

Regional analysis of state employment policy in Georgia

Eka Lezhava

Head of the Imereti Region of the State Employment Support Agency;
Akaki Tsereteli State University, Guest Lecturer, eka.lezhava@atsu.edu.ge

Keywords: employment policy; analysis; regional development; regional programs.

J.E.L. Classification: J08, O43, R58

DOI: <https://doi.org/10.52244/ep.2025.30.09>

For Citation: Lezhava, E., (2025) Regional analysis of state employment policy in Georgia (in English). Economic Profile, Vol. 20, 2(30), p. 117-125. DOI: <https://doi.org/10.52244/ep.2025.30.09>

Annotation. *In Georgia, state employment policy represents a key component of socio-economic development. Its primary objective is to improve the structure of the labor market, ensure the efficient redistribution of the workforce, and promote the creation of equal economic opportunities across regions.*

The implementation of this policy is based on the coordinated efforts of both central and regional institutions, which endows it with a multi-level character. The policy framework is aligned with the core principles and recommendations of the International Labour Organization (ILO) and the European Union Employment Strategy, particularly emphasizing labor market transparency, gender equality, and human capital development.

This paper examines the regional dimension of state employment policy in Georgia, with a specific focus on inter-agency coordination and the implementation of employment programs at the regional level. The novelty of the research lies in its approach to employment policy as an integrated model that extends beyond the direct initiatives of the Ministry of Labor, Health and Social Protection, involving active participation from sectoral ministries such as those responsible for agriculture, social security, and economic development.

The study applies descriptive and comparative analytical methods, drawing on official statistical data and ministry reports for the period 2020–2024. The findings suggest that the effectiveness of employment policy in the regions largely depends on the diversity and coherence of implemented programs. However, a persistent challenge remains the fragmentation of regional and municipal-level data, which complicates comprehensive policy evaluation and coordination.

Introduction

In Georgia, state employment policy constitutes one of the fundamental pillars of socio-economic development. Its primary objectives encompass improving the labor market structure, ensuring effective workforce distribution, and promoting equal economic opportunities across all regions. The implementation of this policy relies on the coordinated activities of both central and regional institutions, which determine its multi-level and intersectoral character.

Administered under the leadership of the Ministry of Internally Displaced Persons from the Occupied Territories of Georgia,

Labour, Health, and Social Protection, employment policy extends beyond direct labor market regulation. It is predicated on the principle that employment is inextricably linked to economic development, education, agriculture, and infrastructure. A significant milestone in institutional modernization was achieved in 2020 with the establishment of the State Employment Support Agency (LEPL), which facilitated the effective implementation of active labor market policies, including vocational training programs, internship opportunities, and employment mediation services.

The success of Georgia's employment policy is largely determined by inter-agency

synergy. The Ministry of Economy and Sustainable Development, through the "Produce in Georgia" program, stimulates labor demand and entrepreneurial development. The Ministry of Environmental Protection and Agriculture, via the "Preferential Agrocredit" program, promotes rural self-employment and supports the establishment of formal agricultural production units in regional areas. Meanwhile, the Ministry of Regional Development and Infrastructure fosters sustainable preconditions for economic growth through major national projects, such as the construction of the Rikoti Highway and the development of tourism infrastructure. The entire policy framework is guided by the recommendations of the International Labour Organization (ILO) and the key principles of the European Union Employment Strategy, emphasizing transparency, gender equality, and human capital development. Collectively, these efforts contribute to the advancement of Georgia's Euro-Atlantic integration aspirations.

Over the past decade, a growing body of scholarly literature has examined the relationship between employment policy and regional socio-economic development in Georgia, emphasizing the persistent challenge of regional economic inequality (Chikhladze and Ghavtadze, 2020; Natelauri, 2009; Datunashvili, 2017; Diakonidze, 2020; Koghuashvili and Chikhladze, 2023; Verulava and Chanturdze, 2019; Tsartsidze, 2023). These studies converge on a common conclusion: regional inequality remains one of the principal challenges confronting Georgia's labor and employment policy, and its mitigation necessitates differentiated and geographically-targeted policy interventions.

