labour Force in the Regional (Local) Labour Market (The Case of Shida Kartli)

Systematic research of the local labour markets is especially necessary in those regions where there is a high level of unemployment and grave social situation. Shida Kartli is one such region where as a result of military operations in the 1990s and in August of 2008 quite a great number of internally displaced persons have been concentrated. According to the data of the Ministry of Refugees and Accommodation of Georgia as of March 1, 2010 the number of internally displaced persons in Shida Kartli was approximately 15 thousand.

In the period after August of 2008 in Shida Kartli many various projects, among them, professional training

projects, are realized very intensively for the support of internally displaced persons employment, but effectiveness of these programs is significantly low because of the situation that they don't rely on the analysis of labour demand. Overcoming of the noted problem is possible by study of current and future demand on labour force. Comparative analysis of demand and supply will make it possible to plan and realize professional training programs for internally displaced persons more purposefully. This, in the long run, will promote their employment as well as economic development of the region.

Within the framework of the project of the Danish Refugee Council special research on the demand on labour force was conducted in Gori in February-March of 2010 which covered 100 enterprises with more than 10 people employed in each one.¹³ Coming out from the goals of the research, in selecting the objects the sphere of enterprises activity was also taken into account. The research covered the objects of almost all the spheres of activity in order to be provided the representativeness of the research results.

Through the research the responses were to be received on the main questions:

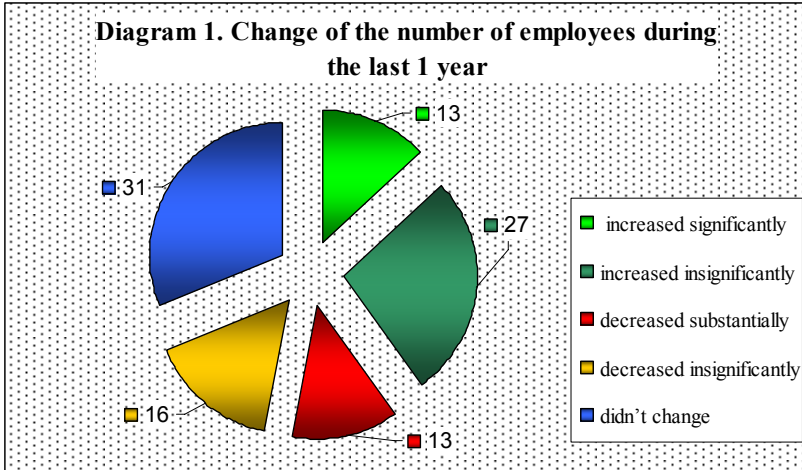
- How did the number of the employed in business-sector change during the last one year?

¹³ Selection by the noted criteria was conditioned by the fact that, on the one hand, additional demand on personnel is relatively limited in micro and macro-sized enterprises and through their research we wouldn't obtain required information; on the other hand, in the region there is not only a small number of large enterprises (over 100 employees), but also such enterprises where more than 50 people are employed. By the end of 2009 in Shida Kartli out of the operating enterprises only 53 ones had employed more than 50 people.

- Do employers have problems in the sphere of attracting personnel of desirable profession and qualification?
- Basically which categories and professions of personnel are problematic for attraction by employers?
- What is the degree of employers' satisfaction with the qualification of their employees? What is their activity in this sphere?
- Do they plan to change the number of employees in the near future?
- Basically what professional personnel will they need in the nearest one year and in future 2-3 years?
- Do employers need to retrain their employees and specifically in which professions?
- What are the hindering factors for them in expanding their business, creation of new job places and what ways do they see to solve the problems?

According to the survey results, during the last one year in Gori 26% of active medium-sized and small enterprises could expand business. 13% of the surveyed enterprises significantly increased the number of employees; 27% increased them insignificantly, and 29% of them decreased the number of employees (see diagram 1). The noted attests the reduction tendency of employees in business sector in Gori.¹⁴

¹⁴ According to the statistical data, in 2009, compared with 2008, in Shida Kartli the number of hired employees in juridical enterprises decreased almost by 2 thousand people. http://geostat.ge/?action=page&p_id=211&lang=geo



Relatively more new job places were created in the spheres of electric power, gas and water supply system, manufacturing industry,¹⁵ in the service spheres of cars, consumer technical devices and personal effects, also in the business of computer activities, education and public healthcare. The number of employees, in comparison with other spheres, decreased largely in the business related to hotels and restaurants, real estate sales and lease, also in construction, transport, communications, mining industry. Reduction of business in these spheres and the cut of job places are associated with the reduction of purchasing ability of the population that in its turn is conditioned by economic crisis and reduction of population's incomes.

Against the background of general reduction of the employees, naturally, there was a quite intensive movement of personnel. In the surveyed enterprises up to 300 persons got a job during the last one year. Their profes-

¹⁵ Manufacturing industry in Gori basically is presented by production of foodstuff (basically of bakeries) and enterprises producing wooden products.

sional composition is diverse and reflects the specificity of activity sphere of the concrete enterprise. **During the last one year, among those who got a job, the predominant professions were:** baker, pedagogue, cook, waiter, seller, economist, lawyer, builder of wide profile, pharmacist, driver, accountant, joiner, concrete worker, fitter, nurse, doctor-therapist, manager, IT specialist, mason, painter and so on.

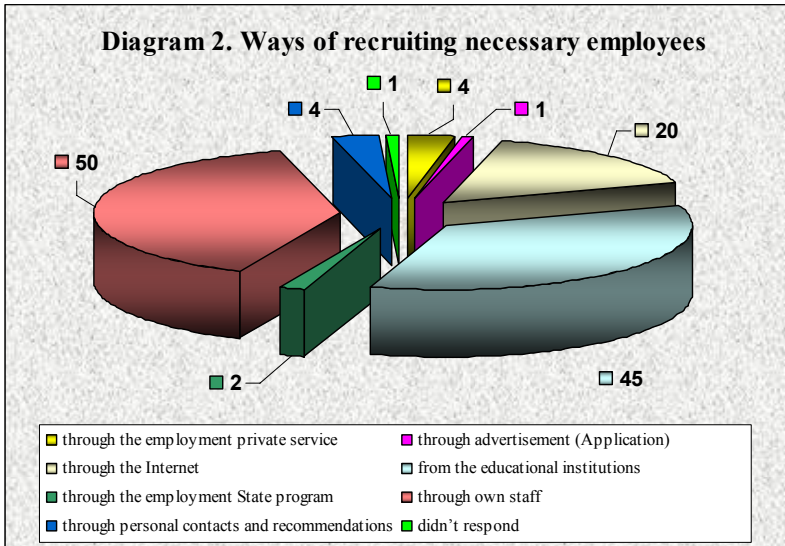
Through the survey it was found that **entrepreneurs basically recruit necessary personnel on the basis of personal contacts and on somebody's recommendation,**¹⁶ also through their staff and advertising applications (see diagram 2). 4% of employers recruit necessary personnel from vocational schools; the same percent of them use the service of special offices. Only 2% of employers use the Internet for the recruitment of personnel. This can be explained by the fact that the use of the Internet in the region of Shida Kartli is very low.¹⁷

Employers frequently use an interview method (in case of 82%) for the selection of employees; the next are an exam (28%) and the selection by application data (18%), however, in case of using these methods for selection, interviewing is a necessary step. According to the survey results, in selecting the personnel, 3% of the employers were assisted by special intermediary service. It

¹⁶ It should be noted that these ways of recruiting employees are widely used in other regions of Georgia. See the accounts of the research on employers demand on labour force. www.iom.ge

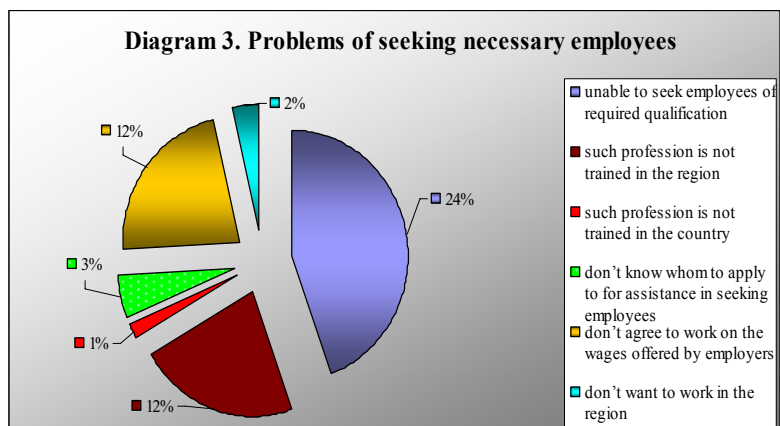
¹⁷ In Tbilisi, 24% of employers use the Internet in seeking personnel, 5% - in the AR of Adjara, (See the accounts of the research on employers demand on labour force. www.iom.ge)

should be noted that in the region (likewise in whole Georgia) there is demand on such kind of service, though undevelopment of the infrastructure of intermediary service, along with other reasons, was also conditioned by low solvency of entrepreneurs.



More than one third of employers have problems in recruiting necessary employees, and one of the main reasons for this is undevelopment of labour market infrastructure. A great share of employers (24%) is not able to find employees with required qualification; a part of them (4%) doesn't know whom to apply to for assistance in seeking employees. 12% of the employers noted that training of personnel necessary for them doesn't take place in the region (for example, doctors of different specialties, pedagogues, journalists, TV operators, electricians, cooks, bakers, confectioners, cosmetologists, printing trade worker, livestock specialist, auto electrician, cashbox re-

pairman, gas welder, carpenter and so on); 1% indicated that the profession which are necessary for them are not trained in the country.¹⁸ (for example, operators, engineers of construction and road building devices; technician, smith, turner, stone and marble processor and others); personnel of a number of professions are in the region but their professional qualification is not satisfactory for employers, or these personnel don't agree to work on the wages offered by employers (see diagram 3).



A category of the employed whose recruitment is problematic for the employers in Shida Kartli, are qualified workers as well as highly qualified specialists. At that, seeking of qualified workers is much problematic: 66% of hard-to-find personnel is for skilled workers, and 32% - for highly skilled specialists. As for unskilled and low-skilled labour force, their search, due to understandable reasons, is less problematic for employers.

¹⁸ According to the survey conducted in the AR of Adjara this indicator made up 15%.

The spectrum of those professions, which are hard-to-find in Shida Kartli, is quite wide. According to the survey, in Gori **the most problematic is seeking of qualified personnel with the following professions:** plumber, pharmacist, baker, carpenter, electric welder, sales consultant, cook, waiter, barman, manager, electrician, IT specialist (programmer), smith, mason, accountant, catering technologist, technician-engineer, operator and mechanic of construction devices, doctors of various specialties, pedagogues and so on.

