

Entrepreneurship Education in Georgian VET System



Current Status and a Way Forward

Eric Livny

Sophiko Skhirtladze

Tamta Maridashvili

Mariam Zaldastanishvili

ISET

Table of Contents

Introduction	2
Analysis of the existing situation	3
What is being taught?	3
What materials are being used?	4
Who are the teachers?.....	4
How is the module taught?.....	5
Complementary and follow up activities	6
The role of private sector.....	7
Ideas on improving entrepreneurship education, identifying the future entrepreneurs and putting them in suitable environments	9
Appendix A: The review of the models and methodologies of entrepreneurship education in European countries	13
Appendix B: Summaries of Interviews	18
Public Vocational Education and Training institutions	18
Private Vocational Education and Training institutions.....	26
Summary of the interview with Mr. Kakhaber Eradze.....	28

Introduction

Supported by the German Federal Ministry for Economic Cooperation and Development (BMZ) and the Chamber of Commerce and Industry for Munich and Upper Bavaria, and working in partnership with the Georgian Chamber of Commerce and Industry (GCCCI), this project aims at strengthening entrepreneurship education in Georgian Vocational Education and Training (VET) institutions. In order to do so, the study considers **European best practices** in teaching entrepreneurship and analyzes the **current situation of entrepreneurship education** in Georgian VET colleges and universities. Based on the analysis, the project suggests ways in which Georgian VET institutions can improve entrepreneurship education, identify talented and interested future entrepreneurs, and create an environment where the students will be able to test their skills and knowledge.

Until recently, **VET has not been an appealing option** for many Georgians. For example, according to EUVEGE (2016), the participation rate of the cohort aged between 20 and 24, which represents the majority of students enrolled in VET institutions, stands at only 1.19%. Supporting entrepreneurship education in Georgian Vocational Education and Training institutions can improve students' awareness about entrepreneurship as a possible career path and, thus, potentially **increase the attractiveness of VET** as an alternative to higher education for all age cohorts. Furthermore, a systematic approach to entrepreneurship education can **create opportunities for the self-employability** of VET graduates and help develop a **culture of entrepreneurship** in Georgia.

Vocational Education and Training in Georgia is largely a path pursued by those individuals who have dropped out of school (usually after completing nine grades), and who need to be trained for **direct entry into the labor market**. Consequently, Georgian VET institutions mainly concentrate on preparing students for **employment in specific occupations, not on breeding entrepreneurs**. This is especially true for private colleges that cannot afford the tools and machinery necessary for training students in potentially entrepreneurial occupations such as farming and craftsmanship (see Appendix B). Although VET institutions have started to integrate a recently-developed compulsory **entrepreneurship module** into their curricula, entrepreneurship education is still delivered in a very **theoretical and superficial manner**, lacking **practice-oriented learning outcomes** that would better prepare students for starting and operating a business. Moreover, there is no evidence of a systematic approach towards discovering interested and talented future entrepreneurs and placing them in a suitable environment.

Entrepreneurship as a component of Vocational Education and Training programs in Georgia should receive as much interest as it receives in Europe. According to the **European Commission**, entrepreneurship education in VET should ideally be able to 1) develop personal attributes and skills that will form students' entrepreneurial mindsets; 2) increase students' awareness about self-employment as a possible career option; 3) run enterprise projects and activities that will enhance the entrepreneurial skills of the students; and 4) provide specific knowledge about how to start and run a company (see Appendix A).

Some of the programs taught at VET institutions are slightly more relevant for entrepreneurial capacity building. For instance, those students who study **agriculture** and **craftsmanship** are more likely to start their own businesses given the availability of land, necessary implements and basic farming skills. However, entrepreneurial skills development can help all VET program graduates find an alternative to their currently chosen profession if they ever decide to switch toward a more entrepreneurship-intensive career path without going back to an educational institution.

In order to analyze the current situation in Georgian Vocational Education and Training institutions and to lay the ground for the introduction of systematic entrepreneurial education within the VET system, we visited a total of 12 VET colleges and universities (nine public and three private) in Tbilisi and seven other such institutions in the regions of Georgia (see Appendix B). We held face-to-face interviews with the directors, entrepreneurship teachers and professional orientation and career planning specialists, and conducted telephone interviews with self-employed graduates of these institutions. In addition, we met with Kakhaber Eradze, the co-author of the entrepreneurship module, and Anthony Tyrell, an Australian VET expert.

The report is structured as follows: in the first section, an analysis of the present situation is provided, followed by recommendations of how to address existing challenges. In the second section, we present a number of key ideas for improving entrepreneurship education, identifying future entrepreneurs and putting them in suitable environments. The appendices of this report contain a review of international best practices and summaries of the interviews conducted.

Analysis of the existing situation

What is being taught?

The majority of Vocational Education and Training colleges and universities in Georgia introduced the recently developed **entrepreneurship module** as a mandatory component of their educational programs in 2015. Entrepreneurship is taught to level three and level four students of VET institutions. However, the majority of entrepreneurship teachers interviewed think that level three students (those who have completed only nine grades at school) have difficulties coping with the module because they are often **barely literate** (see Appendix B).

The level three module has five outcomes and the level four module has six outcomes (see Table 1). The main requirement of both modules is **an individual business plan**. During the course, students are supposed to select a business idea (preferably one that corresponds to their professional programs) and over the course of the program the students have to develop a business plan based on this. The latter is the main **instrument of student assessment**. As level three students usually have difficulties coping with this task, entrepreneurship teachers sometimes give students business ideas to work on. However, their doing so is poor practice that is ultimately likely to have a damaging impact on students' self-employment prospects.

Table 1: Entrepreneurship module outcomes	
Level three module outcomes:	Level four module outcomes:
<ul style="list-style-type: none"> ✓ Business planning ✓ Registration of a business ✓ Organization of a business ✓ Sales of goods and services ✓ Simplified bookkeeping 	<ul style="list-style-type: none"> Level three module outcomes + ✓ Organization of human resources

The teaching hours allocated to entrepreneurship education increased after the introduction of the entrepreneurship modules in Vocational Education and Training colleges and universities. The level three entrepreneurship module has a total of 100 hours recommended for teaching, while the level four module

has 125 hours. The topics the VET students learn in the entrepreneurship modules are closely related to those taught to **business administration** students. Although these topics are not irrelevant for entrepreneurship students, the materials used and the methods adopted for teaching entrepreneurship are not really geared towards the goal of starting and running a company.

What materials are being used?

Entrepreneurship teachers are free to choose any literature that they think is suitable for their students. However, the most commonly used book is *Entrepreneurship*, provided by the LEPL National Center for Educational Quality Enhancement. The book is divided into **six parts**, each corresponding to one of the six outcomes of the level four entrepreneurship module. Each part comprises several chapters, each of which are followed by sets of **exercises** (such as basic accounting exercises) and **questions** summarizing each chapter (such as “group these companies according to their type of activity”).

The first chapter of the book has an **entrepreneurship self-evaluation exercise**. The exercise lists ten characteristics of a person (sense of initiative, attitude to risk-taking, organizational skills, sense of responsibility, etc.) and students have to evaluate to what extent they possess each of these characteristics using scores scaled from 2 to 5. According to the exercise, those students who score a total of 45-50 points are the most promising entrepreneurs, while those scoring 25 points or less are the least promising.

In addition to exercises, some chapters of the *Entrepreneurship* book include a small number of **real life examples**. For instance, the book introduces students to some successful **American entrepreneurs** (e.g. Bill Gates) and the characteristics of those entrepreneurs. Some exercises are related to Georgian cases. For example, the students are asked to categorize Georgian companies (such as ‘Goodwill’, ‘Irao’, and ‘Credo’) according to their entrepreneurial activities.

- **Recommendation:** *The exercises, questions and examples used in the book are very theoretical and may seem too far removed from the Georgian realities. These are thus of limited utility for aspiring young Georgian entrepreneurs. It is recommended that students be instructed using **Georgian case studies**. For example, it might be more relevant to engage students in analyzing the business strategies of different Georgian companies, or presenting success stories of Georgian entrepreneurs (e.g. the story of the young winemaker Baia Abuladze, [Young Seedlings of Georgia's Agriculture](#), or the enamel business started by VET alumna Lali Shpetishvili, see below) and the challenges they faced and dealt with.*

Who are the teachers?

