

FactCheck



Davit Narmania:

“... We were not exactly indulged with domestically produced agricultural goods and so, consequently, the share of agriculture in the GDP amounted to solely 8%. In 2013, however, owing to state funded projects, the indicator rose to 12%. This is a tendency of increase which is maintained in 2014.”



Archil ROSTOMASHVILI
FactCheck

On 10 April 2014 present Tbilisi mayoral candidate and Minister of Infrastructure at the time summarised the outcomes of the Preferential Agro-credits project and stated: “...These projects are of special importance in terms of regional development as well as considering that they create jobs, increase the income of Georgian families and, most importantly, encourage the national production of goods. We were not exactly indulged with domestically produced agricultural goods and so, consequently, the share of agriculture in

It is also to be noted that the extent of any particular sector's share in the GDP indicates what part of the country's income is accumulated in the given sector. The higher the indicator the larger the share of revenues accumulated in this sector and the more important the role of this sector in the economy.

A large share of agriculture

As the subsidies and taxes are not divided according to the sectors of the economy, GeoStat calculates the ratio of the absolute indicator of agriculture and the GDP at basic prices. If we compare the indicators of the real GDP recorded in 2003 and 2012 (calculated at prices of 2003) we observe that in 2003 the real GDP totalled GEL 8.04 billion, agriculture – GEL 1.65 billion and its share in the real GDP – 20.6%. The real GDP of 2012 amounted to GEL 14.15 billion, agriculture – GEL 1.5 billion

the GDP amounted to solely 8%. In 2013, however, owing to state funded projects, the indicator rose to 12%. This is a tendency of increase which is maintained in 2014. More projects are expected to be funded this year which will have a greater impact upon the economic development of the country.”

FactCheck took interest in Davit Narmania's statement and verified its accuracy.

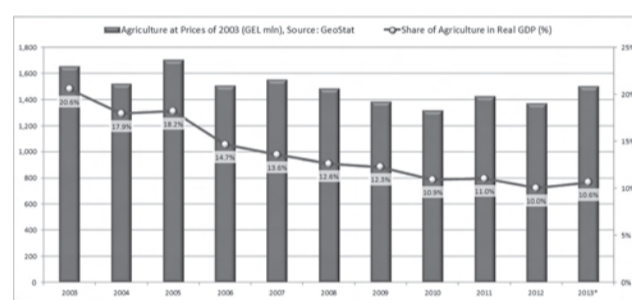
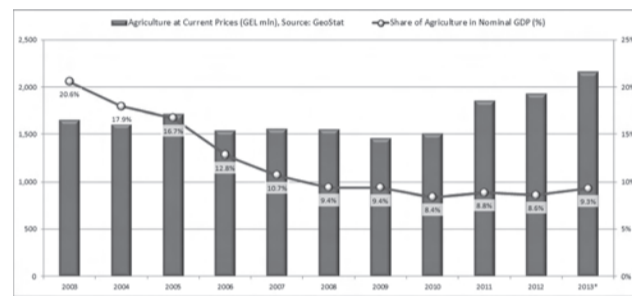
Throughout the years 2003-2010 the share of agriculture in the nominal GDP of Georgia was characterised with a tendency of decrease. In 2011-2013, however, the indicators saw an upturn as compared to 2010. In line with the preliminary data of 2013, the share of agriculture reached 9.3% which equals GEL 2.17 bil-

ion in absolute numbers and which represents the highest indicator recorded over the last four years. The growth of the percentage share of agriculture in the GDP indicates that in 2013 agriculture grew in respect to certain other sectors. It follows, therefore, that if all the sectors of the economy had grown equally, all of them, including agricul-

ture, would have retained the same share in the GDP as in the previous year.

As for the share of agriculture in the real GDP, over the span of the years 2003-2012 this indicator was characterised with a decreasing trend and took a slight upturn in 2013 reaching 10.6%.

tion in absolute numbers and which represents the highest indicator recorded over the last four years. The growth of the percentage share of agriculture in the GDP indicates that in 2013 agriculture grew in respect to certain other sectors. It follows, therefore, that if all the sectors of the economy had grown equally, all of them, including agricul-

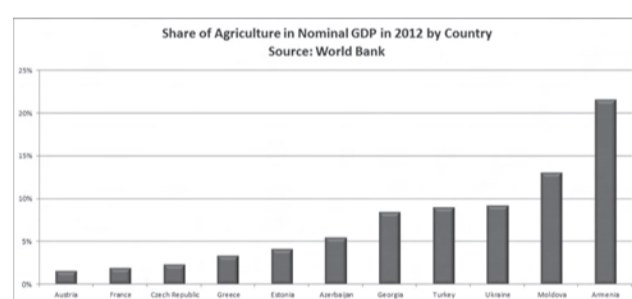


fields characterised with a diminishing return to scale.

development of capital intensive fields persons employed in agriculture will move to other fields in pursuance of higher incomes. Consequently, the share of people employed in

agriculture, which currently accounts for over half of the total employment in Georgia, will decline markedly.

