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EUROPEAN UNION's POLICY ON CORPORATE SOCIAL RESPONSIBILITY

INTERNATIONAL SCIENTIFIC CONFERENCE

ABSTRACTS&ARTICLES

16, 21 May, 2024

CSREU

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**Jean Monnet Module – Corporate Social Responsibility in the European Union:
Experience for Georgia
CSREU 2022 - 2025
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INTERNATIONAL SCIENTIFIC CONFERENCE

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RESPONSIBILITY**

16, 21 May, 2024

TBILISI, GEORGIA

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EUROPEAN UNION IN TIMES OF THE FULL SCALE RUSSIA - UKRAINE WAR: WHAT LESSONS CAN WE DRAW?

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Russia's war on Ukraine has roiled international politics, creating new alignments and commitments. The European Union's policy toward its eastern neighbors has dramatically changed, with the EU offering candidate status to Ukraine and Moldova, unprecedented economic support, and gestures of popular solidarity across the continent. As of recent the European Union has also announced that it opens a process of negotiations about potential membership with both Ukraine and Moldova. This is going to be a protracted process, most probably, and not some sort of a fast-track membership perspective for Ukraine, but still this is a huge step in the right direction for Ukraine. And this is, by the way, one of those byproducts of the Russian aggression, something that Moscow hates to see but has contributed to by choosing to launch its massive invasion.

EU is helping Ukraine in various ways. It provides direct assistance to Ukraine's budget, which is very much needed, naturally, given the destruction wreaked by Russia on Ukraine's economy. This helps Ukraine economy and government to function, pensions and social payments being paid on time. EU is actively involved with aiding Ukraine to deal with its energy needs, which is especially timely when Russia has destroyed so much of Ukraine energy infrastructure. It should be reminded that Ukraine is a member of the European Energy Charter. This and other frameworks help EU to channel assistance in this sphere.

The European Union is also providing Ukraine with funds to purchase weapons. This is a rather revolutionary development from the EU, considering that it has always been mostly a soft power player. The European Commission has pledged to provide Ukraine with 1 million of the 155 caliber artillery shells, and here it is failing short, actually, as it looks that it would only be able to provide around one third of this number in the foreseeable future. The 2024 has started with the European Commission successfully overcoming difficulties in providing Ukraine with a multi-year package of assistance of 50 billion euros. It has demonstrated the political will to do so even in the light of some objections from certain member-states.

The EU's aid to the Ukrainian refugees is certainly no small token in a grand picture of assistance. Millions of Ukrainians found temporary protection in the countries of the European Union, which is a huge deal for these people, and a vivid demonstration of the European solidarity. All in all, there are many facets of the current EU – Ukraine agenda.

***Keywords:** European Union's Policy, Russia - Ukraine War, Protection*

***JEL Classification:** F50, N40*

ECONOMIC ASPECTS OF EUROPEAN INTEGRATION

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We are experiencing a historic momentum for Georgia - in December last year we have been granted an European Union candidate status. Now we are in the process of accession, are part of the European Union enlargement package and we are looking forward that one day, in the near future we will become an EU member country, which is a long awaited goal of our nation.

Georgia's European aspirations are based on the European choice of the majority of Georgians shown at the comprehensive polls and studies. The effective implementation of the Association Agreement with the European Union is of particular importance for strengthening Georgia's European choice, preserving irreversibility of the European integration process. The Agreement envisages comprehensive transformation of the Country. This process involves further consolidation of democracy and boosting economic development by implementation of comprehensive reforms in a wide range of sectorial domains and in the Deep and Comprehensive Free Trade Area (DCFTA) fields.

By effectively implementing the Association Agreement and its integral part – the DCFTA, Georgia gradually becomes the integral part of the European Union economy. Moreover the process of integration already brings benefits to the country's economy. Thus the ongoing reforms are extremely important for promoting national exports to the European Union market, boosting trade, investments and capital inflow that has a particular importance for the long-term sustainable economic development of the country.

Keywords: *European Integration, Association Agreement, DCFTA*

JEL Classification: *F13, F14, F15, F50*

CSR AND SUSTAINABILITY IN THE EU AND GEORGIA: THE ROLE OF PUBLIC POLICY AND NEW OPPORTUNITIES IN THE CONTEXT OF EUROINTEGRATION

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Corporate responsibility and sustainability play a paramount role in the contemporary global landscape. Given the challenges of sustainable development, the pivotal contribution of the private sector towards achieving the Sustainable Development Goals is widely acknowledged.

Over the past two decades, the EU has actively pursued policies fostering corporate responsibility and sustainability. With the acceleration of the European integration process in Georgia, aligning the activities of Georgian companies with European standards has gained increased significance. Commitment to promoting and encouraging corporate responsibility is articulated in several articles of the agreement with the EU. The advancement of corporate responsibility on a national scale not only facilitates the achievement of strategic policy objectives but also nurtures sustainable and inclusive economic growth, enhances a nation's competitiveness, and elevates its appeal for international investments. It also aids in fulfilling obligations under international agreements, in the spheres, such as: human rights, labor rights, environmental protection, and climate change reduction. In light of these considerations, the promotion of corporate responsibility at the state level assumes great importance. Various methods, predominantly "soft" measures, have been employed by states to support corporate responsibility as a mechanism of private sector self-regulation. Simultaneously, the global market has established diverse economic incentives for responsible and sustainable companies, making it practically unattainable for a company to achieve sustainable success without addressing social, environmental, and economic sustainability. To formulate and implement an effective and relevant state policy, it is imperative to engage various stakeholders, facilitate a dialogue between business, civil, and public sectors, and coordinate actions. This paper comprehensively reviews the essence and positive outcomes of corporate responsibility for individual companies, nations, and globally. It examines global trends in corporate responsibility and sustainability, EU policy instruments supporting corporate responsibility, and underscores the heightened importance of corporate responsibility for Georgia. Additionally, it explores existing initiatives in our country concerning specific aspects of corporate responsibility and sustainability.

Keywords: Corporate Responsibility; Sustainability; European Union, Public Policy

JEL Classification: M 14, F50

GEORGIA'S INTEGRATION IN EUROPEAN UNION: CLIMATE CHANGE DIMENSION

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Climate change represents one of the most important problems in nowadays world, making multiple challenges in various areas of our life, expressed in frequented climate hazards and slow changes such as glaciers melting, sea level rise, seasons' shifting, degradation of ecosystems etc.

Since signing the United Nations Framework Convention on Climate Change (UNFCCC) in 1992 in Rio-de Janeiro, the 193 states – Parties of the Convention have making joint efforts to stop the climate change process and adapt to the changes. Unlike past climatic changes on the Earth, the current process is triggered by human activities, namely, uncontrolled use of fossil fuel that causes emission of so-called ‘greenhouse gases’ (GHG), concentrated in the atmosphere, finally leading to global warming with its multiple adverse impacts. The Convention leads the global process of dealing with climate change. Georgia, as a Party to the UNFCCC, paces the process that is managed by decisions made at annual Conferences of Parties. The Paris Agreement, signed in 2015 at the COP, is legally binding the Parties to reduce their national GHG emissions and achieve zero emissions by 2050. Under these commitments Georgia determined its national contribution – targets for GHG emission reduction by 2030, - and elaborated corresponding policy documents: Climate Strategy 2030 and Action Plans 2021-2023 and 2024-2025. *Georgia’s Low Emission Developing Strategy (LT LEDS) Concept* has also been adopted, reflecting the national commitment of climate-neutrality by 2050.

European Union, being the champion in the UNFCCC process and steadily following its principles, elaborates corresponding policy documents and implements them in its area. Recently, in order to facilitate the implementation of the CC mitigation policy the EU launched the Green Deal programme aimed at making transformative reforms in different directions that will contribute to GHG emission reduction without harming economy and social areas. For Georgia, as a country with Association Agreement with the EU, the process of approximation to the EU legislation has become even more actual after being granted the EU membership candidacy status. Nowadays, the process of transferring this complex programme in Georgia is being explored in order to promote the EU integration process.

Keywords: *Climate Change, Greenhouse Gases, Green Deal*

JEL Classification: *Q54, F53*

TEGETA HOLDING CORPORATE SOCIAL RESPONSIBILITY

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Tegeta Holding is the largest automotive Georgian company in the Caucasus and Central Asia. The company offers customers a full range of automotive ecosystems, including light, heavy and construction. Further, commercial, passenger and industrial transport is available. Tegeta has 28 service centers countrywide. The holding conducts international trade on four continents. Tegeta exclusively represents auto brands Porsche, Volvo, Toyota and Mazda. The holding’s partners are truck and special equipment premium brands, among them MAN and JCB. Tegeta is the largest importer of more than 300 leading automobile brand products in Georgia, including

Bridgestone, Michelin, Varta, Bosch, Shell, Motul, Pirelli and others. Tegeta Holding is today one of the largest employers in Georgia, with around 3,000 employees.

Tegeta's development history demonstrate that prioritizing the well-being and security of the community is an integral aspect of the holding's identity. Tegeta has been conducting an extensive charity campaign for several years, with the aim of fostering social cohesion and promoting constructive societal transformations. The care platform tegeta.care was designed with this concept in mind.

The website serves as a platform for groups and projects dedicated to addressing urgent issues. Tegeta's platform enables individuals to make meaningful contributions towards enhancing the well-being of those in greatest need. The website's database of organizations is regularly updated.

By 2023, Tegeta, in collaboration with its partners, has successfully executed over 50 extensive initiatives aimed at fostering education, empowering women economically, and enhancing awareness of various organizations. Tegeta.care has over 50 partners and has donated more than 120,000 GEL towards positive transformations.

Thus, Corporate Social Responsibility (CSR) is an integral part of Tegeta's activities. Tegeta Holding is the first private company on the Georgian market that has a detailed CSR Strategy adjusted to international standards and implements a number of large-scale projects to achieve the sustainable development goals. <https://www.tegeta.ge>

Keywords: Tegeta Holding, CSR Strategy, Development, Goal

JEL Classification: M14, L26, L10

RICH METALS GROUP'S CORPORATE SOCIAL RESPONSIBILITY

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The first non-ferrous metal production facility in Georgia is considered to be a polymetallic mine and manufacturer in Bolnisi district, located 80 km south-east from Tbilisi.

The study of the ore field began in the 1940s. The exploration of the field was carried out in several stages before its industrial assimilation.

In 1959, the construction of one of the largest non-ferrous mining-enrichment ore plant began in Georgia. Together with the construction, an industrial settlement of Kazreti started to establish.

In 2011-2012 International Investment Group purchased licenses for exploration and extraction of metal ores and existing mining enterprises of Madneuli and Kvartsiti in order to start mining activities in Georgia. Rich Metals Group has been operating since 2012. The Company inherited the technically obsolete base of the historic enterprise and the difficult financial and economic

situation. RMG has begun work to upgrade entrails resource base, refitting and switching to modern technologies. The goal of the Company was to establish the newest standarts of occupational safety, professional development of more than 4 200 employees, to develop and implement world standarts environmental policy, and create a business with high social responsibility. Rich Metals Group's (RMG) companies – RMG Gold, RMG Copper and RMG Auramine, as well as Caucasian Mining Group – have been involved in mining activities in the Bolnisi, Dmanisi and Tetrtskaro regions of Georgia since 2012. RMG produces polymetallic concentrate and gold dore alloys by surface and underground extraction and processing of copper, gold and polymetallic-containing ores. Social Responsibility is one of the strategically important focus areas for RMG. For hundreds of projects supported around arts, sportsmen and sports teams, creative youth, construction of Bolnisi Museum, local and international conferences, competitions, cultural heritage programs, and biodiversity conservation, RMG has invested more than GEL 50 Million since 2012. <https://richmetalsgroup.com>

Keywords: Rich Metals Group's (RMG) companies, CSR, Management, Goal

JEL Classification: M14, L26, L10

CAN SMALL STATES RESHAPE THEIR REGIONAL IDENTITIES? EXAMINING GEORGIA'S COGNITIVE DISSONANCE BETWEEN SOUTH CAUCASUS AND EASTERN EUROPE

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Georgia represents an interesting case to study agency of small states in reshaping their regional identity and external environment. While much of the world have considered Georgia as politically part of the South Caucasus region, the country's political elites themselves have long attempted to escape the geographic boundaries of the South Caucasus region and relocate their country into Eastern Europe. We argue that georgian elites were partially successful in their quest for foreign political identity change. While they did not manage to entirely change the international perception about Georgia's geographic belonging, the country has politically moved closer to the Eastern Europe and is considered to be part of "Associated Trio" together with Ukraine and Moldova. Positioned within the broader context of the South Caucasus and post-Soviet space fragmentation, Georgia's unique response involves attempting to escape its geographic region through persistent efforts to join distant institutions. From theoretical perspective, we argue that Georgia's quest for foreign policy identity recalibration fits well the Constructivist paradigm of IR. In contrast to structural theories that treat small states as passive entities, the misplacedness model focuses on unit-level variables such as state-society relations

and governance form. While this hard displacedness policy altered Western perceptions and secured an EU membership perspective, it also posed significant challenges. Deteriorated relations with Russia, marked by conflicts and hybrid warfare, tested Georgia's statehood. It can be argued that Georgia's political elites were partially driven by ideational factors and ignorant of balance of power in their external environment which cost the country lost wars and territorial sovereignty. Employing a conceptual framework provided by the theory, this paper investigates Georgia's foreign policy trajectory.

Keywords: *Georgia, Black Sea, Regionalism, Misplacedness, Foreign policy*

JEL Classification: *F50, F51, F59*

UKRAINE'S STRATEGIC COURSE FOR EUROPEAN INTEGRATION IN CONDITIONS OF WAR

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The report is devoted to the main stages of the implementation of Ukraine's strategic course for European integration, which is legally enshrined in the Constitution. The role and content of the Partnership and Cooperation Agreement between Ukraine and the EU (1998), the "Eastern Partnership" initiative (2009), the Association Agreement between Ukraine and the EU (2014) and other political and legal acts were considered. The main achievements and difficulties on this path, changes in the political priorities of Ukrainians, which became especially noticeable after Russia's occupation of Crimea and the beginning of the hybrid war in Donbas in 2014, are analyzed.

The main focus is on changes in the attitude of citizens in the countries of the European Union to the prospects of Ukraine becoming a member of this organization with the beginning of Russia's large-scale war against Ukraine. A comprehensive survey at the end of March 2022 showed that a relative majority of Spaniards (60%), Germans (46%), Italians (45%), French (42%) support Ukraine's accession to the EU. This is a significant improvement from 2018, when only 22% of French and 30% of Germans supported Kyiv's European course. A more skeptical attitude is recorded in the Netherlands and Italy. It is worth emphasizing that the greatest polarization of opinions was observed among the population of the Balkan countries. However, Slovenia and Croatia fully support Kyiv's European course.

Separately, the special position of Hungary should be noted, where the political leadership consistently opposes the strengthening of economic sanctions against the Kremlin, inhibits the provision of military, financial, material, and humanitarian aid to Ukraine. The political

leadership of Austria and Hungary takes a rather ambiguous position regarding Ukraine's accession to the EU.

The above did not stop Ukraine from being granted the official status of a candidate for joining the EU in June 2022. However, Kyiv faces the task of solving many internal problems: the fight against corruption, abuses, increasing the effectiveness of law enforcement agencies, the high cost of living, low incomes of citizens, high inflation, etc.

Keywords: *Ukraine, European Union, War, European Integration*

JEL Classification: *F50, N40*

POST-WAR BUSINESS RECOVERY AFTER THE LIBERATION OF MARIUPOL

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Prior to the full-scale Russian invasion of Ukraine, the development of small and medium-sized businesses was one of the priorities of Mariupol's economic transformation. The city created favorable conditions for entrepreneurs, developed a special SME Development Strategy, and established an SME Support and Development Centre. To support SMEs, special programmes were run at schools and Universities, tax benefits were provided, and financial support mechanisms were created for businesses. The war destroyed the achievements of Mariupol and turned the city into ruins. But the war cannot destroy the resilience and desire of Mariupol entrepreneurs to rebuild Ukrainian Mariupol. Even in the face of evacuation, the Mariupol SME Support and Development Centre resumed its work, and in July 2022, with the support of the Danish Refugee Council and The European Fund for Southeast Europe, the Mariupol School of Entrepreneurship was opened in Zaporizhzhia. The Mariupol City Centre for SME Support and Development provides advisory assistance to future and existing entrepreneurs. In November 2023, the Mariupol City Council launched the YaMariupol. Spilnist platform, where Mariupol entrepreneurs can place ads and talk about their services.

According to the MARIUPOL REBORN project, after the city's de-occupation, a communication platform will be created for business to communicate with local authorities; a system of benefits for starting a business in the de-occupied territories will be defined; issues of reducing the financial burden on entrepreneurs and developing new business development programmes will be addressed. To accelerate recovery, the successful business development tools used in 2018-2021 will be analyzed and implemented in the new environment. An important area will be the formation of a pool of entrepreneurs who have plans to return their businesses to Mariupol after de-occupation. The municipality's team is being assisted in this effort by studying international experience in business recovery in cities that have suffered infrastructure damage.

It would also be advisable to combine business recovery with modern urban development trends: creation of a local economic development agency, investment attraction center, and business incubators, introduction of sustainable development principles and integration of green infrastructure, which helps to minimize environmental impact and preserve city resources, while a healthy urban environment opens up opportunities for creating new businesses and services; implementation of innovations and development of Smart-city, which involves the use of technological achievements and creation of intellectual infrastructure to improve urban life; creating favorable conditions for entrepreneurship by supporting human capital that can develop new business ideas.

Keywords: *Business development tools, Business recovery, De-occupation*

JEL Classification: *F50, N40*

COPENHAGEN 1993 AND CURENT EUROPEAN UNION ENLARGEMENT PACK

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In 1993, the Copenhagen document defined the lines of the future foreign and security policy of the EU, future enlargement and European agreements’ policy, among, - relations with the countries of Central and Eastern Europe and the Balkans. As well as, the document touched the cooperation spectrum with Russian Federation and Maghreb (African) countries. How and within what policy was Georgia considered at that time? How the EU saw Georgia in the 90s, 2000s, in the context of the Association Trio and what ultimately led to Georgia being included in the Enlargement Pack 2023 (along with 10 enlargement states)? How the EU decides on enlargement? What criteria it actually the EU applies when discussing the enlargement policy? These questions and issues are the subject of interest of the conference paper/speech.

The paper aims to better get to know the EU, EU policies, EU documents, EU decisions, EU practices and thus develop the EU studies (teaching and research) to reach the truth about the EU (and to get rid of the polarized and politicized understanding of the EU and its enlargement policy), to overcome misinformation through the scientific-academic research about the EU and its policies.

Today, it is possible and necessary to draw many parallels and look for connections between the past decisions of the EU and today's 2023 enlargement pack. The European Union is characterized by political traditions. Georgia is an exception in this perspective. It should be taken into account that, Georgia is an occupied country, at the same time, is between two hegemons on the Black Sea - Russia and Turkey, has no national industrial production, depends

on Russia for energy, emigration is large, social misery and consumer price index is incompatible with democracy.

The European Union should not become a negative political tool in the hands of any political person/party. Nobody should be entitled to score political points via EU if the information about the EU is not based on research, facts, practice, history. Today in Georgia, the European Union is mostly known from the media, which are either polarized or politicized. Thus, it is vital to develop research and science on the EU in order to advance the real face of the EU in teaching and public relations.

In order to achieve the goal, the official sources of the EU, European Council conclusions, European Commission progress reports, historical and other facts will be studied and discussed

Keywords: Copenhagen, EU Enlargement, Georgia, Enlargement Criteria

JEL Classification: F59, F53

EUROPEAN UNION COMMON FOREIGN AND SECURITY POLICY AND GEORGIA

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Taking into account the current international processes, the conference on the future of Europe on May 9, 2022 considered it appropriate for the European Union to strengthen its capacity to take swift and effective decisions within the framework of the Common Foreign and Security Policy/CFSP, to speak and act unanimously as a truly global player, to play a positive role and take effective steps in solving any crisis in the world.

Russia's aggressive war against Ukraine, the geopolitical paradigm shift, other international challenges, such as the continuous growth of global authoritarianism, increasing China-Russian cooperation, China's assertive foreign policy, have led to a call for the concept of strategic autonomy, solidarity and geopolitical awakening of the European Union to be more Make quick progress towards this.

The meeting will discuss the dynamics of common foreign and security policy, the importance of European political cooperation for maintaining peace, strengthening international security, promoting international cooperation and developing and consolidating democracy, the rule of law and human rights and basic freedoms, which became even more relevant in the EU In the conditions of expansion or conflicts arising on the European continent.

The article emphasizes the necessity of compliance of Georgia's foreign policy with the EU's foreign policy under the Association Agreement, which becomes particularly important in terms of compatibility with the EU's Common Foreign and Security Policy in anticipation of candidate country status; Emphasis is placed on the importance of the 2023 enlargement package, in particular the European Commission's assessment of Georgia's progress in external relations and security in the context of the granting of EU candidate status. Commitment to EU values, continued progress in terms of reforms and inclusive, substantial and irrevocable implementation of European Commission reservations are noted.

Keywords: *Georgia, European Union, Foreign and Security Policy, Candidate Status.*

TWO ROADS TOWARD THE EU: HOW DIFFERENTLY GEORGIA AND ALBANIA ARE MOVING FORWARD?

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The presented conference report aims to contrast the Georgian and Albanian contexts for EU integration and outline key areas where Tbilisi can follow and learn from Tirana's experience. Georgia joined the club of the EU membership candidate countries in December 2023 "*on the understanding that the relevant steps set out in the Commission recommendation of 8 November 2023 are taken*". Conditions enshrined in the Commission Opinion depict several factors that remain problematic. To catch up with Ukraine and Moldova, which are opening the accession negotiations, Tbilisi needs to accelerate reforms and address recent drawbacks. With this background, the Western Balkan countries' enlargement experiences can provide interesting insight for Georgia. The two regions have different contexts for EU integration. However, in seeking to move Georgia's EU membership bid further, Tbilisi needs to consider various scenarios and experiences.

The Republic of Albania is considered the most approximated WB state when it comes to EU integration. As of now, the country is advancing its steps towards the accession negotiations stage. After the first Intergovernmental Conference on accession negotiations in July 2022, the European Commission launched the screening process, which is considered an important

improvement for the country since getting membership candidate status in 2014. The topic is of high actuality in Georgia as well.

The given analysis is based on a combination of desk research and four online interviews conducted with experts engaged in Albania's EU integration with different capacities. Advantages and barriers for both countries on the EU integration road are sorted into three dimensions: (1) external dimension (geopolitics and foreign policies of the two enlargement states); (2) domestic dimension (political polarization and public attitudes); (3) Institutional approximation (Judiciary reform as a critical area for both states). This paper can help the readers (students, policy analysts, policymakers) interested in and engaged with the EU enlargement to follow different scenarios, identify the problematic areas of approximation, and develop a profound agenda for successful EU integration through experience-sharing.

Keywords: *EU Integration, Georgia, Albania, Enlargement*

JEL Classification: *F50, F59*

THE ISSUE OF THE OCCUPIED TERRITORIES OF GEORGIA (ABKHAZIA AND TSKHINVALI REGION) IN THE CONTEXT OF JOINING THE EUROPEAN UNION

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It should be noted that the European Union openly and firmly supports the sovereignty and territorial integrity of Georgia within its internationally recognized borders. It is significant that the issue mentioned by the occupied Abkhazia and Tskhinvali regions is not subject to review. From a legal point of view, Georgia's accession to the European Union means integration with its occupied territories. In the case of the effective implementation of the Association Agreement and the declaration of Georgia's desire to join the European Union, there is no reason for the European Union to change the above-mentioned attitude towards the territorial integrity of Georgia. Accordingly, (in exchange for joining), Georgia should refuse to reintegrate the occupied Abkhazia and Tskhinvali regions. It should be said here that Article 429 states: „The provisions of the Deep and Comprehensive Free Trade Area in Abkhazia and Tskhinvali region/South Ossetia will come into force only after the Georgian government restores control over these territories”. In such a case, many opponents of Georgia's accession to the European Union may appear, who will try to speculate on the topic of „loss of Abkhazia and Tskhinvali region” by joining the European Union. The European Union may consider the accession of Georgia and Moldova to Abkhazia, the so-called without the territories of South Ossetia and Transnistria. This was announced by the official representative of the Foreign Political Service of the European Union, Peter Stano. We are talking about the gradual accession of Georgia and Moldova to the European Union, that is, initially Georgia and Moldova will join the organization

without the occupied territories. Stano stated that „the European future of Georgia and Moldova cannot be held hostage by conflicts. This was confirmed at the highest level of the European Union, we firmly support the territorial integrity of Georgia and Moldova”.

Keywords: *Sovereignty, Territorial Integrity, International Recognition, Control, Membership.*

JEL Classification: *F50, F53*

EXPLORING THE FABRIC OF EUROPEAN IDENTIFY: SHARED FEATURES, AND ANALYTICAL PERSPECTIVES

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In 1996, the scientific conference "European Crossroads of Science and Culture" was held in the city of Coimbra. Scientists and cultural figures had the opportunity to meet officials of the European Commission and discuss the prospects for the future development of the European Union.

At the conference, the main attention was given to the problem of European identity, its forms of expression, and perspectives. This conference was one of the first attempts to discuss "European identity" on a continental scale, and the theses formed there remain the main arguments for both supporters and opponents of the concept of European identity. Marcelino Oreja Aguirre (European Commissioner) and representatives of Coimbra summarized the conference and emphasized the three constituent pillars of European identity: Humanism and the values that currently constitute European heritage; European diversity; Universalism as a European value and obligation.

Indeed, the aforementioned triad created three central axes of European unity: humanism, as a legacy of the Renaissance, made the issue of individual identity, rights, freedoms, duties, and self-expression the main focus of the political agenda in the minds of Europeans; The diversity resulting from the fusion of Greek, Romano-Germanic, Slavic, Caucasian, and other cultures reflects the ethnic, religious, cultural, national, or regional diversity of European identity; Universalism, as a dogma of Christian doctrine, reflects the diversity, openness, and comprehensiveness of European identity.

Thus, European identity is an ambivalent phenomenon: on the one hand, it encompasses cultural memory and heritage, and on the other hand, it is imbued with voluntarism and endlessly aspires to transformations.

There is a misconception in society that European culture and the European identity derived from it must exist in a static form, while its changing nature only reveals its instability, or, in the worst case, indicates its non-existence. For example, the identity formula formulated by Stalin: history, language, territory, economy, culture, and psyche, and also defining the identity of other scientists and public figures - causes negative attitudes towards European identity and unity in society and among scientists and is often used as an argument for criticizing European integration.

We can see the strength of European identity and the potential of Georgia's European integration in the studies of Ernst Renan, who considers the free choice (will) of the individual to be the only true sign of identity, which determines their belonging and history in general. In Renan's words: the existence of an identity is determined by "the possession of a rich heritage of memories (feelings) of sacrifices that have already been made (ed. legacy) and will be made in the future (ed. voluntarism)".

The conducted research leads us to conclude that the strength of European culture lies in its diversity, and Georgia belongs to the European family. As T. Frogner points out, "The point is not to cultivate something European which is different than national, local or global, but to compose some ideas, sentiments and values as a platform, as an inspiration, for taking part in facing common challenges."

Keywords: *Coimbra Conference (1996); European identity; Multiculturalism; European integration.*

JEL Classification: *F50, F59*

EUROPEAN UNION – FOR LONG-TERM SECURITY

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The EU's top priority for maintaining long-term stability is primarily managing migration flows and ensuring effective border security.

The EU faces significant challenges in combating transnational crime (including human trafficking, drug trafficking and organized crime networks) and is also actively involved in counter-terrorism operations to combat cyber threats.

Cooperation between EU member states strengthens prevention efforts, and the formation of strategic alliances with international partners strengthens the EU's ability to respond to global security challenges. The EU is also investing in the latest technology to strengthen its security infrastructure, including surveillance systems and advanced communications networks.

The EU will develop training programs to improve the capacity of security forces. Its member states place particular emphasis on areas such as crisis response and tactical operations. Effective allocation of resources is critical for capacity building initiatives that provide the necessary equipment.

The EU engages in peacekeeping operations beyond its borders, contributing to global security and stability in conflict-affected regions, strengthening security partnerships with non-EU countries and promoting common security interests at the global level.

Candidate countries to join the European Union require ongoing support to carry out the necessary reforms. To integrate candidate countries, the EU and member states must identify the problems that these countries face and help solve these problems pragmatically. The commitments of the "Joint Declaration of Support for Ukraine," adopted in Vilnius on the sidelines of the NATO summit in July 2023, included assistance in the long war, including the supply of modern weapons, joint military exercises and support for the military-industrial complex. sector, and also created a consultation mechanism in the event of future aggression by another country.

The EU's humanitarian efforts play a critical role in addressing security challenges associated with natural disasters and humanitarian crises. A comprehensive risk assessment of critical infrastructure is carried out to identify vulnerabilities and implement risk mitigation measures; Develop strategic resilience plans - to ensure continuity of critical services, consider technologies and security methodologies - for global security order and response as needed.

Keywords: *Global Security, EU, Risks, Challenges*

JEL Classification: *F50, F52*

„MODELED" MASS MEDIA IN GEORGIA AND EUROPEAN UNION

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Information - the strongest „weapon" of the modern world, He, who owns the information, also owns the power, along with the violent, real war, the modern world is engaged in a battle called the information war, in this respect Georgia is facing a double blow, along with the occupied territories, it has to defend itself against information disinformation from the occupying country. Propaganda produced by the media, internet war, cyber war, takes place at the state level,

sequential sending of information packets, server overloading and disconnection; Infecting computers - under the name of „Trojan horses", etc.

XXI century is the mass media age when human beings get perceptions not from a real life, but from the cyberspace, as mass media, and these secondary feelings become so all encompassing that the border between reality and unreality gets collapsed, and human becomes addicted on an „another" world; but there is a rationality in this paradoxical postulate – vast sea of information, a person has a choice opportunity. Also in the XXI century, the formation of a virtual world declared the need of a new interpretation of a mass communication phenomenon; world „looks" not like in reality, but looks as it is offered, created by mass media. Finally, world becomes like a simulator with the influence and assistance of media. Thus, the modeled mass media is an echo of the modern era.

Modeling - model, copying analogy - concrete models that are oriented on the development of the analogies of intellectual processes: The basis - the process - the result. We think that, there should be a single characteristic axis - a simulated system - in which if any issues arise, we will get a result-oriented "formula" that gives us the opportunity to construct processes.

Propaganda is the most common method of persuading a large number of people, which has its own goals, political benefits. The two main issues that Russia is promoting are the following: the „incompatibility" of Western values and Georgian traditions and the „threat" of Georgia's integration into NATO. If in the rest of Georgia, there are many ways to invalidate these „opinions", the area of the people living in the occupied territory of Abkhazia is relatively narrow, especially for the community in a closed space, it is very difficult to go against the propaganda that the occupying country spreads in the occupied territory.

How do media outlets choose topics and sources when covering issues related to the EU? To what extent are journalists exposed to anti-Western propaganda? Are the issues identified by us only specific to Georgia and similar countries, or are the tip countries of the European Union also facing them? - These are questions that are important to answer.

Keywords: *Mass Media, Information, European Union, Georgia*

JEL Classifications: *F50, F51, F59*

THE TRANSFORMATION OF LABOR POLICY AND BUSINESS ELITES IN GEORGIA AVTER THE ASSOCIATION AGREEMENT WITH THE EU: 2014-2023

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On 15th December, 2023, Georgia was granted with the EU membership candidate status, which was the major step forward for the country towards its ultimate goal: to become a part of

Western supranational institutions, The EU and NATO, the goal which is even mentioned in the last (2018) edition of the constitution of Georgia. However, the crucial moment in The EU-Georgia relations was the signing of the Association Agreement in 2014, according to which, Georgia has committed itself to conduct various major reforms in legislative and policy realms, including the labour policy.

From 2006 to 2014, labor policy in Georgia underwent significant deregulatory reforms, resulting in a diminished role of the state across institutional and legal spheres. Specifically, in 2006, labor inspectorates were eliminated, and legislative adjustments favored employers at the expense of workers' rights, including safety and collective action rights. The government of Georgia during this period justified such policies as essential for attracting investments. However, this approach to labor matters faced consistent criticism from various international actors, including the International Labour Organization. Following the signing of the Association Agreement, Georgia shifts away from its previous emphasis on deregulatory priorities in labor policy. Notably, the government initiates the establishment of a labor inspection institute, responding to concerns raised by civil society, trade unions, and activist groups regarding the deteriorating state of labor safety, evidenced by a rising trend in workplace fatalities. This prompts heightened demands for the implementation of new regulations in labor policy and enhancements to the legal protections afforded to workers.

Since 2014, the Europeanization of labor policy in Georgia has commenced across legal, institutional, and discursive dimensions. Legally, significant improvements in employees' legal positions have been achieved through the enactment of new laws, culminating in the Labor Code of 2020. Institutionally, the establishment of the labor inspectorate, tasked with ensuring worker safety in Georgia, represents a pivotal development. Discursively, civil society, professional unions, and activist groups have elevated discussions surrounding the transformation of labor policy, with the obligations under the Association Agreement serving as the primary catalyst for change.

The transition from deregulation to regulation in labor policy has posed fresh challenges for business elites invested in industries affected by these changes. They have been compelled to either adapt to the evolving circumstances or resist them altogether. The primary focus of the study delves into examining the interplay between shifts in labor policy and the responses of business elites.

Keywords: *Labour Policy; Association Agreement, Georgia, Europeanization, European Union*
JEL Classification: *F53, J58*

THE IMPORTANCE OF THE EUROPEAN PERSPECTIVE FOR GEORGIA

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In the first half of the twentieth century, the European continent endured two devastating wars. The consequences of the war were severe for all European countries. In such a situation, it became a priority for European leaders to find a way of peaceful coexistence. In 1951, on the basis of the Paris Agreement, the European Coal and Steel Community was established, in which 6 European states - France, West Germany, Italy, Belgium, Luxembourg and the Netherlands - were united. This was the beginning of the broad union of the EU.

Our country's aspiration towards Europe has a long history, however, the first essential step on this difficult and long road was taken in the second half of the 90s of the last century - the Parliamentary Assembly of the Council of Europe unanimously supported Georgia's accession to the Council of Europe.

In June 2014, the EU and Georgia signed an Association Agreement. This agreement, together with the Deep and Comprehensive Free Trade Agreement, laid the foundation for Georgia's far-reaching political and economic integration with the European Union.

From membership of the Council of Europe to membership in the EU, a lot of effort is still needed. But the prospect is already real - Georgia has already received the status of a candidate for EU membership.

What are the benefits of joining the EU?

In the work, the author presents the perspective that Georgia can get by joining the EU, it is also discussed how important the membership in this union is for the strengthening of our country. Against the background of the recent events in Georgia and the adoption of the status of a candidate country for EU membership, the topic is very relevant.

The purpose of the study is to provide information to citizens about the rapprochement with the EU and the benefits derived from it.

Qualitative research and expert survey are used in the process of working on the paper, which creates a condition for the author to express his opinions clearly, in an argumentative manner.

Keywords: *European Union, European Perspective, EU Membership Candidate Status*

JEL Classification: *F50, F53*

THE MODERN MODEL OF GEORGIA'S POLITICAL SYSTEM

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The highest representative body of the Country is the Parliament, which exercises legislative power and determines the main directions of foreign and domestic policy of the country. Within the framework established by the Constitution, it controls the activity of the Government and

exercises other powers. The procedure of the Parliament's work is determined by a decree having the force of law (pg. 24, 25, 28 of the Constitution). Parliament ratifies, denounces and cancels international agreements by a majority of its full members. Today the role of parliament increased in Georgia. This was mainly manifested in the fact that the rights of the Parliament were expanded and the rights of the President were sharply restricted

The president of Georgia is chosen for 5 years with no debate, with an open vote. He is elected by an electoral college consisting of three hundred members, including all members of the Parliament of Georgia, the supreme representative bodies of the autonomous republics of Abkhazia and Adjara.

The President of Georgia is the leader of the State. Supreme Commander of the Defense Forces. It is indicative that the president exercises representative powers in foreign relations only with the approval of the government and by the procedure established by the constitution and organic law, appoints elections of parliament and local self-government bodies, and carries out other actions. powers defined by the Constitution. (Constitution pg.38-39).

The Government of Georgia is the supreme body of executive power that implements the internal and foreign policy of the country. It is accountable and responsible to the Parliament. The Government consists of the Prime Minister and Ministers. The structure of the Government and its action procedure is defined by law.

Parliament expresses confidence in the government in the person of the prime ministerial candidate nominated by the political party with the best results in the parliamentary elections. Together with the structure of the government, the program of the government will be submitted to the Parliament. The support of a majority of the full Parliament is required to gain confidence. (Constitution pg.44).

At present, Georgia is a parliamentary republic in terms of the form of political governance, type of state and nature of political regime. A parliamentary republic is a form of state government in which the leading role in the mechanism of state power belongs to an elected legislative body - parliament.

Keywords: Parliamentary Republic, Form of Political Governance, Government

JEL Classification: H10, H11, N40,

THE INFLUENCE OF CHRISTIANITY ON EUROPEAN UNITY AND POLITICAL THOUGHT

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The genesis of Europe as a cohesive entity finds its roots within the framework of Christianity, for Christianity is intrinsic to the concept of unified "Christendom" (Latin: Corpus Christianum), which envisions Europe as "Body of Christ." This notion of "Christendom" spurred a sacred mission for numerous European emperors, beginning with Charlemagne, who sought the consolidation of Europe. Georgia, historically perceived as an integral part of the "Body of Christ," was thus deemed a boon for European nations, and reciprocally for Georgia. However, following the Great Schism, Georgia found itself marginalized on the periphery of the European continent, relegated to a subordinate status and excluded from European political agendas.

Despite this, Georgia persisted as a part of the Christian world in the eyes of many European theologians, exemplified by Hegel's attribution of significance to the Caucasus in the theory of historical determinism and the unity of all beings. The concept of a united Christendom laid the ideological and institutional groundwork for the European Union, embodying a unique and successful phenomenon wherein unity with European civilization equates to accession to the European Union.

Christian dogmas wielded significant influence in the social and intellectual realms of the Middle Ages, profoundly shaping the underpinnings of political theories in the modern era, including liberalism and modern democracy. Thomas Hobbes, the philosopher credited with establishing the groundwork for the contemporary state, including concepts like representation, the rule of law, sovereignty, and the social contract—essentially laying the foundation of political liberalism—deliberately christened the state as "Leviathan," likening it to a mortal God. Carl Schmitt, building upon this notion, posited that Hobbes's work "Leviathan" fundamentally operates as a theological treatise, suggesting that classical political science draws its essence from theological texts.

The transformation of the Catholic Church's stance towards democracy during the Second Vatican Council reflects a broader acceptance of democratic principles within Christianity, fostering the proliferation of democratic ideals globally. These democratic reforms within the Catholic Church, we contend, are deeply rooted in Christian doctrine, contributing to the dissemination of democratic values in society and aligning with Christian teachings.

In conclusion, the impact of Christianity on the concepts of modern political freedoms and tolerance is unmistakable - the principles of Christian ethics can readily be interpreted as their foundation. While economic disparities, political freedoms, and humanistic principles between Christendom and other regions have waned over time, the linkage between Christianity and modern democracy endures, underscoring Christianity's role in molding Europe's economic prosperity and societal framework.

Keywords: *Christianity, Europe, Unity, Historical Influence*

JEL Classification: *F50, Z12*

ASSOCIATION AGREEMENT BETWEEN THE EUROPEAN UNION AND GEORGIA AND CORPORATE SOCIAL RESPONSIBILITY

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The Association Agreement and the Deep and Comprehensive Free Trade Area (DCFTA) included in it provide for the possibility of political and economic integration with the European Union, a significant deepening of political and economic relations, and an increase in the involvement of Georgia in the strategies, programs and organizations of the European Union. This imposes new obligations on the Government of Georgia and, at the same time, opens up a number of opportunities for the country, including the business sector. In many cases, new opportunities and challenges for companies will be linked to their implementation of international standards of responsible business conduct and principles of sustainable development in their own activities.

Currently, according to Article 352 of the "Association Agreement", Georgia is obliged to promote "Corporate Social Responsibility and Accountability" and "Business Responsibility" Practices, such as the practices established as a result of a number of international CSR guidelines and, in particular, the Organization for Economic Cooperation and Development (OECD) Guidelines for Diverse Companies", as well as "raising awareness and promoting dialogue in the field of corporate social responsibility" (Article 349, paragraph i). The obligation to promote and encourage responsible business is established in several articles of the Association Agreement with the European Union, namely: Chapter 13 (Trade and Sustainable Development) Articles 231e, 239g; Articles 348, 349 i, 352 of Chapter 14 (Employment, Social Policy and Equal Opportunities).

In addition, many other obligations stipulated by the Association Agreement. Commitments under Chapter VI Chapter 3 (Environmental Protection), Chapter 4 (Climate Action) and Chapter 13 (Consumer Policy) and many other chapters also envisage the active involvement of the private sector in their implementation.

The paper shows that the "Association Agreement" will contribute to both the development of the national economy and the sharing of the best practices of the European Union in terms of Corporate Social Responsibility.

Keywords: *Association Agreement, Corporate Social Responsibility, European Union, Georgia, Business*

JEL Classification: *M14, F50, F53*

REGIONAL INNOVATION POLICY OF THE EUROPEAN UNION

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Abstract

In the article, the initial prerequisites for the formation of regional innovation policies and mechanisms (strategies and instruments) for its coordination at the national, regional and supranational levels, mainly in the EU countries, are systematized and justified. It is shown that at all three levels of coordination, mainly joint tools for coordination of industrial and innovation policies are used. The national and regional level of coordination of industrial and innovation policies in France and South Korea, in countries that have successfully reformed the coordination mechanisms of these policies, has been thoroughly explored. Mechanisms for coordination of the supranational regional industrial and innovation policies of the EU have also been systematically investigated.

Keywords: *Innovation Policy, EU, Georgia, Institutes, Fund*

JEL Classification: *F50, F53*

Statement of the Problem in General Outlook and its Connection with Important Scientific and Practical Tasks

Coordination (strategy, regulatory instruments) of the regional innovation policy takes place both at the national and regional and at the supranational levels. At the same time, this coordination is carried out in the conditions of coordinated interaction of instruments of industrial (i.e., sectoral structural), social and innovation policies. However, coordination mechanisms at all levels become obsolete over time, and more or less successful reform of these mechanisms takes place. The scientific aim of the article was to systematically explore, based on the exemplary experience of reforming these coordination mechanisms in some countries and at the supranational level of the EU, modern mechanisms for coordinating regional innovation policy at the national, regional and supranational levels in the EU countries and some other countries. Taking into account the practice of successful experience of developed countries in reforming the mechanisms of coordination of regional innovation policy at all its three levels will

contribute to the formation of reliable mechanisms for such coordination in post-Soviet countries, including Georgia.

Analysis of Latest Research Where the Solution of the Problem was Initiated

In this paper, an attempt is made to consider all three levels (national, regional and supranational) of regional coordination of innovation policy in a coherent way. For the first time such attempts were made by N. V. Shelyubskaya (Шелюбская Н., 2003, Шелюбская Н., 2010) and N. I. Bogdan (Богдан Н., 2006). However, there is no holistic picture in these works, especially since these works have become obsolete, after the period of writing these works in the EU, the supranational coordination mechanisms were repeatedly reformed, and in all developed countries there was a reform and improvement of the corresponding levels of coordination of industrial, innovation and regional policies. A number of issues of national, regional and supranational innovation policy and mechanisms for its coordination were touched upon in the works of V. V. Borisov and D. V. Sokolov (Борисов В., Соколов Д., 2012) and the fundamental works of P. S. Seleznev (Селезнев П., 2014) and E. N. Smirnov (Смирнов Е., 2016), but without the corresponding structuring in the context of the levels of policies. Separate developments that relate to private aspects of innovation policy (innovation clusters, an innovative component of industrial policy, poles of competitiveness, etc.) and which we used to write the work are presented in the works of D. Abdurasulova (Абдурасулова Д., 2009), A. R. Akopyan (Акопян А., 2016), A. B. Gombоеv (Гомбоев А., 2015), E. B. Lenchuk and G. A. Vlasik (Ленчук Е., Власик Г., 2010), I. R. Lyarina and N. P. Vetrov (Ляпина И., Ветров Н., 2011), A. S. Saharieva (Сахариева А., 2013), E. M. Chernoutsan (Черноуцан, 2010) and others listed in the bibliography works.

Aims of Paper

The main goal of the article is to structure and consider together in the interrelationship of the three levels (national, regional, supranational) of the regional innovation policy and mechanisms for its coordination at these levels. The main goal is realized in the form of three sub-goals: formulation and justification of the initial prerequisites for the formation of a regional innovation policy in terms of three levels of its coordination; consideration and structuring of coordination mechanisms at the national and regional levels of regional industrial and innovation policies in the two countries with successful experience in their reform, namely, in France and South Korea; consideration and structuring of mechanisms for coordination of regional innovation policy at the supranational level of the EU.

The Initial Prerequisites for the Formation of a Regional Innovation Policy and its Mechanisms

As is known, the structural policy of the state is divided into sectoral structural (in other words, industrial) and regional policy. 15-20 years ago, in the developed countries, the closely related technological and innovation policies (Белов В., Баранова К., 2010) were separated from the sectoral structural policy in one way or another. In the same way, regional innovation policy began to be singled out in regional economic policy.

In order to develop an effective regional innovation policy for the country and to formulate effective mechanisms (elements of NIS, strategies, instruments) for implementing it, it is necessary to take into account a number of circumstances arising from the previous experience of developed countries (not only the EU countries, but also some others, where successful regional development strategies were developed).

1. In the EU countries, there are three levels of regional innovation policy and mechanisms for its implementation: the EU level (supranational level), the national (national) level and the actually regional level. So N. Shelyubskaya notes that in recent years three levels of formation of the regional innovation policy (policy implemented by the regions themselves, a regional component of the national (state) innovation policy and supranational policy of the EU) are increasingly intertwined (Шелюбская Н., 2003; Шелюбская Н., 2010, p. 60). Mechanisms of regional innovation development operate in the EU at the following levels: at the pan-European level - through Structural Funds, the Framework Programs for Scientific and Technological Development; at the national level - through the institutions of the innovation system; at the regional level, through strengthening the influence of the authorities on the innovative development of the territories, including through the instruments of European politics (Богдан Н., 2006, p. 57). Moreover, the role of the state plays a leading role in the development of strategies and the use of instruments, the role of the EU is growing more and more (for example, in the area of financing and pan-European coordination of innovative activity in the regions), and regional governments themselves (with the exception of some federal countries, primarily the USA, Canada and Germany) there are no opportunities to contribute in any significant way (financially, tax preferences or creation of private-state partnerships) the implementation of strategies (which are being developed primarily at the national level) of regional innovation development. However, the elements of the NIS infrastructure are mainly formed at the regional level.

2. As it was noted in the regional policy 15-20 years ago, innovation policy was allocated. It happened on all three levels. It should be noted that the instruments of regional coordination at the EU level are more aimed at financing infrastructure projects with a focus on leveling the level of development of the regions of European countries, but an increasing attention is paid to the innovative development of the regions (in particular in the European Regional Development Fund, from year to year a large share of funds are allocated to research and innovation). However, despite the fact that "the degree of internationalization of research and development is increasing under modern conditions, the innovative mechanism for the development of the EU economy remains essentially national" (Смирнов Е., 2016, p. 24). The main in the EU countries is the state (national) support (financial, fiscal preferences) of innovative development of regions

in accordance with the strategies developed by the state (however, regional authorities participate in the development of innovation policy strategies). The possibilities of the regional governments themselves in developing and supporting the implementation of innovation policy are limited (with the exception of some federal states - the USA, Canada, Germany). In the EU, at all levels (the EU itself, the national state, regions), work is continuing to deepen the coordination of regional and innovation policies (see, eg (Фатеев В., 2011).) This issue was successfully resolved in France on the basis of creating "poles of competitiveness". Although we certainly do not belong to the EU, we consider it necessary to cite its example, since it has developed a successful mechanism for coordinating regional, structural sector (industrial) and innovation policies based on the "4+9".

3. In recent years, the Euro-Atlantic model of NIS has been divided into four separate models (continental, Anglo-Saxon, North European and South European), which have already been explored in the economic literature. The most developed and competitive are the Nordic (Scandinavian countries) and the continental (France) NIS, the weakest is the South European (Italy). The effectiveness of NIS of the EU countries is determined not only by the indicators of their development at the level of a single country or the EU as a whole, but is also indicated by their participation in international innovative clusters (Смирнов В, 2016, p. 20).

4. Distinguish between the state innovation policy and the innovative policy of private business proper. So one of the last fundamental works in the field of research of innovation policy P.S. Seleznev focuses mainly on state innovation policy (Селезнев П., 2014). Naturally, the instruments of state innovation policy are applied to a large extent to private business, although innovative activities of medium and small enterprises are supported, "the transnational corporations of the EU countries continue to be the main participants in the innovation process and use EU funding for innovative purposes more" (Смирнов В, 2016, pp. 9, 10).

In most countries, government and private business spending on research and development is approximately equal to 1/3 to 2/3. So in Finland in 2009, the state accounted for 25.4% of the cost, in Sweden - 30.0%, in France - 36.2% (Соснов Ф., 2011, p. 222). And if in most EU countries the share of private costs has increased from year to year, then in France, in which, according to the new classification, the continental model of NIS is developing, the share of state expenditures has increased to 49.9% (НАЦИОНАЛЬНЫЕ ..., 2015). At present TNCs are the main conductors of the innovation process at the level of the world economy, therefore, in the process of implementing the innovation policy of TNCs, the innovative filling of foreign direct investment (FDI) increases, international research is internationalized, international outsourcing of innovations and their implementation takes place in the global market (Смирнов В., 2016, p. 16). In addition, in modern conditions, private business (both TNCs and medium and small businesses), together with public sector enterprises and public-private enterprises, implements its innovation policy within clusters, technology parks and technopolises on the basis of development (with participation of representatives of state and regional administration) and the realization of so-called "Cluster strategies" (see, for example, (Смирнов В., 2016, p. 12)).

5. The objectives of both regional policy in general and regional innovation policy require the systematization of territorial entities both within administrative boundaries and as clusters, technoparks and technopolises, whose geographical boundaries often do not coincide with that of the administrative regions of individual countries, while clusters can consist of even adjacent territories of two or three neighboring countries.

6. To manage regional policy programs and compare statistical indicators, the territory of Europe is divided into statistical units according to the classification known under the NUTS abbreviation (the general nomenclature of territorial units for statistics). The NUTS classification is hierarchical and divides each member state into three levels: NUTS of levels 1, 2 and 3. The NUTS of the first level must have a population of 3 to 7 million people, the second level - from 0.8 to 3 million people. the third level - from 0,15 to 0,8 million people. If the population in the territory of a particular Member State is generally below the minimum threshold for a given level of NUTS, the Member State itself is recognized as the territorial unit of the NUTS of this level. For each EU member state, in accordance with the objectives of the regional policy, NUTS levels are identified that are the subject of regional policy, that is, those regions, districts and settlements that, according to the NUTS classification, fall within the scope of regional policy objectives (Структурные фонды ..., 2013).

7. In the recent period, regional innovation policy is most often implemented within the so-called regional innovation clusters, the importance of which in developed countries is increasing more and more. So, former US President Barack Obama in his first speech to the US Congress, noting the importance of implementing an innovative strategy for the prosperity of the nation, pointed to the need to maintain the processes of dynamic interaction between large and small companies, universities, financial structures based on cluster strategies, implemented primarily , at the regional level, within the framework of regional innovative clusters. Similar steps are being taken in the countries of the European Union, where cluster strategies are also seen as an important tool for the innovative development of these countries (Ленчук Е, Власкин Г., 2010). The relevant division of the European Commission (Directorate-General Enterprise and Industry) means a cluster of independent companies and related organizations, which: first, compete and cooperate; secondly, geographically concentrated in one / several regions; thirdly, they specialize in specific areas of activity and are linked by common skills and technologies; fourth, are traditional or knowledge-based; fifth, they can be institutionalized (have a management body) or not be such (A Practical Guide ..., 2004; from: Акопян А, 2016, pp. 57, 58).

An industrial cluster is usually understood to mean a group of firms, research organizations and a variety of auxiliary structures focused on a geographically limited area and having sufficient resources, including qualified personnel for the effective development of a specialized field of industry (Борисов В., Соколов Д., 2012, p. 105).

Unlike traditional industrial clusters, innovative clusters are a system of close interrelations not only between firms, their suppliers and customers, but also knowledge institutions, including large research centers and universities, which are generators of new knowledge and innovations, ensure a high educational level of the region (Ленчук Е, Власкин Г, 2010).

The founder of innovative clusters is the American Silicon Valley in California, on the territory of which there are about 87 thousand companies, 40 research centers and dozens of universities, the largest of which is Stanford. The cluster is serviced by about a third of US venture capital firms (180 companies), 47 investment banks and 700 commercial banks that somehow finance the activities of companies (Ленчук Е., Власкин Г., 2010).