Through the research it was found that one of the serious problems in Shida Kartli is a **low level of employees' labour skill**. Only 59% is satisfied with the skill of their employees; 41% is partially or completely unsatisfied. The share of those employers, who are not satisfied with the skill of their employees, is high in all the spheres of economic activity. According to the survey, **74% of entrepreneurs would elevate qualifications of their employees in various specialties in case of opportunities**.

Despite the high degree of dissatisfaction with employees' qualification, **only 18% of the surveyed employers systematically take measures for qualification development and improvement**; 29% does it periodically; 15% - rarely, and 38% doesn't pass such measures. In parallel with the increase of the number of employees, the share of those entrepreneurs grows whose leaders take care of the improvement of personnel's skill and vice versa.

Measures for the improvement of employees' qualification are more frequently taken by employers

from the sphere of public healthcare, education, financial mediation, construction, recreational and culture. 60-70% of the employers from the sphere of auto and consumer effects service, agriculture, manufacturing industry and trade take less care or don't take care of the improvement of employees' qualification at all.

The main reason why employers don't take measures for improvement of employees' qualification is the nonexistence of relevant finances: this reason was named by 54% of surveyed entrepreneurs. 15% of employers noted, that they cannot find instructors of proper qualification; 11% of them named absence of time for training, 8% notes that employees have not such desire and motivation; 6% considers that such training is not necessary.

A part of surveyed entrepreneurs named absence of vocational training in the region as the main problem for organization of their employees' training. It is obvious that all vocational schools for training of employees necessary for the region can't be in Shida Kartli, but organization of trainings by a number of professions in the region is possible and acceptable. As we have noted, seeking of persons with a number of professions in the region is problematic because these professions are not trained in the region, and their attraction from other regions is connected to many socio-economic difficulties.

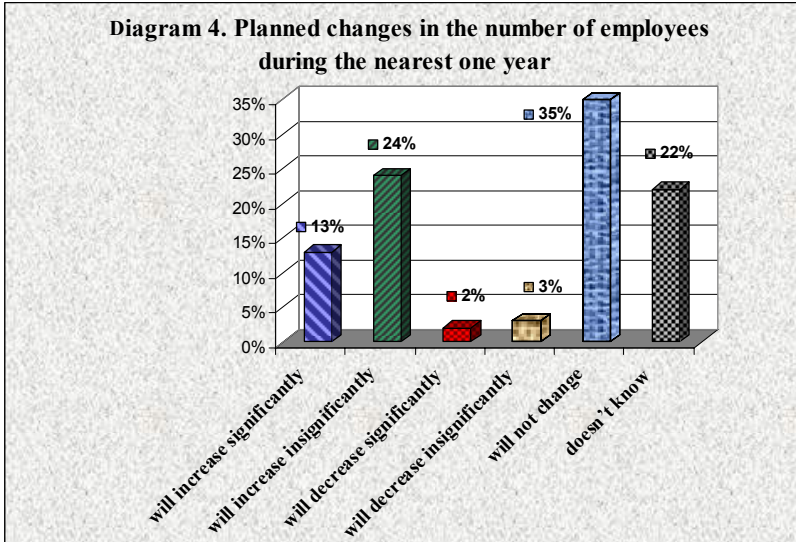
Entrepreneurs provide professional training and qualification improvement for needed personnel basically in the form of training directly at job places. Such a form of training is used by 72% of those entrepreneurs, which systematically or periodically provide such measures; 18% sends their staff for training to the special train-

ing centers; 3% provides training in their own training center; 5% of them send their staff abroad or invite trainers from abroad; 2% of employers are helped in this sphere by nongovernmental and donor organizations.

Of the enterprises which provide measures for the development of employees qualification, 70% of them fully finance the training themselves; on the occasion of 14% the training is provided jointly by financing of employers and employees; on the occasion of 8% - employees pay fully for training; 8% of training is financed by the Georgian government, nongovernmental and donor organizations.

Organization of various training courses fulfils a great role in satisfaction of the demand on personnel of so-called “problematic” professions. But such courses, in most cases, are short-termed and cannot provide training of high-skilled personnel. A shortage of high-skilled personnel is negatively reflected in labour productivity of employees and, in the long run, profitability of business. Just because of this it is necessary to study future demand on personnel and plan (realize) preliminary measures for training.

According to the survey results, 13% of the entrepreneurs have planned to increase a number of employees significantly in the near future; 24% is going to increase the number of employees insignificantly, and 5% is going to reduce the number of employees. 35% of surveyed entrepreneurs have not planned any changes, and 22% of them don't know how the number of employees will change in their enterprises. (see diagram 4).



Certainly, in that unstable economic situation, which is in Georgia, it is difficult to forecast with precision accuracy. But it is possible to assess the prospects of the changes of demands on a significant part of professions, and moreover, to the question: “What professions may you need during the nearest one year?” - 93% of entrepreneurs responded, and 78% responded to us about their 2-3 year perspectives.

According to the entrepreneurs’ estimation, during the nearest one year the demanded professions by the degree of demand¹⁹ are as follows: cook, waiter, baker, accountant, seller, driver, confectioner, barman, plumber, electrician, smith, painter, tinsmith, pedagogue (of foreign languages, general aptitude and abilities,

¹⁹ The sequence of named professions on the listing reflects the frequency of naming by employers, i.e. at first were named that profession which is needed by more employers and so on.

Georgian language, History, lecturers of higher educational institutions); pharmacist, doctor (dentist-therapist; reanimatologist; orthopedist; oculist; surgeon; doctor-therapist; urologist; endocrinologist; otolaryngologist; ophthalmologist, surgeon-dentist; obstetrician-gynecologist), electric welder, technician of enterprises installations, mechanic; tile specialist; carpenter; sawyer; consultant of sales; hairdresser, stylist; cosmetologist, masseur; manager; catering technologist; lawyer, tailor and others.

As for 2-3 year perspective, the structure of demanded professions is essentially the same, however, by the frequency of naming, the order of priority was somewhat corrected and ranked in the following way: cook, waiter, accountant, baker, driver, seller, carpenter, barman, pedagogue, doctor (orthopedist, surgeon-dentist, dentist-implantologist, obstetrician-gynecologist, urologist and others), economist, masseur, cosmetologist, confectioner, culinary specialist, mechanic (agricultural technical devices), pharmacist, technologist of pharmaceutical production, electric repairman, electric welder, painter, tailor, plumber, plasterer, tile specialist, auto diagnostic specialist, mechanic (of construction equipment); catering technologist engineer-builder, engineer-mechanic and others.

It's interesting if demanded professions are compared with that list of professions which are trained on the ground. According to the data of the Ministry of Education and Science of Georgia, as of February 2010, two licensed professional educational institutions functioned in Gori: 1) **Gori State University** (which provides higher

academic as well as higher professional and vocational educational programs) and 2) **Giorgi Khornauli Multi-Profile College** (which provides vocational educational programs). Professions, in which students are trained in Gori State University, are as follows:

By academic higher educational program: biologist, Geographer, mathematician, historian, specialist of Georgian and foreign languages; business organization and management; economics; finances and insurance; accounting and taxation; law, tourism, journalism.

By professional higher educational program: administration of hotels, restaurants and special events; administration of construction business; administration of small and medium-sized business.

By vocational educational program²⁰: mason, plasterer, fitter, moulder, electric fitter, electric welder, tile specialist, plumber, cattle breeder, gardener, vine-grower, plant-grower, milk processing specialist, fruit and vegetables processor. Besides, retraining for adults in the following specialties is in the process of planning: carpenter, joiner—machine-operator, veterinarian.

Giorgi Khornauli Multi-Profile College provides training in the following specialties: nurse, masseur, computer specialist, accountant, forester, timber processing specialist, herbal medicine.

Professional training center is functioning in the village of Khidistavi, near Gori, which trains personnel in the

²⁰ Vocational educational programs are carried out with technical and financial support of the UNDP.

following professions: personal computer user-operator, tile specialist, stylist, hairdresser, driver, auto-repairman-mechanic, mechanic of radio-TV apparatus, healing massage, culinary specialist, cook, dress-making, accountant, specialist in agricultural production, tractor driver-machinist.

As we see, personnel of many demanded professions are trained in Gori and its adjacent region. But the fact that seeking of the personnel with these professions is still problematic can be explained by two circumstances: 1) personnel in some professions are trained in less number than it is needed; 2) the level of qualification of the trained personnel is not satisfactory for employers. According to the professions the analysis of the number of trainees and the length of training confirms that both circumstances for Gori and entirely for Shida kartli (likewise for whole Georgia) are realistic. It must be taken into account in determining the admissible contingent and creating educational programs. Besides, there are professions which are demanded but for some reason their training doesn't take place in Gori (for example, waiter, baker, confectioner, barman, smith, painter, tinsmith, technician of enterprises devices, mechanic, sales consultant, cosmetologist, IT-specialist-programmer, catering technologist, operator and mechanic of construction devices, auto diagnostic specialist, and others). In prospect, for training of these personnel it is expedient to plan and carry out a set of activities from the side of the Government and donor organizations as well.

III. UNEMPLOYMENT AMONG INTERNALLY DISPLACED PERSONS AND THE WAYS OF IMPROVING EMPLOYMENT

3.1. Reasons for Unemployment of Internally Displaced Persons from Abkhazia and Tskhinvali Region

Sociological research was conducted to study the reasons for unemployment of internally displaced persons from Abkhazia and Tskhinvali regions. Namely, in April 2010, in Tbilisi and in Zugdidi internally displaced persons from Abkhazia and in Gori 202 unemployed internally displaced persons from Tskhinvali region were surveyed using a questionnaire based on interviewing method. In the process of the research the focus was shifted to the professional and qualification composition – professional skills and past work experience, as well as the reasons and length of unemployment, professional development opportunities and prospects. A special attention was paid to the study of the factors impeding job seeking and business starting. Internally displaced persons from both annexed regions – Abkhazia and Tskhinvali region were interviewed in the compact settlement areas.

Out of 202 interviewed people 59 per cent were male and 41 percent female respondents. The majority of the respondents were 30-49 years old, 18 per cent were above 50 and 26 per cent were young people below 29 years of age.

A half of the surveyed people have higher education (the share of people with higher education is 71 per cent

among the internally displaced persons from Abkhazia and 28 per cent among the internally displaced persons from Tskhinvali region. As a rule, education protects people from unemployment risk but this does not correspond with the reality of Georgia. 31 per cent of the respondents have secondary special and secondary professional education, while 19 per cent _ general secondary education (profession based on the education is foreseen for the elaboration and implementation of professional development and targeted employment programs).

