

## THE ROLE OF EMPLOYMENT AGENCIES IN REGULATING THE GEORGIAN LABOR MARKET AND REDUCING YOUTH UNEMPLOYMENT

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**Abstract.** The labor market in Georgia, a crucial component of its evolving market economy, is currently undergoing formation, marked by numerous challenges. Effective institutional regulation and the development of labor market infrastructure are pivotal in addressing the persistent issue of unemployment. The underdeveloped labor market infrastructure has led to prolonged unemployment, particularly afflicting the youth. Key contributors to labor market regulation and unemployment reduction are recruitment agencies. This paper aims to scrutinize the role and significance of employment agencies in regulating the labor market in Georgia. The measures are designed to augment the influence of both state and private employment services.

**Keywords:** labor market, youth unemployment, institutional regulation, employment and recruitment agencies, marketing strategies.

**JEL Classification:** J01, J6, J24, J28.

### 1. Introduction

Youth is an important part of society that can make a significant contribution to both the social and economic development of the country (Friedrich-Ebert-Stiftung, Youth Agency, 2021).

For Georgia, as a country with a developing economy, young people are the most important factor in economic empowerment stability, and sustainable development of the country. Therefore, the country must have a suitable environment for them, which will contribute to the possibility of active involvement of young people in the labor market.

It should be noted that the issues related to the determinants of youth involvement in labor processes in Georgia, the problems of youth unemployment in general, the causes of youth unemployment, and ways to reduce it have been less studied. Even less has been studied – issues of youth dependence on employment agencies, which require appropriate scientific research due to the urgency of the problem of youth unemployment. It was this circumstance that led to our interest in the study of the above-mentioned issues, to which the

presented paper is dedicated. The paper aims to study the unemployment of young people in Georgia and its causes, the prospects for labor arrangements, and the attitude of young people towards employment agencies and to develop appropriate recommendations that will reduce the severity of youth unemployment, and increase the awareness of employment agencies and efficiency. The scale of youth unemployment in Georgia has clearly shown the urgency of research in this direction.

The paper aims to assess the actual situation and scale of youth unemployment in Georgia, to assess the awareness of private and public employment agencies, their role and importance, and to assess the level of appeal to them and to assess the impact of appeals and develop specific recommendations.

Institutional regulation of the labor market plays a major role in reducing Unemployment, including youth unemployment. The adequate labor market in Georgia is still in the process of formation, and there are many problems and challenges in this process. Accelerating the country's economic development, creating new jobs, and tackling poverty depend significantly on pursuing an active state policy in the field of employment, which

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includes supporting labor market infrastructure development, labor demand-supply balance, vocational training for the unemployed, and low-competitive labor. The development of labor market infrastructure, including employment agencies, is one of the main factors in increasing the efficiency of the business, as it contributes to the operational and quality satisfaction of employers' requirements in the workforce. Studies confirm that in Georgia, even in the face of mass unemployment, more than 1/3 of employers have problems attracting the staff they need (Paresashvili et al., 2021). One of the reasons for this is the underdevelopment of labor market infrastructure. The underdevelopment of labor market infrastructure determines the circumstances when people do not have the opportunity or do not know who and where to turn to get the information they need, how to look for a job, and how to develop professional skills. As a result, the category of people who want to work in Georgia is very high, but are no longer actively looking for a job, since they have lost hope of finding it. Unemployment in Georgia has taken the form of long-term unemployment as a result of long-term economic stagnation, lack of employment incentives by the state, and underdevelopment of labor market infrastructure.

For the world, including Georgia's COVID-19 pandemic, it has become a test that has acquired a special scale and had a major impact on almost every area of public life. Coronavirus prevention measures have had the greatest impact on the employment sector and the labor market. This negative impact has further exacerbated the unfavorable situation in the labor market. Against the background of the changes in the labor market of Georgia, the problem of increasing the efficiency of the institutional regulation of the labor market was expressed with even more severity and necessity. Therefore, the recommendations that have been developed in this direction are very relevant and important. At the end of the paper, the anti-crisis measures discussed, the development and practical implementation of which will help to eliminate the severe socio-economic consequences that existed before the pandemic and are still exacerbated in the Georgian labor market. To improve the employment rate of young people and reduce unemployment, the article offers specific ways of effective institutional arrangement of the labor market, which is aimed at improving the system of labor resources and employers' interaction and increasing the role of public and private employment services. Their activities in Georgia do not count for even three decades, unlike the centuries-old experience of highly developed countries in this direction. The implementation of agreed international labor standards, in particular the ILO Employment Service Convention, 1948 (No. 88) The adoption in 1997 of the ILO Private Employment Agencies Convention (No. 181) reflected the acknowledgment of the growing role played by private recruitment agencies matching workers with available jobs, and their potential to promote labor market efficiency (International Labour Organization; International Training Centre of the ILO, 2021).