Recently, the term "regional innovation cluster" actually replaces the term "technopark" or "science park" .. So, often the Silicon Valley was also called a science park (see, for example, (Беляева Ю., Тимонин А., 2012)) . However, in several countries, both innovative clusters and smaller industrial parks or technoparks are still functioning simultaneously. The areas on which innovative clusters are located can cover part of the administrative region, completely the region or even the country. So, for example, in Denmark within the framework of the competitiveness program 16 clusters of national level and 13 regional are allocated. For each of them, in the course of a dialogue between firms that are part of clusters and authorities of different levels, specific support measures have been developed. Denmark as a country in itself according to the European classification of NUTS is a territorial unit of the first level. Large clusters of national level exist in Finland (which also applies to the territorial unit of the first level NUTS), for example, the telecommunications cluster. Unlike conventional horizontally organized clusters, this cluster is organized vertically. The structure of the vertically organized cluster is somewhat different. It is based on some basic production, which plays the role of the "core" of the cluster. The structure of the vertically organized cluster also includes organizations that provide the core with various factors of production, and these supporting industries in turn have the structure of technological chains (Агафонов В., 2015). Another important innovative cluster of national level in Finland is a cluster of industrial timber (Борисов В., Соколов Д., 2012, p. 105, Ленчук Е., Власкин Г., 2010), but it is horizontally organized.

There are also interstate innovative clusters in Europe, for example, the mega cluster Oresund, which covers the territories of Ziland, Lolland-Falster, Myon and Bornholm in Denmark and Scania in Sweden. The region of Öresund is largely attractive to scientific research and business, and as a result, creates a favorable environment for innovation. In the region companies of various high-tech sectors of the economy are represented: information technologies, biotechnology technologies, logistics, construction and food industry, information technologies. The Information Technology and Telecommunications sector employs 104,000 people and 10,000 representative offices of IT companies, which represent the entire spectrum from newly emerging businesses to major international market players. The strong position of the region in the field of advanced IT-development is supported by the fact that many international information companies have located their research and development departments here, for example: Sony Ericsson, Nokia, Motorola, IBM, CSC, Siemens, GN Telecom, Teleca, TDC, Telia , Axis, Anoto, Tellabs. The main competitive specializations of the region are the development of software and semiconductor materials, telecommunications and photoelectronics (Антюшина Н., 2010; Захарова Н., 2010).

The Japanese model of the regional innovation system assumes the construction of completely new cities - "technopolises", focusing research in the advanced industries and industrial production. At the same time, the construction of technopolis is largely financed at the regional level (Беляева Ю., Тимонин А., 2012). Of course, these technopolises are in fact large regional innovation clusters.

8. Special attention should be paid to the role of the state in the formation of cluster strategies. If initially clusters were formed solely due to the "invisible hand of the market", primarily in the modernization of TNCs, recently governments of many countries began to provide tangible material and moral assistance to this process, for example, within the framework of public-private partnership (Ленчук Е., Власкин Г., 2010), etc. So, in the USA two types of innovative clusters were formed: 1) emerged spontaneously (on the initiative of individual organizations or individuals); 2) established by order of the government of the states of the country. (in the country in 2014 there were 380 industrial parks and innovative clusters (30% of their total in the world), employing 75,000 researchers and 200,000 workers) (Акопян А., 2016, pp. 57, 58). However, for the first case, i.e. formation with the help of the "invisible hand of the market" or "on the initiative of individual organizations or individuals", we have introduced in our works a term "business coordination", more acceptable under modern conditions (see, for example, (Бурдули В., 2017)). And the second case is solved on the basis of state coordination of the process of forming an innovative cluster (with the participation of national and regional governments). However, in both cases, regardless of who initiated the creation of the cluster, it should take into account the need for interaction between the state, science and business on the principle of a triple helix.

9. At the regional level, regional, innovation and sectoral structural (industrial) policies need to be harmonized, since the same tools are used for their implementation at all three levels of coordination under consideration. Some researchers believe that innovation policy is an integral part of industrial (more precisely, sectoral structural) policy (Калугина Е., 2010; Ляпина И., Ветров Н., 2010; Черноуцан Е., 2010; Акопян А., 2016), and others talk about the intertwining of these policies with the ever increasing importance of innovation policy (Антюшина Н., 2010; Фатеев В., 2011). For example, N. Antiushina, examining the experience of Sweden, notes that an important condition for the transition to an innovative type of development is an increase in the status of innovation policy. In Sweden, the Council for Innovation Policy has a higher position than the sectoral Ministries of Education, Science and Culture or Industry, Employment and Communications, which are key to the implementation of industrial policy, R & D and innovation. This is an expression of recognition of the growing role of innovation, which allows us to achieve a new quality of innovation policy. It loses industry (sectoral) character and becomes an integration policy linking different spheres of the national economy: science, education and production, allowing to put new forms of their interaction in the service of economic growth and improving its quality, providing a transition to development. It is intertwined with all major directions of state economic policy, first of all, with industrial, regional, environmental, credit and financial, export policies, labor market policies, international

cooperation, etc. (Антюшина Н., 2010). E. M. Chernoutsan, examining the experience of France, notes that in 2004, President J. Chirac declared the activation of industrial policy an important state priority. The main goal of this policy is to bring France to the forefront of the world in the new high-tech areas of the 21st century. The main tools for implementing this policy are the mobilization of the country's industrial and scientific and technological potential, stimulating the process of innovation (from creation to implementation) both at the national and regional levels. Much attention is paid to the development of various forms of partnership between private and public entities, especially interaction between the spheres of science, education and business. The most important principles of the new industrial strategy of the state are: a course for the development of a large-scale innovation process that affects the entire country, and stimulation of interaction between the main participants of this process (enterprises, scientific laboratories, higher schools). To solve this double task, special regional clusters are being created in the country, the so-called poles of competitiveness, which are becoming a key instrument of the country's new industrial, innovation and regional policy (Черноуцан Е., 2012, pp. 43, 44).

10. It is necessary to take into account that clusters, regardless of their territorial size, are formed mainly within a certain industry specialization. Even the innovative enterprises of the famous California Silicon Valley mostly specialize in the field of information technology (see, for example, (Борисов В., Соколов Д., 2012, p. 106)). Within the region of the first level NUTS, of course, there may be several clusters belonging to different industries, for example, in Finland, as noted above, there are at least two clusters of national level. However, most of the innovative clusters specialized in a certain type of activity in the EU countries (which already number more than 2 thousand) are formed within the territorial units of the lower level of NUTS. Here are a few examples of such clusters: IT technology - Sofia, Bulgaria; Financial Services - Cyprus; Food Industry - Southern Denmark; Footwear industry - Montebelluna (near Venice), Italy and Timisoara, Romania; Laser technologies - Vilnius, Lithuania, etc. At the same time, many clusters were formed and within the territories commensurate with the territorial units of the first level of NUTS and even surpassing it, for example: Food industry - Southern Denmark; Textile industry - Catalonia, Spain; Floriculture - the Netherlands, etc. (Борисов В., Соколов Д., 2012, p. 105, 106).

11. In the construction of territorial innovation systems (regardless of what they were called - regional innovation clusters, technology parks, scientific parks, industrial parks, etc.), in some EU countries, they often focused on a formalized standard based on the full imitation of the US Silicon Valley: university with research and innovation-developing units inside and outside it, other elements of innovation infrastructure within or around the university (business incubators, organizations commercialization of innovation, technology transfer, etc.) and a number of innovative enterprises located in the given territory. In most EU countries, mainly in the first decade of the 21st century, many different scales of regional innovative clusters and technoparks have formed. For example, by 2003, Hungary had established a system of more than 150 clusters in the following areas: construction, textile production, thermal waters, optical mechanics,

automotive, woodworking, food products, electronics, etc. More than 75 industrial parks, uniting 556 companies with a number of employed 60 thousand people. (Ленчук Е, Власкин Г., 2010). In our opinion, this is taken into account in the majority of countries, when creating regional innovative clusters or technology parks, in each separate regional innovative cluster or technopark all elements of the innovation infrastructure should not be present: some elements of this infrastructure can be found only in certain regions, but at the same time serving on its profile other regional innovative clusters of the country. Innovative enterprises can also be located in some regions, and organizations that develop innovations for them in others. The same applies to objects that finance innovative clusters. Thus, it was noted above that the US Silicon Valley serves a variety of American venture capital firms, investment and commercial banks, most of which, naturally, do not reside in the Silicon Valley.

12. The need for a prudent approach in the creation of innovative firms or divisions in companies and objects of innovation structure in clusters is also connected with the fact that monetary investments in innovations are of a risky nature. The probability of success of the implementation of a new idea in a new product reaches only 8.7%: out of every 12 original ideas, only one reaches the last stage of mass production and mass sales. In other words, the return on investment in the innovation process has very little in common with guaranteed repayment of loan interest on capital in a bank or dividend on shares. And because such a return can, with successful implementation of the innovation process, prove to be fabulously large, and because it can fail to be implemented at all, moreover, the invested capital (Государственная ...) will be lost.

Successful functioning of the cluster is the result of a combination of effective interaction of participants, as well as the influence of subjective and objective institutional factors created by the project participants themselves. The opportunities for innovative development of clusters in most of their cases do not directly depend on the competitive advantages of specific companies, as well as on the possession of the newest technologies and spatial distribution of companies (Акопян А., 2016, p. 64). The actual effectiveness of cluster policy in practice is not very consistent with financial investments and expectations. So, many countries of the world could not realize their expectations and hopes, trying to repeat the success of "Silicon Valley" and copying the conditions of its functioning and development. Failures in the implementation of cluster policy significantly exceeded the number of those projects that were successfully implemented. According to various estimates, currently in the world there are from 3 to 5 thousand different-profile clusters (including innovative ones). In this case, only single cases became widely known, and most of them, at best, ended with zero result. The result of implementation of many programs is estimated by experts as neutral, i.e. they did not give any positive effect (Акопян А., 2016, p. 64).

In this scenario, it is naturally inappropriate, following the "fashion", in each "declared" cluster to create a complete standard set of objects associated with innovation activities. A certain part of the objects should be tied only to the regions of the first level of the NUTS. And special attention should be paid to the creation of organizations that facilitate the borrowing of

innovations: organizations that are exploring new promising foreign technologies; organizations that facilitate the transfer of technology (including assistance in the development of new production technologies acquired abroad by local personnel).

National and Regional Level of Coordination of Regional Industrial and Innovation Policies in France and South Korea

As can be seen from the above, regional innovation clusters are currently primarily instrumental in implementing regional innovation policy in developed countries. At the same time, it should be noted that it is impossible to separately coordinate the implementation of industrial, innovation and regional policies, since a common set of instruments is used to regulate these areas of economic policy. At the same time, when developing and implementing a regional policy (cluster strategy), it is necessary to harmonize the instruments of state regulation and business coordination (and business coordination in any country plays a greater role in comparison with state coordination, primarily in terms of financing and organization of market entities, be it then a private or state enterprise). In addition, interregional and intercountry (although specialized, i.e., mono-branch) clusters are beginning to play an increasingly important role. A growing number of researchers come to an understanding of the variety of types of cluster formations and the forms of state and business coordination used in them (Акопян А., 2016, Гельвих М., 2016, Ленчук Е., Власкин Г., 2010; Ляпина И., Ветров Н., 2011; Селезнев П., 2014, etc.). For example, in a recent study, we read: "During the period of innovative transformations of the Russian economy, clustered education becomes an integral mechanism for the implementation of the new national industrial and scientific and technical policy. Clusters can be presented as an integrated mechanism for the development of the region, ensuring the growth of its competitiveness on the basis of innovations and synergies of territorial self-organization and partnership that ensure the formation of an innovative community as a territory development entity. In economic literature, several different types of clusters are distinguished: industrial, regional, innovative, transnational, and others. Also, different researchers differently define the main characteristics of clustered associations. Some consider territorial (geographical) concentration to be the main characteristic feature of clusters, others - industry affiliation, and third - an innovative component. In our opinion, the competitiveness of clusters is determined primarily by innovative orientation" (Гельвих М., 2016). Of course, in this quote, not everything is quite accurate, but it is very laconically reflected the variety of types and forms of coordinating the strategy of cluster formations.

Given this diversity, it is not surprising that in different developed countries approaches to clustering strategies and the understanding of clusters are identified in different ways. "Developed countries of the world have different approaches to clustering strategies, which is determined, first, by different levels of socio-economic development and development of the business environment, institutional and cultural specifics and different systems of state

regulation. Secondly, different countries apply different approaches to identifying clusters" (Акопян А., 2016, pp. 70, 71).

Since clusters in different countries are identified in different ways, they are formed in different ways. Where clusters are created formally, for the sake of "fashion", they do not become popular and disintegrate or continue to exist formally, for statistics. In addition, the word "cluster" or "innovation cluster" is not always used to designate such territorial entities in all countries. So in France the term "the pole of competitiveness" is used most often, and in South Korea in general - the "territorial unit". In these latter two countries, when forming clusters, they do not confine themselves to the problems of implementing state and business coordination of only innovative development, but also take into account other industrial policy issues as well as issues of regional policy in general (at all levels of its formation). In these countries, when building clusters, all the above circumstances are taken into account and most of the cluster formations are not formal, but realistic and therefore beneficial. Therefore, in this subsection, we felt it necessary to briefly describe the principles of the formation of such entities and the forms of coordination of economic activities in these two countries.

Pole of competitiveness in France. In 2004, the intensification of industrial policy in France was declared the most important state priority. In this regard, the process of creating innovative and technological clusters, which have been called the poles of competitiveness, has begun in the country and has become a key tool for carrying out industrial, innovation and regional policies. They were created on the basis of pre-existing specialized industrial clusters, local production systems and technology parks.

The pole of competitiveness is a large research and production complex that unites large, medium and small enterprises, research laboratories (public and private) and institutions of higher education on joint projects with a strong innovative component and a common development strategy. Other partners may participate or be involved, for example, government agencies, national as well as local, as well as service providers. This partnership is closely connected with the market, is tied to a specific scientific and technological direction and is aimed at finding the critical mass that leads to competitiveness and international significance (Селезнев П., 2014, с. 166; Черноуцан Е., 2010, p. 44).

At present, 74 poles of competitiveness operate in France, 19 of them have international status, and the rest are poles of national or regional importance. Particular attention is paid to the following sectors; aeronautics, software development, medicine, biotechnology, nanotechnology. Priority also recognized complexes of enterprises of agriculture and food industry, railway transport construction and automotive industry, as well as the creation of new materials (Селезнев П., 2014, p. 166; from: Карта ...).

To obtain the status of a competitiveness pole, a development strategy (industrial, innovative), linked to the economic development plan for the Pole territory, should be presented in the application for the Pole, issues of international importance in industrial or technological terms, ways of partnership between the pole members, ability to joint action in the field research and development, and thereby creating new benefits with high added value (Chernoutsan E., 2010,

p.44). Before the poles of competitiveness, the following main tasks are set: the development of the competitiveness of the French economy on the basis of strengthening the innovation process, with special attention to breakthrough innovations; structural reorganization of the national industry with an emphasis on the development of new high-tech industries; creation in the territories of France of favorable conditions for the development of industrial activities with a strong technological component; stimulating partnership between enterprises, research centers and institutions of higher education on the basis of organization of territorial networks, an overall development strategy and joint innovation projects; the poles of competitiveness should show that not only competition, but also close cooperation between various economic agents is the most important engine of industrial and scientific and technological development; stimulating employment and economic growth, combating the process of moving industrial capacity to other countries, etc. (Черноуцан, 2010, p. 44).

The system of managing the poles of competitiveness, according to many experts, is quite effective and has not yet been bureaucratized. Its flexibility, in particular, is determined by such features as: double guardianship, i.e. coordination of activities at the national and regional levels; interministerial governance at the national level; evaluation of applications for status on the basis of independent expertise (all applications undergo a thorough tripartite examination - analysis at the regional level under the guidance of the regional prefect, technical expertise of the concerned ministries, evaluation of independent specialists); the basis of the relationship of the state with the participants of the poles - target contracts, and not policy decisions; principle of voluntary association of participants; relative flexibility and democracy of the internal pole control system (Черноуцан Е., 2010, p. 45).

An important requirement for the pole is the registration of its status as a legal entity. Most poles of competitiveness choose an association regime. The administrative council of the Pole includes representatives of industry, science and higher education. And representatives of one organization (scientific center, industrial enterprise, institution of higher education) can enter the administrative council of different poles (Черноуцан Е., 2010, p. 46). An important factor of the state innovation policy is also the provision of direct administrative assistance: each competitor pole is assigned an official-curator (Селезнев, 2014, с. 167).

Contracts for achievement of results. In the light of the measures taken to strengthen the policy for the organization of poles and their strategic management, in 2009 the government established special "contracts for performance", based on "strategic road maps". The poles of competitiveness are equipped with a development strategy for three to five years, which is documented as a "strategic road map." It clarifies the priority areas of development for the Pole, its technological goals, market orientation and development prospects. In addition, in order to strengthen the responsibility of the poles, these contracts are signed between the leadership of the poles, the state and local authorities. In addition to the program of actions of the pole and the timing of its implementation, contracts reflect the financial obligations of the state (Черноуцан Е., 2010, p. 46).

Tax preferences. For participants in the poles of a competitiveness in certain cases, there is a reduction in both state and local taxes (that is, at the national and territorial levels)

If an enterprise is engaged in a project that in one way or another is connected with scientific research and development of technology, and at the same time is a participant in a registered pole, then it is exempted from paying income tax for 3 years from its inception, and in the next 2 year will pay this tax in half. In addition, businesses for 5 years are exempt from property tax and some local taxes. Significant tax benefits apply to personnel who are involved in the implementation of innovative projects. Thus, for the identified categories of workers in the poles (researchers, managers, engineers, other specialists), the social tax rate is reduced, so that workers of small and medium-sized businesses can save up to 50%, and employees of large companies - up to 25% of normal social contributions for 6 years (Селезнев П., 2014, pp. 166, 167). But on the whole, the role of tax incentives in the poles of competitiveness is not very high, the stimulating effect of tax levers of influence, according to experts, is currently insignificant (Черноуцан Е., 2010, p. 48). A much larger role in France is played by direct government funding and preferential lending to the subjects of the poles of competitiveness.

Public funding comes from the following main sources: the Single Interministerial Fund (Fonds unique interministriel - FUI); National Agency for Scientific Research (Agence Nationale de Recherche - ANR); Agency for Industrial Innovations (AII); group OSEO; Loans on preferential terms for the purchase of equipment, half of which falls on the Ministry of Industry, Economics and Finance; The State Investment Bank of France, set up on December 31, 2012 and called together with the National Bank of France to stimulate economic growth and promote the development of innovative projects in the country (Селезнев П., 2014, pp. 167-169; Черноуцан Е. 2010, p. 46, 47; Калугина Е., 2010).

A single inter-ministerial fund (FUI) was created in 2005 specifically to finance joint projects implemented within the poles of competitiveness. Most of the financial resources of this fund go to state laboratories - 56%, while large companies receive about 20% (Черноуцан Е., 2010, p. 47).

The National Agency for Scientific Research (ANR) mainly specializes in financing research conducted by both state institutions and enterprises. An important element of the current strategy of this agency is to stimulate cooperation between science and industry at the poles of competitiveness. ANR finances mainly the sector of state-owned IR, which takes more than 80% of its assistance. Industrial enterprises account for 12%, of which only 4% go to small and medium-sized enterprises. Among the projects on R & D priority is given to fundamental research (Черноуцан Е., 2010, p. 47, 48).

OSEO was established in 2005 through the merger of the Innovation Agency and the Bank for the Development of Small and Medium-sized Enterprises to support innovation in the implementation of regional and national policies. The main objective of OSEO is to provide financial support to small and medium-sized businesses, as well as venture capital firms at key stages of development: creation, growth, entering a new stage, selling a business. OSEO takes on some of the risks of small businesses and provides them with access to bank lending and investor

funds. In OSEO activities, three areas can be distinguished: support and financing of those projects that are based on innovative solutions and have real commercial prospects; attraction of banks to financing and life cycle management of the innovation project; provision of guarantees for financing by banks or investors. OSEO partners are financial institutions, banks, investors, universities, research laboratories, engineering schools, chambers of commerce, guilds, large companies, startup support networks, as well as private organizations and government agencies (Селезнев П., 2014, p. 168).

The largest (over 10 million euros) projects are under the patronage of the Agency of Industrial Innovations.

Initially, the project is screened within the competitiveness pole. The most current application selects the leadership of the pole. At the second stage, the application is approved by the financial commission of the region, which is responsible for this pole. At the third (and last) stage it is necessary to get approval from the relevant ministries and departments, after that the project participants get access to tax breaks, state subsidies and other preferences (Селезнев П., 2014, p. 168, 169).

In addition to the main sources of funding for projects within the poles of competitiveness, a role is also played by the assistance of territorial authorities (especially for poles of national and regional importance) (Черноуцан Е., 2010, p. 49).

In addition to the main sources of funding for projects within the poles of competitiveness, a role is also played by the assistance of territorial authorities (especially for poles of national and regional importance)

The share of financing of the participants of the poles by contracts through various European (ie, supranational level) programs (Eurika, IR Framework Programs, etc.), which differ in more complicated clearance procedures, varies greatly from year to year, but usually does not exceed 10 % of the total funding for all contracts concluded.

From the experience of France, we can draw the following conclusions: **1.** The country has created a rational system of poles of competitiveness. Assignment to the territorial formation of the status of the pole of competitiveness is carried out on the basis of a thoughtful selection after studying the documents submitted in the application for the pole, therefore the poles are real, not formal. **2.** The system for controlling the activities of the poles, both external and internal, has a flexible and democratic character, with a rational combination of state and business coordination. **3.** A successful mechanism that promotes effective activity of the participants in the poles is the conclusion of "contracts for the achievement of results," which reflect both the program of actions of the poles and the timing of its implementation, as well as the financial obligations of the state. **4.** An effective system of tax preferences for the participants in the poles was created. **5.** There is an effective complex system of financial support and incentives (direct financing, concessional lending) in which a number of national (national level) financial organizations are involved (FUI, ANR, AII, OSEO, the State Investment Bank of France, etc.). **6.** Naturally, like in any other EU country, all three levels of coordination are involved in financing the poles, but the

national (national) level plays a more important role than the supranational level (ie the EU level) and the regional levels.

Regional Innovation Clusters in South Korea

In South Korea, the implementation of the program for regionalization and the creation of innovative clusters began in 1999, when a new industrial policy began to operate in the country. And it is obvious that the results of the implementation of this program were very successful. This is evidenced by the fact that the economy of this country was the fastest growing region of the 34 OECD countries: in the last decade, the real growth of the country's GDP did not fall below 4% per year (Сахариева А., 2013, p. 181). Therefore, it seems advisable to get acquainted with the South Korean experience in creating and operating regional innovation clusters.

The general nature of industrial and innovation policies in South Korea. In South Korea, since the early 60s of the last century, the formation and implementation of innovation policies have been carried out on the basis of a combination of public and private sector efforts. The South Korean authorities initially relied on the creation of large monopolies under their patronage, capable of making an innovative breakthrough at the expense of their privileged position (Корейское ..., 2008). The processes of concentration and centralization of capital in the country's economy led to the creation of large financial and industrial groups (chaebols) that arose on the basis of large trading companies and turned into multi-sectoral conglomerates. A little later, the active development of medium and small businesses began. About fifty chaebols (Hyundai, Samsung, Daewoo, LG, etc.) play a key role in the country's economy. Their experience shows how successful investments can be in high-tech innovative production: they have turned into diversified export-oriented holdings (at first they did not have their own banking structures and received financing from state-owned banks, but later they also included private banks) (Корейское ..., 2008; Селезнев П., 2014).

In the process of innovative modernization in the 60-80s of the last century, the foreign factor played a major role. The breakthrough program was initially built on the creative copying of foreign technologies. And there were a lot of such forms of borrowing: turnkey contracts, licensing, consulting services. The decisive role was played by the creation of joint venture innovation companies with Japanese partners. Later, our own innovative production technologies also began to develop (Селезнев П., 2014, pp. 289, 290; Справка ..., 2011), **but to the present time "the Korean innovation model still largely remains catching up and is based on import of technologies and their improvement"** (Сахариева А., 2013, p. 182). "The high-tech industries of the Korean economy, whose industrial giants are building up their innovation and technological base, are also no exception, according to the following scheme: 1 step. Preparation - matching knowledge, skills, business contacts and firms to new technologies; 2 step. Introduction - the acquisition of technology, its adaptation and improvement; 3 step. Distribution - financing the development of appropriate infrastructure and product development to encourage firms to adopt imported and adapted technology; 4 step. Maturity - formation of the sectoral

structure, opportunities for further R & D and innovation " (Сахариева А., 2013, p. 182; from: Mathews, 2001).

System of regions (territories) and sectors of specialization. The crisis of the late 1990s. forced the leadership of South Korea (as well as the leadership of the EU countries) to accelerate the innovation course, and, as noted, a special program aimed at accelerating development and innovative breakthroughs was developed and implemented. Within the framework of this program, a project known as the "4 + 9" scheme (4 - starting entities, 9 - territories that joined the project later) is being implemented in the context of the regions. The main idea of the "4 + 9" initiative was the formation of a number of regional economic clusters, although officially they are not called clusters, but are designated as provinces or cities. Unlike most European clusters, which are mainly formed within a single specialization industry (however, in each region there may be several clusters in different sectors, and in the country as a whole there may also be a number of specialized clusters of national importance), South Korean regional clusters may contain several specialization. For example, the major cities and province included in the first four specialized in the following types of activities: Daegu - textile industry, mechatronics (robotics), mobile and nano-devices, bio-production; port Busan - visual computer technologies, footwear production, auto parts production, tourism, port logistics; Gwangju - optical electronics, production of auto parts, design and culture, consumer electronics; Kengsan-Namdo Province - intellectual engineering, production of biomaterials, intelligent household instrumentation, mechatronics (robotics) (Гомбоев А., 2015, pp. 264, 265). In Seoul joined three years later (in 2002) to this project - intellectual computer technologies, bio-production, digital components, financial and business services, etc .; Incheon - intelligent computer technology, automotive, engineering and metallurgy, logistics; Dejon - information technology, bio-production, production of high-tech parts and materials, mechatronics (robotics); Gangwon Province - production of medical equipment, bio-production, production of new types of materials and prevention of natural disasters, tourism ... (Гомбоев А., 2015, p. 264, 265).

Council on regional innovations, strategy and program of measures. South Korea's new industrial strategy was finalized in 2004. It relies on the "4 + 9" project and is closely linked to its results. According to this strategy, the Council for Regional Innovations was formed, which included representatives of enterprises, research institutes, universities and non-governmental non-profit organizations from each province. The Council has the responsibility to develop a strategy and program of activities, taking into account regional specificities (Абдурасулова Д., 2009; Селезнев П., 2014).

On the basis of the formulated tasks of reforming the economy, the leadership of the Republic of Korea defined the strategy of the new industrial development of the country (Абдурасулова Д., 2009), which primarily provides for the formation of the foundations for innovative development of the national economy on the basis of structuring the production and technical base, mechanisms and investment climate for innovative development. Within this framework, the following activities are implemented: the creation of an innovation system at the regional level, primarily on the basis of industries concentrated in a given territory, and by encouraging the

interaction of enterprises and research organizations for R & D, as well as through the formation of institutional foundations and favorable environment for the development of innovations at the local level (thereby creating the necessary conditions for the emergence at the local level of "growth points" - technology parks, technological innovations and regional research centers); strengthening network contacts between industrial enterprises □ universities, research institutes as the main participants of the innovation process; development of innovative clusters in the field through the implementation of pilot projects (Абдурасулова Д., 2009; Селезнев П., 2014).

State stimulation of the development of science and technology. The state encourages private sector research and development through the provision of discounts, financial subsidies, long-term development loans at low interest, guarantees of state supplies, by exempting imported production technologies from import duties, tax preferences, etc. (Гомбоев А., 2015, p. 264, Seleznev P., 214). For example, in the framework of the new industrial policy, total investments in 2007 reached \$ 33.6 billion, or 3.47% of GDP (Гомбоев А., 2015, p.266), and the structure of investment for a number of years 1999-2008) is approximately as follows: the development of innovative infrastructure - up to 50%, R & D - up to 37%, technical support of corporations - up to 12% (calculated according to Gomboev A., 2015, p.266). In spite of all this, The cost of R & D is in the private sector - 75.4% of total R & D expenditure, and government spending and university expenditure amounted to 13.5 and 11.1% respectively (Гомбоев А., 2015, p. 267).

Rapid growth in the number of venture companies. In an industrial innovation breakthrough in the 1960s and 1970s, an important role was played by the development of joint venture enterprises with Japanese partners (Селезнев П., 2014, Справка ..., 2011). Significantly, one of the results of the "4 + 9" clustering project was the emergence and rapid growth of the number of venture companies. Since 1997, the number of venture enterprises has increased more than 13 times and amounted to 27 thousand enterprises in 2012. At present, about 700 thousand employees or 5% of the total employed population work at venture enterprises, and the sales volume has approached to 164 billion US dollars, which is 15% of GDP (Сахариева А., 2013, p. 182).

From the experience of South Korea, we can draw the following conclusions: **1.** Both the developed countries of Europe and Japan, and South Korea in the international market of manufacturing products began to crowd rapidly developing China, India, Turkey and some other countries, which forced the South Korean leadership to accelerate the innovation course: a special program was developed, even a little earlier, than in France, aimed at accelerating development and innovative breakthroughs, which is carried out by structuring at the regional level (the "4 + 9" project) the production, technical and innovation base and the investment climate for innovation development in the conditions of prevailing state coordination tools. **2.** The economy of the South Korea after the implementation of the program, unlike most other countries, developed without failures, with high rates of growth and a constant increase in the volume of export of innovative products, which indicates the correctness of the activities carried out during the clustering process. **3.** There is a certain state dirigism, which manifests itself in the development of strategies for innovative development. Regional strategies are developed on the

basis of close interaction of business representatives, research institutes, universities and non-state non-profit organizations from each province under the auspices of the Council for Regional Innovations. **4.** Unlike most countries, cluster entities in the South Korea are multi-sectoral, that is, each territorial unit included in the "4 + 9" project has several specialization sectors, however, in these conditions, a reliably functioning interrelated mechanism for national and regional coordination of industrial and innovative development. **5.** No country, even a relatively large one, can not do without borrowing innovations, let alone a small one, where borrowed new technologies play a dominant role, and in South Korea an excellent system of continuous improvement of borrowed both production and food technologies was created. **6.** In most European countries, innovative venture enterprises with a positive impact are created with great difficulty, the availability of which is absolutely necessary for an innovative industrial breakthrough. In this sense, it is necessary to pay attention to the long-term experience of the South Korea in which innovative joint ventures (primarily venture capital) with Japanese partners played a decisive role in the exit of the SK to the advanced industrial boundaries in the 60-70s of the last century, and modern experience when, within the framework of the project "4 + 9", the number of venture enterprises (up to 27 thousand), which now yields up to 15% of GDP, has rapidly increased (by 13 times).

Supranational Regional Innovation Policy of the EU

The supranational regional innovation policy of the EU is regulated by a set of documents, most of which reflect not the actual regional component of the EU innovation policy, but the innovation policy in general. In addition, in a number of other documents of an economic or social nature, the innovative component is also more or less affected. Coordination of policies is carried out by relevant supranational bodies, including institutions and analytical centres. And constantly there is a reforming and perfection of systems of coordination reflected in documents. However, even to this day, "regional economic policies funded from the EU budget do not fully take into account the objectives of innovation development, since it is not coordinated with the main directions of advancement of research and development." Also at the supranational level, powers in the implementation of innovation policy are distributed among several divisions and directors which determined the specifics and variety of budget mechanisms for financing innovations and leads to the subadditivity of innovation management "(Smirnov V., 2016, p. 9). However, "the coordination and interaction of national innovation policies at the level of the EU, its countries, regions of these countries and individual clusters is increasingly pronounced (Смирнов Е., 2016, p. 10).

From the EU documents related to innovation policy in general (i.e. at the supranational, national and regional levels), we note the document "For the revival of European industry" (For a European ..., 2014), but the most important EU document reflecting directly the regional innovation policy, is the "European cluster memorandum. Promoting innovation in Europe through clusters "(European ...). Also documents will be considered that will provide financial

support for innovations from the EU, mainly at the regional level - EU Structural and Investment Funds (ESIF) (Котова Н., Павлова П., 2014, Структурные ..., 2013, Региональная политика ..., 2015), and in general at the national level (and, naturally, in the regions) - the 8th Framework Program of the European Union for Scientific Research and Innovation "Horizon 2020" (2014-2020) (Клавдиенко В., 2018; Рамочные ..., 2018).

In subsection *3.1. Stimulating investment in innovation and new technologies* of Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions "For a European Industrial Renaissance", in particular, tasks and coordination mechanisms (including financial support from the EU and coordination of public and private sectors) of the innovative and technological development of the EU countries (including associate members) and their regions are outlined. Here are the excerpts from this subsection, which to some extent reflect the support of supranational (ie, from the EU) level of coordination of regional innovation policies.

"The Commission has put an increasing share of its policy, regulatory and financial levers at the disposal of Member States, regions and industry to foster investment in innovation. The **Horizon 2020 Programme**, in particular through its industrial leadership pillar, will provide close to EUR 80 billion for research and innovation. ... In addition, with the adoption of the new multiannual financial framework 2014-2020 at least EUR 100 billion of European Structural and Investment Funds (ESIF) are available to Member States to finance investment in innovation, in line with industrial policy priorities" (For a European ..., 2014).

"As Member States increasingly look to stimulate investment in strategic industrial areas, the Commission is **modernising the State Aid Framework for R&D&I** and **reforming public procurement rules** to create a critical mass on the demand side and improve efficiency in the allocation of resources in full respect of competition and internal market rules. The need to speed up investment in breakthrough technologies in fast-growing areas was the main reason the Commission decided to identify in the 2012 Industrial Policy Communication the six areas in which investment should be encouraged. These strategic, cross-cutting areas are: advanced manufacturing, key enabling technologies, clean vehicles and transport, bio-based products, construction and raw materials and smart grids" (For a European ..., 2014).

"The Commission proposes to Member States to combine regional and industrial policy tools to create Smart Specialisation Platforms to help regions roll out smart specialisation programmes by facilitating contacts between firms and clusters, enabling access to the innovative technologies and market opportunities" (For a European ..., 2014).

In 2007, a high-level group on European cluster policy together with the European cluster alliance and a number of other interested national and regional agencies prepared a document entitled "European Memorandum on Clusters. Support for innovation in Europe through clusters" (Европейский ...), whose recommendations were further taken into account in the preparation of documents at the regional, national and supranational levels of coordinating innovation development. The document says: "Innovation is the factor that will shape the European vision for future growth and prosperity. Clusters can be powerful catalysts for this

process and should function as interconnected territorial centers. Clusters are regional concentration centers for specialized companies and organizations that are linked together through numerous channels that create an enabling environment for innovation. In the conditions of modern competition, all clusters should be oriented towards innovative development" (Европейский ...). The document clearly fixes the tasks of improving the policy of coordinating the development of innovative clusters at all three levels. In particular, it was noted that "the policy of the government at the national and regional levels is decisive for improving the existing business environment; cluster initiatives and the focus on clusters as a mechanism for ensuring innovation and economic growth can significantly improve the effectiveness of national regional innovation policies, "and policies affirmed at the European level have a major impact on the emergence of clusters and their international links. "Policy at the European level also has an impact on the business environment in Europe as a whole. This applies to those regions where activities to improve the business environment require the coordination of efforts of different countries. In addition to these activities, to which all European structures directly influence, European policy also has an important indirect influence, which is expressed in providing the necessary knowledge and support for optimizing policies at the national and regional levels " (Европейский ...).

Changes in cluster policy require action at all three levels of coordination. At the supranational level, in particular, it was suggested that "European structures, especially the European Commission, the Committee for Regional Affairs and the European Investment Bank: optimize their support for the development of clusters through various programs aimed at more effective application of existing tools; to review the impact of policy measures on clusters and structural changes with a view to a more efficient geographical distribution of economic activity in Europe; strengthen support for targeted transnational cooperation between clusters, for example, in areas such as financing and developing competencies, with the help of new policy instruments and taking into account relations between neighboring states, as well as the individual needs of the relevant clusters" (Европейский ...).

It should be noted that the recommendations in this document for the supranational level have been taken into account in all of the above and below considered documents or EU regulations.

In December 2013, the European Council approved a multi-year funding framework for the EU for the period 2014-2020. In particular, the expenses for the new (eighth) EU Framework Program for Research and Innovation for the period 2014-2020, named "Horizon-2020", as well as structural policy, policy of rallying (leveling the levels of social and economic development of regions) and joint agrarian policy.

The budget of the `Horizon-2020~ program is set at 79 billion euros, which is 25 billion euros higher than the budget of the previous (seventh) EU Framework Program for Research and Technological Development. One of the main tasks of `Horizon 2020~ is the elimination of the existing inconsistency between the national financial institutions of the member countries of the European Union and its previous framework scientific and technological programs and projects of the European Institute of Innovation and Technology. In this regard, `Horizon 2020~combines

three independent financial sources of the EU: a framework program for research and technological development, a framework program on competitiveness and innovation, and the European Institute of Innovation and Technology (EIT). Another important goal of `Horizon 2020~ is to increase the participation in research and innovation of certain categories of organizations, including small and medium-sized enterprises, as well as certain groups of researchers (for example, scientists from third countries) in order to achieve coherence in funding at all stages of work - from the emergence of the idea to its commercialization, which in the long run will also promote the integration of research and innovation and the acceleration of economic growth (Клавдиенко В., 2018; Рамочные ..., 2018).

The activities of the program are aimed at achieving the objectives of the Lisbon Strategy aimed at making the European Union a knowledge-based competitive and dynamic economy in the world, as well as fulfilling the tasks of the European Development Strategy until 2020, Europe 2020 Strategy, which is a plan development and economic growth of the European Union for the long-term perspective, in which education, science and innovation will play a major role in the fulfillment of the tasks set. "(Framework ..., 2018).

Structurally, the program "Horizon-2020" consists of three main sections (blocks of subprograms), named: "Social Challenges", "Advanced Science", "Industrial Leadership". Most of the funding from the budget "Horizon 2020" is distributed on a competitive basis for the implementation of projects within these three sections of the program (Клавдиенко В., 2018; Рамочные ..., 2018).

Social Challenges (Societal Challenges, 31.7 billion euros) - solving social problems in response to the challenges of modern times, based on the pooling of resources and knowledge in various fields, including in the social and human sciences, and including all stages of innovation - from obtaining research results prior to their commercialization - will increase the effectiveness of research and innovation in the following areas: health, demographic change and welfare; food safety, agriculture, ecosystems and bioeconomics; safe, clean and efficient energy; environmentally friendly intellectual transport; climate impact, resource efficiency, raw materials; Progressive social order in the countries of Europe, providing freedom, security and equal opportunities for all.

Advanced Science (Excellent Science 24.6 billion euros) - generating advanced knowledge to strengthen the position of the European Union among the world's leading scientific powers - provides support for: the most talented scientists in carrying out basic scientific research through the European Research Council; joint research in promising areas and development of radically new technologies of the future (Future and Emerging Technologies); improvement of human resources in the framework of the program. Maria Skłodowska-Curie (Marie Skłodowska-Curie Actions); the development of European research infrastructures, the strengthening of their innovation potential and human capital, and the promotion of the European policy in the field of improving research infrastructures and international cooperation.

Industrial Leadership (17.9 billion euros) - achieving industrial leadership and supporting business, including small and medium-sized enterprises and innovation - will help to invest in

research and innovation in key emerging and industrial technologies, taking into account their interdisciplinary nature, such as: information and communication technology, micro and nanoelectronics, photonics; nanotechnology; new materials; biotechnology; efficient production processes; space.

In addition, the program budget includes funding for the Joint Research Center, the only service of the European Commission responsible for providing scientific and technical support in the development and monitoring of policies; European Institute for Innovation and Technology (EIT), as well as studies conducted under the Euratom Agreement.

Within the framework of the `Horizon 2020~ program, the regional orientation of the EU budget allocations is not specified, since the projects are of a regional, interregional, country and intercountry nature, but there are also so-called EU structural funds that directly finance the European Union's regional policy (Региональная ..., 2015; Структурные ..., 2013; Котова Н., Павлова П., 2014). Based on these works, we will characterize these funds.

The European Union's regional policy (often referred to as cohesion policy) is a system of measures aimed at improving the welfare of the EU regions and reducing the inter-regional economic gap. To overcome the economic and social backwardness, support for territories with problems in industry and agriculture is used from a third of the EU budget. The regional policy goal is to increase the competitiveness of the regions by favoring economic growth and employment, supporting programs in the field of environmental protection and energy security.

The number of funds from which regional policy funding is financed has been reduced from 6 to 3: the European Regional Development Fund, the European Social Fund and the Cohesion Fund. According to the budget for 2014-2020, the cohesion policy will receive 325 billion euros in 2011 prices (366.8 billion at current prices). They will be aimed at increasing economic growth and creating new jobs, combating climate change, energy dependence and social problems. Investments will be sent to all regions of the EU, but taking into account the level of their development. Countries are divided into three groups: the least developed (GDP less than 75% of the average); Transitional (GDP between 75% and 90% of the average for the union); Developed (GDP more than 90%).

The activities of the European Regional Development Fund focus on 4 priorities: innovation and research, the development of digital technologies, support for small and medium-sized enterprises and a low-carbon economy (an economy with low greenhouse gas emissions). Resources from this fund need not be used only for these four purposes. But in the group of developed countries at least 80% of the allocated funds must be spent on at least 2 of the above priorities out of 4, in the transition regions at least 60%, and in the underdeveloped regions not less than 50%. Also, a minimum percentage of funds that must be invested in the development of a low-carbon economy is established.

The priority of the Cohesion Fund is the development of trans-European transport networks and environmental projects in the fields of energy, energy efficiency, use of renewable energy sources and transport (it is used only in states where GDP per capita is less than 90% of the Union average). In the budget of 2014-2020 the fund received about 75 billion euros.

In the period 2014-2020 the activities of the European Social Fund will focus on four thematic goals: promoting employment and supporting labor mobility; promote social integration and fight poverty; investing in education, skills acquisition and lifelong learning; increase institutional capacity and effectiveness of public administration. The ESF can be used in any EU country, depending on the needs of a particular state. For the period 2014-2020, this fund was allocated 74 billion euros.

Poland will receive the most (82.27 billion euros), followed by Italy (33.08 billion) and Spain (28.31 billion euros).

In addition, there is also the European Fund for Guarantees and Management of Agriculture (EAGGF), which operates under the Common Agricultural Policy of the European Union (EAP). The goal is to finance the modernization of agricultural structures and the development of rural regions, namely: financing the development and structural reorganization of agriculture; increase the efficiency of the structure of production, processing and marketing of agricultural and forest products.

Conclusions

Within the framework of the first sub-goal of the study, "formulation and substantiation of the initial prerequisites for the formation of a regional innovation policy in terms of three levels of its coordination", a number of circumstances have been identified that need to be taken into account when forming mechanisms for coordinating regional innovation policy: 1. In developing strategies and applying coordination tools for regional innovation the role of the state plays a leading role, the role of the EU is increasingly strengthened (for example, in the area of finance and European coordination of innovation activity in the regions), for regional authorities themselves (with the exception of some federal countries: USA, Germany, Canada) it is not possible to sufficiently weighty contribute (financial, tax preferences, or the creation of public-private partnerships) the implementation of appropriate strategies. 2. Distinguish the state innovation policy and the innovation policy of private business. In most countries, government and private business spending on research and development is approximately equal to 1/3 to 2/3. 3. In the recent period, regional innovation policy is most often implemented within the so-called regional innovation clusters. Clusters arise either spontaneously in the process of business coordination, or at the direction of national or regional governments. However, in both cases, regardless of who initiated the creation of the cluster, it should take into account the need for interaction between the state, science and business on the basis of the "triple helix" principle. 4. At the regional level, it is necessary to harmonize the regional, sectoral structural (industrial) and innovation policies, since the same tools are used for their implementation at all three levels of coordination. 5. It is necessary to take into account that clusters, regardless of their territorial size, are formed mainly within a certain branch of specialization. However, there is also a successful practice of multi-industry (3-4 industry) clusters. 6. A careful and perfectly thought-out approach is needed in the organization of clusters, as experience shows that failures in the implementation of cluster policy significantly exceed the number of projects that have been successfully implemented.

Within the framework of the second sub-goal, "consideration and structuring of coordination mechanisms at the national and regional levels of regional industrial and innovation policies in two countries with successful experience in their reform, namely in France and South Korea", it is necessary to take into account the following circumstances that will contribute to the purposeful formation of appropriate systems in the post-Soviet countries: it is necessary to pay attention to the general system (mechanism) of coordination of formation and activity of poles of competitiveness in France, and to such things as poles of competitiveness management system, contracts for the achievement of results, tax preferences, the system of public funding; from the experience of South Korea, attention should be paid to the management system in which the Council for Regional Innovation provides clear coordination of national and regional governance, as well as the state of science and business, through the joint development of a strategy and program of activities on innovation policy. An important circumstance is that no country, even a relatively large one, can not do without borrowing innovations and new technologies, and in South Korea an excellent system of continuous improvement of borrowed production and food technologies has been created. Strictly speaking, the South Korean technological breakthrough was based on borrowed technologies as early as the 60-70s of the last century, and the mechanisms of borrowing are described in more detail in the work: (Бурдули В, Абесадзе Р., 2017).

Within the framework of the third sub-goal, "consideration and structuring of mechanisms for coordination of regional innovation policy at the supranational level of the EU" in post-communist countries, we should take into account the opportunities for financing regional innovation development that we have identified through the European programs and funds reviewed. The regional orientation of the EU budget allocations is not specified concretely in the `Horizon 2020~ project, but the projects are both regional and, most often, country, interregional and intercountry, and individual scientists and developers, their groups, private firms, public and state organizations from regions, as well as regional innovation clusters can participate in these projects. And in all the documents from which the regional policy is funded (the European Regional Development Fund, the Cohesion Fund, the European Social Fund), along with other objectives of regional industrial and social policy, the objectives concerning innovation policy are clearly specified, which are the main priorities of these funds.

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ECONOMIC REFORMS FOR GEORGIA'S FURTHER INTEGRATION WITH EUROPEAN UNION

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The European Union is a political and economic union of 27 member states, united by common order, laws and discipline. Among them, 20 countries are in full economic and monetary union

and use common currency - the Euro. The EU is a single customs space, which means that the customs fee for the import of goods is paid only once, upon crossing the border of one of the EU member countries by the goods being imported. Afterwards, the goods can be transmitted to the rest of the EU countries smoothly, without additional customs procedures or payment requirements. For a country, aspiring to become a member of a such connected and order-matching club, it is necessary to thoroughly know, respect and share their values and the rules of their game.

The EU has common rules of statehood in many of such aspects as: human rights, public life, roles and functions of state bodies and organizations, general principles of politics, legal system and frameworks, social responsibilities of the state and businesses, principles of compiling public statistics, doing state acquisitions, protection of intellectual rights, forms of teaching and learning, competition, transport, energy, joint management of borders, taxation, management of shared resources.

The paper discusses the necessary economic reforms that will bring Georgia closer to the EU and make its economy compatible with the economy of the EU; Separate reforms in such areas as: compilation of state statistics, taxation and customs issues, economic and monetary policy, management of state-owned enterprises will be covered. In all these issues Georgia has made progress through the years thanks to the technical assistance from the EU, different development partners and the EU experts as well as thanks to domestic reform efforts.

The paper also discusses the issue of CSR, which is part of the social policy of the EU. From a perspective of an aspiring country, it may mean increase of domestic taxes. The paper analyzes real costs of accession for local businesses and citizens in order to determine counterbalancing social protection measures.

The research is based on the conclusions of the experts of the EU, their interim reports; the documents of the IMF, and other report on the experiences of different countries in the process of joining the EU. This research is relevant as Georgia's near term future prospects are lined to tighter cooperation with the EU, the largest trading partner for Georgia at present.

Keywords: Georgia, Economics, Reforms, Eurointegration

JEL Classification: F13, F14, F50

PRIORITY TASKS OF UKRAINIAN SOCIALLY RESPONSIBLE BUSINESS IN TIMES OF WAR

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Ukraine has been facing unprecedented challenges for the past ten years. The invasion of the Russian aggressor and the seizure of part of Ukrainian territories, the global pandemic and

the introduction of quarantine restrictions, and a full-scale war with Russia. As a result, the national economy and economic entities, especially large industrial businesses, are suffering, and it is difficult for them to adapt to the impact of destructive factors. To survive in such a situation, businesses need to be flexible and professional, or they will disappear and die. The rule "be flexible or die" has become a golden rule for Ukrainian business. This rule has been adopted by many industries as the country's economic processes continue to function. War requires significant resources, including financial ones. It is up to business to meet Ukraine's needs for these resources. Surviving the war, ensuring that businesses are profitable and paying taxes on a regular basis is not an easy task and requires professional management. Social responsibility is important and crucial for the success of any business.

Under normal business conditions, a socially responsible stance helps companies improve their business reputation, build a positive image, establish balanced and harmonious relations with the state and society, and generate profits from their activities. However, military actions significantly change the understanding of social responsibility of business, adding new aspects to this concept and changing the approach to the already established ones.

Therefore, the priority task for businesses is to survive the turmoil with the least losses: to save jobs, ensure safe working conditions, etc. Social initiatives help to remind employees that they are not just making money, but are making a significant contribution to the company's success. In addition, the business itself can become a platform for collecting and transferring aid to those in need by building the appropriate mechanism into its operations.

Therefore, under martial law, it is extremely important for Ukrainian businesses to continue to operate in those areas where it is possible; to resume production in the liberated territories, and to relocate their businesses to safe regions. From the point of view of solving economic and social problems, this is the most significant aspect of ensuring the country's existence under martial law, a true manifestation of social responsibility of business.

Keywords: *Social Responsibility, Ukrainian business, Martial law, Economic Challenges.*

JEL Classification: *M14, N40*

LEGAL REGULATION OF CORPORATE SOCIAL RESPONSIBILITY: EUROPEAN AND NATIONAL STANDARDS

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The article carries out a scientific study of foreign and national experience of legal regulation of collective social responsibility, developed proposals for its application in domestic legal regulation. The legal acts regulating corporate social responsibility (hereinafter - CSR) in the European Union and Ukraine are characterized and classified. The state of regulatory and legal support of CSR at the corporate level is analyzed. The research method was, first of all, the analysis of normative legal acts that are valid and ratified in Ukraine in the field of CSR. The article also used the method of generalization and synthesis of information about corporate social responsibility. In the course of the study, the systematization of normative legal acts of corporate social responsibility took place.

The peculiarities of legal regulation of CSR in leading European countries are analyzed. It was revealed that the need for more or less state regulation and the specifics of the system of legal means of stimulating the development of CSR depend on specific conditions in one or another country (region). Public expectations from companies are determined by the socio-political situation in the country, the behavior of transnational companies in the national economic environment, the peculiarities of relations between companies and bodies of territorial communities, with stakeholders, etc. It is argued that it is necessary to look for such forms of state regulation of CSR and develop a model of CSR that would ensure a balance between the need for state regulation, on the one hand, and freedom of entrepreneurial activity, on the other (balance of private and public interests). It is substantiated that the issue of the theory and practice of corporate socially responsible activity of a person, institutions of the state and society in the conditions of the legal regime of martial law.

The practical value of the article is that the analyzed and consolidated information on the legal regulation of CSR will be able to systematize legal acts in the field of corporate social responsibility at the national level in the future

Keywords: *Corporate Social Responsibility, Legal Regulation, Social State, Legal Acts*

JEL Classification: *M14, M40, F50, K20*

EUROPEAN UNION -GEORGIA ECONOMIC RELATIONS DURING 2014-2023: MAIN TRENDS

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On December 15, 2023, according to the conclusions of the European Council, Georgia was granted EU candidate status, which marks the beginning of a new phase in EU-Georgia relations. It is clear that the Association Agreement, including the Deep and Comprehensive Free Trade

Agreement (DCFTA), represents an important mechanism for enhancing Georgia's economic integration with the EU.

Any country, including Georgia, enters the process of economic integration to increase trade, especially exports, to attract Foreign Direct Investment (FDI) and to support economic growth and development in general. These are the economic determinants of economic integration. Obviously, economic integration has never been a process determined by economic factors alone. Other factors such as historical, social, political have a huge impact on economic integration.

Two indicators of economic integration, such as trade integration and capital integration, were analyzed to assess and determine the degree of economic integration achieved between the EU and Georgia in the period 2014-2023. Obviously, the process of economic integration is not limited to trade and capital integration. However, these two forms of economic integration represent the most important stages of any successful economic integration and are the basis for the development of other forms of economic integration, such as institutional integration, policy integration, sectoral and market integration, etc.