48 per cent of the surveyed 202 respondents indicate that only one member of their families is employed. This is an important manifestation of the high rate of unemployment among internally displaced persons. The share of the families with 2 or 3 employed members is very small (9 per cent and 3 per cent, respectively). 37 per cent of the respondents indicated that none of the able-bodied members of their families was employed. It should also be mentioned that the internally displaced persons living in Tbilisi and Zugdidi are depended only on money incomes (aid, pension, salary, money income received from self-employment, etc). The same can be said about the internally displaced persons from Tskhinvali region. Although they have plots of 1500 square meters in the ownership and can earn additional income in natural form, the majority of internally displaced persons do not cultivate the land because the plots are unprotected and they are unable to surround them with the fence.

The acuteness of the unemployment problem is confirmed by the fact that the majority of IDPs family members who are able-bodied are unemployed. To the question “how many able-bodied members of your family are un-

employed,” 18 per cent of respondents answered that one able-bodied member of their families was out of a job. 41 per cent indicated that there were 2 unemployed members in their families, 24 per cent said – three members and the rest of families (18 per cent of the surveyed) had 4 or more able-bodied unemployed members. Mass unemployment of the able-bodied people is equally severe for IDPs from Abkhazia and Tskhinvali regions.

A large part of the surveyed unemployed people has some working experience. 14 per cent were previously employed in agricultural sector. This sector employed 21 per cent of IDPs from Tskhinvali region and 7 per cent of IDPs from Abkhazia. Before losing the jobs, 3 per cent of the respondents were employed in industry, 13 per cent in construction, 16 per cent in - trade, 7 per cent in - education, 6 per cent in health care, etc. 12 per cent of surveyed respondents have never been employed. Considering the age composition of the surveyed people, it can be assumed that a large part of them are graduates of various higher educational institutions, who first entered the labour market and could not find jobs for several years.

In our view, the working experience of the IDPs should be taken into consideration in designing the professional development programs.

During the period of work a large part of the surveyed (69 per cent) was hired on the basis of contracts of various lengths. Namely, 40 per cent were hired for indefinite period, 15 per cent –for fixed period, 12 per cent as full time workers, 2 per cent as part time workers. 6 per cent were employed – on seasonal basis and 3 per cent – on intermittent basis. The share of the self-employed was only 10 per cent among the employed people, which indi-

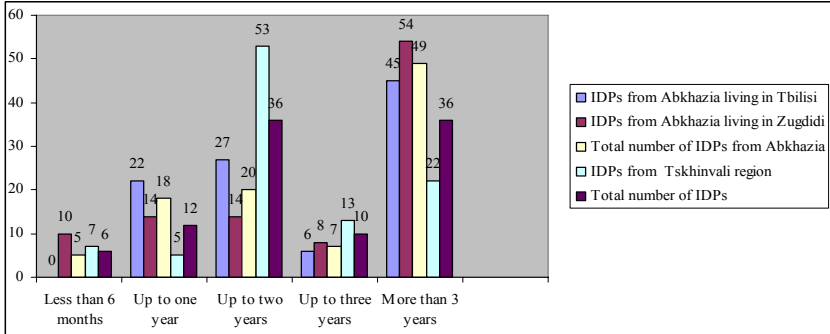
cates the lack of experience in conducting own business. The low rate of self-employment should be another reference point when planning the concrete directions of professional development of the unemployed.

The analysis of the general professional length of service of the IDPs showed, that its duration is small. Average annual length of professional and working experience is almost the same and its duration is less than nine years. For women the overall length of work service is 10.2 years and it exceeds the length of professional service by 2.1 years. The lack of length of work service among the men is worth a special attention. Considering the fact, that 74 per cent of the surveyed people is the population above 30 years and their length of work service does not exceed 8.4 years, we can make a rather realistic assumption, that unemployment among men is not only a current problem.

The peculiarities of IDPs unemployment can be discussed according to its length (Diagram 5). One of the characteristics of unemployment is its long-term nature. The research outcomes enable us to discuss the issue in more details. 36 per cent of the unemployed has been without jobs for more than 3 years. The length of unemployment is especially disturbing among the refugees from Abkhazia. 49 per cent of the respondents has not been employed for more than 3 years, the length of unemployment period of the 7 per cent of the surveyed lasts up to three years, that of 20 per cent _ up to 2 years. Most part of the IDPs from Tskhinvali – 53 per cent has been unemployed for about 2 years. The share of the people without jobs for more than 3 years is also high (22 per cent).

Diagram 5

Distribution of the respondents by the length of unemployment (%)



Long term unemployment raises serious problems such as economic (absence of incomes), social (deterioration of psychic and physical health, deviated social behaviour, etc) and political (increase in the number of discontent and aggressive people). Long lasting unemployment reduces the level of professional and qualification. Such people need more time to get adapted again with the job. Moreover, at any competitive enterprise the innovation processes take place and as a result of technical progress the production technologies are changing. Under the circumstances his/her qualification may turn out to be outmoded. It will take the unemployed much time for professional retraining, which is also related to large financial expenses.

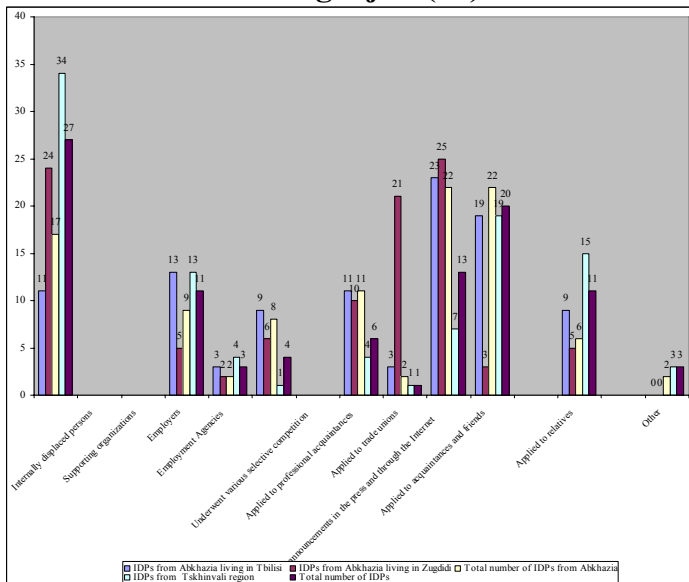
It is noteworthy that the main cause of losing jobs is the forced displacement. 47 per cent of the respondents lost their jobs owing to this reason. From Tskhinvali region 69 per cent and from Abkhazia 23 per cent of the respondents named it as the reason for their unemployment. The latter indicator once again confirms the chronic character of un-

employment. It can be concluded that one part of the IDPs has not been employed at all for almost two decades. 33 per cent of the respondents name the closure of the employer organization the reason for losing their jobs.

Part of the unemployed, 27 per cent, applies to the organizations supporting IDPs during the job seeking. (The Ministry of Refugees and Settlement, local municipal bodies), part of them tries to get job with the help of friends (20 per cent) and relatives (11 per cent), 13 per cent rely on the information in newspapers and Internet and part of IDPs (11 per cent) applies directly to the employers – entrepreneurs. They rarely use the service of employment agencies. Trade unions are almost never applied to (Diagram 6).

Diagram 6

Distribution of the respondents by the methods of seeking a job (%)



Most of the IDPs wish to get full-time jobs. 53 per cent of the respondents seek only full-time jobs, 38 per cent wish to work full-time, but they would agree to work part time as well. When the IDPs from Tskhinvali Region were asked why they wished to get only full time jobs, they answered that the wages are low and the large part of the income from working part-time would only cover traveling and food costs of the employee. In this case they would not be able to provide families with essential goods and services. Moreover, they are not engaged in agricultural activities.

The unemployed population emphasizes the following problems during the job seeking: 27 per cent cannot find jobs relevant to their profession and qualification, approximately half of them (49 per cent) cannot find jobs at all, despite their professions and qualification. 9 per cent of the respondents regarded extremely low wages as the main difficulty of finding job, 5 per cent named lack of foreign language skills and 9 per cent were refused to be employed because of their age.

Proceeding from the problems related to starting work, it is logical, that unemployed are not very pretentious about the jobs. However, the question “where do you prefer to start work” enabled them to express their attitude to job choice. 37 per cent of the respondents prefer to work by their professions, 45 per cent are indifferent about profession, the main thing for them is to find any job; 12 per cent prefer to work in the public sector. 20 per cent of IDPs from Abkhazia and 3 per cent of IDPs from Tskhinvali region preferred to work in the public sector. In our view, such differences may be explained by the previous working experience and professions. It should be men-

tioned that the willingness to be employed in private sector was expressed only by the IPDs from Abkhazia (13 per cent of respondents in Tbilisi and 10 per cent of respondents in Zugdidi).

The attitude of the respondents towards the need of professional retraining or obtaining a new profession is various across the regions. 20 per cent of the IPDs from Abkhazia consider that they need retraining and new profession. The same was the share of the respondents who answered the question negatively, while 61 per cent thinks that retraining and obtaining of a new profession is a good idea. Only 10 per cent of the IDPs from Tskhinvali region think that they need retraining, 42 per cent consider it unnecessary and 47 per cent indicated that it would advisable.

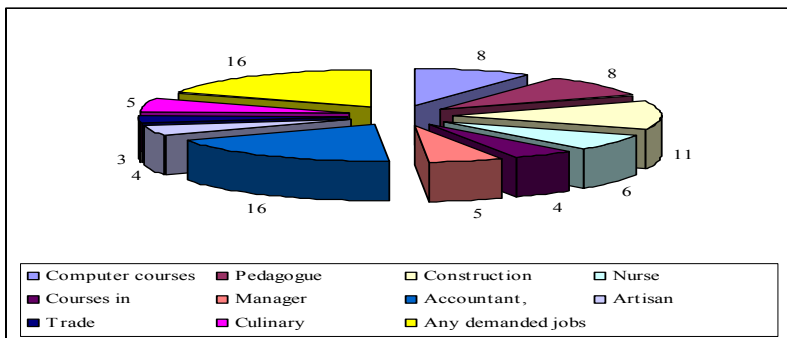
Not so active attitude of the IDPs towards retraining and new professions under conditions of mass, long-term unemployment is rather disturbing. During the research we tried to get more insight into the problem and asked the IDPs from Tskhinvali region to provide additional information about their considerations on professional retraining. It turned out that a part of them had had stylist or computer Office Programs professional training courses and obtained appropriate certificates, but could not find any job (provisional, constant, intermittent). This fact is further troublesome, because the settlement where the investigation took place was near Gori and we can assume that the labour market of the City is saturated with the people of the above-mentioned specialties.