Overall, both academic scholarship and institutional analyses indicate that the regional dimension of Georgia's state

employment policy remains in a formative stage. Its effectiveness depends on strengthened multi-level coordination, the active participation of local self-government bodies, and the consolidation of labor market institutions at the regional level.

The main part

State employment promotion policy in Georgia is implemented through the coordinated activities of various government institutions and sectoral ministries. Each participating agency performs a specific role in labor market development and the promotion of employment at the regional level. The strength of this approach lies in its comprehensive vision: employment is viewed not merely as a matter of direct labor market regulation, but as an integral element of economic development, education, agriculture, and infrastructure advancement.

The Ministry of Internally Displaced Persons from the Occupied Territories of Georgia, Labor, Health and Social Protection serves as the central coordinating institution in the formulation and implementation of employment policy. Acting as the anchor agency, it consolidates different policy directions and ensures the overall consistency and coherence of employment policy nationwide.

The Ministry's activities encompass both active labor market policies - such as vocational training, internship programs, and employment subsidies - and the coordination of passive measures, including social assistance and social protection schemes. This comprehensive approach enables, on the one hand, an increase in the competitiveness of job seekers in the labor market and, on the other hand, the provision of social security during periods of job search.

Inter-agency coordination and

ministry-level targeted programs form the foundation of regional employment development in Georgia. This integrated framework allows the state to pursue both short-term and long-term objectives simultaneously - ensuring not only the direct growth of employment but also the structural improvement of the labor market.

A significant step toward the institutionalization of employment policy was taken in 2020 with the establishment of the Legal Entity of Public Law (LEPL) - State Employment Support Agency. The agency was created to implement the “State Program for Employment Support”, marking an important milestone in the modernization of Georgia’s labor market governance.

The agency’s main functions include administering the Labor Market Management

Information System, registering job seekers, providing employment mediation and professional counseling services, and implementing and monitoring active labor market programs. It also collaborates closely with employers, vocational education institutions, and other relevant stakeholders.

Between 2020 and 2024, a total of 73,507 job seekers were registered in the Labor Market Information System, including 8,484 new registrations in 2024 alone. During the same period, 116,919 individuals received individual counseling, among whom 10,666 were job seekers registered in 2024, and 1,074 of them successfully gained employment (see Table 1). (Report, 2024).

Table 1

Results of the activities of the State Employment Support Agency

Indicator	2020-2024 Total	2024 year
Labor Market Management Informational In the system Registered Work Seekers	73,507	8,484
Individual Consulting	116,919 people	10,666 people
From consultations Employed (2024)	-	1,074
Counseling for socially vulnerable people (from 2022)	86,151	39,707
Employed in the open labor market	32,804	9,393
Formalize your own economic activity	801	-
Supported Employment Counseling A	942 vulnerable persons	267 people
Employees from support services	-	39
Career planning and professional counseling	15,577	5,156
From consulting to employment	-	533
Mediation services a	13,777 people	4,085 people
Employees from mediation services	-	1,548
Employment forums	43 Forums	7 Forums
Participating employers	~1,000	240+
Participating job seekers	6,000+	1,400+
Vocational training and retraining	12,642	3,692
Employed after graduation	-	2,898
Internship program	674 interns	81 interns
Employers involved	111	20
Wage subsidy	31 people	3 persons

Source: Compiled by the author based on the 2024 Employment Policy Planning and Implementation Report

An important development in Georgia's employment policy has been the inclusion of socially vulnerable job seekers in public works programs. In 2024, 39,707 individuals participated in such programs, while 9,393 were employed in the open labor market. Since the inception of the program, a total of 32,804 beneficiaries have secured employment in the open market, including 801 individuals who formalized their economic activities (Report, 2024).

Another significant focus of the policy is the employment of vulnerable and under-represented groups, supported through targeted programs. In 2024, employment consultants provided assistance to 267 vulnerable individuals, of whom 39 secured employment.

Between 2020 and 2024, the LEPL State Employment Support Agency actively implemented intermediary services and employment forums of various formats, designed to directly connect employers with job seekers. These initiatives have substantially enhanced the practical implementation of employment promotion mechanisms at both regional and national levels (Report, 2024).

