

NATIONAL CONVENTION ON THE EU IN GEORGIA

THE YOUTH POLICY ECONOMIC EMPOWERMENT POLICY OF GEORGIA

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THE LEVAN MIKELADZE FOUNDATION



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The Youth Economic Empowerment Policy of Georgia

Preface

The creation of a stable, democratic and sustainable society is impossible without major Youth Economic Empowerment (YEE), which is an extraordinary asset for Georgia. Evidence from all over the world proves that economies of those countries are stronger where youth is actively involved in all aspects of the country's social, political, and scientific life. Entrepreneurship, creativity and the ability to innovate are drivers of economic growth, critical for addressing unemployment, and an effective way of tackling social problems. To make entrepreneurship available and popular among youth, the country should provide a wide range of institutional conditions which will guarantee highly skilled and highly paid workplaces for the elimination of inequality and exclusion.

A unified systemic governmental policy is needed to systematize all needs, obstacles and opportunities for YEE in Georgia. This particular document will provide recommendations for regulation of the economic empowerment policy for the part of society aged 6 to 29 years, based on best international experience and in harmony with EU regulations.

To obtain the best, most comprehensive and inclusive results, the objectives and goals of the Youth Economic Empowerment Policy (YEEP) in Georgia should start by concentrating on youth from their primary school period.

The YEE policy paper is a conceptual document, which should be a base for any governmental action related to the youth of Georgia.

The Goal and Objectives of the YEPP

The goal of the YEPP is to create / push toward an economically sustainable environment for youth in Georgia, one which will allow them to fully realize their potential and become an active part of society, according to their age.

To achieve this goal, YEPP will concentrate on the following objectives:

1. Supporting youth entrepreneurship;
2. Supporting employment and job creation;
3. Supporting the active role of youth in decision-making.

Principles of the YEPP

State actions for the YEPP are based on the following values:

1. Evidence, knowledge and experience-based decision making;
2. Accountability and transparency;
3. Youth economic sustainability;
4. Recognition, respect and protection of the equality of all people;
5. Local and international cooperation.

Strategic Directions of the Youth Policy

To guarantee YEPP implementation, the Georgian state should ensure the development, implementation and evaluation of a relevant action plan, with specified time frames, in the following strategic directions:

1. Entrepreneurship and innovation;
2. Employment and job creation;
3. Supporting the active role of youth in decision-making.

1. Entrepreneurship and innovation

1.1. Supporting a positive image of youth entrepreneurship

The negative attitude toward youth entrepreneurship, as seen in post-soviet heritage, should be eliminated, and success stories popularized so that young people start seeing entrepreneurship as a viable future career choice. Youth entrepreneurship should not be associated with illegal youth employment; on the contrary, the advantages of creative thinking, team working, leadership, practical experience, budgeting, etc. should be brought to the fore. It is also important that entrepreneurship is associated with learning and constant development, rather than the perception that entrepreneurship is something one is born with or has inherited.

The Government of Georgia should aim to raise awareness and promote youth entrepreneurship among the population.

The objectives of the Government of Georgia in this regard should be the following:

- 1.1.1. Promoting youth economic activities;
- 1.1.2. Ensuring a positive image of youth entrepreneurs;
- 1.1.3. Popularizing youth entrepreneurs' success stories;
- 1.1.4. Creating convention and exhibition centers devoted to youth entrepreneurship popularization;
- 1.1.5. Developing and supporting youth entrepreneurship awards;
- 1.1.6. Supporting the engagement (e.g. campaigns), empowerment (e.g. learning opportunities) and equipping (e.g. support services) of youth enterprises;
- 1.1.7. Eliminating financial inequality and exclusion among youth;
- 1.1.8. Implementing methodologies and content in formal and informal education to advance skills, mindsets and attitudes in young people, conducive to entrepreneurship.

1.2. Supporting entrepreneurial education and practice among youth

In order to have entrepreneurship perceived as a viable future career option for young people, it is necessary to support youth with different programs which aim at developing critical thinking, digital skills, decision-making skills, communication and inter-cultural communication skills, confidence, financial literacy, marketing skills, etc.

The Government of Georgia should aim to support youth entrepreneurship through basic, but at the same time comprehensive, business knowledge.