Category: Agriculture



U.K. Seen joining U.S., China, as top tech revenue growth markets



The FINANCIAL

Technology industry leaders are most bullish on revenue growth in the U.S., China, and the United Kingdom, according to the results of the annual Technology Business Outlook survey. The U.K. ranking is one of the biggest surprises in this year's survey with 42 percent of the technology leaders projecting that market as their first, second or third highest revenue growth rate for their companies in the next 12 to 24 months, compared to only 18 percent in last year's survey. The U.S. remains the number one market, selected among the top three by 81 percent of the respondents – higher than results in the prior three annual surveys – followed by China at 47 percent. The executives were each asked to select their top three markets.

Technology executives believe the U.S., India, and China will be the leading markets for tech employment growth between now and 2016. Other countries with higher tech company expectations for employment growth are Canada, at 30 percent up from 23 percent, the U.K. 28 percent up from 21 percent, and Germany 15 percent up from 7 percent.

CALIFORNIA TOP CHOICE FOR U.S. INVESTMENT

Looking at where tech companies plan to increase investment and jobs in the U.S. over the next two years, California led the list (28 percent), followed by Texas at 17 percent and the Southeast at 14 percent and the Midwest at 10 percent. Additional locations included Washington D.C. (9 percent), Other West (9 percent), New York (8 percent), Massachusetts (7 percent) and Other Southwest (7 percent).

PULLBACK IN EXPECTATIONS FOR BRAZIL, MEXICO, AND SOUTH KOREA

Unlike a year ago when Brazil, Mexico, and South Korea appeared on the rise, fewer survey respondents see these three countries as their biggest revenue and employment growth markets.

Brazil's position as a revenue growth market declined 10 percentage points to 23 percent and as an employment growth market 5 percentage points to 21 percent. Tech executives' expectations for their company's revenue growth in South Korea declined from 14 percent in 2013 to 7 percent in this year's survey, and for employment growth it slipped two percentage points to 10 percent. The outlook for Mexico dipped six percentage points to 9 percent for revenue growth, and fell six percentage points to 15 percent for employment growth.

TECH MANUFACTURING: OFFSHORING OUTGAINING ONSHORING

While the majority (58 percent) do not plan to make any changes in how they deploy their manufacturing in the next two years, 24 percent are either moving more manufacturing offshore or incrementally adding new offshore manufacturing. Eleven percent are either moving manufacturing back or adding new manufacturing operations in the U.S.

At the same time, 61 percent of the technology executives say their companies are not planning to re-shore non-manufacturing functions. Sixteen percent say they will, and 23 percent say maybe.

CONCLUSION

The share of agriculture in the nominal GDP amounted to 9.3% in 2013 which undoubtedly is the highest indicator registered over the course of the last four years. In the case of the real GDP (expressed at prices of 2003), the share of agriculture equals 10.6%. Consequently, the number indicated by the former Minister – 12%, is not entirely accurate. Throughout the years 2010-2012 the share of agriculture in the GDP varied at around 8%; therefore, Davit Narmania is correct in this part of his statement.

FactCheck considers it necessary to point out that the increase of the share of agriculture in the GDP hardly qualifies as a favourable factor seeing that if all sectors of the economy developed at an equal pace their shares in the country's GDP would remain unchanged. It is of greater importance to Georgia to develop capital intensive industries which are characterised with increasing returns and will significantly increase employment in the country.

Taking into consideration the circumstances elaborated above, we conclude that Davit Narmania's statement, “...These projects are of special importance in terms of regional development as well as considering that they create jobs, increase the income of Georgian families and, most importantly, encourage the national production of goods. We were not exactly indulged with domestically produced agricultural goods and so, consequently, the share of agriculture in the GDP amounted to solely 8%. In 2013, however, owing to state funded projects, the indicator rose to 12%. This is a tendency of increase which is maintained in 2014. More projects are expected to be funded this year which will have a greater impact upon the economic development of the country,” is **HALF TRUE**.

