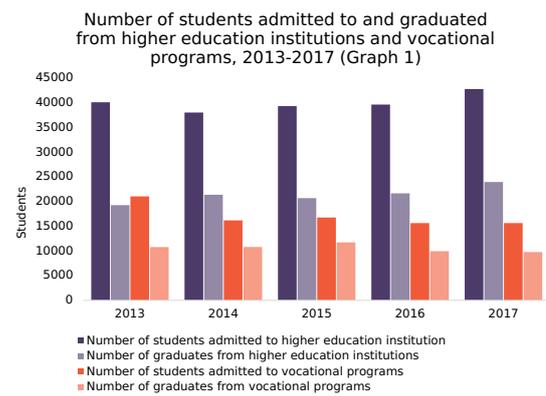


High-quality education is one of the main determinants of economic growth. According to the “Government Program 2016-2020”, education is one of the main priorities for the Government of Georgia<sup>1</sup>. Since 2013, the allocated budget of the Ministry of Education and Sciences of Georgia and its share in GDP has been increasing annually. These dynamics can affect, both directly and indirectly, on economic indicators such as productivity, competitiveness, unemployment and welfare. In this regard, the review of different aspects of higher and vocational education is worthwhile.

	2013	2014	2015	2016	2017
Allocated budget of the Ministry of Education and Sciences of Georgia (mln GEL)	675.9	741.1	824.6	948.3	1,103.5
% Share of allocated budget in GDP	2.5%	2.5%	2.6%	2.8%	2.9%

Source: The Ministry of Finance of Georgia; National Statistics Office of Georgia, 2017



Source: National Statistics Office of Georgia, (2013-2017)

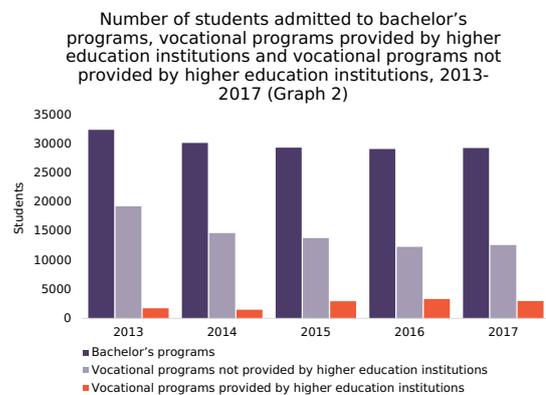
This newsletter entails an overview of dynamics behind the number of professors, the number of Georgian and foreign students, and the distribution of students according to education programs.

Higher education statistics include data on private and state institutions<sup>2</sup> with regards to bachelor’s<sup>3</sup>, master’s<sup>4</sup> and doctorate programs. Vocational education statistics includes data on state and private community<sup>5</sup> and vocational<sup>6</sup> colleges and those institutions of general and higher education which provide vocational programs.

In 2017, a total of 42,779 students were admitted to higher education institutions in the three types of program listed above, while 23,963 students graduated from these institutions. In the same period, 15,632 students were admitted to vocational education programs, and 9,774 graduated from them.

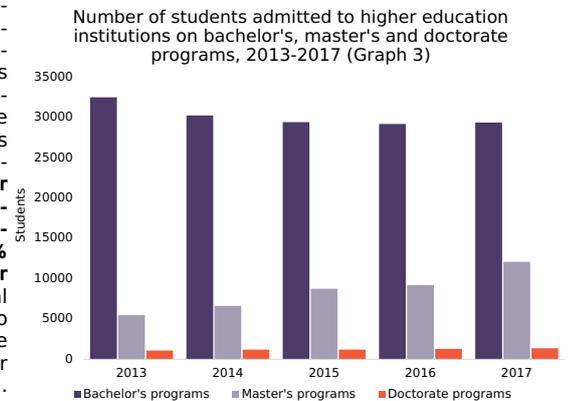
**Since 2014, the number of students admitted to higher education institutions in these three types of program has increased, while this indicator has been declining for vocational programs (25% decline in 2017, compared to 2013).** One probable factor for this is a new rule establishing a quota on the number of students to be admitted to vocational institutions and programs (Graph 1).

In order to partially estimate the educational preferences of Georgian school-leavers, it is worth observing the number of admitted students for bachelor’s programs, vocational programs of higher education institutions and other vocational programs (Graph 2).



