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DIGITAL PLATFORMS FOR HUMAN RESOURCE DEVELOPMENT IN GEORGIA

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ABSTRACT. Consumption of distance or online courses is growing more and more, for which various large, independent digital platforms with a variety of learning topics are actively used. These websites are accessed by users from all over the world, thus competing with national and local analogues.
The aim of the research is to study Georgian distance and e-learning platforms and to analyze the current situation in Georgia in this direction. The paper explores the direction of digital transformation of human resource development in the business sector and depending on the scale or specificity of the research issue, does not relate to current events at any level of education and human resource development in the public sector.
To achieve the purpose of the research, a documentary research is used, which is based on a review of digital platforms or tools and existing Georgian or foreign publications on the subject.
The article discusses the importance of digital competence and the digital communication tools used in the learning process; Distinguish common or distinctive features of distance, e-learning and online learning; Georgian digital learning platforms are discussed and their status is analyzed, about which the author's assumptions and recommendations are expressed.

JEL Classification*:* O15, D83. ***Keywords***: Human resource development; Digital learning; Digital competence.

Introduction

Global processes, the growing frequency or use of digital technologies and the internet, the limited time resources of business people, the need for social distancing as a result of the Covid-19 pandemic in recent years, and many other factors have led to the digital transformation of human resource development.

Unlike simple communication through electronic means, digital learning is an educational process and in its organization great importance is attached to the integration of flexible tools and the existence of sound platforms. Many such resources are used globally and quite successfully.

The pandemic that has spread in recent years has accelerated the digitization of education in Georgia at all levels of education, at the same time creating a number of opportunities for the smooth implementation of the educational process. Numerous studies have been conducted in this regard and reports have been prepared by scientific and non-scientific circles, and the issue of human resource development of the organization in this direction has remained relatively vague.

The aim of the research is to study and analyze the state of Georgian digital platforms for human resource development.

To achieve the goal, folowing tasks are set as: review of the terminology; Georgian digital platforms state analysis; Overview of Georgian or foreign digital tools used in the human resource training process; Describe the unified situation and present future perspectives.

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To achieve this goal, a documentary study is used, which includes a review of Georgian digital platforms, digital communication tools used in Georgia, scientific publications, reports of various local and international organizations and research institutes.

The results of the research include recommendations based on the analysis and hypotheses expressed on a number of issues.

The theoretical or practical results of the article will be interesting and valuable for further research perspectives in this area and for anyone interested in the subject.

Literature review

Human resource development using online platforms is a common practice in many countries around the world, as evidenced by the websites of many global online courses. We do not find a similar attitude in Georgia, where within the framework of human resource development, the focus is mainly on online or classroom learning initiated by the organization, while learning on the basis of digital platforms is mainly within the framework of self-development. Consequently, the interest in such websites is not so strong, which is confirmed by the scarcity of scientific research and statistical information. Statistics are available within the framework of information produced by specific platforms about their own website: total number of registered users on the website, number of online courses conducted and etc.

It should also be noted that in recent years, compared to the business sector, the public sector has been more actively involved (conducting relevant research, publishing public publications, raising awareness, etc.) in promoting online training in human resources within the professional development of the same public servants.

Methodological approach

The paper is based on an online desk research. Search techniques included the use of various search engines. The following criteria were considered in the search for digital platforms for human resource development:

1. The main aim of the website should be synchronous or asynchronous digital training.
2. The use of the website should be interesting for the employed people (regardless of the field).
3. The website should not be intended for secondary or higher education only.

Based on these criteria, several digital platforms for human resource development have been identified. The information on the relevant websites was processed using analysis and synthesis techniques.

Conducting research and results

Digital Learning and Digital Competence

Online, electronic, distance or similar content-based learning is often used as a synonym for digital form of human resource learning. There are many distinguishing marks between them, however, not sharp and strictly defined. This is primarily due to the fact that there are no precise and unified definitions of these terms, which is confirmed by the fact that we find different content in different scientific or non-scientific publications.

Distance learning takes place away from the real learning space, which meant the exchange of information without direct connection, however, nowadays the process may already take place in real time [1]. Often, online learning is referred to as online training[1] and is simply defined as computer-based training conducted over the Internet or intranet [2]. If we look in depth, online (e-learning) is considered as the use of

[1] Mainly typical for English language publications (auth. note)

digital materials to support learning, at which time it is not mandatory to carry out the process remotely [1]. During the remote process, online learning may be done synchronously or asynchronously using different means [3], however, necessarily using information and communication technologies [4]. In recent years, the term online, e-learning has been replaced by terms such as „digitally enhanced“ or „digitally enhanced learning“ [5], which more adequately reflects the content of the term.

So, with an essential separation of terms, it is possible to isolate key factors. The main feature of distance learning is the distance of process participants in space, and the use of the Internet as a means of communication transforms it into a form of online learning [6].

In the above definitions, online and e-learning are referred to as synonyms, however, in some sources they are separated from each other. For example, according to COL's „Basic Terms and Definitions of Open and Distance Education“, online learning is e-learning, where it is essential to use digital networks to access learning services and materials. The same source in the definition of e-learning emphasizes that digital devices may be used in the learning process without any connection (intranet, Internet or any other connection) [7].

The practice of open education in the field of education and development is of strategic importance [8], where access to open educational resources is a fundamental issue. open educational resources is any public or openly licensed educational material that can be reproduced, used, or shared by anyone. Such materials may include curricula, syllabus, lecture notes, projects, audio, video, and so on [9]. Today, the progress of open education has penetrated into online learning, which has led to the development of massive open online courses[2]. Their main source of nourishment is open source learning management systems such as Moodle and EdX [9].

The widespread use and introduction of digital learning in the development of human resources in organizations, among many other factors, requires the digital competence of staff. Digital competence is also called digital knowledge and includes the skills of online communication, digital information processing, security, creation or problem solving [9].

In order to achieve digital competence of the staff, in most cases, certain office or computer programs are required by the Georgian employer from the very beginning as necessary requirements in the job application. In the case of employees who are already working, they often organize short-term trainings in order to master various computer skills.

Georgian Digital Platforms For Remote Development

Online and distance learning is quite common in the world today, which is due to the fact that platforms used in many countries, such as the website of free courses of leading universities coursera, repository of programs of famous American universities edx, a portal for a variety of courses udemy and etc.