Based on the gained experience and real employment opportunities the unemployed people choose their profes-

sions (specialties) and wish relevant retraining. Despite this the obtained specialty is paid attention. Among the unemployed who expressed willingness to be retrained, 16 per cent wish to be retrained in the specialty, which guarantees them to get jobs. The same share wishes to have training in accounting and economics, 11 per cent prefer specialties related to construction, 5 per cent - in culinary, etc. It is noteworthy, that one part of the unemployed is willing to be trained in the specialties, which they had got at higher educational institutions and have some working experience. These are teachers, managers, agronomists, doctors, lawyers, PR specialists (Diagram 7).

Diagram 7

Distribution of the respondents by the answers to the question: **“If you consider retraining necessary, in which profession (specialty) would you wish?”** (%)



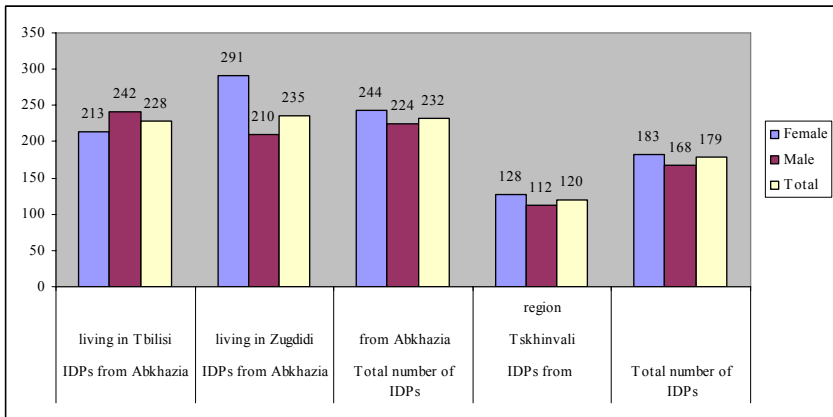
A large part of the surveyed unemployed actively seeks job. As the survey material analysis shows one part of them doesn't seek jobs, not because they do not wish to work, but because they are hopeless about finding jobs. This hopelessness was named by 85 per cent of the re-

spondents as the main cause of stopping the active searching of jobs. 8 per cent do not seek jobs because of their health problems, 6 per cent – because of domestic reasons (bringing up children or looking after the old) and 2 per cent currently does not want to work.

As we have already mentioned, most part of the able-bodied members of the respondents’ families have been unemployed for years. Of course, it affects the incomes of their families. On average, the income of the IDP’s family is below 180 GEL, which often, considering the number of family members can not satisfy the minimal living standard (Diagram8).

Diagram 8

Respondents average monthly salary (lari)



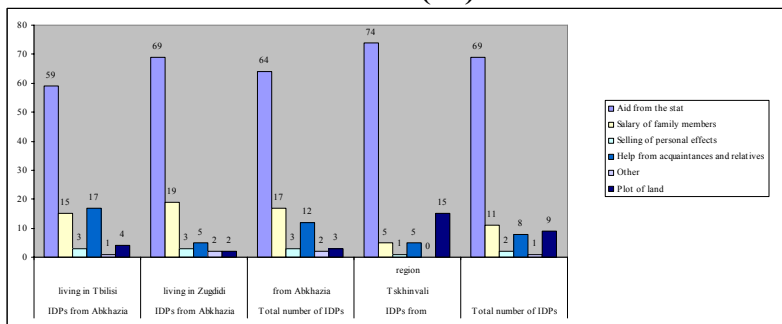
The situation is especially grave among the IDPs from Tskhinvali region. (The monthly income of a family is 120 GEL, which is almost two times less than the average family income of the IDPs from Abkhazia. Considering the length of being displaced (which is a troublesome

situation), they have got more adapted with the new living environment and more family members are employed compared with the IDPs from Tskhinvali region.

Because of the small amount of family incomes, it is logical, that for the most part of the families (69 per cent), the main source of income is governmental aid (Diagram 9). The governmental aid was named as the main source of incomes by 64 per cent of the respondents from Abkhazia and 74 per cent from Tskhinvali region. 11 per cent (17 per cent of IDPs from Abkhazia and 5 per cent of IDPs from Tskhinvali region) of respondents indicated that the main source of family income is the salary of the employed members, 8 per cent named aid of friends and relatives (such traditional feature of Georgia as the aid of friends and relatives was named rarely by the surveyed from Tskhinvali region. They regretfully note that most of their close relatives are also IDPs and cannot get aid from them. Because of their helpless situation, they have difficulties even to visit and see their relatives and are unable to give aid to them).

Diagram 9

Distribution of the respondents by the sources of incomes (%)



Selling of private belongings as a source of income was named by 2 per cent, and income from land – by 9 per cent. The income from land cultivation is the main source of income for 15 per cent of IDPs from Tskhinvali region. As we noted above, the majority of families cannot cultivate the land. Proceeding from the agricultural traditions of the region and the land productivity, the governmental assistance to the families in enclosing the plots and improvement of the irrigation system would be valuable indeed.

The efforts made by the population for starting small business indicate to the economic activeness and search of the additional income sources. More than half of the respondents 54 per cent – pointed out that they had several efforts to start their own business (the IDPs from Abkhazia show more activeness, their 60 per cent tried to undertake their own business). The respondents at the same time mention the factors impeding the maintenance and development of the business. The main cause named was lack of capital. The insufficient level of capital was indicated by 65 per cent of respondents as the main impeding factor for maintaining business. Administrative and bureaucratic obstacles were named by 8 per cent, lack of education and experience - by 2 per cent, uncompetitive environment by 8 per cent, lack of demand for goods and services - by 13 per cent. (The IDPs from Tskhinvali region in their conversations with the interviewers indicated that with the assistance of non-governmental organizations they had special training courses, received credits from banks and opened beauty salons in their settlement territories, as well as several food and primary goods retail trade units, but they could not maintain them owing to the low purchasing power of the population).

It is noteworthy that the respondents almost do not mention corruption as an impediment to starting a new business (this reason was named only by 1 per cent).

3.2. Unemployed Internally Displaced Persons' Socio-Demographic and Professional Qualification Structure and Its Relevance to the Labour Demand in the Labour Market

The research enabled us to determine internally displaced persons professional mobility and possibilities of gaining a foothold in the labour market. It was found that the majority of specialists with higher education maintained the same profession that had received by education (90% of pedagogues and 89% of economists). 22% of engineers had to change their professions. They got employed in low-skilled jobs (workmanship, drivers and so on).

67% of the IDP respondents said that besides their own profession they could work by other two or more professions. This was declared by 2/3 of pedagogues, nurses and lawyers; a half of economists, agronomists and 82% of engineers that points to their high labour mobility. Because they couldn't find a job suitable for their education, they were forced to take jobs of other kinds to get a foothold on the labour market. The research showed that prior to their unemployment, out of the IDP respondent-pedagogues only 38% was employed in the system of education, 33% had never been employed at all. Only 25% of doctors were employed in the system of public health-care, 53% of nurses. At that, it was found that 25% of lawyers had never been employed at all, only a half of artists were engaged in their own business. The research

showed that there are large scales of structural unemployment both among IDPs and in the whole Georgian labour market. This, on the one hand, is conditioned by that turmoil which exists in the system of professional training, on the other hand, by population's misconception about some professions. For example, receiving specialties of economist and lawyer, in their opinion, gives them more chance to gain a foothold in the labour market. The third reason for existing situation can be considered a low quality of professional training (of pedagogues, engineers).

Prolonged unemployment is common most of all to the higher educated pedagogues, economists, doctors and representatives from the sphere of culture.

In finding the reasons of unemployment, the analysis by separate professions showed that due to the fall of production the closure of enterprises inflicted on lawyers and engineers in particular. They noted that the reason for losing their recent jobs was the abolishment of their offices.

Due to the forced displacement a half of pedagogues, doctors, economists and artisans, 80% of drivers, 70% of workers lost their jobs.

The research showed that in seeking the jobs, people of separate professions use different ways. For example, lawyers seek to find a job through selection competition, announcements in papers and the Internet; economist seek to find a job using all ways, although for help they basically turn to their acquaintances and friends, the Internet and organizations supporting the internally displaced persons. In seeking jobs engineers rely on their acquaintances, friends and relatives.

In seeking jobs, artisans, drivers and workers basically turn to the organizations supporting the internally

displaced persons, directly to employers and acquaintances and friends.

Those persons without professions, seek jobs through acquaintances, friends and relatives.

It should be noted the fact that respondents confidence is very low in employment agencies, selection competitions and particularly about trade unions. Unfortunately, employment agencies more frequently fulfill functions only for registration of vacancies and unemployees than the function for employers and unemployees interconnection; for this reason their activity is less effective and mistrust of trade unions in the Georgian labour market can be explained by their weakness.

As it was noted, respondents demand is on such job places, where they could be engaged during full working time. Pedagogues most of all agree to take part-time jobs, drivers and artisans agree at the very least to take part-time job.

40% of respondent-teachers cannot find a job by their profession, 37% - any kind of jobs. Doctors and lawyers are almost in the same situation. 90% of workers, 76% of drivers and those who have not professions (62.5%) cannot find any kind of jobs.

In seeking jobs, pedagogues, engineers and economists complain of age discrimination. In the conditions of choice, a half of the persons with higher education, 65-67% of drivers and artisans prefer to start a job in their professions. 80% of workers and 62.5% of nurses agree to take a job of any kind.

The attitude of respondents of separate professions towards professional retraining is the following: a) the majority of drivers consider that they don't need any kind of

retraining; b) the majority (55-80%) of specialist with higher education is aware of the necessity of transition to the continuous education system and considers that retraining would be useful, but in which direction, the responses by specialties are different. Namely, 35.7% of pedagogues wish to develop their qualification in their professions, 16% has a wish to be retrained as an accountant or economist. Over a half (53%) of doctors, nurses and lawyers wish to develop their qualification by their profession. Every sixth lawyer wishes to take courses in English language. 38% of economists consider that deepening of their knowledge in their own profession would be very useful; only 21% agrees to be retrained in that profession which is demanded; 18% wishes to take computer courses.

Those who have not specialty, agree to be trained in that specialty which will be demanded. It is observed that there is an inclination towards the training in the specialties of construction and craftsmanship. Agronomists, by education, consider that their professional function is exhausted in the places where IDPs are settled compactly and agree to be trained as economists. The majority of engineers consider to be retrained in those professions which will be demanded.

The analysis of the IDPs' business activities, which was done on the basis of profession, showed that engineers (78%) and economists (70%) are the most active. As the general analysis showed the main hindering factor for launched activity is insufficient capital. However, it should be noted that every fourth engineer and every sixth economist indicate an insufficient demand on production as a reason for failure. This attests to their unqualified business-planned work. We consider it necessary that assignment of credits should follow their training, which

will be directed towards the provision of effectiveness of their business activities.