## 2. Literature review

Young people are the biggest asset for society since they can make a substantial contribution to the country's social and economic development. In this context, the state needs to create an environment that responds to youth challenges and enables the effective implementation of a youth policy for and with young people. Youth policy needs to be based on human rights, as well as the principles of citizen and gender equality (Esebua et al., 2021).

Young people are making future progress in the country. Recently, many scientific studies and papers point to the fact that the integration of young people into the labor market is the most important condition for the sustainable and irreversible development of the country. In those countries where the problem of youth unemployment is not adequately addressed, the opportunity for sustainable development, social harmony, and economic efficiency is lost (Efendieva, 2022). On the contrary, high levels of youth unemployment are the cause of long-term decline, exacerbating some social and criminological problems.

The problem of youth unemployment is a global issue. It is important to examine the issues of youth unemployment because it has a high extent to the social factor (Gontkovičová et al., 2015).

To achieve the highly ambitious national task of reducing youth unemployment, we fully share Yen-Ling Lin Cheng-Yi Kang's view that in the context of youth unemployment, investing in human capital through career preparation and education is critical to increasing their employability and reducing their risk of long-term unemployment. By developing the necessary skills and knowledge to succeed in the labor market, young people can improve their chances of finding meaningful employment and building a successful career (Lin & Kang, 2023).

Unsuccessful attempts to establish themselves in the labor market and especially long-term unemployment among young people lead to despair, helplessness, and confusion. Collisions with unemployment harm the health of young people, the average life expectancy, alcohol and drug addiction, mortality, declining youth self-esteem, and increasing feelings of hopelessness for the future (Okruashvili & Paresashvili, 2019).

According to the World Bank, Youth employment is a key concern as youth are: -More likely to be among the working poor than adults, at higher risk of unemployment or underemployment, and at higher risk of working in jobs with lower wages (World Bank, 2024).

Young people find themselves navigating their way through a complex world of work characterized by both opportunities and challenges. The awareness and advocacy of their rights at work are paramount in ensuring that these initial years, and those, thereafter, are not just productive but are also characterized by dignity and respect. Young people face increased work intermittence explained by, in part, intense hires and dismissals from the workforce, the greater occupational instability (International Labor Organization, 2024).

It should also be noted that the high unemployment rate of young people harms the economic sustainability of the country on the one hand and their personality and career advancement on the other. Ultimately, it also harms the quality of life of young people and contributes to the inertia of each individual in public life (Kurashvili, 2023).

Today, the Georgian government has officially stated that one of the main challenges of the Georgian economy is the reduction of unemployment and, consequently, the growth of employment, which is the most important priority of the country's economic policy (Ministry of Economy and Sustainable Development of Georgia, 2023).

Active employment policy, in particular, non-temporary employment of job seekers with employment promotion programs, but finding appropriate jobs in their profession, education, and interests, has been prioritized by Georgia 2023, developed by the Government of Georgia 2030 Strategy (Government of Georgia, 2022). It is essential to thoroughly study the interests and skills of young people and based on the study results promote the professional employment of youth (Kharashvili Lobzhanidze, 2021). Unfortunately, none of the above government documents pay due attention to young people. This has had a very negative impact on the mood of young people. According to a study funded by the Friedrich Ebert Foundation, 63% of young people surveyed believe that the interests of young people are pickled or not at all represented in national politics. Research participants call unemployment and education issues the most important problems for the country, with two-thirds (65%) of young people surveyed saying they are financially, largely dependent on other people (Shubladze et al., 2023).

It is necessary to consider and emphasize the fact that educated, motivated, entrepreneurial spirit and confident youth in their abilities will become the main result that will put Georgia among the developed and innovative economies. Throughout the world, due to the inequitable economic policies and the aftermath of the economic crisis that has followed the COVID-19 pandemic, youth, throughout the world, are predicted to be worse off financially than their parents' generation. These challenges have led to a rise in adverse mental health impacts on young people. Investing in young people is critical to solving these pressing and growing challenges (United States Agency for International Development, 2022).

The acute problem of youth unemployment in Georgia, the gender aspects of youth unemployment and the

need to develop effective mechanisms for its reduction are discussed in published articles by Paresashvili and Abesadze (Abesadze & Paresashvili, 2018).

The problem of unemployment in Georgia, including youth unemployment, is discussed in the scientific article of Paichadze, where it is emphasized that when regulating the labor market, the state's priority should be to prepare young people for the labor market, provide them with appropriate professional skills and knowledge. (Paichadze, 2018).

