

4. Shankar, V., Smithb, A., & Rangaswamy, A. (2003). Customer satisfaction and loyalty in online and offline environments. *International Journal of Research in Marketing*, Vol. 20, 153-175 pp. DOI: 10.1016/S0167-8116(03)00016-8
5. Oua, C. X., & Siab, C. L. (2003). Customer Loyalty Strategy in the Internet Era. *7th Pacific Asia Conference on Information Systems*, Adelaide, South Australia. 1734-1744 pp.

**Papachashvili Nino, Ph.D., Professor,
Director of Institute for Development Studies
Faculty of Business and Tourism
Sulkhan-Saba Orbeliani University, Georgia
n.papachashvili@sabauni.edu.ge**

**REFLECTION OF GLOBAL TRANSFORMATIONS ON THE LABOUR MARKET
(CASE OF GEORGIA)
Papachashvili Nino**

Abstract

The work is dedicated to explore the reflections of socio-economic and technological developments on the labour market of Georgia. The issue is important as turbulent transformations require to rethink economic policies and business strategies. Labor market is mostly sensitive towards the fast changes. Which specialties and skills are mostly in demand, should be studied as new business environment needs relevant responses. Emergence of new technologies and their impact on business foremost is evident by mismatch of skills and jobs.

Key words: Labor Market, Skills and Jobs Mismatch, Georgia.

Introduction

Nowadays transformations of socio-economic environment are generally due to 4th industrial revolution. The countries at various levels of development and businesses respond to the modern challenges with various rapidity and efficiency. The high speed of the creation and distribution of new technologies, and first of all, IT, poses the particular challenges to the governments and companies (The Future of Jobs Report, 2018), which shall ensure provision of the new personnel to the labor market or requalification of the existing manpower.

Georgia is a small open economy and hereof case reveals the echo of the changes entailed by the fourth industrial revolution. It has entailed the wide range of the new challenges requiring

an adequate response, including the new skills – a must-have for the manpower. The revolution has as well altered the nature of the workplace as it created the symbiosis of the digital and physical workplaces. On the one hand, „intervention“ of the artificial intelligence and high technologies to the labor milieu entails transformation of the work and in some cases, creates the brand new job opportunities; and on the other hand, alteration of nature of the work entails the necessity of integration of the new skills in the traditional majors, which have been unfamiliar before. Co-existence of the artificial intellect with the humans, in fact, is being eventually extended and enhanced. „Digital skills are essential in opening the door to a wide range of opportunities“ (Digital Skills Toolkit, ITU, 2018). To focus in the complex and undefined world „literacy and numeracy remain crucial. In the era of digital transformation and with the advent of big data, digital literacy and data literacy are becoming increasingly essential, as are physical health and mental well-being (OECD, 2018). The need for new skills of work force is mention in many publications and government reports. According to CompTIA research, nearly 4 in 10 U.S. tech firms report having job openings and are actively recruiting candidates for technical positions. Another 34% report having openings on the business unit side, such as project managers, market specialists, or sales engineers. Hiring intent is most concentrated among large- and medium-size firms. Among hiring employers, more than half indicate it is due to expansion, while a similar percentage indicate the need for new skills in areas such as machine learning, IoT integration, or robotics process automation (RPA) (CompTia).

Purpose: The work is dedicated to explore the reflections of socio-economic and technological developments that are generally due to 4th industrial revolution on the labour market of Georgia.

Research methods: The tasks cover to explore the majors and the skills that are currently in high demand at the labor market of the country. When formulating the questions, we took the restriction of the study into account attached to the databases generated as a result of the wider-scale (representative) studies implemented. Certain incentives to study issue give us the research results conducted on behalf of the World Bank in 2013. There are mentioned as follows: Georgia faces three main labor market issues: (a) underutilization of labor resources, (b) earnings inequality, and (c) skills mismatch. There is a mismatch between the demand for highly educated workers and their supply. This requires supporting the creation of more and better jobs in order to absorb the surplus labor and increase earnings. It also requires improving the quality of education to reduce the skills mismatch and support modernization of the Georgian economy. Finally, improving labor market outcomes requires developing institutions that improve access to jobs, reduce income inequality, and effectively protect core worker rights. (World Bank, 2013)

Results of the research

In this study, we referred to the outcomes of the qualitative (240 interviews) and quantitative (73 889 subjects) researches of the labor market in Georgia (labor market survey 2015); as well as the database by the National Statistic Service of Georgia and research reports and scientific publications by the international organizations.