Vocational training and retraining programs constitute a key instrument for addressing structural challenges in the labor market. In 2024, 3,692 job seekers participated in short-term vocational education programs, with 2,898 individuals employed upon completion. Participation was particularly high in the Imereti, Samegrelo-Zemo Svaneti, and Tbilisi regions, which together accounted for 75% of total participants (Report, 2024).

Internship and wage subsidy programs serve as an effective bridge between formal education and employment. In 2024, 81 job seekers (including 33 from Imereti) and 20 employers participated in the internship

program, while 3 job seekers benefited from the wage subsidy program (see Table 1, *Results of the State Employment Support Agency's Activities*).

The economic impact of state employment programs reflects the complementary roles of ministries in implementing employment policy. These roles operate in different, yet interdependent, directions - either directly through employment programs or indirectly through infrastructure and investment development initiatives.

The activities of the Ministry of Environmental Protection and Agriculture represent an unofficial, yet significant, component of Georgia's state employment policy, particularly in regions where agriculture remains the primary source of employment, though often low-yielding. Programs implemented by the ministry aim to stimulate self-employment and create formal jobs at the regional level.

The Preferential Agrocredit Program is the most extensive financial instrument in the agricultural sector. Between 2014 and 2024, 90,473 loans were issued to 48,255 beneficiaries. The program enhances access to finance for farmers who have limited opportunities to obtain commercial loans. By providing preferential conditions, it facilitates production expansion, modernization, and, consequently, the growth of self-employment and income diversification at the regional level. The credit instruments cover a wide range of needs, from land acquisition to processing facilities and the purchase of large agricultural equipment (Ministry of Environmental..., Annual Report 2024).

The Processing and Savings Enterprises Co-Financing Program aims to reduce post-harvest losses and increase sectoral value-added, which directly contributes to labor market demand. Between

2014 and 2024, 110 enterprises in the processing sector created approximately 2,384 jobs, averaging 21 - 22 jobs per enterprise. These enterprises provide sustainable, year-round employment, which is particularly important in regions with seasonal work patterns. The program also supports export-oriented enterprises, enhancing the international competitiveness of Georgian products (Ministry of Environmental..., Annual Report 2024).

A review of the regional distribution of ministry programs reveals a territorially specific potential for employment support:

- **Bioproduction Support (2022–2024):** In Imereti, 7 bioproduction projects were implemented. This sector requires advanced knowledge and skills, generating higher incomes and competitive advantages through high-value-added production.
- **Energy-Efficient Ovens Program:** This initiative supports technological modernization in the wine industry, with 187 projects in Kakheti and 41 in Imereti, reducing production costs and enhancing enterprise competitiveness.
- **Beekeeping Support:** Imereti leads in this program with 47 projects. Beekeeping is a low-budget activity suitable for rural populations and contributes to income diversification (Ministry of Environmental..., Annual Report 2024).

These data indicate that programs of the Ministry of Environmental Protection and Agriculture represent a targeted, demand-driven employment policy that strengthens

regional economic specialization and creates jobs through economic development programs.

The activities of the Ministry of Regional Development and Infrastructure indirectly stimulate employment by providing infrastructure necessary for economic growth. The Rikoti Highway expansion and modernization is a major capital project that enhances regional investment attractiveness and creates the conditions for realizing economic potential. Projects implemented by the Municipal Development Fund (MDF), including the rehabilitation of schools and kindergartens, water supply modernization, and road construction, strengthen human capital and promote local business development (MDF, 2025).

Additionally, the ministry has funded 16 tourism infrastructure projects (total cost: 20 million GEL) in municipalities of Imereti. These projects include the arrangement of tourist attractions, trails, and the restoration of cultural monuments (e.g., Gelati Monastery, Prometheus Cave). Infrastructure development in the tourism sector directly generates permanent jobs in hotels, restaurants, and as guides, thereby supporting the full realization of Imereti’s economic potential.

The Ministry of Economy and Sustainable Development implements policies to attract investment and support entrepreneurship, representing one of the most effective mechanisms for promoting employment. The state program “Produce in Georgia” is particularly noteworthy, providing subsidized business loans, financing investments, and creating new jobs (see Table 2).