By unemployment among young people, the human capital invested by the state or the family depreciates. A young person is morally traumatized, and society loses the economic wealth that could be obtained by the effective use of their labor potential (Lobzhanidze, 2022).

### 3. The current state of youth unemployment in Georgia

There have been tendencies in Georgia for two decades to reduce the number of young people, as well as its insufficient involvement in the labor market. We discussed 2002, 2010, 2014, and 2018 statistics, which show the acute problems facing young people and therefore put them on the agenda of solving them immediately at the state level to reduce the number of young people, their employment, and unemployment. Today, the country is in a very unfavorable situation in this regard, which is primarily due to the decrease in the number of young people. Recently, there has been a trend of irreversible decline in the young population of Georgia. In total, the number of able-bodied young people aged 15–29, in 2002 was 821.6 thousand, and in 2010 – 815.2 thousand. In 2014, 739.8 thousand, and in 2018 687.5 thousand, and in 2022 it was 608.4 thousand (Figure 1).

Migration processes in Georgia have contributed to the reduction in the number of able-bodied young people. The most acute aspect for the country of emigration is the fact that young people leave Georgia the most, with the highest rates at the age of 25–29. Such a reduction in youth is the greatest loss for the country. No less unfavorable situation is since the vast majority of these citizens have received higher education, while abroad they have to be non-specialized, as well as to occupy low-skilled jobs. This will lead to their future disqualification and low competition in the labor market in the long run (Okruashvili & Bakhtadze, 2019). There is an increased threat of youth emigration even today,

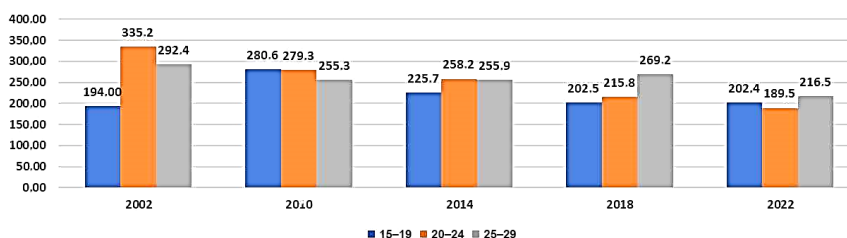


Figure 1. Number of young people 2002–2022 (source: National Statistics Office of Georgia)

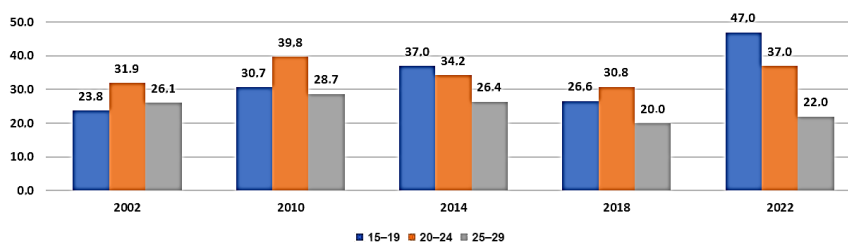


Figure 2. Unemployment among young people in 2002–2022 (source: National Statistics Office of Georgia)

although young people in Georgia are generally optimistic about their future, many of whom are still considering moving abroad temporarily or permanently, which is especially alarming.

Along with the unfavorable situation of reducing the number of young people, the problem of youth unemployment is very acute in the country (Figure 2), the youth unemployment rate in Georgia significantly exceeds not only the rates of developed countries but also the current youth unemployment rate in the world, which in 2022 was 15.6 percent. The share of unemployed young people in EU countries in the total population was below 4% in Czechia (2.0%), Germany, and Bulgaria (both 3.3%), as well as in Hungary and Poland (both 3.5%). Conversely, this share was above 8% in Spain (11.2%), Greece (10.6%), Sweden (10.3%) and Cyprus (8.8%) (Statista Research Department, 2024).

The problem of youth unemployment is even more acute compared to the capital and other cities, in rural settlements in Georgia, which indicates the structural nature of urban-rural inequalities in Georgia (Kharaisvili et al., 2017).

The need for state support is highest for unemployed groups whose knowledge and skills do not meet modern trends in the employment market and therefore do not differ in high competitiveness. Most of such people are unemployed and do not study or undergo training (NEET-, “Not in Employment, Education or Training”). A particularly worrying challenge in youth employment is the growing number of young people who are NEET. The situation of inactivity (not learning, not being employed) of young people adversely affects their skills (cognitive, job-related, and social) and their employability (Ermsone, 2019).