HALF TRUE



The views expressed in this website are those of FactCheck.ge and do not reflect the views of The FINANCIAL or the supporting organisations



The FINANCIAL is read by nearly 75% of Top Financial Decision-makers in Georgia. It reaches more CEO's than all Georgian newspapers combined.

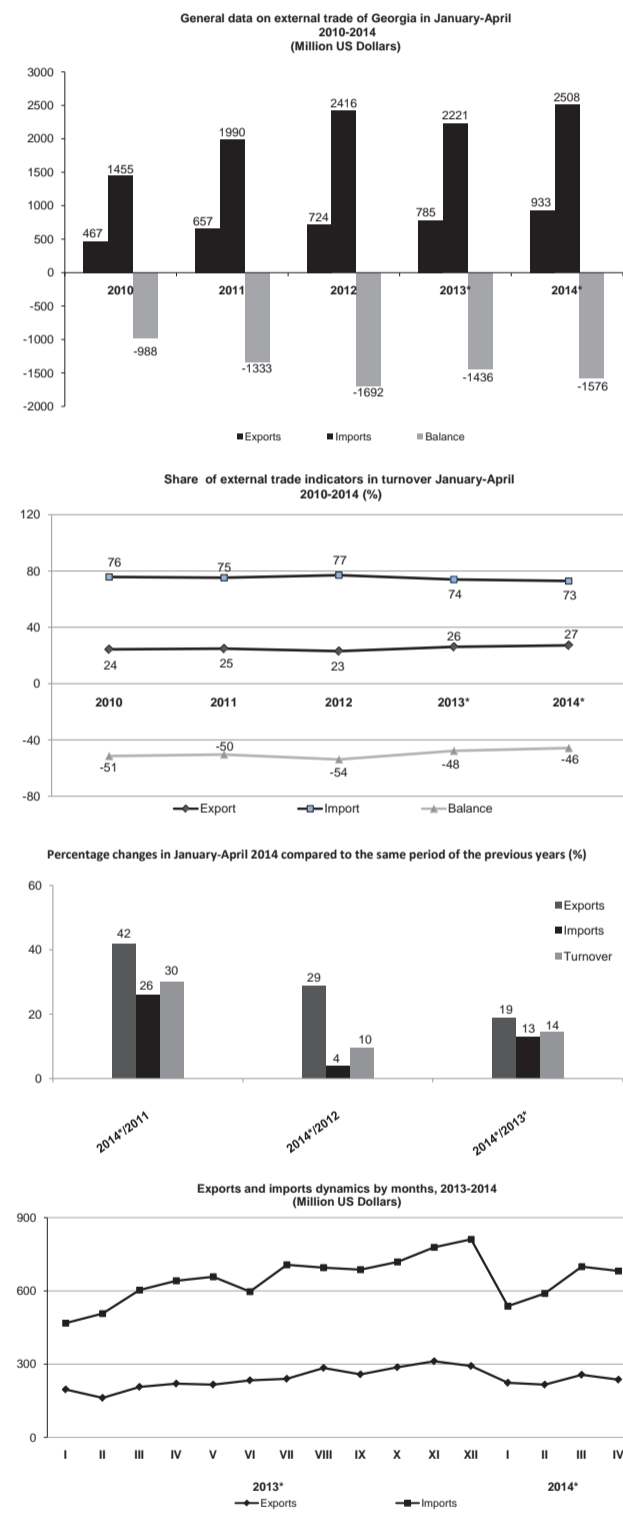
Source: Global Idea

External Trade of Georgia Raises by 14 Percent

The FINANCIAL

In January-April 2014 external merchandise trade (excluding non-organized trade) in Georgia amounted to USD 3441 million (preliminary data). 14 percent higher year-on-year. The exports equaled USD 933 million (19 percent higher), while the imports stood at USD 2508 million (13 percent higher). The negative trade balance was USD 1576 million in January-April 2014 and its share in

the CIS countries totaled USD 1169 million (higher by 18 percent compared to January-April 2013). Exports stood at USD 510 million (19 percent higher), while imports equaled USD 659 million (17 percent higher). The share of the CIS countries in the external trade of Georgia constituted 34 percent, 55 percent in exports and 26 percent in imports (In January-April 2013 33. 55 and 25 percent, respectively). In January-April 2014, compared to the corresponding period of the previous year, CIS countries