In parallel with global trends in human resource development, digital and multidisciplinary remote development platforms have been established in Georgia in recent years. Their activation was also driven by th6e shift of the communications sector to digital format as a result of the spread of the Covid-19 pandemic in late 2019. As a result, among the Georgian, digital, training platforms operating in recent years are:

- **Online Education Center -** It is a Georgian language education portal, which aims to provide quality education to a wide range of consumers. The platform integrates online courses of professional trainers and issues certificates after their completion [10].
- **studyonline.ge -** The mentioned educational portal belongs to „Internet Services“ Ltd., whose main activity is the implementation of Internet projects. One such project is the mentioned platform of video and live courses on various topics. It acts as a liaison between the participants in the learning

[2] MOOC: massive open online courses

process, on one side of which are teachers, tutors, trainers, educational institutions and any person wishing to create their own online course, and on the other side are those wishing to study [11].

- **Kentsero** - It is a Georgian e-learning platform that aims to increase access to education and resources and adapt them to reality. Only people aged 16 and older can access to educational services and they also must be registered on the website. It should be noted that the author of the module is responsible for the information or opinions expressed during the training course. The main advantage of the platform is free training courses and at the same time, certificates are issued based on exam results [12].
- **Namqy.ge -** This platform acts as a liaison between the learning process subjects and it's function is the technical support of the process. The purpose of its creation was to enable trainers to share knowledge in Georgia or in different countries and to remove barriers related to the lack of time or the cost of training for the trainees. The platform does not set criteria or preconditions between stakeholders and information providers. Therefore, its essence is simple - training centers and trainers offer it, and the trainees choose the training they want [13].
- **ESx.ge** - It is based on world-famous education and science platform edX, which was launched in Georgia in 2020. The aim of the project is to create a digital educational space where high quality available resources will be combined. Currently, various scientific or multimedia materials are available on the site with open access. In the Georgian reality, the platform is distinguished by the fact that it offers students the implementation of the Mini MBA without the help of human resources, with digital technologies and artificial intelligence. The courses are led by the first, Georgian-language digital lecturer - an interactive avatar created on artificial intelligence systems [14].
- **webinars.ge -** It is the first online webinar platform based in Georgia, offering a new generation of webinars and video conferencing services. A website designed to innovate, share knowledge and experience or disseminate change, seeks to make learning accessible to everyone in the digital world [15].
- **Lingwing.com -** Is a foreign language learning platform that combines both free and paid, but affordable packages. In addition to the website, it also offers customers an app for mobile phones. The platform currently unites more than 240 000 users [16].
- **Open Courses -** This portal is a kind of repository of open training courses and its goal is to develop the knowledge community, increase access to quality and modern education. The project is based on cooperation or involvement of educational and scientific institutes, researchers and academic staff, business and public sector [17].
- **skills.ge -** Is a Georgian online learning platform from 2017, which combines various video courses created by professionals [18].
- **Digital bus -** It is a platform designed to study the professions of the future, combining online courses created by professionals tailored to any audience. Its advantage is to recommend students for employment in partner organizations after graduation [19].
- **education.mindworks.ge** - It is a management and ICT consulting company MindWorks asynchronous online learning platform focused on both educational and business organizations. The site offers free workshops and online courses for any user [20].
- **e-learning.ge** - The attractiveness of the portal is due to the fact that all courses are free and a certificate is issued upon completion [21].

The abundance of digital learning platforms created in Georgia is to some extent related to the emergence of a new pandemic reality, however, some of them have not been able to continue to function in the long run and currently only a few of them are active. Their goal is basically the same - to spread knowledge by sharing online courses. Some of them also offer many free courses to the customers, however, the difference in quality compared to the paid courses is still clear. In the case of asynchronous online courses, a variety of topics are observed, while synchronous courses are mainly created on such demanding topics as accounting, finance, office programs and etc.

It should be noted that the successful operation of such platforms is mainly related to the quality and price of online courses. Quality courses are created by professionals in the field, which will not have a low cost (especially in the case of synchronous courses) and it is especially difficult to deliver for free.

In Georgia, the use of such digital platforms for human resource development is questionable, while most of them are at an early stage of development. It is much easier to invite professional trainers - the authors of the courses and organize training for your own staff, in which case the staff training costs will be deducted from the course price which includes website fee.

In addition to independent digital learning platforms, many educational and non-educational institutions have their own online course portals, website modules and periodically organized courses that may be considered as the participants in the same supply market. Not to mention e-learning exchange services, such competition deprives digital learning platforms of a solid segment of consumers and paves the way for self-sustaining users, which is not at all sufficient for their functioning.

Distance learning tools in Georgia

It is clear that the low activity of independent digital learning platforms is due to the low demand for online learning through them and which may be due to finances. As a rule, sites act as intermediaries and liaisons between course providers and users, for which they receive a certain fee. Such costs are reduced and in some cases zero for the use of multiple means of communication to organize digital learning.

Today, in Georgia, as well as in the world, various means of communication, platforms, applications are used for educational processes, business meetings or other virtual connections, which makes it possible to carry out the educational process in real time. Over time, they become more and more sophisticated and adaptable to consumers.

The 15th Annual Open Survey, in which 33 countries participated, identified the most common learning tools for 2021 [22]. These results allow us to generalize the practices of different countries and draw the appropriate conclusions. The first platoon includes such digital platforms for organizing meetings, which are also common in the Georgian reality, namely:

- **YouTube -** A video platform that is not only used for educational purposes, but also available to anyone, to distribute any content. It has not lost its popularity over the years and has not given up first place in this annual survey [22].
- **Zoom -** Second place goes to Zoom, a leading global platform for distance learning and meeting organization. It is noteworthy that years ago he held much lower positions and only in the last few years has his gradual promotion become noticeable [22]. It allows you to pre-plan event time and share links for target groups. In addition to verbal communication, the created virtual space is able to share the screen, display or exchange resources (including various multimedia materials) and use the board alternative. Its exceptional flexibility makes it compatible and transferable to almost any digital device (including smartphones) [23].
- **Microsoft Teams -** The frequency of use of this collaboration platform, like Zoom, has increased in recent years and by 2021 it has already taken place in the top five [22]. Teams provide process interactivity and integrate a variety of learning process functions that other alternative systems do not have: student assessment and knowledge observation, testing organization, and more [24].
- Well-known platforms for meeting and teaching include Google's **Google Meet**, which has a Zoom-like functionality, and **Google Classroom**. They occupy the 16th and 17th positions in the research [22].
- **Webex -** It is a reliable and secure platform for organizing educational or non-educational meetings. Despite its notoriety, it ranks 70th in the study [22].