The share of such young people in Georgia is very high, according to 2022, the unemployment rate for 15–29-year-olds NEET youth in Georgia is 31%. In 2022, the figure in the European Union was 11.7% (Eurostat, 2023).

In Georgia, in 2022, the percentage of young people aged 15–24 who do not study are not employed and do not undergo training at 23.4%. This figure is identical to the world figure, but significantly exceeds the rates in Western and Eastern European countries, averaging 9.8% and 12.4%. (International Labour Organization [ILO], 2023). Such young people pose a huge risk to the sustainable development of each country (Rahmani & Groot, 2023).

These indicators of the unfavorable situation of youth unemployment clearly show the need for immediate implementation of similar measures of the EU Youth Guarantee program developed in Georgia in 2020. The reinforced Youth Guarantee is a commitment by all Member States to ensure that all young people under the age of 30 receive a good quality offer of employment, continued education, apprenticeship, and traineeship (European Commission, 2020). This is the only way development can be accelerated when the majority of youth in any community or country can make significant contributions to economic, social, and political life in a way that inclusively lifts countries out of poverty, ensures greater stability, and promotes healthier societies (United States Agency for International Development, 2022).

The positive practice of youth employment and support in the European Union should be the focus of developing a specific action plan to reduce youth unemployment in Georgia. This demonstrates the fact that a strategy to support youth in the country, reduce unemployment, and increase employment should be developed independently, and not within the framework of general employment programs.

#### 4. Research methodology

Research on the problem of youth unemployment in general, employment agencies, and their attitudes toward the prospects for their labor arrangements has been conducted in two stages, based on qualitative and quantitative research methods. In the first stage, a qualitative study was conducted that included focus groups. Qualitative research participants selected 15–29 year-olds, both unemployed and employed. The analysis of secondary information and the focus groups conducted allowed us to formulate hypotheses and set priorities for further research. In the second stage, we conducted a survey using the survey method. The research tool was a questionnaire consisting of pre-compiled and tested structured questions. The survey was conducted electronically. The selection was formed based on the probative method.

The research area included the capital of Georgia, Tbilisi, and the regions. To the extent that the National Statistics Office of Georgia has not yet published the official data 2023 on the number of age groups of the Georgian population, unemployment, and the number of age groups of employees. We have taken into account the data for 2022. According to official statistics for 2022, the

number of young people aged 15–29 living in Georgia was 608.4 thousand. The sample size was calculated using Raosoft sample size calculator (Raosoft, n.d.) and the minimum number of respondents to be interviewed was 399 respondents. Given the 95% reliability probability and 5% error, we surveyed 399 respondents.

Young respondents from different regions of Georgia took part in the study. Data obtained based on electronically compiled questionnaires were processed by the SPSS statistical software package.

Statistical procedures such as frequency distribution tables, cross-station, consumer spreadsheets, comparisons between means, obtaining cross-cutting tables, dispersion analysis, various types of schedules, and so on were used to process the data.

To test young people’s attitudes toward employment agencies, we tested the following hypotheses:

- **H1** – Age, Education, and Housing Region – These three factors together affect the use of employment agencies by young respondents and the frequency of their appeal;
- **H2** – Age affects the views of young respondents on the determinant of guaranteed employment;
- **H3** – Age affects the views of labor prospects;
- **H4** – According to the regions, the views of young people are different, the main factor in hiring – is the personal or relative connections of young people.

## 5. Results

The large-scale unemployment rate of young people in Georgia is evidenced by the answers given by the respondents to questions such as how you would assess the problem of unemployment in Georgia today. 56.8% of young people surveyed assessed the problem of youth in the country as extremely acute, 17.4% – as acute, and only 25.8% of respondents believe that the unemployment situation of young people is within moderation. This reflects the critical assessment of Georgian youth in the labor market and in particular the highly critical perception of the unfavorable situation of youth unemployment.

Despite the unfavorable employment situation of young people in Georgia today, the study found that only

Are you fully informed about the activities of employment agencies?

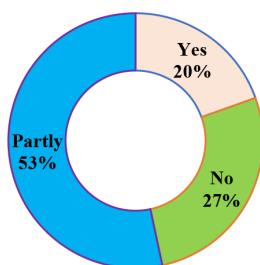


Figure 3. Awareness of youth about the activities in employment agencies

20% of young people are fully informed about the activities of employment agencies, 27% are not informed at all, and the activities of employment agencies are partially known to 53% (Figure 3).

After examining the first hypothesis with a dispersion analysis (MANOVA), we obtained from the Levin test results table (Table 1) that all three factors together affect the appeal to employment agencies and the frequency of referrals (P-value <0.001). These have a greater impact on the use of employment agencies (F = 23.126).