The objectives of the Government of Georgia in this regard should be the following:

- 1.2.1. Supporting entrepreneurial education, including through international exchange, volunteer and mobility programs;
- 1.2.2. Supporting entrepreneurial practise, including through international exchange, volunteer and mobility programs;
- 1.2.3. Creating youth entrepreneurship communities;
- 1.2.4. Supporting educational and practical field visits to business, governmental and non-governmental organizations;

- 1.2.5. Integrating entrepreneurial education (including social entrepreneurship) at all levels of formal education in order to provide young people with the necessary entrepreneurial competences and skills;
- 1.2.6. Turning an appropriate local governmental space into a hub for entrepreneurship, including the provision of co-working spaces;
- 1.2.7. Supporting business incubators and accelerators;
- 1.2.8. Supporting entrepreneurship and innovation competitions;
- 1.2.9. Training teachers/lecturers to provide entrepreneurial education;
- 1.2.10. Promoting educational programs for young people with special support needs;
- 1.2.11. Supporting a theoretical and practical financial education through simulation games and competitions;
- 1.2.12. Supporting conferences, workshops and other events related to financial education;
- 1.2.13. Promoting international and intercultural exchange to provide young people with exposure in order for them to come up with ideas and solutions (e. g. solutions to social problems, as in case of social entrepreneurship), but also to be able to replicate best practices and lessons learned from abroad in their home country.

1.3. Simplify entrepreneur / innovator - government cooperation

Youth entrepreneurship tends to be more fragile, and therefore, at the start, it requires more support from the government, which could be delivered in different ways, including through financial, non-financial, intellectual, and communicational means.

The Government of Georgia should aim to support youth entrepreneurship through closer cooperation and youth-oriented policies.

The objectives of the Government of Georgia in this regard should be the following:

- 1.3.1. Simplifying communication and cooperation with and among the governmental bodies;
- 1.3.2. Simplifying business procedures and providing benefits to starting entrepreneurs;
- 1.3.3. Creating / supporting specific platforms for comprehensive support, including legal, tax, and regulatory support;
- 1.3.4. Supporting platforms providing financial backing, through own and third-party resources, including local and international governmental grants, venture and crowd funding, etc.;
- 1.3.5. Providing specific tax relief, cuts and refunds, especially in rural, occupied and mountainous locations;
- 1.3.6. Providing specific tax relief and social and health insurance benefits for starting entrepreneurs;
- 1.3.7. Creating platforms for the exchange of governmental and private sector representatives, including youth entrepreneurs, to facilitate dialogue, exchange, mutual understanding, and the creation of collaborative strategies for further advancement.

1.4. Supporting youth female entrepreneurship

Youth female entrepreneurship in Georgia, especially among the Muslim population, requires specific support to bring women's needs, views, contributions, talent, and ideas to the forefront, and to guarantee equal opportunities for both for male and female youth.

The Government of Georgia should aim to support youth female entrepreneurship.

The objectives of the Government of Georgia in this regard should be the following:

- 1.4.1. Analyzing the specific challenges and needs of women, and designing targeted support measures;
- 1.4.2. Designing policies which focus on gender equality in the workplace, fostering a culture of equality and equal opportunities;
- 1.4.3. Providing men with government-supported options to focus on family care, such as those currently provided to women, to ensure equal opportunities for both sexes, as well as the equal division of home and family care duties;
- 1.4.4. Supporting women entrepreneurship during maternity leave through targeted training programs and granting schemes;
- 1.4.5. Implementing awareness-raising activities to promote equality in the workplace and in entrepreneurship;
- 1.4.6. Popularizing female activities in business;
- 1.4.7. Improving information dissemination to women entrepreneurs on available public support;
- 1.4.8. Providing individual (personal or online) support for youth female entrepreneurs in rural, occupied and mountainous areas, such as mentoring, networking, etc.;
- 1.4.9. Supporting trainings and workshops on challenges usually met by female entrepreneurs;
- 1.4.10. Supporting women-oriented grants for innovators and/or entrepreneurs;
- 1.4.11. Promoting the creation and support of communities of women entrepreneurs to allow for learning and exchange.

1.5. Supporting youth social entrepreneurship

Social entrepreneurship as a specific type of business activity focused on inclusiveness and equality should be an essential part of economic activity in the country. Social entrepreneurship guarantees not only the employment of those with special needs, but, at the same time, it upgrades the social development standards of a specific part of society, as well as society as a whole.

The Government of Georgia should aim to support inclusiveness and equality through social entrepreneurship.