In the period 2014-2023, based on the implementation of the Association Agreement, including the DCFTA, the economic relations between the EU and Georgia have gained new dynamism. As the analysis of relevant trade data has shown, two trade integration variables, such as absolute and average annual growth rate of export-import with the EU, have positive dynamics, while the other two variables, the share of exports to the EU in Georgia's total exports and the share of the EU in Georgia's trade turnover, have negative dynamics. Thus, Georgia's trade integration with the EU has not changed significantly in the period 2014-2023. As for capital integration, the analysis of data on EU FDI in Georgia shows positive dynamics both in terms of absolute growth and average annual growth rate. Taking all of the above into account, the degree of Georgia's economic integration with the EU has slightly increased in the period 2014-2023.

Keywords: *Georgia, EU, Association Agreement, DCFTA.*

JEL Classification: *F13, F14, F15*

NON-FINANCIAL REPORTING OF BANKS IN THE EUROPEAN UNION

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The need to publish reports that inform investors, government institutions and the general public about the goals and objectives of responsible business conduct and the company's achievements in this area is an important component of the CSR concept. There are several non-financial

reporting standards in the world: GRI Standards, Progress Report under the UN Global Compact, ISO 26000, IIRC standards etc.

In the EU, Directive 2014/95/EU (NFRD) requires large companies including banks to disclose certain non-financial information. Later, the Commission has published non-binding guidelines (2017/C 215/01) to help companies disclose relevant information in a more consistent and more comparable manner. The statement should contain enough data for an understanding of the impact of the bank's activities, including at least the following: environmental, social and labour issues, non-discrimination, respect for human rights, anti-corruption and bribery.

Currently, the NFRD is in the process of being amended by the Corporate Sustainability Reporting Directive 2022/2464/EU. New Directive modernises and strengthens the rules concerning the social and environmental information that companies have to report according to the European Sustainability Reporting Standards which were developed by the EFRAG.

The EU's experience is extremely important for countries that have acquired the status of a candidate for EU membership. At the beginning of 2020, the National Bank of Georgia published "ESG reporting and disclosure principles" to assist banks in providing relevant, useful and comparative information. These recommendations are not mandatory; however, all licensed banks provide such reports, as evidenced by the NBG website.

Non-financial reporting in Ukraine is not yet widespread and has significant development potential. Currently, banks are guided by the Instructions of the National Bank of Ukraine on the procedure for drawing up and publishing financial statements (2018), which include the Management Report. It contains an analysis of the economic, environmental and social aspects of the bank's activities; however, the Instructions define the minimum requirements for information disclosure. But in the Strategy of Ukrainian Financial Sector Development, developed in 2023, it is planned to fully implement the disclosure of ESG information which will increase the transparency of banking business in the field of CSR implementation.

Keywords: *Banks, Non-Financial Reporting, Disclosure, ESG.*

JEL Classification: *M14; G21*

DCFTA AND THE COMPETITIVENESS OF THE GEORGIAN WINE INDUSTRY

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Winemaking is one of the ancient fields of agriculture and farming in Georgia. The history of Georgian winemaking has a tight connection with the entire history and religion of the country. The wine industry represents a very important export-oriented sector of Georgian economy, which determines the well-being of a large number of households involved in wine-growing.

However, the dependence on the Russian market makes the Georgian wine industry vulnerable to external shocks (the 2006 Russian ban on Georgian wine provides a solid basis for such negative expectations). In these circumstances the survivability of Georgian wine industry heavily depends on the access to global markets, e.g. European single market.

In this light, the Deep and Comprehensive Free Trade Area (DCFTA) agreement between the European Union (EU) and Georgia has played a pivotal role in shaping the whole economic landscape of the country. The DCFTA represent series of arrangements between the EU on the one hand and Georgia on the other, which ensure preferential trade regimes; better access to markets; similarity of regulatory environment and etc. One of the sectors that has witnessed significant transformation and growth as a result of this agreement is the Georgian wine industry. The DCFTA arrangement with the European Union opens wide and very attractive opportunities for Georgian wine producers at European markets. The exploitation of this opportunity gives a chance for Georgian wine industry to mitigate the threat from the dependence on the Russian market and survive in the long-term. Still to exploit these opportunities wine producers must carefully identify and enhance factors that influence the long-term competitiveness of the industry at global market place.

This paper explores the impact of the DCFTA on the competitiveness of the Georgian wine industry, examining the opportunities and challenges that have arisen in the wake of closer economic integration with the EU. Based on the Porter's "diamond" model and SWOT analysis, a set of recommendations on the enhancement of the global competitiveness of the Georgian wine industry in the long-run are elaborated in this study.

Keywords: *DCFTA, European Union, Winemaking, Competitiveness, Market*

JEL Classification: *F13, F53, F55*

SOCIAL BUSINESS IN LITHUANIA

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Abstract

Social business solves problems that cannot be solved by traditional businesses, government institutions, traditional non-governmental organizations. The secret and uniqueness of social business in solving the most sensitive problems of society and being able to sustain itself and ensure the continuity of activity leads having benefits over other forms as well as conditions in increasing popularity of social business. Such businesses are based on the laws of the market, use proven business principles, and are based on effective ways to meet social needs and solve existing social problems. However, in Lithuania, social business is still little known, little is said about its benefits, there is a lack of promotion measures from institutional perspective as well as of education, which is why it is sometimes mistakenly confused with a social enterprise. The purpose of this study is to analyze the concept of social business, clarifying the definition of social business. The object of the research is social business in Lithuania. The analysis of social business concepts showed that social business is defined with the help of three principles: social business solves social problems that the public sector does not undertake to solve; the main motive of social business is public benefit; social business representatives use market mechanisms (without rejecting existing ones) to create social benefits. Studies have shown that social business does not yet have one specific definition, but according to the development and perception of social business, two main directions can be distinguished: the Anglo-American direction and the European direction. Where some representatives of social business consider non-profit organizations that pursue a social goal to be social enterprises, while others consider only those that are related to meeting social needs. In this case, the form of ownership of the company is irrelevant to them. Meanwhile, continental European direction of social business definition rely on three dimensions that describe social business: social, entrepreneurial and management. The analysis allowed to refine the concept of social business and show different interpretations of its perception in different countries.

Research methods: systematic and comparative analysis, logical generation of conclusions.

Keywords: *Social Business, Motive, Benefit, Lithuania*

JEL Clasifications: *M14; M21; J32*

Introduction

Social business is associated with phenomena such as social economy and social innovation, and thus social business is gaining increasing interest from different stakeholders. Social business initiatives are increasing in Lithuania. Scientists - Kostetska, Berezyak (2014) claim that for all countries, regardless of their economic or social development, the most important success factor is the social stability of society, so it is said that it is necessary to use social innovations that are expressed through social business. Indeed, social businesses are expected to integrate business principles into their operations and adopt an entrepreneurial “attitude” in providing social goods and/or services in order to compete and survive in the demanding and modern contemporary market (Borzaga et al., 2014; Kickul and Walters, 2002). ; Krlev, 2018; Piboonrungrroj, 2012). Recent studies by scientists in the world (Arantes, V., Zou, C., Che, Y., 2020; Duffield, M., 2020; Hlatshwayo, M., 2020; Fathalikhani, S, Hafezalkotob, A., Soltani, R. , 2020; Szczepanska, K.,

2020; Zajda, K.K., Pasikowski, S., 2020)) show that in cases of disasters, crises, pandemics, social business in cooperation with various structures, organizations can contribute to solving various problems, because social business helps for socially disadvantaged people, ensures gender equality, and also solves problems ignored by state institutions.

Social business is appreciated for the fact that it helps create economic and social well-being and is able to deal with social challenges in an innovative way. In Lithuania, social business companies receive the most attention, because they have the opportunity to solve important problems of poverty and involve people in the labor market. Lithuania's economy is growing quite rapidly, in terms of growth rates it is one of the leaders in the OECD. However, the country still lags behind other OECD members as it faces problems of poverty, low labor productivity, and low participation in the labor market. Lithuanian policymakers and society pay great attention to social business initiatives, as they are seen as promising and able to solve these problems in Lithuania. However, in Lithuania, social business is often identified with a social enterprise (employment of the disabled) or an NGO, and the public is not sufficiently informed about the correct concept of social business, the public hardly understands the positive aspects of social business, there is not enough information about the establishment of a social business, no dissemination about the possibilities of expansion and development and foreign pilot projects, as well as how to evaluate the impact of social business.

Social business is gaining increasing interest as a field of scientific research. Certo, Miller (2008), presents different directions for research on this topic, confirming the existing need. The conducted studies showed that social business in Lithuania is not yet a fully understood phenomenon for the general public, the impact of social business on the economy is not understood, and there are no applied methodologies for assessing the impact of social business.

Research object – social business.

Research goal – to analyze the situation of social business in Lithuania.

State of Social Business in Europe

Social business is still a new phenomenon, especially in Lithuania. Social business is undeniably important and is being addressed by a variety of different stakeholders. Research focuses on the peculiarities of this business, related to the principles of operation (Šalkauskas and Dzemyda, 2013; Kvieska, 2015), social business models (Kuklytė, Vveinhardt, 2016; Yunus, Moingeon and Lehmann-Ortega, 2010; Pol, Ville, 2009) , Ridley Duff and Bull (2011) developed a detailed description of social business, managerial specifics and place among the sectoral environment. Alter (2007), Martin and Osberg (2007), Defourny (2001) contributed a lot to the definition of social business. The social business model is examined by Dees and Anderson (2004), Sommerrock (2010) and Perrini and Vurro (2006). In the works of foreign scientists such as Acs et al. (2018), Alemanno and Cottakis (2017), Bedford and Carayannis (2018), Dey and Steyaert (2018) etc. the impact of social business on society and the economy was studied, the problems of social business were analyzed. However, these studies pay very little attention to the generalization of contemporary experiences in shaping and demonstrating effective models of

social business impact. Other scholars Velu (2015), Vidal and Michell (2013) point out that social business creates new ideas and improves existing ones. Meanwhile, researchers (Baregheh et al. (2009), Hulgard (2018), Lisetchi and Brancu (2014), Mulgan (2006)) argue that social business combines economic processes (profit making) with social needs, motives.

The policy of the European Union promotes the creation of such businesses, education and informing the general public about social business. One of the main elements of how to accelerate the pace of establishment of such businesses, how to increase public interest, is to show the benefits provided by such initiatives. The European Commission (2013) provides the following definition of a social enterprise: "A social enterprise is a social economy entity whose main objective is to have a social impact, rather than to generate profit for their owners or shareholders." It operates by providing goods and services to the market on the principles of entrepreneurship and innovation, and primarily uses its profits to achieve social goals. It is managed openly and responsibly, primarily involving employees, consumers and stakeholders affected by its commercial activities." This definition shows that the social economy in particular is a good example at the micro level and how the principles of the market economy dominate, while at the same time having a social impact rather than profit. In Lithuania, we have very few social business organizations that meet EU criteria (Stroputė, Kairytė 2016), and we cannot even name exactly how many we have.

There are many different definitions of social business. Some authors pay attention to the interpretation of the definition of social business by distinguishing the main aspects in which social business differs from other forms of activity. However, there are also forms that are very close to social business. Some authors identify them, others claim that they are only forms of different levels.

The social business phenomenon emerged only after welfare states and mixed economic systems were overwhelmed by crisis situations. Researches focuses on the peculiarities of this business, related to the principles of operation (Šalkauskas and Dzemyda, 2013; Kvieska, 2015), social business models (Kuklytė, Vveinhardt, 2016; Yunus, Moingeon and Lehmann-Ortega, 2010; Pol, Ville, 2009) .

Social business according to S. Navasaitienė (2017) as a business model by using the market mechanism seeks profit related to social goals and is guided by the provisions of socially responsible business. Created in an effort to fill a niche that cannot be filled by a public service. The definition of a socially responsible company is generally understood to mean that company managers voluntarily rely on social and environmental principles, the ideology of which is directed towards close cooperation with the community, local authorities and attention to socially sensitive (vulnerable) groups of society. "Social" is expressed as a business directly related to society and living conditions in it. Therefore, the first idea when explaining what kind of companies can "belong" to the category of those running social business is that it includes the so-called Non-Governmental Organizations (public institutions) that solve social problems, which are usually associated with the concepts of "non-profit", "voluntary", "non-governmental" ,

public organizations; associations; public institutions; specific non-profit organizations (Markaitienė, 2018).

Social Business Subjects in Lithuania

Two forms of social business enterprises are recognized in Lithuania, namely a social enterprise and a social enterprise for the disabled. Social enterprise - a legal entity that has acquired the status of a social enterprise in accordance with the established procedure or its division, in which there are no less than 4 employees belonging to the target groups of persons employed in social enterprise (Law on Social Enterprises, 2020). Scientists (Jakubavičius et al., 2016) indicate that in Lithuania "the set of social business entities can be identified by modeling three sets of entities:

economic entities performing economic and commercial activities;

social enterprises;

non-governmental organizations.

According to Jakubavičius (2016), "the choice of these three sets of entities was determined by the following elements: basic potential to develop economic commercial activity and potential / interest /, opportunities to carry out a social mission or basic potential to carry out a social mission and potential / interest / opportunities to develop economic commercial activity".

However, in addition to disabled social enterprises or social enterprises, real social business enterprises also operate in Lithuania, which allocate part of their profits to the implementation of society's social goals. It can be companies of all business forms operating in Lithuania. Therefore, it is possible to expand the understanding of the set of social businesses proposed by Jakubavičius (2016) and indicate that social business entities in Lithuania can be classified as:

economic entities carrying out economic and commercial activities and allocating part of the profit to the implementation of society's social goals;

social enterprises;

social enterprises for the disabled;

There are no statistics of such companies in Lithuania and they are not provided with state support.

According to the data of "Versli Lietuva", in 2018 at the end of 2015, almost 90 social businesses were operating in Lithuania, and, for example, in Plymouth (United Kingdom) alone, which has only 260 thousand population, 150 social business companies operate.

If we compare with other European countries, we will see that the activity of social business companies has developed differently in various countries. For example, in Italy, Hungary and Romania, social enterprises are most focused on the fields of health, care and education, but in Sweden these companies are more active in the utility sector, and in Great Britain - in the field of accommodation, including catering services (European Commission, 2020).

According to the number of employees, the lowest indicators of the population employed in social enterprises are observed in Latvia, Lithuania, Slovenia, Croatia, Denmark and Sweden, where employment in such a model does not even reach 2 percent of all employees in those countries.

Another little-studied potential social business entity is non-governmental organizations. In Lithuania, there is a lack of research that would analyze the value created by NGOs for the economy or solving social problems. There are also no data that could clearly define the extent of the NGO sector's involvement in solving social problems. However, NGOs have every opportunity to transform into a social business entity, because the main activity of NGOs is related to the implementation of social missions. In the course of further research, it would be possible to analyze the methods and principles of the transformation of NGOs into social business.

In summary, it can be said that the concept of a social business entity in Lithuania is much broader than social enterprises, as it can include all economic entities performing economic and commercial activities and allocating part of the profit to the implementation of the social goals of the society. The main criterion for classification as a social business is the allocation of profit to meet the social needs of society.

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CULTURAL ROUTES OR THE COUNCIL OF EUROPE AS AN IMPORTANT INSTRUMENT OF RAPPROCHEMENT BETWEEN GEORGIA AND EUROPE

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The purpose and relevance of the research: 1. Study the tendencies of the development of cultural routes of the Council of Europe in the context of tourism. 2. Participation, role and place of Georgia on the cultural routes of the Council of Europe.

Practical significance of articles: Cultural routes of the Council of Europe are an important topic of travel, especially for countries seeking to join the EU. Georgia became a country-participant of the Extended Equality Agreement (EPA) on the cultural routes of the Council of Europe in 2016 and is especially actively promoting this program. In the country, a special council for strategic development and certification of cultural routes of Georgia was established, a consultative body of the Ministry of Culture, Sports and Youth, which supports the structure of the development of local cultural routes.

Currently, Georgia is crossed by dozens of important cultural routes certified by the Council of Europe and connected with five European countries, covering its beautiful landscapes and rich and diverse cultural heritage:

1. European Route of Jewish Heritage: 2. I ter Vitis. 3. Trails of prehistoric rock images: 4. European route of historical thermal cities. 5. European route of historical gardens. From the above, it is clear that the conditions for the creation of cultural routes must be changed. Georgia should present both the geographical aspect of the country and a very attractive material and non-material culture.

In 2000, the European Council developed the European Convention on Landscapes. This is the first international convention dedicated to the landscape and contributing to its protection, management and planning, as well as European cooperation in landscape matters. The European Convention on Landscapes defines a landscape as a place perceived by man, the character of

which is the result of the action and interaction of natural and/or human factors (Council of Europe, 2000).

In this sense, it is important that the World Tourist Organization of the United Nations (UNWTO) and the Council of Europe work together on the development of tourist proposals for local communities and the improvement of tourist experience on the cultural routes of the European region.

Keywords: *Cultural Routes, Council of Europe, World Tourist Organization, Georgia, Tourism*

JEL Classification: *F50, Z30*

EU-GEORGIA ECONOMIC RELATIONS: INVOLVMENT OF YOUTH IN ECONOMIC ACTIVITIES

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On December 15, 2023, according to the conclusions of the European Council, Georgia was granted the status of a candidate for the European Union, which is the beginning of a new stage in EU-Georgia relations. It is clear that the Association Agreement, including the Deep and Comprehensive Free Trade Agreement, is an important mechanism for strengthening Georgia's economic integration with the European Union.

The economic development of the country is unimaginable without the education of young people and the raising of business mentality. Involvement, motivation and activation of young people in economic activities is a global challenge. Developed states, international organizations implement various programs aimed at promoting the employment of young people and their inclusion in the entrepreneurial/business sector. Young people represent an important force for countries with developing economies, but it is necessary to take certain measures in order to realize their potential and engage in economic activity. In this regard, the new educational programs, trainings, employment forums and, most importantly, thousands of retrained, equipped with new skills, who had no work experience before and who turned their ideas into successful small business ventures, should be especially mentioned in this direction.

As an example, we can consider the three-year program "Education for employment" funded by the European Union. The second phase of the "Education for Employment" program has been implemented in Georgia since 2019 and includes several directions, including 9 grant projects in the regions of Georgia with a budget of 7 million euros. The goal of the selected projects is to help thousands of Georgian citizens to find jobs: first of all, to ensure that their skills match the labor market requirements, which is a serious challenge for Georgia's competitiveness and

economic growth. By improving capacity and promoting entrepreneurship. The implementers of the "Education for Employment" program funded by the European Union are sure that the projects will have a lasting effect; Finally, each person retrained and employed with the support of the European Union will be one less immigrant from Georgia.

Keywords: *European Union, Economic Development, Program "Education for employment", Georgia*
JEL Classification: *F50; F63*

SOURCES OF FINANCING THE EDUCATION SYSTEM IN THE EUROPEAN UNION

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The educational system of Georgia is still in the stage of formation. Despite constant reforms, such software of secondary and higher education, which would provide full-fledged knowledge to the next generation, could not be established. The successes achieved in individual directions were not enough to get the desired result. Among many reasons, such a situation was created by outside interference, obedient performance of unconscious tasks, and scarce and insufficient funding of the education system as a whole.

Among all the directions of the development of the society, the upbringing and education of the new generation should be the highest priority. The rise of the economy, the achievement of healthy, morally sound, motivated, peaceful coexistence and sustainable development depend on this.

The status of a candidate country for EU membership, the European perspective and the use of harmonious integration with Europe for the good of the country requires high level a of education, and the solution of problematic issues of the system.

One of the directions for overcoming the established challenges is to study the experience of receiving education in the EU countries, transfer the best practices, including innovative approaches to education financing.

Education systems in EU member states vary, but in general they offer high-quality and diverse education at all levels, from pre-school to higher education.

The European Union has a common education program - the Bologna process, which ensures the recognition of diplomas and qualifications in all member states, which facilitates international mobility and unhindered access to qualified workers from other countries.

Countries also differ significantly in the sources of funding for higher education and research. Primarily, sources of financing include government financing, household/individual expenditures, and financing from other private sources. As a rule, the number of funding sources, unlike in Georgia, is not limited. Georgia is tied only to budgetary funding.

In the paper, the main emphasis is on financing models. The author describes in detail the most common distribution of funds in the European Union based on the funding formula and highlights the parameters according to which the funds are mobilized. Similarities and differences with the education financing model in Georgia are also discussed, advantages and weak positions are highlighted.

In the comparison, the author makes noteworthy conclusions and offers interesting opinions about the admission of different sources in the financing of the education system.

The aim of the paper is to prepare proposals for raising the quality of secondary and higher education in Georgia and improving the existing financing model.

Keywords: *Quality of Education, Education Systems, Education Funding Sources.*

JEL Classification: *F50, I20, I28*

MODELS OF THE RELATIONSHIP BETWEEN THE STATE AND THE CHURCH IN EUROPEAN UNION COUNTRIES

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The most important priority of the modern Georgian political transition is the formation of national identity. The Orthodox Church is the most important actor in the formation of national identity. In the political system, the state determines the norms and principles of the relationship with the church. The role of the Orthodox Church before the Georgian statehood is constitutionally defined. Geopolitical transformations in the world brought the dominant role of the Georgian Orthodox Church to the fore. The geopolitical context of Orthodoxy is a necessary condition for the formation of a new state identity.

In 2002, the parliament approved the constitutional agreement between the state and the Apostolic Autocephalous Orthodox Church of Georgia, which fully complies with the universally recognized principles and norms of international law in the field of human rights and freedoms. A comparative analysis of the constitutional agreement between the state and the church of Georgia with the models of the EU countries will be useful in order to clarify the problem better.

In the European space, three main models of secularization are considered, which take into account the tradition of each country and the historical processes of statehood development. According to the first model, a religion enjoys a dominant position when it holds the status of a state religion; The status of the state religion distinguishes it from other religions and enjoys more political and legal rights /England, Finland, Denmark, Greece/. According to the second model, religions are sharply separated from the state and functional boundaries and forms are strictly established by legislation, the violation of which is limited /France, which is

characterized by a high level of secularization, although in certain situations a sharp separation of the state and religion is not possible/. According to the third model, the relationship between the state and religion is built on cooperative principles, which is called the intermediate model; This model is distinguished by functional separation, but religion occupies an important place in the political and educational space /Germany, Belgium, Poland, Spain, Italy, Hungary, Austria, Portugal, Baltic countries/. i.e. In the European space, there is no single unified system of secularization in the relationship between the state and the church and it can be characterized into three types: 1. Countries with a system of state religions; 2. Countries with a strict secular system; 3. Countries with a cooperative system between the state and the church. In the process of political transition, the Orthodox Church of Georgia has its own political status, which is the most important factor in the formation of state identity.

Keywords: *Orthodox Church, EU Countries, Georgia, State*

JEL Classification: *F50, Z12*

GEORGIAN LANGUAGE IN ABKHAZIA: PROBLEMS, CHALLENGES

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Language is the primary means of self-preservation and the ultimate opportunity for the survival of a nation. Colin Baker considers it the most powerful tool for expressing identity. Regarding the Georgian language, it has historically been one of the strongest markers of Georgian identity. The following well-known quote from Giorgi Merchuli's works accurately encapsulates its profound significance: ". . . Georgia is a great country of confessions, in which time will be offered in the Georgian language and every prayer will be performed (Merchule 1987:591).

It is in this Abkhazia that language plays a significantly meaningful role in maintaining the national identity of Georgians, and the large-scale changes in the previous external world are reflected in their way. Primarily, it refers to its lexical foundation, ensuring no other linguistic interpretations are mentioned. Russification of public schools led to large-scale confusion of the Russian and Georgian languages. Learning the Georgian language is limited to only 2 hours per week, which is completely insufficient for mastering the native language.

If we analyze the words of Iakob Gogebashvili: "Those who do not thoroughly study their language will never attain a profound understanding of a thought". . . "Language is the essential sign of nationality, its soul and heart" or "Language represents the highest sign of the nation or the pillar of nationality" (Gogebashvili 1980:349), it becomes evident how much Georgians are entitled to rights.

It is true that for the Georgian population in some cities of Abkhazia, such as Sokhumi, Gagra, and Gudauta, bilingualism is a common aspect of life. However, individuals can only be bilingual at home since Georgian has been the language of the household for decades. However, this is not the case in Gali Municipality. The de facto government has indeed Russified the schools, but the effectiveness of education is low. It fails to ensure the education of bilingual citizens. For ethnically Georgian students, for whom Russian is, a foreign language, learning has become difficult. Most school graduates cannot articulate their opinions in the language of instruction, and, more worryingly, they lack proficiency in Georgian.

In the Gali district as well, Georgian students prioritize learning a second language at the expense of neglecting their native language, as Georgian language does not play a significant role in public life in Abkhazia. Georgian will likely continue to serve as the language of the home. The prohibition of speaking in Georgian at gatherings grants us the right to make this statement (Recently, the school director was dismissed simply for delivering a speech in Georgian during the New Year's celebration, and many similar incidents have been reported). These circumstances may ultimately lead children to drop out of school or abandon their cultural values.

Keywords: Georgian language, Georgian identity, Abkhazia, Russification

JEL Classification: I21, I24, K38

THE ROLE OF THE EUROPEAN UNION IN THE ECONOMIC DEVELOPMENT OF THE GEORGIA

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Georgia is an integral part of the European family. After gaining independence, Georgia made a strategic choice and made European and Euro-Atlantic integration an unconditional goal of the country's development. Many projects were made possible with the help of the European Union therefore, today we are closer to the European Union than ever before.

At the moment, the European Union is implementing more than 150 projects. Projects are mainly implemented by international organizations, civil society, private companies, the government of Georgia and the governments of EU member states. The orientation of Georgia's foreign policy is unchanged and, as always, directed towards Europe.

There is a lot to be done, but Georgia is gradually getting closer to the European Union, sharing common European values and protecting the principles that make us a full member of the European family. Recently, as a result of intensive and successful cooperation with various organizations and the European Union, the Georgian government has implemented fundamental

reforms. As a result of the projects implemented together with the European Union, Georgia strengthened its position as one of the most important and strategic partners in the region. Starting with the association agreement, trade agreements, fundamental reforms of the constitution, tax benefits, and ending with the candidacy, it was not an easy path, although all of this clearly showed the country's potential and the willingness of the population to be an integral part of the European family and a full-fledged member.

Keywords: *Association Agreement; Fundamental Reforms, Tax Benefits, Candidate Status.*

JEL Classification: *F50, O10*

THE EUROPEAN EXPERIENCE OF CORPORATE SOCIAL RESPONSIBILITY AND THE REALITY OF GEORGIA

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In European countries, corporate social responsibility (CSR) has long been an integral part of national economic policy. Since the 90s of the 20th century, approaches to social responsibility of business have undergone significant changes. Until this period in European countries, the state established labor, environmental protection, and social security standards for businesses, which on the one hand significantly raised the requirements for social protection and ecological safety of the population, On the other hand, it limited the business, fundamentally changed the fundamental principle of its responsibility - the voluntary nature. To date, the modern system of the EU has become the result of joint efforts to integrate business and supranational institutions. This process started in 2001, with the publication by the European Commission of the EU Green Paper: "Building a European System of CSR", which presented a new conceptual approach to this phenomenon. According to this document, CSR implies consideration of environmental and ethical standards, respect for human and consumer rights, as well as relations with all stakeholders working on these issues. The document fully complies with the concept of sustainable development, which allows for a broader interpretation of CSR. Based on the analysis of accumulated European experience in the field of CSR, the common features are clearly revealed which are typical for EU countries, where the degree of state involvement and the importance of regulation in this field are higher than in other regions of the world. For EU countries, the most common areas of CSR are employment, education and health issues. However, in the process of selecting CSR programs and areas of application, European countries use diametrically different approaches to the most common areas of CSR. Actualization of the problem of CSR in Georgia started in 2005. Based on the agreement of NGO's and the business sector on this issue, a memorandum on cooperation in the social sphere

was adopted. In 2007, the representation of the UN Global Program - "Global Compact" was launched in Georgia "Global Compact - Georgia", which unites more than forty organizations. The purpose of this initiative is to popularize the problems of CSR in Georgia and to introduce the practice of producing international social reports. Implementation of the principles and practices of CSR in Georgia is necessary for the stable development of the business sector, as it is an important tool for the sustainable development of business and raising its reputation. However, we sound also admit that the current approaches to CSR in the country are imperfect and need to be revised. In this context, studying and generalizing the rich experience of European countries in the field of CSR is an important task for Georgia, the realization of which at the same time brings positive economic and social results.

Keywords: *CSR, Trends, European Union, Experience, Georgia*

JEL Classification: *I250, M14, F50*

SEVERAL THEORETICAL AND PRACTICAL ASPECTS OF CORPORATE SOCIAL RESPONSIBILITY

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In modern realities, the development of society is associated with numerous problems: both of an economic nature and in a social and ecological direction. Big business as part of society significantly determines the vector of development of society. In these conditions, the role and importance of corporate social responsibility is becoming stronger.

Corporate social responsibility (CSR), helps to eliminate the negative consequences of the production activities of companies, eliminate social tensions, solve a number of problems of global and national development. This is what determines its value. CSR, increases the social and economic sustainability of businesses and allows the growth of intangible assets .

In European countries, the ideas of social justice, equality and responsibility are still traditionally popular. CSR in EU countries is a trending idea it is fair to note that corporate social responsibility in EU countries has long been an integral part of both superpower and national policies.

The variety of socio-environmental problems that require collective regulation, the globalization and complexity of production and household chains, the internationalization of business, among other factors, lead to the existence of a large number of international treaties and other instruments aimed at creating sustainable businesses. The EU strategy on CSR underlines the importance of internationally developed principles and recommendations. According to the

strategy, one of the main factors according to which the EU develops its own policy is compliance with these standards and principles, in addition, it requires efforts from European businesses to adhere to these principles

Until now, in most European countries, the state, guided by the principles of the concept of "welfare state", establishes the rights of employees, labor and Environmental Protection, Social Security, etc. Standards. In addition, compliance with these standards on the part of businesses is mandatory. On the one hand, this led to many positive changes in the direction of increasing the standard and quality of life. However, on the other hand, minimized the incentive for businesses to voluntarily assume any additional social responsibility, which undermined the fundamental principle of Corporate Social Responsibility - the exclusively voluntary nature of programs.

Keywords: *CSR, CSR Models, Corporate Governance, Sustainable Development, EU Strategy*

JEL Classification: *M14, F50*

REGARDING INTERDEPENDENCE OF CORPORATE SOCIAL RESPONSIBILITY SUSTAINABILITY AND THE CIRCULAR ECONOMY BUSINESS MODELS

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The modern world economy is facing significant challenges, one of which is achieving sustainability. The concept of sustainability is composed of three pillars: environmental (focuses on the conservation of biodiversity without foregoing economic and social progress), social (has the goal of strengthening the cohesion and stability of specific social groups) and economic (refers to the organisation's ability to manage its resources and responsibly generate profits in the long term), also known informally as profits, planet, and people ("3P"). It should be noted that corporate social responsibility (CSR) is also understood in many scientific papers as a way through which the company achieves a balance between economic, environmental and social imperatives ("Triple-Bottom-Line-Approach") and at the same time takes into account the expectations of stakeholders.

In several scientific manuscripts, CSR is considered in four main directions (environmental efforts, philanthropy, work ethics issues, volunteerism), elsewhere we also find different classifications, namely: 1. Donations and sponsorships (you can donate time and/or money to causes that are meaningful for your business, employees and community); 2. Action initiatives aimed at business efficiency (environmental, social and workplace equality, engagement, improving employee health, safety, business ethics, eliminating discrimination and other

activities); 3. Strategic transformation (a change in business strategy or model by recognizing social or environmental goals as the main priority).

Reporting on CSR activities in European countries has become mandatory since 2014 in accordance with the European Directive (2014/95/EU).

On the other hand, in order to achieve sustainability, the transition to a circular economy with the introduction of its appropriate business models is considered an important future direction of economic and business development. This is related to overproduction, large amounts of waste, climate change and other cataclysms in the world. These events give special importance to the introduction of production processes related to prolonging the time of use of resources, in particular, reuse, reduction, repair, renewal, recovery, recycling, etc.

Thus, we can conclude that CSR measures, which include maintaining equilibrium and balance between environmental, social and economic development problems, are in full agreement with solving the problem of sustainability. In addition, in order to achieve sustainability, it is necessary to introduce circular economy business models. Therefore, it can be assumed that the future of CSR will be closely related to the demand for the introduction of circular economy business models. We think that it is desirable to quickly introduce the above-mentioned European directive in Georgia.

Keywords: *CSR, Sustainability, Circular Economy Business Models*

JEL Classification: *M14, Q01, Q56*

DEVELOPMENT STAGES AND CONCEPTS OF CORPORATE SOCIAL RESPONSIBILITY

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Today, at the modern stage of economic development, corporate social responsibility (CSR) has become an integral element of the activities of the largest corporations. Businesses benefit from social programs and projects, increase their reputation in society, and at the same time improve their relations with the government, counterparties and the world community. Specific benefits from the use of social responsibility are tax and customs benefits, improvement of financial reporting, emergence of new counterparties, etc. The most important thing is that in times of crisis, the corporation becomes more stable.

The peculiarity of CSR is the heterogeneity, diversity of its definition, as well as the possibility of uniquely identifying the factors that affect its essence. Social reporting is practically introduced in corporations, with the involvement of the public at the government level, the discussion of the problem of the social responsibility behavior of entrepreneurs is carried out,

and the role of the corporation in the socio-economic development of national economies is determined in the context of interaction with local communities. Implementation of the best practices of corporate social responsibility is carried out not only by national governments, but also by large public and international organizations.

The absence of a theoretical-methodological basis of social responsibility of integrated corporate structures does not allow to analyze the processes of its formation and functioning as thoroughly as possible and to evaluate the role of the organization's management in these processes. The lack of development of the concept of social responsibility does not allow a real assessment of the impact of the factors that contribute to its formation and growth.

Such a complex concept as social responsibility, which includes the economic and moral aspects of entrepreneurial activity, has been the focus of attention of various scientific economists for many years, which naturally led to the formation of a number of concepts of corporate social responsibility, such as: the theory of corporate egoism, the theory of corporate altruism and Theory of rational egoism.

Keywords: *Corporation, Corporate Social Responsibility, Concepts of CSR*

JEL Classification: *M10, M14*

SOCIAL ORIENTATION OF BUSINESS

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Business serves the well-being not only of the producer but also of society. This is an activity that an entrepreneur engages in, both for the purpose of increasing profits and improving the standard of living of the population. As a result, it is unjustified to consider it only from the point of view of the interests of individuals, because such activities are against the logic of business development and human nature. Therefore, the existence of a sustainable business without a social orientation is unjustified.

Business social orientation and its relevant responsibility play an important role in society relationship. Charity as a means of social unity has great influence over moral and psychological climate of the society. After the analysis of charity practice of the companies in Georgia three different approaches have been defined. 1. Companies do spontaneously charity; they are based

on the demand without any kind of priorities in advance or a planned charity budget. 2. During the year a companies carry out some specific charity activities, it has planned budget which should be spent on this charity but they don't have defined any priorities or prior directions and spheres. 3. Strategic Philanthropy – business tries to do some charity according to pre-defined priorities and strategy. The work done by these companies is beyond spontaneous initiations. As for charity forms are mostly financial aids. Though in some particular cases companies also give people non financials. In this case companies try to carry out charity activities in the form of the service, or supply people the production the produce. Recent years, in Georgia, companies have carried out activities to the benefit of the society in the sphere of social responsibilities. Unfortunately, these activities are not always based on companies agreed, purposeful policy.

The introduction of the approach of social orientation of business in the policy, management and practice of companies is a novelty, less for Georgia, and mostly for Central and Eastern European countries. There is no standard recipe for socially oriented business practices. It is different in different businesses and countries. Accordingly, there is no single, comprehensive and universal experience of the social orientation of business.

Keyword: *Business, Charity, Company, Social Orientation*

JEL Classification: *M14, M19, P31, F50*

GREEN ECONOMY DEVELOPMENT INDICATORS IN EUROPEAN UNION COUNTRIES

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Abstract

Too many States have already acknowledged a risk of climate changes; they launched conducting of cooperative activities aimed at decreasing of endogenic impact on the environment. To reach this target, conferences of the Convention's Parties are organized on a yearly basis. During one of such conferences organized in Kyoto, legal obligations on decreasing of emissions of harmful substances in atmosphere were established. This Agreement entered into history as a Kyoto protocol which considers providing of stabilization of gas concentrations in the atmosphere up to the level excluding or minimizing anthropogenic impact on climatic system of our planet.

Leaders in generation of renewable energy among European states are Island, Norway, and Sweden. A share of renewable energy produced in these states covers more than 50% of the whole energy. It is noteworthy, that the sector of renewable energy may include not only solar and wind energy, but geothermal, tidal, biofuel energies as well. The EU conducts active policy

in direction of implementation of technologies of sustainable development. This may be analyzed by such indicator as a volume of releasing of harmful gases. For the last 30 years the EU states managed to decrease this kind of emissions by 20%. All this became possible thanks to development of the sector of renewable energy as well as decreasing of economic activity in the period of crisis, for instance a volume of emissions had abruptly decreased by 2009.

The most focal factor of successful formation of the “Green Economics” are funding mechanisms and instruments which are mainly implemented in the banking system and insurance sector. Besides, it is possible by developing of state institutes.

The EU also developed a concept of sustainable funding which must be based on using of ESG criteria (ecological, social and corporative governance) to fund different projects. A key target of the concept is to provide making of decisions by investors while electing of projects not due to compliance of the project profitability but of the state of its criteria. To implement funding of the ESG in relation to companies special requirements of reporting were developed which refer to, for instance impact of result of their activity on the environment, or special taxation system is applied, or special instruments of attracting of investments are developed which satisfy criteria of ESG, such as – green obligations.

***Keywords:** Green Economics, Sustainable Development, Natural Resources (Capital), European Union, Green Investments*

***JEL Classification:**O11*

Introduction

UNEP, OECD, UN reports, as well as foreign and local scientific theses are focused on the “green economics” and its significance increasingly. On top of all, they underscore a necessity of sharing of principles of this economics by all countries as fast as possible as a significance of the “green economics” is determined not by decreasing of environmental risks, but by decreasing of social-economic inequality between people, rising of economic development and welfare; all this, simultaneously, leads to preservation, protection and improving of nature, a waste-free production, rational application of resources, replacing of exhausted resources with restorable recourses. The Green Economics provides compensation of mitigation of economic development at the expense of economic development against the background of absorbing of new consumers products and improving of the existing ones. The stated makes conditions for advancing of the social comfort and rising of welfare, understanding of an essence, significance and peculiarities of the Green Economics is impossible without economic development. As a rule, implementation of innovations makes possible to determine rates of economic development with the processes of reproduction which have a place in the nature.

However, this poses the question: Is it possible to reach rising of welfare of people by transferring to this model, in fact? Governments of European states have been conducting measures on implementation of the policy of Green Economics and sustainable development for the last 40 years. They developed special national plans on decreasing of emissions, erupting of carbon, development of a relative share of renewable energy and broad implementation of “green” technologies in manufacturing.

Green Economics is at the stage of active formation in the European states and against this background, on our opinion, consideration of these issues is much more essential in relation to changes of the level of poverty. Proceeding from this a target of the topic to be considered appears: Green Economics and a level of poverty of the population.

Generally, in attitudes of different international organizations, welfare is interpreted as providing of social, mental and material benefits to the population that is focal for preservation of one's life, and a phenomenon of poverty characterizes a kind of vital deficiency necessary for human beings. Proceeding from this, there is no doubt that indicators of poverty may be applied as one of the key indexes of the level of welfare which may be impacted by the Green Economics.

The UN set up a key target of sustainable development for the year of 2030 that is elimination of poverty and hunger. However, under the data of the past 2022 the situation has not been changed. Approximately, 800 mln habitants (that may be calculated by a denominator for each 10th individual), live in desperate poverty. Unfortunately, in highly developed states, according to the annual data, million tons of food is dumped due to its spoiling (averagely, 95-100 kg of dumped food per capita) that damages the earth as well as its population.

Green Economics and its Measuring

We still have no a generally adopted definition of the term "Green Economics". According to the attitude of the United Nations Environmental Program or UNEP (United Nations Environmental Protection – UNEP), increasing of the rate of incomes and employment in terms of Green Economics is secured by the state and private investments which are targeted at decreasing of emissions of carbon and other hazardous substances and pollution of environment, rising of energy efficiency and efficacy of the fields reserving resources (UNEP, 2011).

The Organization for Economic Cooperation and Development (OECD) applies a quite different term – "green" rise, which stimulates the economic growth and development. Natural resources are applied by implementing of new technologies and thus it is possible to decrease or to eliminate a negative impact on the environment. If not, we will not be able to prevent abrupt decreasing of water resources as well as deficiency of other resources that, finally, will be resulted in contamination of air and climate changes. All this will cause abrupt decreasing of economic growth (OECD, 2011).

Official documents of many states determining the green economics are accented on development of social and economic fields of life:

For developed states - on competition and preservation of working places;

For developing states – sustainable development and fighting with poverty;

For BRICS states – efficient use of resources. (Yakovlev I.A and others, 2017).

Accordingly, Green Economics is a model of economic development which is based on sustainability of economics – sustainable development of economics.

As for the concept of sustainable development, it consists of three considerations: economic, social and environmental. This term entered in use in 1987 and in the year of 1992, in frames of the Rio De-Janeiro Conference the stated term obtained the following definition: sustainable

development is a kind of development which must provide satisfaction of demands of the present and future generations of human beings. On top of all, it was noted that all people are liable to live in a kind of environment which is comfortable for their health and welfare. From the viewpoint of sustainable development, a government's role was separated clearly, mainly that it is obliged to preserve and to apply the environment and natural resources for interests of present and future generations. There is also another interpretation of sustainable development. For instance, "sustainable development of society considers a kind of development against the background of which a scientifically grounded threshold of quantity of population may be determined; based on such threshold all focal conditions will be created for satisfaction of vital capacity and spiritual demands of human beings in the manner enabling to preserve conditions of natural regeneration of living environment". Proceeding from both above-mentioned definitions we can conclude that sustainable development should be based on the principles of management (regulation) of intercorrelation between nature and society. It is a very complicated process combining an objective assessment of a level of mutual dependency and mutual conditionality of science (per se and not only of one field), economics (which serves to specific aims all over the world, for instance, in developing states it is overcoming of poverty) and nature (different countries are characterized with different resources, potential and significant restrictions, for example air, water, soil, minerals and others). All this, first of all, needs a correct determination of the strategy of social-economic development of the state. We mean not only drafting and implementing of its own strategy only based on views of separate states, but an action agreed with different states against of background of following of necessary parameters. For instance, scientists expressed a consideration that the countries of the world should reach an agreement on similar protection of following terms; quantity of consuming resources (according to kinds), a volume of manufacturing of products, normative values of environment pollution, quantity of population.

According to the Declaration adopted at the Rio Conference, all states and all nations collaborate with each other to resolve a key task of elimination of poverty, that is a focal term for sustainable development with a purpose of decreasing of difference between levels of life and more efficient satisfying of demands of the majority of global population. Reaching of a such high-minded aim requires general efforts. In addition to the above-mentioned, it logically poses an issue that for reaching of sustainable development and high degree of life of the whole humanity the states are obliged to limit and to liquidate unviable models of production and consumption and to stimulate a relevant demographic politics. Sustainable development considers settlement of economic, social, technological, demographic, and spiritual problems. From this point of view, social-economic system has a particular significance. It should be able to adapt with a constantly variable environment and thus to satisfy demands of people in the manner enabling to regenerate the resources necessary for future generations. Such systems should be based on contemporary principles of management (forecasting, planning, targeted programs and others) and not on the elemental market mechanisms. Spontaneous actions of the market mechanisms formed in the post-social space and inefficient regulation of economic processes had speeded up systematic

crisis of economics and this caused deepening of ecological processes. A unique situation had been created: on the one hand, expanding economic crisis which resulted in abrupt falling of the level of life and, on the second hand, a necessity of transferring on the principles of sustainable development, which requires activation of the government's role to enable it to fulfill a function of guarantying of environmental and ecological security and that it is the most essential for humanity taking care over it must be its key task.

Thus, sustainable development means:

Enhancing of care to be taken over a human being;

Collaboration of all states and all nations to resolve a focal task of elimination of poverty;

More efficient satisfying of demands of the global population and decreasing of inequality according to the level of life;

Discussion of the economic development in frames of civil, modern and post-modern development in terms of growing globalization. (Gelashvili M., 2021).

Proceeding from this, actually, the issues of economic growth and its measurement appear in a new manner. Particularly, it is necessary to recognize priorities of economic development in relation to economic growth that, in its turn, is followed by a necessity of resolving of the issues of their measurement and assessment. Measurement expresses a quantitative assessment, and measuring of economic growth expresses quantitative, volumetric and natural characteristic features of the goods and services manufactured in scopes of a definite state that is registered in the economic literature. As for assessment, on top of quantitative measurement it expresses specific features of economic growth, a qualitative side. Thus, measurement and assessment firstly require differentiating of economic growth, a quality of economic growth and economic development from each other; secondly, determination of general principles, criteria, system of indicators of assessment of the economic growth (Gelashvili M, 2022).

The Nobel Prizewinner Stiglitz and other scientists consider that recently the GDP does not reflect thoroughly a level of welfare of citizens as it is impossible to determine a quality of resources and in fact illusive economic growth has a place as it is reached on account of losing natural resources (Stiglitz J.E et al, 2010).

Currently developing of new indicators of development of Green Economics is at its active stage. For instance, in place of a traditional GDP, the "green" GDP is proposed which considers ecological results of economic growth or the environmental index (EPI) which provides information on the state of sustainable development all over the world, based on the data of management of resources and state of the environment. Another one indicator – index of green economics (GGEI) demonstrates the way of reaching of success by definite countries in the long-termed period of development. Based on this index there are four groups of indicators:

Leadership and Climate Changes.

Efficiency of separate sectors of economics.

Investment in "green" technologies".

State of environment and natural capital.

As a result of analyzing of different methods of measurement of green economics it is vivid that they are similar and are based on three key groups of indicators: economic, ecological and social. These methodologies and indexes provide an opportunity to measure the green economics that, in its turn, enables us to use a wide spectrum of data.

A report of the International Labor Organization on global trends of employment of the year of 2020 described an actuality of problems of equal availability of jobs and deserving salary and that a global problem, - pandemics of COVID-19 had abruptly worsened a state of vulnerable groups of population. Besides, the pandemics hindered economic growth and due to lack of new places of work economic and social problems had appeared in many countries.

Against this background, one of the ways of overcoming non-employment may be considered “Green Economics”. Green Economics exactly provides rise in quantity of working places, and climate negative changes increase a necessity of social care.

According to IRENA forecast, a sector of renewable energy is able to increase a number of working places in the field of power engineering up to 100 million that is a surplus of 40 million places in comparison with the current period. This may become additional instrument in fighting against poverty and low incomes of population.

“Green economics”, being the most unique model of overcoming poverty and its prospects of development, on this stage, are oriented on two key directions, mainly: 1. Assimilation of new energy and 2. Utilization of residues.

Assimilation of new energy is an essential part of energetics in which an exemplary model of development is represented by Jerusalem with its green buildings and infrastructure. Its largest part is generated from solar energy that is a huge relief for population from the viewpoint of spending of financial flows.

An exemplary model of utilization of residues is represented by Switzerland which imports residues in its own country for the purpose of their processing and receiving of new benefit.

New field of power engineering as well as utilization of residues have a positive impact on environment, human beings and principles of “our mutual future life”¹. Besides, “Green Economics” is able to have an impact on the level of poverty by increasing of labor productivity. According to the report issued by the World Bank, overcoming of poverty will become possible as a result of sustainable growth of productivity, and “sustainability” will be provided by implementation of new technologies and making investments into the capital.

Porter expressed an idea that green investment is able to increase competitiveness of a firm (Porter M., 1991). Simultaneously, profit will be increased due to expanded productivity, the company’s image will be improved and expenditures will be minimized. The Companies using “green” technologies will be able to decrease material expenditures by way of re-cycling of resources. On top of all, this will give an opportunity to the business to increase its reputation in the context of spreading of sustainable technologies (Barros M.V and others, 2021).

Apart from that we should take into consideration social expenses spent by the society which are conditioned by existence of a model of “brown” economics and which is expressed in problems with health. Millions of people all over the world live with different diseases which are caused

by environment pollution and which may increase mortality or additional expenses on health care, including budget expenses, as well as restrictions on definite kind of works which lead us to decreasing of incomes.

Development of the Green Economics in European States

Too many states have already acknowledged a risk of climate changes; they launched conducting of cooperative activities aimed at decreasing of endogenic impact on the environment. To reach this target, conferences of the Convention's Parties are organized on a yearly basis. During one of such conferences organized in Kyoto, legal obligations on decreasing of emissions of harmful substances in atmosphere were established. This Agreement entered into history as a Kyoto protocol which considers providing of stabilization of gas concentrations in the atmosphere up to the level excluding or minimizing anthropogenic impact on climatic system of our planet.

Upon entering of the Protocol into force programs on trading with harmful emissions were initiated. One of them was the EU Harmful Emissions Trading System (ETS) which enabled private trading with established permits (quotes). One of such examples is December Futures – Carbon Emissions Futures – 21st of December (CFI2Z1). This system is applied while trading at the Amsterdam ICE Futures Exchange. In this case the main asset is a quote which is expressed in releasing of one ton carbon dioxide in frames of EC9. Since the year of 2017, prices on such quotes have been increased from 5 – to 51 Euro. The EU makes efforts to stimulate new technologies, to transfer to less “contaminated” production and to decrease such emissions mainly by way of setting of higher prices on quotes. From time to time, the European Commission schedules implementation of a limit fee on carbon (imported product – payment of intensity of carbon) that will stimulate importers to make their own contribution in the global climatic stability in the EU states. A Directive on Renewable Energy sets up new policy of production and supports electricity generation from sources of renewable energy. Currently, a target mark for 2030 represents a minimal share of renewable energy equal to 32%.

Leaders in generation of renewable energy among European states are Island, Norway, and Sweden. A share of renewable energy produced in these states covers more than 50% of the whole energy. It is noteworthy, that the sector of renewable energy may include not only solar and wind energy, but geothermal, tidal, biofuel energies as well. The EU conducts active policy in direction of implementation of technologies of sustainable development. This may be analyzed by such indicator as a volume of releasing of harmful gases. For the last 30 years the EU states managed to decrease this kind of emissions by 20%. All this became possible thanks to development of the sector of renewable energy as well as decreasing of economic activity in the period of crisis, for instance a volume of emissions had abruptly decreased by 2009.

The most focal factor of successful formation of the “Green Economics” are funding mechanisms and instruments which are mainly implemented in the banking system and insurance sector. Besides, it is possible by developing of state institutes (Yakovlev I.A. et a., 2017). Based on the international experience there are 5 key directions which support construction of the Green Economics:

Allocation of state investments;

Establishing of ecological fees;
Regulation-improving of the legislative base;
Collaboration of the government with international organizations for development of ecology and resources use;
Monitoring of the above-mentioned processes.

Economic development is impossible without consumption of natural resources. It may be reached by extensive (increasing of volume of the resources), as well as intensive (developing of new technologies) ways, which enable people to consume less resources for production of goods or services. In other words, development of the Green Economics may be assessed by a level of efficiency of using of resources and it is calculated as a coefficient of GDP divided by the volume of resources used annually. In the EU states, since the year of 2000, efficiency of use of resources has increased by 1,4 times.

Conclusion

Despite of the above-mentioned, many European countries are recognized as the “greenest” country in the world. Under the EPI (Environmental Performance Index) applied to assess development of states in the sector of environmental protection, the top ten states for 2022 became European states and seven of them are EU member-countries that is without any doubt indicates to successful developing of the Green Economics in the stated regions.

The EU also developed a concept of sustainable funding which must be based on using of ESG criteria (ecological, social and corporative governance) to fund different projects. A key target of the concept is to provide making of decisions by investors while electing of projects not due to compliance of the project profitability but of the state of its criteria. To implement funding of the ESG in relation to companies special requirements of reporting were developed which refer to, for instance impact of result of their activity on the environment, or special taxation system is applied, or special instruments of attracting of investments are developed which satisfy criteria of ESG, such as – green obligations.

We can conclude that the “Green Economics” may have an impact on poverty and to make a contribution in settlement of this problem, for instance by way of creating of new working places in the field of alternative energetics or implementing of new technologies, that, in its turn, provides rising of productivity and salary. In our opinion, new “green” technologies” and, generally development of the sector of “green economics” may cause decreasing of poverty by increasing of a number of working places, staff training, rising of salaries and decreasing of anthropogenic impact on health of the population. Simultaneously, it is reasonable to deepen researching of factors having influence on development of green economics in economic, ecological and social fields and to analyze methodologies and attitudes of different international organizations.

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PECULIARITIES OF OPTIMIZATION OF SOCIAL RESPONSIBILITY IN BANKING BUSINESS OF GEORGIA

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The most important feature of the banking business is financial stability and high public trust in it, which has become one of the most difficult and main tasks of the banking business in the last two decades. Sustainable and reliable banking business is attractive for both investors and customers, and is one of the important indicators of economic stabilization in the country.