Table 1. The combined impact of age, education, and the region of residence on employment agencies and the frequency of appeal

Levene's Test of Equality of Error Variances <sup>a</sup>				
Dependent Variable	F	df1	df2	Sig.
Do you use the services of employment agencies?	23.126	47	342	.000
How often do you visit employment portals?	2.193	47	342	.000

Influence of individual factors (Table 2, Table 3, Table 4) shows that age has some effect on the use of services by employment agencies (P-value <0.001), although there is no difference between age groups when it comes to employment portals. P-value = 0.272, which exceeds 0.05).

Table 2. The dependence of the age variable on the services of employment agencies and the frequency of their appeal to them

Univariate Tests							
Dependent Variable		Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Using the services of employment agencies	Contrast	4.26	2	2.129	10.25	.000	.06
	Error	71.02	342	.208			
How often do you visit employment portals?	Contrast	5.23	2	2.610	1.31	.272	.01
	Error	682.45	342	1.995			

The data in Table 3 give us the reason to highlight that among respondents with secondary, vocational, or higher education there is a kind of trend towards the usefulness of employment agencies and the frequency of their appeal, with both of them P-value exceeding 0.05.

As for the residential region, Table 4 shows that the residential region affects the use of services by employment agencies among young people (0.01 at the statistical level), and employment agencies by region are almost no

different in terms of the frequency of referrals from one another (P-value exceeds 0.05).

Table 3. The attitude of the education variable towards the services of employment agencies and the frequency of their appeal to them

Univariate Tests							
Dependent Variable		Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
using the services of employment agencies	Contrast	.74	3	.245	1.18	.31	.010
	Error	71.02	342	.208			
How often do you visit employment portals?	Contrast	4.92	3	1.639	.82	.48	.007
	Error	682.45	342	1.995			

Table 4. The attitude of the variable of the residential region to the services of employment agencies and the frequency of their appeal to them

Univariate Tests							
Dependent Variable		Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
using the services of employment agencies?	Contrast	5.50	10	.550	2.649	.004	.072
	Error	71.02	342	.208			
How often do you visit employment portals?	Contrast	34.025	10	3.402	1.705	.078	.047
	Error	682.451	342	1.995			

The truth of the second hypothesis was verified by Cross tabulation analysis (Table 5), which is visually represented in the form of Figure 2, and by the chi-square test (Table 6).

According to Table 5, the guarantee of employment is mostly determined (48.5%) by the “Candidate Education Level and Qualification”, this response was observed by a group aged 21–24 years, unfortunately, the basis for guaranteeing employment is not a small percentage of personal and related connections. It is named after the age group of 25–29 years (42.9%).

Visually respondents’ opinion on the guarantee of employment according to age is presented in Figure 4.

Whether age affects the determinant of job-guaranteed acceptance of young respondents’ views can be seen

Table 5. Depending on the age of the variable – what do you think determines the guarantee of getting a job? – Frequency distribution

		Age		
		15–20	21–24	25–29
What do you think determines the guarantee of getting a job?	Candidate’s level of education	19.4%	48.5%	32.0%
	Ability to present oneself and one’s abilities	26.8%	33.3%	39.8%
	Personal and relative “connections”	21.4%	35.7%	42.9%
	Familiarize yourself with the information posted on the vacancies on the websites of employment agencies	32.4%	30.9%	36.8%

By your opinion, what determines the guarantee to get a job?

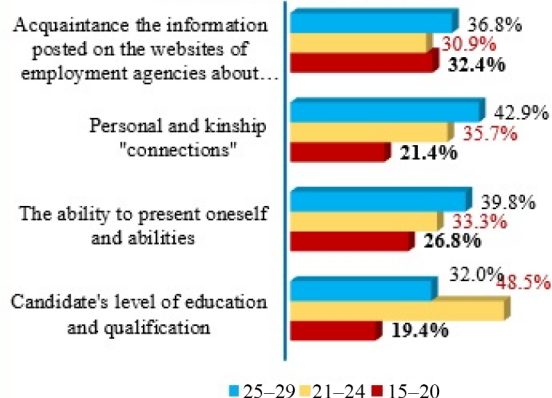


Figure 4. Determining the factor for guaranteeing employment by age

from the results of the chi-square test (Table 6). As can be seen from this table, age does not affect the determinant of job-guaranteed acceptance in respondents’ views (P = 0.818, exceeds 0.05), with no significant difference in age groups in this regard. We have proven zero hypotheses and it is not proven that H2 is the truth of the hypothesis.