When the VET colleges and universities introduced the new entrepreneurship modules, few hired new teachers to deliver the course. Most of the entrepreneurship teachers had previously offered “economics” or “business administration” courses and, in preparation for teaching entrepreneurship, had merely participated in a three-day workshop delivered by the National Center for Educational Quality Enhancement (rather than being “retrained” per se). The typical entrepreneurship teacher in a Georgian Vocational Education and Training college or university is a woman in the 40-60 age bracket, who has a **degree in economics** (some have degrees in entrepreneurship as well), but has **no industry or business-related experience**. The teachers are mainly focused on the academic and theoretical aspects of the

material and adopt very **standardized** methods of teaching. They rigorously follow the requirements of the module with little or no innovation or experimentation. The latter approach is most probably due to their lack of industry and business-related experiences. Moreover, entrepreneurship teachers often lack knowledge about the specifics of their students' professions (e.g. agriculture).

- **Recommendation:** *Putting the teachers in relevant practical environments could make up for their lack of initiative and innovative teaching approaches. For example, in France, all entrepreneurship teachers are obliged to do three-week **internships** in an enterprise in order to stay abreast of relevant industry developments and business practices (see Appendix A).*
- **Recommendation:** *Attract new, **younger teachers with business-related experience** (e.g. using the SSE-Riga alumni mentor club model) and engage **successful alumni** with entrepreneurial experience to hold **masterclasses**.*
- **Recommendation:** *Due to the fact that the entrepreneurship teachers may lack knowledge about the subject matter of their students' professional training, teachers from relevant professional programs should also be engaged in the entrepreneurship module in order e.g. to supervise the quality of the business plans submitted by the students.*
- **Recommendation:** *Consider translating and adapting for the Georgian context **online training modules** available from, for example, the Harvard Business Academy and the Shaw Academy (Ireland).*

How is the module taught?

Despite the introduction of the new entrepreneurship module, the pedagogy remains the same as it was in earlier courses on “economics” (or business administration). First of all, the approach to the teaching is mostly top-down, which discourages students from experimenting and coming up with new thoughts and ideas – something which is crucial for entrepreneurship.

Secondly, even though the teachers surveyed are happy with the increased teaching hours since they can now divide the time between theoretical lessons and practical assignments and devote more time to the latter, the “**practice**” the teachers refer to is usually limited to doing text-book assignments (e.g. the exercises provided in the *Entrepreneurship* book), rather than undertaking fieldwork. Devoting more time to “practice” without changing the teachers' attitude to achieving practical learning outcomes does not bring much value added.

As already mentioned above, the main product of the entrepreneurship modules are **business plans** that are delivered by each student individually. Taking into account the fact that many students (especially those at level three) have difficulties coping with the module, some thought should be given to organizing group tasks and giving the students a chance to divide and delegate work within their groups. An entrepreneurship teacher from ‘Akhali Talgha’ college in Kobuleti stated that doing individual practical assignments is not effective for the level three students because of their limited educational backgrounds. The teacher believed that assigning practical assignments (including business plans) in groups would deliver better quality outputs from the students (see Appendix B). It goes without saying that team work has other pedagogical benefits as well, particularly for future entrepreneurs.

Student evaluation is based on a binary pass/fail system in which no scores are attributed to students' work. A teacher from ‘Shota Meskhia University’ expressed her concern about this fact. She would like to be able to better differentiate among students' achievements (see Appendix B). Overall, there is no

system for **tracking students' accomplishments** and the colleges and universities seem to lack incentives to implement such a system.

- **Recommendation:** *Introduce greater student interaction (student presentations, brainstorming, Q&A, etc.) to achieve clear learning outcomes (such as “students provide justification for their own business idea” or, for business planning, “adequately describe the risks associated with the implementation of the business idea”). Such group tasks provide an opportunity for teachers to observe the individual contributions of students and identify those who are more committed and passionate about entrepreneurship-related tasks.*
- **Recommendation:** *Include assignments requiring field work, market research, group tasks and projects. Much could be learnt from examining the ‘Initiative for the Future’ program, implemented in Vocational Education and Training institutions in Switzerland. This program enables students to work in groups when developing business ideas and writing business plans. Evaluation is based on the quality of the business plans and final presentations. Teachers assess the groups as a whole as well as individuals within the groups. By doing so, teachers avoid free-rider problems and are able to evaluate the individual contributions of the students (see Appendix A).*
- **Recommendation:** *Include student visits and internships at start-up companies.*

Complementary and follow up activities

Some Vocational Education and Training colleges and universities are interested in making entrepreneurship education more practical. An example of this is the **hotel run by the students** from ‘Akhali Talgha’ college in Kobuleti. The hotel is located inside the college and students studying tourism are responsible for managing it (students handle procurement, reception, etc.). However, the hotel does not operate commercially and the college is not allowed to accept individual guests (it has to participate in tenders to host groups of visitors). In the meantime, the college has to remain accountable about such activities to the Ministry of Education and Science. Any money received from the hotel is used for college necessities.

The mini-hotel may be quite useful from the point of view of developing professional hospitality skills. However, since students have play no say on how the hotel is operated (deciding on marketing strategy, pricing, types and quality of services provided, etc.), it is unlikely to deliver any substantive entrepreneurship-related learning and experience.

Fabrication Laboratories (Fab Labs) are the most popular means of creating more practical environments inside Vocational Education and Training colleges and universities. However, these are generally used for training students in skills related to their professional programs and not entrepreneurship. Moreover, we got the impression that most VET colleges and universities do not have the capacity and knowledge to successfully run Fab Labs. There are some exceptions. An example of this would be the Fab Lab of LEPL Community College ‘Gldani Vocational Training Center’, which is equipped with various computer-controlled machines that students can use to make prototypes of products they design. In May 2016, the director of the college initiated a **competition** where groups of students engage in designing and producing different products (e.g. prototypes of souvenirs for tourists). Students on the ‘Small Business Ownership’ program were elected to be the managers of each group. The groups were responsible for obtaining all necessary information needed to produce the products (the materials needed, the prices of those materials, etc.). The groups are currently in the stage of writing business plans. Throughout the

competition, the students are able to consult with their teachers, including the entrepreneurship teacher. When the competition ends, the winning group will claim a monetary prize (of 200 GEL).

Aside from internal competitions conducted by colleges and universities, students are usually able to participate in external projects (e.g. **'Produce in Georgia'**). Some colleges and universities systematically receive information about such projects, while others do not. Any attempt to engage students in such projects is limited to information sharing. However, students are seldom interested in participating in external competitions. According to some of the representatives of VET colleges and universities, this may be caused by a lack of **self-confidence**.

Recommendation: *Make systematic use of available pedagogical infrastructure (e.g. Fab Labs) and other internal and external opportunities (national business competitions) to develop entrepreneurial skills and promote young entrepreneurs. In particular, at least one person at each college has to be properly trained in the use of sophisticated infrastructure, such as Fab Labs, and otherwise support students willing to take on the challenge of participating in national entrepreneurship and innovation competitions. Such people should be trained outside the college system (e.g. in coordination with the **Georgian Innovation and Technology Agency**).*

Khatuna Khabelashvili, a participant of the 'Produce in Georgia' project

Khatuna is a graduate of **'Gantiadi'** college (located in Gori). She enrolled in the **hairstylist** professional program in 2015 and graduated after seven months. Her practical training took place in her teacher's salon in Gori. Khatuna found out about the 'Produce in Georgia' project when representatives of the project visited her village, Avlevi, to spread word about the initiative. The project had two stages: 1) **presentation of a business idea** and 2) **the development of a business plan**. The representatives of 'Produce in Georgia' **trained participants in preparing a business plan**. Khatuna had an idea for a hairdresser's shop in her village. She passed the two stages of the project and was awarded 3,410 GEL of funding. Khatuna had to finance 20% of the total project costs herself. She cut down on the cost of rent by offering services from her home and used the funds for maintenance, furniture, inventory and tools. She registered her business as an Individual Entrepreneur.

Although Khatuna now has a source of income, she still does not perceive her business as being profitable. She thinks that the main problem is the location (a small village). Another problem may be a lack of "product differentiation" – Khatuna's services are not sufficiently different from those provided by other business in the area.

A lesson learned from Khatuna's story is that although VET students may be interested in starting their own businesses and generating ideas, VET colleges and universities do not play sufficient role in supporting the entrepreneurial ideas and activities of their students.