Because digital learning takes place in virtual space, the actions and materials used in the process also need to be digitized. Among the hundreds of products, the popularity of the tools described above is primarily due to the fundamental issues necessary for digital learning, such as: Ability to access from different devices; Easy to master design and features; Livestream function; Ability to record the learning process and view it later; Interactivity; Ability to share screen; Virtual board function; Ability to make notes; Ability to record and evaluate listeners and etc.

Conclusions and Recommendations

In conclusion, it can be said that today part of the Georgian digital learning platforms is not functioning, and most of the active part is mainly asynchronous teaching - sharing educational videos and other materials. Only a small number of websites organize synchronous online courses. The problem of the activity of Georgian digital learning platforms is defined by the lack of online courses, which in turn indicates low demand. Although the pandemic has given impetus to the digitization of teaching, in a developing country like Georgia, the event has not been enough to develop independent online learning platforms.

The use of independent Georgian digital learning platforms is reduced by large internationally recognized digital course websites. Part of the users interested in online courses, who speak a foreign language, especially English, stop their choice on such foreign platforms, where the quality of courses is much higher than Georgian analogues.

As the development of independent Georgian digital learning platforms in Georgia is at an early stage, it is advisable to initially offer online courses to users through cross-sectoral and inter-organizational collaboration, which may be accompanied by a synergistic effect determined by a concerted effort.

The choice of distance learning tool and platform is individual and the organization decides which one to give preference to, however, new technologies, platforms, tools, systems or other innovations lose their effectiveness if their potential is not fully exploited. Thus, in addition to the usefulness of the innovation, the quality of its use must also be taken into account.

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აბსტრაქტი. დისტანციური თუ ონლაინ კურსების მოხმარება სულ უფრო და უფრო იზრდება, რისთვისაც აქტიურად გამოიყენება სხვადასხვა მსხვილი, დამოუკიდებელი ციფრული პლატფორმები მრავალფეროვანი სასწავლო თემატიკით. აღნიშნულ ვებ-გვერდებს მომხმარებლები მთელი მსოფლიოდან მიმართავენ, რითაც ხდება კონკურენციის გაწევა ეროვნულ და ადგილობრივ ანალოგებთან.
კვლევის მიზანია დისტანციური და ელექტრონული სწავლების ქართული პლატფორმების შესწავლა და ამ მიმართულებით საქართველოში არსებული მდგომარეობის ანალიზი. ნაშრომი იკვლევს ბიზნეს სექტორში დასაქმებულთა განვითარების ციფრული ტრანსფორმაციის მიმართულებას და საკვლევი საკითხის მასშტაბურობისა თუ სპეციფიკურობიდან გამომდინარე არ ეხება განათლების რომელიმე საფეხურზე მიმდინარე მოვლენებსა და საჯარო სექტორში დასაქმებულთა განვითარებას.
კვლევის მიზნის მისაღწევად გამოყენებულია სამაგიდე კვლევა, რომელიც ეფუძნება ციფრული პლატფორმებისა თუ ინსტრუმენტების და ამ საკითხზე არსებული ქართული თუ უცხოური პუბლიკაციების მიმოხილვას.
სტატიაში განხილულია ციფრული კომპეტენტურობის მნიშვნელობა და სწავლების პროცესში გამოყენებადი ციფრული საკომუნიკაციო საშუალებები; გამიჯნულია დისტანციური, ელექტრონული და ონლაინ სწავლების საერთო თუ განმასხვავებელი ნიშნები; განხილულია ქართული ციფრული სწავლების პლატფორმები და გაანალიზებულია მათი მდგომარეობა, რის შესახებაც გამოთქმულია ავტორისეული ვარაუდები და რეკომენდაციები.

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PECULIARITIES OF REMOTE WORKING IN TERMS OF EMPLOYEE JOB POSITIONS

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ABSTRACT. The adoption of remote work, also known as telecommuting, has been growing at a really fast pace in the last few years. The revolution in communication technologies has affected all aspects of social life. Internet has become the basis of the new economy and a major contributor to globalization and information technology development. However, it became especially relevant during the Covid-19 pandemic lockdown, when the vast majority of companies were forced to switch employees to remote work mode. Remote working is in the special spotlight now, since COVID-19 challenged many, if not all, companies by making the remote work an essential prerequisite for the continuation of corporate activities and existence in general. Under the influence of the modern digital world, Globalization and of course Covid-19 Pandemic, the classical meaning of the workplace has changed and today, as never before, remote work, also known as telecommuting, is one of the most relevant and popular forms of employment contract. The main factor of employee motivation is not only a salary any more, but emotional well-being, flexible work schedule and an autonomy are no less important to them today. In addition to competitive challenges, it is important to motivate employees, since without it, it is difficult to acquire and retain loyal employees who are not constantly looking for the new opportunities in the labor market Therefore, we find it interesting to examine the consequences of remote working and employee attitudes towards it. In this research, we have identified the remote work peculiarities, determined the link between job positions (Top-level managers, middle-level managers and workers) and employee job satisfaction, self-rated productivity, career advancement opportunities and related tasks. Finding of the study can be very useful for many companies in order to successfully implement the remote working model and achieve their goals.

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Introduction

Remote work is becoming increasingly popular across the globe due to the increase of new information and communication technologies, and the number of companies, at the same time, being positive about this approach is growing every year. Investigations of the impact of the remote work as a flexible form of work performance, began as early as the 1970s. The term “telecommuting” was first coined by Jack Nilles [1] in the 1970s, when he was working remotely as an engineer on NASA's communications systems and referred to his work as telecommuting. He later defined telecommuting as the way of working outside of a standard workplace through telecommunications and computer-based technology [2]

Remote work presents many advantages and disadvantages for both the organizations and the employees [3],.[4]The most important advantage of telecommuting is that it allows the employee to do business and perform activities from the desired location. Besides this, remote worker enjoys the advantage of a flexible work schedule, autonomy and cost savings. The most important disadvantage of remote work is the lack of direct social contacts which leads to social isolation and the difficulty of separating working and non-working hours (work and home lives). It is noteworthy that the remote work mode allows the employer to use the available resources more efficiently, they can reduce organization's overhead/facility costs, also the investments and expenditures in office building. Offering telecommuting work arrangement reduces employee turnover, provides organizations with a larger talent pool and increases employee productivity, which in turn is in the best interest of the company [5]