The responses of the respondents to the question: “What are your suggestions regarding your placement in a job,” are very multifarious. They say that they have the idea to be engaged in the business of furniture restoration, to open a bakery, to cultivate land plot (this idea is dominant among the IDPs from Abkhazia), to start bee-keeping, to build a poultry mini-farm, swine farm, to open a workshop for auto service and so on. However, there were complaints that the banks don't make loans because of unemployment, whereas the demand for micro-credits from them is high.

The research analysis by sex showed that 79.5% of women and 68% of men are married. The share of the unmarried is high among men (28.6%). Particularly, a high share of the unmarried is among the IDPs from Abkhazia living in Tbilisi. This is conditioned by the fact that a significant share of this contingent is under age 29. The share of women is high among the respondents with specialized secondary education. Feminization of the specialty of pedagogue is characteristic of the whole Georgia as well as IDP respondents. Males are mostly distinguished by professional mobility; namely, 2/3 of males can work by two or more professions while 56.3% of females say that they can work only by one profession. Internally displaced males from Abkhazia are more mobile than internally displaced males from Tskhinvali. (Diagram10).

Prior to unemployment, the main sphere of females' employment was trade, for males – construction and agriculture. In the territorial context the analysis of the activities of separate sex showed that the main sphere of activity

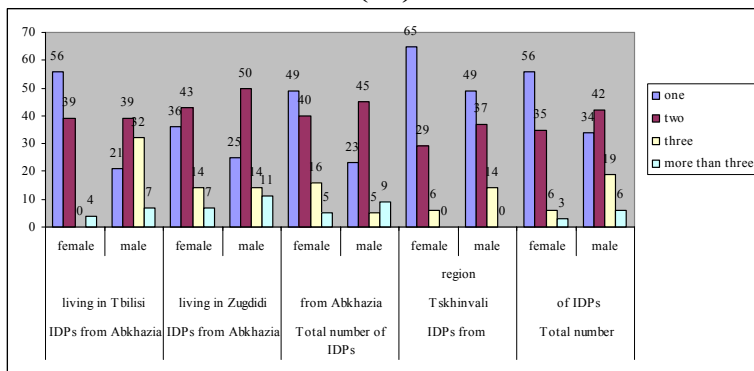
for internally displaced woman from Abkhazia is trade and education, for internally displaced women from Tskhinvali – agriculture and housekeeping. As for males, internally displaced males from Abkhazia mainly were engaged in construction and trade, IDPs from the region of Tskhinvali – in construction and agriculture.

The analysis by the status of employment showed that every fifth male and every sixth female were self-employed. The share of the self-employed was higher among the IDPs from the region of Tskhinvali than among the IDPs from Abkhazia.

Prolonged, almost chronic unemployment mostly is characteristic of females. 47% of the internally displaced women have been unemployed for more than three years. Among the long unemployed the share of the IDPs-females (70.3%) from Abkhazia is higher; especially, the IDPs-females (79%) in Zugdidi are long unemployed.

Diagram 10

Distribution of the respondents by the answers to the question: “In how many professions can you work?”
(%)



The main reason for losing their last job for the IDPs from Tskhinvali was forced displacement, while for the IDPs from Abkhazia the reason was abolition of their offices. Females from Tskhinvali complain more about low wages that is conditioned by the main sphere of their employment.

The ways of seeking a job are almost the same for males and females. However, the IDPs-females from Abkhazia seek jobs mostly through the press, Internet, acquaintances and friends, while a third of the IDPs-females from Tskhinvali turn to the organizations supporting IDPs, then to acquaintances and friends. Unlike males, females mostly agree to be employed in part-time jobs.

Internally displaced women in the regions (50% in Zugdidi, 57% in Gori) cannot find any kind of jobs. Especially, males from Tskhinvali region are in abysmal situation. 76% of IDPs-males from this region said that they could not find any kind of job. They noted that the works on privatized land plots don't give them any income. On the one hand they consider that in distributing land plots there were made errors. Namely, the families which earlier lived on the incomes from fruit gardens and had knowledge and experience for their growing and keeping, were given the land plots where there was not even a single multi-year fruit trees, while the families which had not any experience in this sphere, were given land plots with multi-year fruit trees on them. On the other hand, the accessible ways to the land plots are so bad that it is impossible to reach the land plots. Besides, the harvest frequently gets in the hands of criminals and they are less protected.

The IDPs-females (29%) who were surveyed in Tbilisi complain about age discrimination. (Diagram 11).

Females agree more to take any kind of jobs than males. Such attitude especially is expressed among the IDPs from Tskhinvali region. Namely, 64% of females said that they agree to take any kind of jobs, while 49% of males have such attitude.

On the question: “Do you think that professional retraining is necessary?” nearly 80% of females consider that this is necessary or it wouldn’t be bad. (Diagram12).

The share of males is twice higher who consider that retraining is not necessary. Two thirds of male respondents don’t object to retraining.

The research showed that females require to be retrained as nurses, accountant; they wish to take computer courses and develop their qualification in the profession of pedagogue. The males consider that first of all they wish to be retrained in those professions which will be demanded (Especially this opinion was expressed among the IDPs-males from Abkhazia living in Tbilisi). Besides, they wish to be retrained as construction specialists and accountants.

Diagram 11

Distribution of the respondents by the answers to the question: “What kind of difficulties do you encounter in seeking a job?” (%)

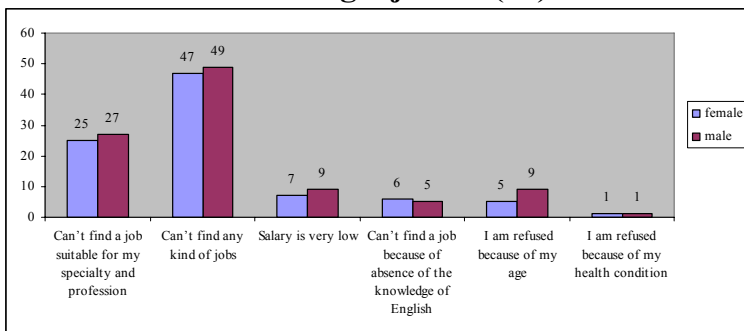
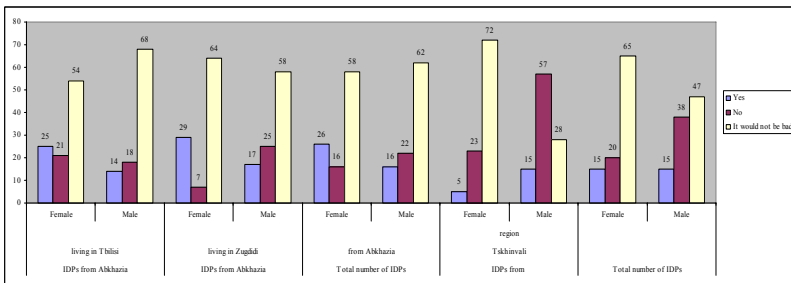


Diagram 12

**Distribution of the respondents by the answers to the question:
“Do you consider your retraining in new profession necessary?”(%)**



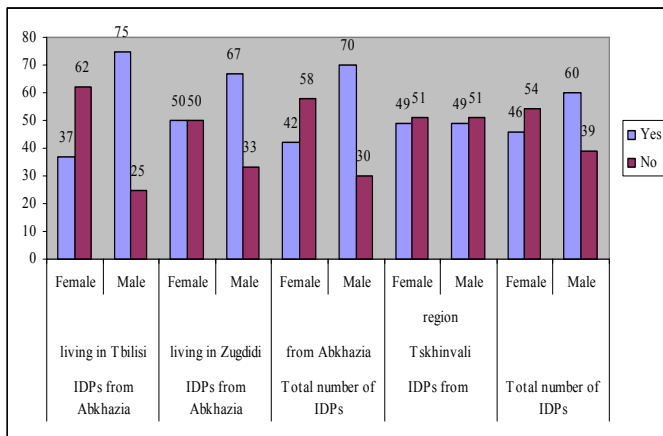
The analysis of this question in territorial context showed that the IDPs-females from Abkhazia living in Tbilisi are willing to be retrained mainly as nurses and accountants; the IDPs-females living in Zugdidi wish to be retrained as accountants, and pedagogues – to develop their qualification. However, every sixth agree to be retrained as a specialist in trade. The IDPs-females from Tskhinvali wish to be retrained as nurses and to take computer courses. 12% of them wish to take courses in culinary.

As for females, the IDPs-males from Abkhazia living in Zugdidi are willing to be retrained mainly as accountant. In this region they are more interested to gain this specialty than females. A half of the IDPs-males from Tskhinvali region wish to be retrained as a specialist in construction.

It was found that, males are more active in business activities than females (Diagram13), especially the IDPs from Abkhazia living in Tbilisi. Females’ business activities are relatively high among the IDPs-female respondents living in Zugdidi (50%) and Tskhinvali region (49%). In this respect, both females and males equally name insufficient capital as a reason for failure. However, it should be noted that besides this reason, males complain more about the absence of demand on production and uncompetitive environment than females.

Diagram 13

Distribution of the respondents by the answers to the question: “Did you make any efforts to start your own business in the period of unemployment?”(%)



3.3. The Ways of Improving Employment for Internally Displaced Persons

The situation created by the armed conflicts essentially changed internally displaced population's from Abkhazia and Tskhinvali region economic, socio-psychological environment and values. Consequently, they are forced to adapt to new socio-economic environment. Naturally, such adaptation is connected with considerable difficulties. Thus, the existence of systemic, scientifically grounded, practically steady plan for action, which must be outlined as a prioritized direction of the socio-economic policy of the state and its realization must serve the improvement of socio-economic situation of this part of population, is necessary.

To alleviate a grave economic situation of the internally displaced persons and to resolve an employment problem in prospect a great importance is attached to the formulation of organizational and economic measures by joint effort of the relevant structures that will be oriented to their placement in jobs and adaptation. In order to increase competitiveness of internally displaced persons in the labour market, it is necessary to work out and realize targeted regional programs of employment. Targeted programs of employment must become remedies for realization of the employment State policy which in turn will be directed to the eradication of mass unemployment of internally displaced persons, for increase of their competitiveness and mobility in the labour market, for promotion of small and medium-sized business, individual entrepreneurs, for alleviation of the consequences of prolonged unemployment.

Targeted programs of employment on a regional or

urban scale must provide for:

- organization of temporary and social works;
- promotion of entrepreneurial activities – development of small and medium-sized business;
- retraining of the unemployed by received profession or training in a new specialty which will be based on the existing demand from entrepreneurs;
- promotion of the disabled persons employment;
- restoration of the system of secondary vocational education and training of young specialists.