Source: National Statistics Office of Georgia, (2013-2017)

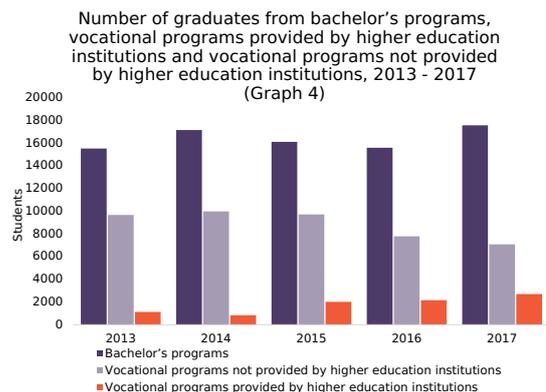
In 2017, a total of 29,331 students were admitted to bachelor’s programs, 12,640 were admitted to vocational programs not provided by higher education institutions, and 2,992 were admitted to vocational programs provided by higher education institutions. Notably, **the number of students admitted to vocational programs of higher education institutions dropped by 10% compared to the same indicator of 2016.** Meanwhile, of the total number of students admitted to vocational programs, 19% were in programs provided by higher education institutions (Graph 2).



Source: National Statistics Office of Georgia, (2013-2017)

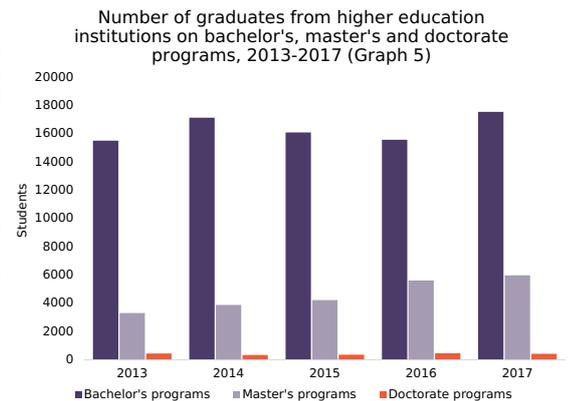
In 2014, the number of students admitted to bachelor’s programs declined by 7%, compared to the previous year. This declining trend has continued in subsequent years as well. The number of students admitted to vocational programs not provided by higher education institutions has also been declining, beginning with a 24% drop in 2014 (Graph 2).

On the contrary, the number of students admitted to master’s programs has been increasing since 2013. **In 2017, the number of master’s students had risen 2.2 times compared to 2013. In the same period, the number of students admitted into doctoral degrees increased 1.2 times and the number of bachelors declined 0.9 times** (Graph 3).



Source: National Statistics Office of Georgia, (2013-2017)

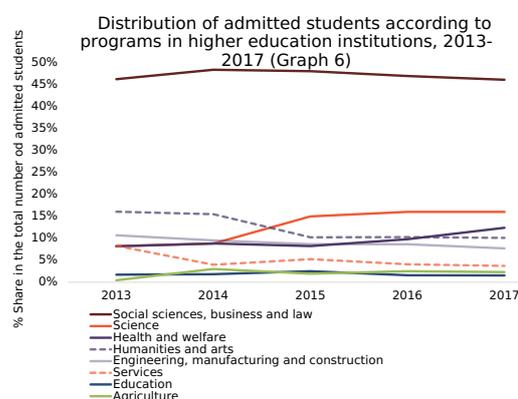
In 2017, compared to 2016, the number of graduates from higher education institutions in bachelor’s programs increased by 13% and the number of graduates from vocational programs of higher education institutions increased by 25%. On the contrary, **in 2016, compared to 2015, the number of graduates from vocational programs not provided by higher education institutions declined by 20%, and this declining trend continues.** (Graph 4).



Source: National Statistics Office of Georgia, (2013-2017)

Importantly, since 2013 the number of graduates from master's programs has been increasing. A significant increase was recorded in 2016, when the number of graduates increased by 33%, compared to the previous year (Graph 5).

In terms of the professors and other personnel of higher and vocational education institutions, in 2017 the number of professors in higher education institutions amounted to 8,231 and the number of employees in vocational institutions amounted to 4,084. The number of professors in higher education institutions has fluctuated slightly since 2013. Meanwhile, in 2017, compared to 2016, the number of employees in vocational institutions increased by 12%, despite a decline in the number of students admitted to such programs. This could be explained by new types of program (modules) that led to an increase in the number of subjects and teachers respectively.



Regarding the distribution of admitted students according to programs in higher education institutions on its three stages, in 2017, *social sciences, business and law* took in 19,751 students, followed by *science* with 6858 students, *health and welfare* with 5,308 students and *humanities and arts* with 4,326 students.

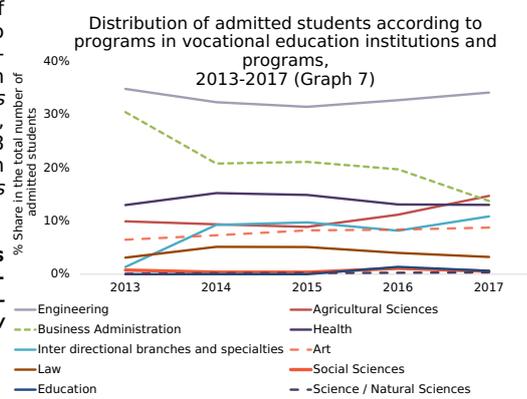
Since 2013, the most students admitted to higher education institutions have enrolled into *social sciences, business and law* programs.