The adoption of remote work is increasing significantly all over the world. According to the 2020 State of Remote Work survey, which was conducted worldwide and surveyed 3,500 remote workers, 57% of respondents were full-time remote workers and 45% of employees worked part-time, with 27% working more than half of their time, and 18% working less than half of their time remotely[6]. According to the Global Workplace Analytics 2020, 5 million employees (3.6% of the U.S. employee workforce) were working remotely half-time or more in 2018. Compared to 2005, this figure has increased by 173%, almost 47 times faster than the number of self-employed, which is characterized by a 4% growth[7]. Also, according to a large-scale survey conducted by PwC International in the United States in June 2020, 72% of remotely employed people said they would like to work away from the office for at least twice a week, while 32% of employees said they would prefer to work from home for all of their time, i.e. 5 days a week, even after Covid – 19 is no longer a threat[8] It is very interesting that, according to PwC recent research, employees want to return to the office more slowly than employers expect. By July 2021, 75% of executives expect that at least half of office employees will be working in the office. In comparison, 61% of employees expect to spend half their time in the office by July [9]. As we can see, job positions can have a great impact on expectations and preferences about future working conditions. In our study we examined how job positions are related to employee attitudes towards remote working and if there are any significant differences between top-level managers, middle-level managers and workers.

Literature review

Theories and the fundamental studies about the remote work developed by foreign scientists and scholars, as well as textbooks of Georgian scientists on human resource management represent the theoretical basis of this research. In order to study the topic in depth and enrich the theoretical knowledge, we have become familiar with the primary literature and studies related to the topic of investigation, such as: "*The Long-Distance Leader: Rules for Remarkable Remote Leadership"* by Kevin Eikenberry & Wayne Turmel 2021, *"Making the New Normal Work for You"* by Karen Mangia 2020, *„Telecommuting and Virtual Offices: Issues and Opportunities"* by Nancy J. Johnson 2020, *"The Ultimate Guide to Remote Work"*by Wade Foster and the Zapier Team 2015, „Effective strategies to manage the teacher intellectual work productivity in distance learning" by Kharadze, N., Giorgobiani, M., Melkoshvili, T., Dzebisauri, L., & Pirtskhalaishvili, D (2021) and many more. All of these works aim to present the ways how remote workers can get the work done effectively, build relationships that are both productive and satisfying, and maintain a career path when they are not in constant close contact with their manager, leader, coworkers, or the organization in general.

Methodological approach

Based on a survey of 528 people working at different insurance companies in Georgia, we assessed the remote work peculiarities and in particular, how the remote worker job positions affect their perceptions and attitudes towards remote working style. The sample size of 528 people has ensured the representativeness of the survey results. Research was conducted using a questionnaire survey method, it was carried out remotely via emails using Google Forms. First Section of the questionnaire survey contained the demographic items and the second section was developed to learn the respondents’ attitudes towards remote working, with the sub-section of Likert Scale assessment tool. Various statistical procedures and methods (statistical software package) were used in the processing of the questionnaire and data analysis, including: descriptive statistics, cross-tabulation analysis, filtering, frequency distribution, Chi-square tests, etc…

Conducting research and results

The aim of the research is to study the peculiarities of remote work in terms of job positions in the insurance sector of Georgia and to find the ways of its improvement. Based on the aim of our research, the following objectives were formulated:

- Identify the link between job positions and the employee attitudes towards preferred remote working intensity;
- Identify the link between job positions and the employee views about advantages and disadvantages of remote work;
- Determine a link between job positions and employee job satisfaction;
- Determine a link between job positions and perceived self-rated productivity;
- Assess the impact of job positions on employee perceived career advancement opportunities;

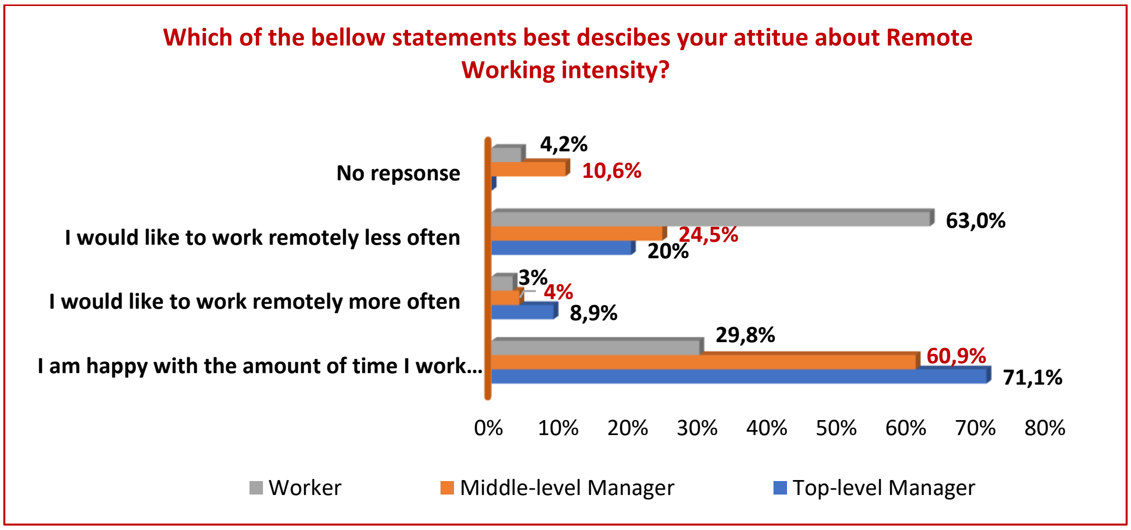
The Survey Analysis Of Remote Work Peculiarities In Terms Of Job Positions

In order to understand the influence of employee job positions on their attitudes towards remote working, we formulated the below hypotheses:
H1: Employees’ job positions have an important influence on preferred remote work intensity;
H2: Employees’ job positions affect their opinions about the biggest advantages of working remotely
H3: Employees’ job positions affect their opinions about the biggest disadvantages of working remotely;
H4: The feeling of job satisfaction is different according to the respondent's job positions;
H5: Opinions about reducing the chances of career advancement opportunities differ among the groups of respondents according to their job positions.

By testing these hypotheses, we will be able to comprehensively assess the impact of job positions on remote working experience.