Organization of temporary and social works. Following from the grave economic situation and mass employment of internally displaced persons, we consider that their temporary employment must be outlined as a prioritized direction.

For unemployed population and especially for the youth which start labour activities for the first time, the main goal for attraction to the public works must be their material support, maintenance of motivation and formation of labour skills.

It is necessary to develop a special program oriented to employment, and for its realization a foremost importance will be attached to the settlement of organizational issues. It is necessary to inculcate a concerted, coordinated cooperation between self-governance, employment service and employers in Georgia's practice. The goal of noted programs must be not only a one-time organization of public works and temporary employment, but also an enhancement of the prestige of public works – on the basis of expansion of intellectual works.

Promotion of entrepreneurial activities – small and medium-sized business. Support for the entrepreneur-

rial initiative from the government must be considered as one of the strategic directions of the settlement of employment problems of internally displaced persons and their adaptation to the labour market.

The current radical structural changes in country's economy, introduction of multi-forms of properties, development of the modern forms of services , integration with the leading world countries and so on, represents a good precondition for expansion of employment and creation of new job places. We consider, that employment State services must exploit favourable economic environment for alleviation of current tension in the labour market; it is necessary to activate works for the expansion of effective self-employment. On its turn, an effective self-employment needs support of entrepreneurial initiative, and we consider that its main directions must be the following:

- education of unemployed internally displaced persons in the fundamentals of entrepreneurial activity with the goal of promotion for starting and developing their own business (and what is more, a certain part of them have made an attempt);
- legal and financial support in the organization of personal activities, assistance in finding donor organizations;
- formation of special mobile centres with the goal of consultations for unemployed persons, and for effective realization of entrepreneurial activity;
- Cooperation with the organizations supporting small business in the matter of financial assistance and organization in personal business of the internally displaced persons;

- foremost support in employment of unemployed youth in prioritized spheres – tourism, financial mediation, hotels and restaurants, transport, informational provision and so on.

Retraining for the unemployed by received profession or training in new specialties.

As the investigation showed, among the internally displaced persons the share of specialists with higher education is high. Received education, as we have noted many times in our scientific researches and publications, mainly due to its low degree, protects a citizen less in Georgian reality from the risk of unemployment. Sharp rectification of this shortcoming is impossible and it is a separate subject for debate. At this stage, unemployed specialists training and retraining in right direction – according to the labour market demands, in short-term period will already be reflected positively on the possibilities of their employment. We consider that the State must fulfil a decisive role in realization of the above noted.

In this direction the relevant offices in their activity must set the following urgent tasks:

- permanent study of employers demands and their consideration in the training and retraining process;
- identification and justification of prioritized spheres of labour activity;
- organization of professional training courses specifically for unemployed internally displaced persons;
- purposeful selection of the contingent for retraining, optimization of training terms and training expenses;
- provision of alternative sources along with budgetary financing for expansion of retraining programs;
- realization of permanent monitoring on the situation of

- trained persons employment;
- informational provision for internally displaced persons about receiving of primary vocational education, gaining of additional profession, necessity of retraining with the goal of further placement in jobs.

Promotion of disabled persons' employment. Disabled persons first of all are in urgent need of placement in jobs. In this direction, the main goal of the employment State policy must be creation of appropriate conditions for the category of disabled persons that will be expressed in setting special quotas. This will be a precondition of guaranteed employment for a certain part of them.

Along with the creation of guaranteed job places, the State must provide formulation and approval of the listing of prioritized professions and professional training and retraining of persons of the noted category at the expense of budgetary sources. Along with the promotion of employment, that will provide their material stimulation, a great importance is also attached to psychological support and societal rehabilitation.

Restoration of the system of secondary vocational training and specialists training. The main goal of the employment State program in this sphere must become restoration of the functioning of secondary vocational teaching institutions and training of specialists (as the investigation showed, among surveyed unemployees 26% is the youth under the age of 29. A part of them have received higher education by which they have never worked and don't see any perspective of employment; a part of them is with general secondary education, middle-aged population mainly have specialized secondary education, when the wide network of vocational institutions gave

such opportunities). At that, training of specialists must be realized in consideration of quantitative and qualitative indicators – according to the market demands. Moreover, restoration of the network of specialized secondary educational institutions and training of specialists must be “attached” to the demands of the enterprises of concrete field and real possibilities of the development of production.

CONCLUSION

Formation of the Georgian labour market is going under the conditions of rapid transformation of the country's economy and fully reflects the influence of all-embracing crisis of the post-Soviet period. The demand on labour force decreased catastrophically in the period of economic collapse, and unemployment developed on unprecedented scales. In 1990-1995 the gross domestic product decreased 4-times. Under conditions of hyperinflation the standards of living fell drastically and made up 45.2% with respect to the subsistence minimum.

Extreme imbalance between demand and supply in the labour market and cheapness of labour force compelled a significant part of population to find a way out in permanent emigration abroad or in temporary employment there. In between 1989-2002 censuses period one million people left Georgia, among them 0.3-0.5 million were labour emigrants.

In addition, population demographic burden decreased 1,4 times due to demographic factors and legislative changes. Preconditions were created for further increase of unemployment.

The process of the labour market formation is going against the background of acceleration of demographic aging. In 1989-2002 the share of the elderly increased by 4.2% in the total number of population. Unprecedented situation formed in Georgia, when the aging rate in the poor country reached about 20% by Rosete scale. This retarded the process of labour market formation and development even more in Georgia.

Demographic crisis created in the post-Soviet period

has a great impact on the labour market. As a consequence of this, at present starts **period of gradual reduction of the share of young population in the total size of economically active population**, when the generation born in the 1990s is reaching the working age; their number is halved because of low fertility in that period.

Formation of Georgian labour market occurs **against the background of poverty and extensive unemployment**. In the estimation of some experts, nearly one third (32%) of the country's population is unemployed; according to the official statistical data it reaches 16.5% and the level of poverty exceeds 22.5%.

The most important problem for the Georgian labour market is **ineffective employment**. Productivity of the employed and lags behind western countries to a certain extent. An essential sign is, also, **low price of labour force**, when wages of a significant part of population don't meet their families' subsistence minimum.

During the crisis period, the branch structure of employment developed in regressive way, the share of the employed in agriculture increased from 25% to 55%; this was conditioned by catastrophic reduction of the employed in other branches of industry and material production and "complete" formal employment of rural population. On the other hand, the share of agriculture decreased steeply in the gross domestic product. In the post-Soviet period it fell from 30% to 8%.

Despite a string of upheavals realized in the sphere of education, there are significant shortcomings in the functioning of the **educational service market** that is reflected on the balance of labour demand and supply in the labour market. Despite the fact that there is a general increase in

the demand of skilled labour force, an **excessive number of specialists is trained**. In the crisis period, the number of students in Georgia increased 1.5 times, and there was not corresponding demand on them from economy. Rational demand on educational service has not been formed yet. There is obviously a wrong aspiration for some specialties. In spite of great desire and attempt, improvement of the quality of teaching is going slowly.

Small business is also developing slowly. For Georgia, employment of international specialization in agrarian branches became ineffective due to the restriction on the demand for our tea, wine, citrus and fruit products on the international labour market. Reduction of the share of labour-consuming cultures aggravated employment situation in the region even more, under conditions of the low level of formal unemployment in rural areas there is overpopulation.

Reduction of job places in urban-creating branches of economy, general economic crisis and reduction of the level of production made **population distribution between urban and rural areas** irrelevance and deepened imbalance even more between demand and supply in the labour market. In the crisis period the urbanization rate not only slowed down, but the process of population distribution between urban and rural areas developed in opposite direction. The settlement system turned out in crisis situation. On the other hand, extensive emigration and waves of internally displaced persons during the period of ethnic conflicts and the Russian-Georgian war regressively changed the proportions of population regional distribution that negatively were reflected on the labour market formation and functioning.

Ineffective employment's distinctive display is **partial employment** in the branches of material production, especially in agriculture, where despite many attempts self-employment didn't reach the necessary effectiveness. In agriculture the level of mechanization declined and developed natural economy. This in that time, when rural population cannot participate properly in the labour market and satisfy their requirements by employment in the household farming.

The indivisible aspect of the Georgian labour markets become **partial (secondary)** employment, however, according to the researches, they can hardly provide families with subsistence minimum.

Informal employment became an essential characteristic of the Georgian labour market that creates not only uncontrolled situation in the labour market, but also it became a problem of taxation system. In spite of tightening of administration, informal employment has not decreased yet essentially.

Especially the grave situation is created in **mono-branch mining regions** (for example, Tkibuli and Chia-tura industrial regions), where as a result of the collapse of mining industry most of the job places factually were destroyed. A significant part of the local population was forced to emigrate abroad on mass scale, or other regions of the country with the goal of permanent and temporary employment.

In the years of crisis **the negative influence of migration intensified extremely on the labour market and the total economy**. Due to the ethnic conflicts a large mass of internally displaced persons. Worsening of living standards, mass permanent and labour emigration exerted

a strong influence on the formation of Georgian labour potential and labour market. Liberalization of movement, which was an essential aspect in population territorial mobility in the post-Soviet period, contributed to the development of ineffective one-sided migratory processes. On the contrary, the intensity of organized migrations, which are rather expensive and were of the greatest importance in Georgia prior to the crisis, slowed down sorely.

Although the peak of emigration intensity is passed away, the desirable optimum of movements has not been reached yet at present. The role of State in its formation is great. Regulation problems of forced migration are solved very slowly that are directly related to the settlement of ethnic conflicts.

Forced migration of population has an essential influence on the formation of the Georgian labour market. About 400 thousand persons were forcibly displaced from Abkhazia and Tskhinvali region because of ethnic conflicts and the Russian-Georgian war. A significant part of them is currently unemployed that deepens disproportions of demand and supply on the Georgian labour market, increases poverty level and worsens the proportions of population territorial distribution. The contingent of internally displaced persons creates specificity in the development of the Georgian labour market and its consideration is necessary for successful realization of employment programs. For identification of the noted peculiarities and for perfection of internally displaced persons employment in the regions where the IDPs are settled compactly (Tbilisi, Zugdidi, Gori), we conducted a special research. More than 100 employers were surveyed in Gori, 200 unemployed IDPs were surveyed in Tbilisi, Zugdidi and Gori.

