



 MINISTRY OF ECONOMY AND SUSTAINABLE DEVELOPMENT OF GEORGIA

Skills Anticipation & Labour Market Forecasting in Georgia

A comprehensive framework combining survey-based intelligence with econometric macro-modelling.

GEORGE GAMKRELIDZE

HEAD OF LABOUR MARKET ANALYSIS DIVISION OF ECONOMIC POLICY DEPARTMENT

Establishment Skills Survey (ESS) Overview



MoESD Survey Management

MoESD has conducted annual skills surveys and labour market reports since assuming the mandate in 2017.

Standardised International Methodology



Global Standards

Methodology is based on the manual – “Developing and Running an Establishment Skills Survey” developed jointly by ETF, CEDEFOP, and the ILO.

ETF • CEDEFOP • ILO Guidelines



Two-Year Cadence

The survey is implemented in two formats: one covering the entire economy and the other consisting of sectoral studies.

Stratified Sampling (Large, Medium, Small)

9 Objectives of the Establishment Skills Survey



Employment Structure



Employee Skill Assessment



Information on vacancies



Workforce Demand



Human Capital Development



Private Sector Cooperation with VET



Foreign Employment

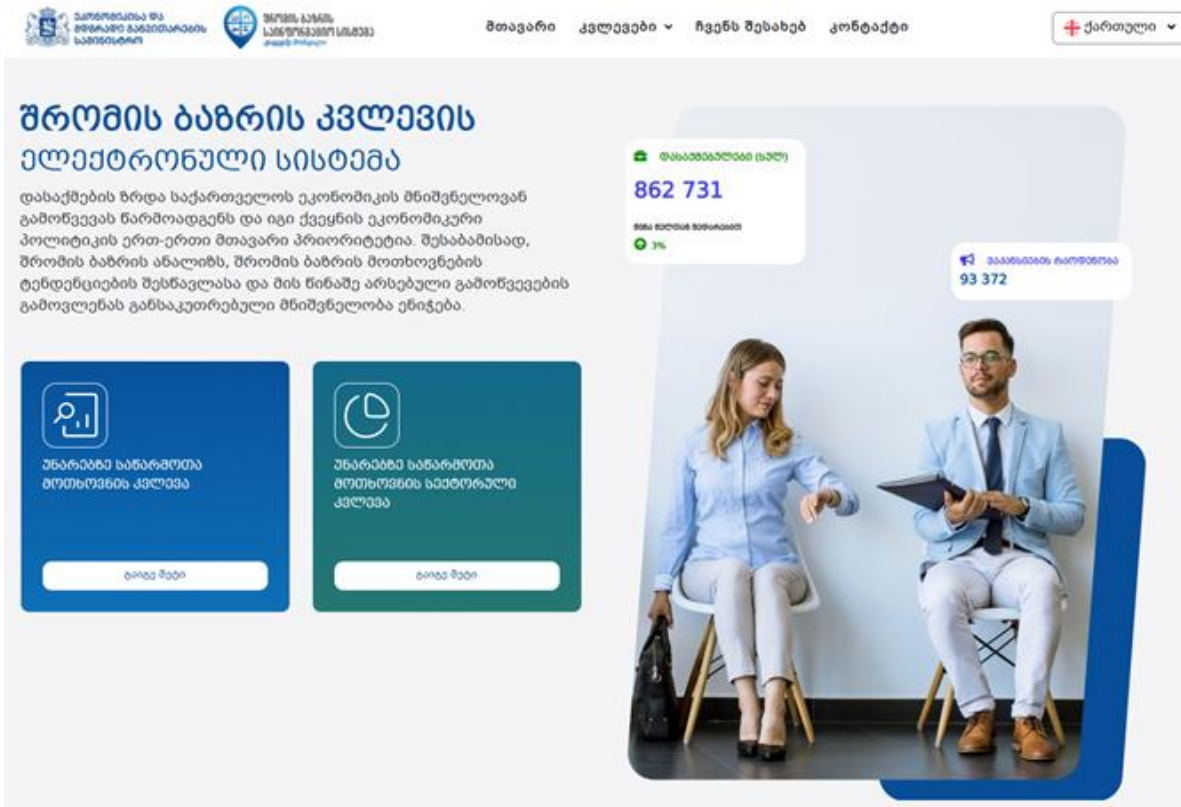


First-Time Jobseekers Employment



Modern Tech Adoption

ESS Public Data Web Portal (gs.economy.ge)



Strategic Partnership

Developed by MoESD in close cooperation with GIZ to modernise data access.