external trade turnover constituted 46 percent. In January-April 2014 the external trade of Georgia with the EU countries amounted to USD 897 million, up by 14 percent compared to the corresponding indicator of the previous year. Exports amounted to USD 194 million (50 percent higher), while import amounted to USD 703 million (7 percent higher). The share of these countries in the external trade of Georgia amounted to 26 percent, 21 percent in exports and 28 percent in imports (in January-April 2013 26, 16 and 30 percent correspondingly). 32 percent of the trade deficit came to the EU countries (37 percent in January-April 2013). In January-April 2014 the external trade of Georgia with

accounted for 9 percent of the overall trade deficit (9 percent in January-April 2013). In January-April 2014 the share of top ten trading partners in the total external trade turnover of Georgia amounted to 68 percent. The top trading partners were Turkey (USD 520 million), Azerbaijan (USD 392 million) and Russia (USD 252 million). The top import commodity in January-April 2014 was Petroleum and petroleum oils, imports of which amounted to USD 241 million and 10 percent of the total imports, motor cars commodity group followed in the list with USD 200 million, or 8 percent of imports. Petroleum gases and other gaseous came third with USD 149 million (6 percent of imports).



Ketevan Natriashvili: “International recommendations and tendencies, as well as local experts and specialists, urge that the minimal age of a child should be six (or more) when starting the learning process.”

Natalia VAKHTANGASHVILI
FactCheck

Amendments to the Law of Georgia on General Education were discussed at the plenary session of the Parliament of Georgia on 3 April 2014. The Ministry of Education and Science of Georgia proposed defining the age of six years as the minimal threshold for accepting a child at school. In respect to the abovementioned issue, the First Deputy Minister of Education and Science, Ketevan Natriashvili, declared: “International recommendations and tendencies, as well as local experts and specialists, urge that the minimal age of a child should be six (or more) when starting the learning process.” According to Natriashvili, even two or three months are of vital importance at this age and provided that a child does not meet the age criteria before starting the learning process, he/she will have to get registered and start the process of elementary education in the next year.

FactCheck took interest in the abovementioned recommendations and decided to research the issue.

In order to verify which experts and recommendations were meant by Ketevan Natriashvili, FactCheck addressed the Ministry of Education and Science of Georgia with an official request to withdraw the relevant information. The response from the Ministry reports that while working on the project of the abovementioned draft bill, the Ministry of Education and Science considered the advice and recommendations of the following studies:

Study on Learning Problems among School Children Aged Five Years

Assessment Report on School Readiness

The *Study on Learning Problems among School Children Aged Five Years* was conducted in 2012 by the Institute of Social Studies and Analysis at the request of the National Centre for Teacher Professional Development. The research aimed at identifying the difficulties associated with children starting general education at the age of five years and elaborating recommendations for overcoming the abovementioned problems.

The target group of the research consisted of first- and second-grade school teachers having experience of working with five-year olds, parents of elementary school students who sent their children to school at the age of five years, psychologists, paediatricians and education experts. The research deployed the focus group as its method. The following focus groups were conducted within the framework of the abovementioned study:

Parents who sent their children to school at the age of five years – three focus groups (in Tbilisi, Gori and Batumi)
Teachers teaching/taught five-year old school children – three focus groups (in Tbilisi, Gori and Batumi)

Two focus groups with experts consisting of psychologists, paediatricians and personnel involved with the education reform processes

The following tendencies were identified as a result of the study:

The main motivation for parents to send a five-year old to school is the intellectual readiness of the child. However, the research showed the influence of the following factors as well: the poor system of pre-school education, a division of teachers as ‘good’ and ‘bad,’ the parents’ busy schedule, the influence of the behaviour of others, etc. Additionally, the level of parent awareness concerning the upbringing of a child is rather low and in the case of the informal threshold of the school age remaining at five years, parents will not be able to make a proper decision and overcome the problems connected with the learning process. Provided the Law on General Education remains unchanged, it will be necessary to take certain measures to increase the awareness of parents regarding a child’s upbringing.

The study also reports about the significant systemic barriers concerning the learning process of five-year olds. The majority of elementary school teachers are not sufficiently trained and there is a lack of willingness among those who are trained towards using different approaches for teaching five-year olds. This is caused not solely by the lack of the teachers’ motivation but also by the extensive number of children in classes, mixed classes and a limited infrastructure as well. In addition, the assessment of the readiness of a child for school education is also important for the proper management of the learning process at schools. The knowledge of a child’s background/history will enable elementary school teachers to better work in the right direction.