Despite that the critical upper ceiling in Georgia of the last decade was achieved in 2009, when unemployment rate reached 18.3% and unemployment level in Georgia was characterized with the drastic reduction since 2013 (according to the database by the National Statistic Service), the poll of the enterprises held by the World Bank revealed inadequate manpower as one of the acutest problems. At that, the number of the manpower with the professional skills is insufficient which creates the deficit at the workplaces oriented to the professional skills (Parliament of Georgia, 2018).

The quantitative study of the labor market of Georgia revealed that the service sector constitutes the primary employment sphere. In terms of the number of employees, the construction sector is the primary economic sphere despite the reducing index of employment therein. At that, reduction of employment rate is as well evident in the following types of economic activities: construction, food (including beverages) and tobacco, as well as the hotels and restaurants.

The survey identified the drastic growth of employment in trade, repair of the vehicles, commodity and personal particulars; education, healthcare and social aid, communal, social and personal services, transport and communications, and finances.

The number of organizations creates job opportunities but in total, the number of workplaces failed to be drastically increased. In terms of vacant positions, certain organizations complain about lack of the manpower as it is hard to find the qualified personnel in some spheres, while it is contrary in other spheres – the number of the vacancies is less than the applicants. In some cases, the applicants ask for a higher salary than the company can afford.

The employers fail to recruit the personnel with the respective skills and aim at the absence of the respective education and socio-emotional skills, which is associated with the leadership, critical thinking, and other factors. At that, in some cases, we encounter scarcity of the applicants or the applicants themselves reject the offered salaries. The employers often encounter problems upon employing the medical specialists and practitioners, waiters, janitors, and similar fresh workers, accountants, journalists, cooks etc.

The inflow of the foreign investments is accompanied with the creation of new job opportunities but with the occupation of the vacant positions by the foreign citizens as well.

Foreign citizens occupy the positions requiring the average and vocational education level solely. The foreign manpower is mostly represented on the positions as follows: manpower of the beginner level in civil construction, mechanicals and repairers of the vehicles, administrative directors and chief executive officers. The study also revealed the reasons for which the employers prefer foreign citizens including the most evident is an insufficiency of the personnel of respective qualification and education at the labor market. Yet another reason envisages the creation of the job opportunities by the foreign citizens themselves, which conditions employment of foreign labor force as on the administrative, so similar positions. The representatives of the organizations interviewed consider that employment of the foreign manpower simplifies communication with other countries.

The index of employment of foreign labor force according to the economic spheres is high in construction, trade; repair of the vehicles, commodities and personal particulars.

The outcomes of the qualitative studies more or less coincide and complete the outcomes of the quantitative studies revealing that in some cases, the applicants fail to meet the requirements of the employers. Their discontent concerns the minimal level of the specific skills and experience, as well as the respective education considered a necessity for certain professions.

The respondents consider that the education system for the higher and vocational professions shall be significantly improved in the country in view of increase of the education quality and provision of territorial and financial accessibility. The scarcity of the vocational schools is provided as one of the reasons for insufficiency of the qualified personnel. Within the studies, the respondents named certain professions with the evident deficit and the vocational schools shall focus on these demanded professions. The study revealed that the respondents mostly expect from the vocational schools development of the professions as follows: power specialist, turner, locksmith, mechanical engineer, refrigerator, crane operator, driver, fitter, electrician, cook, waiter, commodity transactions specialist and accountant.