Interactive Intelligence

Enables stakeholders to filter variables and visualise real-time employment metrics.

Primary Mission

Maximise data utilization and raise public awareness of national skill trends.

Annual Labour Market Report Inputs



GeoStat Statistics

Combines Labour Force Survey and Business Survey data for national baseline alignment.



Vacancy Aggregation

Analyzes State Employment Support Agency (SESA) records and online job vacancies from the private employment agency HR.GE



Investment

Evaluates ongoing and planned major investment programs to project occupational demand.



External Studies

Reviews external Studies. For instance Ministry of Education's tracer studies to track graduate placement trajectories.

5-Year Macroeconomic Skills Forecasting Model

Initiative Origin (2023)

EU Budget Support Initiative

MOESD, in cooperation with Cambridge Econometrics, developed a macroeconomic skills forecasting model for Georgia with a five-year outlook. The programme was part of the budget support initiative signed between the Government of Georgia and the European Commission and lasted for one year.

5 Years

Forecast Outlook Horizon

Multilateral Cooperation Framework



Official Statistical Bodies

GeoStat & National Bank of Georgia (NBG)



Inter-Ministerial Input

Sectoral line ministries & social partners



Model Calibration

Combining real historical data with macro projections

Model Coverage & Taxonomy Standard

Sectors

NACE Rev. 2 Standard

Occupational Groups

ISCO-08 Major Groups

Qualification Levels

High • Medium • Low

Primary Output Parameters

- Macroeconomic Output & Productivity Projections
- Sectoral Employment Shifts across the Economy
- Occupational Replacement Demand Outflows
- Demographic Dynamics influencing Labour Supply

Data Expansion Update

Series Extension (2017–2025)

LFS data series initially covered 2017–2021. Main indicators now run through **2025**, with occupational series expanded to **2020–2024**.

3 Structural Pillars & 6 Core Modules

1. Skills Demand

Modules 1–4

Module 1: Employment forecast by Sectors.

Module 2: Employment forecast by formal/informal.

Module 3: Employment forecast by sector and occupation.

Module 4: Employment forecast by sector, occupation and qualification.

2. Skills Supply

Module 5

Working age population forecast by age-band & gender.

Labour supply by qualification and age-band

3. Replacement Needs

Module 6

Replacement Demand: Estimates net outflow of workers per occupation due to retirement & mobility.

Historical Series vs. Derived Assumptions



Historical Input Series

GDP Components: Final demand, exports, investment

Employment by sector

Shares of productivity (output per worker) by sector

Shares of employment by occupations within sectors

Shares of employment by qualification within occupations

Shares of informal employment within sectors

Labour force participation rate by age-band and gender

Qualification shares within age-band



Derived Forecast Assumptions

National Bank of Georgia (NBG): Output GDP projections

UN World Prospects: Population by age-band and gender

The change in productivity growth (year-to-year) by sector

Assumptions on the shares of informal employment within sectors in last year of forecast

Expected shares of occupations by sector in the last year of the forecast

Expected shares of qualifications by occupation in the last year of the forecast

Expected labour force participation rate by age-band and gender in the last year of the forecast

Expected share of qualification by age-band in the last year of the forecast

Sectoral Output Determination: Method 1 vs. Method 2

Macroeconomic Driven

Method 1: Input-Output Table

Allocates consumption, capital formation and export assumptions across sectors using national IO tables.

Best Suited For:

Baseline forecasting without specific sectoral interventions.

Scenario Targeted

Method 2: User-Defined Rates

Directly inputs user-specified sectoral growth rates based on external industrial policy or trade insight.

Best Suited For:

Evaluating target policy scenarios (e.g., manufacturing booms).

Model Development Challenges & Next Steps



1. Data Series Granularity

Limited historical length prevented extending models to ISCO-08 sub-major groups (44 units).



2. Assumption Automation

Manual entry of scenario assumptions is complex; future revisions aim to streamline inputs to increase credibility.



3. ISCO 2-Digit Target

Key next phase is expanding the model to 44 sub-major occupational groups, matching CEDEFOP benchmark standards.

Thank you for attention