While discussing a child’s readiness for school education, psychologists, paediatricians and other experts focus upon the social, psycho-emotional and intellectual readiness alongside considering their academic skills as well. As a rule, five-year olds are far behind six-year olds in terms of these abovementioned indicators. Therefore, there is a need for reforms concerning education of children at the age of five years. In addition, there is difference between those children who attended kindergartens before going to school and those who never went to day care centres. Having never gone through pre-school education puts them in an unequal situation. Even a skilled child suffers from not having proper prepara-

tion, finds it difficult to cover the programme and, thus, loses motivation.

The abovementioned study reports that the educational system of Georgia is not well prepared for having five-year olds at schools. Their involvement in the learning process was followed by a number of problems. However, this does not necessarily mean that five-year old children cannot be taught; rather, it means that the education of children in this age group requires a different approach. Before any respective preparatory measures are taken, engaging five-year olds in the learning process is not recommended.

The other research pointed out by the Ministry of Education and Science of Georgia is the *Assessment Report on School Readiness*. The study was conducted with the support of the United Nations Children’s Fund (UNICEF) in 2011 and aimed at producing a nationwide assessment of the readiness of first-grade children for school education. The research comprised 1,500 first-graders and their parents from all Georgian-language public schools.

The study’s research questionnaire addressed the following areas: healthcare and physical development, cognitive development and general knowledge, attitude towards learning, socio-emotional development and speech. The study deployed a quantitative research method. The 479 children interviewed within the study’s framework belonged to the age group of five years while 1,019 children were from the age group of six years. In terms of residence, respondents were divided as follows: 805 – from cities, 170 – from mountainous regions, 524 – from villages. In terms of gender, 524 were girls and 741 – boys. Among the interviewed children a total of 1,073 went to kindergarten prior to going to school while 426 did not attend day care centres.

The study draws the following conclusions:

A child’s health condition affects his/her readiness for school and development and so a timely immunisation against illnesses is recommended before sending him/her to school. Additionally, the introduction of a healthy lifestyle in a child’s life is also essential. The study reports that one-third of the children has problems with physical balance



and coordination. The majority of children confuse directions (left, right, upwards, downwards) and so it is vital to include respective games in the pre-school educational curriculum targeting developing these areas.

Further, children in the study found it particularly difficult to demonstrate fine and visual motor skills (like drawing and writing) while this is directly connected with the development of speech and logical reasoning. Thus, pre-school and school facilities should pay enhanced attention to the development of these particular skills and, mainly, to drawing, modelling and writing skills. Also further, the development of the following functions should be supported as well: lacing up shoes, putting on clothes, being able to button clothing and so on; in other words, all functions developing fine motor skills. Classification is of utter importance as well: grouping similar objects, playing with construction sets, etc.

Based upon the research findings, counting and mathematical operations were accomplished by 76% of first-grade students. Including tasks based upon activities as well as visual materials in the curricula is also needed.

An analysis of the research findings revealed that one of the main difficulties for the five- to six-year old age groups is sound synthesis and analysis. On the other hand this is an absolute pre-requisite for children to learn how to read and write at school. Consequently, focusing upon the abovementioned issues and planning games and activities in a systematic manner that will enable the development of these skills is of further crucial importance.

In addition, the difference between five- and six-year olds was observed in accomplishing the following research tasks: counting, mathematics, operations, remembering texts and reproduction, analysis based upon visual materials, synthesis and generalisation. Since these skills are significant components for a child’s mental readiness, considering the capacity of five-year olds in the school curricula and preparing a methodological guidebook for teachers in respect to the specifics of teaching five-year old children is necessary.

Category: Education

CONCLUSION

FactCheck analysed two studies referred to by the Ministry of Education and Science of Georgia while researching the issue of the school readiness of children at the age of five years. One of the studies (*Study on Learning Problems among School Children Aged Five Years*) did not recommend accepting children for school at the age of five years due to the lack of a relevant environment at general education facilities. The other study (*Assessment Report on School Readiness*) focuses only upon the recommendations about including the capacity of five-year old children in the school curricula and preparing a methodological guidebook for teachers considering the specifics of teaching the children from this particular age group.

Therefore, FactCheck concludes that Ketevan Natriashvili’s statement: “International recommendations and tendencies, as well as local experts and specialists, urge that the minimal age of a child should be six (or more) when starting the learning process,” is HALF TRUE.

HALF TRUE

EUROPEAN
ENDOWMENT OF DEMOCRACY

G | M | F
The German Marshall Fund
of the United States
STRENGTHENING TRANSATLANTIC COOPERATION

The views expressed in this website are those of FactCheck.ge and do not reflect the views of The FINANCIAL or the supporting organisations