The objectives of the Government of Georgia in this regard should be the following:

- 1.5.1. Providing extra legal and tax advantages for youth social entrepreneurship in case of employment of a specific number of disabled persons;
- 1.5.2. Supporting special grants for youth social entrepreneurship;
- 1.5.3. Supporting special trainings, workshops and exchange opportunities for youth social entrepreneurs;

- 1.5.4. Integrating social entrepreneurship and entrepreneurship in research programmes in close cooperation with SMEs;
- 1.5.5. Raising awareness of the youth as well as the general public of the importance and significance of social entrepreneurship as a tool to effectively tackle social problems;
- 1.5.6. Supporting the creation of social innovation hubs and social innovator communities to allow for the establishing of partnerships, cooperation, mutual learning and experience exchange. As a result, this will allow social entrepreneurship to grow faster and have a higher impact on the addressed communities;
- 1.5.7. Supporting experience exchange at the international level, e.g., through conference participation grants, study trips, exchanges and/or internships;
- 1.5.8. Supporting the integration of social entrepreneurship as a crucial concept into the formal education system as well as informal education activities.

1.6. Supporting youth entrepreneurship in the occupied territories

The conflicts in Georgia have set a significant backdrop for the whole country, affecting its economic development and impacting all aspects of the country's development, including education, medicine, sports, financial wellbeing, etc.; dividing societies between occupied and unoccupied territories. To increase the list of opportunities and, at the same time support cooperation between forcefully divided societies, youth entrepreneurship is vital. Furthermore, in these specific cases or regions, social entrepreneurship can play an even more important role as a means to address social problems effectively.

The Government of Georgia should aim to support peace and economic prosperity in the conflict territories by economically empowering youth entrepreneur cooperation on both sides of the occupation line.

The objectives of the Government of Georgia in this regard should be the following:

- 1.6.1. Providing special grants for youth entrepreneurship in the occupied territories;
- 1.6.2. Providing specific trainings, including those which are legal, financial, marketing and management oriented, for (potential) youth entrepreneurs, with a special focus on challenges related to the occupation;
- 1.6.3. Supporting measures and activities aimed at allowing for dialogue, partnerships, mutual learning and experience exchange between youth from the marginalized communities and/or occupied territories and youth from other parts of the country;
- 1.6.4. Ensuring that marginalized communities and/or vulnerable groups in these regions have a platform to discuss their entrepreneurship and employment-focused needs and challenges, and are able to participate in policy measures that affect them.

1.7. Supporting start-up business development

The start-up ecosystem for digital and/or innovative businesses is a specific environment which needs a state-of-the-art approach. Start-ups are able to provide activity which is technology and/or innovation based, which is both important and timely for the Georgian economy. However, the fragile nature of start-ups requires a specific kind of support, especially when speaking about youth start-ups.

The Government of Georgia should aim to support innovative and technology based youth economic activity by supporting youth start-up initiatives.

The objectives of the Government of Georgia in this regard should be the following:

- 1.7.1. Developing a start-up ecosystem;
- 1.7.2. Supporting digital and innovative ideas and research;
- 1.7.3. Supporting intellectual property rights, entrepreneurship education, entrepreneurs, angel investors, start-up mentors, start-up advisors, start-up events, etc.;
- 1.7.4. Developing legislation specially targeting the needs and challenges of start-ups to provide an enabling environment.

1.8. Supporting youth entrepreneurship financially

Any business activity, and youth entrepreneurship especially, requires financial support, which is hard to obtain from traditional financial market players. Even if it is achievable, interest rates and banking regulations are hard to meet. As such, supporting youth entrepreneurship with trainings and educational programs alone is not enough.

The Government of Georgia should aim to support youth entrepreneurship financially or by easing access to finance.

The objectives of the Government of Georgia in this regard should be the following:

- 1.8.1. Supporting fintech industry development;
- 1.8.2. Providing grants and other financing mechanisms for youth entrepreneurship;
- 1.8.3. Providing co-financed or interest-free bank loans for youth entrepreneurs;
- 1.8.4. Providing grants for self-employment;
- 1.8.5. Providing starting companies and entrepreneurs with tax relief, social and health insurance relief, etc.;
- 1.8.6. Organizing training sessions and workshops where starting entrepreneurs can learn about governmental funding opportunities and gain the skills necessary to apply successfully.

1.9. Supporting digital skills and knowledge

Digital skills and knowledge are the most important aspects of building successful entrepreneurship or even becoming employed. Considering international and local trends, it is vitally important to support the digital upgrade of society as a whole. The need to develop digital skills has become even more important since the beginning of the global Covid-19 pandemic.

The Government of Georgia should aim to support the digital transformation of Georgian youth.