The role of private sector

The existing VET governance scheme, according to which each VET **governing board** must be staffed with two representatives from the private sector, does not provide sufficient incentives for effective engagement. Relationships with the private sector are mostly limited to student **internships**. The colleges and universities usually send students for practical training in large companies, where students are only likely to acquire skills related to their future occupations. A possible alternative would be to place students in smaller enterprises, especially to those run by graduates of VET colleges and universities.

In some institutions, representatives of the private sector hold **lectures and masterclasses** that are related to the professional knowledge and skills of the students. However, with regards to entrepreneurship education, there are currently no mechanisms in place for achieving more practice-oriented learning outcomes.

Recommendation: *There needs to be much more **systematic** engagement with the private sector in:*

- *Governance of VET institutions;*
- *Teaching entrepreneurial subjects, delivering masterclasses, and hosting visits by student groups. Self-employed former students of the colleges and universities are likely to be the most suitable and influential role models for this;*
- *Discussion and elaboration of business plans (e.g. based on the Swiss experience). Giving the students a chance to interact with entrepreneurs will greatly improve the quality of their business ideas and plans;*
- *Hosting interns (in start-up enterprises, rather than in large companies). By doing so, students will be able to gain greater insights into how to start and run an enterprise and observe in practice what they have learned about in their modules;*
- *Selection of business ideas/plans;*
- *Incubation of the best business ideas/teams.*

“From Mermisi to Business”: Lali Shpetishvili and her enamel business

Lali Shpetishvili a graduate of ‘**Mermisi**’ college, where she got trained in **enamel working**. In addition to learning practical enamel skills, Lali learned some basic aspects of entrepreneurship, such as planning a business, registering it, and renting space. As part of the entrepreneurship training, Lali had to write a business plan. Yet, instead of relating her business idea to enamel production, Lali chose to write about producing cakes.

After graduating, Lali and four of her fellow students decided to start a small enamel jewelry business ‘Shemepton’. They used their own scarce resources to rent space and buy necessary tools (based on advice from their **occupational ‘Mermisi’ college teacher**. Lali subsequently visited the college and invited another student to work with her. There are now six people involved in the business.

Lali and her friends run a **Facebook page** where they display their jewelry. They work on **private orders**, usually received via their Facebook page and through word of mouth. Additionally, they partnered with **four jewelry shops** and supply these shops on demand. The jewelry shops help Lali and her friends identify the types of products that are most in demand. Shemepton currently has around 4,300 followers on Facebook. Jewelry prices range from 10 to 120 GEL. Lali and her friends also offer a **courier delivery service** to meet the demands of their online customers.

Lali found the experience of running her own enterprise tough in the beginning. She says that she was not able to choose the right **selling techniques**, and it was not until after Lali and her friends gained some experience that they decided to supply jewelry shops to make up for a shortage of private orders (which remain Shemepton’s main source of revenue). Although the business is not very profitable (on average, Shemepton receives three orders per week), Lali thinks that she is still able to earn more than she would if she had worked for a larger enterprise.

The case of Shemepton highlights the role of VET institutions in creating **professional networks**. Lali’s team was formed inside a college; a college teacher was involved in helping Lali and her friends make

their first professional decisions. A new team member was found through the same professional network of enamel students at the Mermisi College. Moreover, VET institutions have the opportunity to do much more to encourage team building and endow students with practical business skills, such as sales and marketing. The difficulties that the Shemepton founders faced with regards to choosing appropriate selling techniques can be attributed to a lack of relevant training.

Ideas on improving entrepreneurship education, identifying future entrepreneurs and putting them in suitable environments

👉 **Encourage innovation and experimentation in the teaching and practice of entrepreneurship**

Georgian Vocational Education and Training colleges and universities have a tendency to **standardize** their educational processes. There is no sense of innovation with regards to the entrepreneurship modules. Learning outcomes are strictly focused on module requirements and practical tasks are only present in the form of exercises included in the *Entrepreneurship* book.

What is needed is not only greater freedom to try new approaches (“what is not forbidden is allowed”), but also the active encouragement and support of innovation. For example, this could be achieved through competitions among VET institutions to incentivize the generation of new ideas and provide winners with the funding and/or equipment to implement them. Horizontal learning could be supported through an open selection process involving presentations of innovative ideas and experience sharing by college teams. For vertical coordination, the selection panel for determining competition winners could include Georgian business associations, industry and government representatives.

There is a need to mobilize financial resources for such activities. The Ministry of Education organized a best-practice workshop for directors of VET institutions in summer 2015 and this was said to have greatly facilitated horizontal learning. Unfortunately, the workshop was later discontinued because of a lack of funding. According to the ministry, entrepreneurship teachers (in addition to the directors of institutions) should be targeted for similar activities in future.

Inter-college competitions would also allow the creation of a ranking of VET institutions – which could be based on both success in these “best pedagogical practice” competitions and students’ success. Such a ranking would help inform student choice and motivate colleges to innovate and further improve their performance.

👉 **Engaging students in running mini-companies**

In order to achieve more practice-oriented learning outcomes, Vocational Education and Training institutions should **encourage experimentation**. One example of experimentation would be the establishment of a student mini-company. For example, the **Maltese** College of Art, Science and Technology lets its students run a hairdressing and beauty therapy business that offers services to the community three times a week. The tutors guide and supervise their students in taking appointments, serving clients, handling cash and dealing with customer enquires (see Appendix A). Such mini-companies help students experience entrepreneurship and consider it as a future career path. In addition, they allow students to test and enhance their entrepreneurial skills.

Mini-companies could be used to achieve many entrepreneurship-related learning outcomes. For example, while operating such companies in the “real world” students can learn:

- To work in a team, delegate responsibilities, set targets, monitor performance, instill motivation and plan business activities (all these are learning outcomes under “organization of business” and “organization of human resources”);
- To analyze competition and demand, set prices, brand and differentiate their products, adjust product and service quality, design effective marketing campaigns, etc.

One of the best ways of setting up student mini-companies in Georgian Vocational Education and Training institutions would be to first consider the professional programs that are most relevant for entrepreneurial activities and then **run non-profit small enterprises** related to these programs. To encourage a truly entrepreneurial approach to running such activities, some of the revenues generated by these enterprises should be reinvested in their further development.

The Law on Legal Entities of Public Law (LEPL) is explicit about allowing higher education institutions to engage in entrepreneurial activities, but it is not clear if the same law applies to VET institutions. To encourage institutional involvement, the existing legislation should be modified in such a way that clears up the uncertainty about the rights and responsibilities of VET institutions.

Law on Legal Entities of Public Law

A legal entity under public law – a higher educational institution shall be authorized to:

- a) perform educational, scientific and research activities;*
- b) perform publishing activities;*
- c) sell the output produced in the course of educational, scientific and research activities;*
- d) produce and sell the output (inventions and useful models) produced in the course of scientific research and laboratory activities;*
- e) perform auxiliary entrepreneurial activities if so provided by its statute (regulations);*

The role of the private sector is particularly important when considering student mini-companies. Representatives of the private sector, business professionals and entrepreneurs, as well as the alumni of VET colleges and universities can act as mentors and provide current students with relevant knowledge and advice. Some of the stakeholders, such as the GCCI, can act as a medium to facilitate a network connecting businesses to Vocational Education and Training institutions.

👉 Selection and incubation of talented entrepreneurs

There are currently no **mechanisms** in place to identify interested and talented future entrepreneurs in Georgia’s Vocational Education and Training system. In order to make up for the absence of such mechanisms, the colleges and universities should hold **internal and external entrepreneurship competitions**. When interviewed, the director of ‘Mermisi’ college said that encouraging students to take part in external entrepreneurship projects and competitions (such as ‘Produce in Georgia’) is hard because the students often lack self-confidence. To address this challenge, before considering more serious projects, students should have a chance to participate in competitions that are ‘smaller’ and less ‘scary’ (see Appendix B). Rather than just expecting external parties to hold such competitions, VET colleges and universities can start organizing them on their own initiative.

Internal competitions can be promoted among those students who complete the entrepreneurship module, as well as those who are in the process of completing it. The competition can involve two stages: 1) An aptitude test to identify individuals with entrepreneurial traits, knowledge and skills, 2) and a **business idea** competition. The competitions should involve mentors to help students formulate high-quality business ideas. The most suitable candidates for mentoring are teachers from the Vocational Education and Training institutions, self-employed alumni and representatives of the private sector. After each VET college and university identifies a competition winner, a final competition can be held at the national level between all VET institutions. At this stage, students, with the help of their mentors, will **deliver business plans** and a **jury will identify the winners**. Such internal and external competitions can serve as a **tool for identifying interested and talented future entrepreneurs**.