Socially responsible banking business - is a banking entity that takes into account the interests and needs of society, introduces responsible innovative projects, teaches its customers how to manage their finances effectively, for personal and national well-being. More specifically, it is his ability to turn financial resources into a force for good in order to achieve long-term stability.

The following principles are necessary for the formation of a successful socially responsible banking business: (a) customer-oriented approach, fair and transparent relationship with them; (b) to improve the financial well-being of customers by providing them with useful and relevant products and services; (c) fair and transparent corporate governance; (d) proactive investment in financial analysis and decision-making, where environmental, social, governance (ESG) and ethical issues will be considered; (e) promotion and implementation of financial education policy and tools; (f) conducting environmentally friendly business; (g) contributing to the financial stability of the country; (h) a responsible and fair employer for all employees; (i) financially accessible to all interested users; (j) Responsive to the needs of the community. Adherence to these principles determines the stability of the banking business, the trust and quality of the public and investors.

It is determined that the use of the modern content and values of social responsibility ensures the transformation of companies and the business environment, which implies environmental protection, public welfare and a healthy economy as a result of responsible activities. Also, responsible behavior promotes responsible feedback between the state, business and population. The trust of the public is formed when they see that the banking business is not focused only on sales and high profits, but their behavior is directed to the health of the country.

By studying the foreign (developed countries) and Georgian experience of social responsibility of banking business, it was revealed that developed countries are many times ahead in the level of development of social responsibility in banking business. Activity with responsible processes is the most important requirement from the society. The mentioned issue is a serious problem in the banking business of Georgia.

Keywords: *CSR, Banking Business, Experience, Georgia*

JEL Clasifications: *M14, G21*

PROTECTIONISM IN THE SYSTEM OF MECHANISMS OF ADAPTIVE MANAGEMENT

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Abstract

Theoretically investigate the features of protectionism in the system of adaptive management mechanisms. Showed the protectionism, which undoubtedly has potential in the

field of ensuring the country's economic and national security, requires determining the acceptable level of costs for its implementation. The objective characteristic of protectionism remains only that it supports the producer, serving the realization of the private interests of capital, creating in transitional periods an opportunity for a rapid increase of capital, and in transitive economies – conditions for lobbying the interests of monopolists of domestic markets. The social meaning of protectionism remains, at best, none for workers, and negative for consumers, who are offered low-quality products at a high price. Argued the monopoly position of their producers enables a constant increase in prices despite the dynamics of supply and demand, since protectionism remains the main means of achieving the private interests of capital, its consolidation and monopolization in all spheres of the national economy. Such situation requires the application during the implementation of the protectionism policy of a specific system of adaptive management mechanisms, which should provide a flexible structure for the development and adoption of public-management decisions aimed at solving the problems of monopolization of national producers due to limited competition for imports with the assistance of the protectionism policy, which preserves the conditions for support constantly high level of prices for products protected by tariff barriers. In this aspect, the system of adaptive management mechanisms should create conditions for monitoring the implementation of the policy of protectionism, which, under certain conditions, may pose a threat to economic and national security.

***Keywords:** Adaptive Management, Economic Security, Management Principles, Mechanisms of Public Administration, Protectionism, National Security*

Problem formulation. From the point of view of the foreign economic activity of the state, as well as the protection of domestic markets from foreign intervention, the most important means of protectionism remains the customs policy, which forms a certain problem area for the implementation of the general principles of protectionism in the context of the foreign and domestic political course of the state. Strategic forecasting and planning in this area is directly related to the resources of the state in general and the national economy in particular, which, in the vast majority of cases, are limited, and sometimes have a decisive influence on the growth rates of the national economy. In this context, in our opinion, it is necessary to consider the problems of the policy of protectionism in the public administration mechanisms system of the economic security of the state ensuring.

Last researches and publications. Adaptive management and principles of it are in the focus in different aspects: issues of **the evolution of the strategy paradigm and results of it** [1]; organizational flexibility needs to be built into the firm so that it may adapt and respond to change [2]; cross-functional teams are playing a greater role in the strategy process [3]; thought and action take place sequentially [4; 5]; the top management providing the supporting internal environment to allow this level of autonomy [6]; strategy emerges through a constant process of iteration [7-10] balancing intuition and analysis [11].

Goal. Theoretically investigate the features of protectionism in the system of adaptive management mechanisms.

Main Material

The general formulation of the problem of protectionism can be expressed from the point of view of political economy as follows: protectionism as a means of trade war on the world market and a means of obtaining maximum profit by monopolies leads to an increase in the prices of goods in the domestic market and leads to a decrease in the social standard of living of the majority of the population. In this case, the specific type of socio-economic formation, or the type of economic relations, turns out to be almost insignificant.

Under these conditions, priority is given to the markets of cheap labor power. Keeping these markets at a favorable level of labor costs becomes an important task that can be solved thanks to external investment. In the latter case, it does not matter for the government the form in which these investments come: it can be a tranche provided by international financial organizations, but it can also be a policy of preferences that regulate the domestic markets of the country, that is, the use of certain public management mechanisms that receive special significance within the policy of protectionism. Although in any case the state actually loses, forcing the national economy to work not on the development of its own socio-economic infrastructure, but on ensuring the long-term interests of foreign investment capital, which is justified by the need to attract foreign investments, receive foreign loans, etc.

From the point of view of the economic security of the state, protectionism is inseparable from the process of state regulation of the economy. The position of D. Salvatore [12: 13], which points to the deterioration of trade relations between the major industrial countries of the world during the 1980s and 1990s, believing that this threatens the introduction of new and even more dangerous forms of trade restrictions, now known as "new protectionism". He is in favor of softening the regime of trade relations between countries (in particular, between the United States and Mexico, as well as other countries). A more specific critical position is taken by J. Grossman, analyzing the strategic priorities of the state in the field of export operations [13]. To a certain extent, opposing points of view are expressed, which relate to general issues of trade policy and its main trends in the conditions of the new international economy. However, protectionism of economically weak countries is usually a means of protecting the national economy from the expansion of other states, and at the same time, protectionism is mainly considered as a mechanism for strengthening the independence of the national economy. The process of independence of national economies collides with the desire (an understandable and objectively justified desire) of developed countries to protect their own economies from external expansion. However, such a view, as U. Sumner emphasized, is not correct, it is most likely a mythical view. According to U. Sumner, people who imagine that constant interference in other people's affairs is a sign of the state's vigilant performance of its duties, usually believe that a good government should constantly issue new and new regulations and that when it does not do this, it does not work [14].

It is about the fact that these or other integration communities within certain institutional formations change the basic principles of attitude towards other countries, at the same time declaring the need to harmonize national interests with the unified economic policy of this integration community and applying specific measures to these same national economies aimed at ensuring their own economic security. For example, the creation of an economic union requires EU member states to implement an agreed, unified economic policy, which is considered a condition for achieving full economic integration and requires a certain unification of national legislation. In particular, one of such unification requirements is the rejection of protectionism and any forms of preferences in relation to national business entities in decisions made at the state level.

As the crisis proved, this condition is really conditional: the situation, when non-tariff methods (including hidden protectionism) were more or less effective, has radically changed, which led to the fact that import / export quotas are actively replaced by neo-protectionism, as states turn to the application of administrative trade barriers in the foreign economic policy, leveling off in the real economic situation the free exchange of goods provided for by economic liberalism, which is a consequence of the adoption of the provisions of international treaties that regulate the processes of world trade (for example, GATT-WTO), according to which customs duties and quotas as a tool trade policy have largely lost their meaning [15]. As a result, hidden non-tariff trade barriers turn out to be almost the only tool for influencing trade, which in the crisis was characteristic, first of all, for developed countries of the world or specific integration groups. In fact, we are talking about the conditions in which protectionism is opposed to free trade, and protectionism at the theoretical level remains devoid of real facts - it is not empirically substantiated and not verified. The state formally declares primary concern for the social sphere, for the protection of the interests of national manufacturers, which allegedly support the necessary level of creating new jobs.

A more in-depth analysis shows a slightly different effect from the application of the protectionist policy. For example, sectors of the economy that are insignificant in terms of production remain outside the boundaries of the positive effect of tariff regulation from the point of view of the consumer market. As a rule, quite high tariffs, aimed at preserving jobs, prevail in these industries. At the same time, as is known, the effectiveness of tariff protectionism is not determined solely by the absolute value of the duty rate. The structure of the customs tariff in relation to the structure of domestic product production, as well as the structure of imports, is also important. In fact, we are talking about two points of view - political economy and real economic practice. In the latter case, the level of protectionist protection of finished goods will depend both on the level of customs duties on the finished goods and on the level of customs duties on imported materials and raw materials. But it is necessary to take into account the dynamics of the development of such industries in order to be able to assess the consequences of the policy of protectionism: the insignificant annual turnover, which is characterized by such industries, indicates a gradual decrease in the number of workers employed in production, while the policy of preserving these jobs with the help of tariff regulation has the effect of increasing

prices for the import of similar products, and the total amount of duty remains insignificant. In this case, the desire to preserve a specific industry, justified by concern for jobs, has the effect of increasing the consumer price of products produced in this industry, reducing competition in the domestic market for domestic enterprises, but at the same time contributing to the formation of a negative balance of foreign trade.

It is worth taking into account the fact that even the total costs of protectionist means of ensuring economic security in the system of public management mechanisms do not fully reflect the cost of protectionism itself for the consumer. A decrease in the competitiveness of imports due to customs tariffs leads to an increase in the price of products from domestic producers, which, on the one hand, creates the impression of monopolization of the market, and on the other - leads to a disincentive to increase the efficiency of the entire industry, deprived of the need to compete with cheaper imported products. Such an effect occurs even under the conditions of application of small tariffs.

In fact, the issue of import and export imbalance, which has negative consequences not only for the state budget, but also for the economic situation in the country in general, remains acute and relevant. It is enough to recall the depressing consequences for the US economy after the government adopted the Smoot-Hawley Act in the 1930s. 20th century and almost a repetition of this situation in the late 90s, but already in the form of the Asian crisis, when the increase in tariffs led to the introduction of anti-dumping duties in response, which only exacerbated the extremely unstable economic situation in the region. As a result, there is a growing belief that protectionism, which results in too much cost, is an ineffective mechanism of public administration, for example in the area of job preservation, since even in the most protected industries employment tends to decline [16]. The objective factor of this is the desire to reduce low-skilled or unskilled jobs, modernization of production facilities, as well as technical rearmament of production in order to increase efficiency by reducing production costs. This should also include the transfer of production to those regions where labor costs less, or the supply schemes for the raw materials and materials necessary for production are less expensive.

The objective characteristic of protectionism remains only that it supports the producer, serving the realization of the private interests of capital, creating in transitional periods an opportunity for a rapid increase of capital, and in transitive economies – conditions for lobbying the interests of monopolists of domestic markets. The social meaning of protectionism remains, at best, none for workers, and negative for consumers, who are offered low-quality products at a high price.

The justification for the use of protectionism policy in the system of public management mechanisms is insignificant compared to the possibilities of reducing the efficiency of the national economy as a whole and its individual branches in particular. In addition, the increase in the profit of domestic and foreign manufacturers is almost not reflected in the general turnover in the industry, which emphasizes the disparity between the growth of private capital, the size of the GNP, GDP and the development of the socio-economic sphere of the state. Although certainly, from the point of view of social policy, protectionism determines the specific

expediency of using specific mechanisms of public management in the sphere of state regulation of the socio-economic development of the country – mechanisms of adaptive management.

In the latter case, taking into account the ambivalent nature of protectionism from the point of view of the consequences for the economic security of the state, it can be noted that, taking into account the positive effect of the policy of protectionism in the case of supporting new (young) branches of the national economy, ensuring their development in conditions of fierce competition from foreign manufacturers, the priority is the analysis of the dynamics of price policy changes for the products of these industries, because the consumer market, even taking into account the expectation of a possible decrease in prices in the future, may react with a decrease in demand. At the same time, the problem of monetary policy remains relevant within the framework of evaluating the effectiveness of protectionist measures.

An important task is also the elimination of structural disparities in the markets as a result of the import of cheaper products, which is aimed at the policy of protectionism. Therefore, the protection of branches of the national economy in the process of competitive struggle as a result of, for example, the liquidation of inefficient industries, can be considered as a temporary measure, because in the future it should not be about reducing budget expenditures for social payments, but about restructuring or complete liquidation of inefficient branches of the national economy. However, such a mechanism is inherently adaptive and capable of minimizing the ineffectiveness of the protectionist policy, which involves the development and adoption of unpopular state-management decisions that provide an opportunity to eliminate the development of a general crisis.

When there is conflicts possibility, we need pay attention to process of reforming. For example, in the process of the reformation of the Ukrainian state, one of the main tasks consists in the formation of a socially responsible power and political structure capable of clearly realizing its own goal of the subject of transformations, fully and impartially determining the stages of its achievement, setting real tasks, outlining the ways and methods of its activity, providing mechanisms their implementation and effective reformation on the way to change. And quite often, not only the interaction of the state and social institutions of the non-state sphere, but also their opposition leads to this type of social-state relations, when an ideal model of the evolutionary development of the state system is created, and the state, sometimes without even realizing it, pushes civil society to develop more effective and clearer ways of their own development, thereby becoming an ally of civil society [17]. It is the changes that make it necessary to apply the principles of adaptive management. Considering this, the process of formation and development of civil society requires an appropriate development strategy, where all levels of public administration would be taken into account in the specified sequence, in particular [18; 19]:

– the presence of a common national idea, traditions, preferences, priorities and values, which is a condition for the preservation of the national state, national identity and actually nations;

- the development of the state administration system, increasing the efficiency of public leadership, transparency in the actions of the authorities, the absence of party divisions and opposition, public opinion regarding management decisions;
- availability of effective economic mechanisms for ensuring social stability, new structural economic policy;
- providing the population with high-quality social services, a high level of social protection;
- access to one of the main places of the social stratum, which is not only the most numerous, but also active, claiming at the same time a dominant position in the system of political and economic power;
- increasing the importance of humanitarian aspects, the scientific, technical and cultural level of the population as an important condition for sustainable development.

That conforms the need for use such main principles of strategic management as [19]: purposefulness; continuity; theoretical and methodological validity of forms and methods of strategic management; a systematic, comprehensive approach to the development of strategies and the strategic management system as a whole; the presence of the necessary sequence of stages; cycle; uniqueness of strategic management systems of specific enterprises; using the uncertainty of the future as strategic opportunities; flexible adequacy of systems of strategic management of changes and conditions of functioning of organizations; effectiveness and efficiency.

At the same time, supporting inefficient from the point of view of competition branches of the economy and individual industries by means of protectionism policy has the consequence of an irrational distribution of the main types of resources, causes disproportions in the economic development of the country's regions.

Conclusions

Protectionism, which undoubtedly has potential in the field of ensuring the country's economic and national security, requires determining the acceptable level of costs for its implementation. In this case, the policy of isolationism should be measured not only by the level of state security, but also by the general level of consumer expectations, because, as a rule, the level of prices for strategic types of raw materials and products remains high in the domestic market. At the same time, the monopoly position of their producers enables a constant increase in prices despite the dynamics of supply and demand, since protectionism remains the main means of achieving the private interests of capital, its consolidation and monopolization in all spheres of the national economy. Such a situation requires the application during the implementation of the protectionism policy of a specific system of adaptive management mechanisms, which should provide a flexible structure for the development and adoption of public-management decisions aimed at solving the problems of monopolization of national producers due to limited competition for imports with the assistance of the protectionism policy, which preserves the conditions for support constantly high level of prices for products protected by tariff barriers. In this aspect, the system of adaptive management mechanisms should create conditions for

monitoring the implementation of the policy of protectionism, which, under certain conditions, may pose a threat to economic and national security.

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IMPORTANCE OF EUROPEAN UNION EXPERIENCE FOR IMPROVEMENT OF AUDIT QUALITY CONTROL IN GEORGIA

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In addition to the current legislation, the primary document regulating auditing activities in Georgia is the International Standards on Auditing (ISAs). The provisions outlined in this document are of a general nature and in practice, the auditing company should either fully adhere to the requirements of the standards or primarily adapt its specifications to meet these requirements. Most small and medium-sized auditing companies do not comply with the requirements of international auditing standards.

Audit methods and technologies, based on international standards, are often transferred from foreign practices. However, there is an inaccurate or incomplete perception of their essence in this regard as well.

By all indications, the key to the success of auditing companies lies in quality assurance, which is primarily achievable through the effectiveness of both external and internal controls. Maintaining a quality control system represents the main challenge for small and medium-sized auditing companies in Georgia.

To address the issue, it is imperative to consider the experience of EU countries in establishing audit quality control systems, particularly since Georgia's current law on "accounting, reporting, and auditing" aligns fully with the "EU Directives" and the "Association Agreement with the European Union." Furthermore, the prospect of joining the European Union entails the harmonization of laws and best practices of the member states.

Directives adopted by the Council of Ministers of the European Parliament serve as the legal basis for enhancing and harmonizing legislation in the field of accounting, reporting, and auditing regulation for EU member states. Meanwhile, member states of the European Union are obligated to amend their national legislation in order to align with the provisions of these directives.

In the future, this requirement will also become mandatory for Georgia. Therefore, it is essential to start ensuring the implementation of EU Directives from this moment.

The thesis reflects the requirements of the European directives related to the protection of audit quality and compares them with the provisions of the current legislation of Georgia.

The thesis emphasizes that European regulations are generally based on the size of companies. Auditors from EU member states must conduct mandatory audits in accordance with international standards approved by the EU Commission; All EU countries exclusively utilize principles-based standards; Quality control focuses on verifying the fundamental requirements of

auditing standards and ensuring the availability of sufficient and appropriate evidence for the preparation of financial statements.

The aim of the research is to identify approaches in the legislation of Georgia divergent from the requirements of the EU Directives and proposals that would be essential to ensure harmonization.

Conducting research from this perspective contributes to the process of integration with the European Union and further harmonization of Georgian legislation with European directives.

Keywords: *Audit Quality, Audit Control, European Directives*

JEL Classification: *M40, M42, M48*

THE ROLE OF CORPORATE SOCIAL RESPONSIBILITY AS A STRATEGIC DRIVER FOR SUSTAINABLE DEVELOPMENT AND ADVANCEMENT IN GEORGIA'S EUROPEAN INTEGRATION PROCESS

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Research paper delves into the pivotal role of Corporate Social Responsibility (CSR) in driving sustainable development and advancing Georgia's European Integration Process. As Georgia aspires to align with European Union (EU) principles and values, this study provides a comprehensive examination of how CSR serves as a strategic catalyst for progress. Utilizing a mixed-method research approach that combines quantitative analysis and qualitative insights, this study explores the global and national CSR landscape. It assesses the extent to which CSR practices are adopted in Georgia, highlighting their alignment with EU integration goals. The paper also investigates the challenges and opportunities associated with CSR implementation in the Georgian context. While Georgia faces hurdles such as limited awareness and evolving CSR practices, promising initiatives have emerged. To address these challenges and leverage opportunities, the study recommends the formulation of a structured CSR Action Plan, the establishment of a dedicated government unit for CSR oversight, and the promotion of sustainable practices. Furthermore, the research underscores the importance of tax incentives, targeted support for Small and Medium-sized Enterprises (SMEs), and alignment with international CSR standards. By embracing CSR, Georgia can enhance its competitive position within the EU, promote ethical governance, and contribute to environmental sustainability and social responsibility, all of which are integral components of the European Integration Process.

In conclusion, this paper underscores CSR's strategic significance as a driving force for sustainable development and progress in Georgia's path toward European integration. It not only

enriches the scholarly discourse on CSR but also provides practical insights for policymakers, business leaders, and civil society organizations in Georgia.

Keywords: *Corporate Social Responsibility, Sustainable Development, European Integration, Ethical Governance*

JEL Classification: *M14, Q01*

TECHNOLOGICAL PROGRESS CHALLENGES AND SOCIAL RESPONSIBILITY

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Prevention and elimination of the challenges of technological progress is of particular significance for safe development of any society. Hence, regulation of the negative effects accompanying technological progress is the priority of economic development strategies of EU, USA and other leading countries all over the world and this is included into the relevant legislative acts.

Necessity of technological progress regulation is conditioned by the fact that while its accelerated pace contribute to sustainable economic growth, it is accompanied by deepening of humanitarian-environmental crisis, in particular, global biosphere pollution, atmosphere saturation with harmful substances, reduction of biodiversity, global warming and total decay of the natural habitat. Environment abiotic factors (climate, chemical properties of water and soil, relief, vegetation cover etc.) change. Destruction of the space for life and worsening of environmental conditions undermine one of the key functions of biosphere: natural circulation of water and chemical (biogenic) elements, hindering normal functioning of the habitat and its vital activity. And all above conditions increase the economic and environmental catastrophes' risks.

Thus, growth of the consumer attitude to the environment simultaneously with technological progress makes human existence questionable and causes simplification of human relations, undermining-roughening of the individuals' mental world, estrangement between people and their moral degradation, formation of the bad taste, full surrender to strive of satisfaction of the material demands.

While technological progress results in increase of labor productivity, it is also accompanied by reduction of demand for workers of certain professions. In addition, technological progress causes also false belief that it causes increase of unemployment rate.

Irrespective of the above, at current stage, socioeconomic development cannot be imagined without scientific-technological progress. The cause is that it is the main source or growth of real incomes of the population and satisfaction of their increasing requirements. Productivity growth as a result of technological progress makes products cheaper and increase demand, resulting in respective growth of demand for labor. Moreover, simultaneously with reduction of demand for

certain professions, the new professions emerge and demand for them grow dramatically. Consequently, technological progress is accompanied with drastic growth of employment. At the same time, it contributes to gradual reduction of the standard working time and increase of free time.

Thus, one-sided assessment of the scientific-technological progress is unacceptable. Its environmental-humanitarian and economic costs must be compared with the resulting economic benefits.

Keywords: *Technological Progress, Environmental Pollution, Humanitarian-Ecological Crisis*

JEL Classification: *M14, O33*

ISSUES OF SYNERGY OF INNOVATION MANAGEMENT, CONSTITUTIONAL RIGHTS AND SOCIAL RESPONSIBILITY IN PUBLIC HEALTH CARE OF GEORGIA

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This article explores the convergence of constitutional consumer rights and the governance of innovative health care projects in Georgia based on the nation's distinguished legal and medical heritage. Unstated principles serve not only as a legal foundation, but also as a moral vector that guides health care innovation toward reasonable, ethical, and just outcomes. A harmonious balance between constitutional rights and the progress of the healthcare system remains a hallmark of the country's healthcare ecosystem.

The article discusses in detail the synergy between constitutional rights and innovative modern healthcare projects, management style and compliance with the existing constitutional framework and social responsibility in Georgia, taking into account the challenges that arise as a result of potential inconsistencies and different interpretations of the constitution.

A constitutional rights framework is the foundation upon which the field of health care innovation rests. Health is a fundamental human right, which is necessary for the realization of other rights, which is confirmed by the Constitution of Georgia, many legislative acts and international agreements.

Both the right to health and social rights aim to improve the overall well-being and quality of life of individuals within the state; The state's obligation to promote social and economic justice and tackle inequality. The right to health specifically focuses on an individual's physical and mental health, including access to health care, while social rights include a broader set of economic and social rights, such as education, housing, and social security, that are not directly related to health but contribute to an individual's overall well-being.

It is important to note that the effectiveness of constitutional provisions depends on the practical implementation and enforcement of these rights through legislation, policy and administrative action. The Constitutional Court and other judicial bodies play a crucial role in resolving constitutional disputes and ensuring the protection of these rights in Georgia. It is significant that there is a variety of terms: the right to health, the right to health care, the right to health care, the implementation of which should be evaluated by the appropriate indicators of both the legal system and the health care system, and to some extent should include the responsibility of the persons involved for the appropriate right.

Constitutional rights enshrined in the Constitution of Georgia greatly influence the development, implementation and ethical principles of healthcare innovations.

Accordingly, the legal and ethical imperatives discussed in the article emphasize that progress and individual rights are not mutually exclusive, rather they must coexist with the unwavering adherence to meticulous legal provisions and ethical principles.

Keywords: *Innovation, Project Management, Health Care, Rights.*

JEL Classification: *M14, O30*

COMPARATIVE ANALYSIS OF INDIVIDUALISTIC AND COLLECTIVIST CULTURES ACCORDING TO GEERT HOPSTEDE

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Dutch scientist Geert Jan Hopstede spent many years comparing individualistic and collectivist cultures around the world. As a result of his research, he published a monograph on culture and organization. He correlates economic advancement and individual freedom. For his research, Hopstede cited several measurement indicators. Hopstede's measurement indicators are family, personal relationships, education, work, work ethic, economic behavior. Hopstede, during a study, discovered that in European countries there is strong individual responsibility among

individuals, and in Asian countries there is strong group responsibility. Violation of the norm in Asian cultures, if it is not exposed in front of the group, it is not a reason for remorse. Martin Heidegger analyzes this issue in detail in his monograph *Time and Being* that is, the question of personal responsibility in case of violation of the norm. Hopstede is the initiator of some terminological changes in sociological practice. For example, he suggests using the term feminine cultures instead of individual cultures if it has nothing to do with gender. In so-called feminine cultures, personality develops from childhood independently of the internal group. In collectivist cultures, the educational process is often dramatized; there are even cases of suicide among minors. In feminine cultures, education is perceived as a means of providing for the future person and therefore education is treated more casually; education is not a place for competition. In economically underdeveloped countries, organizations sometimes work together with friends and relatives, which reduces productivity and quality of work. Hopstede is not a fan of Karl Marx at all, but he emphasizes the priority of economics in comparison with other segments of society. It turns out that even the way people present their emotional state to each other has something to do with economics. In collectivistic cultures, homo economicus is not implanted into the individual from childhood; these skills are acquired with great difficulty in adulthood. Personal relationships are also not simple, for example, how one chooses a partner's life partner in different cultures also depends on the indicator of a person's personal freedom. What we buy where when how is also an indicator of culture, the so-called economic behavior has been ingrained in us since childhood. Hopstede's research studied in detail all indicators of measuring different cultures in the whole world, which will be discussed in this article.

Keywords: *Homo Economicus, Individual Responsibility, Culture Measurement Indicator*

JEL Classification: *A14, Z1, Z13*

MANDATORY AUTO INSURANCE FOR THIRD PARTIES IN GEORGIA AND EU REQUIREMENTS

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In European countries, car insurance is of great importance in creating social and economic guarantees for the population. Georgian insurance companies are trying their best to develop the car insurance market, the market share is increasing every year, but this is not enough; In addition, we can say that compulsory car insurance speeds up the integration process, is also an excellent way to exchange foreign experience, and much more.

In order to understand the issue easily, I will give you a good example. When a car accident occurs, the guilty party is always identified, who must cover both the cost of repairing his own vehicle and the amount of damage to the vehicle or property of the third party; Taking into

account that more than 50% of the population in Georgia lives on a monthly salary, this part of the society will be faced with a big obligation and trial in a similar situation, even if they are able to pay for such a case, unforeseen expenses are not desirable for them either;

Nowadays, Georgia is facing a big challenge, on the one hand, it is quite a happy news, getting the status of a candidate for the European Union for our country, on the other hand, it is a big responsibility for the Georgian people; We will have to fulfill a number of obligations in order to join the EU;

Today we will talk about that obligation, which is one of the important requirements of the association agreement with the European Union, it is about mandatory auto insurance for third parties;

The purpose of the article is to present importance and necessity of compulsory third-party auto insurance for developing countries and their insurance companies; The object of the article is the Georgian non-life market.

Keywords: Auto Insurance, EU, Challenges, Georgia

JEL Classification: M16, L62, N44, G28

UNIVERSITY-LED CSR INITIATIVES: FOSTERING GEORGIA'S INTEGRATION INTO THE EUROPEAN UNION

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Universities serve as dynamic catalysts in driving transformative Corporate Social Responsibility (CSR) initiatives, significantly contributing to social well-being amidst Georgia's integration into the European Union. This paper elucidates the proactive engagement of universities, showcasing their pivotal role in fostering mutual benefits and propelling Georgia's alignment with European educational standards while actively contributing to societal welfare.

The discourse meticulously dissects the multifaceted engagement of universities in nurturing educational development within Georgia. Through strategic partnerships with corporate entities, universities actively amplify learning outcomes, innovate pedagogical approaches, and cultivate a workforce finely tuned to meet evolving EU standards. Simultaneously, their engagement extends beyond academic enhancement, facilitating a broader societal impact by addressing social disparities, promoting community engagement, and driving initiatives that enhance overall well-being.

Focused on the core pillars of Collaboration, Sustainability, Equity, Innovation, and Impact, this paper underscores the integral role of Universities as active contributors to Georgia's educational integration. Collaboration remains the cornerstone of effective CSR endeavors, uniting Universities, corporate entities, and communities in shared educational and societal objectives. Sustainability underscores the enduring commitment of Universities towards Georgia's educational progress and societal well-being, ensuring lasting benefits. Equity initiatives led by universities bridge gaps in access and opportunities, fostering inclusive education and social cohesion. Innovation, through academic-corporate synergy, propels Georgia's educational systems towards EU standards, while impact measures the tangible societal benefits arising from these joint CSR initiatives, illustrating Georgia's strides towards a more inclusive and empowered society.

In conclusion, this paper accentuates the proactive engagement of Universities as dynamic agents in shaping Georgia's educational landscape for integration into the EU. By spotlighting their strategic collaborations with corporate entities, it underscores the imperative for concerted university-led initiatives that not only align with EU standards but also drive societal progress. This holistic approach, driven by Universities, facilitates a synergistic effort, propelling Georgia towards a more equitable and EU-aligned educational framework.

Keywords: *CSR, University, Georgia, European Union*

JEL Classification Code: *I250, F50*

THE EUROPEAN UNION'S CORPORATE SOCIAL RESPONSIBILITY POLICY

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The European Union (EU) strives to promote corporate social responsibility (CSR) in all member states.

The European policy framework aims to integrate social, environmental and ethical issues into business in line with the EU Sustainable Development Goals and promote responsible enterprise. Organizations operate within a framework of transparency and accountability to ensure high ethical standards. In order to assess the social impact of business, societal challenges and solve existing problems, monitoring is carried out with appropriate activities and strategic development plans are developed. To achieve this, great importance is attached to annual reporting - regularly highlighting social, environmental and governance initiatives and providing reliable information to stakeholders. Also to ensure the active participation of stakeholders in decision-making processes and discussions about future prospects - corporate social responsibility (CSR) strategies.

To ensure compliance with the law in all aspects of business activities and fair treatment of employees, it is necessary to follow EU recommendations and instructions, create an ethical culture in organizations, set an example of ethical behavior on the part of management and take appropriate action. Reduce legal, financial and reputational risks associated with non-compliance and unethical behavior, which includes - Training (developing employees with ethical knowledge and resources), making fair decisions in the workplace, establishing a strict code of conduct for ethical behavior and decision making - manufacturing.

Effective corporate social responsibility requires dialogue, promotion of open communication, and joint initiatives—projects that benefit both the public and private sectors. Also, government support is encouraging entrepreneurial initiatives and innovative solutions to social and environmental problems.

Keywords: *Corporate Social Responsibility, Ethical Initiatives, Monitoring, EU Guidelines*

JEL Classification: *F50, F53, M14*

IMPORTANCE OF RESEARCH PROJECTS EOR EUROPEAN INTEGRATION

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Research projects play a decisive role in the European integration process for cross-border cooperation, exchange of knowledge and experience between Member States.

Funding research projects focused on European integration promotes innovation, economic development and improves the competitiveness of European industry on the global stage.

Effective allocation of resources for research projects ensures that various aspects of European integration are covered: the impact of project funding on the creation of new knowledge, the introduction of new technologies and the identification of highly qualified specialists in the field. Through joint efforts, different approaches and points of view can be shared, which in itself provides a systematic understanding of the challenges and opportunities of European integration. This approach leads to the development of inclusive strategies that take into account complex social, economic and political dynamics.

Innovative research projects drive progress in key areas such as sustainable development, digital transformation, healthcare and energy. Projects focused on social innovation aim to solve critical social problems, promoting inclusion, equality and well-being of citizens. It also ensures environmental sustainability, which takes into account EU commitments on climate, biodiversity and the clean energy transition.

In-depth data analysis and recommendations based on research projects provide a solid basis for the effective implementation of European integration strategies. Structured data collection methods allow for an in-depth analysis of the main factors influencing European integration. The results of strategically applied research directly contribute to the development of targeted policies and legislative frameworks aimed at strengthening European cooperation and cohesion. Evaluation of research results and continuous monitoring provide invaluable information for adapting strategies, optimizing resource allocation and solving problems in the integration process.

Research projects contribute to the continuous development of scientists and practitioners participating in European integration initiatives through interdisciplinary approaches, training, and international cooperation with global institutions.

EU research projects influence global policy, promote harmonization, cooperation and connectivity between regions and continents, enhancing global perspectives on governance, peace and prosperity.

Keywords: *Research Projects, Sustainable Development, Global Politics, Cooperation*

JEL Classification: *F50, F53*

THE IMPORTANCE OF THE EUROPEAN DIRECTIVE ON CORPORATE SUSTAINABILITY REPORTING IN GEORGIA AND THE PERSPECTIVE OF ITS IMPLEMENTATION

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The implementation of the directive developed by the European Commission on the introduction of corporate sustainability reporting in Georgia creates a new opportunity to reduce the negative impact of enterprises on the environment and society, make the economic environment more sustainable, transparent and competitive, and strengthen investor confidence.

The mentioned directive, in fact, changes the previously established format of non-financial reporting and opens the perspective to improve the shortcomings in the practice of management reporting provided by the Law on "Accounting, Reporting and Auditing" of Georgia.

Companies covered by the directive will have to disclose environmental and social issues, the risks and challenges they face, and the impact they have on people and the environment.

From all indications, it is clear that this favorable regulation will help investors, civil society, consumers, and other interested parties to evaluate the company's sustainable development potential and efforts aimed at strengthening the green economy. But the new initiative of the European Commission, which will become mandatory already for the reporting period of 2024, contains elements of novelty and, like all such initiatives, will face obstacles.

The establishment of corporate sustainability reporting, depending on its importance, requires the provision of appropriate prerequisites and it is necessary to take into account a set of factors, among them, it is particularly noteworthy

Development of legal framework and sustainability reporting process standard, raising awareness of environmental and social interests in the business sector. Also, selection and implementation of the best practices acceptable to the country.

The paper describes the impact that the establishment of sustainability reporting can have on various fields.

The aim of the paper is to promote the improvement of the culture of business transparency in order to strengthen sustainability in Georgia, and the task is to present opinions on the development of information disclosure indicators.

The authors' views on the indicators of information disclosure are derived from the results of research conducted through appropriate applications.

Keywords: Business Vulnerability, Sustainability Reporting, Information Disclosure Indicators.

JEL Classification: M41, F50

REGULATORY FRAMEWORK OF THE ACCOUNTING PROFESSION THROUGHOUT THE EUROPEAN UNION AND GEORGIA

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Abstract

The scientific work examines the professional recognition of an accountant worldwide and presents the research conducted by the Federation of Professional Accountants and Auditors of Georgia (BUF) in the Czech Republic in 2005 within the framework of the project funded by the European Union, which aimed to analyze the regulatory framework of the accounting profession in different countries of the internationally. Accordingly, a survey of national qualification requirements for professional accountants was conducted in five developed and seven transitional economy countries.

As a result of the conducted research, an analysis was made to what extent the educational standards of the investigated organizations meet the requirements of the International Federation of Accountants for the education of professional accountants. The survey found that the world's professional organizations adhere to most requirements, but at the same time, proficient organizations leave significant space for improvement to meet all of them.

It has to be noted that BUF started practicing professional certification in Georgia in 1998, the program mainly followed the education standards of the International Federation of Accountants (IFAC). This very circumstance became an important basis for BUF to join IFAC in 2000, and transition its practice from a local program to a more sophisticated, internationally acclaimed, and recognized one. Based on the recommendations of IFAC and foreign partners, the British Institute of Chartered Accountants (ACCA) program was chosen and its adaptation into the Georgian language began in 2001. The program's establishment was greatly facilitated by the cooperation with the US Agency for International Development (USAID) and as a result, BUF developed taxation and business law manuals based on local legislation.

The paper also presents the existing approaches in the field of auditing, including the existing worldwide systems of public supervision of auditing activities and, consequently, the legal aspects that regulate accounting and auditing works in Georgia nowadays.

In the final part, the author provides appropriate recommendations in the direction of sharing and using the international experience of professional recognition in the field of accounting and auditing.

Keywords: *Accounting, Audit, Standard, Regulation, European Union*

JEL Classification: *M 41, F53*

Introduction

The global landscape of audit activities underscores the increasing importance of international audit standards. This trend is particularly evident alongside the ongoing process of economic globalization, which highlights the integration of global capital into the economies of individual nations. Consequently, stakeholders such as investors and creditors require timely and dependable information to allocate capital effectively and maximize economic returns. Access to such information hinges on the integration of international audit standards into national audit systems.

Main Text

Currently, there is a pertinent need in Georgia to conduct international qualifying examinations and compare their outcomes with global audit standards. This entails evaluating professional qualification examinations across various countries and analyzing international audit practices. In 2005, as part of a project supported by the European Union, professional auditor associations in several countries, including the Czech Republic, were examined. The project's objective was to assess the regulatory frameworks governing the audit profession worldwide. Specifically, the project scrutinized professional audit associations and federations in five developed and seven developing economies.

The selected countries for the study were as follows:

Developed economies:

Denmark - Institute of Chartered Accountants;

Ireland - Chartered Accountants Ireland;

South Africa - Institute of Internal Auditors South Africa (IIA SA) and South African Institute of Chartered Accountants (SAICA);

United Kingdom - Association of Chartered Certified Accountants (ACCA);

United States of America - American Institute of Certified Public Accountants (AICPA).

Developing economies:

Hungary - Chamber of Hungarian Auditors;

Poland - Polish Chamber of Statutory Auditors;

Romania - Chamber of Financial Auditors of Romania;

Russia - Accounts Chamber of Russian Federation;

Turkey - Union of Chambers of Certified Public Accountants of Turkey;

Czech Republic - Chamber of Auditors of the Czech Republic;

Slovakia - Slovak Chamber of Auditors.

This comprehensive examination aimed to shed light on the diverse approaches to audit regulation across different economic contexts, providing valuable insights for enhancing audit practices globally. The landscape of professional accounting in developed countries is as follows:

Denmark - Two organizations, the National Association of Public Sector Professionals and the Registered Association of Public Sector Professionals, represent the profession. Membership in either organization is open to licensed public sector professionals, with every licensed auditor being a member. Financial support meets or exceeds FICPA standards, though adherence to the standard of indefinite professional development remains an area for improvement.

Ireland - The Irish National Institute of Certified Public Accountants adheres to its own education standards with a strong emphasis on professional development and work quality, surpassing FICPA's standard of indefinite professional development.

South Africa - Public sector audit and business activities are regulated by law. Professionals seeking to engage in public practice or act as auditors must register with the regulatory authority and comply with its regulations and norms.

United Kingdom - Professional organizations historically play a significant role in regulating the accounting profession. Accountants receive professional qualification upon membership in any professional organization. ACCA certification follows its own professional development standards, which are currently being reinforced and made mandatory for all members.

USA - The accounting profession lacks a unified regulatory structure, with various organizations involved in regulation. The American Institute of Certified Public Accountants oversees professional accountants in the United States. To become a member, candidates must meet specific criteria, including holding a certificate, passing the CPA exam, completing professional practice, and endorsing the institute's regulations and ethics codes. However, the qualifications required by the Certified Public Accountants Institute of America do not fully align with IFAC standards, particularly regarding admission and general education requirements.

The pathways for professional development in economics in various countries are as follows:

Hungary - The Hungarian Chamber of Auditors oversees both legal supervision and professional organization, organizing training and qualifications for auditors in compliance with IFAC standards.

Poland - The Chamber of Auditors operates under regulatory and disciplinary bodies.

Romania - Auditor qualification falls under the Ministry of Finance's authority, with the Chamber of Auditors responsible for meeting training and qualification requirements according to IFAC standards.

Russia - Auditor qualification is subject to the Ministry of Finance and various professional organizations, though not legally mandated. While the Chamber of Auditors' requirements align with IFAC standards, the number of mandatory professional development hours falls short of IFAC requirements.

Turkey - The Law on Independent Audit regulates professional practice in the field, in line with IFAC standards.

Czech Republic - Professional organizations similar to those in other Eastern European countries exist for auditors and certified public accountants, ensuring compliance with IFAC standards.

Slovak Republic - Chamber of Auditors regulation is mandated by law, with the Chamber setting standards for auditor education.

We have previously underscored the significance of professional qualification examinations in the domains of audit and financial reporting on an international scale. It is noteworthy that global practice does not differentiate between the professions of auditors and accountants. Hence, it is crucial to understand how audit and accounting professional qualification examination practices and perspectives correspond in Georgia, along with the associated legal framework. In Georgia, the legal regulations governing audits are outlined in the Law of Georgia on "Audit of Financial Statements and Auditing," which establishes the legal framework for conducting audits, preparing financial statements, organizing and executing audits, and the legal procedures for auditing financial statements. Accordingly, the purpose of this law is to regulate the legal framework for the preparation, auditing, and presentation of financial statements, as well as the auditing of financial statements.

In Georgia, auditors operate in accordance with International Standards on Auditing (ISA). It is also imperative to scrutinize and deliberate upon best practices and systems in auditing activities. Every auditor must uphold independence and objectivity from the perspective of an effective oversight body, which serves the public interest. The majority of members of this oversight body should come from the auditing profession. However, individuals with recent professional experience in auditing, who are better qualified due to recent professional qualifications, should also participate in the work of this body. The Bar in our country establishes the standards of professional education and conducts exams. Professionals are awarded the qualification of Certified Auditor after completing the full course of the Association of Chartered Certified Accountants (ACCA) - including at least 3 years of practical experience. The Bar's professional education standards align with all requirements of the IFAC. Currently, the Bar's continuous professional development requirements are being transitioned to a permanent basis, which will be mandatory for all members. It is worth noting that the practice of professional certification in Georgia commenced with the Bar in 1998. The certification program was primarily based on the educational standards of the Association of Chartered Certified Accountants (ACCA) of the International Federation of Accountants (IFAC), and it was precisely in 2000 that this regulation was adopted by the Bar. Following recommendations from the IFAC and other international partners, the adaptation of the program into the Georgian language began in 2001. The establishment of the program received significant support from the US Agency for International Development (USAID) and local legislation on professional regulation and business law.

Conclusion

The above analysis suggests that our research holds particular relevance in the current context of Georgia, particularly regarding the sharing of experiences in professional certification and auditing within the audit sphere. Additionally, it addresses the perspective of professional staff

training in this field, which is essential for ensuring the comprehensive functionality of the auditing and accounting system.

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THE EXPERIENCE OF THE EUROPEAN UNION COUNTRIES IN MEASURING OF POVERTY

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The problem of poverty affects all countries with different intensity, because it is a relative concept. It is quite interesting and comprehensive to study the experience of EU countries in the direction of poverty measurement. Within the EU, relative poverty is measured based on average or median incomes in a country. A poverty line is set, which is a percentage of average income and ranges from 40% to 70% of household income. As a rule, poverty is characterized in three directions. These are: being at risk of relative monetary poverty (AROP indicator) (falling below 60% of the median income), the severe material deprivation (SMD indicator) and very low labor force participation. Poverty indicators are divided by age, gender, family type, employment status, etc. According to one of the limitations of the relative income poverty line is that the selection of the cut-off point involves a subjective as well as an objective approach. In EU member countries, and in general, the rate of poverty risk would be much higher without social transfers. In the most effective systems, the rate of relative cash poverty is reduced by 50% or more with social transfers, and in the least effective, it is reduced to 20%. In Europe, indicators of deprivation are increasingly being introduced to take real living standards beyond monetary

indicators. The latter is organically related to the intensity of work of household members and employment policy. Taking into account the material sources of poverty and the effectiveness of material assistance, state poverty alleviation programs are developed. Critical analysis of conceptual approaches to poverty measurement and evaluation is essential. When calculating poverty, individual countries use different equivalence scales to measure the effect of living together in a family, although the recommended adjusted (equivalence) scales are not always acceptable for all countries in their current form and need to be improved taking into account national characteristics. However, the difference in the methodology of calculating the poverty indicators complicates the comparative analysis, because the comparison of the main indicators of the poverty level in the countries is not entirely correct due to the difference between the composition of goods and services consumed in the minimum consumer basket, evaluation criteria and methods. Integration with EU countries should also mean overcoming the mentioned differences.

Keywords: *Poverty, Poverty measurement, Inequality, State Policy*

JEL Classification: *I300, I310, I320, I380*

EUROPEAN EXPERIENCE OF FIRE SAFETY CONTROL IN RESIDENTIAL BUILDINGS

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According to the Resolution №41 of the Government of Georgia of January 28, 2016, it became mandatory to arrange a fire safety system during the construction of multi-apartment residential buildings, which is undoubtedly a positive decision. However, this regulation does not define who is responsible for its proper operation after the completion of the construction or who should operate the fire safety system. In addition, there is no training of staff to manage this system and there is no proper experience.

Each regulation, which provides for the tightening of construction conditions, also increases construction costs and, despite its expediency, creates misunderstandings until the issue is optimally regulated. Implementation-arrangement of any security system is only a fruitless, unjustified expense, if the norms of its operation are not observed and, accordingly, the protection system will not work properly.

It is quite natural that in such a situation it is necessary to find a solution to the problem, which is possible by transferring the European experience and regulations, the more so, the association agreement, the status of a candidate for membership in the European Union, the European perspective obliges us to harmoniously engage in a single legislative space.

Unlike Georgia, fire safety control in EU countries is raised to the level of civil defense, and accordingly, within the framework of the current legislation, special services have been created, which are directly responsible for supervising the functioning of safety systems and raising social education and awareness among the population.

The paper discusses the interesting experience of the EU countries, including Estonia, as a new member of the EU from the post-Soviet countries, and managing the arrangement of the fire safety system. The overall fire safety system in this country is supervised by the Ministry of Internal Affairs and the rescue council within its structure, under which the fire inspection is directly subordinated. The latter provides full control over the functioning and operation of fire safety systems.

The aim of the paper is to support the process of maintaining the fire safety system in Georgia and to prepare proposals for the improvement of the regulation.

The paper substantiates the essence of the observed problem and presents important considerations on how to overcome them.

Keywords: *European Experience, Fire Safety System, Regulation, Control of Fire Safety System.*

JEL Classification: *L74, L79*

THE FIELD OF ROAD TRANSPORT IN THE ASSOCIATION AGREEMENT BETWEEN GEORGIA AND THE EUROPEAN UNION

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Within the framework of the Association Agreement signed between Georgia and the European Union, Georgia undertakes to gradually align its legislation with EU legislation and international legal instruments in the field of road transport within the specified time frame.

Annex XXIV of the Association Agreement defines aspects of mutual cooperation in the realm of road transport and specifies the relevant normative acts (regulations, directives) currently in force within the European Union. The name and number of each normative act, along with specific articles to be implemented, are outlined in the appendix. To thoroughly analyze these obligations, it is crucial to review the documents that provide detailed explanations of the commitments made by the state. Specifically, an examination of the regulations and directives governing social conditions in the automotive field, as defined by the Association Agreement between Georgia and the EU, is of paramount importance.

The road transport sector stands as a key driver of economic growth and job creation, offering employment opportunities for drivers, technicians, transport managers, and support staff.

Furthermore, the field of road transport serves as a catalyst for related industries such as the production of nuclear reactors, fuel production, and technical services.

Investing in education and training within the road haulage sector can enhance the quality and efficiency of road freight services, ensuring that the industry is well-prepared to tackle the challenges and seize the opportunities of the future.

Despite its numerous benefits, the road transport sector encounters significant challenges. Therefore, it is imperative for government and industry stakeholders to collaborate in addressing these challenges. This collaborative effort ensures that the road transport sector continues to play a vital role in supporting economic growth and actively contributes to improving the standard of living for the population. Achieving these objectives necessitates investments in infrastructure, the adoption of clean and efficient technologies, and the development of a sustainable transport policy.

Keywords: *Road Transport, Advantages, Transport Network, Management, Challenge*

JEL Classification: *N70, F50, F59*

EUROPEAN EXPERIENCE OF SOCIAL TOURISM DEVELOPMENT

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Social tourism is very important in the modern world. It becomes the subject of academic research. It can perform economic and humanitarian functions. In our country, social tourism services are not yet popular and accessible to the necessary segment of the population.

Social tourism for the elderly is a new form of social service aimed at maintaining health, organizing appropriate and healthy rest, expanding the circle of communication in accordance with interests, and increasing work capacity. Visiting interesting places, excursions, gives bright emotions and pleasant memories. Social tourism has become an important tool for overcoming the social loneliness of the elderly and disabled people, establishing and strengthening social ties and involving them in social activities.

Social tourism allows a person to be in harmony with himself, makes people's lives bright and positive, dignified, complete, meets the cultural and spiritual needs of citizens. Social tourism can have different directions of development, and as a result, there are wide prospects for the implementation of this method. It is especially useful as one of the means of domestic tourism development.

The development of social tourism requires a push from the state, since it is necessary to ensure the allocation of funds for the start of social programs, especially at the stage of pilot projects,

such as: socialization of elderly and disabled citizens; development of social tourist routes; organization of tourist trips in the regions; Acquaintance of citizens in the study of the history of their native country, expansion of the borders of citizens' information and recreation space. It is also necessary to prepare the tourist infrastructure for the development of social tourism. For example, disabled people need special devices in airports, stairs, elevators, dry cleaning and laundry, accommodation facilities, rest rooms. In addition to locals, there are many foreigners with disabilities who want to visit our country with social programs, see its sights and receive medical care. But technically, we will not be able to receive them perfectly, neither the hotels, nor the transport, nor the food system everywhere in the tourist destinations of Georgia are ready for this, with some exceptions.

It is necessary for the state to define a social tourism policy in this direction, which means creating social infrastructure, adopting legislative and normative acts, providing support systems and mechanisms for low-income strata of the population, training social tourism system workers. Social tourism should be implemented by any tourism organization whose goal is not only to make a profit, but also to ensure the availability of travel and tourism.

The practical implementation of social tourism tasks requires: finding sources of financing, working out the normative base; Compliance of social tourism services with growing European standards.

Keywords: *Social Tourism, Domestic Tourism, Tourism Policy, Funding Sources.*

JEL Classification: *Z32, M16*

THE PROBLEMS OF PERSONS WITH DISABILITIES IN GEORGIA AND THE ROLE OF CORPORATE SOCIAL RESPONSIBILITY

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Over the last decades in Georgia, as well as in Europe, government, and non-governmental organizations have been trying to ensure the CSR entire framework, which implies that business organizations recognize their responsibility for human rights to improve their social environment. According to the United Nations Convention on the Rights of Persons with Disabilities (2006), support services for Persons with Disabilities should be discussed as a part of Corporate Social Responsibility (CSR) strategy. According to the CSR, business organizations should implement the kind of actions that are not only focused on their own interests but on community benefits as well. From CSR perspective, this survey studies the forms, the intensity, And the bulk Of Persons with Disabilities following the example of 8 non-governmental organizations, with beneficiaries that are Persons with Disabilities. The survey has suggested the

reasons of unsteady flow, such as: non transparency, the lack of human resource management model, which is connected to the Persons with Disabilities and the lack of communication between industry and similar non-governmental organizations (NGOs). Business companies in Georgia are implementing different social projects, though they rarely cooperate with NGOs while non-governmental organizations that are working with different social groups have complete information about the beneficiary needs. Therefore, it's essential for business companies and non-governmental organizations to cooperate and combine their own resources in terms of social responsibility, which will lead to implementing more effective projects according to the needs of different social groups.

Despite all the initiatives promoted by the government with NGOs, the community of People with Disabilities still faces a lot of challenges. It's essential to promote and enhance the mobility of People with Disabilities, encourage and establish universal design, strengthen inclusive education and ensure access to services for the Persons with Disabilities, make health care and other psycho-social services accessible for them as well as other services.

The aim of the current study is to analyze the effect/ impact of the intervention of business organizations on Persons with Disabilities. This present work will analyze the role of CSR as a tool for facilitating the Persons with Disabilities in order to improve the quality of their life and to encourage their social inclusion in society. The surveyor was actively working with non-governmental organizations. This study shows how important CSR activities are in overcoming physical and mental barriers for Persons with Disabilities. Practical recommendations, revealed in the scope of this study will be sent out to Georgian Government as well as Business organizations.

Keywords: *Persons with Disabilities; CSR, Inclusive Education, Universal Design*

JEL Classification: *M1, M14, O16, O35*

SUSTAINABLE TOURISM DEVELOPMENT WITHIN THE CONTEXT OF GEORGIA – EUROPEAN UNION RELATIONS

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In an ever-changing world, it is increasingly incumbent on nations and their citizens to promote the sustainable expansion of tourism, a crucial component of the "green" economy that plays a significant part in attaining sustainable development goals.