The respondents indicate to the major professional needs which the applicants often lack. For instance, let's touch upon the professions attributed directly to the area of the fourth industrial revolution: the gaps for the automatizing specialists have been revealed as education and skill to read certain schemes and to operate the machines and devices according to them; technical service and the higher technical education; prevention of the production safety and injuries; interest in the enterprises specifications and the skill of due planning of the activity; smart thinking and skill of critical situation management; technical education for the electrician; installment, maintenance, connection of the technological and energy devices in the networks of the low-voltage power supply networks; daily inspection of the illumination lines and facilities; maintenance of the e-

devices in the main production; e-cabling according to the instructions by the superior officers; discipline; higher education for the mechanical engineers and qualification of the electrical engineering; maintenance of the mechanical equipment; provision of due operation of the mechanical equipment; vocational education, organized work; high responsibility; punctuality; experience in web-design, due skills in software, fluent Georgian and foreign languages, initiative nature etc. due education for the programmer in computer science or relevant spheres; object-oriented languages and at least 2 years of programming; skills in the relative database; web services and application; creative and analytical thinking, high sense of responsibility.

Conclusions

The generalized conclusions, regarding the requirement of majors and skills of labor force in Georgia, which may be considered as a result of the global transformations and somewhat the Fourth Industrial Revolution (as it creates the general foundation for the activities of nowadays) are as follows:

Georgia, as becoming the part of the global labor force market against the open economic factor, finds it harder to maintain an optimal balance between the demand and supply of the manpower at the national labor market, which in its turn, impedes to mitigation of unemployment and stabilization of employment in general.

Georgia encounters imbalance between the demand and supply of the labor force and deficit of the skills necessary for the demanded professions.

Due analysis of this issue requires institutionalization of the quantitative study of the demand-supply components of the labor market and their permanent application according to the certain professions.

The study revealed that the current problems upon employment of the labor resources are conditioned on various grounds, including the low level of labor qualification and a deficit of the necessary skills, which clearly indicates to the necessity of the measures in terms of the active policy of the labor market. The deficit of the personnel with certain professions is the acute problem in the labor market. Such professions are sales and marketing managers, secondary education pedagogues, data e-registration clerks, directors, and executive officials, other beginners in the industrial sphere.

It indicates to the problems as well entailed re-production of the low-rank professions in the poor economies leading the country to the development trap.

Addressing unemployment and creation of new job opportunities along with training of the labor force with the respective skills shall be considered as the priority and the key challenges for the policymakers and business managements.

Without state policy the labor market fails to regulate the creation of the equal conditions for the applicants, especially for the applicants with the low competitive property. But at the same time we should consider the limited room for manoeuvre of national policy and intensive activities shall be undertaken from the business sector as well.

References

- CompTia, IT Industry Outlook 2019, <https://www.comptia.org/resources/it-industry-trends-analysis>
- Database by the National Statistic Service of Georgia, www.geostat.ge
- Digital Skills Toolkit, ITU, 2018.
- Labor market survey (2015), the study of the labor market requirement components, Ministry of Labor, Health and Social Protection of Georgia, Tbilisi, 2015 (Georgian).
- OECD 2018, The Future of Education and Skills, Education 2030, OECD, 2018
- Parliament of Georgia (2018), employment problems and state policy, the Sector Economy and Economic Policy Committee, Tbilisi, 2018 (Georgian).
- The Future of Jobs Report (2018), Centre for the New Economy and Society. World Economic Forum. Committed to Improving the State of the World. ISBN 978-1-944835-18-7. p. viii. http://www3.weforum.org/docs/WEF_Future_of_Jobs_2018.pdf (accessed October 15, 2019)
- World Bank. 2013. Georgia : Skills Mismatch and Unemployment, Labor Market Challenges. Washington, DC. World Bank. <https://openknowledge.worldbank.org/handle/10986/15985> License: CC BY 3.0 IGO.

Tamar Papachashvili
Doctor of Engineering, Specialist of Geographic Information Systems
Visiting Professor of Georgian Technical University, Georgia
t.papachashvili@gmail.com

CADASTER CHALLENGES OF LAND MARKET (CASE OF GEORGIA)

Abstract:

The article discusses cadaster challenges of effective functioning of land market on the example of Georgia. It represents modern aspects of cadaster operation for the provision land market operation. The most important reforms which had an impact on land market are studied. It is noted that the functioning of a complete cadastral system (land calculation, evaluation, registration) and the development of the land legal base is a necessary precondition for conducting land market operations.

Key words: *Cadastral Systems; Land Market; Cadastral Challenges.*