Entrepreneurship competitions are quite common in **Hungary**. In the Hungarian example, the competition involves different Vocational Education and Training schools and has four stages: 1) a test on economic issues related to the formation of a business, 2) creation of companies (this includes the formation of a business plan, as well as a name, slogan and logo), 3) the development of a business plan and 4) judging (see Appendix A). In the proposed Georgian model, the first two stages of the competition (the entrepreneurship test and a business idea) can take place within VET colleges and universities, while the last two stages (the presentation of the business plan and judging) can occur externally among a number of different VET institutions.

The analysis of entrepreneurship education in Georgian Vocational Education and Training institutions points to the need for **regular and continuous activities** that will deliver practice-oriented learning outcomes. The establishment of **business incubators** is one way to achieve these outcomes. Business incubators would provide an appropriate ecosystem: physical work space, shared office facilities, counseling, information, training, and access to finance and professional services in one affordable package (see Appendix A).

The idea of business incubators is to provide spaces that can host different businesses and give entrepreneurs a chance to realize their business ideas. Although some Vocational Education and Training colleges and universities have Fab Labs, these are not able to facilitate practice-oriented learning outcomes in a manner similar to business incubators. Although Fab Labs provide the equipment, machinery and tools needed to produce different products, the projects initiated in Fab Labs (similar to the example from the 'Gldani Vocational Training Center' Community College mentioned above) are not actually realized and are only **simulations**.

Business incubators should be open to parties outside of Vocational Education and Training institutions, specifically **private sector representatives**. The private sector has a pivotal role in supporting prospective entrepreneurs. For example, experienced entrepreneurs often **invest** in new start-ups and **mentor** novice entrepreneurs in order to protect their investments. Mentoring includes receiving help from a business professional who has been in the same position and has good knowledge of business practices. Business mentors can support small companies with practical business advice, consultations, feedback on various business development scenarios, contacts, options for solutions, etc.

Another possibility is to have the GCCI organize an **"Entrepreneurship Academy"** for business incubators (similar to the example from Latvia in Appendix A). The academy can involve representatives of the private sector and VET alumni who are interested in supporting new startups. Similar to the **Latvian** example (see Appendix A), such an academy could hold several meetings a year to discuss the startups inside the

business incubators and attach relevant mentors to these. The management of business incubators could be delegated to the public sector and VET representatives.

One of the most suitable mechanisms for establishing business incubators are Private-Public Partnerships (PPP). There are different models of such partnerships. In Georgia, **initial funding could be provided by the state** and **businesses could step in as and when they realize the opportunities** brought about by business incubators. The GCCI could potentially act as a medium for Public-Private Partnerships, by advocating private sector engagement in these incubators.

Appendix A: The review of the models and methodologies of entrepreneurship education in European countries

1. European Standards of entrepreneurship education in VET

According to the European Parliament and Council (2006), entrepreneurship is as an 'individual's ability to turn ideas into action'. It is argued that people are not born as entrepreneurs, but become them as they grow and learn from experiences and influences (Volery, 2013). As a result, many European countries are now focused on training future entrepreneurs and raising awareness about entrepreneurship and self-employment as possible career choices. Entrepreneurship education is of particular importance to the students of Vocational Education and Training (VET) institutions, because such graduates are likely to become self-employed (Cedefop, 2011).

In order to assure the quality of entrepreneurship education in Vocational Education and Training institutions, the European Commission (2009) suggests that students should be trained in drafting a business plan, becoming familiar with topics such as the administrative procedures related to starting a company, principles of accounting, commercial and tax law, business ethics and social responsibility, market mechanisms and selling techniques. In addition, according to the European Commission (2009), in order to qualify as entrepreneurship education, a program must include at least two of the following elements:

- The development of personal attributes and generally applicable skills that form the basis of an entrepreneurial mindset and behavior;
- Students' increased awareness of self-employment and entrepreneurship as possible career options;
- Practical enterprise projects and activities;
- Specific business skills and knowledge of how to start and successfully run a company.

2. The Swiss 'Initiative for the Future' program in VET schools

A paper by European Commission (2015), 'Entrepreneurship Education: A road to success. 13 Case studies', provides insights about what entrepreneurship education looks like in different European countries. The study mainly focuses on the methodologies used and models adopted in the scope of entrepreneurship educational programs. **Switzerland** implements the 'Initiative for the Future' program in some Vocational Education and Training schools, under the supervision of the State Secretariat for Education, Research and Innovation. The program is aimed at developing students' entrepreneurial skills and increasing their entrepreneurial knowledge. The main outcome is to enable students to make informed decisions and be aware of key tools related to launching a company.

The 'Initiative for the Future' Program consists of four modules:

- In the first module, students attend eight lessons (45 minutes each) where they are introduced to the concept of entrepreneurship, as well as the steps necessary to create a company, shape a business idea and write a business plan. At the end of the module, different groups of students develop their own business concepts and business plans;
- Module two has four lessons (45 minutes each) and is all about field visits to local companies and interviews with entrepreneurs. The latter gives the students an opportunity to discuss their own business concepts with the entrepreneurs;

- The third module offers seven courses focusing on specific business aspects, such as marketing, finance and law. Each course comprises three lessons (45 minutes per lesson);
- Module four is a combination of coaching sessions and time dedicated to developing and running a small company. The module consists of 21 lessons (each of 45 minutes) and from two to four coaching sessions.

With regards to the grading system, at the end of the program, each group is responsible for presenting a business plan in front of a jury and the final grade is based on the quality of the business plan (up to 70% of the grade), as well as on the final presentation and the student's individual contribution to the work of the group. In this program, the two final modules are interlinked, because students have to practically apply what they learned in module three to the assignment of module four.

As already mentioned, entrepreneurship education is particularly important to Vocational Education and Training schools, because the latter train students for direct entry into labor markets and are also likely to have self-employed graduates. Consequently, the majority of VET systems in European countries emphasize the value of practical experiences of students. In order to deliver such experiences, many European countries stress the importance of well-trained teachers, the benefits of students meeting entrepreneurs and the necessity of practical projects and activities in their programs.

3. Training teachers in teaching entrepreneurship in Austria and France

Teachers at Vocational Education and Training schools are thought to be crucial in promoting entrepreneurial skills among the students. It is usually the teachers who have to identify the most progressive and talented individuals, whether through entrepreneurship-related tests, practical work, or other methods. Therefore, VET schools need to enhance the competence of their teachers in order to enable the latter to teach and coordinate students in the most effective ways (Lauritzen et al., 2014).

A summer university for entrepreneurship education ('Workshop for Ideas'), operating in **Austria**, trains teachers in the tools and methodologies necessary to teach entrepreneurship in both economics and general subjects. This initiative is supported by actors from both public and private sectors, including organizations such as the Ministry for Education, Arts and Culture (European Commission, 2009).

Entrepreneurship teachers are usually trained in more practical environments as well. For example, in 2007 a new approach to training teachers was introduced in **France**. Before being recruited, a teacher is obliged to have proven knowledge of the world of enterprise. For this purpose, every teacher must do at least a three-week internship in a relevant company, in order to gain experience in the profession that he/she will teach. After being recruited, every teacher, regardless of his/her discipline, must complete another three-week internship in a company during the first year of specialization. The internship program focuses on establishing links between schools and enterprises and ends with the design of pedagogical tools (European Commission, 2009).

4. The Welsh practice of introducing entrepreneurs to students

Some countries introduce Vocational Education and Training students to successful entrepreneurs as role models in order to fuel students' interests in entrepreneurship and self-employment as career options. Such a method is common practice in **Welsh** VET schools. The role models are business owners who 'enthuse' and convey positive messages about entrepreneurship among VET students. The role models

do this by directly visiting the schools and colleges and delivering hour-long presentations, which include discussions of their personal entrepreneurial journeys. These are accompanied by activities that offer young people insights into what it is like to run a business. The role models are most commonly recruited using word of mouth – through referrals of fellow role models (Cedefop, 2011).

Vocational Education and Training institutions are usually advised to invite former graduates of their schools as role model entrepreneurs because the students are more likely to identify with them: 'If he/she can do it, I can as well' (European Commission, 2009).

5. European best practices of involving students in practical projects and activities

Adding practical projects and activities to theoretical modules is one of the most common ways in which European countries try to improve the quality of entrepreneurship education in Vocational Education and Training institutions. Such activities include practice firms, business competitions, company placements, student mini-companies, business incubators, etc.