Source: National Statistics Office of Georgia, (2013-2017)

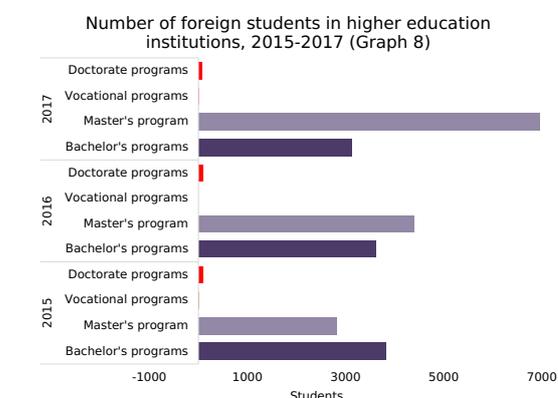
Meanwhile, since 2014 the proportion of students admitted into *science* programs has been increasing and since 2016 there has also been an increase in admissions to *health and welfare*. In contrast, the proportion of students admitted into *humanities and arts* in the total number of admitted students has been declining. In 2015, the *science* overtook *humanities and arts*, while in 2017 *health and welfare* overtook *humanities and arts* (Graph 6). The gender distribution is nearly even in higher education institutions with females making up 49%, and males making up 51%.

Regarding the distribution of admitted students according to programs in vocational education institutions and programs, in 2017, half of admitted students enrolled in *engineering*<sup>7</sup> (5336) and *agricultural sciences*<sup>8</sup> (2300). The third most popular program was *business administration*<sup>9</sup> (2151), while *health and welfare*<sup>10</sup> (2037) was fourth. Since 2013, *engineering* has been the most popular program in vocational education institutions, while demand for *agricultural sciences* has been increasing since 2016.

Notably, the proportion of admitted students enrolling in *business administration* has been declining since 2013. In 2017, compared to 2016, the number of admitted students declined by 30% in this type of program. During the same period, *agricultural sciences* became the second most popular program after *engineering*, boasting the highest share of admitted students in the total number of admitted students on vocational programs (Graph 7). In 2017, 47% of admitted and graduating students were women and 53% were men.



Source: National Statistics Office of Georgia, (2013-2017)



Source: National Statistics Office of Georgia, (2013-2017)

1 "Government Program 2016-2020."

2 University, teaching university, college.

3 Includes Certified physician(Veterinarian) program until 2015.

4 Includes Residency and Certified physician(Veterinarian)since 2015.

5 A vocational educational institution, which offers preparatory general education programmes or/and liberal art's programmes together with vocational education programmes and has also the right to provide Georgian language education programmes.

The number of foreign students studying in Georgia in the 2017-2018 academic year is 10,152. The majority of foreign students participate in bachelor's (31%) and master's programs including residencies (68%). Notably, the number of foreign students has been increasing since 2015. For example, in 2017, compared to 2016, the number of foreign students studying in higher education institutions rose by 25%. The number of foreign students in bachelor's programs declined by 14%, however the same indicator increased by 58% for master's programs. This increase was largely fueled by the steep rise in the number of students enrolling in *health and welfare* programs (Graph 8).

In 2017-2018 academic year, 65% of foreign students studying bachelor's programs are students of *social sciences, business and law*, while 97% of foreign students studying master's programs are pursuing *health and welfare* programs.

6 A vocational educational institution, which offers only the first three level vocational education programmes.

7 E.g.: IT, computer graphics, vehicle diagnosis, etc.

8 E.g.: gardener, meliorator, pastry-cook, etc.

9 E.g.: Accountant, small enterprise, insurance agent, etc.

10 E.g.: Practitioner nurse, tooth technician, etc.

Basic Economic Indicators	2013	2014	2015	2016	2017*
Nominal GDP (mIn USD)	16139.9	16507.8	13988.1	14377.9	15164.5
GDP per capita (USD)	3599.6	3676.2	3766.6	3864.6	4078.5
GDP real growth (%)	3.4%	4.6%	2.9%	2.8%	5.0%
Inflation	-0.5%	3.1%	4.0%	2.1%	6.0%
FDI (mIn USD)	1020.6	1818.0	1652.5	1602.9	1861.9
Unemployment rate (%)	14.6%	12.4%	12.0%	11.8%	
External debt (mIn USD)	4202	4199	4314	4515	5177
Poverty rate (relative)	21.4%	21.4%	20.1%	20.6%	