The objectives of the Government of Georgia in this regard should be the following:

- 1.9.1. Supporting the digital education of youth at all levels, in both formal and informal education;

- 1.9.2. Supporting competitions for young people with an aim to provide incentives for the development of digital skills and knowledge;
- 1.9.3. Supporting the digitalization process of the country considering youth initiatives;
- 1.9.4. Providing young people with opportunities for both local and international exchange, participation in international digital skill-focused events, etc.;
- 1.9.5. Partnering with the private sector in designing formal / informal education and training programs to reflect the needs of the market and the future of work;
- 1.9.6. Creating a platform to partner with the private sector to facilitate dialogue on the curricula, skill development or technologies used in the education system, with an aim to produce employable graduates ready to enter the job market;
- 1.9.7. Supporting the integration of practice enterprises into formal education, ideally adjusted to the needs of different age groups, starting at primary school. (For examples of strategic implementation of practice enterprise methodology into formal education supported by the government, see, e.g. Practice Enterprise Network, Junior Achievement).

1.10. Creating specific age-oriented programs

Youth at different ages have different needs related to becoming entrepreneurs. Consequently, different programs for different age groups focusing on different skills and experience sharing should be provided by the Georgian government, according to the interests of the particular youth.

The Government of Georgia should aim to support educational programs for different youth age groups, according to their specific interests and needs.

The objectives of the Government of Georgia in this regard should be the following:

- 1.10.1. Incorporating an “entrepreneurship” course into the formal school curriculum;
- 1.10.2. Creating specific age-oriented projects, such as “My First Business”, “Business Innovator”, “Bankruptcy is not an end, but the beginning of new business”, “School Bank”, “Business Equals Independence”, “Social Entrepreneurship”, etc.;
- 1.10.3. Organizing seasonal schools in innovation and entrepreneurship;
- 1.10.4. Creating youth educational enterprises adjusted for all ages at all levels of formal education (as seen in 1.9.7 above).

1.11. Supporting cooperation with the private sector and non-governmental organizations

The private sector, as a solid partner for youth entrepreneurs, and as a platform for generating skills, knowledge, experience and contacts, should be supported and incentivised by the Georgian government. The same goes for non-governmental organizations, which also provide a significant amount of diversified opportunities for youth economic empowerment.

The Government of Georgia should aim to bring closer the private and non-governmental sectors.

The objectives of the Government of Georgia in this regard should be the following:

- 1.11.1. Supporting non-governmental youth organizations;

- 1.11.2. Supporting joint youth economic empowerment projects with the private sector, developing areas of business, entrepreneurship and education, as well as practical aspects;
- 1.11.3. Supporting joint projects with non-governmental organizations, aiming to develop the practical, business and educational features of the local youth.

2. Supporting employment and job creation

2.1. Supporting market needs-oriented education

The job market is changing rapidly. New technologies and innovations require a workforce with specific skills, knowledge and sometimes experience as well. The Government of Georgia should support systematic market analysis and provide proper education, trainings and professional development opportunities for youth to guarantee supply and demand on the modern job market. This needs to be done in close cooperation with the business sector in order to identify employers' needs, requirements, current struggles, and skill gaps in employees.

The Government of Georgia should aim to support youth through adequate education based on job market demands.

The objectives of the Government of Georgia in this regard should be the following:

- 2.1.1. Supporting research on the job market;
- 2.1.2. Supporting information dissemination on employment opportunities;
- 2.1.3. Supporting market-oriented qualification adaptation for youth to minimize the skill gap in both formal and informal education;
- 2.1.4. Supporting industrial and technology park development;
- 2.1.5. Supporting professional orientation, vocational education and trainings (VET);
- 2.1.6. Partnering and incentivizing the private sector to identify and design an effective education system and curricula that reflects market needs (both job and business markets), and supports internships, professional placements, etc.

2.2. Educational and employment programs for specific groups of youth

Educational and employment programs should be designed and targeted based on the needs of specific regions and/or people. We do not believe that the "one-size-fits all" policy can be effective and impactful if implemented without reflecting the specific needs in, for instance, the capital city, rural areas, occupied regions, or mountainous areas.

The Government of Georgia should aim to support education and employment opportunities focused on the specific needs and interests of particular groups of people in Georgian society.

The objectives of the Government of Georgia in this regard should be the following:

- 2.2.1. Supporting educational and employment-focused programs for rural, occupied and mountainous areas;

- 2.2.2. Supporting educational and employment-focused programs for persons with special needs;
- 2.2.3. Supporting educational and employment-focused programs for female youth;
- 2.2.4. Ensuring equality and equal access to both educational support and funding opportunities for all youth.

2.3. Support employment advantages and unemployment benefits for youth

Employment should be decent and transparent, and, according to the Georgian labor code, youth discrimination should be unacceptable. At the same time, in case of unemployment, youth should be supported with both financial and non-financial unemployment benefits for a specific period of time. This will allow youth to better search for and analyze a job offer they find, succeed in the recruitment process, and accept the best job offer.