Table 6. Determining the existence of a statistical relationship between the age variable and the determinant of guaranteed acceptance of work

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	9.953	6	.127
Likelihood Ratio	9.703	6	.138
Linear-by-Linear Association	.053	1	.818
N of Valid Cases	392		

However, it should be noted that age also affects the views of the labor arrangement perspective, which is determined by the results of the chi-square test (Table 7),  $P < 0.001$ . This also proves the truth of the third hypothesis.

Table 7. Establish a statistical link between age and labor prospects

Pearson Chi-Square Tests		
		Age
How do you rate your labor arrangement prospects?	Chi-square	30.592
	df	8
	Sig.	.000

We tested the fourth hypothesis with a single-factor analysis – One Way ANOVA.

Examination of the variation uniformity test (Levin test) found that a certain share of the region was also in the formation of this view, with a statistical connection between the given variables at level 0.05 ( $P = 0.030$ ).

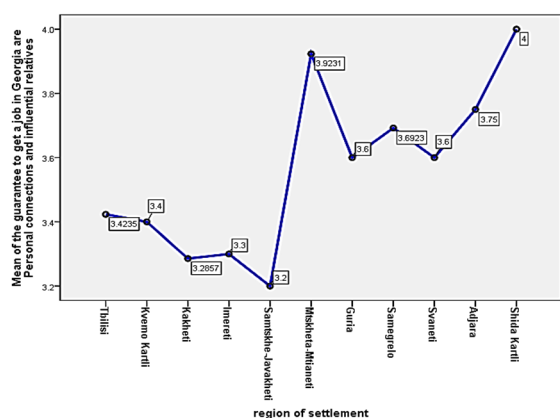


Figure 5. Average variables depending on regions

If we take into account the fact that this question is evaluated by a 5-point assessment, 1 = I do not fully agree, 2 = I do not agree, 3 = neutral/ I do not agree and I do not deny / 4 = I agree, 5 = I fully agree. The survey found that Samtskhe-Javakheti, Kakheti, Imereti, Kvemo Kartli, and Tbilisi agreed the least. Unfortunately, the average in Shida Kartli and Mtskheta-Mtianeti is 4 and 3.9 (Figure 5).

Thus, the 4th hypothesis is argued, that the regions are influencing the view of hiring staff through personal connections or influential loved ones through the influence of a particular region.

For the regions of Tbilisi, Kvemo Kartli, Kakheti, and Imereti (the share of the most respondents), the view of hiring staff through personal connections or influential relatives in the service of the variable-service has the following graph (Figure 6).

As we can see, unfortunately, there is a growing trend towards high scores.

What is needed to provide services to employment agencies more often for young people to reduce

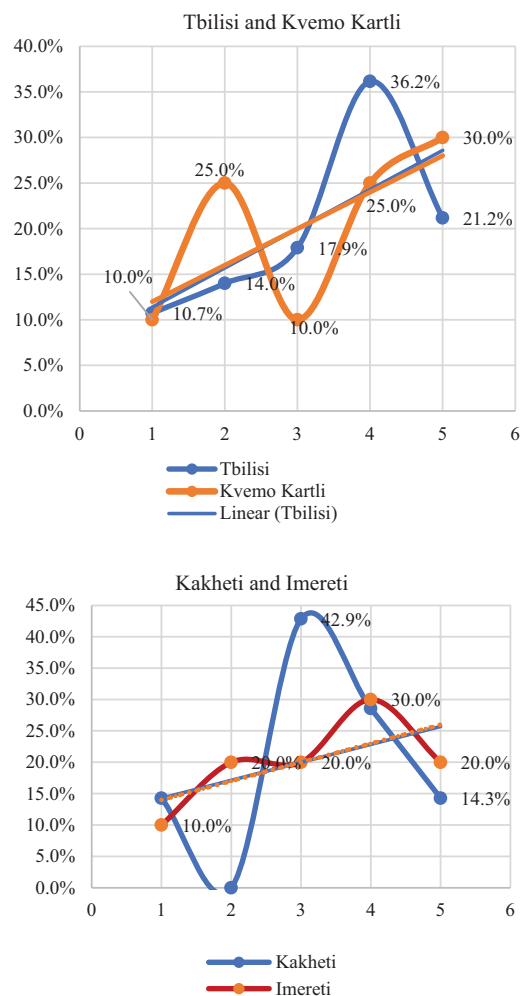


Figure 6. The guarantees to get a job in Georgia are personal connections and influential relatives – according to regions

unemployment the study gave us the following picture: The majority of young people (55.1%) say they will benefit from the services of employment agencies, while real support for young specialists will be 29.6% – more frequent updates on job vacancies. 6.8% – Competent, polite, youth-oriented staff, 5.5% – to provide real assistance to young people, 3% name the placement of reliable information on the official web pages of employment agencies (Table 8).