5.1. Practice firms in Slovenia

In **Slovenia**, practice firms are set up in every business school in the Vocational Education and Training system and in 2007/2008 there were 235 practice firms with 3,470 students. A practice firm, also referred to as a virtual company, is a form of a simulated company that is run like a real business. Such firms give students an insight into how a company works, helping them to develop their entrepreneurial attitudes and skills. Just like real companies, these firms are made up of different departments – such as personnel, administration, marketing, accounting and logistics – that the students work in. In these firms, students acquire teamwork skills, develop responsibilities and strengthen entrepreneurship-related abilities, such as the ability to negotiate, accept risks and plan and organize work (European Commission, 2009).

5.2. Business competitions in Hungary

In **Hungary**, the students of several Vocational Education and Training schools participate in four-stage entrepreneurship competitions. The competitions begin with a test on economic issues related to the formation of a business. In the second stage, participants create companies (which includes the formation of a business idea, a name, slogan and logo). The third stage includes the further development of the business plan, including an explanation of the scope of activities of the business, financial planning, a review of market research, and the long-term goals of the company. The last stage is the judging. Such competitions are usually based on a common methodology: judging entrants – either as individuals or in teams – and awarding a prize for the best entry. Sometimes a range of stakeholders are engaged in various stages of running a competition. The advantages of such entrepreneurship-oriented competitions is that they can develop or improve entrepreneurial/business skills and nurture other skills such as team-working and communication (Cedefop, 2011).

5.3. Connecting VET with employers in the UK

Another common practice of training future entrepreneurs in Vocational Education and Training schools is to place students in different companies. Some European countries have specially designated organizations for this purpose. In **the UK**, virtually every area of England has an Education-Business Partnership Organization (EBPO) that helps educational institutions, including vocational schools work with employers. It is estimated that the EBPOs work with over 300,000 employers each year. There are

approximately 550,000 work experience placements for 14-16 year olds in England annually as part of work-related learning (European Commission, 2009).

5.4. Student companies in Malta and Germany

'A student company is a pedagogical tool based on practical experience by means of running a complete enterprise project, and on interaction with the external environment (i.e. the business world or the local community)' (European Commission, 2005). Most mini-companies are found in upper secondary education and Vocational Education and Training. In some countries, company programs mainly take place within schools (such as in Austria, the Czech Republic, Finland, Ireland and Norway). In others, they occur outside of normal school hours and school programs (such as in Belgium (Wallonia), Germany, Estonia and Sweden). In a few member states, mini-companies can be seen in both settings (Cedefop, 2011).

Students a run hairdressing and beauty therapy company at the **Maltese** College of Art, Science and Technology. With support from their teachers, students offer services to the community three times a week. They have tutors who guide and supervise them in taking appointments, serving clients, handling cash and dealing with customer enquiries (European Commission, 2009).

In **Germany**, the JUNIOR project ('Young Entrepreneurs Initiate, Organize and Achieve'), operating under the auspices of the Federal Ministry of Economics and Technology, invites students from the ninth grade in general and vocational colleges to participate. Ten to fifteen students set up student mini-companies, and creatively develop and market a business idea for the academic year. The business ideas range from products to services. The project aims at improving young people's understanding of the processes involved in running a company (European Commission, 2009).

5.5. Business incubators

In simple terms, a traditional business incubator is a micro-environment with a small management team that provides a physical workspace, shared office facilities, counseling, information, training and access to finance, and professional services in one package. Business incubators generally need initial support from the government.

Participation in incubators is often open to outsiders, not only Vocational Education and Training students. There are several benefits to be gained by opening participation to outsiders: 1) Business incubators need to build a reputation by attracting various stakeholders, especially from the private sector; 2) VET students are able to benefit from the partnership with outsiders.

There is a globally accepted practice that the private sector assists business incubators through **mentoring**, which is often provided free of charge. In return, private companies benefit from acquiring innovations and discovering supply chain partners, such as customers and suppliers. A specific example of a close partnership can be seen at Køge Business College (**Denmark**). In this college, students conclude their education by carrying out a practical project in an enterprise. Both the enterprise and the school cooperate in the project. Taking a real problem as a point of departure, the student can demonstrate his/her entrepreneurial skills and creative thinking by coming up with a solution or a product that meets the enterprise's needs. Before starting, the student drafts a project description that has to be jointly approved by the enterprise and the school. This case-based final exam can be taken individually or in groups.

Alumni, especially those who have succeeded in business, can take part in mentoring as well. In **Latvia**, the SSE Riga Mentor Club provides mentoring support to companies with growth potential that have an ambition to pursue their business development. Mentors of the SSE Riga Mentor Club are SSE Riga alumni who have gained significant business and management experience. Currently, they are recognized as experts in various business areas such as finance, venture capital management, marketing, advertisement, PR, ICT, sales, consultancy, production, etc. The SSE Riga Mentor Club organizes up to 10 meetings a year. During the meetings, mentors discuss specific up-to-date business issues and follow the presentations of the companies that have been granted business mentoring support. The presentations are followed by discussions in which mentors can analyze business cases and identify possible development opportunities. After the discussions, a company is matched with a mentor.

References:

Cedefop (2011) 'Guidance supporting Europe's aspiring entrepreneurs Policy and practice to harness future potential'. *The European Centre for the Development of Vocational Training (Cedefop)*, Luxembourg: Publications Office of the European Union, 2011;

European Commission (2005) 'Best Procedure project: 'Mini-Companies in Secondary Education'. Final Report of the Expert Group'. *European Commission, Directorate-General for Enterprise and Industry, Unit E.1: Entrepreneurship*;

European Commission (2015) 'Entrepreneurship Education: A road to success. 13 Case studies'. Luxembourg: Publications Office of the European Union, 2015;

European Commission (2011) "Entrepreneurship Education: Enabling Teachers as a Critical Success Factor". *Entrepreneurship Unit, Directorate-General for Enterprise and Industry European Commission, B-1049 Brussels*;

European Commission (2009) 'Entrepreneurship in Vocational Education and Training, Final Report of the Expert Group'. *European Commission Enterprise and Industry*. Available at: <http://europa.eu/geninfo/query/resultaction.jsp?QueryText=entrepreneurship+in+vocational+education+and+training+final+report+of+the+expert+group&x=12&y=14&swlang=en>;

European Parliament and Council (2006) 'Recommendation of the European Parliament and of the Council (18.12.06) on key competencies for lifelong learning'. Available at: <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32006H0962>;

Lauritzen, J.R.K., Andersen, T., Ernest, J., Secher, O., Olsen, S. & Østergaard, S.M.F. (2014) 'Preparation of the European Business Forum on Vocational Training: Final report'. *Danish Technological Institute*

Volery, T., Müller, S., Oser, F., Naepflin, C. & Rey, N. (2013) 'The Impact of Entrepreneurship Education on Human Capital at Upper-Secondary Level'. *Journal of Small Business Management*, 51(3): 429-446.

Appendix B: Summaries of Interviews

Public Vocational Education and Training institutions

1. PUBLIC COLLEGE 'AISI'

Address: Akhmeta Municipality, Kvemo Alvani

Tel: 0(790) 110 120, 577 557 156

The college offers programs in different occupations: winemaking, farming, food processing, pharmacy, veterinary medicine, bee-keeping, cooking, etc. The educational process at 'Aisi' consists of both **practical and theoretical parts**. Practical lessons are mostly school-based. However, students in each occupation usually do a month-long internship at different companies.

Currently, the college has **455 students**. Approximately 1,100 students are enrolled in 'Aisi' on an annual basis since there are two intakes a year. Around half of the students are under the age of 20 and the majority are male. Students mostly come from Kakheti and some other regions of Georgia. 'Aisi' has a capacity to provide accommodation for 300 students.

Some of the teachers are not full time and also work in different businesses, such as Tegeta Motors, wine producing companies, IT companies, juice producing companies, etc. The college also provides masterclasses for their students: academics and businesspeople from different fields and industries are invited to share their knowledge.

Both the standard course "Basics of Entrepreneurship" and modular course "Entrepreneurship" are mandatory to students from all professional programs. The subject and module are taught for **one hour and three hours** a week, respectively. Each class is attended by approximately 15 students.