Through the research it was found that:

- One of the characteristic features of unemployment of internally displaced persons is its long-termed nature (36% of them has not been employed for over three years; this indicator for internally displaced persons from Abkhazia is 49%); prolonged unemployment most of all is characteristic of the IDPs-pedagogues, economists, doctors and representatives of culture with higher education. Prolonged, almost chronic unemployment most of all is characteristic of females.
- Majority of surveyed able-bodied family members are unemployed; 48% of the respondents indicate that out of their able-bodied family members only one person is employed. 37% of the surveyed noted that none of the able-bodied family members are employed.
- The education level of the unemployed IDPs is high – a half of the surveyed had higher education, 31% - secondary specialised and secondary vocational, only 19% had of them general secondary education.
- Internally displaced persons are depended only on money incomes (benefits, pension, salary, money income from self-employment and others), each family of internally displaced persons from Tskhinvali region were given 1500 square meters plot of land as private property, but majority of them cannot cultivate land because it is not protected (is not surrounded with fence) and they often

lose crop.

- A great part of the surveyed unemployed has experience of labour activity in various spheres. It must be provided for in developing retraining programs. A great part who has not labour experience are graduates of different higher educational institutions;
- Internally displace persons, despite their attempts, have not positive experience in running their own business which must also be taken into consideration in planning concrete directions for unemployed retraining;
- Length of internally displaced persons total labour and professional experience, regardless of their age, doesn't reach 9 years, that enables us to conclude that unemployment is not their current problem;
- the main reason for losing job is associated with forcible displacement (47% of the surveyed lost their last jobs exactly because of this reason);
- Majority of internally displaced persons have desire to take a full-time job (53% of the surveyed seeks a job under full-time conditions, 38% has also desire to take a full-time job, however they agree to be employed in part-time jobs); most of all, pedagogues agree to be employed in part-time jobs, drivers and artisans at the very least agree to be employed in part-time jobs.
- In seeking a job, the unemployed population single out the following difficulties: a part of them cannot find a job suitable for their profession and qualification, nearly a half of them cannot find any kind

of job regardless their profession and qualification. 62.5% of those who have not profession cannot find any kind of job.

Of other difficulties were named: unduly low salaries, absence of the knowledge of foreign languages, age.

- Proceeding from the difficulties in seeking jobs, the unemployed don't complain much about job places. 37% of the surveyed prefers to take a job by received profession, 45% agree to take a job by any profession, 12% prefers to be employed in the state sector.
- Attitude of the surveyed towards the necessity of retraining or receiving a new profession is not so active that can be explained by the fact that a part of them have already undergone retraining courses, have relevant certificate, but didn't manage to find a job.
- A large part of the unemployed intensively seeks a job. The other part of them doesn't seek a job because they have lost the hope of finding a job.
- On average, one family's monthly income is up to 180 lari, that in most cases, considering the number of family members, doesn't meet the subsistence minimum.
- for majority of the families (69%) the main source of income is the State aid;
- population intensively seek additional source of income; this is confirmed by their attempt to start a small business (however unsuccessfully);
- The surveyed respondents name the main hindering reasons for maintenance and development of their

business: shortage of capital, less demand on goods and service, administrative and bureaucratic obstacles. They don't name corruption as a hindering reason for starting a business (only one percent indicated this reason).

- In February and March we conducted a special research in Gori to study demand on labour force that covered 100 enterprises with more than employees. The research covered almost all objects of the sphere of economic activity that provided representativeness of the research results.

Against the background of the reduction of the employed, rather intensive movement of personnel occurred in these enterprises. In the researched enterprises about 300 people took a job during the last one year. Their professional composition is diverse and reflects the specificity of the sphere of activity of the concrete enterprise.

- *During the last one year among those who found a job, the predominant professions are the following:* baker, pedagogue, cook, waiter, seller, economist, lawyer, builder of wide profile, pharmacist, driver, accountant, carpenter, concrete worker, fitter, nurse, doctor-therapist, manager, IT specialist, stylist, mason, painter and so on.
- According to the research results, *entrepreneurs recruit necessary personnel through private contacts and recommendation.*
- *Employers frequently use an interview method (in case of 82%) for the selection of*

employees; the next are an exam (28%) and the selection by application data (18%), however, in case of using these methods for selection, interviewing is a necessary step.

- **More than one third of employers have problems in recruiting necessary employees**, and one of the main reasons for this is undevelopment of labour market infrastructure. A great share of employers (24%) is not able to find employees with required qualification; a part of them (4%) doesn't know whom to apply to for assistance in seeking employees. 12% of the employers noted that training of personnel necessary for them doesn't take place in the region
- **A category of the employed whose recruitment is problematic for the employers in Shida Kartli, are qualified workers as well as highly qualified specialists**. At that, seeking of qualified workers is much problematic: 66% of hard-to-find personnel is for skilled workers, and 32% - for highly skilled specialists.
- The spectrum of those professions, which are hard-to-find in Shida Kartli, is quite wide. According to the survey, in Gori **the most problematic is seeking of qualified personnel with the following professions**: plumber, pharmacist, baker, carpenter, electric welder, sales consultant, cook, waiter, barman, man-

ager, electrician, IT specialist (programmer), smith, mason, accountant, catering technologist, technician-engineer, operator and mechanic of construction devices, doctors of various specialties, pedagogues and so on.

- Through the research it was found that one of the serious problems in Shida Kartli is a **low level of employees' labour skill**. Only 59% is satisfied with the skill of their employees; 41% is partially or completely unsatisfied.
- **Measures for the improvement of employees' qualification are more frequently taken by employers from the sphere of public healthcare, education, financial mediation, construction, recreational and culture.**
- **The main reason why employers don't take measures for improvement of employees' qualification** is the nonexistence of relevant finances: this reason was named by 54% of surveyed entrepreneurs. 15% of employers noted, that they cannot find instructors of proper qualification; 11% of them named absence of time for training, 8% notes that employees have not such desire and motivation; 6% considers that such training is not necessary.
- **A part of surveyed entrepreneurs named absence of vocational training in the region as the main problem for organization of their employees' training.**

- **Entrepreneurs provide professional training and qualification improvement for needed personnel basically in the form of training directly at job places.**
- **Organization of various training courses fulfils a great role in satisfaction of the demand on personnel of so-called “problematic” professions.** But such courses, in most cases, are short-termed and cannot provide training of high-skilled personnel.
- According to the survey results, **13% of the entrepreneurs have planned to increase a number of employees significantly in the near future**; 24% is going to increase the number of employees insignificantly, and 5% is going to reduce the number of employees.
- **According to the entrepreneurs’ estimation, during the nearest one year the demanded professions by the degree of demand are as follows:** cook, waiter, baker, accountant, seller, driver, confectioner, barman, plumber, electrician, smith, painter, tinsmith, pedagogue (of foreign languages, general aptitude and abilities, Georgian language, History, lecturers of higher educational institutions); pharmacist, doctor (dentist-therapist; reanimatologist; orthopedist; oculist; surgeon; doctor-therapist; urologist; endocrinologist; otolaryngologist; ophthalmologist, surgeon-dentist; obstetrician-gynecologist), electric welder,

technician of enterprises installations, mechanic; tile specialist; carpenter; sawyer; consultant of sales; hairdresser, stylist; cosmetologist, masseur; manager; catering technologist; lawyer, tailor and others.

- **As for 2-3 year perspective, the structure of demanded professions is essentially the same**, however, by the frequency of naming, the order of priority was somewhat corrected and ranked in the following way: cook, waiter, accountant, baker, driver, seller, carpenter, barman, pedagogue, doctor (orthopedist, surgeon-dentist, dentist-implantologist, obstetrician-gynecologist, urologist and others), economist, masseur, cosmetologist, confectioner, culinary specialist, mechanic (agricultural technical devices), pharmacist, technologist of pharmaceutical production, electric repairman, electric welder, painter, tailor, plumber, plasterer, tile specialist, auto diagnostic specialist, mechanic (of construction equipment); catering technologist engineer-builder, engineer-mechanic and others.

Completely an unenviable situation exists from the standpoint of the development of **labour market infrastructure**. Proceeding from its analysis we can draw the conclusion:

- Throughout the reorganization period the activity of the Employment State Service was confined mainly to pursuing passive policy on the labour market and substantial, effective measures for

overcoming mass unemployment were not taken; effective policy of employment virtually was not pursued, and effectiveness of the programs realized in the sphere of employment was low;

- Virtually there is no mechanism for labour market research, analysis and forecast;
- Informational infrastructure of the Georgian labour market is unsatisfactory;
- The connection between employment central and regional services is weak that is expressed in the absence information exchange system. As a result this produced non-integrated local labour markets which are in the process of development.

For development of labour market infrastructure and perfection of its functioning we consider it is expedient to raise the issue of reinstatement of the employment service, naturally, with stronger functions than it had earlier. Namely, it must provide:

- Targeted expenditures of funds appropriated from the State budget for social protection of the unemployed and employment support programs that will stimulate the creation of new job places;
- Inculcation of practice for regulation of collective bargaining of social and labour relations between employers and employees within the frameworks of social partnership system;
- Pursuance of effective employment policy with respect to the private agencies for the purpose of creation of competitive conditions, training and re-training of the unemployed considering labour

market demands and development of programs for employment of low competitive groups;

- Financial support for enterprises which will employ internally displaced persons; promotion of secondary vocational education system reinstatement, perfection and development, its adaptation to the market conditions, direction of its activity for the satisfaction of needs of regions.
- Creation of integrated information base about existing professions and vacancies;
- Conduction of monitoring for measures provided for social support for the unemployed and restriction of increase of unemployment;
- Development and realization of the branch and regional targeted programs.

We consider that employment services must provide the fulfilment of a set of specific analytical functions along with the above-noted ones:

- Study and forecast of the conjuncture of national and regional labour markets;
- Analysis and forecast of the changes of labour market capacity and structure;
- Analysis of the changes of economic, scientific-technical, demographic, social, ecological, legislative and other factors;
- Study of employment dynamics;
- Study of motivation of labour employers' behavior and its determining factors;
- Study and forecast of the structural changes of national economy; provision with labour force and

determination of the tendencies of demand changes on it;

- Study of the structure of existing job places and their qualitative characteristics;
- Study and forecast of competitiveness of region's labour force;
- Analysis of the cost and price of labour force in the total expenditure of labour;
- Analysis of factors affecting the price of labour force;
- Analysis of stimulating policy pursued in the sphere of employment;
- Analysis of the works conducted with the goal of professional orientation;
- Analysis of the reasons for labour migration in the country (regions);

Central and regional employment services must take on also marketing management functions of labour force:

- Strategic and operative planning of the marketing of labour force;
- Promotion of the development of business relations between social partners in the sphere of employment;
- Methodical provision of marketing activity on labour market;
- Promotion of the transformation of vocational training system considering the labour market demands on labour force.