Table 2

Conduct an evaluation of Georgia's implemented programs

Indicator	You are welcome
Credit Warranty Scheme (2020-2024)	
Approved Loans/ Leasing	1,720
Total loan volume	1.28 billion GEL
Investments made	2.38 billion GEL
Jobs created (total)	16,887

Jobs created (2024)	5,569
Credit Warranty Scheme (2020-2024)	
Confirmed projects (2020-2024)	1,329
Jobs created (total)	17,104
Jobs created (2024)	3,492
Micro-entrepreneurship Support Country program Across (2024)	
Confirmed projects (2020-2024)	1,329
Jobs created (total)	17,104
Jobs created (2024)	3,492

Source: Compiled by the author based on Produce Georgia, Annual Report 2024

The significance of these initiatives lies in their role as a bridge between local entrepreneurs and state support, which is a prerequisite for the formation of sustainable employment opportunities (Enterprise Georgia, Annual Report 2024).

In contemporary employment policy, the role of the innovation and education sectors is increasingly important, ensuring both the improvement of workforce qualifications and the development of digital competencies. The activities of the Innovation and Technology Agency (GITA) focus on creating an innovative ecosystem and training highly qualified personnel, directly supporting the long-term objectives of employment policy. In 2024, 1,383 specialists were trained through GITA programs, 574 of whom obtained international certification. Additionally, 641 startups received support, the majority originating from regional cities, including Imereti. Within the fourteenth round of co-financing grants, 20 new startups were funded with grants of up to 150,000 GEL, and winners were selected in the Samtskhe-Javakheti and Imereti regions as part of the Regional Small Grants Program (GITA, 2025) (Enterprise Georgia, Annual Report 2024).

These data indicate that innovative activities have emerged as a significant driver of employment, particularly for young people, offering opportunities to remain in regional areas such as Imereti while developing digital

and technological businesses locally.

The Ministry of Education, Science, and Youth of Georgia plays a critical role in shaping an education and skills development system aligned with labor market needs, representing a key mechanism for promoting employment. The Ministry's policy is grounded in the principle that employment begins with education, and in a modern economy, forming a competitive workforce requires both high-quality education and the development of vocational training programs. From 2020 to 2024, the Ministry has prioritized the modernization of vocational education, aiming to design programs that directly respond to labor market demands (Ministry of Education., Activity Report 2024).

Official labor market statistics, including the registration and analysis of employment and unemployment indicators, are produced by the National Statistics Office of Georgia (Geostat), operating in accordance with the methodology of the International Labour Organization (ILO) (Geostat, 2025). Additionally, the Labor Market Information System, managed by the Ministry of Economy and Sustainable Development, functions as a public web portal providing up-to-date information on labor market trends, career planning, and occupational data. This system serves as a comprehensive informational resource, designed to assist users in

overcoming the challenges of data access, analysis, and practical application, thereby enhancing informed decision-making in employment and career development (LMIS 2025).

Conclusion

State employment policy in Georgia represents a multi-purpose and integrated model, implemented through the synergistic activities of sectoral ministries to promote economic growth, infrastructure development, and human capital development.

The analysis of institutional roles and findings can be summarized as follows:

1. Central Coordinator: The Ministry of Labor, Health and Social Protection forms the core of the employment system, overseeing regulation, job seeker registration, and workforce retraining.
2. Economic Growth Facilitator: The Ministry of Economy indirectly promotes employment through investment attraction and business environment improvements, notably through programs such as “Produce in Georgia.”
3. Regional Activity Leader: The Ministry of Environmental Protection and Agriculture is the most active actor in implementing employment policies at the regional and local levels, particularly in rural areas.
4. Long-term Infrastructure Support: The Ministry of Regional Development and Infrastructure provides essential prerequisites for economic activity through infrastructure projects.
5. Human Capital Development: The Ministry of Education plays a key role in modernizing vocational education and developing professional skills aligned with labor market needs.

The study finds that the effectiveness of employment policy in the Imereti region is largely determined by the diversity of

implemented programs and the degree of inter-agency synergy. However, a major challenge remains the fragmentation of regional data. Strengthening the Labor Market Information System (LMIS) would enable more accurate monitoring and evaluation of policy effectiveness at the municipal level. Future research should also examine the role of local self-government within this integrated employment policy framework.