The main book used to teach entrepreneurship is **Economics** by Nino Talakhadze and Marina Gigauri. Classes include practical elements such as competitions, different kinds of simulations and games. The entrepreneurship teacher is an **economist with no business-related experience**. She has been working as a teacher for 25 years.

Regarding external entrepreneurship-related projects, the college found out about '**Produce in Georgia**' through Facebook. The deputy financial manager of the college, is very enthusiastic about helping students to start their own businesses, so she spread the information throughout the college. Interested students received help from their teachers (e.g. the teachers of farming) in trying to develop ideas. Eventually, eight students applied for the program 'Produce in Georgia'. One of them (Irakli Tsiklauri) received funding, while another (Lasha Tsertvadze) was redirected to another project - '**Plant in Georgia**'.

Contact information:

- Student, Irakli Tsiklauri - 577 496 979 (the participant of 'Produce in Georgia')
- Student, Lasha Tsertsvadze - 591 078 750 (the participant of 'Produce in Georgia')
- Deputy of financial manager, Tiniko Khanjaliashvili - 599 001 221
- Entrepreneurship teacher, Mzia Gviniashvili - 555 647 776

2. LEPL COMMUNITY COLLEGE "GLDANI VOCATIONAL TRAINING CENTER"

Address: 5 Khizanishvili Street, Gldani District, Tbilisi, Georgia

Tel: 2 140 314; 570 503 001

The college has operated since 2014 and provides education and training in 20 standard and eight modular programs. The ages of the students range from 20 to 40. One third of the students come from the regions. The majority of the students are male.

Entrepreneurship is mandatory for all professional programs. The college has a professional modular program on '**Small Business Ownership**'. The **practical element** of entrepreneurship education includes writing realistic business plans. In order to write these, students have to have realistic ideas and be able to do market research, create income statements, etc. The teacher of entrepreneurship has been teaching for 25 years. Apart from working at the college, she also teaches at a university. However, she does not have any business-related experience.

The college has a **Fab lab** which is equipped with various computer-controlled machines. The students can use this to make prototypes of the products they design. The Fab Lab has become the place where students can work on real products. The director of the college initiated a **competition** where the students form groups to develop business projects. In May 2016, the students studying 'Small Business Ownership' were given a task to generate ideas and invite people from different professional programs into their groups. Currently, there are three groups working on different projects. For instance, one group is making prototypes of souvenirs for tourists. The groups receive all the information necessary to make their prototypes: the best materials to be used, the prices of those materials, etc. At the moment, the students are working on their business plans. During this competition, there is a chance for participants to consult with their teachers (including the teacher of entrepreneurship). In the upcoming weeks, the groups will present their projects and the winner will claim the monetary price (of 200 GEL). Although the college is not obliged to use the Fab Lab for entrepreneurship purposes, the director of the college is very keen on developing students' business mindsets through internal competitions in the Fab Labs. The teachers and the director do not have information about competitions held externally. They think that those competitions are poorly communicated to the colleges.

Contact Information:

- Director of the College, Nodar Kharazishvili - 577 278 822, nodar_ter@yahoo.com
- Professional Orientation and Career Planning specialist, Sesilia Sitchinava - 577 385 720

3. PUBLIC COLLEGE 'MERMISI'

Address: 72B Guramishvili Avenue, Tbilisi, Georgia

Tel: 2 147 887, 2 147 667

The compulsory entrepreneurship module has been taught at 'Mermisi' college since 2016. In the scope of the module, students from different programs have to develop a business idea (which will correspond to their professional programs) and, as the course proceeds, they ultimately have to write a business plan. According to the entrepreneurship teachers, the module has several over the course called "Basics of Entrepreneurship" that was taught previously: the **content is richer, teaching hours are increased** and

there are **more practical tasks**. Prior to introducing the module, the teachers of entrepreneurship received training. Some of the teachers took part in the modification of the module.

The teachers think that **level three students have difficulties coping with the entrepreneurship module**. Level three students are those who have graduated only nine years at school. The teachers suggest that what is taught at level three should be taught on level four and what is taught on level four should be taught on level five.

The entrepreneurship teacher has been teaching the subject for 22 years. The teacher has no experience in working for a business or being an entrepreneur herself. The students attending the class are aged 20 and above. Around 20 students attend entrepreneurship classes. The entrepreneurship module is taught **two hours per week**.

According to the college representatives, several professional programs are aimed at specific occupations, while others programs are entrepreneurship oriented. For example, those students working on leather crafting are more likely to be entrepreneurs.

The practical lessons initiated by the college are only related to the students' professional programs. An example of this is the 'Evrotex' company, which produces curtains. The college sent 32 students for practical experience at the company and it then formed a labor contract with 12 students.

The college is soon going to have a **Fab Lab**, equipped by the Ministry of Education and Science together with the Innovation and Technology Agency of Georgia.. The students and teachers, as well as graduates of the college, will be able to make use of the lab. Some students use the equipment of the college and bring their own materials to make jewelry.

Although the school does receive some information about competitions, projects or grants (e.g. 'Produce in Georgia'), they feel that their students are rarely willing to participate, due to a lack of self-confidence. College representatives suggest that there is a need to introduce projects that are 'simpler', smaller in scale and seem less 'scary' to the students. According to them, students need to start with something they think they can handle and, as a result of the experience with smaller and simpler projects, students will feel more confident about participating in larger projects.

Contact Information:

- Entrepreneurship teacher, Vera Jghamadze – 555 517 539
- Lali Shpetishvili (entrepreneur graduate) – 558 335 516

4. PUBLIC COLLEGE 'GANDTIADI'

Address: 2 Besiki Street, Gori, Georgia

Tel: 0(370) 227 871, 577 177 992

'Gantiadi' is the only public Vocational Education and Training institution in the Shida Kartli region. The college has 16 professional programs. Prior to selecting the professional programs it would teach, the college conducted surveys of the companies in Shida Kartli in order to teach the most demanded professions. In addition, the college takes into account students' demands.

Currently, 'Gantiadi' has **355 students** (part of the students are doing practical training course). The college has students who are already running businesses, as well as students who will begin their businesses after graduating. The average age of the students is around 20. Some professional programs are more popular among male students and others are more popular among female students.

Entrepreneurship is a mandatory subject. The subject is taught for **one hour** per week. There are two entrepreneurship teachers. One has a higher education degree in entrepreneurship. The course book they use is *Principles of Entrepreneurship*. The National Center for Educational Quality Enhancement recommended that the college put emphasis on the development of business plans in the class and among the students. However, the subject is limited in time and has 17 hours for theory and just three hours for practice. The college representatives said that they are unable to switch to the modular program due to the lack of space inside the college (the modular program in entrepreneurship requires more teaching hours). The college had previously invited experts from Germany in order to deliver lectures and training courses to their students in entrepreneurship.

The college facilitates practical training in private and public organizations. They also receive orders from different organizations (such as the Ministry of Health) to train professionals for them. The college is supported by a number of international and donor organizations (e.g. UNDP, USAID). **UNDP** runs projects that support the students of the college. Some of these projects are aimed at **gifting necessary equipment** (relevant to the professions) to successful students. For example, some of the students were given sewing machines. The college representatives are in need of increased support from international and donor organizations, because the projects initiated by those organizations worked from an entrepreneurship perspective. For example, many students who have been supported (those who received gifts) work on private orders.

The college receives information about different entrepreneurship-related competitions and projects and delivers that information to their students and graduates. However, they think that the information is not delivered to them in a timely manner, resulting in students' inability to prepare for the projects.

Contact Information:

- Khatuna Khabelashvili (the participant of 'Produce in Georgia') – 598 282 209

5. PUBLIC COLLEGE 'IBERIA'

Address: 61 Z. Anjafaridze Street, Kutaisi, Georgia

Tel: 0(431) 225 562, 577 788 301

The college specializes in 27 professional programs and has 800-1,000 students yearly. Some of the disciplines taught in this college include Agriculture, IT, Business Administration, and Art. When choosing what to teach, the college representatives rely on research about what professions are demanded in their region. The college is now planning to move to dual Vocational Education and Training system that combines school-based and work-based training in one program.

Entrepreneurship is compulsory for all professional programs. The college representatives claim that the number of students who go on to start their own businesses has increased since the college introduced the **entrepreneurship module**. The entrepreneurship class includes 15-20 students. In order to make

individuals more interested in running their own businesses, the college representatives think that the state must facilitate the provision of **low interest credit** to the students.