Most young people get information about employment agencies from their official websites, which is about which employment agency services they use, as shown in Figure 7, most often using [Jobs.ge](http://Jobs.ge). With the services of [Hr.ge](http://Hr.ge) and [Linkedin.com](http://Linkedin.com). What is even more unfortunate is the fact that it is zero, 0.9 for the share of young people who have ever applied to the State Employment Agency – [Worknet.gov.ge](http://Worknet.gov.ge) and its official website.

How young people are perceived by the prospect of labor arrangement is shown in Figure 8, noting that despite the high level and severity of youth unemployment, most Georgian youth still look with optimism and adherence to the prospect of their future labor arrangement, 26.3% think it will be quick to see the service, 41.9% think it is difficult to answer the question quickly, but

Table 8. Respondents' opinion on the use of the services of employment agencies

		Frequency	Percent
Valid	Real support for the employment of young specialists	220	55.1
	More frequent updates on job vacancies	118	29.6
	Ensuring real assistance in achieving the goal of youth employment	22	5.5
	Posting reliable information on the official websites of employment agencies	12	3.0
	Staffing with competent, polite, youth-oriented employees	27	6.8
	Total	399	100.0

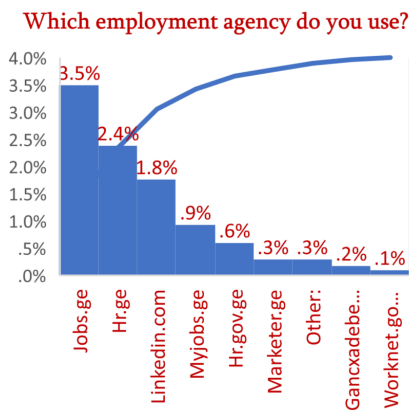


Figure 7. Websites of employment agencies used by respondents

it will be employed, Even the mood of the rest of the youth is not good, in particular, 15% find it difficult to answer the question and therefore foresee the future perspective of their labor arrangement, 8% believe that the probability of this is small, and 8.8% see the prospect of their labor arrangement in leaving the country and going abroad (Figure 8).

How do you evaluate your employment perspectives?

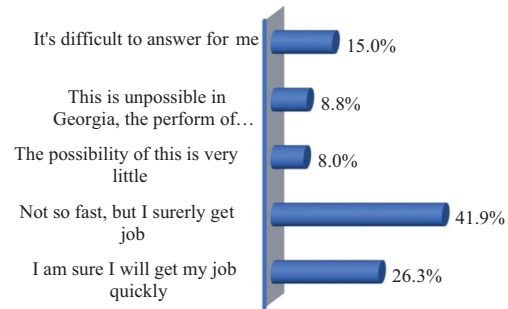


Figure 8. Young people's opinions about the prospects for labor arrangements

The study also highlighted the opinion of young people about important factors in refusing employment (Table 9).

Table 9. The opinion of young people about the important factors in refusing employment for them

Insufficient education and low qualifications	15.3%
Underdevelopment of labor market infrastructure	13.8%
Lack of practical experience	14.8%
Personal qualities of a young candidate	7.6%
A vicious system of hiring, not having influential relatives and loved ones	23.2%
Insufficient activity and low initiative to find a job	7.7%
Absence of vacancies according to the specialties of the graduates	17.5%

As part of the study, it was very interesting to find out what youth assessment and perception are the reasons for their refusal to work. Unfortunately, the study identified a vicious system of employment for young people with the highest percentage of reasons for refusing to employ young people (23.2%), with no influential relatives or loved ones.

In general, it is interesting to assess the provisions relating to the reliability of employment agencies in reducing youth unemployment (Table 10, Figure 9).

Table 10. Evaluate provisions with scores

Evaluate provisions with points: 1 implies – fully disagree; 5 – fully agree						
Provision	Mean	95% Confidence Interval for Mean		Median	Variance	Std. Dev.
		Lower Bound	Upper Bound			
Information posted on the websites of employment agencies is often formal	3.28	3.15	3.41	4.00	1.74	1.318
Guarantee of employment in Georgia is personal connections	3.46	3.33	3.58	4.00	1.58	1.257
Activities organized by employment are often linked to the commercial interest of the same agencies	3.25	3.13	3.36	3.00	1.36	1.170
Employment agencies' training courses cannot provide young people with the skills required in today's labor market	2.88	2.75	3.01	3.00	1.68	1.295