According to research results, via cross-tabulation analysis, it turned out that 71.1% of top managers are satisfied with the time they devote to remote work. 63% of workers would like to work more rarely remotely (Figure 1), which uniquely allows us to conclude that people who work fully remotely have a sense of dissatisfaction with this style of work. We will find out exactly what shortcomings they see from the following questions. According to Pearson Chi-Square Test (Table 1), there is a maximum statistical correlation between these two variables: job positions and the attitude towards remote work intensity, at the level of 0.001 (statistical significance level $P < 0.001$). Therefore, the first hypothesis was proved to be true, and it is revealed that employees’ job positions have an important influence on preferred remote work intensity;

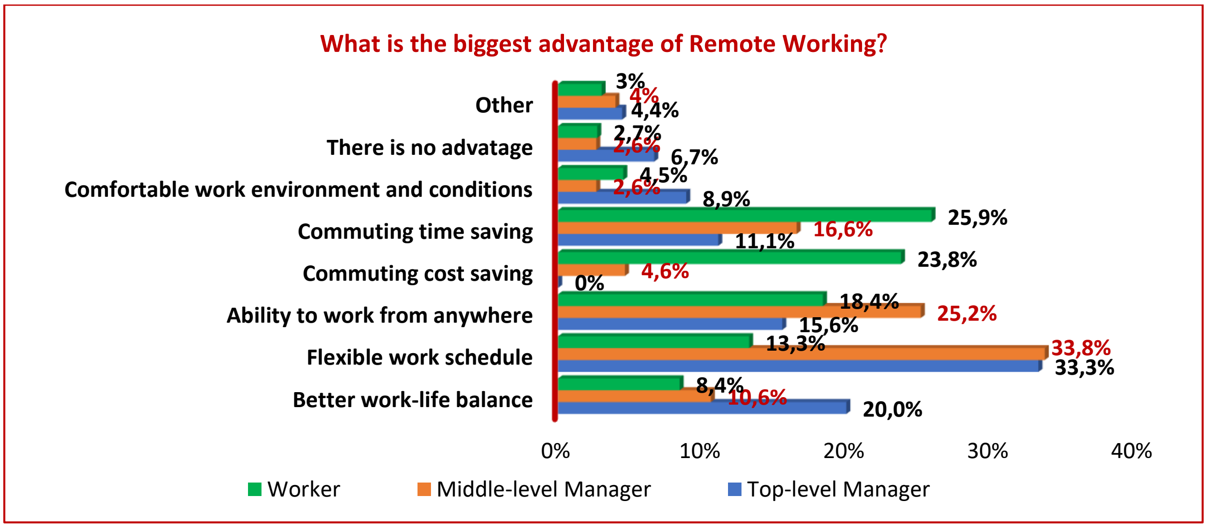
Figure 1. Desired intensity of remote work in terms of job positions



For the top-level managers, a flexible work schedule proved to be the biggest advantage of remote working (33.3%), followed by a better work-life balance with 20% and the ability to work from anywhere with 15.6%. As for the specialists, the biggest advantage for them is the commuting time savings (25.9%), followed by a commuting cost saving by 23.8% and the ability of work from anywhere by 18.4%. In case of middle-level managers, for them, like for top-level managers, a flexible work schedule is preferable (33.8%), ability to work from anywhere takes the second place with 25.2% and commuting time savings with 16.6% (figure 2). The results prove that remote work has different positive outcomes according to the hierarchical ranks of employees, workers are unlikely to have high salaries, therefore it is important for them to reduce transportation costs, as well as reduce the time of commuting and spend it more with family or work again. The top three advantages for all three hierarchical levels include the ability to work from anywhere, which means that everyone enjoys flexibility at work.

According to Pearson Chi-Square Test (Table 1), there is a maximum statistical correlation between the two variables: job positions and the biggest advantages of remote working at the level of 0.001 (statistical significance level $P < 0.001$). Therefore, the second hypothesis was proved to be true, and we conclude that employees' job positions affect their opinions about the biggest advantages of working remotely;