Effectiveness of the activities of employment service

must be periodically evaluated by the following indicators: unemployment level and dynamics entirely in the country and regions; length of unemployment; size of the unemployed; number of vacancies per unemployee; perfection and timeliness of the distribution of benefits; satisfaction level of the demand of employer and unemployee; training and retraining for the unemployed and so on.

References

- Antadze T. Characteristics of the Present Labor Market in Georgia. "Migration,3" Tbilisi, 2009, p.16-29. (in Georgian).
- Antadze T. Regional Labor Market Survey in Adjara. IOM.2008. (In Georgian).
- Antadze T. Emoliyer Workforce Demnd. IOM.2008. (In Georgian).
- Antadze T. A Survey on Employer Demand For Workforce in Georgia. IOM. USAID.2008. (In Georgian).
- Antadze T. Informal employment in Georgia. Collection of works: "Informal Employment and Labour Rights in Caucasus".2006.
- Agenor P.R., Izquierdo A., Jensen H.T. Jensen. Adjustment Policies, Poverty and Unemployment: The Immpa Framework. WileyBlackwell, 2006.
- Alston Philip. Labour Rights as Human Rights. Oxford University Press, 2005.
- Baldassarri M., Chiarini B. Studies in Labour Markets and Industrial Relations. Palgrave Macmillan, 2003.
- Baldassarri M. How to Reduce Unemployment in Europe. Palgrave Macmillan, 2003.
- Baldassarri. M. The New Welfare. Palgrave Macmillan, 2003
- Basu K.. International Labor Standards: History, Theories and Policy Options. Blackwell Publishers, 2002.
- Bauder H. Labor Movement: How Migration Regulates Labor Markets. Oxford University Press Inc, USA, 2006.
- Borjas George J. Labor Economics. McGraw-Hill Higher Education, 2009.
- Burchill Frank. Labour Relations. Palgrave Macmillan,

2004.

Basic research on the existing settlement of internally displaced persons and their neighbour communities in Kvemo Kartli and Shida Kartli. The project: “Internally Displaced Persons Life Stabilization and Their Integration in Society.” (SIIMS) Tbilisi, 2009. (In Georgian).

Decree 634 of the Cabinet of Ministers of the Republic of Georgia on “Radical reform of price-forming and financial system, immediate measures for population social protection in the Republic of Georgia. September 5, 1993.

Davidson C., . Matusz Steven J.. International Trade with Equilibrium Unemployment. Princeton University Press, 2010.

Edwards P, Wajcma J. The Politics of Working Life. Oxford University Press, 2005.

Ferrera M. The Boundaries of Welfare: European Integration and the New Spatial Politics of Social Protection. Oxford University Press, 2005.

Georgian government decree on «Social Guarantees for Population Employment” №19, 1991. (in Georgian).

Georgian law №1082 on “the changes and amendments “on employment” in the law of the Republic of Georgia.” November 12, 1997. (In Georgian).

Georgian President’s decree №180 on “the tenet of the unified State fund of employment of Georgia, May 7, 2000.

Georgian law №959 about the changes and amendments in the law “on employment.” December 29, 2004. (In Georgian).

Gallie Duncan . Employment Regimes and the Quality of Work. Oxford University Press, 2007.

Guha-Khasnobis B., Kanbur R. Informal Labour Markets and Development. Palgrave Macmillan, 2006.

Ghatak S. Anne Sassoon Showstack A. Migration and Mobility: The European Context.2006.

Gregory M., Salverda W. Schettka R. Services and Employment: Explaining the U.S.-European Gap. Princeton University Press, 2007.

Hamermesh.D. S. Labor Demand. Princeton University Press, 1996.

Hart Robert A., Moutos Thomas. Human Capital, Employment and Bargaining. Cambridge University Press, 2008.

Hatton, Timothy J, Williamson, Jeffrey G. Global Migration and the World Economy: Two Centuries of Policy and Performance. The MIT Press, 2008.

Heise A. Economic Governance and Employment: Policy, Polity and Politics of Economic Rise and Decline. Lit Verlag, 2008.

Jacqueline A-M. Coyle-Shapiro, Lynn M. Shore, M. Susan Taylor, Lois E. Tetrick. The Employment Relationship: Examining Psychological and Contextual Perspectives. Oxford University Press, 2004.

Johnson P., Zimmermann Klaus F. Labour Markets in an Ageing Europe. Cambridge University Press, 1993.

Jacobs J., Gerson Kathleen. The Time Divide: Work, Family, and Gender Inequality (Family & Public Policy). Harvard University Press, 2006.

Labour Migration from Georgia.IOM.2003.

Lee Gibson Cathy. PHR Exam Prep: Professional in Human Resources. Pearson Certification, 2007.

Layard R. Nickell S. Jackman R. Unemployment: Macroeconomic Performance And The Labour Market. Oxford University Press, 2004.

Mangabeira R.U.. Free Trade Reimagined: The World Di-

vision of Labor and the Method of Economics. Princeton University Press, 2007.

Maimbo S.M., Adams R., Aggrawal Reena. Migrant Labor Remittances in South Asia. World Bank, 2005.

Mickiewicz T., Bell J. Unemployment in Transition: Restructuring and Labour Markets in Central Europe. Routledge, 2000.

Neumark D. Minimum Wages. The MIT Press, 2008.

Nadareishvili M. Tsakadze V. About Living and Socio-Economic Conditions of Internally Displaced Persons, Tbilisi, 2008.

President's decree №184 on "Social (family) benefits," December 25, 1996. (In Georgian).

President's decree №63 on "Realization of the reforms in employment sphere," February 21, 2001; 1996. (in Georgian).

President's decree №402 on "Juridical person of public law – the tenet of Employment State Service," September 13, 2002.

Robert J. Flanagan. Globalization and Labor Conditions. Oxford University Press Inc, USA, 2006.

Sumbadze N, Tarkhan-Mouravi G. Unprotectedness and Economic Self-sufficiency of Internally Displaced Persons. The UN Development Program, Tbilisi, 2003.

Shelia M . Mariam Gugutishvili. Socio-Economic Problems of The IDPs from Tskhinvali Region. Migration 3. (In Georgian).

Shelia M. Impact of Migration on Population Reproduction in Georgia. Migration 1. Tbilisi, Universali,2007.c.116-122. (In Georgian).

Shelia M. Age problem of employment. Journ. "Social Economics" #6, Tbilisi,2005. (In Georgian).

Shelia M. Alteration of the labour age population in the 1990s. Journ. "Social Economics" #4. Tbilisi ,2004. (In Georgian).

Sato H., Murayama M. Globalisation, Employment and Mobility: The South Asian Experience. Palgrave Macmillan, 2008.

Schiller B. The Economics of Poverty and Discrimination. Prentice Hall, 2007.

Tukhashvili M. The End of Migratory Expansion and Russian ``New Migration Policy``. Tbilisi,2009. (In Georgian).

Tukhashvili M. Labour Potential of Georgia: Formation and Distribution. TSU, Tbilisi 1998. (In Georgian).

Tukhashvili M. Population Migration in Georgia. Tbilisi 1996.

Tukhashvili M. It is Necessary Conduct a Complex Study of Georgia's Labor Market and Migration; Migration 2. Tbilisi, Universali,2008.c.5-15. (In Georgian).

Tukhashvili M. Toria M. Labour Emigration of the IDPs from Abkhazia. Migration 3. Tbilisi, Universali,2009.c.86-97. (In Georgian).

Tskitishvili G, Dershem L, Kechakmadze V. Social Capital and Employment

Opportunities Among Internally Displaced Persons (IDPs) in Georgia. World Bank *Tbilisi, May 2005*.

Tsereteli G., Bibilashvili N., Unemployment in post-Soviet countries and methodical fundamentals of determination of its socio-economic consequences, problems of the development of labour economy in Georgia, collection of scientific works, volume II, publisher "Metsniereba," Tbilisi 2002. pp. 27-40.

Tito Boeri, Jan van Ours. The Economics of Imperfect Labor Markets. Princeton University Press, 2008.

Tsartsidze M. Latsabidze N. Labor Force Market and Mechanism of Wage Organization; textbook, “Nike” publisher, Tbilisi 1996.(In Georgian).

Tsartsidze M. Thoria M. Problems of Unemployment and how they can be Overcome, TSU publisher, Tbilisi, 1998. (In Georgian).

Tsartsidze M. Production of Labor and Labor Reimbursement in National Labor Market Forming Process, monograph, TSU publisher “Codnis Ckaro”, Tbilisi 1999. .(In Georgian).

Tsartsidze M. Latsabidze N. Human Resource Management, course of lectures , ”SamTavisi” publisher, Tbilisi 2009, group of authors. (In Georgian).

Tsartsidze M. Specific Features and Trends in the Development and Functioning of the Georgian Labor Market. Problems of Economic Transition. NO. 7, M.E. Sharpe Inc. Armonk NY. November 2003.

Кашепов А.В, Сулакшин С.С., Малчинов А.С.. Рынок труда:проблемы и решения. Москва,Научный эксперт,2008.

Кашепов А.В. Рынок труда и политика занятости // Социальная политика и социальное партнерство. 2006. № 6–9.

Обследование населения по проблемам занятости. Ноябрь,2006 г. / Федеральная служба государственной статистики.М., 2006.

Одегов Ю. Г. Руденко Г.Г. Лунева Н.К. Рынок труда. Практическая макроэкономика труда. Москва. «АЛЬФА-ПРЕСС». 2007.

Рынок труда и занятость: Современные проблемы теории и практики / Под общ. ред. Н.А. Волгина, В.И. Плакси. М.:Изд-во РАГС, 2004.

- Рязанцев С. Ткаченко М. Мировой рынок труда и международная миграция. Экономика.2010.
- Руденко Г.Г., Муртазиев Б.Г. Формирование Рынка труда. Москва., 2004.
- Царцидзе М. Лацабидзе Н. Проблемы государственной политики занятости в Грузии. Журнал "Общество и экономика" №10, Москва ,2001.
- Царцидзе М. Лацабидзе Н. О преодолении массовой безработицы и обеспечении эффективной занятости в Грузии. Журнал "Общество и экономика" №10, Москва, 2004.
- Царцидзе М. Лацабидзе Н. Спрос на рабочую силу и тенденции его изменения. Журнал " ЭКО" № 2, изд-во "Наука", Новосибирск, 2006.
- Якунин В.И., Роик В.Д., Сулакшин С.С. Социальное измерение государственной экономической политики. М.: Экономика, 2007.



Publishing House “UNIVERSAL”

TBILISI, 0179, I. CHAVCHAVADZE AVE. 19, ☎: 2 22 36 09, 5(99) 17 22 30

E-mail: universal@internet.ge