The Government of Georgia should aim to support youth during employment and in case of unemployment for a specific period of time.

The objectives of the Government of Georgia in this regard should be the following:

- 2.3.1. Supporting a minimum wage rate for youth;
- 2.3.2. Limiting youth employment hours per week;
- 2.3.3. Making lay-off procedures of young people more complicated;
- 2.3.4. Allowing for flexible working contracts;
- 2.3.5. Providing CV-writing and job interview training for unemployed youth to increase their chances of succeeding at a job interview and securing a suitable job position. This will also help increase the number of positions young people apply for and secure a higher number of job interview invitations;
- 2.3.6. Partnering with the private sector to offer training and re-training courses to allow for targeted skill development adjusted to the needs of the local employers;
- 2.3.7. Implementing youth guarantees (governmental schemes implemented across the EU with an aim to provide young people with the opportunity of a job, apprenticeship, further or higher education, training programme or volunteering, up to six months after their graduation or becoming available on the job market).

2.4. Special financial support for youth job creators

Youth entrepreneurs who create and provide employment for the rest of society should be treated exceptionally. Showing extraordinary skills for the sake of local society requires support for further development.

The Government of Georgia should aim to support youth activities that provide new jobs for the market.

The objectives of the Government of Georgia in this regard should be the following:

- 2.4.1. Providing enterprises with benefits in the form of special financial contributions in the first months of employing new persons (alternatively, offer one-off financial contributions with each new person employed);
- 2.4.2. Providing tax relief, and social security and health insurance relief, for each new person employed;

- 2.4.3. Supporting bank credit availability;
- 2.4.4. Decreasing the rental price at government-owned facilities;
- 2.4.5. Supporting mortgage repayments;
- 2.4.6. Providing training and workshops for enterprises on how to effectively use these benefits.

2.5. The Youth Employment Program

Youth employment programs have been well trialed internationally, and have been tested in Georgia many times, but not systematically. Youth employment programs, such as cleaning the streets, working for governmental institutions, taking care of homeless people and animals, etc., are jobs which could bring prosperity to the whole of society.

The Government of Georgia should aim to support youth working programs for the prosperity of society as a whole.

The objectives of the Government of Georgia in this regard should be the following:

- 2.5.1. Supporting youth working programs;
- 2.5.2. Supporting seasonal youth working programs;
- 2.5.3. Supporting youth working programs at governmental organizations;
- 2.5.4. Creating mechanisms to provide recognition for informally-gained certification, skills or work-experience;
- 2.5.5. Supporting opportunities for young people to gain international exposure and experience from abroad;
- 2.5.6. Incentivising young people to work for the state administration and bring fresh ideas and innovation;
- 2.5.7. Supporting events which aim to raise awareness of young people at seasonal or other special working programs.

3. Active role in decision making

3.1. Participation in decision making

Creative ideas, innovative problem-solving and decision-making, original views on different issues, etc. are contributions which young people bring to the table. However, for them to be able to do so, their active participation in decision-making processes at all levels of the country needs to be allowed, supported, and guaranteed by law.

The Government of Georgia should aim to support youth participation in the decision making process, through different schemes.

The objectives of the Government of Georgia in this regard should be the following:

- 3.1.1 Supporting youth participation in decision making at the local and municipality levels in fields related to entrepreneurship, such as local budget distribution, infrastructure development, etc.;

- 3.1.2 Supporting youth participation in decision making at the central level in fields related to entrepreneurship, such as local budget distribution, infrastructure development, etc.;
- 3.1.3 Supporting youth by ensuring that all policies, strategies, legislation and agencies and/or institutions related to economic development integrate the economic empowerment of youth as one of the priorities;
- 3.1.4 Supporting the creation of youth councils at different levels and across the regions.

3.2. The creation of youth councils

Youth participation in an active social life could be organized in different ways, but one of the most effective is the creation of youth councils, on the one hand to motivate creative, innovative and educated youth, and on the other to ensure a comprehensive view and response to different challenges encountered in the country, from local to global events.

The Government of Georgia should aim to support youth councils at the local, municipal and central levels, to support both country development and youth realization in society.

The objectives of the Government of Georgia in this regard should be the following:

- 3.2.1 Supporting youth councils at local and municipal levels;
- 3.2.2 Creating youth councils in different governmental bodies, including a “Prime Minister’s Youth Council”;
- 3.2.3 Supporting the youth councils’ decision-making power;
- 3.2.4 Ensuring that the youth councils enjoy voting rights when participating in decision-making bodies at different levels and across the regions.