The article dives into the underlying ideas and methodology of sustainable tourism, as well as how it is managed at the state level. It assesses the existing situation, chronicles the concept's evolution internationally and in Georgia, and discusses measures to ensure that sustainable

development maintains its upward trajectory and develops practical as well as theoretical significance.

According to the author, our modern era necessitates a constant improvement of the decision-making system and the formulation of strategic objectives, which necessitates a shift in managerial paradigms, the introduction of innovative management tools, and the implementation of long-term harmonization and coordination mechanisms. These modifications are required to integrate tourism-specific needs across economic, social, environmental, and cultural dimensions.

The compiled data provide important insights into the pre-trip thoughts of Georgian and international tourists. Here are a few examples of findings:

There is a growing knowledge and interest in sustainable tourism among city dwellers, indicating a significant change toward more eco-conscious trip planning.

The impact of sustainability certifications on travel choices is significant, emphasizing the need for the tourism industry to increase the visibility and recognition of these credentials in order to appeal to environmentally conscious tourists.

Tourists are clearly eager to invest more on ethical and responsible travel experiences, indicating a viable market for sustainably priced travel options.

The significance of accessible travel for people with disabilities cannot be emphasized, demanding policies that promote inclusive and sustainable tourism by providing accessible facilities, activities, and technologies.

Educational efforts to raise sustainable tourism knowledge among urban people might be quite valuable. Using local schools, community groups, and social media channels to communicate information and encourage interest in sustainable travel habits might be useful.

Keywords: *Sustainable Tourism, Development, Management, Georgia, European Union*

JEL Classification: *Z32, M16*

ISSUES OF BLACK SEA HYDROGEN SULFIDE GENERATION, ENVIRONMENTAL HAZARDS AND UTILIZATION EFFICIENCY (THE INFLUENCE OF THE EUROPEAN UNION)

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Discussed: natural conditions of genesis and development of hydrogen sulfide in the Black Sea (-150-160 m), distribution and concentration indicators, ecological problems of the biotic zone of the H₂S layer, issues of surface fire hazards and local disasters, the problem of utilization of dangerous compounds;

It is suggested: possible positive signs of development and practical implementation of optimal projects to achieve environmental safety, social justification and economic efficiency of H₂S compound (hydrogen, sulfur) utilization:

Inevitability. The fact that the Black Sea H₂S is inexhaustible is indicated by the following facts: 58 kg of hydrogen content per ton of the compound; 3.8 times more energy released when burning H₂S compared to gasoline; 2.8 times higher heat capacity of hydrogen compared to gasoline; Equivalence of energy released when burning one kg of hydrogen and 3.83 liters of gasoline. By this analogy, the authors have calculated: the possible total energy obtained by processing ≈ 5-6 billion tons of H₂S in the Black Sea - in the amount of 20 trillion liters of gasoline;

Environmental safety. In case of the realization of the H₂S compound extraction and dissociation project - the possibility of environmentally safe inclusion of clean water obtained during hydrogen combustion in the natural circulation and the economic efficiency of utilization in the production of commodity sulfur (industry, pharmacy);

Energy storage. The possibility of energy storage and long-term use with H₂S dissociation and hydrogen storage and storage technology.

Keywords: *Hydrogen Sulfide, Ecological Problems, Environmental Safety, European Union*

JEL Classification: *Q57, Q25*

TRANSFORMATION OF PUBLIC OPINION ON VIOLENCE AGAINST WOMEN IN MODERN GEORGIA: A STATISTICAL STUDY

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In recent years, violence against women is one of the important, painful and urgent problems of society, not only in Georgia, but all over the world. In general, the problem of violence is global and it can be said that it has no national, racial or religious affiliation. It is a fact that any kind of violence is unacceptable in any form of manifestation, and the fight against it is not only one of the main priorities of each member of the society, but also of the state.

The purpose of the research is to reveal the modern trends of violence against women and the forms of transformation of public opinion.

The complex quantitative research and analysis of violence against women in Georgia is of great theoretical and practical importance, as it will contribute to the development of a conceptual and real policy for the prevention of violence against women, the protection and assistance of victims of violence, and the adoption of justified and optimal governance decisions.

The research methodology includes a set of known and proven quantitative methods, which means: selective observation, typological, structural and analytical grouping of data.

In order to form the public opinion about violence, a research was conducted through social networks. Using the Google Drive application, a questionnaire was created and shared among users of social networks, taking into account different territorial characteristics and age structure. According to the conducted research, it was established that 33% of female respondents in Rome were victims of violence at least once. 58% did not report the fact of violence. Among the forms of violence, as a result of the research, the most common form is psychological violence (80%). A large number of respondents cite emotional excitement (40%) as the provoking circumstances of violence, 15% of women cite economic dependence on the abuser and common children (13%) among the reasons for staying with the abuser.

In conclusion, the causes and provoking factors of violence against women have been identified; Structural analysis of violence against women is classified according to forms according to various classification signs (gender, age, education, nationality, form of violence, etc.); Optimal measures for the prevention of violence against women have been established, the main directions of public opinion formation are defined.

Keywords: *Violence, Women, Statistics, Research, Analysis*

JEL Classification: *C1*

Introduction

In recent years, violence against women is one of the important, painful and urgent problems of society, not only in Georgia, but all over the world. Violence against women remains a taboo in Georgian society and its cases are rarely reported. (Abesadze, Paresashvili, & Kinkladze, 2019) In general, the problem of violence is global. Violence against women in its many forms and manifestations, and across all settings, is a violation of human rights and fundamental freedoms. Violence against women impacts women across the world, regardless of age, class, race and ethnicity. (Abesadze, Paresashvili, & Kinkladze, Are Women's Rights Protected in Georgia?, 2019;) He has no national, racial, religious affiliation. Today in

Georgia, many people are involved in the fight against violence against women and children and its prevention, legislative acts are being improved, crisis centers and shelters are opened, 24-hour hotlines are working, state and non-governmental structures are doing everything to detect and prevent the facts of violence. Nevertheless, violence against women and children, and this is one of the most serious and painful problems in Georgia. This is confirmed by the statistics of violence against women and children. Over time, the public opinion about violence also underwent a transformation. If, even two decades ago, the society's position on the role of women was mainly focused on managing family affairs and taking care of children, today the situation is radically different. Women's labor activity is increasing, women have appeared in positions and professions that were previously considered strictly male. Gender imbalances have started to decrease, in many types of economic activity, women's employment rates and, accordingly, salary rates are growing faster than men's, the degree of women's participation in management activities has also increased.

It is a fact that violence against women and girls in all countries, including Georgia, directly or indirectly has a negative impact on society. Violence against women is a social, economic, developmental, legal, educational, human rights, and health (physical and mental) issue. It is a preventable cause of morbidity and mortality in women. The relationship between violence against women and mental illness has not been adequately explored. Application of laws related to violence in the setting of mental illness is difficult. Despite the social and religious sanctions against it in all cultures, it has continued. (Sharma, 2015; doi: 10.4103/0019-5545.158133) I fact that police response to domestic violence is gender-sensitive and raises awareness of gender-based violence in the country, these sample UN Women's work on ending violence against women and girls globally, together with partners. (UN Women impact stories: Ending violence against women, 2021) The quantitative analysis of violence against women in Georgia is noteworthy and interesting, the results of which will contribute to the development of conceptual and real policies to prevent violence against women, protect and assist victims of violence, and make informed and optimal management decisions. All these are important tools to reduce the number of victims of violence. It is known that Only 40 per cent of women seek help of any sort after experiencing violence, and so we advocate for, and support, women and girls' access to quality, multi-sectoral services essential for their safety, protection and recovery, especially for those who already suffer multiple forms of discrimination. (<https://www.unwomen.org/>)

In the vast majority of countries, adolescent girls are most at risk of forced sex by a current/former husband, partner or boyfriend. Based on data from 30 countries, only one percent ever sought professional help (UNICEF, 2017) Violence against women and girls is one of the world's most prevalent human rights violations, taking place every day, many times over, in every corner of the globe. It has serious short- and long-term physical, economic and psychological consequences on women and girls, preventing their full and equal participation in

society. As of today, Gender-based violence (GBV) or violence against women and girls (VAWG), is a global pandemic that affects 1 in 3 women in their lifetime. (www.worldbank.org)

It is a fact that any kind of violence is unacceptable in any form of manifestation, and the fight against it is not only one of the main priorities of each member of the society, but also of the state.

The main goal of the paper is to outline the trends of transformation of public opinion about violence against women in Georgia.

The research methodology includes a set of well-known and proven quantitative methods, which means: selective observation, typological, structural and analytical grouping of data, the use of relative, average, variation, time series and correlation-regression analysis methods.

The formation of the information base was carried out based on the results of our research, which was carried out with the help of social networks. At the beginning of the study, the research design was developed, the research design was developed, and the survey questionnaire was finally refined as a result of the pilot study. The research covered all regions of Georgia. The population aged 15 and older was surveyed and 380 people participated.

The research showed that the attitude towards violence against women has changed dramatically in Georgia. A large part of society thinks that a large part of women are informed about the legal acts of violence and the issues of regulation of violence. The growth of women's labor activity in the market has simultaneously increased women's economic independence, their views and those of family members have been transformed, women have become more self-confident and bold. Despite the existing gender imbalances in the labor market, established trends indicate an increase in women's activity. Currently, national economies devote a great deal of attention to resource efficiency. In this regard, gender equality represents a key factor for unlocking the economic potential of nation states and for leveraging economic growth. Gender equality is not only about the protection of human rights, it is also about economic efficiency and economic development. (Sepashvili, 2019) The survey questionnaire was shared on social networks. At the initial stage of the research, the response rate was low, the population, especially women, were reluctant to answer the questionnaire. Students-young people of the regions helped us to get information. A database was formed from the received data, on the basis of which. After the crosstab analysis, the statistical indicators of violence were reported and conclusions were formulated. According to the data of the research conducted by us, 33% of the women participating in the research declare that they have been victims of violence at least once. However, Gender-based violence is a public safety and public health crisis. (White House, 2023) 58% of respondents who were victims of violence did not report the fact of violence. For those respondents who stated the fact, they most often encountered the problem of public opinion and lack of information. Among the forms of violence, as a result of the research, the most common form is psychological violence

(80%). A large number of victims cite emotional excitement (40%) and the influence of the family/society where the perpetrator lives/grew up (36%) as the provoking circumstances of violence. Economic dependence on the abuser (15%) and staying because of common children (13%) are leading among the reasons for staying with the abuser. 43% of women who started talking about the fact of violence say that the people around them stood by them and helped them in every way. In the case of 32%, the victim was called to adapt to reality. (Abesadze & Ebanoidze, 2021) The majority of the respondents have a positive attitude towards increasing the economic activity of women. They believe that their active involvement in the labor market has a positive impact on the social structure of society.

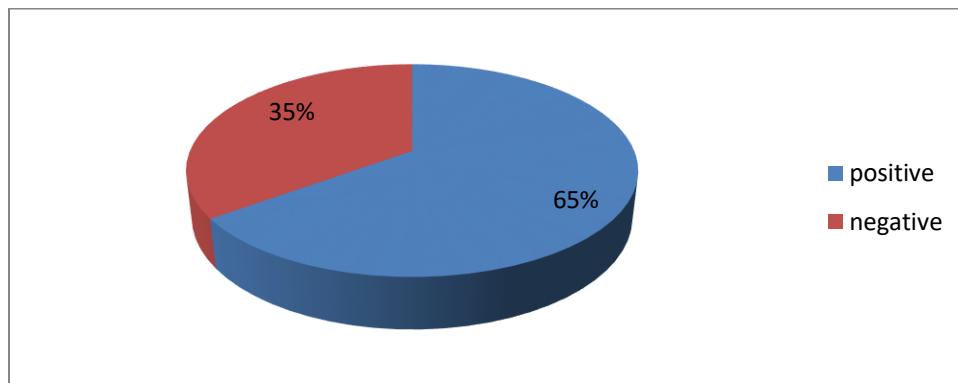


Figure 1. Distribution of respondents in relation to women's economic activity.

Source: The results of the conducted research

It is also a fact that, in addition to employment, a woman has to perform many other functions in the family and, naturally, the structure of her time spent on family affairs and the list of things to be done are transformed. The main function of a woman is still motherhood, and the degree of her influence on the upbringing of children is quite large. Because it is mainly a woman who decides the fate of her children, therefore, as the great Vazha-Pshavela commanded, it is necessary first of all to be a mother, educated, developed at home, in the family and outside in society. He must sow the seeds of goodness. Yes, let him understand how to raise a child, what thoughts to spread, what to serve, because he can overthrow a nation and even restore it. (Abesadze A. , 2022)

The overwhelming majority of the interviewed women do not agree with the opinion, "I know a woman in the kitchen", while 30% of men express the opinion that a woman should be limited to managing household affairs.

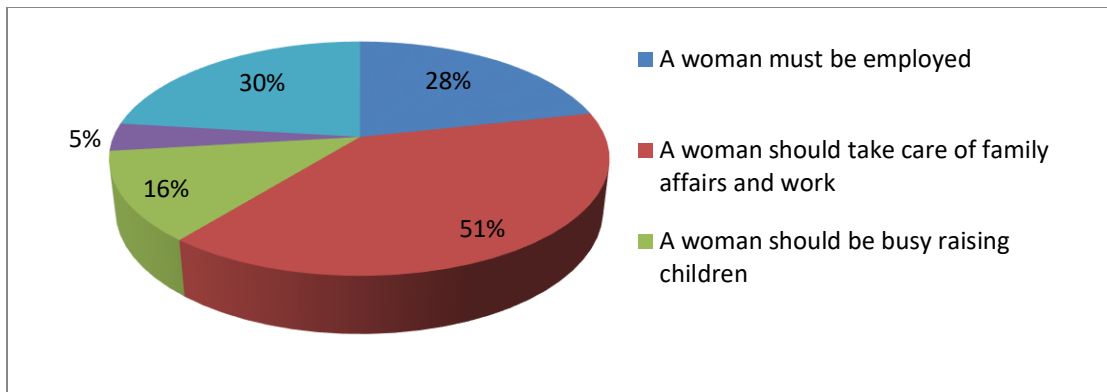


Figure 2. Distribution of respondents according to their attitude towards women's activity.

Source: The results of the conducted research

A large part of the respondents, i.e. 71.4%, believe that their employment is useful from a financial point of view, 28.6% stated that the job is important for their creative career advancement, and 42.9% believe that their job is useful for their children's future. At the same time, 43.5% of the respondents say that his employment has a good effect on the quality of their children's education, while 19.6% think it has a bad effect. In most cases, women are responsible for child care or upbringing. If a woman is likely to take care of children more than a man, she will have to take them to children's medical facilities or school more often (Gelashvili, Charekishvili, 2016, p. 34)

Almost 90% of respondents say that any form of violence is unacceptable. 10% mention the need to consider provoking factors. It should be noted that the society's position against violence is an equally pronounced negative attitude among the population of both sexes.

Almost 71% of the participants in the study have higher education. In the case of each category of economic status, those with higher education have the highest share. 44% of respondents are employed, 27% are students. Pensioners have the smallest share.

43% of women who experienced violence noted that the people around them stood by their side and helped in every way. However, there is also a high share of cases when the victim was urged to come to terms with reality (32%), the abuser's behavior was considered normal (15%) or the victim was scolded and blamed (10%).

More than half of the respondents (51%) say that they condemn the violence, that they will always try to help the victim and at the same time contact the police. The share of respondents who decide how to act based on the specifics of a specific situation is high (33.5%). 4.5% say that they would have chosen to avoid the situation if they had known that the fact of violence is frequent and does not physically harm the victim. It can be said that two types of respondents were identified during the research:

1. Respondents who believe that all kinds of violence are unacceptable. The main role of a woman is not to maintain order at home, and if the choice arises that only one of the couple

should work, it does not have to be the man. Domestic violence is not only a family affair and it is necessary to publicize these facts/apply to relevant agencies; (79% of respondents).

2. Relatively radical respondents, who believe that there are cases when a woman's behavior deserves to be punished with violence. The main role of women is to maintain order at home, and if it becomes necessary for only one of the couple to work, it is easily decided that it should be a man. The intervention of outsiders in the case of domestic violence is not justified (21% of respondents) (Ebanoidze, 2022,)

Conclusion

- It can be said that intensive work is being done in Georgia to prevent violence against women.
- Public opinion has also undergone a significant transformation. Any form of violence is completely unacceptable for a large part of the population in Georgia;
- Despite the intensive efforts of the state and society, violence against women remains an active problem of society. But it is a fact that on the basis of implemented legal acts and sophisticated legal regulations, the level of awareness about women's violence has increased;
- Against the background of ongoing structural changes in the labor market, under conditions of reduction of gender imbalances, the labor activity of women has increased, which has become the basis for economic independence from their spouses or partners. Women have become more active, self-confident, persistent and bold. They no longer hide the violence against them;
- The overwhelming majority of the interviewed women do not agree with the opinion, "I know a woman in the kitchen", while 30% of men express the opinion that a woman should be limited to managing household affairs.
- Human rights institutions, both state and non-state, work intensively to expose various forms of violence and discrimination. A 24-hour hotline is available. Shelters and crisis centers are functioning.

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ISSUES OF SALARY DISPROPORTION IN TERMS OF GENDER ON THE EXAMPLE OF GEORGIA

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The exploration of gender issues remains significantly pertinent in contemporary society and historically, reflecting its deep impact on the socio-economic progression of nations. This topic intersects with various aspects of life, allowing for a broad discussion encompassing wage disparities, employment rates, unemployment trends, and the criminogenic landscape, among others. Particularly in Georgia, the gender wage gap presents a notable concern. While a portion of this disparity can be attributed to discrimination, it is evident that cultural and psychological variances also contribute substantially to the existing wage differences. The absence of equitable pay for equivalent work is a pervasive issue across nearly all sectors within the country.

The statistical data from 2022 highlights that the average gender wage gap in Georgia stands at approximately 23%, marking an increase from 21.4% in 2021. When dissecting this imbalance across different economic activities, the disparity becomes even more pronounced; the industrial sector experiences a gap of 30.3%, whereas the service sector sees a 21.8% difference. Regional disparities further accentuate this issue, with the most significant wage gap observed in Kvemo Kartli, where men's earnings surpass women's by 73.5%. Such disparities not only underscore the pressing need for gender equality in the workforce but also highlight the broader implications for developing countries like Georgia. The effective and equitable utilization of human resources is crucial for sustaining economic growth and ensuring the country's developmental trajectory. Globally, the issue of gender wage inequality persists, with South Korea reporting the highest gap at 31.1%, followed by Israel at 24.3%, and Latvia at 24% in 2022. In comparison, neighboring countries to Georgia also demonstrate significant disparities, with Armenia at a 20% gap and Azerbaijan at 35.2%, one of the highest in Europe and Central Asia. These statistics not only reflect the global prevalence of gender-based wage disparities but also call attention to the necessity for concerted efforts towards achieving gender parity in the labor market. The pursuit of gender equality is not merely a moral imperative but a critical economic strategy to harness the full potential of a nation's human capital, thereby fostering a more inclusive and prosperous society. The examination of gender wage gaps, therefore, is not just an academic exercise but a crucial step towards understanding and addressing the systemic barriers that perpetuate inequality, with the aim of creating a more equitable and just world.

Keywords: *Gender, Analysis, Productivity, Differentiation, The Experience of the European Union*

JEL Classification: *J70, J71*

WOMEN'S EMPLOYMENT – PROBLEMS AND PROSPECTS

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Economic empowerment of women and increasing their involvement in business activities is one of the main global priorities of the last and current century, since women entrepreneurs can make a significant contribution to the economic development of the country.

In addition to being critical to any country's economic growth, women's involvement in business and entrepreneurship generally makes women more capable of sharing their education, income, and resources with society, according to the "Harvard Business Review". Accordingly, positive encouragement and support of women's entrepreneurial activity is one of the most important factors for realizing the country's economic potential as much as possible.

The level of unemployment of women in Georgia has been gradually decreasing in recent years, on the one hand, this is due to the fact that women have become more active and often appear in quite important and responsible positions. According to the data of 2023, the unemployment rate among women is 14%. And a total of 614 thousand women are employed.

One of the priorities of the "Enterprise in Georgia" micro and small entrepreneurship promotion program of the Ministry of Economy and Sustainable Development of Georgia is to start and expand a business by a female entrepreneur, which means giving her an additional point at the application evaluation stage. It should be noted that 48.8% of the winners within the program in 2020 are women.

USAID YES-Georgia program "Supporting youth and women's entrepreneurship in Georgia" successfully continues its activities. This program offers valuable support to budding and existing women entrepreneurs. Those who have a great desire to start a new business or expand an existing one and develop their personal skills. Women winemakers who break stereotypes and take bold steps in the winemaking industry also took part in the program. They take care of the vineyards with their own hands, plant the wine and take care of their sale by themselves, according to modern business approaches. In 2021, an exhibition and sale of products of female entrepreneurs was organized in Tbilisi, which brought together 100 female entrepreneurs in one space. The purpose of the exhibition and sale was to promote the professional growth of women entrepreneurs, to deepen business relations and to introduce their own business and products to the general public. As of 2023, this USAID initiative ultimately provided financial and educational assistance to more than 10,000 women.

In recent years, Georgia has made significant progress in terms of gender equality. In order to maintain these results, it is important to stimulate the process more with appropriate measures. Women have the potential to become an economically active force and, through the realization of entrepreneurial opportunities, to make a significant contribution to increasing the well-being of their families, as well as to improving the socio-economic situation of the country.

Keywords: *Women's Employment, Enterprise in Georgia, Women Entrepreneurs, USAID YES - Georgia*
JEL Classification: *J21, J64, J71.*

REGULATION OF PHARMACEUTICAL BUSINESS AFFAIRS IN GEORGIA ACCORDING TO THE STANDARDS OF THE EUROPEAN UNION

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Despite the wide range of medicinal products available and the significant presence of European medicines in the georgian pharmaceutical market, the cost of medicines in Georgia remains high. Accordingly, many vital drugs are out of reach for the patient due to high cost.

International regulations are intensively introduced in the pharmaceutical activity of Georgia, which is the tendency of the world pharmaceutical business. The pharmaceutical market of Georgia is growing at a fast pace every year and is a very profitable field.

The European Union's pharmaceutical strategy, published at the end of 2020, calls for increased preparedness for any crisis and stable provision of the necessary medicines to the population.

It should be noted that the economic situation of the country's population, constant stresses, deterioration of human health due to high prices for medicines, and insufficient financing of pharmaceutical scientific research are directly related to the development of the pharmaceutical industry and business operations. Reducing the prices of medicines and their availability is of great importance.

The GMP/GDP standards ensure the high quality of pharmaceutical products in circulation and, at the same time, increase the country's export potential.

According to the international standards of the European Union, it is imperative to devise a strategic action plan. The regulation of the pharmaceutical industry is intricately linked to the formulation, development, production, and distribution of pharmaceutical products.

Thus, GMP - Good Manufacturing Practice is a system that outlines the production and quality control of pharmaceutical products under standards.

Georgia has recently begun implementing Good Distribution Practice (GDP) in pharmaceutical activities. The "GlobalPharm" company has been awarded the GDP certificate, marking the first issuance of such a certificate in Georgia.

In Georgia, the transition to the GMP/GDP standard is mandatory for all pharmaceutical enterprises and wholesale distributors.

The European Union supports Georgia with specific investments for the development of various areas of medicine, including pharmacy, in order to promote the production and distribution of high-quality medicinal products, so that after the pandemic, the country can quickly improve the standard of living of its citizens, access to medical services and safe medicines.

Keywords: *GMP, GDP, GLP, European Union, Pharmaceutical Affairs.*

JEL Classification: *I11 I15 I18*

AETIFICAL INTELLIGENCE AND THE DIFFICULTIES OF ITS IMPLEMENTAYION IN THE GEORGIAN HEALTHCARE SYSTEM

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Artificial intelligence (AI) and related technologies are becoming increasingly common in business and society, and are beginning to be used in healthcare. These technologies have the potential to transform many aspects of patient care, as well as administrative and pharmaceutical organizations. Artificial intelligence has enhanced and at the same time simplified clinical diagnosis and decision-making efficiency in various fields of medicine, such as: radiology (diagnostics), ophthalmology, gastroenterology, histomorphology and others. Artificial intelligence has appeared in medicine since the 50s of the last century, when doctors first tried to simplify and improve the diagnosis process, which had a positive effect on the outcome of patients' diseases. Today, this process is even more sophisticated and it is much easier to make a diagnosis, the doctor's time is saved, and he has the opportunity to pay more attention to the patient, to monitor the treatment process. Clinicians will have to evolve and adapt to new technologies equipped with artificial intelligence systems so that they can use them correctly to have the greatest impact on disease outcomes. The medical education system will have to train staff according to modern requirements. Artificial intelligence in healthcare is used in the following four areas: management of healthcare services, predictive medicine (disease prediction), patient data and diagnostics, and clinical decision making. The process of introducing artificial intelligence should be regulated to the extent that the rights of the patient are protected as much as possible and the conducted research/treatment is effective and the care of the patient's health is always a priority. The process of introducing artificial intelligence requires a lot of resources, such as the involvement of doctors, their determination, their ability, and also the most important financial factor, because if there are no financial resources, there will be no technologies equipped with artificial intelligence. The role of the management of the clinic is also very important, because it is their initiative to train doctors and then implement the mentioned technologies and implement them in practice. This is a guarantee of many saved lives and many grateful patients. The main goal of our research is to get closer to the requirements of the European Union and introduce them into the Georgian healthcare system.

Keywords: *Artificial Intelligence (AI), Healthcare of Georgia, Security, European Union*

JEL Classification: *I11, I18, I19*

POPULATION AGING IN GEORGIA

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The population is aging at a rapid pace worldwide. Population aging is a new reality for both developed and developing countries. It is necessary to fully study the social and economic consequences of these events and respond to them.

The increase in the share of the elderly in the population, or "population aging", represents such demographic processes as the decrease in birth rates and the increase in life expectancy. However, migration is no less influential. In the long term, birth and death rates are much stronger factors in the age distribution of the population than migration. The UN Population Fund assisted the Health and Social Affairs Committee of the Parliament in the development of the "State Policy Concept on Population Aging in Georgia", which was adopted by the Parliament of Georgia on May 27, 2016.

The process of population aging in Georgia turned out to be quite interesting. If I look at the dynamics of population aging by years, it turns out that the population aged 65 and older is the only main age group whose number increases over the years. In 1989, the share of the elderly in the total population of Georgia was 8.8%, in 2002 it was 13.3%, in 2012 it was 14.0% and in 2023 it was 15.6%. According to the UN forecast, the share of people aged 65 and older in the total population will reach 18.9% in 2030 and this indicator will increase to 25.3% by 2050. This means that every fourth person will be 65 years or older. Populations where the population is growing slowly, or not growing at all, are experiencing a decline in the number of young people. In the process of working on the article, we used the database of the National Statistical Service of Georgia. The purpose of the article's research was to assess the changes in the age structure of the population over the years and its impact on the country's national security. However, it was interesting for us to get to know and share the experiences gained by the governments of these countries in relation to these issues in different EU countries.

Keywords: *Population Age Structure, Population Aging, Demographic Policy, EU, State Policy.*

JEL Classification: *O15, P23, P42, P48*

ORGANIZATIONAL COMMUNICATION – A NEW PERSPECTIVE OF STRATEGIC MANAGEMENT

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A person constitutes a main resource of an organization and success of any organization depends on efficiency of his/her efforts. Employees communication process is a complicated mechanism, and scientific research of that have been going on up to now whereas a single unique mechanism does not exist. Nowadays issues of either public and private sector employees communication and correct approach to that have not been studied and evaluated profoundly in our country. The main is that a manager to realize the fact that people's necessities differ and require individual approach.

Organization communication constitutes an important challenge either in the public or private sector. It plays a large role in efficient activities of any organization and contributes to organization wellbeing higher level. The abstract considers importance of communication in organization management system, which ensures possibilities for correct communication with personnel, labor resources optimum usage and employees' potential mobilization. Organizational communication influences significantly on organization functioning. It may hinder development of that or induces stimulus for its activities[9,10]. Organizational communication also regulates behavior of organization members. Efficient communication also influences their individual motivation. Nowadays the world is world of challenges, it's why people need more information how to implement own activities the efficient way.

Two directions of the organizational communication is considered in the abstract based on scientific sources: internal and external and their significance for organization strategic management.

People are free by nature. Unfortunately, outer factors, including absence of vertical communication, causes change of a person's aspiration. Freedom implies that a person sets the own goals himself/herself, determines time, chooses team and methods/ Such environment causes growth of productivity.

We have applied both quantitative and qualitative methods within framework of the studies.

At the first stage respondents were selected, then a questionnaire was drawn up both for managers and employees and other people. The inquire detected that communication among managers and employees is much more active in the private sector than in the public one.

Psychological studies, which had been conducted for a number of years, clearly showed that positive stimulators work better than negative ones, which increases frequency of desirable actions and induces positive feelings in employees. These studies enabled us to analyze current level of organizational communication either in the public and private sector as well as in future, for a purpose to improve the situation, based on expected research outcomes and challenges, to represent relevant recommendations for internal and external communication.

Keywords: *Organizational Communication, Internal and External Communication, Positive Stimulators, Strategic Management*

JEL Classification: *M10, L29*

SOKHUMI STATE UNIVERSITY'S ALIGNMENT WITH EUROPIAN EDUCATION STANDARDS AND ASPIRATIONS

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This article delves into the distinctive features of Sokhumi State University, shedding light on its commitment to European values and adherence to European standards in the realm of English Language and Literature education. The global landscape is currently grappling with multifaceted challenges, and this study situates Europe, including Georgia, within this complex narrative.

Sokhumi State University stands as a higher education institution that aligns its teaching and learning processes with European values, acting as a crucial player in Europe's post-pandemic recovery. Despite this, the well-being of students and teachers remains an area ripe for in-depth exploration on a global scale. The European Union, recognizing the significance of education, has initiated a four-year program aimed at reforming vocational education, training, and labor market policies in Georgia.

However, the European Union institutions primarily assume a supportive role, fostering information and experience exchange among decision-makers and financing projects like the Erasmus+ program. Sokhumi State University actively participates in Erasmus+ Jean Monnet Higher Education activities, seizing opportunities to stimulate academic discourse and share best practices on values and democracy.

The article also touches upon modern educational approaches fostering tolerance, identity, and ethnicity among students and youth. It hints at methodologies instrumental in the formation and development of these aspects, with a specific emphasis on the vision derived from our experience.

In conclusion, the text underscores the pivotal role Sokhumi State University plays in embodying European ideals within the academic sphere, aligning with broader European aspirations. It highlights the nuanced interplay between national and European influences on education policies

and emphasizes the supportive role played by the European Union in shaping education standards.

Keywords: *European Union, Cooperation, Jean Monnet Activities, Education standards, Supportive Role*

JEL Classification: *F50, I23, I28*

CHALLENGES OF CONTEMPORARY MANAGEMENT - CREATIVE THINKING AND EFFECTIVE COMMUNICATION

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Abstract

Playing an increasingly significant role in global market relations has led to the transformation of the business community, adapting it to Western countries and aligning with international standards. While certain principles and management systems have proven successful in the West, blindly adopting foreign standards can be detrimental. It's crucial to acknowledge that each country's unique history influences its worldview, mentality, moral principles, and skills, especially in the context of management.

Management acts as the mechanism in businesses and organizations that unites people to achieve goals. In the modern world, globalization is rapidly erasing borders, with more companies expanding beyond national borders. As they establish a presence in other countries, they encounter different mentalities, perspectives, and the introduction of new policies and traditions. The European Union stands as Georgia's largest trade partner, contributing 27% to the total trade volume in 2020 and providing consistent support.

These dynamics necessitate a professional approach to managing the transformative process effectively, ensuring a smooth transition and enabling society to adapt quickly to the new situation. Creative thinking is crucial, empowering managers to make more effective and innovative decisions in response to change, a critical aspect of managing the process.

Effective communication skills - whether verbal, visual, or written—are foundational for successful collaboration. The ability to listen without judgment is crucial, creating an environment that welcomes new and diverse ways of thinking.

In the contemporary business landscape, companies require creative managers—individuals who transcend existing opportunities and confront new challenges daily. These individuals actively seek improved ways to manage the company, inspiring employee development and exploring innovative avenues. A creative manager plays a pivotal role in shaping not only a better business but also contributing to a better world through such management practices.

Hence, creative thinking and effective communication are indispensable tools in modern management. Given the competitive nature of the market, successful management demands a creative and innovative approach to decision-making. Therefore, creative management rightfully assumes a significant role amid modern challenges, emerging as a relevant mechanism for achieving success.

Keywords: Challenges, Management, Creative thinking, Effective Communication

JEL Classification: O30, L20

Introduction

In today's dynamic business landscape, significant changes have unfolded, marked by increased speed and complexity. Sustaining a successful enterprise now demands continual evolution. To foster a conducive working atmosphere within an organization and ensure its ongoing growth, it's paramount that management acknowledges and comprehends its crucial role.

This acknowledgment is essential as the environment significantly impacts both individual employees and the overall efficacy of the organization. For a manager aspiring to institute organizational change, altering the environment is imperative. Presently, there's an unprecedented recognition of the necessity for innovative, unconventional approaches to work. Human creativity and novel ideas stand as boundless reservoirs for progress, effectively harnessed in management.

In essence, maximizing individual potential and skills is pivotal for achieving success. The demand for individuals with creative prowess is burgeoning, with many future business paradigms poised to emerge from their ideation. The contemporary ethos emphasizes not merely enhancing existing methods, but rather cultivating a culture of ingenuity and divergence.

Main Text

Organizations now operate within varied contexts, necessitating a continuous stream of innovations, adaptations, and change. What, then, should underpin the modern evolution of management practices? Where previous management paradigms sought to establish mechanisms of control, striving to mold autonomous, creative individuals into assets, today's approach is decidedly different. Organizations are embracing democratic principles, fostering environments that value and empower their personnel.

In today's landscape, the value of human resources and their capabilities is paramount. The world is undergoing profound changes, marking the 21st century as an era of global transformation where the pace of change is accelerating. Those who resist transformation and innovation risk lagging behind and becoming obsolete.

Transformation and innovation serve as the driving forces behind societal progress and development. Innovation isn't pursued merely for the sake of change but rather for the purpose of improvement. Therefore, it's crucial to elevate the professionalism of managers and establish comprehensive training and retraining programs aligned with the demands of the modern market economy. Securing funding from both domestic and international financial institutions to develop and implement targeted training initiatives is imperative.

Under the framework of the longstanding relationship between the European Union and Georgia spanning over 25 years, the connection between the two entities is growing increasingly significant. The European Union aims for Georgia to emerge as a robust, successful, and independent partner, offering enhanced opportunities to its citizens. Georgia's designation as a candidate for EU membership on December 14, 2023, signifies a pivotal step towards closer alignment.

The European Union stands as Georgia's largest trading partner and a substantial donor, annually providing 120 million euros in grant assistance to support various ambitious reforms. This aid primarily targets bolstering economic development, education, good governance, human rights, environmental protection, and fostering people-to-people exchanges.

In the era of globalization, the world confronts profound changes and novel, often undefined realities. Organizations must navigate these realities adeptly; failure to do so not only hinders prosperity but jeopardizes success altogether. Change serves as a conduit for organizational development, offering new opportunities for both organizational advancement and personal growth.

In the modern era, effective management necessitates the cultivation of high adaptability to the ever-evolving conditions of the business environment.

The primary challenge for managers today extends beyond merely identifying changes; it involves anticipating them and responding effectively. Navigating an organization in today's fiercely competitive landscape demands a distinct approach and forward-thinking vision from managers.

Globalization has underscored the reality that unique talents and skills exist worldwide, waiting to be tapped into. Industries must acknowledge their responsibility to seek out creative talent and reflect the uniqueness of their vision. Managers who fail to recognize ongoing industry shifts risk making flawed strategic decisions.

Modern management underscores the importance of fostering trust and mutual respect between leaders and subordinates. Fear-based management stifles the formation of shared interests within an organization and inhibits the self-realization of employees. As the founder of Apple once highlighted, "Special leaders" think innovatively and outside the confines of conventional wisdom. While adhering to established frameworks is important, embracing creativity and divergent thinking is equally crucial.

Open and trust-based relationships are pivotal to a company's success. Creativity entails the ability to discern extraordinary details in ordinary occurrences and apply them in unconventional ways. Creative individuals consistently offer innovative and insightful solutions. Pursuing work

that ignites one's interest fosters creativity. However, achieving personal and career success necessitates more than just completing university education. Continuous learning and development must become lifelong companions, especially in a rapidly evolving world where today's innovative breakthroughs may become obsolete tomorrow. Thus, updating skills, embracing development, and adapting to modernity remain paramount.

Flexibility is a crucial trait for individuals, particularly in today's rapidly evolving environment. Unfortunately, many, especially managers, adhere rigidly to established rules and fail to consider alternative approaches to challenges. Such rigidity can impede progress, both on an individual and societal level. Therefore, leaders should embrace flexibility and not fear failure, viewing it as an opportunity for growth and course correction.

The swift evolution of information technology and communication has intensified the need for companies to respond promptly to emerging challenges. Creativity, fundamentally, entails fresh perspectives. Managers must innovate in their problem-solving approach, exploring novel avenues to address issues. Overcoming barriers inherent in systems and personnel necessitates a creative mindset.

While knowledge was once paramount for sustaining business success, today, creative thinking and imaginative decision-making are equally essential. Organizations committed to maintaining their competitive edge must prioritize training and developing their workforce to foster creative thinking and innovation in processes, products, and practices.

In the decision-making process, managers should cultivate a penchant for creative problem-solving. Creative thinking empowers organizations to dissect information, transform existing ideas and practices into new ones, and ultimately generate innovative products or services. Thus, nurturing a culture of creativity enables organizations to thrive amidst evolving landscapes.

Amidst integration into the market economy, particularly as organizations expand to international realms, communication assumes heightened significance. Indeed, business success hinges upon effective communication, fostering productive relationships with society—a pivotal aspect of success. Communication stands as the linchpin for organizational development, particularly in fostering personalized approaches between managers and their subordinates. A manager's courteous and empathetic demeanor towards their team naturally fosters a conducive atmosphere, transforming routine tasks into engaging endeavors and uplifting team spirits.

A motivated team constitutes the cornerstone of success, and adept managers must continually stoke and manage this motivation. Oftentimes, the emotional investment of a motivated employee supersedes mere outcomes. Effective management within internal organizational structures, personnel administration, and fostering a culture of excellence in product and service delivery underscore the primary objectives.

Communication plays an outsized role in the success of a company, particularly during periods of change. It can be asserted that communication stands as the cornerstone of managerial endeavors. Planning transpires through communication—both in the exchange and dissemination of information. Managers orchestrate resource allocation through communication channels, be it verbal or written.

A proficient manager orchestrates all organizational processes, and effective communication serves as the linchpin of this endeavor. In Georgia, the communication landscape has witnessed significant transformation, transitioning from the administrative-command system to market-oriented relations. Previously, enterprise management predominantly entailed top-down directives with limited room for verification, clarification, or discussion. Initiatives were discouraged, stifling employee development. Contrastingly, modern managerial approaches prioritize employee initiative, fostering open forums for collective discussion where employee concerns, suggestions, and queries are welcomed. Moral and material incentives are utilized to motivate employees.

Conclusion

Evaluation of communication effectiveness within organizations lacks concrete criteria; its efficacy is gauged by the organization's overall development and success. Effective communication skills are indispensable for successful planning, organization, leadership, and control. Organizations that prioritize communication tend to foster innovation and enjoy greater customer loyalty. Thus, communication emerges as a multifaceted, two-way process that holds significant sway in personal and interpersonal dynamics.

Establishing effective communication not only enhances organizational success but also bolsters individual satisfaction. In the contemporary milieu of globalization and information technology, managers who embrace creative thinking and cultivate effective communication with their teams assume pivotal roles in organizational success. Therefore, creative thinking and effective communication stand as indispensable tools in navigating modern challenges, serving as primary mechanisms for successful management.

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THE IMPACT OF NON-FORMAL EDUCATIONAL PROGRAMS ON BUSINESS AND ENTREPRENEURSHIP TEACHING APPROACHES IN GEORGIA

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Georgia is quickly emerging on the map of global innovations. Therefore, the country already has various non-formal education programs available to entrepreneurs, startups and people interested in innovation, including business incubators, entrepreneurial and digital accelerators, short-term and long-term training courses focused on entrepreneurs, and others. Additional opportunities are available from various associations and stakeholders for the purpose of sustainable development, e.g., free services of the Small and Medium Business Development Association for entrepreneurs (juridical, accounting, consulting services). Here should also be mentioned the projects initiated by the Ministry of Economy and Sustainable Development, GITA and other, including donor, organizations.

Accordingly, every year on average 1000-2500 Georgian citizens are given the opportunity to participate in various non-formal education programs and put the gained knowledge into practice.

As a result of the stated conditions, Higher Education institutions also respond to the time challenges, and business and entrepreneurial acceleration laboratories, innovation and project centers are already being opened and operating on the basis of universities. The teaching methods used in the mentioned units differ from the classical lecture approaches and influence the development of innovative techniques for business and entrepreneurship education, contributing to the introduction of innovative teaching approaches.

The duration of the entrepreneurial acceleration process varies from six months to one year. With the involvement of practical mentors, young entrepreneurs iteratively develop a business idea to transform it into a business model and develop an action plan. The teaching process is enriched with short-term trainings and workshops (in the direction of finances, management, sales, business communications), which give the participants the opportunity to consolidate and further develop practical skills. Organizations responsible for acceleration often provide the appropriate infrastructure, such as a co-working space where team members can work together, share knowledge, discuss. Common workspaces are characterized by an informal environment and thematic spaces. The acceleration process ends with a demonstration day,

where the obtained results are demonstrated in front of potential investors and other interested parties. Well-known accelerators work with Angel (early stage) investors and venture capital companies looking for promising business ideas for investment. In addition to the financial opportunity, the Demo Day provides an opportunity to receive feedback.

The Demonstration Day Model (and other acceleration components) can be used not only to summarize the acceleration process, but also as a universal teaching and assessment tool.

Keywords: *Non-Formal Education, Entrepreneurship, Innovation, Teaching Methods*

JEL Classification: *I20, I23, O17, O30*

PROFESSIONAL ORGANIZATIONS IN EU MEMBER STATES: THEIR MISSION AND ROLE IN THE REGULATION OF ACCOUNTING ACTIVITIES

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International practice testifies that professional organizations (unions of auditors and accountants) play a major role in creating or making changes to regulatory acts of the field.

There are two professional organizations in Georgia - the Georgian Federation of Professional Accountants and Auditors (BAF) and the Federation of Auditors, Accountants and Financial Managers. They are actively involved in the development of the field and the improvement of regulations. However, after the reforms carried out in Georgia, circumstances have emerged that reveal the scope of their activity and the refinement of their legal competence.

The legislation of Georgia "on accounting, reporting and auditing" is based on and shares the directives of the Council of Europe. It is quite logical that a thorough familiarization with the regulatory acts and experience of the professional organizations of accountants and auditors of the EU countries will help to improve the scope and legal competence of similar professional organizations in Georgia, the more so, the association agreement, the status of a candidate for membership in the European Union, the European perspective obliges us to harmoniously engage in a single legislative space.

The member states in the EU have strong professional organizations of accountants and auditors. Among them, for our purposes, the mission and field of activity of the professional organizations of Germany, Austria, and Belgium as developed countries are interesting. The best practices of these three countries can be used as a model for providing professional organizations of accountants and auditors in Georgia. They have different names in these countries. The format and competence of their activity is noteworthy for us.

Germany, Austria and Belgium, as a member of the EU, are subject to the accounting, auditing and financial reporting requirements established by the European Union regulations and directives, their legal framework is fully aligned with the relevant EU legislation.

The work describes the activities of professional organizations of accountants and auditors in Germany, Austria and Belgium and their regulatory documents, similarities and differences with similar organizations in Georgia.

In the comparison, the author makes noteworthy conclusions and offers interesting considerations for the development of the field, which will contribute to the development of professional unions in Georgia and the full integration of the field into the EU.

The aim of the paper is to prepare proposals for improving the scope of activity and legal competence of professional organizations of accountants and auditors.

Keywords: *Professional Organizations of Accountants and Auditors, EU, European directives, Self-Regulation, State Supervision.*

JEL Classification: *F50, M41, M42*

THE ROLE OF GERMAN INSTITUTIONS IN THE INTEGRATION OF GEORGIA INTO THE EUROPEAN UNION

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Georgia has been aspiring to becoming a member state of the European Union (EU) for a long time. On December 15, 2023, the European Council granted Georgia the status of a candidate country for EU membership. Joining the EU ensures economic stability of our country, improvement of the quality of life, establishment of social standards, inflow of investments, etc. The country's democratic future and the smooth operation of its institutions are guaranteed by membership in the EU.

The Federal Republic of Germany is one of the main, leading countries of the EU. It determines social, political and economic processes not only on the European, but, in many cases, even on the global scale. Georgia and Germany have maintained diplomatic ties for almost three decades. Since the Germany has been a significant partner since the 1990s, helping Georgia visibly through its political and economic transition and as it moves toward closer ties with the EU. There are close and diverse bilateral relations. The following fields include mutual cooperation: sustainable urban development, ecology, renewable energy and energy efficiency, professional training, development of the private sector and financial system, culture, etc.

There is a great interest in the German language and academic exchange with Germany in Georgia, which is largely due to German cultural and educational organizations. Among them, the German institutions situated in Georgia deserve special recognition because of their unwavering efforts, our nation has made real progress in numerous areas.

Our work examines the role of exactly these German institutions in the process of Georgia's integration into the EU. It illustrates how these organizations promote cultural and scientific

exchange between Germany and Georgia. On their initiative, there are held conferences, webinars, seminars, exhibitions, film screenings, concerts, festivals which serve to share international experience.

Some organizations focus on the internationalization of Higher Education institutions, strengthening German studies and German as a foreign language in Georgia, helping our country to create competitive higher education institutions, and, at the same time, consulting experts in the fields of education and science. It encourages researchers to conduct research at German universities. It also helps students to find a higher education institution with a suitable profile in Germany and to obtain the necessary source of funding.

Keywords: *German, Georgia, European Union, Integration, Institution.*

JEL Classification: *F50, I20, I23*

DEVELOPMENT OF THE TOURISM INDUSTRY ON THE BASE CLIMATE CHANGE IN GEORGIA

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Abstract

An important problem of modernity is the protection of the environment from negative anthropogenic activities and the rational use of natural resources. Its due to the fact that in today's conditions, both ecologically and materially, it is impossible to make the right decisions without taking into account environmental condition

The World Meteorological Organization (WMO) has organized a number of events to support tourism. It provides World Tourism Organization (WTO) members with early warnings about natural disasters, glacier recession, water resources and climate change. WTO closely cooperates with WMO. Forecasts of climate and extreme hydro meteorological events provided by the National Hydro meteorological Services are particularly important in today's world, as regional climate variations have emerged in the wake of global climate change.

Keywords: *The World Meteorological Organization (WMO), Climate Change, Tourism-Recreational Resources, Tourism Climate Index*

Introduction

Development of the tourism industry directly depends on the geographical location, topography, vegetation, weather and climate of the region. Weather and climate are the two main factors that determine the bioclimatic resources of a place. Therefore, the study of these

resources, which are essential for organization and development of the resort industry plays a key role and much focused.

The climate has a direct and indirect impact on tourism. The climate in the tourism sector is an essential factor influencing for tourists. Adverse climatic conditions and their changes can affect the tourist flow or seasonal alternation of tourist activities. Seasonality of tourism and changes in the consumer sector, caused by climate variations, also affect the related sectors of tourism. The study of seasonality in the field of tourism allows to determine the degree of influence of natural-climatic conditions on tourism product formation and to identify the factors that drive seasonality in tourism, as well as to develop a system of measures to reduce seasonality inequality.

Main Text

Climate resources are one of the principal components of tourism-recreational resources. For the first time in 2008, the WMO and MTO adopted a resolution stating the need for countries in these organizations to assess the potential of tourism and recreational resources in different tourism regions and to develop appropriate recommendations. Georgia, as a member of both organizations, believes that the potential of tourism and recreational resources should be reevaluated. Georgia's diverse climate conditions create tremendous potential for tourism development. However, the definition of climate potential in Georgia according to tourism standards, as is the case in developed countries, has not been implemented yet. This may have a negative impact on attracting potential tourists to Georgia.

Climatic indices were used to assess tourism and recreational resources. There are more than 200 climate indices. In general, the tourism climate indices can be classified into three categories. Elementary indices are a synthesis of the values of several meteorological parameters, but they do not contain bio meteorological information and are thus less acceptable for evaluating recreational resources in the tourism industry.

To evaluate tourism-recreational resources in Georgia for the first time the Tourism Climatic Index (TCI) [1] was used, based on the combination of different meteorological elements (air temperature, atmospheric precipitation, relative humidity, average duration of sunshine). In order to develop the tourism industry, it is necessary to identify the potential of tourism resources by seasons and months. Only TCI can calculate annual values. At the same time, this index does not fully incorporate the thermos physiological component necessary to evaluate tourism-recreational resources.

To study the impacts of climate change on the development of the tourism industry, the Holiday Climate Index (HCI), which is a complex climatic feature and is defined on the basis of various meteorological elements, has been identified. The Holiday Climate Index was designed for this study with the purpose of overcoming all identified deficiencies and limitations of the Tourism Climatic Index. The definition of HCI takes into account that different destinations require different types of climate information for two major segments - urban and mass tourism. The five climatic variables used for the HCI input are maximum air temperature (0C) and relative humidity (TC) (the set of these two parameters is the effective air temperature T) (%), cloud

cover (A) (%), precipitation Rd (mm) and wind (W) (m/sec).) The Holiday Climate Index (HCI) score is calculated according to the following formula

$$HCI = 4 \cdot T + 2 \cdot A + 3 \cdot Rd + W. \quad (1)$$

The effective air temperature is calculated according to a special monogram [2].

Table 1: HCI Categories and Rating

HCI Score	Rating	Category
90 – 100	1	Ideal
80 – 89	2	Excellent
70 – 79	3	Very good
60 – 69	4	Good
50 – 59	5	Acceptable
40 – 49	6	Marginal
30 – 39	7	Very unfavourable
20 – 29	8	Extremely unfavourable
10 – 19	9	Impossible
- 30 – 9	10	Impossible

The study parameters were compared for two 30-year periods, I (1961–1985) and II (1986–2010) according to the Student's criterion, when $\alpha \leq 0.15$.

In order to determine the impact of climate change on the evaluation of tourist and recreational resources, we have determined the complex climatic indices of tourism not only according to such diametrically different regions (such as Adjara and Kakheti region), but also in touristic mountain and ski regions (Borjom-Bakuriani region, Mtskheta-Tianeti region, Svaneti) .The regularities of changes to the HCI Index and its constituent parameters for the tourist destinations of Georgia are defined by regions. Mathematical statistics methods were used in data analysis.

The monthly values of the HCI score in Mestia vary from 34 (category "unfavorable", January) to 95 (category "ideal", September-October) in 1961–1985. The mean monthly mean values for HCI changed from 56.2 (category "Acceptable", January) to 83.5 (category "Excellent", August).

The average monthly HCI in Mestia for the whole period of observation generally has a negative tendency.

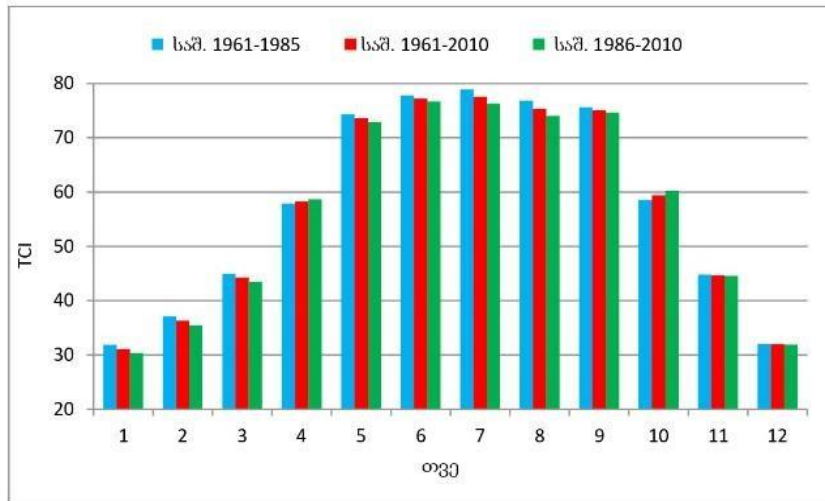


Fig. 1. Holiday Climate Index in Mestia in three observation periods

The recurrence of HCI categories over the three observations. In 1961–2010, the highest repeatability of the HCI index was noted as “Excellent” (29.3%), and the least repeated as “Unfavorable” (0.1%).

There are favorable bioclimatic conditions in Mestia during all three observation periods. During the second period (1986–2010) as compared to the first (1956–1985), climate change in Mestia has led to changes in the categories of the Tourism Climate Index (HCI). The HCI category. “Acceptable” increased from 21.7% to 30.0% (from 79 days to 110 days, respectively). The category "Good" decreased from 29.3% to 19.7% (108 and 72 days a year), the category "Very good" increased from 13.9% to 19.2% (51 and 70 days a year). The category "Excellent" decreased from 30.3% to 28.3% (111 and 103 days a year).