Figure 2. Advantages of remote working in terms of job positions

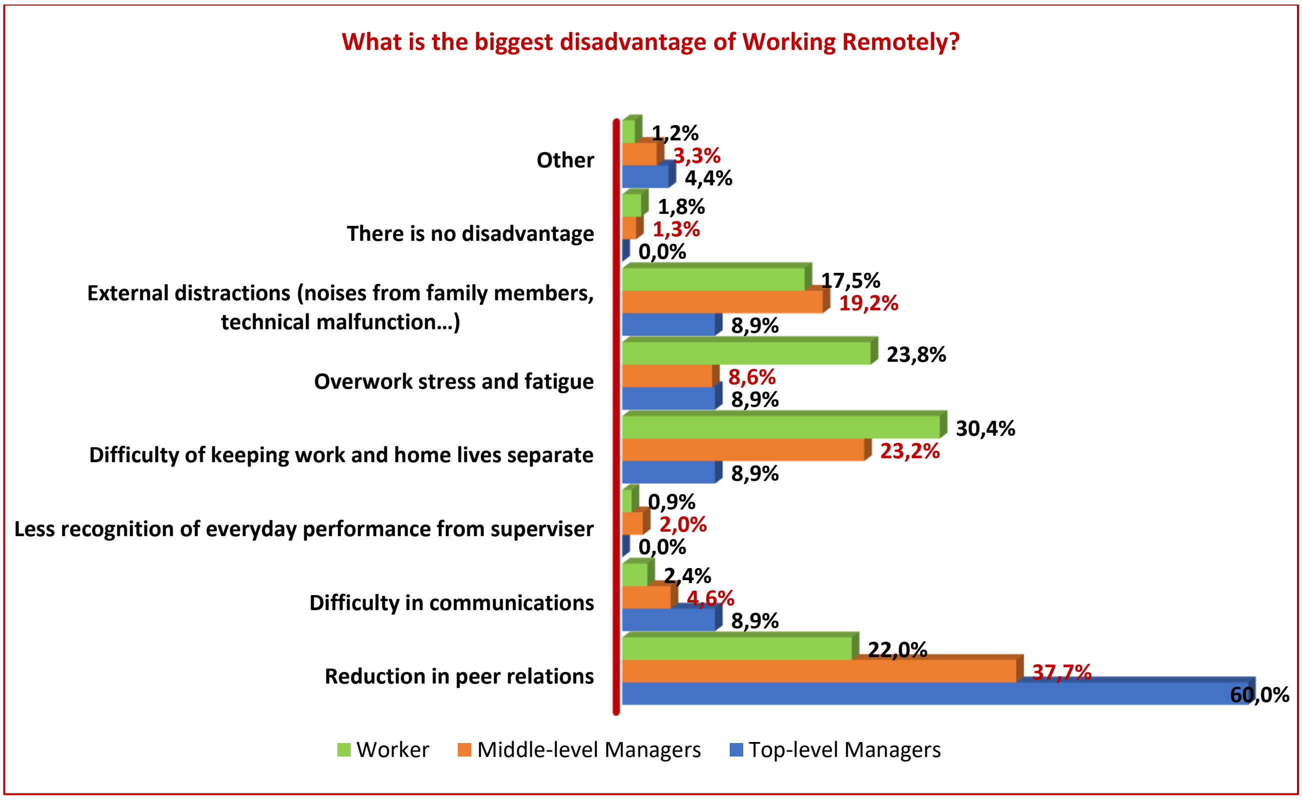


As it turned out, the reduction of relations with colleagues is the biggest drawback for both top (60%) and middle-level managers (37.7%). As for the worker level, for them the difficulty of separating working and non-working hours, the stress and fatigue caused by excessive work, as well as the reduction of relations with colleagues are the 3 biggest shortcomings (figure 3), which can be explained by the fact that they mostly work 5 days a week, fully remotely, therefore they suffer from a lack of socialization and are addicted to technology, which usually leads to the above shortcomings.

According to Pearson Chi-Square Test (Table 1), there is a maximum statistical correlation between the two variables: job positions and the biggest disadvantages of remote working at the level of 0.001 (statistical significance level P <0.001). Therefore, the third hypothesis was proved to be true: Employees' job positions affect their opinions about the biggest disadvantages of working remotely;

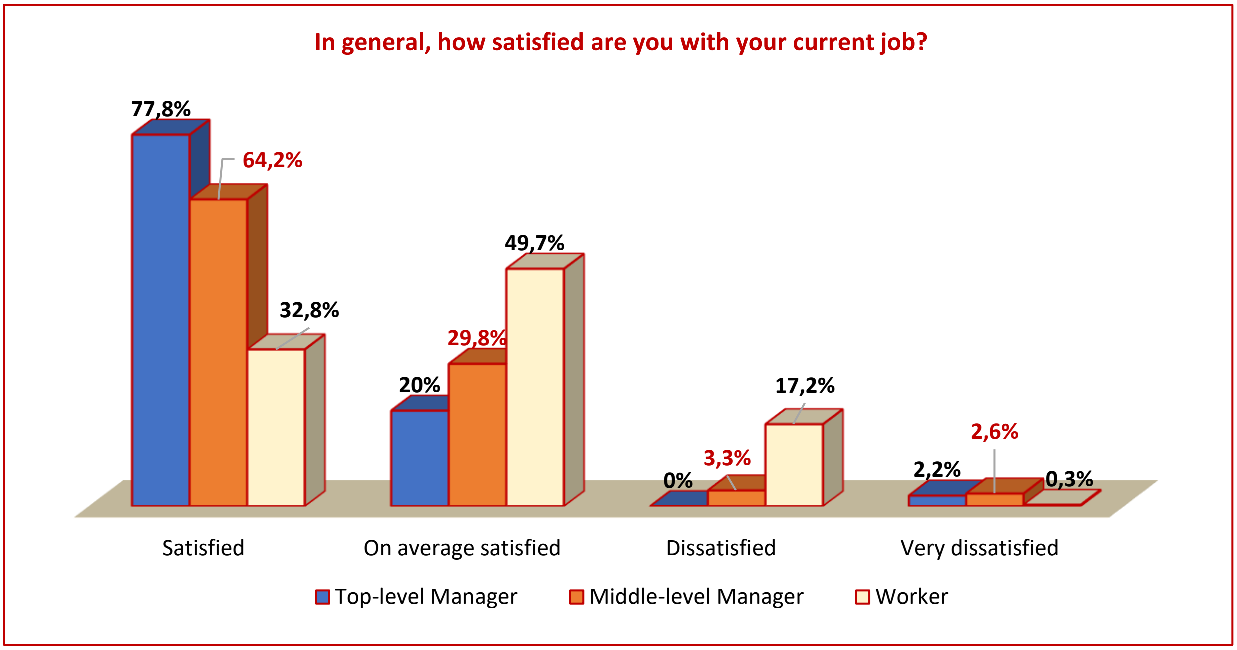
It was found that 77.8% of top managers and 64.2% of middle-level managers are satisfied with their job. As for workers, 32.8% are satisfied and 49.7% are satisfied on average (Figure 4). These results suggest that the general situation with remote work in insurance companies is such that it puts senior and middle managers in a more favorable position than the rest workers. This may be due to excessive control over workers, increased work-family conflict and social isolation, the difficulty of separating working and non-working hours, reduced chances of career advancement, and so on.

Figure 3. Disadvantages of remote working in terms of job positions



According to Pearson Chi-Square Test (Table 1), there is a maximum statistical correlation between the two variables: job positions and the job satisfaction during the remote work at the level of 0.001 (statistical significance level P <0.001). Therefore, the 4th hypothesis was proved to be true: the feeling of job satisfaction is different according to the respondent's job positions;

Figure 4. Job satisfaction in terms of job positions



We can make a very interesting conclusion by cross-tabulating the positions of remote employees and their career advancement chances. It is obvious that workers (65.4%) have negative expectations about career advancement opportunities (Figure 5), these are the employees who want to be promoted the most, therefore consider remote working as one of the important obstacles and disadvantages in this regard.

According to Pearson Chi-Square Test (Table 1), there is a maximum statistical correlation between the two variables: job positions and the career advancement opportunities during the remote work at the level of 0.001 (statistical significance level P <0.001). Therefore, the 5th hypothesis was proved to be true: Opinions about reducing the chances of career advancement opportunities differ among the groups of respondents according to their job positions.