References:

- Chikhladze, N. (2021). Theoretical and practical approaches to regional economic policy. Kutaisi. https://www.researchgate.net/publication/354724312_regionuli_ekonomikuri_politikis_teoruli_da_praktikuli_midgomebi#fullTextFileContent
- Chikhladze, N., & Ghavtadze, G. (2009). Economic development conditions and perspectives of the Imereti region. Kutaisi. https://www.researchgate.net/publication/320827194_imeretis_mkharis_ekonomikuri_ganvitarebis_pirobebi_da_perspektivebi
- Datunashvili, L. (2016) Some issues of regional economic policy in Georgia. In Innovative economy and its formation problems in post-communist countries. https://www.researchgate.net/publication/316256931_regionuli_ekonomikuri_politikis_zogierti_sakitkhi_sakartveloshi
- Diakonidze, A. (2020). Employment policy in the context of development (policy document). Tbilisi: Human Rights Education and Monitoring Center (EMC).
- Koghuashvili, P., & Chikhladze, N. (2023). Agrarian policy formation and regional challenges in Georgia. Ekonomikuri

- Profile, 18(2[26]), 7–14.
<https://doi.org/10.52244/ep.2023.26.01>
- Natelaury, I. (2009). Current employment problems in Georgia: Post-communist period. Tbilisi: Paata Gugushvili Institute of Economics.
https://www.researchgate.net/publication/316688695_dasakmebis_aktualuri_problemebi_sakartveloshi_postkomunisturi_periodi
- Center for Social Sciences. (2017). Returns to education, labor market, and job satisfaction in Georgia.
https://www.researchgate.net/publication/320215526_ganatlebis_amonagebi_dasakmebis_bazari_da_shromiti_kmaq_opileba_sakartveloshi
- Tsartsidze, M. (2023) Labor market regulation and employment policies in Georgia. Tbilisi State University.
https://www.researchgate.net/publication/317033143_Labour_Market_Regulation_and_Employment_Policies_in_Georgia
- Verulava, T., & Chanturdze, M. (2018) Disability employment policy in Georgia and alternative roads.
https://www.researchgate.net/publication/334646448_shshmp_dasakmebis_politika_sakartveloshi_da_alternatiuli_gzebi
[Disability Employment Policy in Georgia and Alternate Roads](https://www.researchgate.net/publication/334646448_shshmp_dasakmebis_politika_sakartveloshi_da_alternatiuli_gzebi)
- Ministry of Internally Displaced Persons from the Occupied Territories, Labor, Health and Social Affairs of Georgia. (2025). Official website.
<https://www.moh.gov.ge/lho.php?uid=202311181015565137258044&lang=1&v=0>
- Ministry of Economy and Sustainable Development of Georgia. (2025). Publications.
<https://www.economy.ge/index.php?page=publishments>
- Ministry of Environmental Protection and Agriculture of Georgia. (2025). Reports.
<https://mepa.gov.ge/Ge/Reports>
- Ministry of Regional Development and Infrastructure of Georgia. (2025). Municipal Development Fund.
<https://moi.gov.ge/ka/agencies/mdf>
- Ministry of Education, Science and Youth of Georgia. (2025). General education.
https://mes.gov.ge/general_edu.php?id=1&lang=geo
- Enterprise Georgia. (2024). Annual Report 2024. <https://bit.ly/3JmO4bt>
- Ministry of Education, Science and Youth of Georgia. (2024). Activity Report 2024. https://mes.gov.ge/publicInfo/?page_id=103
- Ministry of Environmental Protection and Agriculture of Georgia. (2024). Reports.
<https://mepa.gov.ge/Ge/Reports>
- State Employment Promotion Agency. (2024). Report on the planning and implementation of employment policy 2024.
- National Statistics Office of Georgia (Geostat). (2025). Official website.
<https://www.geostat.ge/ka>
- Labor Market Information System (LMIS). (2025). LMIS – Labor Market Information System.
<https://www.lmis.gov.ge/Lmis/Lmis.Portal.Web/Default.aspx>