Favorable bioclimatic conditions are observed in Mestia during all three observation periods. Climate change has resulted in a slight change in Tourism Climate Index (HCI) categories.

Despite the widespread use of HCI, a number of scholars have expressed criticism. According to the authors, the HCI has four major weaknesses: (1) a subjective system for assessing and weighting climate variables; (2) ignoring the possibility of overcoming the influence of climatic parameters (for example, rain, wind); (3) low temporal resolution of climate data and (4) ignorance of changing climate requirements for major tourism segments and destinations (e.g. coastal, urban, winter sports tourism, etc.).

To overcome the limitations of HCI, the recreation climate index HCI was developed, which, according to the authors, more representatively evaluates the climatic suitability of the area for

tourists. The word "Holiday" was chosen to better reflect what the index was designed for (so, Holiday tourism), given that tourism has a fairly broad definition: "Tourism is a social, cultural and economic phenomenon involving the movement of people between countries and places outside their normal environment for personal or business/professional purposes". A major achievement of the HCI is that its rating scale variables and component weighting system are based on the growing number of climate conditions reported by tourists in the existing literature.

Conclusion

It was found that the expected climate change in Georgia would not have a significant impact on the tourism bioclimatic resources (HCI). It is only possible to change the HCI category in one step or increase.

Thus, it can be said that bioclimatic conditions in Georgia have not changed significantly and we should not expect any substantial changes in the future.

In order to increase the country's resort and tourism potential, more detailed study of the bioclimatic resources of individual areas should be undertaken in order to make the most optimal use of this natural resource - to improve the quality and attractiveness of different types of resort and tourism industries to potential customers.

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EXPLORING CORPORATE SOCIAL RESPONSIBILITY TRENDS IN GEORGIA: BASED ON FRESCO SUPERMARKET CHAIN

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History of Corporate Social Responsibility (CSR) in today's civilized world spans several decades. Embracing a holistic CSR approach implies that the scope of a business's responsibility extends beyond its immediate operations to include supply chains. This means that commercial entities willingly consider the interests of customers, suppliers, and employees, along with the colleagues, business partners, and the broader public, in their business dealings.

CSR refers to businesses voluntarily assuming greater responsibility for social, environmental, and human rights concerns beyond what is mandated by law. In doing so, they aim to make a positive impact on society by actively addressing and regulating social and environmental issues. This content plays a crucial role in defining corporate social responsibility, as outlined by the World Business Council for Sustainable Development. Sustainable development entails fulfilling societal demands and needs across economic, social, and environmental dimensions. Consequently, the overarching objective of a business organization's social responsibility is to foster sustainable development.

Key characteristics of CSR include:

Embracing CSR as a voluntary business model;

Ensuring compliance with prevailing social, economic, and environmental laws;

Integrating CSR into all facets of the company's activities;

Recognizing that CSR is not a mere charity, philanthropy, or altruism, but rather a strategic approach and managing societal challenges.

Considering these characteristics collectively, the primary objective of a CSR policy is to cultivate sustainable and enduring approaches rooted in expectations within the core activities with the aim of enhancing societal conditions in terms of social, economic, and environmental aspects.

Although the inception of CSR in Georgia originates only in the early 21st century, there has been a consistent annual rise in the number of businesses explicitly shaping their activities around a social responsibility strategy. One noteworthy example is the Fresco supermarket chain, established in 2010, which has expanded to include nine branches across Tbilisi. The company's philosophy is succinctly captured in its slogan: 'What is good for Georgia is good for Fresco, what is good for Fresco is good for Georgia.'

Keywords: *CSR, Georgia, Sustainable Development, Fresco, Business.*

JEL Classification Code: *I250, M14*

ORGANIZATIONAL CHANGES AND THEIR IMPACT ON THE ORGANIZATION'S AGENDA – EUROPEAN UNION CASES

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Today, we live in a constantly growing and changing environment where change is essential to any organization's agenda. It is through change that they can adapt, sustain success, and cope with existing challenges. It is worth noting that changes can be planned and forced when environmental events force organizations to make changes. Changes may also be caused by

factors such as instability in the political and economic environment, rapid development of technology, rapidly growing markets, and internal organizational factors/events. However, changes may be made to the structure, strategy, policies, procedures, technology, or culture.

There are many approaches and methods for properly implementing and managing change. However, organizations in which the change process is taking place may differ in terms of structure, system, strategies, and human resources. Consequently, organizations need an integrated approach to systemic and constructive change to reduce destructive barriers to change and improve implementation outcomes (Harris, Tagg, & Howell, 2005).

Successful management of changes, as well as their practical implementation in crisis situations, is one of the critical and urgent issues on the agenda of organizations. A rapidly changing environment requires organizations to implement any type of change qualitatively, with little disruption and significant results. Although changes are an integral part of any organization's environment, only a tiny part of them have the opportunity to succeed (Al-Haddad & Kotnour, 2015) because existing practices shows that only a part of organizations can successfully implement changes.

However, the dynamic and fast-changing landscape has created unstable and increasingly competitive organizations in the European Union and its member states. It is an environment that requires them to make changes constantly and quickly adapt and cope with existing challenges (Waldersee, Griffiths, & Lai, 2003).

Initiating the process of changes in today's growing competition may only sometimes be successful and cause other ongoing processes to be delayed or stopped. Organizations that fail to address the game rules caused by reality may see a significant decline in their performance indicators.

Keywords: *Organizational Changes, Strategies, Managing, Adaptation*

JEL Classification: *D20, D29, L20*

n Foreign and Security Policy and Georgia

PROBLEMS OF CORPORATE SOCIAL RESPONSIBILITY IN SMALL BUSINESS

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The spread of issues of corporate social responsibility is associated primarily with the transition of the most developed countries from an industrial type of society to a post-industrial one, which implies economic growth not through the extensive use of natural resources, but through the use of knowledge and highly qualified labor resources.

CSR - the concept of interaction between business and various societies (society as a whole) - is a progressive idea and is reflected by the civilized community in international and national official documents, including the European Social Charter, and the UN Global Compact.

As a rule, the works of scientists are aimed at studying CSR in large businesses and, accordingly, all existing forms of social reporting, practices, and recommendations are aimed at large business enterprises. However, small businesses also play an important role in market economies, especially in transformation economies.

Accordingly, the purpose of the study is to substantiate the significance and determine the advantages of implementing CSR in small businesses; as well as reveal problems that may hinder its development in small business.

The small and medium-sized business sector in both developed and developing countries provides more than half of the jobs, creates greater added value compared to large businesses and makes the most significant contribution to the state's GDP.

Nowadays, consumers have become more aware of their choices and are willing to pay more for a product labeled as "socially responsible". An enterprise that has reached a certain level and rate of economic growth, and, accordingly, is able to concentrate its efforts not only on its own survival, but also on the well-being of associated societies and their habitat, can be socially responsible.

Small business is closer to large business directly to the needs of the population, then its CSR strengthens this situation and allows the use of responsible business as the most important factor in the solidarity of society as a whole in solving the current socio-economic problems of the country.

The study used general scientific and special methods: systematic approach, logical, historical, analytical and comparative methods. The need to expand the implementation of the concept of CSR in small businesses is substantiated, the advantages of its implementation and problems impeding development are identified. A conclusion is made about the need to intensify support for small businesses, especially in developing countries.

Keywords: *Small business, Responsible business, Corporate Social Responsibility.*

JEL Classification: *L20, M14*

CORPORATE SOCIAL RESPONSIBILITY IN AUDITING COMPANIES: THE EUROPEAN UNION EXPERIENCE

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Georgia is actively working on the issue of rapprochement with the directives and regulations in the EU. In this regard, it is crucial to evaluate the changes made in the field of accounting and auditing and the issue of sharing the experience of EU countries in Georgia in this field. In recent years, significant changes have been made in the legislation on accounting, financial reporting, and auditing. The agenda included, among other issues, the need for maximum harmonization of audit procedures and audit quality control mechanisms with the legislation in force in the EU.

Well-planned management of the company's strategic processes based on the best international practices, ensuring compliance and consistency of financial and management reporting is an effective way to identify successes, problems, and challenges based on evidence-based assessment.

There is no unified definition of Corporate Social Responsibility (CSR). EU documents define CSR as "a voluntary decision by companies to consider social and environmental issues in their business activities and relations with stakeholders."

The function of any company is to be sustainable and profitable. And corporate social responsibility is consistent with its primary function. It is considered a management approach to achieve higher success for the company, including indicators of economic efficiency.

In addition to service quality and price, ensuring CSR in various directions is vital for auditing companies. CSR requires audit firms to conduct business ethically, protect clients' rights, have responsible relationships with clients, and have Transparency in business activities.

Auditing companies in EU countries implement various projects toward social responsibility. As far as they know, CSR is part of the strategy. When planning a CSR strategy, a company needs to keep in mind that its activities and strategy should match the company's values and policies.

Developing a corporate social responsibility strategy and planning activities in this direction benefits the audit field, existing and potential clients, and employees. A responsible business generates the same values and principles in its activity, with the same principles and values that it carries out its economic activity.

Activities planned in the context of CSR must be long-lasting and sustainable, bringing benefits to society and business.

Keywords: CSR, Audit, Georgia, European Union

JEL Classification: M14, M42, F50

THE CRUCIAL ROLE OF PERSONAL CAREER MANAGEMENT IN THE MODERN LABOR MARKET

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In the contemporary labor market, characterized by rapid technological advancements, globalization, and shifting employment paradigms, the importance of personal career management has become critically important. Additionally, the evolving employment landscape, marked by the rise of freelance work and remote opportunities, demands adaptability and strategic personal career planning. The traditional career trajectory of just a few years ago is giving way to a more dynamic, proactive model to enable the individual to quickly and effectively adapt to the demands of the labor market. Personal career management emerges in this process as a pillar that allows individuals to take charge of their professional development, set strategic goals, and continuously refine their skills.

Professional self-determination - the cornerstone of effective personal career management, involve a deep understanding of one's strengths, professional interests, motivation, values, and competencies. Self-determination requires an ongoing process of self-evaluation and reflection that enables individuals to align their career choices with their personal and professional goals. Professional self-determination becomes a guiding compass for dealing with challenges in the labor market, which at the same time allows the individual to derive from the work process a sense of satisfaction and happiness, which is the foundation of a balanced life.

In an ever-evolving labor market and personal career landscape, the European Union has played a significant role in supporting career management initiatives in Georgia that have led to transformational changes in workforce skills development. EU-funded programs focusing on vocational training, language skills, and digital and soft skills have played a key role in closing gaps in the sector and introducing a trend towards lifelong learning and development. Moreover, the joint efforts of the EU and Georgia have fostered a rich network of cultural exchanges, mobility programs, and networking opportunities that contribute to the creation of a globally aware and adaptable workforce, empowering individuals to face the challenges of the modern labor market and be competitive both locally and internationally.

Thus, personal career management is strategically significant for professionals seeking success in today's labor market. Through proactive career planning that promotes professional self-determination, individuals can not only withstand the challenges of rapid change but also proactively shape their trajectories, ensuring sustainability and continuous growth in an ever-evolving professional landscape, enabling individuals to meet and cope with the challenges of the modern labor market.

Keywords: *Personal Career, Professional Self-Determination, Skill Development, Management, Labor Market.*

JEL Classification: *M12, J40*

THE ROLE OF GREEN MARKETING IN A BUSINESS ECONOMIC ENVIRONMENT

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Green marketing may be a marketing logic that has risen due to global economic fluctuations, advance challenges from Brexit, and changes within the scene of corporate social obligation. Nowadays conventional marketing is not sufficient to address all issues in advanced markets. Green marketing is an approach that incorporates reliable marketing exercises at the key on strategic, tactical and operational levels. With the assistance of green marketing, it is conceivable to move forward the characteristic ecological system and increase the quality of life. It guarantees sustainable financial development, decreases environmental pollution and the risk of roessing.

The concept of green marketing is advancing over time. Early definitions focus on the popularization of eco-friendly products. However, the most recent definitions have extended and incorporate a broader concept of sustainability that is connected to both social and financial factors.

For business, green marketing implies expanding brand reputation, extension of market share and client loyalty, it also supports businesses in saving money, in energy consumption and waste reduction , and supports buyers to get environmentally Eco-friendly products and services.

In the last period, it is critical to utilize green marketing within the exercises of each company. If they want to remain competitive with the advertisement, green marketing techniques ought to be actualized. Producers should Implement marketing policy, which will support popularization and promotion of this sphere. Viable strategies of impact can be considered: different publications, brochures and TV stories, which will show the significance of green marketing that supports to increase producers' interests and encourage them to produce environmentally eco-friendly products.

Green marketing has a potential to end up the foremost profitable and fruitful field within the long run. Restrictions on natural resources, expanded utilization, and environmental pollution serve to promote green marketing all over the world.

Keywords: *Ecological Marketing, Environmental Marketing, Sustainable Marketing, Green Marketing, Environmental Eco-Friendly Products, Socio-Ethical Marketing.*

JEL Classification: *M31, Q3*

STRATEGIC MECHANISM FOR IMPROVING THE RISK MANAGEMENT OF THE BANKING AND FINANCIAL BUSINESS

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Abstract

There are many definitions of risk. Economists, *risk* theorists, statisticians, actuaries define risk in their own way and have their own concept of risk. Usually, the term uncertainty is used to describe risk. According to this concept, risk is defined as uncertainty regarding the occurrence of losses (Rejda. 2013). Risk is also defined as variability in future outcomes, chance of losses, possibility of deviation from expected, negative outcome, variability of possible solutions in a given situation, possibility that a sensible person may have losses (Rejda. 2013)

Keywords: *Risk Management, Banking and Financial Services System, Effectiveness*

JEL Clasifications: *G21, G23,*

Main Text

Managerial decisions are almost always made at risk. It is important for any business not to avoid risk (which is practically impossible), but to anticipate and minimize it. Risk classification is a very difficult problem, they must be classified according to certain criteria. The results distinguish between a) pure and b) speculative risks. In particular, the peculiarity of pure risk is that it is almost always accompanied by losses. Its cause may be a natural disaster, the incompetence of the firm's managers, and so on. Sh. Pure risks are characterized by a certain stability of expression over time, which is why they are sometimes called statistical risks. The methods of probability theory and mathematical statistics are widely used in the process of analysis and evaluation of such risks. Speculative risks can be accompanied by both losses and additional gains. The detection of speculative risks is of an indefinite nature, their analytical estimates change over time, which is why they are also called dynamic risks. The reason for this may be changes in the exchange rate and market conditions, changes in investment conditions and more.

The following methods are used during the risk control process:

1. Risk Avoidance - An attempt to completely avoid the possibility of losses of a given species. With rare exceptions, risk aversion is extremely difficult.
2. Avoidance of losses - may be an attempt to reduce (but not complete) specific losses. For example, a soft toy manufacturer can minimize the risk of allergic reactions to soft toys in children by analyzing the materials from which they are made before production.

Typically, other risk zones also take measures such as fire extinguishers to prevent damage from fires, secret door locks to prevent theft, and a control device to prevent accidents.

3. Minimization of losses - by following the rules established by the government by law. This way penalties can be avoided in the event of any incident.

4. Transfer of control to another - This is a way to avoid risk to another person or group of persons a) by transferring real property or activities or b) by taking responsibility for the risk.

The problem of credit risk management remains relevant for the banking system of any country. The effectiveness of a credit transaction, which can be judged by the return on investment, the level of problem loans in the bank's loan portfolio, and other criteria, often depends on both environmental factors and a combination of credit risk management methods. Since it is practically impossible to avoid external factors, the first task of banks should be to develop a system of management methods that, given their internal capabilities, will be adequate for potential credit risk.

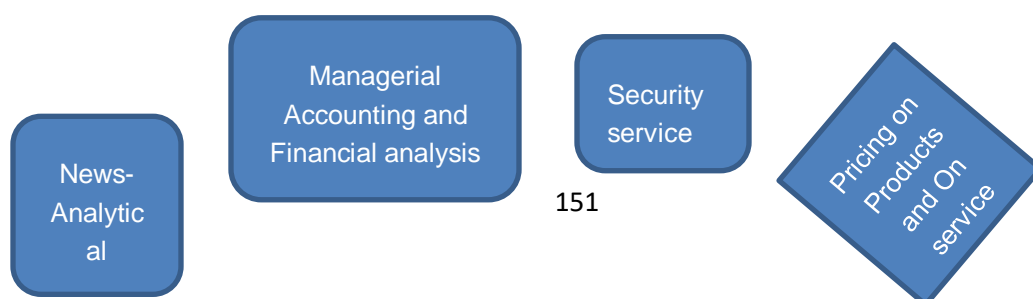
The main type of credit risk is default, which is reflected in the inability or distrust of contractors to meet their obligations on time or in full. The organizational structure of a commercial bank's credit rings generally includes: the Credit Committee; Commercial and Consumer Loans Division; Borrower Credit Analysis Division, Credit Portfolio Quality Control Division.

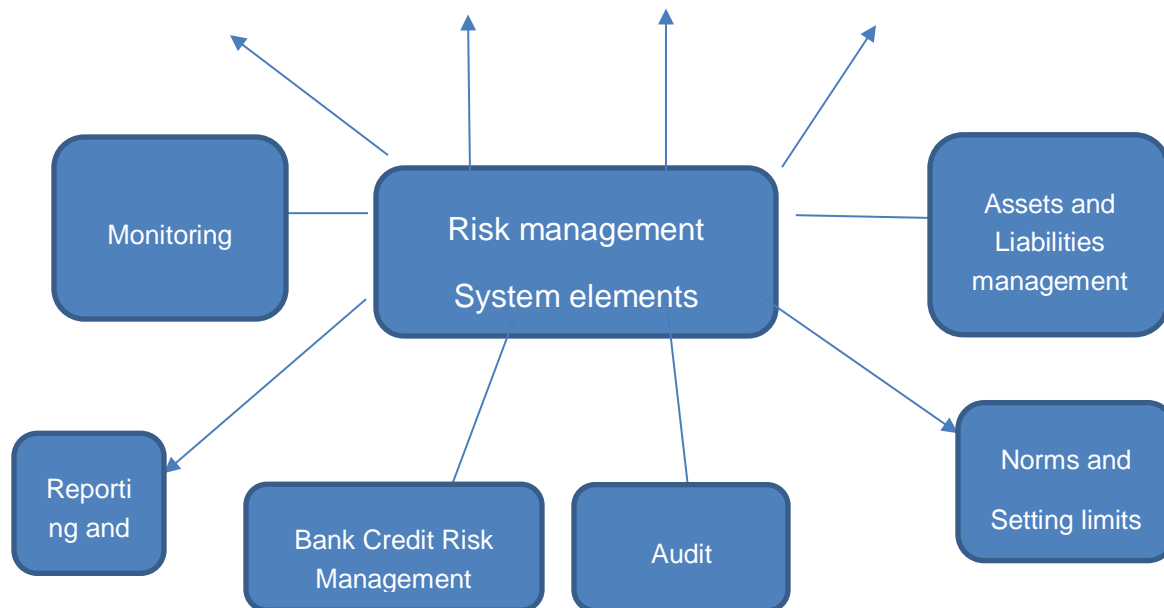
At the present stage in Georgia, the problem of bank credit risk management is considered as a system of indirect and direct impact measures on the object of management (see Figure 1.1.). Ms. Lia Eliava, a prominent figure in the field of banking and finance, sets priorities for improving the banking credit risk management system based on a systematic analysis of current financial challenges in Georgia.

Analyzing loans and grouping them by quality is of great importance. Credit quality should be understood as the level of credit risk inherent in a given loan. Unlike credit risk ratios, the quality of a loan or bank loan portfolio is the actual rate that is determined by the amount of credit already issued. Optimal distribution of goals and objectives between different credit units and their employees is impossible without establishing an effective management structure for bank credit risk. Given the essence of banking, both expected and unexpected risk is a potential event that could have a negative impact on a bank's profit and equity.

In order to carry out the risk management process,

Table 1.1 Bank Credit Risk Management System Scheme





the bank must, first of all, accurately identify the risks, recognize and understand all the risks that may arise during the implementation of any new business, including any risks that characterize it or related enterprises or other related enterprises. .

When operating in different regions of the country, banks are exposed not only to a variety of internal risks, but also to external risks, which are not the same everywhere. There are a number of different risks involved in the operations of commercial banks, including:

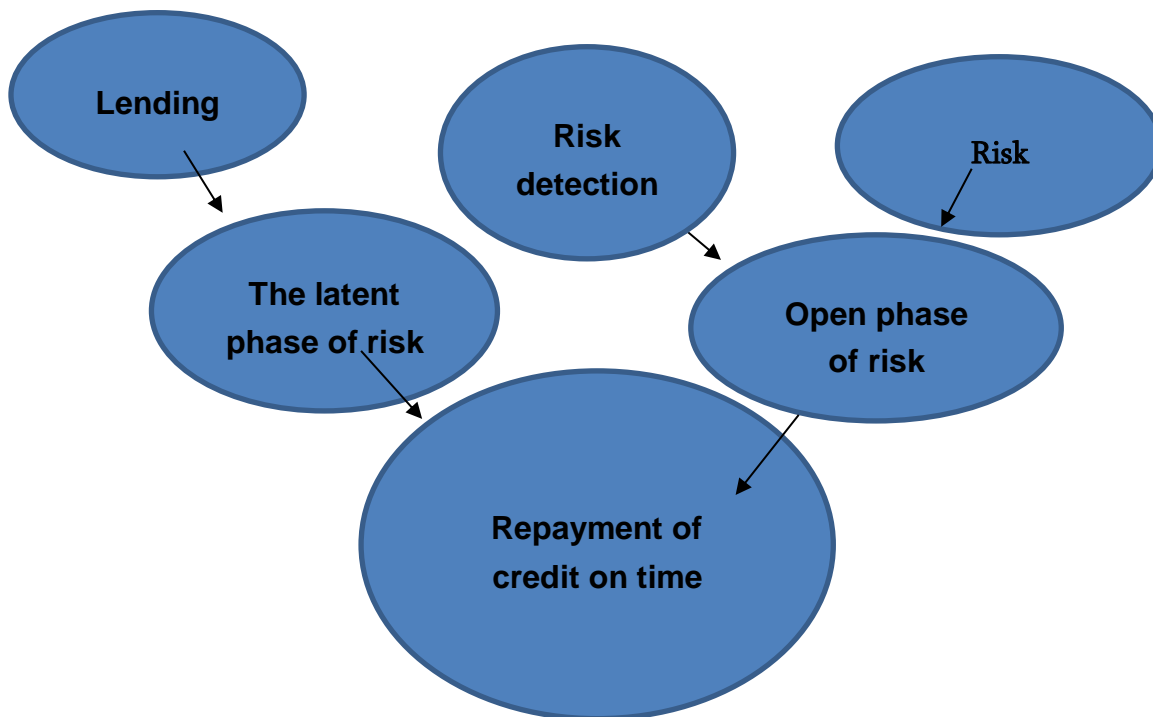
- 1) Issuer liquidity risk - the certainty or uncertainty that a bank's assets may be sold at market or related prices;
- 2) Systemic risk Risk arising as a result of variability or deviations in the performance of the bank in relation to the final operation of the banking system;
- 3) Interest risk - the variability of income and prices of financial assets, which is caused by changes in the level of interest rates, ie the risk that the average value of attracted funds may exceed the return on working assets;
- 4) Market risk - arises when the value of domestic resources (equity) in a foreign market is higher than the value of capital;
- 5) Economic risk - long-term, medium-term and short-term risks experienced by a competitive bank as a result of interest rate cuts or changes in identical external market factors;
- 6) Portfolio risk - risks of asset portfolio concentration in one direction of activity;
- 7) Solvency risk - arises when the bank does not have settlement funds and its own funds are used for these purposes to fulfill current liabilities;

- 8) Strategy risk - arises in case of inadequate definition of the market's own market by the bank and failure to meet the requirements of the market sector in which it wants to work;
- 9) Market conjuncture risk - the risk of untimely reaction to changes in the banking market conjuncture;
- 10) Risk of efficiency of current operations - the risk of inefficiency of current operations, which requires correct information and prompt determination of profitability of the bank's operations.

Risk management in the banking sector is an ongoing process. This organizational structure has gradually changed with the introduction of new methods of risk management. New risk management technologies, which involve all structural units in the management process, have centralized the risk-management profile and redistributed responsibilities among risk-taking business structures. The separation of the risk control function from business structures has led to the establishment of a special risk management service, which has established strict oversight of credit, market, and interest rate risk management.

Within the Bank's risk policy, we can identify the following risk mitigation measures: risk avoidance; Risk reduction, its regulation; Check the solvency of the client and ensure ongoing control; Risk insurance and the use of collateral; Risk distribution; Risk dispersion, etc. Risk limitation by Central Bank regulations, which may include risk ratios for commercial bank assets.

Table 1.2 Credit Risk Management Scheme



According to the Central Bank, a reserve may be created in the commercial bank to cover the expected losses on loans. It is used only if it is necessary to repay the unpaid loan debt by the customers in the part of the main debt. When developing risk management measures, it should be

taken into account that the risk will go through two phases: hidden and open. A scheme of the risk management process is proposed (see Table. 1.2).

Probabilistic models are often used to identify key factors influencing banking crises, so American researchers D. Hardy and S. Pazarbashioglu, who have studied banking crises in developing countries, have come to the conclusion that in many cases the precondition for their emergence is national growth. Currency Devaluation and Rising Real Interest Rates (Hardy, Pazarbasioglu, 1999) Pre-emergence indicators of a banking crisis include high volatility in inflation (characterized by declining inflation one year before the crisis and rising to a two-year low). In relation to the external economic shock, a large inflow of foreign capital.

Thus, reliable and stable operations are directly dependent on the organizational structure of risk management, the purpose of which is to coordinate, thoroughly and consistently control banking risk mitigation measures.

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THE ROLE OF ADVERTISING ACTIVITIES IN THE MANAGEMENT OF MODERN COMPANIES (ON THE EXAMPLE OF THE INTERNET ADVERTISING MARKET OF EU COUNTRIES)

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In this article, the authors discuss the role of advertising in the management of modern companies. With the transition to a market economy, advertising has taken center stage in business. These days, it is hard to find a business activity that can be successful without advertising. Therefore, researching advertisement nowadays is crucial to advertising activities of a company. The success of a company in the market depends largely on the advertising strategy and management of the company.

The article defines advertising, describes international advertising management, and explores the factors that lead to management issues in the advertising industry. It also discusses the functions of advertising management and the actions and strategy of the advertising company in advertising management.

All parties involved in advertising communication: advertisers, mass media, consumers of goods and services – benefit from advertising from financial point of view. The advertising campaign plan is developed and provided to the client on the basis of a request prepared by the customer.

An advertising agency works with advertisers to create unique and promotional materials by carrying out executive and creative tasks. An advertising agency typically employs highly qualified executives as well as commercial agents abroad in cases of significant international volume level.

One of the primary responsibilities of the manager of advertising activities is to foster the development of young employees and maintain the company's competitiveness. Everything hinges on his capacity to persuade people using both financial and ethical rewards.

Modern advertising companies seek to promote brands, which can be characterized as marketing and advertising activities.

The cost-effectiveness of advertising is the economic result obtained through the use of an advertising tool. This outcome is typically calculated as the ratio of the advertisement's costs to the total revenue from the extra turnover it generated. Generally speaking, the overall revenue should equal or surpass the advertising expenses as a practical economic outcome.

In the article, the authors emphasise the socio-ethical aspects and legal norms of regulation of advertising activities, as well as methods of Internet advertising.

The conducted studies showed that the Internet advertising market has grown in Georgia as well as in EU member states. Competition in this field is very high. Therefore, Georgia is trying to implement innovations and digital technologies in the advertising business, similar to and with the support of EU countries.

Keywords: *Advertising Management, Creativity, Competitiveness, EU*

JEL Classification: *M37, F40*

EVALUTION OF THE EFFICIENCY OF PORTS

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The problem of efficiency is the biggest problem of the economy. Economic activity, both at the macro and micro level, involves the constant measurement of results and costs and the determination of the most effective option from these options. In general, efficiency means carrying out any process with minimum cost, effort and loss. Economic efficiency is an indicator that is determined by the economic result and the costs that created this result.

In other words, the lower the price and the greater the importance of economic activity, the higher the efficiency. First of all, it should be noted that the efficiency of only one business unit is not identical to the efficiency of the business system. When determining economic efficiency, there are significant differences at the level of an individual economic unit or the entire economic system.

The technical aspect of effectiveness is evaluated according to the quality of used materials, raw materials, and semi-finished products; Advancement of technology used, skill level of workers, etc. The efficiency of the resource is determined by the ratio of the obtained result, examples of the efficiency indicators of one of the production resources are; Material production, labor productivity and material consumption.

According to the results of the research conducted by the International Labor Organization, labor productivity per capita per year is: in the USA - 63,885 dollars, in Ireland - 55,986 dollars, in Luxembourg - 55,641 dollars, in Russia - 18,000 dollars.

The total efficiency is considered as the ratio of the result to the total current costs and it is calculated as follows:

Economic efficiency equals the result relative to the cost General economic efficiency is expressed in profitability indicators.

Economic efficiency generally refers to the economic result, the result obtained by implementing any measure. In general, the word efficiency is a word of Latin origin, and different sources interpret it in different ways. For example, the dictionary in social sciences offers the following definition - "Efficiency is the relationship between the goods and services produced as a result of

a program or activity and the resources used for their production." Efficiency is measured by the costs incurred per unit of output.

Georgian Wikipedia gives a completely different definition, "dividing the beneficial effect of the service or production process with the costs". The issue of efficiency will be studied by various scientific disciplines. Economic efficiency is the focus of many of these authors. It follows that all this is given by different arguments.

In the field of industry, economic efficiency requires special calculations: in agriculture, production, construction, trade, services and many other areas, therefore, when determining the efficiency index, we are dealing with many certain calculation difficulties.

We consider efficiency as a Georgian synonym of efficiency, and if we talk about economic efficiency, then we mean the results obtained by spending economic elements or economic resources. When evaluating the efficiency with a multifaceted approach, a generalized indicator should be identified - the criterion of the efficiency of sea transport.

Keywords: Efficiency, Resource, Capital, Labor

JEL Classification: J01, J08

MANAGEMENT OF BATUMI PORT AND ITS DEVELOPMENT

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In the field of certification, in 2002, the harbor was awarded the international quality standard ISO 9001 by the world leaders, who are recognized as members of the transnational system of quality labor and environmental protection management. According to their recognition, the Batumi harbor became the first in the post-Soviet space to receive such a certificate, including among the Black Sea harbors.

In 2009, the management system developed by the certified body (Bereau Veritas Certification) according to ISO 14001; 2004 international standard, which was created with the integrated planning system of quality and environmental protection.

In 2013, the above-mentioned body conducted an independent audit of the port's labor protection management, according to which a decision was made to re-certify the port in accordance with international requirements. In 2016, an energy management system was introduced and developed in accordance with the ISO standard.

LLC "Batumi Seaport" is the first company in our country where the new requirements of the international standard ISO 9001; 2015 were introduced. The certified integrated management system of environment, labor and quality represents the services related to the safe installation of ships, safe loading and unloading of various cargoes. The continuous improvement of the system is confirmed annually according to the requirements of international standards, according to the evaluation of the supervising auditors, by Bureau Veritas Certification.

The strategic line in the policy of quality environment protection and port labor protection, within the framework of the system, is to improve the quality of services to be provided, to meet the requirements of clients and to monitor the impact of port activities on the environment. After the audit conducted by the Maritime Transport Agency of Georgia, the certificate is issued for a period of 5 years, provided that it passes an annual inspection during the supervisory audit.

The fact that Georgia is a country by the sea can be considered as its great advantage. But unfortunately, our marine infrastructure does not have any surviving liners or tankers. It is necessary to start work in this direction, namely:

A) It is necessary to create a liberal investment environment in order to attract foreign investors to build the Georgian fleet. All this will be achieved through liberalization and differentiated rates for the navy.

b) Maritime state Georgia can create at least some part of the navy with its own funds. Should acquire several ocean-going ships, of course, under the auspices of disposal of maritime administrations.

There is a need to introduce maritime infrastructure management standards in accordance with international conventions and regulations. With all this, managing management, both with technical means and with information provision, ways and methods.

Methods tested in developed countries of the world should be introduced. All this should be adapted to the peculiarities of Georgia. By carrying out these measures, the perfection of the maritime infrastructure of Georgia will be significantly increased. It will raise its management, make it secure, get both microeconomic and macroeconomic and social effects, and all this will ensure Georgia's worthy inclusion in the world market.

Keywords: *Audit, Competitiveness, Microeconomics, Macroeconomics*

JEL Classification: *J01, L91, D00, E00*

THE IMPORTANCE OF MANAGING ROLE CONFLICT IN ORGANIZATIONAL SUCCESS

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Conflict is an inevitable occurrence in any organization and society as a whole. Therefore, organizations do not try to avoid it but rather manage it constructively. However, previous approaches to conflict management meant avoiding it, which often resulted in hidden conflicts and personal conflicts. There are different types of conflicts, depending on their nature, causative factors, and parties involved. However, the most common type of conflict within organizations is role conflict, which is related to the proper distribution of resources and responsibilities. In many cases, this is caused by incorrect management, which may be due to wrong task definitions, inappropriate assessments of employee abilities and skills, or incorrect role allocation. Unmanageable role conflict can lead to disruptions in organizational activities, hindering the achievement of goals. Additionally, it may turn into personal conflict, causing demotivation, increasing staff turnover, organizational stress, and having a negative impact on both employee health and the organizational environment. Therefore, the issue of managing role conflicts is highly relevant.

As, employees are the main resource in gaining competitive advantage and achieving organizational success, organizations are concerned with creating an organizational environment and culture that is focused on increasing employee performance and satisfaction. One of the most important factors in this process is conflict management. The timely and accurate performance of daily tasks necessary to achieve goals depends largely on the management of role conflicts. In addition, it can be considered as a manager's performance indicator, because it is the redistribution of the resources available to the organization and obtaining the maximum profit is the main task of the management. The presence of destructive role conflicts in the organization is largely the result of mismanagement.

The aim of this paper is to outline the role of proper and timely management of role conflicts in achieving organizational goals and improving productivity. Based on Georgian and foreign literature and research, this paper reviews the factors causing role conflicts, its possible negative and positive results, as well as the importance of a predetermined organizational conflict management strategy. Moreover, this paper emphasizes the impact of role conflicts on employee performance and overall organizational productivity. It highlights the need for managers of different levels to possess the necessary skills and knowledge to correctly define the responsibilities and obligations associated with each position, evaluate the capabilities of

subordinates, and in case of role conflict, identify the causative factors promptly and ensure conflict resolution in a way that increases employee satisfaction and organizational success. The issues discussed in the article are discussed taking into account the experience in the European Union.

Keywords: *Organizational Conflict, Role Conflict, Employee Performance, the Experience in the European Union*

JEL Classification: *M12, M51, O15*

FINANCIAL RISK MANAGEMENT IN INSURANCE

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At the process of implementing financial risk management, the insurer pays attention to its legal aspect. Legal provision includes development of laws and regulations that reduce financial risk. In the Acts are discussed the issues of when and under what conditions the risk is justified and appropriate. The effectiveness of financial risk management is highly depended on the team's participation in decision-making on this issue. The general regularity that expresses the essence of this process is as follows: the less a person is involved in the events and the less he knows about the consequences of his decisions, the more decisions he can make with the risk will have negative consequences.

The insurance company is not interested in the occurrence of an insured event. That is why insurers are actively conducting the measures for risk minimization. The conceptual approach to the use of risk management in the field of insurance includes three positions: revealing the results of the activities of economic entities in a risk situation; Ability of the entities to respond to possible negative consequences of this activity; Development and implementation of such measures, with the help of which it could be possible to neutralize or compensate the probable negative consequences.

When implementing financial risk management, the insurer pays attention to the legal aspect. Legal security includes development of laws and regulations that reduce risk. Acts discuss the issue of when and under what conditions risk would be justified and appropriate.

The effectiveness of financial risk management is highly dependent on collective participation in decision-making. The general regularity that expresses the essence of this process is as follows: the less a person is involved in events and the less he knows about the consequences of his decisions, the more decisions he can make with the risk of negative consequences.

Keywords: *Insurance, Financial Risk Management, Challenges*

JEL Classification: *G22, M19*

Introduction

Transition to a market economy provides growth of the role of insurance in a society, significantly expands the scope of insurance services and develops an alternative to state insurance.

Contradictions arising in the process of reproduction created objective conditions for revealing negative results of a random nature. The economic category of insurance protection has a scientific basis. Despite the random nature of natural disasters and destructive events, there has been created the means of scientifically predicting these events. It became possible to determine the allowable number of expected losses in natural and money amount. Thanks to scientific forecasting, the insurer could consciously realize the warning measures of the adverse consequences of the occurrence of the insurance risk. Prevention measures taken by the insurer (that is, predicting or prognosing possible losses in the future) allows him to predict the resources of the insurance fund, as well as to use it as a source of investment. Insurance turned into one of the specific forms of protection of public production and insurance fund organization.

Losses are compensated from the insurance fund, which is owned by the insurance organization (insurer). The objective need for insurance is determined by the fact that losses occur as a result of destructive (nature or natural) factors beyond human control and in any case do not cause civil-legal liability to anyone. In such a situation, it becomes impossible to recover the loss from whoever it is, and they will "settle down" in the property of the victim. A pre-established insurance fund can serve as a source of compensation for losses. Insurance is appropriate only when the insured events (risks) provided by the legal relationship between the insurer and the insured person to a significant demand for money. So, for example, a natural person who incurs this demand usually cannot cover it with his own funds.

Insurance and entrepreneurship are closely related to each other. Entrepreneurship is characterized by organizational and economic innovation, the search for new, more effective methods of using resources, the flexibility to take risks, and readiness for making risk.

In addition, external insurance interests arise due to entrepreneurial activity. These insurance interests, which are included in the insurance contract, give orientation to entrepreneurs with a development perspective, a new form of searching capital.

Challenges in Implementing Risk Insurance Measures

When the producer of goods starts to operate with his own risks and plans and takes responsibility for business activity the development of market relations increases the role and importance of insurance. In addition, along with its traditional meaning, insurance is providing protection against natural disasters (earthquakes, floods, storms, etc.), accidental technical and technological events (fires, accidents, explosions, etc.). In all cases, insurance starts to provide protection against criminogenic events (robbery, theft, hijacking of vehicles, etc.). Organizations and enterprises of various forms become insurers, there is a need not only to compensate for losses caused by damage or destruction of the main funds, but also to compensate economic risks.

On the one hand, Insurance in a market economy is a means of protecting business and people's well-being, and on the other hand, it is an income-generating activity. The source of income of the insurance organization is the income from insurance activities, investments of temporary free means in production facilities and in the non-entrepreneurial sphere, shares of the enterprise, bank deposits, securities, etc.

Insurance is an important factor in stimulating entrepreneurial activity and ensuring a healthy lifestyle, it contributes to labor productivity and ensuring people's well-being.

Risk is the object of insurance. An event is considered as an insurance risk, it must have signs of probability and randomness of its occurrence.

It is enough to have a large group of objects, which have been observed for a long time and allows to determine the probability of damage.

Impact of Financial Risks on Insurance Activity

One of the most difficult tasks for an insurer is to support tariff policy compliance with predicted trends in risk development. It is significant to get the right information In order to assess the risk development in a given insurance group. Incorrect organization of risk statistics causes inaccuracy and errors in assessment. It is enough to have a large group of objects, being under observation for a long time, which allows to determine the probability of damage.

When assessing the risk, we should distinguish the following types of risks:

- Insurable risks, which are possible to insure;
- Risks that cannot be insured;
- Favorable and unfavorable risks;
- Technical risk of the insurer.

The basic criteria by which a risk can be considered insurable:

- The risk should have a random nature. The object with respect to which is formed the insurance legal relationship is characterized by an unstable, temporary relationship and should not be subject to a threat that is known to the insurer or the owner of the insured object in advance. Besides that, the time of the insured event and the extent of the damage caused are unknown to all the parties of the insurance contract in advance.

- The randomness of the occurrence of a given risk should belong to a mass of homogeneous objects. For this purpose, a corresponding statistical observation is made, the data analysis of which allows to predict or prognose the insurance premium.

- Occurrence of the insured event, which is reflected in realization of the risk, should not be related to the will of the insurer. Risks related to the intention of the insurer could not be accepted for insurance (speculative risks).

- The fact of occurrence of an insured event is unknown in time and space.

- The insured event should not have the dimensions of a catastrophic disaster, it should not contain a mass of objects within the framework of a large insurance group, causing massive losses.

- Harmful consequences of risk realization should be measured and evaluated objectively. The scale of harmful consequences must be quite large and affect the interests of the insurer (insured interests).

Conclusion

The insurance company is not interested in the occurrence of an insured event. Due to this the insurers are actively implementing risk minimization measures. Purposeful actions which could limit and minimize risks are called risk management. The conceptual approach to the use of risk management in the field of insurance includes three positions: revealing the results of the activities of economic entities in a risk situation; Ability to respond to possible negative consequences of this activity; Development and implementation of those measures, with the help of which possible negative consequences could be neutralized or compensated.

Financial risk management in insurance is implemented in two stages: preparatory, which provides for the comparison of risk characteristics and probability obtained as a result of analysis and assessment. At this stage, alternatives will be revealed in which the amount of risk is socially acceptable. Priorities are established, i.e., a circle of problems is determined that require attention primarily. Such an alternative principle is formed: the risk is acceptable in whole, in part or is not acceptable at all.

The choice of specific measures that lead to the elimination and minimization of possible negative consequences of risk. This stage includes development of organizational and operational procedures of a warning nature. For the insurer, this stage may include specific recommendations for individuals.

One of the options for procedures and measures is a specially developed situational plan, which contains instructions on how to behave, what each person should do in this or that situation and make a description of the expected results as well. Based on the contingency plan, individuals are enabled to act in adverse conditions and become more prepared in unexpected situations. In this way, contingency plans serve to reduce ambiguity and have a positive effect on the actions of subjects under risk conditions.

When implementing financial risk management, the insurer pays attention to the legal aspect insurance. Legal security includes the development of those laws and acts that reduce risks.

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ARTIFICIAL INTELLIGENCE TRANSFORMATIVE ROLE IN RISK MANAGEMENT

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Artificial intelligence (AI) is playing a transformative role in risk management in various domains, including finance, cyber security, healthcare and supply chain management. Research is relevant as far as enhanced decision-making: Artificial intelligence technologies enable risk managers to make more informed decisions by providing actionable information from complex data sets. Artificial intelligence algorithms can assess risks, evaluate different scenarios and recommend optimal courses of action based on probabilistic models and simulations.

The study analyzes several ways of impacting risk management by artificial intelligence, in particular advanced analytics and predictive modeling; fraud detection and prevention; Cyber security threat detection; enhanced decision making; automation of routine tasks; supply chain optimization; regulatory compliance; Predicting and responding to natural disasters.

detection of cyber threats: AI-based cyber security solutions can analyze network traffic, detect suspicious activity, and identify potential cyber threats such as malware, phishing attacks, and data breaches. These systems can constantly monitor IT infrastructure and quickly respond to emerging threats, which increases the state of cyber security.

AI-enabled automation improves risk management processes by automating repetitive tasks such as data collection, reporting and compliance monitoring. This frees up human resources to focus on high value activities such as strategic risk analysis and decision making.

predicting and responding to natural disasters: Artificial intelligence technologies, such as predictive analytics and remote sensing, can analyze environmental data to predict natural disasters, such as storms, floods and floods. by predicting such events in advance, the government can implement preventive measures and improve disaster response strategies, thereby reducing human and economic losses.

Overall, artificial intelligence gives organizations the ability to identify, evaluate and define risks more effectively, thereby enhancing resilience and ensuring stable growth in a more complex and uncertain business environment.

Keywords: *Artificial Intelligence, Risks, Delivery Chain, Management*

JEL Classification: *M10, M15, M19*

CHANGES IN TAX POLICY TO ADDRESS PROBLEMS ARISING DUE TO THE PANDEMIC

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The priority tasks of the socio-economic development of Georgia are overcoming the crisis caused by the consequences of the pandemic, further implementation of financial support measures for the population and businesses, increasing investments in order to create additional jobs and increase the incomes of citizens, implementing national projects, implementing a course in the direction of creating an innovative economy and actively introducing digital technologies in different areas of society.

This study is relevant as tax policy plays an important role in stabilizing the economy and restoring it to pre-crisis levels. To restore entrepreneurial activity, it is necessary to introduce new tax regimes that are convenient for doing business, to reduce administrative burdens and to develop infrastructure.

Effective functioning of market self-organization mechanisms in all countries can be achieved only with appropriate and fairly strict state regulation to ensure healthy competition.

The research results show that it is especially important to increase the investment attractiveness of the economy, both for foreign and local entrepreneurs. In order to restore the confidence of investors, it is necessary to eliminate a number of problems that are characteristic of the current tax policy of Georgia.

The changes implemented in the tax system of Georgia in 2022 to solve the problems caused by the coronavirus pandemic are analyzed. Fiscal policy and tax measures have been among the most common interventions in response to the COVID-19 pandemic. All countries around the world have implemented some form of tax adjustment or tax moratorium for affected businesses. The tax measures provided quick relief to people and households affected by the negative impact of the pandemic.

The COVID-19 crisis has led to a significant deterioration in public finances, which will require a review of tax and spending policies once the recovery from the crisis caused by the pandemic is well completed.

Based on the results of the research, in order to solve the problems caused by the pandemic, an in-depth analysis of the sustainability of the fiscal policy of Georgia is necessary, because it affects the current or future state of all sectors of the economy and reflects on the country's economic growth.

Keywords: *Pandemic, Finance, Tax Policy, Crisis.*

JEL Classification: *H25, H27, H29*

MUNICIPAL RESPONSES TO THE COVID-19 PANDEMIC: EUROPEAN EXPERIENCE AND GEORGIA

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The coronavirus pandemic (COVID-19) has posed special challenges for States. As of September 2020, 80 States have received \$280 billion in support. Georgia's GDP decreased by 6.1%, and foreign direct investment (FDI) in 2020 was \$616.9 million, which was 52.9% less compared with the previous year. Solving the problems of the global economy caused by the COVID-19 pandemic would not be possible without the concerned efforts of States. However, certain States have developed their own ways of overcoming these problems.

In Austria, COVID-19 had a strong negative impact on tax revenues to the budgets of territorial units (reduction by 7-12%). At the municipal level, the crisis entailed additional costs in the amount of 2 billion EUR. In Germany, the forecast of tax revenue losses was 11% for federal states and 15% for municipalities. The deficit between the income and expenditure of the municipalities in the following year amounted to 10 billion EUR. In Switzerland, the forecast of the decline in tax revenues of the cantons and municipalities in 2020 can be estimated at 6-8%, under the conditions of the current GDP forecast reduction (-6.5%). In the UK, the costs of local councils rose by 7.9% in 2020 amid a 5.1% drop in income. The revenue losses of Italian municipalities amounted to 5.6 billion EUR. A large part of regional governments spending (85% on average) was on health care.

In France, the losses of sub-national authorities amounted to 5 billion EUR at the end of July 2020, while the additional costs amounted to 2.2 billion EUR. Among the revenues, income tax declined the most (by 70%).

The City Council of Madrid (Spain) has introduced tax incentives worth approximately 63 million EUR. The main condition was that these facilities would maintain jobs until the end of the year.

The municipalities of Georgia have implemented the following measures of economic profile: Administrative, cultural, sports, and other similar funds were released from the budget; Municipalities established a list of benefits and created quarantine spaces; Various programs were implemented in the self-governing cities in order to prevent the spread of coronavirus and overcome the difficulties caused by the pandemic; Exemption of persons with legal status from payment for cleaning fees; Urban transportation carriers were freed from the obligation to pay for issuing permits; Business entities were given the right to sell their services and products in front of their facilities; The companies were consulted individually and were given the right to resume their functioning; Gifts were presented to the registered children of kindergartens; Various social programs were implemented by organizing on-site visits and with the direct involvement of administration officials.

Keywords: *Pandemic; European Experience; Municipality; Economic Crisis.*

JEL Classification: *E6; R11*

EUROPEAN UNION SUPPORT TO GEORGIA DURING THE COVID-19 PANDEMIC

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Abstract

After the start of the Coronavirus (COVID-19) Pandemic, the world, including Georgia, began to fight, on the one hand, to save the health and lives of citizens, and on the other hand, to save the country's economy.

The situation caused by the pandemic has greatly aggravated many social, economic and environmental problems already existing in modern society. In the difficult-to-predict situation created (rapidly increasing number of infected people, deterioration of population health, increase in mortality), the pandemic turned out to be a great challenge not only for the world

health system, but also caused great damage to the global economy (according to experts, its decline amounted to 4%). Obviously, Georgia faced an unprecedented challenge and had to solve a number of atypical tasks.

Fighting the difficulties caused by the pandemic required significant financial resources, which was a special challenge for the country with the economic potential of Georgia. In particular, in order to mitigate the consequences of the pandemic, it was necessary to implement measures to contain the virus and mobilize additional medical resources, social support of citizens, save businesses and promote the economy. In order to alleviate the damage caused by the pandemic in 2020, the Georgian authorities developed an anti-crisis plan, and in order to finance the measures provided for in this plan, changes were made in the state budget. In the 2020 anti-crisis budget, an additional 5.6 billion GEL was planned to be mobilized, and 3.4 billion GEL was determined for measures to be taken directly to fight the pandemic. The paper discusses the support provided by the European Union to Georgia in the socio-economic field during the coronavirus COVID-19 pandemic.

Key words: *Georgia, European Union, Coronavirus (COVID-19) Pandemic, Support.*

JEL Classification: *F50, M14, M16*

Introduction

In June 2014, the European Union and Georgia signed the Association Agreement (AA), which entered into force on July 1, 2016. This agreement, together with the Deep and Comprehensive Free Trade Area Agreement (DCFTA), laid the foundation for Georgia's political and economic integration with the European Union.

Today, the European Union is the main trading partner of Georgia. The DCFTA deepens Georgia's economic ties with the European Union and covers issues such as public procurement, common customs rules, technical and sanitary food standards, intellectual property issues and competition rules. The EU supports the government in increasing the country's export potential and supporting competitiveness by establishing quality management systems and quality infrastructure systems, thereby ensuring compliance with standards.

The aim of the paper is to investigate the support provided by the European Union to Georgia during an unprecedented crisis - the period of the coronavirus COVID-19 pandemic.

Main Text

In order to alleviate the Socio-Economic consequences caused by the coronavirus pandemic, the European Commission has allocated a macro-financial aid package in the amount of 3 billion euros to support the candidate countries for EU enlargement and ten neighboring partner countries. Added to this was the strategy developed by the European team „Team Europe“, which is a targeted response of the European Union to support the efforts of partner countries in overcoming the coronavirus pandemic. After a preliminary assessment of financing needs, the European Union allocated 150 million euros from the macro-financial aid funds to Georgia [2].

In Georgia, EU support was implemented in health care and socio-economic fields; Support in the direction of Health Care included approximately 2 million units of medical equipment, including breathing apparatus, medical masks and special clothing for laboratories and medical institutions of Georgia, as well as conducting trainings for representatives of the medical field in cooperation with the World Health Organization (WHO) and providing access to existing information about COVID-19 on regional information.

Through the support of small and medium-sized enterprises of Georgia, the European Union cooperated closely with international financial institutions and relevant financial institutions of the EU member states:

- About 70 million euros were allocated in the form of grants to facilitate access to local currency credit lines and grants for Georgian businesses and the self-employed to help stimulate and rebuild their businesses after the crisis. Funds were provided during 2020 through financial partners;
- 20 million euros of targeted grant funding was directed to help local businesses, farmers and private individuals;
- At the micro level, EU projects provided legal advice to small businesses involved in the pre-pandemic fight.

In addition, the European Union has included the European Fund for Sustainable Development (EFSD) in the current process.

It should be noted that the European Union was one of the biggest supporters of the **COVAX** platform. COVAX is an unprecedented global collaboration aimed at promoting the development and production of vaccines against COVID-19 and ensuring equitable access to them. The European Union's European team supported the COVAX platform with more than €2.47 billion. From this amount, 1 billion euros were allocated from the EU budget. As part of the COVAX platform, Georgia - as well as Azerbaijan, Moldova, Armenia and Ukraine - received the first vaccines against COVID-19 through COVAX's distribution partner, the United Nations Children's Fund.

Since February 2021, the European Union and the WHO Regional Office for Europe have made a major joint effort to support the supply of vaccines against COVID-19 and the vaccination process in six Eastern Partnership countries. It was the largest joint action carried out by the European Union and WHO in the European region. The total budget of this initiative to prepare countries for vaccination amounted to 40 million euros over three years. Within the framework of the program, trainings were conducted to facilitate the vaccination process, recommendations were issued and logistic support was launched. Within the framework of the same assistance, vaccines were provided to Eastern Partnership countries through COVAX and the vaccine sharing mechanism of EU member states.