Figure 5. Career advancement opportunities in terms of job positions

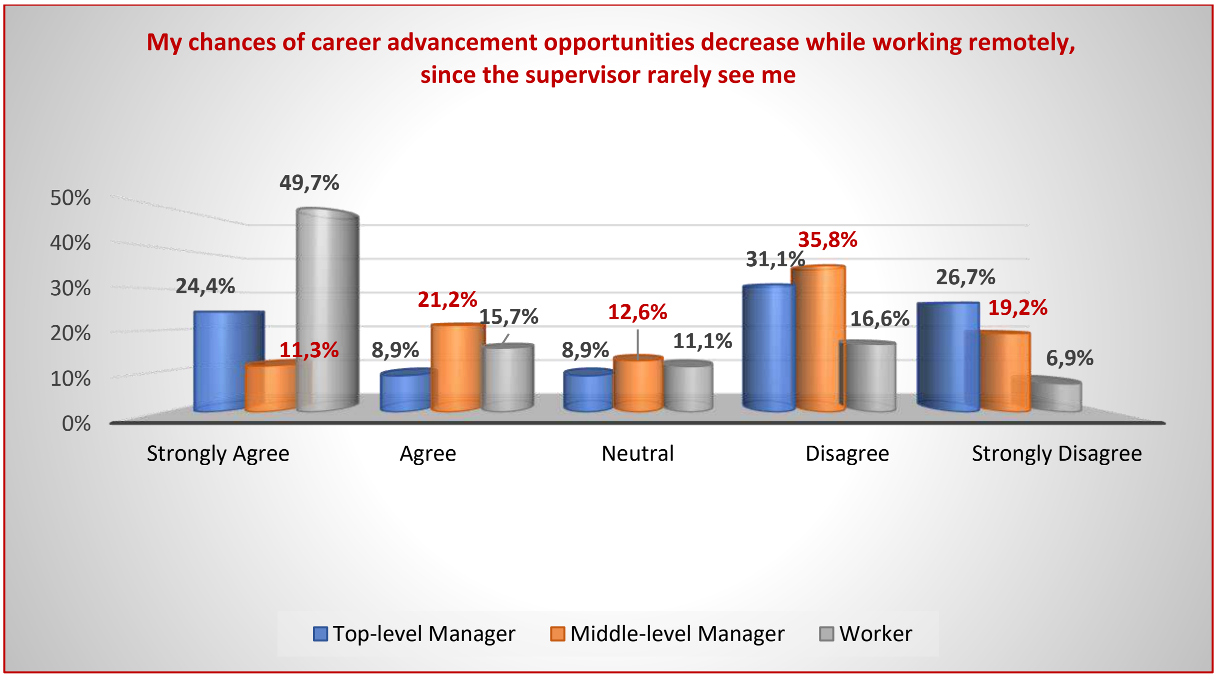


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Table 1. Pearson Chi-Square Tests

		Q9. Job Position
Q16. Which of the below statements best describes your attitude towards remote working?	Chi-square	**87.280**
	df	6
	Sig.	.000
Q20. What is the biggest advantage of Remote Working?	Chi-square	76.813
	df	14
	Sig.	.000
Q21. What is the biggest disadvantage of Working Remotely?	Chi-square	60.630
	df	14
	Sig.	.000
Q28. In general, how satisfied are you with your current job?	Chi-square	77.232
	df	6
	Sig.	.000
Q40. My chances of career advancement opportunities decrease while working remotely, since the supervisor rarely see me.	Chi-square	87.276
	df	8
	Sig.	.000

Conclusion

According to research results, the positions held by the respondents in the insurance companies in Georgia, influence their remote work experiences and views. Most of the top-managers are satisfied with the time they devote to remote working unlike the rest of the workers. Majority of workers point out that they would like to work remotely less often, and name the disadvantages of remote work such as the difficulty of separating work and non-working hours, the stress/fatigue caused by overwork, and the reduction of relationships with colleagues. As for the advantages of remote work, the ability to work from any location for an employee of all three hierarchical levels is a significant advantage. Also, the feeling of job satisfaction is different according to the respondent's job positions while remote working and workers are less satisfied and have more negative expectations about career advancement opportunities compared to top-level managers.

Based on the research results, we have developed several recommendations regarding the remote work format:

- Managers and employees working remotely should be very careful about the issue of remote working, as it can have a negative impact on employees’ job satisfaction and their expectations about career advancement opportunities[10];
- Top managers should take care not to over-control employees, since excessive control can lead to demotivation [11]
- Achieving job satisfaction in remote working conditions require maximum involvement of both the company and the employee: frequent online meetings with modern means of communication; creating appropriate conditions for remote working; proper recognition and evaluation of the employees’ performance by the manager[12]; [13]
- It is important to monitor employees and evaluate their work performance regularly, when they are working remotely, so that they do not feel their daily workload is not recognized by the supervisors [14] .

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დისტანციური მუშაობის თავისებურებები თანამშრომელთა სამუშაო პოზიციების ჭრილში

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აბსტრაქტი. თანამედროვე მსოფლიოში დისტანციური მუშაობა, რომელსაც ტელეკომუტინგსაც უწოდებენ, საკმაოდ გავრცელებული პრაქტიკაა, უკანასკნელი წლების განმავლობაში კი მუშაობის აღნიშნული ფორმის დანერგვის მაჩვენებელი ძალიან სწრაფი ტემპით იზრდება. კომუნიკაციისა და ტექნოლოგიების სფეროში რევოლუციამ საზოგადოებრივი ცხოვრების ყველა ასპექტზე იქონია გავლენა. ინტერნეტი ახალი ეკონომიკის საფუძველი გახდა, რომელიც გლობალიზაციისა და ინფორმაციული ტექნოლოგიების განვითარების ხელშემწყობი უმნიშვნელოვანესი ფაქტორი აღმოჩნდა. თუმცა, დისტანციური მუშაობა განსაკუთრებით აქტუალური კოვიდ-19-ის პანდემიის პერიოდში გახდა, როდესაც კომპანიების აბსოლუტური უმრავლესობა იძულებული გახდა თანამშრომლები დისტანციური მუშაობის რეჟიმზე გადაეყვანა.

დისტანციური მუშაობა განსაკუთრებული ყურადღების ცენტრშია, ვინაიდან გლობალურმა პანდემიამ კომპანიების აბსოლუტური უმრავლესობა მნიშვნელოვანი გამოწვევის წინაშე დააყენა: დისტანციური მუშაობა საქმიანობის გაგრძელების ერთადერთი და შეუცვლელი წინაპირობა გახდა. თანამედროვე ციფრული სამყაროს გავლენით სამუშაო ადგილის კლასიკური მნიშვნელობა შეიცვალა და დღეს, ისე როგორც არასდროს, დისტანციური მუშაობა წარმოადგენს დასაქმების ერთ-ერთ ყველაზე აქტუალურ და პოპულარულ შრომითი შეთანხმების ფორმას. დღეს ადამიანთა შრომითი მოტივაციის უმთავრეს ფაქტორს მხოლოდ ხელფასი აღარ წარმოადგენს, მათთვის არანაკლებ მნიშვნელოვანია ემოციური კეთილდღეობა, მოქნილი სამუშაო გრაფიკი და აღქმული ავტონომიის შეგრძნება. კონკურენტული გამოწვევების პარალელურად, ძალიან მნიშვნელოვანი ხდება თანამშრომლების მოტივაცია, რადგან მის გარეშე რთულია ისეთი ერთგული თანამშრომლების მოზიდვა და შენარჩუნება, რომლებიც მუდმივად ახალ შესაძლებლობებს არ ეძებენ შრომის ბაზარზე. აქედან გამომდინარე, საინტერესოდ მიგვაჩნია თანამშრომელთა დამოკიდებულებების შესწავლა დისტანციურ მუშაობასთან დაკავშირებით. მოცემული კვლევით ჩვენ გამოვავლინეთ დისტანციური მუშაობის თავისებურებები, დავადგინეთ კავშირი სამუშაო პოზიციებსა (უმაღლესი დონის მენეჯერები, საშუალო დონის მენეჯერები და სპეციალისტები) და თანამშრომელთა სამსახურით კმაყოფილებას შორის. შევისწავლეთ ასევე თანამშრომელთა თვითშეფასებაზე დაფუძნებული პროდუქტიულობა, კარიერული წინსვლის შესაძლებლობები და