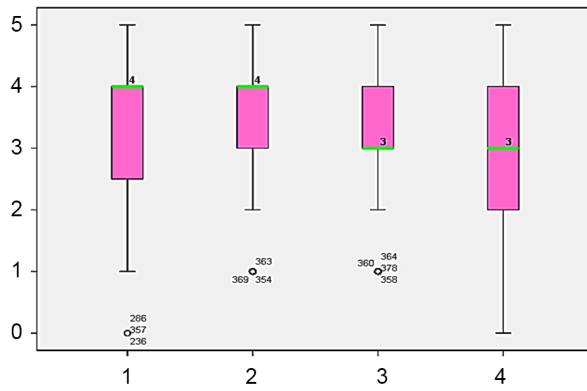


Figure 9. Graphic representation of these provisions

According to the lowest scores from the given provisions, the 4th category begins. Given that the provisions are rated at 5 points, the average score of each of them in the given descriptive statistics table exceeds 2.5. They are distinguished by the highest scores and most agree with the second and first provisions (Mediana is equal to 4), and then the third and fourth (Mediana is equal to 3).

## 6. Conclusions

The high unemployment rate for young people is a constant and very acute challenge for the country, which in the long run can have dire consequences. Institutional regulation of the labor market, including employment agencies, plays a major role in solving the task of reducing unemployment. The underdevelopment of labor market infrastructure in Georgia determines the circumstances when young people do not have the opportunity or do not know who and where to turn to get the information they need, how to look for a job, and how to develop professional skills. As a result, the category of young people who want to work in Georgia is very high, but are no longer actively looking for a job, since they have lost hope of finding it. That is why youth unemployment in Georgia has taken the form of long-term unemployment.

Despite the unfavorable employment situation of young people and the acute problem of youth unemployment, there is no confidence in young people and the perception that employment agencies can play an effective role in solving their employment problem. The study found that only a small proportion of young people are informed about employment agencies, and most are not partially or at all informed about them. These employment agencies face the development of effective marketing strategies, especially effective marketing communication strategies that demonstrate the role of employment agencies, establish and deepen young people's confidence, and enhance their awareness and appeal.

Based on the analysis of the results of the study, it was found that – age, education, and residential region – all three factors together affect the use of employment services by young respondents and the frequency of their appeal;

The study found that the prospect of future labor arrangements for young people and the perception of the future is linked to the stereotype of youth employment in Georgia – the most important factor and role of relative and personal connections for employment. This negatively affects the motivation of young people to increase their professional growth and qualifications. However, the study found that the views expressed among young people – the main factor in hiring – and the personal or relative connections of young people are different according to the regions.

The current problem of youth unemployment in the country is multifaceted and critical of the role of the state, which will create all sorts of conditions for more employment opportunities in the country for young people. Overcoming the crisis and high unemployment in the field of youth employment requires large-scale and reasonable intervention by the state through active and flexible youth employment policies, and professional training courses focused on mastering the skills of future job seekers.

Management of youth employment at the state level should be considered as a large-scale socio-economic process of targeted marketing strategy, modernization of social management using marketing principles that are entirely related to adapting young people to market conditions and helping young people to use their potential for the benefit of the country. This will ensure the intensive and sustainable socio-economic development of the country not only for a short but also for a long-term perspective.

The country needs to accelerate the development of a youth employment strategy based on which young people will be able to develop skills and skills tailored to the labor market and engage painlessly in labor processes. We consider it appropriate to develop and implement targeted measures such as youth employment guarantee schemes, labor-intensive infrastructure programs, wage and training subsidies, special adaptation programs in the youth labor market, and other specific youth employment measures. Stimulating business involvement and increasing motivation in the process of developing youth employment policies and employment programs by the government. Carrying out preferential tax policies and introducing long-term and preferential loan systems for companies by the state to employers who employ 15–29-year-olds young specialists.

Educational systems that can train young people to develop knowledge-based economies and new realities in the labor market should play a crucial role in reducing youth unemployment. To achieve this, it is necessary to improve the quality of education and vocational training to eliminate the discrepancy between youth skills and labor market demands. Quantitative and qualitative balancing of supply-demand on labor is essential, which in turn requires the transformation and formation of a complex system of regulation in the field of education.

To support young specialists and create decent living conditions for them, we consider it expedient for the government to stimulate business, engagement and increase motivation in the process of developing youth employment policies and employment programs. Carrying

out preferential tax policies and introducing long-term and preferential loan systems for companies by the state to employers who employ 15–29 young specialists. We also consider it expedient to develop entrepreneurial activities and, future, skills in young people with the involvement of employment agencies. In this direction, it is very important to organize a business incubator. With the formation of entrepreneurial skills, young people need to create the starting conditions for their businesses by providing cheap loans and tax benefits for a certain period, which will increase the business activity initiated by young people to sustainability and stability.

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