Two students of 'Iberia' received a grant from the '**Produce in Georgia**' project. One of these students is a joiner who works on private orders. The college representatives think that such competitions increase students' motivation, so they would like to see more of those competitions. Apart from the external competitions, the college regularly holds internal entrepreneurship competitions. For example, a competition was held in 2013 among the students of 'Iberia' and Vocational Education and Training students from Poland. The participants had to present their business ideas (corresponding to their professional programs). The most realistic ones were awarded certificates.

The relationship with the private sector is mainly limited to **practical training** related to different professional programs. Practical training is compulsory for all students. Companies usually contact the college with requests to prepare professionals for them. Some companies train, support and hire the students. For example, JSC Energo-Pro Georgia regularly tests students of the college, grants them allowances and hires some of those students. With regards to entrepreneurship, the college occasionally invites business professionals in order to deliver motivational lectures. One of the members of the college's **supervisory board** is an entrepreneur.

Contact Information:

- Career Supervisor, Fati Jafaridze – 577 788 301
- Koba Liluashvili (the participant of 'Produce in Georgia') – 555 524 188
- Sul Khan Enukidze (the participant of 'Produce in Georgia') – 597 509 095

6. Shota Meskhia University (Public Institution)

Address: 14 Janashia Street, Zugdidi, Georgia

Tel: 577 419 041, 577 440 922

The teacher who teaches the entrepreneurship module to Vocational Education and Training students at Shota Meskhia University has a **PhD in Economics**. She also teaches business administration in the university. When asked about how they identify students with special entrepreneurial skills, the college representatives said that they observe students in **practical assignments** and **discussions**.

The entrepreneurship module is compulsory and the college representatives think that 90% of the students are unable to handle the module. They think that the entrepreneurship module is too hard for the level three students (those who graduate nine grades at school). They also think that the evaluation scheme of the module may discourage talented students. There are two possible evaluations for the module: pass or fail. There are no scores that would differentiate good, average and bad students. The university representatives think that attributing scores to the assignments would encourage the students.

In the scope of the entrepreneurship module, the students write **business plans** on topics that correspond to their professional programs. Although not all professional programs are relevant for entrepreneurship, students are not allowed think of topics that lie outside their professions.

Employers frequently visit the university. For example, Socar ordered a training course for its future staff. Some students of that course were brought in by Socar and others applied for the course externally.

Companies usually send a list of the professionals they need. JSC Energo-Pro Georgia provides online tests and the students who pass those are given allowances.

The university representatives said that they do not usually receive information about different entrepreneurship-related projects and competitions taking place in the country. The students and staff have to search for such opportunities on their own.

The university representatives think that **entrepreneurship should be taught after the core modules** (those related to the professional programs), or in the middle of the program, after the students become aware about what their profession is. They think that the students who attend Vocational Education and Training classes at their university do not have good educational backgrounds. Generally, they think that all the good students are educational migrants in Tbilisi.

The representatives of Shota Meskhia University think that in order for the students to be motivated to start a business, they need to be more or less **financially secure**. They say that the students need to be offered credit at low interest rates. In the scope of the entrepreneurship module, the students write business plans. The university representatives think that it would be a good idea if students are identified and financed on the basis of their business plans.

Contact Information:

- Entrepreneurship teacher, Mzisadar Bzhalava – 558 658 814

7. PUBLIC COLLEGE 'FAZISI'

Address: 54 Konstitucia Street, Poti, Georgia

Tel: (0493) 278 703

The college teaches 16 professional programs in the areas such as Engineering, the service industry, Business, Customs, etc. 'Fazisi' has an entrepreneurship subject and module. The entrepreneurship teacher has been teaching the subject for 10 years. She has been teaching the module since April, 2016. The teacher considers the modular teaching to be superior to the subject teaching. Modular programs have **more practical assignments** that are interesting to many students. Nevertheless, the younger students are not able engage in the module as successfully as the older students. The teacher uses a teacher's guide in order to make the most of the module. The module has five outcomes and each is related to a specific practical assignment. The final part of the module is the creation of a business plan. However, there are some problems with the module as well. The module requires working with the computers, but many students do not have their own computers. The college has a library equipped with computers, but the capacity is limited.

The college frequently invites in employers and different company representatives. 'Fazisi' partners with Poti port. Originally, the port had its own training center, but nowadays, almost all future and current employees of the port are trained by the college.

There are many projects carried out in the college with the support from **Norwegian Refugee Council**. In the scope of one of such project, the student who wrote the best business plan was granted an award of 2,000 GEL. The student had to start a small business and employ 2-3 fellow students. This project lasted for two years. The college has several small scale **internal competitions** as well. One of the competitions

is called 'Idea'. In this competition, students present their ideas and a jury identifies those ideas that are realistic.

UNDP had a program under which business incubators were built. Two small companies were registered as Individual Entrepreneurs and the college students, as well as external participants, started working in those. The college supported the participants in the educational aspects. One of the two programs employed **electricians**. The college representatives say that UNDP requested women participants in this program. Although women were recruited, the program did not work because nobody hired women electricians.

In the scope of one of the UNDP projects, the college **invited business consultants and businesspeople** to provide consultancy services and deliver computer courses. Around 1,000 people visited college and completed courses under this project. A total of 30 participants started their own business. However, this program was not specifically designated for college students. The majority of participants were external parties. The program lasted for two years. The college representatives think that this project was the most successful from an entrepreneurship point of view. They think that such a program should be repeated. In addition, they think that business incubators would work well, especially when designated not only for the students, but for external parties as well.

Regarding external projects, the college representatives say that they are usually not delivered with information about projects, grants, or competitions. When they have information about such activities, they inform their students, but the students are usually not willing to participate.

Contact information:

- Director of the college, Nino Bakuradze – 595 515 515, 577 571 151

8. PUBLIC COLLEGE 'AKHALI TALGHA'

Address: 154 Rustaveli Street, Kobuleti, Georgia

Tel: (0426) 266 851, 577 177 948

The maximum intake is 900 students at all levels. At the highest, fifth level, the college has high school graduates. The average student age is around 20. They select professions on the basis of their perceptions about demand from employers. The college has a **business council**. This council is aimed at meeting with employers, listening to their remarks and training students in accordance with what employers say. The latter can include adding or modifying courses. Teachers are involved in the council and take into account the ideas from the employers. Many of the teachers are practitioners.

The college has both a subject and a module of entrepreneurship. The modular program seems more interesting to the students. Those students who have complete only nine grades at school have difficulties studying the module. The college wants the module to be simpler, especially for the younger students. The entrepreneurship teacher thinks that **practical assignments** should be done in groups and not individually because students have limited capacities and are more likely to do better in groups. The teacher thinks that identifying students who have the potential of becoming entrepreneurs is best done by daily interactions.

Students are usually not interested in participating in external entrepreneurship-related projects, or competitions. Those students who have completed only nine grades at school are less likely to write a good business plan, even with the help of the modular program. In addition, students from the majority of professional programs do not see themselves as entrepreneurs, because their professions are not tied to entrepreneurial activities.

In order to enhance students' willingness to become entrepreneurs, the college representatives think that **business competitions between different colleges** would be good. These competitions may be related to developing business ideas and plans.

The college representatives think that students should be supported in visiting companies and entrepreneurs and observing how a real business works. For example, the students need to see how a business is registered by going to the LEPL Public Service Hall.

Students are never allowed to sell their products (e.g. the cakes they bake at college). The entrepreneurship teacher at 'Akhali Talgha' thinks that the students would be able to learn more about entrepreneurship if they could sell the products they produce inside the college.

The college does attempt to create more practical entrepreneurial experiences. **'Akhali Talgha' operates a hotel inside its territory.** The hotel is entirely run by the students studying tourism (students are responsible for procurement, running the reception, etc.). The only drawback from this experience is that the college is not allowed to accept individual guests. The hotel is not commercial. Instead, the college can participate in tenders (in case there are any) and occasionally accept a group of visitors. In the meantime, the college has to remain accountable about such activities to the Ministry of Education and Science. The money received from any visitors is used for college necessities (e.g. buying equipment).

Contact Information:

- Director of the college, Davit Mtchedlishvili – 577 507 979

9. PUBLIC COLLEGE 'BLACK SEA'

Address: 84 Lermontovi Street, Batumi, Georgia

Tel: 0(422) 247 750, 577 177 922

'Black Sea' is the only public VET institution in Batumi. It specializes in training students for such occupations as Tourism, Agriculture, Dental Technicians, etc. The maximum intake is 600 students.