Social Sphere. During the crisis caused by COVID-19, people with disabilities are exposed to additional risks. To ensure the protection of the rights of people with disabilities (PWDs) during the pandemic, a number of international recommendations have been issued to various actors, including the European Disability Forum (EDF) document (see <https://bit.ly/2zq6W5m>) [3].

During the crisis, the European Union implemented several projects in Georgia to help the most vulnerable groups of the population, including the disabled, as well as victims of domestic violence, the elderly, children and internally displaced persons. Thus, with the support of the European Union, three projects were implemented in Georgia to help vulnerable groups overcome the problems caused by the crisis caused by COVID-19. The projects implemented by EU partner local public organizations "Women's Information Center", "Coalition for Independent Life" and Association of Internally Displaced Women "Consent" helped victims of domestic violence, internally displaced persons and persons with disabilities throughout Georgia [4,5].

Recovery of the economy. Since 2009, the European Union has been supporting the development of small and medium-sized businesses in Georgia through the EU4Business program. About 50 different projects are operating in the country, the total budget of which exceeds 320 million euros. The results of these efforts are that in 2019 alone, more than 36,000 small and medium-sized businesses were supported in Georgia, resulting in 30,000 new jobs and up to 400 million euros of additional income [6]. It should be noted that EU4Business was one of the main instruments of the European Union, which contributed to the recovery of the economy weakened by the crisis of the COVID-19 pandemic; Within the framework of various programs, financial assistance to small and medium-sized businesses was implemented, the selection criteria were simplified, more than 200 million GEL was given to businesses in order to promote access to loans and provide consultations. Loans were made available from local banks with the help of partners such as the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD) and the German Bank for Reconstruction and Development (KfW); More than 60 million GEL of local targeted grants were mobilized through ongoing EU projects across the country to stimulate economic activity in areas such as agriculture, tourism, rural business development and vocational education.

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The Institute for the Development of Freedom of Information (IDFI), with the support of the European Union (EU), implemented the project "Monitoring the costs and protection of human rights related to COVID-19 during and after the state of emergency". In order to improve the effectiveness of actions directed against the pandemic in Georgia, within the framework of the initiative, monitoring of public finances related to COVID-19, public procurement, implementation of the government's anti-crisis plan, spending of the StopCov fund and distribution of donor aid was carried out. This document is a summary report of the project, which reviews the monitoring results of the anti-crisis measures implemented by the Georgian authorities in the framework of the fight against the pandemic, the sources of their financing and the expenses incurred, the main findings and the recommendations issued.

Conclusion

Thus, the European Union and the European team (Team Europe) have mobilized approximately 1.5 billion GEL to help Georgia fight against the COVID-19 pandemic, by raising new funds and redistributing existing ones. Almost 2/3 of this amount is presented in the form of a grant, and the rest in the form of a preferential loan. This is one of the highest indicators of per capita aid provided by the European Union to any foreign country in the world, which confirms the strong solidarity expressed by the European Union to Georgia during an unprecedented crisis. The EU aid amounting to almost GEL 1 billion was intended to: strengthen the efforts of the Government of Georgia to overcome the COVID-19 crisis and also included an Anti-Crisis Economic plan and new regional/rural and agricultural development programs to ensure the country's macroeconomic stability.

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THE IMPACT OF COVID-19 ON THE DIGITAL TRANSFORMATION IN THE MEDICAL SECTOR OF GEORGIA

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Digital transformation of the medical system is one of the most important issues in the world, which is a priority for Georgia. Since 2020, when the pandemic (COVID-19) has been raging around the world, problems have affected all areas. It became necessary to switch to a remote mode, which led to the fastest growth in the development of the digital economy and saved many sectors, including the medical sector.

The coronavirus pandemic officially declared by the World Health Organization (WHO) accelerated the pace of transformation. The changes affected the lives of both legal entities and individuals. Digital transformation has become indispensable in all directions. Society has had to adapt to the accelerated digital transformation processes caused by the COVID-19 pandemic. Changes in the medical field will continue even more actively, as the great opportunities and advantages of digital transformation have become clear. Accessibility of healthcare remains a major challenge, especially in remote villages and regions. This research is relevant because of the drive to integrate the medical sector with the digital world to improve access to healthcare. The aim of this study is to assess the role of e-health in the context of improving access to healthcare. Studying the impact of digital transformation on the quality of healthcare services, drawing conclusions about the results of digital transformation. The study is based on a literature review approach, gathering and analyzing information from various sources related to digital transformation in healthcare services. The results of the study show that the implementation of digital transformation has had a significant impact on improving access to health services, especially through the use of telemedicine, electronic medical records and health applications. Access to medical consultation and health information has become easier, especially for those

living in remote areas. Research shows that digital transformation has great potential to improve access to healthcare. By continuing to develop and integrate technology into the healthcare sector, we can achieve the greater goal of providing more equitable and affordable healthcare to society, improving the overall quality of people's lives.

Keywords: *Pandemic, Digital Transformation, Healthcare.*

JEL Classification: *I11, I12, I15*

THE IMPORTANCE OF INNOVATION AND TECHNOLOGY IN THE PROCESS OF BUSINESS MANAGEMENT

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In 2020, the new coronavirus disease (COVID-19) spread around the world. The pandemic has put the entire world economy in front of significant challenges. Economic activity around the world has weakened, service sectors have been damaged, jobs and sources of income have been lost, creating a sharp rise in poverty levels. Restrictions on home isolation have been introduced to prevent the further spread of COVID-19. Anti-crisis measures were planned in the conditions of the increase in the scale of the pandemic. In Georgia, the pandemic had a great impact on almost all areas: education, tourism, economy, agriculture. Implementation of innovative reforms in companies has become especially important for the economic development of the country. Innovations and technologies significantly contribute to reducing the labor intensity of the work performed and the time of its implementation. The organization's ability to innovate is a prerequisite for the successful use of inventive resources and new technologies. The introduction of new technologies in turn presents complex opportunities and challenges for organizations, which lead to changes in managerial practices and the emergence of new organizational forms. Organizational and technological innovations are intertwined. Innovation in organizations is perceived as both a process and an outcome.

This issue is relevant in Georgia, since we do not lag behind the processes of technological development, as well as develop and introduce new digital services in various fields.

Keywords: *Economic, Innovation, Technologies, COVID-19*

JEL Classification: *F43, F44, F63*

THE CRISIS CAUSED BY COVID-19 UNDER LOCKDOWN CONDITIONS

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The economic crisis caused by Covid-19 in Georgia was caused by a number of subjective and objective factors, which together determine the economic reality of the country. Government decisions in the economy of Georgia determine the directions of regional economic development.

The coronavirus outbreak has affected foreign direct investment and remittances around the world.

The most important part of foreign direct investments comes from the European Union, which makes up 47.2% of total investments. Among the 15 most important investors are the US, China and Japan. Thus, the economic effect of the spread of the virus in existing countries spread directly to Georgia. The downward trend of foreign direct investments has already created a significant threat to the economy of Georgia.

The purpose of the study is to understand and implement the positive and negative international experience of managing the economic crisis, which is quite important for Georgia. In this direction, it was important to develop special programs and stimulate economic recovery in the post-crisis period, which affected the strengthening of the country's economic profile.

The paper analyzes the impact of Covid-19 in Georgia in different directions. including the local tourism segment and construction business. Reduction in purchases made by construction

companies, rising prices of materials, sharply devalued national currency, reduced demand for construction products ultimately affected all industries in the country.

During the crisis, the most important factor is maintaining the stability of the economy at the maximum level, for which without the mobilization of funds, the majority of countries would have faced a much deeper economic crisis.

The study shows an analysis of the measures taken by the government of Georgia to solve the Covid-19 crisis, both for businesses affected by the crisis, as well as for companies operating in various industries.

Keywords: *COVID-19, Crisis, Lockdown.*

JEL Classification: *F43, F47, F49*

THE CORPORATE SOCIAL RESPONSIBILITY OF INNOVATIVE COMPANIES OF GEORGIA AND EUROPEAN UNION COUNTRIES AGAINST THE BACKDROP OF THE GLOBAL PANDEMIC

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In the conditions of globalization, modern market relations offer new challenges to innovative companies of Georgia and EU countries, which are not so easy to adapt to. New relations established innovative rules, new opportunities for effective functioning; Dealing with them, obviously, requires more and more time, energy, opportunities, theoretical and practical skills and other additional resources on the part of managers.

The theoretical basis of this research is the relevant publications published on corporate social responsibility, as well as Internet resources, where is presented the analysis and evaluation of the practical experience of Georgia and EU countries innovative companies.

The aim of the article is to analyze the innovative competencies studied by the author.

We think this presented topic is particularly relevant, because in 2020 the world was united by a common goal - the fight against Covid-19. The world faced the reality of the new coronavirus, a global pandemic. There is virtually no business, sector or economy that has been left out of the devastating impact of this epidemic. Covid-19 was more than just a health crisis. Given the scale at which the virus spread, it left a deep global ripple in the form of devastating social, economic and political crises.

During the global pandemic, in 2020-2022, many people started working from home, and representatives of various businesses had to adapt to the innovative reality very quickly. In just

one year, all industries felt the change, which obviously affected some of them negatively and others positively.

Corporate social responsibility is an essential concept for business, through which an innovative company contributes to sustainable development and, of course, has a positive impact on society. By implementing a successful CSR strategy, innovative companies can enhance their reputation, build stronger relationships with stakeholders, attract and retain customers, and, of course, reap financial benefits.

Developing a corporate social responsibility strategy and planning activities in this direction is profitable for both business and employees and also for customers too.

This thesis analyzes the economic consequences of the global pandemic in Georgia and EU countries; As a practical example, there is discussed the corporate social responsibility of the companies "Magticom" and the leader of the auto industry "Tegeta Motors" during the period of COVID-19. Also there are found positive and negative aspects, and the main directions are formulated in the form of a conclusion.

Keywords: *CSR, Innovative Companies, EU, Strategy, COVID-19, Georgia*

JEL Classifications: *M14, F50*

Introduction

The challenges of the 21st century force us to always be in shape, to perceive and control the rapidly changing environment and to react correctly to the processes taking place in it.

In the conditions of the global pandemic, modern trends in career development, innovative communication between the employee and the employer, and such methods of labor organization as remote, hybrid work format, virtual employment, etc., have gained more and more importance day by day.

As is known, the world community has accumulated considerable experience in creating legislation on bankruptcy (insolvency). More or less, the innovative companies operating in the European Union countries have a rich experience of the bankruptcy procedure.

In the modern digital world, people are a resource of strategic importance for innovative companies of Georgia and EU countries. It is through his efforts that organizational goals can be achieved. Therefore, effective personnel management is the main challenge for HR managers today.

Economic Consequences of the Global Pandemic in Georgia and EU Countries

In just one month, the suspension of direct air traffic with China and Iran in Georgia caused a loss of approximately 30 million GEL. Air traffic was also stopped with EU countries.

Although expectations varied, in general the economic impact on countries followed the following logic: the main economic hits were those with the highest rates of the spread of COVID-19, followed by those whose economies are most dependent on tourism, oil and On the export of other goods, after that, the negative impact was spread to the economies of their partner countries as well.

The research focused on the main sectors that are characterized by high economic throughput, that is, they represent the main channels of transfer of funds from one economy to another, respectively, these are: tourism, foreign direct investments, remittances and foreign trade.

It should be noted that the COVID-19 pandemic had the most severe impact on Italy among European countries. According to the decision of the Italian government, the country went into full quarantine from March 8, 2019. According to the OSCE report, the Italian economy continued to stagnate and recorded 0% growth in 2020. This forecast was updated with the spread of COVID-19, and before that there was an expectation that the Italian economy would grow by 0.4%. Rabo Bank's expectations were much more negative, predicting a decrease of the Italian economy by -1.6%.

The Italian government has allocated \$28 billion to alleviate the crisis and reduce the negative consequences of the pandemic. \$3.9 billion allocated from the budget for economic stimulation was used to subsidize health care services, and \$11 billion was spent to help families and employees.

Germany was also one of the leaders in the number of recorded cases of COVID-19 in European countries. The German economy was particularly damaged in the first two quarters. And from the third quarter, the German economy returned to its previous bed. The impact of the pandemic on the German economy is characterized by a fifth-shaped recovery forecast, which implies that the downturn was severe and painful, but the economy was able to recover and return to its original values in a short period of time.

According to the Rabo Bank report, a significant reduction in the growth rate of the economy was expected in both France and Spain. According to the OSCE forecast, the growth of the French economy in 2019 was 0.9%, while the growth of the Spanish economy decreased to 0.7% [5].

An integral part of the Georgian business environment, the ACT team decided to assess the impact of the current stage of the pandemic on the Georgian business sector and revealed how the company's management managed the risks of the spread of the pandemic among their employees, what was the impact of the current situation on the company's financial indicators and what was the general mood inside the companies at that time.

For this purpose, on March 12-13, 2020, a telephone survey of management representatives of 124 Georgian private companies was conducted. Top business managers were interviewed using telephone interviewing techniques.

As revealed from the above-mentioned research, 73% of the organizations applied some kind of preventive measures against the spread of the virus. Most often (44%) these were disinfection and hygiene measures, including full equipping of offices with disinfectants and daily treatment of the work space with the same means.

Companies also ensure that their employees do not become the cause of the spread of the virus or do not collect the virus from a potentially infected person - 22% of companies provide employees with masks during internal or external meetings.

In addition, companies engaged in an internal information campaign to prevent the spread of the virus and partially or fully switched to remote work mode - 16%.

The pandemic has clearly had a negative impact on companies' financial performance - more than half of organizations (51%) said their financial situation has worsened somewhat or significantly, while only a third of organizations (31%) have started working on partial or drastic cost reductions.

Despite the disruption of daily business processes and the deterioration of financial results, according to the company's management, the level of anxiety within the organizations during that period was below average. The respondents rated the anxiety at the level of 4.47 points on average on a 10-point scale [4].

Social responsibility is based on the voluntary principle of responding to social problems of the society and it is not defined by the current legislation or regulatory measures. According to research, social responsibility is becoming increasingly important in the 21st century. Interviewed managers believe that the impact of increasing corporate social responsibility is real, it has great importance, and this impact has increased even more against the fight against Covid-19.

Due to the relevance of the topic, we will consider the corporate social responsibility of the companies "Magticom" and the leader of the auto industry "Tegeta Motors" during the global pandemic as a practical example.

It should be noted that the company "Magticom" was actively involved in overcoming the difficulties and challenges caused by the coronavirus in Georgia. For this purpose, the company: 3 million GEL was transferred to the StopCoV fund;

Provided free connection to the Ministry of Health, Disease Control and Red Cross hotlines;

Helped to inform the population by distributing free SMS messages;

From March 16, 2020 to January 1, 2021, Magticom sent SMS worth 454,823 GEL on the information provided by the Government of Georgia and measures to be taken to prevent the virus;

Based on the request of the Ministry of Economy and Sustainable Development, additional call centers created in the country due to the COVID-19 pandemic were provided with computer equipment.

During the global pandemic, from January 2021, a "distance learning package" was created in cooperation with Magti and the Ministry of Education and Science of Georgia, which allowed pupils/teachers of all public and private schools in Georgia to use Magti's 20-gigabyte mobile internet package at a discounted price - only 10 GEL. The goal of the mentioned project was to provide teachers and students of public and private schools with accessible, high-quality mobile Internet connection as much as possible during distance learning during the pandemic. In order to use this package, it was necessary to register the phone numbers on which the package should be activated on the mobile.emis.ge platform created by the Education Management Information System (EMIS):

The package could be activated only from the subscription numbers that were registered on the platform emis.ge created by the Education Management Information System (EMIS);
The validity period of the package was defined as 30 days after the purchase;
Unused megabytes were canceled after the expiration date;
"Distance learning package" could be purchased at any frequency during the month [3].

Since the beginning of the preventive measures against Covid-19 at Tegeta Motors, the Center for Emergency Situations, Coordination and Emergency Assistance has been on the front line of the battle.

The Emergency Coordination and Emergency Center provided emergency medical services to the population throughout the country. The company also handed over the latest special equipment to the center for a vehicle in accordance with Euro standards intended for the winter resort. Within the framework of the "Tegeta together with doctors" campaign, the doctors of the "First University Clinic" fighting against the COVID-19 virus were given 500 pieces of special medical overalls and three-layer masks free of charge [7].

Tegeta Motors also deposited 200,000 GEL in the fund created by the state in the fight against Covid-19. In addition, within the framework of corporate social responsibility, he donated 100,000 GEL worth of tires and lubricants to the Center for Coordination of Emergency Situations and Emergency Assistance free of charge. Also, the ambulance fleet was provided with tires of the French brand "Michelin" and lubricants of the American brand "Exxon Mobil". "Michelin" is one of the world's largest and oldest tire manufacturers, a premium class brand that is distinguished by technological innovations, innovations, quality and reliability. Exxonmobil is the industry leader in the production of petroleum products and lubricants. The company will extract natural gas and oil on 6 continents [6].

"Tegeta Motors", as a highly responsible company, paid special attention to the epidemiological situation in the country. Disinfection of branches, head office and buildings was ongoing. The company's employees were fully provided with all the necessary equipment to protect against the spread of the virus, in accordance with the recommendations of the National Center for Disease Control and Public Health.

In addition, "Tegeta Motors", from the day the state of emergency was declared, provided the transportation of immunologists, doctors, nurses and sanitary workers of the "Richard Lugar Public Health Research Center", "Tbilisi Infectious Disease Hospital" and "Academician Nikoloz Kipshidze Central University Clinic" to work and to their homes. Help in this form was very important, since a large part of the mentioned personnel did not live in the capital and they were transported from the suburbs of Tbilisi. All drivers were fully equipped and protected from the possibility of transmission of the virus, they wore special overalls, gloves, glasses and face masks, and complete disinfection of said vehicles was carried out constantly [7].

On October 15, 2020 at University of Business and Technology The students' workshop was held. The goal of Hakathon was to facilitate the digital transformation of Tegeta, high-tech and logical The process of introducing labor in the sphere and advanced technology into the workplace.

Hackathon was held for students interested in technology. The main theme of the effort was safety. The students had the opportunity to explain the previously given cyberspace and the following. They were employed in "Tegeta Holding".

It is important for the management to actively involve young people in the development of the company. That is why young people with innovative and interesting ideas are trying to join the Tegeta Holding team and support their professional development.

"Tegeta Holding" organized the hackathon within the framework of the corporate responsibility program [8].

Conclusion

Management, its tools and techniques have been actively changing in recent years. Of course, the global pandemic has become a powerful catalyst for these changes. The post-COVID-19 world is obviously not the same, but no one knows exactly what the innovative reality will look like. It is clear that the world will not return to its previous state. Therefore, modern managers need to systematically monitor trends and indicators, should strive to make bold changes in the innovative strategy of human resources management to ensure the organization's flexibility. Any crisis is primarily an opportunity, it's just necessary to see it and realize it in time.

We think that the priority directions of corporate social responsibility for innovative companies of Georgia and EU countries should be: Education, Employment, Business, Women's Empowerment, Environmental Protection and Innovation Support.

In our opinion, it is necessary to accelerate reforms in the direction of electronic government, develop existing platforms and increase their availability.

The current financial and economic crisis has clearly shown the shortcomings and weaknesses that are associated with important global challenges to overcome. The role of the government in macroeconomic regulation and financial stabilization has increased. The need to adjust the policies of international organizations was on the agenda. Obviously, in response to the crisis, the development of the world economy is moving in this direction, and this process is gradually becoming irreversible.

We consider it extremely important that the improvement of the strategic orientation of the anti-crisis management of the modern organization takes place in the wake of the inclusion of the country's economy in the global market relations and the strengthening of the positions, which was mainly emphasized by the successfully operating innovative companies with corporate social responsibility in the fight against Covid-19 in Georgia and the EU countries.

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CORPORATE SOCIAL RESPONSIBILITY IN THE PANDEMIC AND POST-PANDEMIC PERIOD OF THE COVID-19 CORONA VIRUS

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The work is devoted to the business approach to corporate social responsibility (CSR), which has completely changed during a pandemic virus COVID-19. Today it is considered that, CSR is not a one-time act or initiatives carried out by a company from time to time, forming part of the company's marketing activities. It was defined by the European Commission that CSR is “a concept that reflects the good will of companies to contribute into improving society and protecting the environment.” The statistics note that during the coronavirus outbreak, many international companies (Facebook, Amazon, Alibaba, Starbucks, etc.) demonstrated high corporate social responsibility, which was expressed in different forms for example :in financial support big pharmacies, such as: Astra Zeneca, GlaxoSmithKline and Johnson&Johnson, entered into an alliance with biotechnological companies, with the help of governments And universities they speed up the process of creating an effective vaccine against the pandemic. Free posting recommendations developed by the World Health Organization (WHO) against the corona virus in the form of advertising. Delivery of basic protective equipment against corona virus COVID-19 (masks, tests, face shields and full equipment) to African countries, etc.

The work states that the Covid-19 pandemic in our country has created a precedent for efficient cooperation between business and the state, when, in order to prevent the spread of the pandemic, private hotel owners accommodated people infected with the coronavirus in hotel premises in exchange for a certain fee covered by the government.

The article indicates that in the post-pandemic period, CSR remains one of the strategic directions of companies, which was clearly confirmed by research in recent years. Today, more and more companies are introducing corporate social responsibility standards into their activities, which has a positive effect not only on the achievements of companies, but also on the development of the country as a whole. At the present stage, corporate social responsibility (CSR) is considered as a mechanism for achieving sustainable economic and environmental development of the country.

Keywords: *CSR, Covid-19 Pandemic, Social Projects, World Health Organization (WHO)*

JEL Classification Code: *M14, F50*

THE EU'S MISSION IN THE FACE OF THE COVID-19 PANDEMIC AND GLOBAL CHALLENGES FOR THE HEALTH SYSTEM

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Abstract

The outbreak of the epidemic was first noticed in the middle of December 2019, in the city of Wuhan, which is located in the south of China, in the province of Hubei. Subsequently, the virus spread to other provinces of China and various countries around the world.

COVID-19 [1] (COronaVirus Disease 2019 — "coronavirus disease 2019") — an infectious disease caused by the acute respiratory syndrome coronavirus 2 (SARS-CoV-2). Since the end of 2019, the virus has spread globally and caused the 2019-2020 coronavirus pandemic [2].

On March 11, 2020, the World Health [3] Organization declared COVID-19 a global pandemic. In order to reduce the impact of the Covid-19 pandemic, it was important to prioritize investments in the health system and provide social assistance. The role of public health services and local government in containing the virus is immeasurable. One thing is clear - the epidemic

had to be defeated globally. In the process, both individual responsibility and the role of central and local authorities were important.

In the conditions of the pandemic, digital transformation was a significant priority, which in the health care system is a complex, multidisciplinary task that requires coordinated efforts from the government, business, academia, and civil society. The development of digital health care and telemedicine will contribute to the formation of legal and regulatory legal framework and clinical guidelines, providing training courses. Health monitoring services allow citizens to be more involved in managing their own health and have access to resources.

The introduction of vaccines authorized by the strict regulatory authorities (SRAs) recognized by the World Health Organization in the country to defeat the pandemic is a guarantee of vaccine quality, safety and efficacy. In order to defeat COVID 19, it was important to contain the spread of the virus, slow down its spread, manage it and gradually mitigate it. where the state played an important role. The introduction of vaccines authorized by the strict regulatory authorities (SRAs) recognized by the World Health Organization in the country to defeat the pandemic is a guarantee of vaccine quality, safety and efficacy.

On May 5, 2023, the World Health Organization canceled the global pandemic status of COVID-19, thus the international emergency related to the coronavirus was declared over.

Keywords: *Pandemic: COVID-19, pandemic iHealthcare, vaccine*

JEL Classification: *B 30,0, F14, F15.*

Introduction

The modern world is facing many challenges. The coronavirus (SARS-CoV-2) and the disease it causes (COVID-19) [1] have forced the world to make important decisions as the pandemic [2] has caused unprecedented economic costs. Dealing with COVID-19 has become a top priority for governments in all countries. During the imposed restrictions, the socio-economic situation has changed in many countries. The impact of the pandemic was particularly felt on the health and education systems, the economy and the labor market. During the pandemic, Georgia took a number of steps against the COVID-19 virus, which had a significant impact on the protection of human rights. Many countries are already healing the wounds caused by the pandemic, which was caused by the effective vaccination management process and the development of the right anti-pandemic [3] policies.

Prevention and control of infectious diseases have been able to avoid risks. Promoted early detection of all risks, effective response, hospital treatment, emergency medical care, financial support where the government, local authorities and medical personnel played an important role, which included the national health system, including the development of health resources, delivery, services and financial support .

National Institutes of Public Health, the World Health Organization and their global networks are key resources for strengthening health systems with essential public health functions and policy evidence relevant to health and socioeconomic development.

Main Text

The COVID-19 pandemic has exposed global disparities in public health capacity, making it urgent to explore global sources of knowledge and understand how to best invest in and apply it to health care settings. As public health capacity varies geographically, regions should set examples for the global health sector to explore new ways of working and define the complex environment in which public health authorities operate.

Four incentives are identified for countries to invest in public health to strengthen institutions: transparency and trust; socio-economic dividends; collective health protection and knowledge sharing; Equality. protection of common priorities; more equitable access to resources and settings; promote cooperation and learning in different regions; To outline next steps for the development and better use of public health institutions and international networks.

The Government of Georgia is committed to ensuring the availability of information and quality medical services necessary for the realization of the right to health for every citizen. which is subject to the Constitution of Georgia and health legislation, besides, Georgia has signed a number of important international conventions and agreements.

The Government of Georgia is committed to ensuring the availability of information and quality medical services necessary for the realization of the right to health for every citizen. which is subject to the Constitution of Georgia and health legislation, besides, Georgia has signed a number of important international conventions and agreements.

To evaluate the efficiency of the health care system, the World Health Organization defined the main indicators of the functioning of the health care system, such as: 1. Health status of the population; 2. Health care system management function; 3. Protection of equality, financial security and access to health services; 4. Quality and results of healthcare services, health promotion and disease prevention; 5. Effectiveness and efficiency of health care services, rational distribution of health care system resources.

The rate of infectious diseases is one of the main indicators of the country's development and socio-economic well-being of the population. Against the background of political and socio-economic changes developed in the country during the last decades, favorable conditions were created for the increase of cases of infectious diseases (WHO).

Despite the difficulties, the Covid-19 crisis in Georgia has created significant opportunities to strengthen the hospital sector and introduce new digital technologies in primary healthcare. The creation of initiatives started in the conditions of the pandemic was a good basis for the further strengthening of the hospital and primary care network.

The first case of coronavirus (COVID-19) in Georgia was recorded on February 27, 2020. In response to the increasing spread of the epidemic, measures were taken in all areas to increase the scale of the emergency response to prevent domestic spread. In order to stop COVID 19, the Georgian government used the reserve as early as January 2020. On January 28, 2020, the first resolution of the Government of Georgia (N164) was issued "On the approval of measures to prevent the possible spread of the new coronavirus." Operational response plan to the cases of the disease caused by the new coronavirus in Georgia". A national multidisciplinary committee was established. According to the "Emergency Response Plan" approved by the Government of

Georgia, the roles and responsibilities of each sectoral ministry and other government organizations for each phase of the response to COVID 19 are clearly defined. In order to fight the global pandemic of coronavirus, on March 21, 2020, the Parliament declared a state of emergency in the entire territory of Georgia. To contain the spread of the virus, a series of measures were planned across the country, which included (but were not limited to) the gradual closure of all educational institutions, public gathering places, including sports halls, museums and theaters, shopping centers, non-food centers. Shops, bars and restaurants. Strict restrictions were imposed on transport, air and rail traffic was suspended, and borders with neighboring countries - Armenia, Azerbaijan and Russia - were closed.

Three weeks after the detection of the first case of coronavirus, the epidemiological picture of the spread of the virus clearly indicated that the country's authorities were making timely and progressive decisions. Screening and testing of those arriving in Georgia from countries with a high rate of virus transmission, contact tracing, introduction of quarantine and self-isolation rules, suspension of international flights, closure of institutions, educational organizations, delivery of employees, transition to an online work schedule, restriction of mass gatherings, partial suspension of public transport containment, development and approval of epidemic surveillance, including new protocols, active communication with the public, etc. At different times, in order to stop the spread of the new coronavirus, a strict quarantine was announced and the following municipalities were gradually closed: Marneuli, Bolnisi, Lentekhi, separate administrative units of Kobuleti municipality, Khidiskuri village of Khashuri municipality, Rustavi, Tetrtskaro, later (in August) - Mestia.

According to the report of measures taken by the Government of Georgia against COVID 19, the first phase was to contain the spread of the virus, the second phase was to slow down the spread of the virus, and the third phase was to manage and gradually mitigate. The country passed these stages, from the first half, the rate of reproduction of the virus dropped below one, and the trend of stabilization was already visible in the dynamics. As a result, the Georgian government was given the opportunity to gradually lift the restrictions and start the economy. International practice should also be taken into account - in the same period, many countries began to ease restrictions (France, Albania, Germany, Austria, Norway, Denmark, Czech Republic, Italy, Spain, Finland, Croatia). On April 24, 2020, the Government of Georgia presented to the public a plan for the gradual cancellation of imposed restrictions and activation of the economy. The government also presented an anti-crisis plan aimed at the rational distribution of funds for economic and social needs. This plan provided for various types of assistance for vulnerable groups and sectors that were most affected. 2 billion 110 million GEL was announced to support the economy and entrepreneurship, which should be used for the active private sector, increasing the efficiency of agriculture and encouraging local production.

As for the stage of epidemic management, in this case great importance was attached to the connection of primary health care. Mobilization of primary health care links, proper coordination and management of infected people at the local level, as well as timely referral services were

needed. Containment of the virus by epidemiologists and primary care professionals gave the health sector additional time and incentive.

Harnessing the potential of digital technologies- in healthcare has never been more important in the EU and Eastern Partnership region. E-health solutions create better and more efficient healthcare systems for both patients and healthcare workers.

The development of digital healthcare and telemedicine will contribute to the formation of legal and regulatory legal framework and clinical guidelines, provision of training courses, use of telemedicine services, smooth and wide access to medical services, online booking of doctor's appointments, existence of electronic medical history, availability of digital prescriptions. These health monitoring services allow citizens to be more involved in managing their own health and have access to resources. E-health is closely related to operational interoperability, which means removing barriers to facilitate communication and exchange between systems, data becomes mobile.

Conclusion

The role of public health services and local government in containing the virus is immeasurable. One thing is clear - the epidemic had to be defeated globally. Every country has its own corona history and its own role in the process of defeating the pandemic - it varies according to the country's socio-economic situation and the preparedness of the health system. During the fight against the pandemic, in the process of proper management of the epidemic, both individual responsibility and the role of the central and local authorities are important. The whole world had the same goal - to defeat the COVID 19 pandemic.

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MANAGING PANDEMICS AND VIRAL INFECTIONS WITH EU SUPPORT

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Abstract

The 21st century has been declared the century of the fight against viral infections and pandemics [1]. The novel coronavirus (SARS-CoV-2) disease (COVID-19) [2] and the resulting global pandemic have created a number of challenges for the health system, both at the international and national levels, and have confirmed the need to improve preparedness and response to public health risks.

The Government of Georgia has taken important steps in the direction of hepatitis C elimination. With the technical assistance of the Centers for Disease Control and Prevention of the United States of America, WHO [3] and European Union partners, the country launched the first national hepatitis C elimination program in the world. Within the framework of the program, hepatitis C diagnostic and treatment services have become fully available in the country. The success of the country in the field of global elimination of viral hepatitis contributed to the awarding of Georgia with the status of a model country in the fight against hepatitis C by the European Association for the Study of the Liver (EASL) and the International Liver Foundation. Despite progress, pre-existing and newly emerging communicable diseases continue to challenge the country's healthcare system. An example of this is the global pandemic of the new coronavirus, which began in Georgia in February 2020 and had a significant impact on both healthcare and other sectors. The pandemic has challenged various parts of the healthcare system and exposed its strengths and weaknesses. Increasing the flexibility of primary care through dual track services, which implies strengthening surveillance, contact tracing, first response, case management, and rehabilitation functions while maintaining routine health [4] services, has become of particular importance. The peak of infection in 2021 also posed a challenge to the hospital sector, nevertheless, the country was able to significantly strengthen resources and meet the needs caused by the pandemic during the period of subsequent exacerbation

The novel coronavirus (SARS-CoV-2) disease (COVID-19) and the resulting global pandemic have created a number of challenges for the health system, both at the international and national levels, and have confirmed the need to improve preparedness and response to public health risks. According to the report of the Government of Georgia's measures against COVID 19, the first stage was to contain the spread of the virus, the second stage was to slow down the spread of the virus, and the third stage was to manage and gradually ease and reopen.

Immunization was a top public health priority to defeat the pandemic, as evidenced by the significant increase in funding for immunization. The pace of vaccination against COVID-19 has been critical to contain the pandemic. The target population for the introduction of the COVID-19 vaccine has become the largest part of the population.

In pandemic conditions, vaccination played the most important role. The introduction of vaccines authorized by strict regulatory authorities (SRAs) recognized by the World Health Organization in the country guarantees vaccine quality, safety and efficacy. Infectious diseases, viruses,

pandemics and their risk factors are the main concern of public health both in the world and in Georgia.

Keywords: *Pandemic COVID-19, WHO, Healthcare*

JEL Classification: *B 30,0, F14, F15*

Introduction

The 21st century was declared the century of the fight against viral infections and pandemics. The new coronavirus (SARS-CoV-2) and the infectious disease caused by it (COVID 19) have put many countries of the world, including Georgia, in front of a great challenge. COVID-19 (Corona Virus Disease 2019 — "coronavirus disease 2019") is an infectious disease caused by (SARS-CoV-2).

Viruses and infectious diseases form the most common group of diseases. Signs and symptoms of infectious diseases can vary greatly because there are many causative agents such as: common cold, flu, acute chronic hepatitis A, hepatitis B, hepatitis C, AIDS (HIV), Lyme disease, brucellosis, diarrhea, opportunistic infection, dengue fever, zika virus infection, exanthematic viral infections, systemic fungal infections, parasitic diseases, tuberculosis meningitis and other infections and viruses.

Advances in the introduction of modern medicine, modern critical care facilities, advances in anti-infection treatment, and improvements in surgical intervention in the field of patient care and treatment are extending human life expectancy and increasing quality of life. However, all these improvements are also associated with certain unfavorable by-products.. The suppression of the immune system, both by the underlying diseases and by the treatments implemented, leads to a substantial increase in infections caused by opportunistic and resistant microorganisms.

Main Text

The Government of Georgia has also taken important steps in the direction of hepatitis C elimination. With the technical assistance of the Centers for Disease Control and Prevention of the United States of America, WHO and European Union partners, the country launched the world's first national hepatitis C elimination program. Within the framework of the program, hepatitis C diagnostic and treatment services have become fully available in the country. The success of the country in the field of global elimination of viral hepatitis contributed to the awarding of Georgia with the status of a model country in the fight against hepatitis C by the European Association for the Study of the Liver (EASL) and the International Liver Foundation. Despite progress, pre-existing and newly emerging communicable diseases continue to challenge the country's healthcare system. The best example of this is the global pandemic of the new coronavirus, which began in Georgia in February 2020 and had a significant impact on the operational and strategic agenda of both healthcare and other sectors. The pandemic has challenged various parts of the healthcare system and exposed both its weaknesses and strengths. Strengthening primary care through dual track services, which involves strengthening surveillance, contact tracing, first response, case management, and rehabilitation functions while maintaining routine health care services, has gained particular importance.

The peak of infection in 2021 also posed a challenge to the hospital sector, nevertheless, the country was able to significantly strengthen resources and meet the needs caused by the pandemic during the period of subsequent exacerbations. Recommendations were made, which mean: strengthening the role of municipal, regional and autonomous republic public health services, increasing their functions, which in itself will strengthen the public health system; Providing municipal public health services with material and technical equipment in accordance with the national recommendation (guideline) for public health protection.

The novel coronavirus (SARS-CoV-2) disease (COVID-19) and the resulting global pandemic have created a number of challenges for the health system, both at the international and national levels, and have confirmed the need to improve preparedness and response to public health risks. According to the report of the Government of Georgia's measures against COVID 19, the first stage was to contain the spread of the virus, the second stage was to slow down the spread of the virus, and the third stage was to manage and gradually ease and reopen. The country has passed these stages. The reproduction rate of the virus dropped below one, and the trend of stabilization was already observed in the dynamics.

According to the data of the National Center for Disease Control of Georgia, about 8,000 tests were performed per day, which is about 2,200 per million inhabitants. And in the later period, 200-300 tests were performed daily. The fact that mortality remained <1% also directly indicated that Georgia had a much higher active case detection rate than Europe during the peak. However, as the specialists predicted, a sharp increase in cases was inevitable, Georgia was learning to live with the coronavirus, and the work of the healthcare system had to be adequate in light of these increased cases.

Retraining of personnel employed in municipal centers of public health and addition of states, which is determined according to the number of people permanently living in the municipality, was inevitable. Highly qualified personnel, namely epidemiologists, public health specialists, parasitologists, entomologists, statisticians are extremely important in the formation of a strong local service. At this stage, it was appropriate to: provide special training to local staff of municipal public health services, covering issues such as response readiness, rapid case detection, infection control, data analysis, and more.

There were certain medical complications that could arise in the post-Covid condition and required immediate medical examination. It was important to contact a doctor if any of the "red sign" symptoms were present: shortness of breath, difficulty breathing with minimal activity that did not improve; pain in the chest, increased heart rate or dizziness, decreased consciousness, difficulty in speaking and understanding what was said; Weakness and others.

It was too early to draw conclusions about the ultimate consequences of the virus, but one thing was clear: the epidemic had to be defeated globally. Every country had its own corona history and played its role in the process of defeating the pandemic. It was different considering the socio-economic situation of the country and the preparedness of the healthcare system. During the fight against the pandemic, in the process of proper management of the epidemic, both

individual responsibility and the role of the central and local authorities are important. The whole world had the same goal - to defeat and prevent the pandemic of COVID 19.

Immunization has been a leading public health priority, as evidenced by the significant increase in funding for immunization. The national immunization schedule includes vaccination against 13 communicable diseases. According to WHO and the United Nations Children's Fund (UNICEF), immunization has reached 96%. It was easy to get support from the European Union. The pace of vaccination against COVID-19 has been critical to contain the pandemic. The target rate of the national plan for the introduction of the vaccine for COVID-19 has become the largest part of the population.

Cold chain procedures must be followed for any vaccine against COVID-19. Cold chain involves keeping the vaccine at the required temperature continuously, from its production to administration (in the temperature regime established by the manufacturer). Different vaccines have different cold chain requirements. The temperature range most often required for a vaccine is +2°C to +8°C, although there are vaccines that can be stored at -20°C or -60 -80°C.

There are central, regional and municipal warehouses in the country for storage of vaccines against COVID-19. Different types of warehouses, depending on the type of vaccine and the required storage temperature, are arranged in the central warehouse of the National Center for Disease Control and Public Health in Tbilisi, in the Imereti and Adjara divisions of the National Center for Disease Control and Public Health, and in public health centers in 60 municipalities across the country.

It should be noted that several types of vaccines against COVID-19 are available in the world, both made with new technologies and classic, already tested vaccines made with old technologies. Of the vaccines made with new technologies, Pfizer and Moderna, made with mRNA technologies, as well as vector vaccines - AstraZeneca and Johnson are worth noting. As for vaccines made by classical technologies, they are Sinovac and Sinopharm, which are made from inactivated viruses. There is a so-called virus made from a fragment. Protein vaccines, such as, for example, Novovax. Experience has shown that all vaccines recognized by the World Health Organization are highly effective in protecting against severe disease caused by COVID-19. For medical personnel involved in the immunization process in connection with the immunization program, cooperation with international partners (WHO, UNICEF, GAVI, COVAX, WB, USAID, ADB, etc.) has been established. However, these conditions were not effectively used to actively promote universal vaccination against the coronavirus.

Conclusion

In pandemic conditions, vaccination plays the most important role. Many research centers around the world are focused on improving and finding the best vaccine option to fight the spread of epidemics. Stronger bacteria and viruses were also emerging, attacking the world at different times. Thus, the latest advances and outcomes in immunization are poised for rapid improvement.

Vaccines against COVID-19 are the result of unprecedented cooperation and large investments created in a record short time and fully meet all safety standards.

The safety of COVID-19 vaccines is subject to a rigorous regulatory process. Before receiving approval from the World Health Organization and national regulatory authorities, vaccines against COVID-19 undergo rigorous testing in clinical trials to confirm that they meet internationally recognized standards of safety and efficacy.

The introduction of vaccines authorized by the World Health Organization or strict regulatory authorities (SRAs) recognized by it in the country guarantees the quality, safety and efficacy of the vaccine. Infectious diseases, viruses, pandemics and their risk factors are the main concern of public health both in the world and in Georgia.

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THE CORPORATE SOCIAL RESPONSIBILITY IN GEORGIAN BUSINESS AGAINST COVID-19 ON THE EXAMPLE OF TBC BANK

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The damage to human well-being caused by the crisis caused by the COVID-19 pandemic has been increasing. The measures taken by Georgia and EU countries to save human lives and prevent the spread of the pandemic - including closing borders, banning movement between cities, declaring a state of emergency and limiting economic activity on the grounds of social distancing - have had a significant impact on the economic development of countries around the world. According to various international organizations, the global economy will shrink sharply in 2020 by at least 3%, which is worse than the global crisis of 2008-2009. The coronavirus pandemic has become an important factor hindering economic development.

The COVID-pandemic has turned out to be a difficult challenge for the world and has become a significant threat not only to health, but also to the global economy. Studies prepared by international organizations evaluated the impact of the pandemic on the economy differently, although this impact was particularly difficult for developing countries, including Georgia. Increased demand for products, inevitable increase in unemployment (temporary), increase in

poverty rate, pressure of various factors on the national currency, reduction of tourism and international remittances - these are the visible economic effects that the population of Georgia experienced on themselves.

The impact of COVID-19 on the global economy has been unprecedented since the Great Depression in the 1930 year. Therefore, the global pandemic has been one of the most important environmental changes in modern business. Its short-term impact was, of course, felt immediately and forcefully by global lockdowns and social distancing measures.

Despite the end of the pandemic, it has left a lasting and profound economic, social, political and cultural impact. Of course, when talking about this challenge, it is necessary to mention the importance of the support of the government, financial institutions and various interested groups. This process showed that efforts of officially responsible persons alone are not enough to correct the situation. When the "Stay at home" campaign put the responsibility of each citizen in the foreground, it is interesting to know what was the role of business in the fight against the pandemic?! What were the companies doing for the common cause?

This paper presents what business representatives were doing in Georgia against the pandemic. The activities of JSC "TBS Bank" there are discussed as one of the clear examples. As a company with a high social responsibility, it worked every day to take preventive measures to help fight the virus, ensure a safe working environment and protect both the company's employees and customers. It is worth noting that TBC Bank used to grant social problem solving services.

Keywords: *Corporate Social Responsibility, TBC Bank*

JEL Classification: *M14, F50*

Introduction

Social responsibility in business, also known as Corporate Social Responsibility (CSR), involves how people and organizations behave and conduct business ethical. Howard Bowen, an American economist, is often called the father of CSR. He linked the responsibility of business to society and in 1953 published *The Social Responsibility of the Businessman*, the contents of which included comprehensive information on business ethics and responsiveness to society's stakeholders.

Many of the famous companies we hear about today developed modern strategies in the 1980s and 1990s and began communicating their contributions, thanks in part to President George W. Bush's call to create a thousand points of light, a space where it is easy for all people to make a difference in your society and the world; By collaborating with organizations and individuals to build community, they are defining a new kind of volunteerism that encourages people to give of their time, talent, voice and resources to create a brighter future for all.

The Corporate Social Responsibility

By practicing corporate social responsibility, companies become more aware of their impact on society and the environment and take the necessary steps to make a positive contribution. For example, if a company operates in a country where there are no import restrictions, it will be free

to import goods from the country that needs it. As mentioned above, this company has the ability to import from two countries: Country A and Country B. Although Country A can import goods at a lower price, it is known for mistreating and exploiting workers. Conversely, imports from country B are more expensive; However, they are more reputable and provide benefits to their employees. If an importing company prioritizes social responsibility in its business approach, it will choose to import more expensive, but more responsibly sourced goods from Country B. Conversely, imports from Country B are more expensive; However, they are more reputable and provide benefits to their employees. If an importing company prioritizes social responsibility in its business approach, it will choose to import more expensive but more responsibly sourced goods from Country B.

Corporate Social Responsibility Management is the way in which a company Universities constantly compete with the nation and ultimately get a positive result. Business, Social Life. Its concept was created in the 1950s of the last century. The first project of a woodworking plant was implemented in 1971 in the USA. After this, companies are constantly trying to make maximum profits amid widespread social expansion, and this trend is also slowly dying in the country. The CSR campaign supports the main principle of sustainable development. This requires sustainable development not only of the company, but also of all stakeholders.

Nationally, that doesn't even come close to matching the number of killers and the two national goals and the company's environmental services and the result depends on the work of the company. Corporate Social Security in its current form benefits both me and the company.

The Corporate Social Responsibility at Bank “TBC”

The CSR strategy currently being implemented at TBC Bank is driving the company's growth. Help employees and management choose the right way to solve any social problem. What should a bank care about and what direction should it move in ? The first thing TBC does is build community. He goes to university, does research, meets stakeholders, and then writes. Limits the areas in which manager must take responsibility. It is an effective system of communication, stability and well-being, a tool for sustainable development and business development. Research shows that social enterprise interest in social business is growing. Users pay more attention to the company's social activities. The study also found that engaged organizations engage in social activities. Ultimately, they will have a more positive attitude towards the way they operate.

As a result of the introduction of new rules on the global market, there are more and more Georgian companies. Therefore, it was decided to include the Social Security Administration in the development strategy. In recent years, the social welfare and social well-being of people in Georgia has increased, it has become strategic, comprehensive, sustainable and inclusive. This is a useful measure. Businesses are becoming more and more involved in sustainable community programs and agreeing to this type of work to create a competitive environment for the organization.

In fact, the achievement of such a long-term project is the real Corporate Village. This is not a one-time action. In the 21st century, consumers set high standards for doing business.

Today they are asking businesses not only for economic benefits, but also for a share. Once companies have analyzed the need for corporate social responsibility, they undertake various activities in different directions. It is the goodwill and ethical actions of the company that allows us to and protecting the interests of other members of society such as workers, consumers and society at large.

Companies that have taken on social responsibility enjoy greater trust from customers; This can build a company's image, improve employee morale, which in itself leads to increased productivity. Practice has shown that companies that have taken on social responsibility have increased sales, achieved savings in operating costs and are more likely to retain staff. This is a way to achieve sustainability. Its core principles, such as accountability and cost-effectiveness, can ensure the long-term viability and success of any organization or system. Companies with social responsibility are less susceptible to scandals, rumors and other events that could damage the company's reputation [5].

TBC Bank donated more than 5 million Gel to overcome the challenges associated with Covid-19. Of this, 2 million GEL is for social assistance initiatives, where the emphasis is on promoting distance education, helping older people and disseminating digital technologies; And more than 3 million GEL for two months to ease the commission costs of consumers, both individuals and legal entities.

The online platform “TBS for you” was also launched, where all the digital services of TBC and its partners are collected, which help users “digitize” to this day. The emphasis was placed on supporting the population and business, distance education, online stores and many other useful services created in a new way. In fact, it makes the user's life easier.

Bank “TBC” Against Covid-19

The pandemic has significantly changed the work agenda of TBC Bank. It is constantly concerned about the environment, customers and employees.

The first thing TBS Bank did immediately after the spread of the virus was the following safety measures for employees and clients:

Emergency and quarantine rules were followed by the government;

All employees whose job descriptions allowed this switched to remote work;

The job and salary of each employee were saved;

Trainings continued using the distance learning platform;

Working hours have been introduced to reduce the risk of spreading the virus at offices;

Risk group employees were identified and they were completely prohibited from visiting offices;

Although the crisis had a serious impact on the entire business, every bank employee kept his job and received a full salary.

The offices are equipped with transparent protective partitions, masks, disinfectants, gloves and disinfectants;

The company took into account the economic difficulties encountered by clients and introduced a grace period for borrowers of 6 months. In order to communicate correctly and explain the

grace period, the bank tried to be as detailed as possible and provide comprehensive answers to all questions [6].

On the one hand, the pandemic affected aggregate demand by reducing the export of tourism services, and on the other hand, due to a decrease in mobility, it disrupted supply channels for consumer goods, which led to an increase in inflation at the level of the initial stage of the pandemic. A similar trend was observed in almost all countries of the world. Later, from June-July 2020, the effect of reducing demand exceeded the effect of supply. As a result, the inflation rate began to decline. However, in March 2021, there was a significant increase in annual inflation from 3.6 percent to 7.2 percent. Such a sharp increase occurred due to the termination of the government subsidy program for certain products. High inflation was also recorded in the following months of 2021: April 7.2 percent, May 7.7 percent, June 9.9 percent, July 12.8 percent. This high inflation was mainly due to rising food and transport prices caused by rising food and oil prices on world markets. Upward pressure on annual inflation depends on rising prices in global agricultural markets (including oil prices) and the depreciation of the exchange rate in the previous period, which increases the impact of imported goods and food prices on the inflation rate.

Reforms should not be stopped in order to improve the investment climate in Georgia. Georgia has great potential for developing and strengthening the small and medium-sized sector, which will play an important role in attracting investment. The development of new technologies should be encouraged, which will encourage local and foreign start-ups to implement business projects based on technology and innovation. In respect of improving the investment climate is also necessary for the country to have a fair and impartial justice system, which will encourage investors to start new investment projects.

Conclusion

The timing of the crisis is important, as is how the world was able to cope with it, since countries such as Georgia were largely dependent on the amount of international assistance they could mobilize;

It is necessary to understand international positive and negative experience not only in the area of healthcare, but also in the area of managing economic crises;

Private initiative also turned out to be extremely important, i.e. the extent to which part of the Georgian business was able to self-organize, develop new types of services and products that more than met existing challenges.

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PHASES OF PUBLIC PROCUREMENT IN LIGHT OF THE CORONAVIRUS (COVID 19) PANDEMIC

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Public procurement is an important element in the development of world trade and the efficient use of budget funds. Due to the Covid-19 pandemic, in a global recession, when incentives for private investment are very weak, the demand for government support is very high. The role of public procurement in bringing the economy out of the crisis has significantly increased.

The spread of COVID-19 has presented governments with unprecedented challenges, not only to ensure the health of their citizens, but also the continuity of public services. In all states, public procurement strategies and infrastructure plans are at the forefront of national governments' response to the COVID-19 crisis. Governments must urgently procure vital health products and services needed in the immediate response to the COVID-19 crisis, while ensuring the continuity, consistency and accountability of ongoing contracts needed to provide public services to their citizens. Maintaining critical infrastructure is also particularly important during the response to COVID-19, not only for public health and safety, but also for the well-being of the wider community. The pandemic has created a radically new and ever-changing procurement environment. The sudden decline in economic activity has put an equally severe strain on the infrastructure sector.

During the COVID-19 crisis, targeted and effective public investment is even more necessary to enable governments to respond quickly to the consequences of the pandemic. Public investments aimed at obtaining the necessary health products and supplies, or for the provision of essential public services and the maintenance of the relevant infrastructure (physical and digital), are mainly carried out through public procurement. Therefore, the impact of the chosen procurement strategies has an immediate impact on the effectiveness of the policy to deal with the pandemic

and its social and economic consequences. These strategies and approaches are and will be different depending on the phase of the crisis and the challenges at hand.

In the first stage of the crisis, the emphasis is on emergency management and provision, immediate response to the global pandemic. This phase requires primarily rapid, reactive procurement and infrastructural response to provide immediate assistance in the face of critical events that directly affect life or public safety and where any delay would result in harm to individuals and society.

The second phase, which follows the first phase, provides an opportunity to reassess the situation, to better understand and understand the consequences and impacts of the global pandemic, and to adjust procurement and infrastructure strategies to meet the new challenges of the crisis.

In the third phase, the focus shifts to recovery policies, the consequences and impacts of the crisis, and the recovery of societies and economies. This phase comes after the state of emergency has ended and activities have returned to normal, including procurement processes and infrastructure delivery.

Keywords: *Investment, Pandemic, Public Procurement.*

JEL Classification: *F43, F44, F63*

DIGITAL TRANSFORMATION AS A STATE RESPONSE ON THE COVID-19 PANDEMIC

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The purpose of the study is to explore the factors that determine the state's response to the COVID-19 pandemic. It is the need for digital transformation that underlines how the state will deal with the challenges of the COVID-19 pandemic.

The main goal of this study is to analyze the issue of state response during the COVID-19 pandemic and to identify the practical challenges and opportunities of digital transformation.

At the beginning of 2020, the sudden COVID-19 pandemic put the economy and society of all countries of the world under severe test. The strong impact of the epidemic has forced organizations to think deeply about digital transformation. However, the digital transformation of organizations is a complex process that involves many factors such as: organization resources, technology and management.