'Black Sea' offers a separate **professional program in entrepreneurship.** Apart from that, students from all professional programs have to complete the mandatory entrepreneurship module. The college considers business incubators, business competitions and student companies to be the most effective ways to enhance students' motivation to become entrepreneurs.

The college offers practical training courses for different companies. A few company representatives are members of the **supervisory board** of the college. The college sent a letter to partner companies in order to collect information about additional professions that could be taught.

Although students can get jobs, due to the low wages available, many prefer to work from home by taking private orders (e.g. students studying sewing). Such students rarely register their activities as Individual Entrepreneurs.

Contact Information:

- Director, Giorgi Gogitidze – 577 544 457

Private Vocational Education and Training institutions

1. BUSINESS ACADEMY OF GEORGIA, SBA (PRIVATE INSTITUTION)

Address: 18/22 Rustavi Highway, Tbilisi, Georgia

Phone: 2 403 440

Headed by Kakhaber Eradze, the Business Academy of Georgia is a private college providing VET programs for the following occupations: customs service, small business management, office management, assistance in auditing, bank operators, transport logistics, real estate valuation, and kindergarten teachers. Among these programs, only customs service is modular. The school accepts only high school graduates. The tuition fee ranges from 2,100 to 2,500 GEL per program. Teachers are paid 15 GEL per hour (in public colleges teachers usually get around 8 GEL per hour).

Besides vocational programs, the school provides a bachelor's program in Business Administration. Since half of the students come from Africa and Azerbaijan, the program is also taught in English. A total of 78 students are enrolled in VET programs, whereas 46 study in the bachelor's program.

Entrepreneurship is only taught as part of the modular program in customs service. As part of the program's practical part, students have to write business plans. One good business idea generated by students was to create a hostel for pets, where people could leave their pets when going on vacation. The school does not assist the students in realizing their ideas. Although students were provided with information about competitions such as '**Start-up Marani**', the management's view is that their students are not ready for such competitions.

The management is happy with the entrepreneurship module. In particular, it encouraged students to consider private business as a possible career path. Some considered further developing **family businesses** operated by their parents (e.g. conducting deeper processing and export of hazelnuts grown on a students' family farm).

The academy's teacher of entrepreneurship has been working in the school's management and co-authored, together with Kakhaber Eradze, the main *Entrepreneurship* textbook, which is accessible through the website of the Ministry of Education and Science of Georgia.

Contact information:

- Kontselidze Rezo (entrepreneur graduate) – 555 812 266
- Shavishvili Davit (entrepreneur graduate) – 593 333 176

2. INTERBUSINESS ACADEMY (PRIVATE INSTITUTION)

Address: 8 Shalva Japaridze St., Tbilisi, Georgia

The Interbusiness Academy provides professional programs in office management, accounting, criminology, pharmacy, nursing, and IT. The college offers **dual apprenticeship programs** in collaboration with such companies as Aversi Clinics and the Wissol Group. The college hires employees of such companies as instructors and trainers. Professional nurses employed with Aversi Clinics provide both theoretical and practical training; after 18 months of training, students continue to work as interns at Aversi Clinics. The college's own role is to teach subjects that are not directly connected to nursing (e.g. English). The college does not currently teach entrepreneurship; however, an entrepreneurship module is likely to be added in the future.

Contact Information:

- Director, Inga Manasheridze - 032 2615423

3. COLLEGE 'PANATSEA' (PRIVATE INSTITUTION)

Address: 2 T. Eristavi Street, Tbilisi, Georgia

Tel: 2 660 402, 2 345 863

'Panatsea' is a private college, charging tuition fees of 1,500 GEL. The age of students range from 15-60 years, but most of them are between 18 and 25. Students are accepted on the basis of internal interviews.

The college is specialized in healthcare-related programs. A total of six (modular) programs are currently being taught. The most popular program is "practitioner nurse". Only two of programs are suitable for potential entrepreneurs – "dental technician" and "massage specialist".

The college is a member of the **Private Colleges Association of Georgia**, which was established in 2013 and which helps private colleges to more effectively communicate with the government. College representatives hold monthly meetings and pay monthly membership fees (360 GEL) to the association. The association has not yet had a discussion about an entrepreneurship module.

Entrepreneurship has never been taught in 'Panatsea'. However, the college plans to introduce an entrepreneurship module in 2019. The teacher designated for teaching this module has her own small business – a drugstore.

'Panatsea' does not receive any government support. College representatives think that public funding only goes to public colleges, adversely affecting the number of students opting for private VET.

Private vs. Public Vocational Education and Training institutions

Students applying for admission to private colleges, unlike public colleges, do not have to pass the uniform national exams, since they are not financed by government grants (vouchers). Besides, private institutions do not receive any other form of government assistance (e.g. for the purchase of inventory). In recent years, private VET colleges have been lobbying to achieve the same status as public colleges and in particular have their students provided with government grants. In the absence of government funding, the number of students applying for admission to private colleges remains low. Moreover, even in the

case that they become eligible for public funding, private VET institutions are likely to remain focused on training for professional occupations such as office managers, nurses, criminologists, IT specialists, accountants, etc. Training in fields that are more relevant for entrepreneurship in the Georgian context (such as farming and craftsmanship) is more expensive to deliver and hence of lesser interest for private (for profit) VET institutions.

Summary of the interview with Kakhaber Eradze

Kakhaber Eradze is the manager of the Vocational Qualifications Development Support program at the National Center for Educational Quality Enhancement. He is also **the co-author of the entrepreneurship module** and works as the dean of the private college **Business Academy of Georgia**. We interviewed Mr. Eradze about the process of developing and implementing the entrepreneurship module.

Private sector representatives, e.g. small and medium-sized entrepreneurs, were involved in developing the module, suggesting the knowledge and competencies that the module should include.

The module is now taught not only in vocational schools, but also in prisons. Moreover, as a pilot project it is introduced in the region of Racha, in order to support its residents in starting a business.

As for the teaching materials, entrepreneurship teachers are free to choose whatever they think will help achieve the learning outcomes determined by the module. Eradze, together with his colleagues and entrepreneurship teachers, has developed **teaching tutorials** that include practical exercises.

Regarding the evaluation system at Vocational Education and Training institutions, students are evaluated on a pass/fail basis. According to Eradze, although a score-based evaluation may increase students' motivation, it is not feasible in the VET system.

The module's implementation is being monitored and after all institutions have completed teaching the module for the first time, a meeting will be held with entrepreneurship teachers in order to discuss outstanding issues. In addition, students will be asked for their opinions. For now, Eradze is aware of the fact that level three students have difficulties in writing profit-oriented business plans. Thus, there is an ongoing discussion to change the module requirements for level three students. For example, there is a plan to give level three students the task of developing business ideas carrying **cultural and/or social value**.

Another outstanding issue is the fact that mini-companies operating inside Vocational Education and Training institutions do not sell the products they produce. According to Eradze, mini-companies do have the right to operate as non-profits. However, the directors of VET institutions are usually afraid of being strictly monitored by the State Audit Office. Thus, they try to avoid extra problems by not commercializing mini-companies.

The final, important problem that Eradze emphasized is the lack of cooperation between VET institutions and the government. VET representatives often see the government as an inspector and are sometimes dishonest about their problems.

Summary of the interview with Australian VET expert Anthony Tyrrel

Anthony Tyrrel made several points about the Georgian Vocational Education and Training system:

- Good VET institutions are mostly concentrated in Tbilisi;

- VET education is the second choice for students and their parents. That is why Millenium Challenge Corporation (MCC)focused on higher levels of qualification;
- The teachers' qualifications are appalling and they are teaching from awful Soviet-style textbooks. However, there are some very good and innovative examples as well;
- There are still no genuine partnerships between VET institutions and businesses. Businesses should be on governing boards, advising college management. Businesses should also be able to register their own VET colleges;
- There is quite a bit of flexibility in terms of what could be taught at VET institutions in order to match skills with occupations. The modular approach is all about the latter. The challenge for Georgia is to get directors to start taking advantage of this flexibility;
- There is a need to incorporate broad generic skills – communication, entrepreneurship – into existing programs, rather than teaching those skills separately;
- MCC provides grants of up to 10,000 USD within the initiative “Strengthening VET Provider Practice” which could support entrepreneurial training. The next call for proposals is expected to be launched in 6 months;
- Entrepreneurial training could also target university graduates who are not getting the kinds of jobs they are hoping for.