The Covid-19 pandemic has created a reality where the state must establish a new paradigm that is digital and ubiquitous, cheap, mobile, personal and programmable. States that manage to keep up with new digital technologies have a chance to be highly competitive in the global market. Digital transformation plays a major role in increasing the company's competitiveness. It also simplifies the role of management in an organization by providing programs that can be used to help managers make decisions and organize various activities in the organization. Digital technology also provides workers with unique tools that simplify their work approach and work processes. It facilitates communication between an organization and its customers, creating a feedback system and a product review forum that allows organizations to improve their products. In this regard, an organization that highly uses digital technology has a greater chance to make effective managerial decisions, demonstrate efficiency, accuracy and quick response from workers, and improve their general performance compared to an organization that does not use this technology. This increases the overall competitiveness of the organization in the market.

During the period of digital transformation, the management of a public institution requires the development of various skills, and it is necessary to learn and practice these skills. This will help the state to respond to the challenges of COVID-19 in the public sector.

Keywords: *COVID-19, State Response, Digital Transformation.*

JEL Classification: *F43, F47, F49*

THE SOCIO-ECONOMIC PROBLEMS ASSOCIATED WITH CORONAVIRUS

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The spread of the Coronavirus has become a vital problem for the entire world. The pandemic, which has not yet ended, is already an irreversible fact, since the challenge is a threat not only to world health, but also to the global economy.

The pandemic has severely shaken the socio-economic situation of the world community. Georgia was no exception. Its results have dealt a serious blow to small and medium-sized businesses. In particular, the role of business in the economy has been fundamentally transformed, and the scale of the crisis has reached an unprecedented level. The negative impact of the pandemic reduced Georgia's economic growth by 4%, which amounted to 1.8 billion GEL of budget revenue. In connection with the mentioned situation, three billion dollars were allocated to Georgia from the international partner countries to save the health of the citizens and the economy of Georgia. The main task of the government was to alleviate the accepted and acceptable economic crisis and to achieve effective results, since the stability of the economy would not be threatened. Necessity also required health safety according to international regulations. Obviously, it is difficult to make a choice here between public health and economic factors. The security measures implemented by the government did not show positive results in any direction. The recessionary process continues. The result is that the state was unable to provide employment and complete health rehabilitation of the many people left without work by the pandemic, nor to restore the economy.

It is worth noting the fact that even before the pandemic, the country's economic past was not characterized by high growth rates. Nowadays, it is difficult to make general predictions and develop long-term strategies that the economic situation will stabilize in the near future, because the situation is constantly changing. In general, for the economic development of the country, it is necessary to involve the whole society and representatives of the business sector in the economic processes. However, it is indisputable that the main role in overcoming the crisis still rests with the state, because it must determine the directions and reforms that will lead to economic growth and public welfare in the future.

This article as a practical example presents the Corporate Social Responsibility of the European transnational TNCs: "Nestle", "Deutsche Post", BASF, Nokia, and other during the global pandemic.

The paper identifies the current tasks of European companies at the modern stage, and as a conclusion, there are established the main directions of the influence of the global pandemic period.

Keywords: *CSR, Pandemic, Company, Rehabilitation, European Transnational Companies*

JEL Classification: *M14, F43, F47, F50*

Introduction

The coronavirus has also affected the world's largest economy. US companies experienced weakness in 2019, but many started 2020 with optimism. And the world pandemic hurt them a lot: "Mercy," "Ford," "McDonald's," American airlines also suffered a lot, because flights were no longer operated, employees could no longer be paid. This is a small list of American companies that have been affected during the pandemic. Businesses were on the verge of destruction, and public services were on the verge of bankruptcy. One of the largest companies, "Google", which is the world's most popular search engine, was founded in 1998. The year 2020

turned out to bring changes for him. Thousands of people turn to it every day. The company takes care of creative development of employees. Only the best work at Google. It is the largest company in the world. He owns “YouTube”, which is one of the most popular sites.

American Companies On The Modern Stage

In order to reduce the impact of climate change and support sustainable development, the company "Amazon" created a two billion dollar fund in June 2020. The e-commerce giant's Climate Commitment Fund will invest in various areas, including transportation and logistics; in the fields of energy production, food and agriculture. The information about the creation of the fund, based on the "Wall Street Journal", was distributed by the "Reuters" agency. Amazon itself, which ships about 10 billion items to customers a year, has become the object of protests by eco-activists and employees, considering transportation and other reasons. Conservationists believe that the activities of the Amazon have a negative impact on climate change. In parallel, in February 2020, the founder and CEO of Amazon, Jeff Bezos, allocated a fund of 10 billion US dollars, which is aimed at helping scientists, eco-activists and non-profit organizations working on environmental issues [5].

The Corporate Social Responsibility of the Global Giant Companies: "Google", "Amazon" and "Apple" during the Global Pandemic

The purpose of companies "Apple" and "Google" is not only to protect private information, but first of all, to protect users from a government that aims to collect information on its own citizens. Apple and Google's system will use phones' Bluetooth signals for notifications, not location data, despite several US states asking them to access the Global Positioning System (GPS), which they say will help health systems manage pandemics and geographically identify clusters would help.

In order to prevent the spread of "Covid-19", Apple company temporarily closed all stores outside China in March 2020. The company's management was doing everything they could to reduce the spread of "Covid-19" in the workplace. "Apple" allocated 15 million in the fight against the virus [6].

The company allocated \$10,000,000 to companies that produce special nasal swabs for testing Covid-19. The funding is also being used to make other materials needed to collect the samples, which has allowed manufacturers to increase production of the devices to a million each week from the beginning of July 2020. The financial assistance of "Apple" is intended for two enterprises. Apple felt a deep social responsibility to do the best it could to help the medical community fighting the pandemic. In doing so, it obviously supported the global effort in the fight against Covid-19 [7].

It is worth noting the benefits provided by the company "Amazon" during the global pandemic:

Getting the basics right In addition to being able to meet the expected increased demand in the run-up to Christmas, retailers need to clearly communicate their cut-off dates with shoppers to ensure that orders arrive in time for Christmas. Carlisle says he is seeing many retailers, such as Aldi, trying to push and collect infrastructure so that shoppers who miss the last delivery slot can still get their orders out of store in time for Christmas. He also points to retailers including Next and B&Q making their store opening times and policies well known on their websites. With the various UK lockdowns in place, this information will be critical for Christmas shoppers.

Innovative marketing. Fortunately, Covid-19 hasn't stolen the Christmas advertising ritual, as various retailers have run ads in recent weeks. With John Lewis' much-anticipated ad almost scrapped for 2020, the retailer thought a charitable donation would be more appropriate. Instead, he reduced his production costs and did publicity about the community as well as benevolent acts, encouraging the community to donate to him for one of his charity partners. Retailers have also put a lot of effort into loyalty schemes in the run-up to Christmas 2020, a key trend for gamers. Marks and Spencer is using the Sparks loyalty scheme to remind customers of its personal appointments about customers, encouraging customers to return to the store with £1,000 of £250 M&S gift cards. In addition, Currys is offering shoppers a 20th chance to win half off when they buy a particular product, and TK Maxx is also offering prizes to loyal "Treasure" reward customers.

Black Friday spread. Black Friday seems to start earlier and earlier every year as retailers try to ramp up their systems and store demand levels for a day, in some cases weeks, of the US-adopted shopping holiday. This year, with a smaller share of consumers spending money, it's never been more important to ensure that websites and networkers don't feel the strain. Tesco, Dixons, Very, Boots, Superdrug and The Body Shop were some of the retailers to run Black Friday sales well into the 27th November. Accenture's Carlisle says: "If the customer can now buy the product, it takes pressure off the supply chain. One thing that Lockdown 2.0 has helped is that consumers have a little more free time and one thing they do is go online and shop. "

Curator and gift support. As more and more consumers browse and buy gifts for Christmas online this year, retailers need to have a clear online narrative and product curation. While Amazon is known for its algorithm that shows customers products based on their previous purchasing behavior, this is an area that Carlyle fears other retailers have not innovated enough. to help customers choose the right gift," he says. Some good examples already exist: John Lewis has created an online version of its Christmas shop in its Oxford Street store, using cameras and tagged products – a virtual reality technology that really came into its own at a time when stores were forced to shut down under lockdown restrictions. In addition, Dixons Carphone is one of a number of stores where video technology is in place to connect online shoppers with store staff as they view product demonstrations from the comfort of their own homes. Lush, on the other hand, engages with shoppers at the checkout stage and gives them the opportunity to create their own custom gift box. Desktop and mobile web shoppers will be able to design their message box using 3D technology, and the solution will be available on the retailer's end in an updated app in the new year. Carlisle advises retailers: "It may be late, but if you have the chance in the next six

to eight weeks, retailers will be working on curating their products on their website – helping customers find the right gift and creating a structure to make the process easier. "

It should be noted that there are many companies owned by "Google" and the income of each of them is colossally high: "Advertwise", "advanced display", "advanced search", "Leavingstone" and others. The business adapts to the new reality and tries to adapt to all the changes in the environment, to think differently and creatively. This is what Google found, which released its own application to make it easier for people to get used to reality. "Google meet" is for remote meetings. With this, the company did not drop the pace of its development for several years. It develops in any situation. The company made huge profits during the pandemic. Google meet has proven profitable for company employees, schools, universities, business-meetings, the US government, and just for communication. Every day, every 2 minutes, Google meet has 2 million new users. 100 million students and teachers are using this app worldwide. Google meet is very important for the US government because it has the strongest security system. Many companies use Google Meet. Google has created an application that helps medical personnel to detect the symptoms of Covid-19. Many clinics in America are connected with each other through this application and not only the clinics but also the patients are given recommendations. Doctors are constantly in contact with infected people with the help of "Google meet". As for Google Cloud, it is used by businesses, governments, researchers, and others to those affected by covid. As mentioned above, the company "Google" made huge profits during the pandemic, unlike those companies whose losses are indescribable. The epidemic has a negative impact on the entire world economy. Most of the leading industries, as well as some companies that are gradually declaring bankruptcy, have found themselves in an extreme situation. Brand clothing company Deberhams has closed 11 stores in Ireland, where 20,000 employees worked. "J.crew" also declared itself bankrupt. Also - "Weiman Mareus" American elite center, in which premium class brands are located. "Pioneer energy" - a large oil service company - was included in this list.

For justice, it is necessary to say about the service sector, which is an outsider of the pandemic. The list of enterprises affected by the pandemic may grow, but there are companies and areas that have been able to make a profit even in this current situation. Health care was the leader in revenue growth. This was naturally expected. The economic difficulties in the IT sector have had little impact on their operations. Unprecedented stimulus actions of the state, low liquidity impact stakes, state programs that have supported small and medium-sized businesses indicate that the outlook for the banking sector will not be dramatic, but on the contrary, for example, "Netffix" reported an increase of 16 million users. "Netffix" is called a lucky company in the conditions of covid-19. E-commerce is, of course, in the background of closed spaces, the demands of the population should not be interrupted. Of course, there will be constant demand for certain products. The coronavirus turned out to be very profitable for the e-commerce segment. Online sales of one of the world's giants, Amazon, increased by 26%, and so did other companies in this segment. The picture is the same, despite the lower market. Companies such as "Shopify," "Wayfair," "Best Buy", "Target", "Costeo Wholesale" demonstrated strong growth in

online sales, with Internet advertising, stocks, Facebook and Alphabet (Google) all rising when their earnings were announced and dismissed. The Dangers of Internet Advertising Falling Risk.

It should also be noted that communications are also a lucky area for Covid-19. Stocks have risen rapidly as the pandemic has stimulated, accelerated, and in some cases forced traditional forms of communication and business to go on a larger scale. Companies have turned to the purchase of Internet communications in the remote work process, which has significantly increased their sales. Current circumstances make it clear that many companies may continue to operate this way. Zoom, Okta, Twitter - their shares have increased by 100%. Small but increased sales were also recorded in video games. Buying shares in this segment is more like a competitive decision. Therefore, it is possible to make a conclusion - the restrictions imposed in business centers in the fight against the spread of the pandemic have increased unemployment to a certain extent, and the management has asked the population to continue working at home in order to maintain the company, which has facilitated the purchase of sports equipment that can be placed on the balcony, terrace, garden, etc. Peloton Interactive, a stationary bike manufacturer that allows Americans to exercise at home, is also offering video tutorials and fitness features with the device. This is a kind of additional income. The effect of social distancing played a favorable role in the company's customer growth. With all this, they were able to attract the attention of an audience that previously trained in the gym or on the street. Its sales increased by 66%, and the number of customers reached almost this percentage, although the development of the company was further supported by the increase in sales volume. The removal of restrictions will, of course, create a desire among the population to stay outdoors and in nature for a long time.

Conclusion

It is worth noting the fact that even before the pandemic, Georgian economic past was not characterized by high growth rates. Nowadays, it is difficult to make general predictions and develop long-term strategies that the economic situation will stabilize in the near future, because the situation is constantly changing. In general, for the economic development of the country, it is necessary to involve the whole society and representatives of the business sector in the economic processes. However, it is indisputable that the main role in overcoming the crisis still rests with the state, because it must determine the directions and reforms that will lead to economic growth and public welfare in the future.

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IMPACT OF THE PANDEMIC ON THE FOOD PRODUCT EXPORT AND IMPORT INDEXES: CHALLENGES AND OPPORTUNITIES (THE EXAMPLE OF GEORGIA)

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The article analyzes the problems caused by the COVID-19 pandemic in the trade and economic relationship between countries from the prospective of globalization, it proves the necessity of the economic space modernization.

Study of trading and economic relationship development, ways of increasing export potential, achievement of the export-import optimal balance, export market extension potential is very important out of the problems faced by agricultural food sector of Georgia.

Delays caused by COVID-19 are analysed in the food production and supply sectors, in particular, the price fluctuation, limited financial resources, inflation, increase of risks and other problems. Reduction of the demand on the products is considered as the major negative impact, though the difficulties caused by the currency exchange rate fluctuation and the delays in the supply chain is not less important. It is demonstrated that study of trading and economic relationship development between the countries, ways of increasing export potential, export-import optimal balance ensuring, export market extension potential is very important out of the problems including short-term and long-term faced by agricultural food sector of Georgia.

The study includes the key indexes of the export and import of the Georgian agricultural products, finds the export and import positive and negative trends during a pandemic period.

The qualitative survey of the short-term and long-term negative impacts of the pandemic, as well as development opportunities was conducted with support of the food experts.

The negative outcomes include

- Reduced income of farmers;
- There are problems in the adjacent industries, such as agricultural food sector, like supply of input and materials, harvesting, processing, marketing, transportation, etc.
- indirect costs are increased;
- In the agricultural food sector indirect costs exceeded the loss caused by the direct loss.

One of the key long-term negative impacts of the pandemics is considered the loss of the trust towards the industry, as well as the threat of losing positions on the traditional market.

The conclusions are made considering the problems in the Georgian agricultural products' export and import, the development opportunities are assessed. The study reasons how the limited indicators of the food product production and productivity negatively influences on the optimal balance of the export and import. Accordingly, it increases dependence on other countries, makes the food safety level worse.

Based on the analysis the negative and positive outcomes of the pandemics are identified, the recommendations are made on the development opportunities during the postpandemic period.

Keywords: *CSR, Pandemic, Company, Food Production*

JEL Classification: *M14, F50*

Introduction

During a globalization one of the key challenges faced by population is solution of the food safety problem. Implementation of the study is very important especially due to Covid 19 pandemics, as modernization of relationships and in general economic space became crucial.

It is hard to give preferences to any of those strategies based on the effectiveness. Though it should be considered that majority of the countries selects its own strategy of local production growth. The latest in its turn, supports to promotion of the export next stage, it changes the trading balance of the agricultural food products, finally, positively reflecting economic development of the country. During selection of such strategy there are questions which should be answered, like: what is the production level of the local product in the country? What is the rate of the productivity? How to find place on the international market by the local product in the condition of the severe competition, etc.

Ensuring sustainable food safety of the population is impossible without development of the high-productive agriculture¹. In Georgia, agricultural food production is traditional activity of the population. Notwithstanding of this, food safety, food price raise, agricultural product export and import negative trading balance and other problems are the important challenges.

COVID-19 made additional problems for agricultural food product production and supply sectors, in particular, it included the price fluctuation, limited financial resources, inflation, increasing of the risk and other type of challenges. Reduction of the demand was the most distinguished negative impact, but the difficulties and delays in the supply chain caused by the currency exchange rate fluctuation was not less important. Supply of agricultural input was also influenced, consultation service and access to the food market were also restricted².

Though, it should be noted, that there was the less loss in production of the agricultural food product compared to other sectors. There was 50% of reduction of income in 40% of the

¹ Giovannucci, D., Scherr, S., Nierenberg, D., Hebebrand, C., Shapiro, J., Milder, J. & Wheeler, K. 2012. Food and Agriculture: The future of sustainability.

² Impact of COVID-19 on Agriculture, Food Systems and Rural Livelihoods in Eastern Africa: Policy and programmatic options. July 2020. <http://www.fao.org/3/cb0552en/CB0552EN.pdf>

companies operating in the agriculture and production sectors, what is comparatively low than in other sectors³.

In addition, some challenges were identified in the prospective of the production, trading and economic relationship, defining income, export market diversification, and the most difficult processes were found for the companies operating in agriculture and construction sectors.⁴

In the agricultural food sector of Georgia study of the trading and economic relationship development, export potential, export and import optimal balance maintenance, potential of export market enhancement is very important both in short-term and long-term prospective out of above listed problems.

The goal of the survey is to identify the current challenges of the pandemic based on the analysis of the Georgian food product export and import and development recommendations on the post-pandemic prospective.

Research methods

Different research methodologies are applied during the study, including the data of the National Office of Statistics of Georgia, the Ministry of Environment and Agriculture, Policy documents of Parliament of Georgia are assessed based on the bibliographical and empirical researches; the scientific works of Georgian and foreign scientists are also analyzed; The method of analysis, synthesis, induction and other methods are applied for data selection, grouping, identification of similarities and differences, as well as for identification of the trends. Qualitative research is conducted for studying positive and negative outcome of the pandemics.

Discussion

COVID-19 Pandemics is the global and comprehensive crisis destroying global economy, including food production. The measures introduced for preventing dissemination of the virus by many countries caused delay in food product supply on the markets and consumers both at the national and international markets. The scientists studied the harm of the pandemics on the food safety, income of the farmers, food supply chain. The recommendations for policy response mechanisms in the short, medium and long-term prospective.⁵

Demand on the food during the pandemics was changed as there were restrictions related to the transportation, supply chain, the borders were closed, buying power of the population is reduced, etc.

³ Georgian Companies Against Challenges of COVID 19 Pandemic <https://www.pwc.com/ge/en/assets/pdf/may-2020/Georgia-Covid-19-survey-Report-Final-Georgian-21.05.20.pdf>

⁴ The Effect of COVID-19 on the Farmers and Agriculture file:///C:/Users/Admin/Desktop/GFA_COVID-19-IMPACT_GEO-FINAL_compressed-1.pdf

⁵ COVID-19 and the Food and Agriculture Sector: Issues and Policy Responses. 2020. <https://www.oecd.org/coronavirus/policy-responses/covid-19-and-the-food-and-agriculture-sector-issues-and-policy-responses-a23f764b/>

According to the World Food Organization COVID 19 had a special impact on food supply chain, the demand structure on the food and sale channels have been changed. Vulnerable population has been mostly harmed by the pandemic.⁶

Negative impacts of Corona Virus on the food security were caused by several key factor, such as the problems related to food demand and supply, impact of the restrictions on work power, trading-related restriction, etc.

Corona Virus pandemics supported to liberalization of the trading with the agricultural food (for instance, several countries declared significant reduction in prices), while on other hands some countries had started restricting of the trading by the product due to threat of reducing internal supply. Such approaches transformed into “Trading Wars” by the mentioned products and as a result agricultural food sector was harmed significantly.

The volume of the production in agricultural food sector of Georgia and productivity rate are low and added value in the given sector does not ensure solution of food safety problem of the population⁷. During pandemics additional analysis of the self-sustainability indicators by the national product of the population showed that the self-sustainability indicators on some products are maintained at the level of the previous year (like grape, meat, including poultry), though it is reduced on the major products (including grain, vegetable, potato, milk and dairy product), while 30% of the consumer’s basket falls on the food, what is twice higher than in European zone⁸. Generally, population is very sensitive towards raising prices on the food, during the pandemics the problem became more difficult.

In Georgia consumption costs, as well as the food and beverage indexes in Georgia in the 4th quarter of 2020 compared to the 4th quarter, 2019 are increased by 9.2⁹.

Evaluation of the economic outcome of the COVID 19 is very important globally and at the level of Georgia.¹⁰ It is considered as natural, that negative impact of the pandemic on the food supply and demand is threatful for the food safety.¹¹ Accordingly, it is necessary to develop COVID 19 and post-pandemic crisis response mechanisms.¹²

⁶ Raúl Siche. What is the impact of COVID-19 disease on agriculture? *Scientia Agropecuaria* vol.11 no.1 Trujillo ene./mar 2020.

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⁷ E. Kharaiashvili , B. Gechbaia, G. Erkomaishvili , M. Lobzhanidze and I. Natsvlshvili. Shipping policy of agri-food products and the formation of food markets in Georgia MATEC Web Conf. **Volume** 339, 2021. International Conference on Sustainable Transport System and Maritime Logistics (ISTSML 2021). https://www.matec-conferences.org/articles/mateconf/abs/2021/08/mateconf_istsml2021_01001/mateconf_istsml2021_01001.html

⁸ E. Kharaiashvili, B. Gechbaia, E. Zviadadze , Z. Mushkudiani , and A. Tsilosani

Trade and Economic Relations Between Georgia and the Czech Republic: Challenges in Export and Import of Agri-Food Products

https://notso.easyscience.education/icsf/2021/doc/ICSF_2021-final34.pdf?cap=034aAGhxwZnTZn4

⁹ Food Prices <https://www.geostat.ge/ka/modules/categories/297/sasursato-usaftrkhoeba>

¹⁰ COVID-19 Economic results for the world and Georgia. https://eprc.ge/uploads/brosh/COVID_fin-geo.pdf

¹¹ Padam Bahadur Poudel¹*, Mukti Ram Poudel¹, Aasish Gautam¹, Samiksha Phuyal¹, Chiran Krishna Tiwari¹, Nisha Bashyal¹, Shila Bashyal. COVID-19 and its Global Impact on Food and Agriculture. 2020.

Based on the analysis of the economic outcome of COVID 19, the scientists concluded that at an initial stage of the post-pandemic period, 1% recession of the export is expected¹³, though pandemic is going on and accordingly, there are many other challenges.

There are many important challenges in food sector of Georgia. Regardless the tendency of growth in some fields is noticed (such as share of agriculture in GDP was raised by 3% in the first three quarters of 2020 compared to the respective period of the previous year,¹⁴ but such trend of growth is caused mainly by the growth of the livestock and poultry breeding sectors (see, table 1).

Table 1.

Economic Indicators for Agriculture Development during Pandemics¹⁵

	2019	2020	% Of change
Actual GDP in agriculture in the first three quarter (mln in GEL)	2 140	2 205	3
Livestock in the third three quarter (thousand heads)	2 861	2 931	2.4
Poultry in the first quarter (thousand heads)	29 540	34 356	16

During pandemics increase of agriculture share in GDP can be explained by several factors. During the mentioned period state support programs were launched for nine main agricultural products, the productivity of the crops was high due to favorable natural and climate conditions. Co-funding projects for promoting perennial gardens have been launched previous years continued, the investment size made in agriculture was increased (for 2019-2020, comparing to the data of the first quarters direct foreign investments was increased by 137%). Considering mentioned factors, those who were engaged in agriculture had the positive expectations that pandemic-driven restrictions would not be so harmful the sector compared to other ones.

https://www.researchgate.net/publication/341380033_COVID-19_and_its_Global_Impact_on_Food_and_Agriculture

¹² Attila Jámbor 1,* , Péter Czine 2 and Péter Balogh. The Impact of the Coronavirus on Agriculture: First Evidence Based on Global Newspapers. 2020. <file:///C:/Users/Admin/Downloads/sustainability-12-04535.pdf>

¹³ Economic results of the COVID-19 for the World and Georgia. Economic policy research center https://eprc.ge/uploads/brosh/COVID_fin-geo.pdf

¹⁴ National Office of Statistics, quarterly bulletin, 2021, p 9. https://www.geostat.ge/media/38744/QuarterlyBull_2021_I_Geo.pdf

¹⁵ National Office of Statistics, Quarterly Bulletin, 2021, p 8-15. https://www.geostat.ge/media/38744/QuarterlyBull_2021_I_Geo.pdf

Limited rates of the food product production and productivity negatively effects formation of the optimal balance of export and import. Accordingly, it makes more depended on other countries and makes safety level worse.

Based on the findings of agricultural product export and import, according to the data of 2020, agricultural products costing 942.2 mln dollars is exported from Georgia, exceeding the rate of 2019 by 6.0%. The key export markets of that year covered Russia, EU states, Azerbaijan, Ukraine, Armenia, Kazakhstan and Belarus (see, Diagram 1).

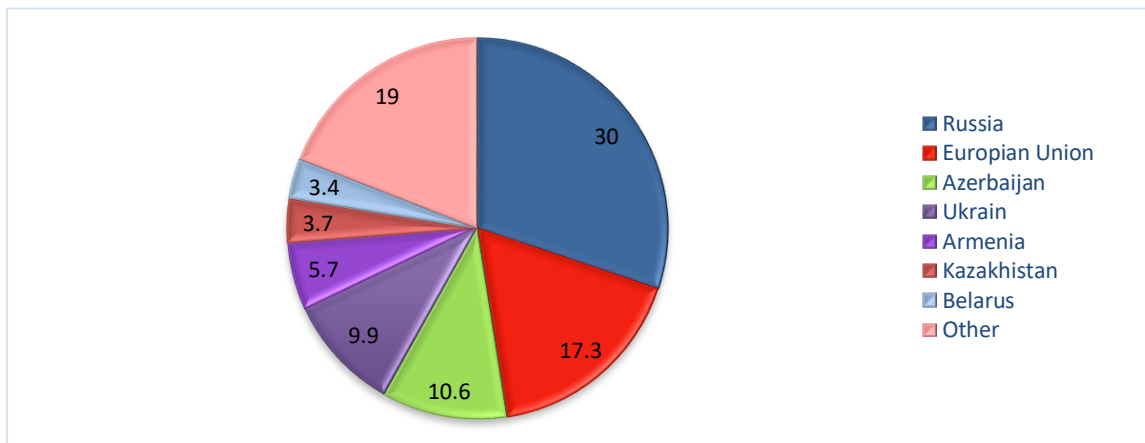


Diagram 1. Distribution of export cost according to the countries for 2020¹⁶

As for the volume of the agricultural food product export the following negative trends were identified, like the export volume is reduced mostly in Iran (by 82%), in Russia (by 3%) and in China (by 26%). Reduction of the export rate in Iran is caused by treduction of the export of mutton, while in Russia, it is caused by mineral, fresh water and wine export reduction and in China it is caused by reduction of wine export.

As for the products, main export products are natural wines from grapes, alcohol beverage, mineral and fresh waters, fizzy drinks and cigarettes (see, Diagram 2).

¹⁶ Diagrams are developed based on the data of Environment Protection and Agriculture Ministry of Georgia. <https://mepa.gov.ge/>

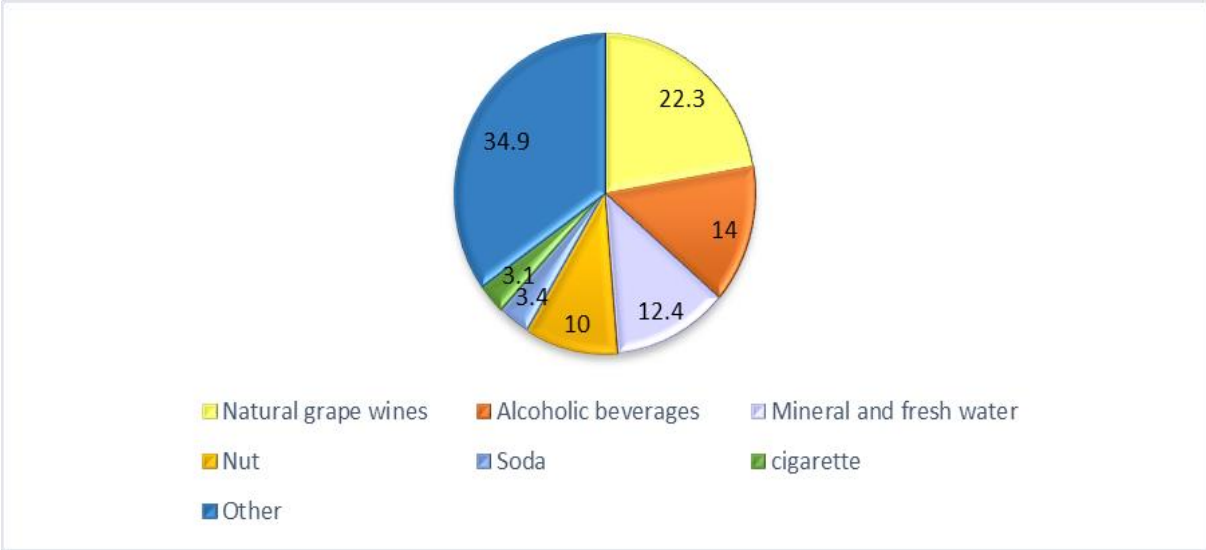


Diagram 2. Cost of the export according to the products, 2020

During pandemics the export indicators per key products are variable (See Diagram 3).

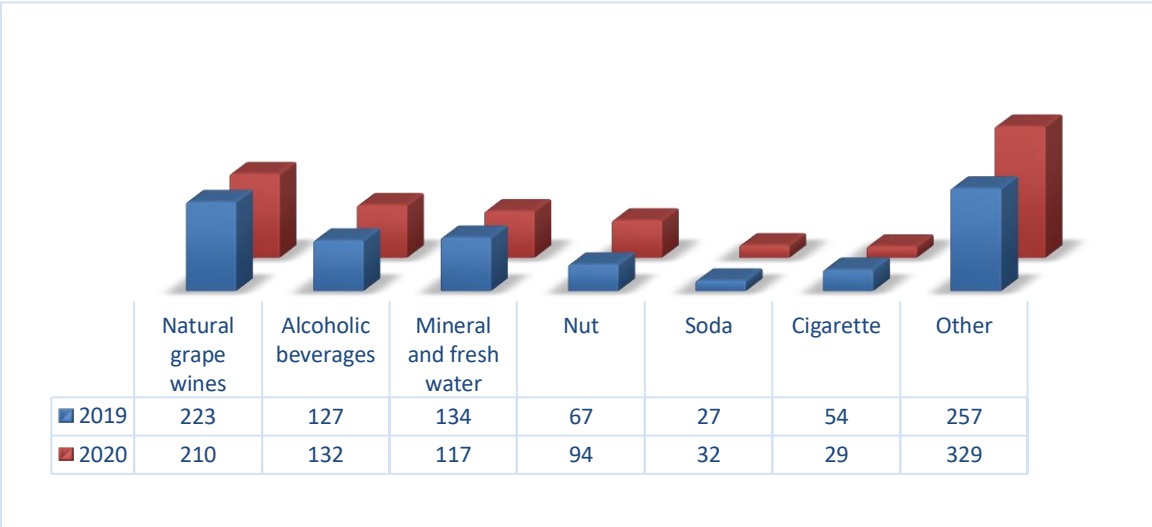


Diagram 3. Export of key products, mln US Dollar

Noteworthy, that the export of the agricultural food product from Georgia, excluding cigarette and tobacco export (which is mainly re-export) is increased by 9.7% during the pandemic period. In 2020 compared to 2019 there was a significant growth in exporting of nut (41%), fish oil (3.4 times), peach and nectarine (87%), fish flour and livestockf (2.1 times) frozen meat (3.9 times), in addition to the mentioned products, increase of other products' export are also significant, in particular, export of persimon (by 35%) and blueberry (by 4 times).

During pandemics the export of cigarettes (by 46%, mainly re-export), mineral and fresh waters (by 13%), mutton (93%) and wine (6%) are reduced.

The same period agricultural food production is imported by 3.5%. Grouping of the product imports according positive and negative outcome demonstrated that the import of the oilcake (70%), ethyl spirit (86%), sunflower oil (by 20%), maize (31%), frozen beef (36% for re-export) was significantly raised that period. Import of cigarette, chocolate, tobacco substitutes and alcohol beverage were reduced, respectively, by 15%, 19%, 51% and 25%.

Qualitative survey was conducted with the food experts in order to identify the results caused by the pandemics. The homogenous materials were grouped and the short-term and long-term results caused by the pandemics, as well as development opportunities were identified.

In the food sector of Georgia the following negative results were followed to the pandemics:

Income of farmers was reduced;

There were some delays with the supply of input and materials in the adjacent industries as well as during harvesting, processing, marketing, transportation and other fields;

Indirect costs were raised;

Direct costs exceeded indirect costs in the agricultural sector

One of the main long-term negative outcomes of the pandemics can be the loss of the trust towards industry, as well as the threat of losing position on the traditional markets.

It is obvious that global remote effects into short-term and long-term period should be evaluated. It should be considered that the evaluation of the global effects cumulatively influences overcoming of the negative outcomes. Accordingly, it is important to conduct demand-based research, vectoral control and defining of the required instruments for the policy, etc. In addition, the major part of the planning requires long-term approaches.

Conclusion:

Thus, The pandemic created important challenges in the food production though it revealed certain potential opportunities and below listed are important out of them.

Transformation of a food sector. Small-scale farms (vegetable growing, flower growing, etc.) became ular during the problems caused by the pandemics supporting sustainability of the food sector;

Improvement of market and communication systems. Reform of the food markets and appliance of the efficient communication system technologies are important for establishment communication of the farmer with market in optimal period and establishment proper working conditions;

- Making digitalization of food processing and supply system faster; appliance of a digital technologies ensures establishment of an efficient linkage of the farmers with market and consumer, development of online trading, as well as food systems digitalization;
- Urban development of the village, development in this direction significantly filled the gap in the food supply chain. In addition, it supported to the youth employment opportunities.
- Return of migrants, the pandemics increased level of unemployment, though agricultural food sector may become the potential source of income for the migrants.

Accordingly, during post-pandemic period, presumably, trading and economic relationship between countries will be developed and rehabilitation of the export is expected. Though, during pandemic period recovery of the loss received during pandemic period is not possible in a short-term period. During post-pandemic period getting long-term positive economic result from the export-import will be depended on several factors. Identification of the economic challenges by the government, effective management of the medical threats, initiation of the economic allowances and stimulations during limited resources, sharing an international positive and negative experience, development of electric platforms and access to them are important out of those factors.

In order to reduce negative impact during post-pandemic period it is necessary:

Maintenance of the open borders for trading by the agricultural products and services;

Elimination of the restrictions in the supply change is crucial;

Ensuring safety of agricultural workers by means of checking health in the system of agricultural product production and movement;

Increase access to the digital technologies and services is recommended;

Inclusion of farmers in the relevant online platforms for promoting selling product

Offering consultation service to the farmers on restructuring of the supply chain is recommended;

Support to farmers and marketing activity, awareness raising on the challenges of the COVID 19 pandemics are recommended;

Development of the support policy for small-scaled farms is recommended;

It is necessary to inform government about farmers' challenges and needs and taking proper decisions by the respective agencies.

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PROBLEMS CAUSED BY CORONAVIRUS PANDEMICS

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Abstract

Despite of the fact that expectations are different, generally, huge economic effects will be suffered by the countries where there had been the highest indicator of spreading of COVID-19 registered, followed by the countries with the economics much depended upon tourism, export of petroleum products and other goods, and finally the negative impact will be reflected on the economics of their partner-countries. These are the key issues which will be analyzed in the present article.

The most serious damage was inflicted to the states where the pandemics had caused an extremely complicated situation due to its spreading, and rather strict regulations had been enforced as a result of the stated. We talk about the states which are significantly dependent upon the world trade, tourism, exports of goods and international funding. Despite of the fact that an extent of the shock is different among regions, all states with developing economics have their own weaknesses that had been worsen much more by external shocks. In addition to the above-mentioned, interruption of school (auditory) education and poor availability of the primary health care will expectedly have a long-termed negative impact on development of the human capital.

A forecast of the World Bank and world experts is based on assumptions that the recession caused by the pandemics will be overcome, that negative global impacts will be weakened in the second half of the current year and destruction of financial markets will be stopped. On their opinion, in the year of 2021 development of the global economics will be restored and reach 4,2%, and in the leading economics it will amount to 3,9%, in the developing states the economics rise will be accelerated up to 4,6%. On top of all, it is noteworthy, that the prospect is rather ambiguous and unclear against the background of existing negative risks; Last year economics of the USA was decreased by 6.1%, economics of the European zone – by more than 9%. All this was resulted by the epidemics which had a negative effect on business activities. In Japan, the economics was decreased as well; preventive activities implemented in the state decreased economic activity by 6.1%.

From different viewpoints, the recession caused by the COVID-19 pandemics is unique and, probably, the deepest one. According to the assessment made by Director of the Economics Development Prospects Researching Department of the World Bank, current events have already caused unprecedented behavioral reviewing of the forecast of rise of the world economics, that is unprecedented from the standpoint of its speed and stridency.

The current crisis leaves behind a very deep trace and global problems; thus, the top challenge is overcoming of health global and more complicated economic state. Following this, the world community should integrate mutual efforts to obtain ways of restoration of their economics in a maximally rapid and sustainable way to prevent increasing of the poverty and non-employment rates.

Keywords: Global Economics, COVID-19 Pandemic, Economic Development, Risks, Investments

JEL Classification: F00, F21, H12

Introduction

Covid-19 (corona virus) has turned to be a rather complicated challenge and serious danger not only for the world health care system, but for the global economics as well. A virus originated in Wuhan in November-December of 2019, just in some months, transformed into the pandemics with a focal negative impact on the world economics which is irreversible. Definitely, it is very difficult to make a forecast on the economic impacts caused by the pandemic process and epidemic states existing in different countries from the viewpoint of the global economics.

In connection with the issue being under consideration, too many works have already been published; they were analyzing the negative impact caused by the COVID-19 virus pandemics on the global economics. On top of all, it seems to be a very complicated challenge and serious danger not only for the world health care system, but for the global economics as well. After the initial shock, researchers started analyzing of results of the recession resulted by the pandemics more actively. However, there is no exact information on the extent of impact of these processes on the global economics, geopolitics, social relations, and unemployment rate. Researches and reports conducted by international organizations give an inhomogeneous assessment of the pandemics' impact on the global economics.

Despite of the fact that expectations are different, generally, huge economic effects will be suffered by the countries where there had been the highest indicator of spreading of COVID-19 registered, followed by the countries with the economics much depended upon tourism, export of petroleum products and other goods, and finally the negative impact will be reflected on the economics of their partner-countries. These are the key issues which will be analyzed in the present article.

Impact of the Coronavirus and Key Challenges

The Coronavirus pandemics and quarantine measures implemented for its elimination turned to be dramatic and horrifying for the global economics as a result of which it entered into a deep recession. According to the World Bank, global economics had been decreased by 5,2% in 2020. It is the deepest fall since the times of the Second World War and is the most large-scaled

decrease in quantity of products per capita in majority of countries since the year of 1870. The stated problem was discussed in the report of the World Bank issued in June 2020.

Against the background of the huge shock having an effect on domestic (internal) supplies and demand, trade and funds, economic activity was decreased by 7% in the states with developed economics, and by 2,5% in the states with developing economics last year. This is the first all-embracing recession in economics of this group within the last sixty years at least. Income per capita was decreased by 3,6%, that will drag millions of people in the uttermost poverty.

The most serious damage was inflicted to the states where the pandemics had caused an extremely complicated situation due to its spreading, and rather strict regulations had been enforced as a result of the stated. We talk about the states which are significantly dependent upon the world trade, tourism, exports of goods and international funding. Despite of the fact that an extent of the shock is different among regions, all states with developing economics have their own weaknesses that had been worsen much more by external shocks. In addition to the above-mentioned, interruption of school (auditory) education and poor availability of the primary health care will expectedly have a long-termed negative impact on development of the human capital. (Gelashvili M., 2017; 4).

A forecast of the World Bank and world experts is based on assumptions that the recession caused by the pandemics will be overcome, that negative global impacts will be weakened in the second half of the current year and destruction of financial markets will be stopped. On their opinion, in the year of 2021 development of the global economics will be restored and reach 4,2%, and in the leading economics it will amount to 3,9%, in the developing states the economics rise will be accelerated up to 4,6%. On top of all, it is noteworthy, that the prospect is rather ambiguous and unclear against the background of existing negative risks; they include a wide-spread pandemics that is connected with its third wave and new strains about which we obtain a rather severe information and it is difficult to believe to such forecasts. If the events are developed according to the pessimistic scenario, a definite part of experts will talk about trends of recession of the world economics again (Gourinchas P., 2020: 6).

Last year economics of the USA was decreased by 6.1%, economics of the European zone – by more than 9%. All this was resulted by the epidemics which had a negative effect on business activities. In Japan, the economics was decreased as well; preventive activities implemented in the state decreased economic activity by 6.1%.

From different viewpoints, the recession caused by the COVID-19 pandemics is unique and, probably, the deepest one. According to the assessment made by Director of the Economics Development Prospects Researching Department of the World Bank, current events have already caused unprecedented behavioral reviewing of the forecast of rise of the world economics, that is unprecedented from the standpoint of its speed and stridency. “Proceeding from the past experience, perhaps we should review the further decline of our forecasts concerning economic rise that considers that politicians probably had been ready for implementation of additional measures to stimulate business activities”, - stated Aihan Kose. A report of the World Bank under a title “Prospects of the World Economics” has discussed and analyzed key aspects of this

historical economic shock. What is the extent of the recession caused by the COVID-19 pandemics, what are the expected scenarios for economic development? Short-termed forecasts of rates of the economic rise are characterized with preternaturally high ambiguity and accordingly alternative scenarios are being under consideration.

What is the extent of aggravation of the pandemic impact by the informal economics? Probably, pandemics will have more malicious effect on health care sector and economics of the states having informal economics. The most severe outcome will be observed in life of citizens and economics of poor countries.

Macroeconomic results are unclear in separate regions: each region has its own weaknesses, that make it vulnerable in front of the pandemics and the economic crisis connected with it.

A depth of horrifying impact of the pandemics on trade, industrial and financial markets in the global industrial-commercial chain is an issue of great importance.

Deep recession caused by the pandemic effect may cause an abrupt decreasing of long-termed investments, exhausting of human capital as a result of unemployment, hindering of global trading and supply links.

Low petroleum prices which are established by an unprecedented decreasing of the demand is not expected that will relieve the pandemic outcomes, but to some extent, may enhance economic restoration.

The pandemics underscored a necessity of responding of health care and economic politics, including the global collaboration to facilitate its impact. For the purpose of protection of vulnerable population and enhancing of state opportunities, prevention of similar events in future and overcoming of the events support of developed states and their efforts made to neutralize the critical situations is rather important. Developing economics are especially vulnerable and enforcing of the health care system, settlement of informal economics and limited social safety networks, implementation of reforms to provide a strong and sustainable economic development after the existing crisis are very essential.

Impact of the Pandemics on the Global Economics

Implementation of additional stimulating measures may be considered in the developing countries having sufficient budgetary opportunities and able to attract funding under favorable conditions in case of maintaining of results of the pandemics. Implementation of such measures without reinforcing of the fiscal system is impossible. It is focal to mobilize internal (domestic) resources, to increase efficiency of spending of funds and providing transparency in the fiscal and credit (loan) environment. Transparency of all financial obligations of the Government, instruments of quasi-loans and investments is one of the key precondition for formation of an attractive investment climate.

According to regions the results caused by the pandemics are as follows:

Eastern Asia and Pacific Ocean – in 2020 economic rise in the region was decreased to 0,5% that is the lowest rate since the year of 1967; all this reflects the shocks connected with the pandemics;

Europe and Middle Asia – according to the forecast, economics of the region was decreased by 4,7% and the recession covered almost all countries of the region;

Latin America and Caribbean Region – the horrifying impact of the pandemics caused a deep decrease of economic activities in the region, in 2020 – by 7,2%;

Middle Eastern and Northern Africa – economic activity was decreased by 4,2% that was caused by the pandemics and a situation on the petroleum markets;

Asia – economic activity in the region was decreased by 2,7% in 2020 as decreasing of consumption and restriction of the service sector activity, future risks and unclearness caused by the pandemics forced private investments to decrease their activity;

Africa – in 2020, economic activity was decreased by 2.8% in the region that is the most abrupt decrease in the history of the region.

In fact, we can make definite conclusions which are logically proceeding from current challenges and relevancy of activities implemented by governments of different world countries.

First of all, it should be mentioned that, generally, in February, a slow increase was observed in the Chinese economic activity. According to the Blumberg, based on different sources, by the end of February – beginning of March the Chinese economics was operating at a normal level, - 65% and 75%. The economics managed to reimburse some losses in production. Covid-19 global economic impact really exceeds the SARS- epidemics of 2002-2003 in its scale (it was originated in China as well). This, most particularly, was caused by a current 20% share of the Chinese economics in the world economics that significantly exceeds an indicator registered in 2003. [Baldwin R., 2020:10).

Secondly, nowadays the Chinese economics is in closer connection with other economics of the world than 10 or 20 years ago. For many countries China is:

Important export market;

Source of tourism;

Supplier of intermediary commodity.

For years, area of international business has been disintegrated and spread all over the world, China turned into the world “factory”. For instance, the largest part of the consumer electronics (mobile telephones, notebooks, house holding equipment) as well as automobile spare parts, raw materials for definite medicines and other goods are manufactured in China.

Proceeding from the fact that the Chinese production has been significantly slowed against the background of explosion of the virus pandemics, too many goods are not available for entrepreneurs of different states and business is forced to continue its activity based on its own resources. The term of maintenance of deficiency in supply of these goods probably will have a negative impact and lead to empty shelves; all this will be resulted in increasing of prices and shortage of funds in the consumers’ pockets. On top of all, it will suspend manufacturing process in factories using intermediary raw materials (goods) imported from China. To summarize all this we should state that a chain of global values with a decisive role of China is abruptly interrupted due to explosion of COVID-19 and negative economic results are expecting all over the world, that currently has a place.

Despite of this, breaching of the international trade caused by the coronavirus, destructive results of the trading tension and China may force international business to diversify production in many countries, such as Thailand, Malaysia, Vietnam. However, it should be mentioned that relevant effects will appear after passing of a definite period of time.

Developing countries, especially in the region of Southern-Eastern Asia, are still suffering from the most negative results of the virus epidemics. Majority of the Southern-Eastern Asian countries are strongly dependent upon China and they, in fact, are experiencing a risk of the wide-spread pandemics. In the Southern-Eastern Asia a high risk of spreading of virus, on top of other issues, is connected with increasing of density of population and poorly developed medical service in comparison with majority of Western countries. For instance, in the Southern-Eastern Asia an average number of hospital beds and physicians per 1000 persons amounts to 0,7 and 1.5, accordingly, in comparison with the EU indicator, - 5.6 and 3.6 (OECD, 2020:14).

Besides, developing countries oriented on export of raw materials, such as Brazil (oil, soya, ironstone), Russia (petroleum products and gas), or Chili (copper) are suffering from deficiency of incomes from export products, prices on majority of goods have been significantly decreased due to explosion of the virus.

Currencies of the developing countries are being under pressure as well, as investors decrease risks of their investment portfolio due to negative attitudes existing all over the world, and, accordingly, they, to some extent, cut their share in developing countries. Currency devaluation is a serious problem because imported products became more expensive (due to worsening of commercial (trading) conditions). On top of all, currency loan service is significantly complicated that is problematic for such countries as Argentine, Turkey, Ukraine, not to speak of our country in which this problem is much more severe due to abrupt devaluation of the national currency. According to the world experts' assumptions, it is expected that a currency of developing countries and commodity prices will continue their fluctuations in the further period that, definitely, is a result of a total negative influence of COVID-19.

The epidemics which had been started in China created very serious difficulties to all countries of the world where COVID-19 had heavy outcomes and where a quantity of diseased people was comparatively low. Here, the key impact is represented by the China's economic shock. For instance, insufficient protection and fear of the virus forces people to postpone their holidays and to avoid places of mass collection of people. Business cancels its activities, forbids travelling of its employees. Accordingly, virus inflicted the hugest damage to tourism and its related sectors: transport, air flights and hospitality.

Financial instability is another rather serious challenge. This, first of all, relates to the countries in which corporative credit level was quickly increasing (for example, United States), or which were very unprotected (for instance, Italy). In case if banks and other financial institutes significantly worsen quality of the credit portfolio, there is a danger that the COVID-19 crisis will initiate a financial crisis. It is not a part of risk scenario and it can be avoided if central banks and governments will make necessary, proactive, sustainable political resolutions.

Analysts state that these resolutions, in any case, should include targeted financial measures, for example long-termed refinancing by central (national) banks of relevant states.

Conclusion

Accordingly, it may be mentioned definitely, that the world economics has already been in recession as an impact of the coronavirus pandemics restricts the economic activity and has a negative effect on it. There is no doubt that only global and wide-spread struggle against the pandemics will have a result. It is confirmed by majority of experts that situation may be controlled rapidly and influence of the virus on the global economics will be essential, but short-termed, as it used to be in case of the SARS virus appeared in 2003. In the second quarter, economic rise will be stabilized if we receive this scenario as a base like majority of analysts, an impact on the global economic will be negative, but limited. In addition to it, a key issue remained in the economic forecast is a depth and duration of recession which should be slowed significantly in 2021. Here, active assistance to the health care sector and a struggle using epidemiological global vaccination is an issue of great importance that will give a possibility to the states to facilitate regulations and to enable business to apply the whole potential of its resources.

The current crisis leaves behind a very deep trace and global problems; thus, the top challenge is overcoming of health global and more complicated economic state. Following this, the world community should integrate mutual efforts to obtain ways of restoration of their economics in a maximally rapid and sustainable way to prevent increasing of the poverty and non-employment rates.

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HARDWARE FEATURES OF THERMAL SCREENING AND DISINFECTION DEVICE

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In the conditions of the new COVID-19 coronavirus pandemic, it became necessary to develop devices and tools that would reduce the risk of human infection with the virus and carry out convenient and affordable preventive procedures. There is a need for such devices in almost all educational and medical institutions (schools, colleges, universities, etc.) and also in the private service sector (retail facilities, offices, etc.). Therefore, the report is about the non-contact measurement of human body temperature and the application of disinfectant solution to hands. automatic spraying, as well as management of turnstiles and alarms, distinguishing between infected and healthy people.

The report presents the functional scheme of the thermoscreening and disinfection device and explains the algorithm of its operation, according to which the MC software is compiled on the basis of the command system of PIC microcontrollers. The electrical principle scheme of the proposed tool is developed, and the topology of the two-sided printed circuit board is created based on the automatic design computer system, according to which the microprocessor control block of the tool is made. Here is a list of the hardware components of the tool. I assembled and manufactured a laboratory mock-up of a thermal screening and disinfection device that

successfully passed the technical performance test, which is the basis for the large-scale implementation of the proposed device.

Keywords: *Algorithm, COVID-19, Disinfectant Solution, Tool, Management.*

JEL Classification: *C63, C65, C88*

CSR IN THE CONDITION OF THE COVID-19 CORONA VIRUS PANDEMIC

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In 2019, a new single-strain positive (+) RNE virus belonging to the Coronaviridae family was discovered. It was named SARS-CoV-2 and the respiratory disease it caused became known as COVID-19 (coronavirus infection 2019). The spread of this virus has dealt a serious blow to the healthcare system. At the same time, it suddenly and dramatically disrupted the life of the community. The Great Lockdown synchronously weakened economic activity around the world, sharply reducing household consumption, particularly damaging the service sector, and dealt a major blow to the labor market and international trade (IMF, 2020). The private property system provides for the emergence and development of various types of business relations, which allows any interested entity to carry out activities prohibited by law. The spread of coronavirus in the country led to the restriction and suspension of a number of economic activities and the unemployment of a large part of the population, which led to the non-fulfillment of obligations from civil-legal relations. CSR - is corporate social responsibility, voluntary activity of the company, the purpose of which is to create a model of business development and production, where the economic, social and ecological interests of the company are balanced. The activity of the companies represents the entrepreneurial activity, which is oriented towards making a profit. Accordingly, they have a long-term action program, because entrepreneurial activity involves a multiple, long-term obligation-legal relationship, the goal of which is permanent, sustainable development. The mentioned circumstance is an important guarantee for companies to compete seriously with each other in the market situation. In order to formulate an action plan based on international principles, companies should take into account: social environment, employee rights, elements of the fight against corruption, for the implementation of which it is necessary to take into account such factors as the definition of problems and the mechanisms of their reasonable solution.

Keywords: *CSR, Companies, Activity, Action Plan, COVID-19*

JEL Classification: *M14, F50*

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