სხვა საინტერესო საკითხები დასაქმებულთა სამუშაო პოზიციების ჭრილში. მოცემული კვლევის შედეგების გამოყენება მრავალ კომპანიას დაეხმარება დისტანციური მუშაობის ფორმატის წარმატებით დანერგვასა და დასახული მიზნების მიღწევაში.

საკვანძო სიტყვები: *დისტანციური მუშაობა, სამუშაო პოზიციები, სამუშაო კმაყოფილება, გლობალიზაცია, სამუშაო ადგილი, მოტივაცია, თანამშრომლები, კარიერის მენეჯმენტი*

***JEL Classification*:** O15, J81

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STAKEHOLDERS AND FORMATION OF PLACE BRANDING PROCESS

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ABSTRACT. The present paper evaluates the role of key stakeholders in the process of place branding formation. As its abundance is considered to be one of the challenges in the development of this process. There are analyzed interests, responsibilities and expectations of each stakeholder - government, local people, investors, students and tourists, which must meet requirements such as: partnership, leadership, continuity, shared vision, implementation of strategy-based action.
On the bases of analyzing bibliographic research and empirical materials, it is identified stakeholders' characteristics, experiences and challenges of existing collaboration between the parties in Ajara. The conducted survey revealed those requirements of stakeholders which are particularly important for the development of the region as a place brand. Based on the opinions of experts, processed theoretical and practical materials, the data obtained as a result of the research were analyzed and found out the role of each stakeholder for the successful formation of place branding process. Accordingly, there were made relevant conclusions and recommendations.

JEL Classification: M38; M39; M30.

Keywords: place branding, stakeholders, residents, government, investors, students, tourism

Introduction

Place branding approaches took the first steps not far a long time ago. Branding of different places, locations and spaces, a term associated to the post-modern period with a powerful practical load and theoretical evolution from field Pioneers S. Anholt, K. Dinnie and W. Olins (Briciu, Briciu. 2016).

As the researchers point out, the brand of a place means not only the place name, symbol, logo or other graphics that define and distinguish the destination, but also conveys the promise of an unforgettable experience that is distinctive and associated with that particular place. It also enhances the pleasant feelings and emotions of the memories and includes additional elements related to the "concept of experience."

One of the biggest challenges of place branding is the multiple number of stakeholders as it represents: residents, government, investors, students, tourists etc. Every participant engaged in place branding has their responsibilities, interests, expectations. It is a very difficult process to manage the stakeholders in above-mentioned process, because in many cases their interests intersect and that is why a dynamic relationship between these parties is important. Cooperation among stakeholders must meet the following requirements:

partnership, leadership, continuity, shared vision, implementation of a strategy-based action. Partnership-stakeholders need to work on a partnership approach, assurance of procurement and brand credibility; Leadership-stakeholder partners need strong leadership to overcome any internal differences and ensure progress and effective decision-making; Continuity is fundamental in both partnerships and leadership to ensure a long-term strategy and brand sustainability; Shared Vision-stakeholders should share a vision for the future of this particular place if they are to formulate a clear brand strategy. Also, stakeholders should agree on a relevant activity at each stage of actions.

As well, a subject of interest is stakeholders' rotation among parties in place branding process. That means when sometimes they are seen as stakeholders, sometimes they are target groups or customers (Merrilees et al, 2012, Zenker and Martin, 2011).

Literature review

The term branding and evolution of its theory is connected with various scholars. However, for the first time a place as a brand was considered by Philip Kotler who said that the place can also be considered as a product, hence, it is possible to create its values and therefore sell it. In this regard, it is very interesting Simon Anholt's opinion of hidden place branding, which has been used indirectly by nations and countries throughout the history. Anholt (2008) argues that connection between brands and territories dates back to the time of Alexander the Great (356 - 323 BC), who was one of the first to believe that success or failure of places depended largely on the image of a country beyond its borders. Place branding theory was originally developed in relation to products, services and organizations as it was mentioned above, but it was gradually recognized that the concept of the brand could be applied to places (cities, regions and countries) and in practice there was a growing attempt to create brands for specific places (Chernatony, 2011; Anholt, 2010; Govers, and Go, 2009; Kavaratzis and Ashworth, 2005; Szromnik, 2016). The specific place: a city, municipality, region, state or country can be considered as the product, but this does not mean that the same approaches can be used with regard to places. Some authors emphasize complexity of a place as the product (Pike, 2005; Kladou et al., 2017; Kavaratzis, 2005). Its complexity as the product runs back from its versatility. The place is a complex structure of tangible and intangible products (services) offered to different users (Szromnik, 2016).

The place as the product includes such elements as: political and economic situation; Nature (ecology, climate); Infrastructure (transportation, living space, business infrastructure); Cultural and historical values; Services provided to the public or investors (education, healthcare, culture); It also includes residents and entrepreneurs themselves, their qualifications, customs and culture (Glińska, 2016). That is why, implementation of place branding covers stakeholders' engagement – government authorities, local population, tourists, investors, migrants.

According to Henninger (2016), Kavaratzis (2012) each stakeholder who influeances or is influanced by the branding of the place should be considered as co-producers in brand strategy, creation, implementation and governance. But as Jones (2005) notes despite place branding process covers the number of stakeholders "the relationship between branding and stakeholders has not been validated empirically."

Methodological approach

The methodological bases of the article is official data from central and local government agencies and the results of my own research. In addition, a questionnaire type survey was used as a quantitative research method, which was conducted through a questionnaire distributed in social space. The survey obtained mainly quantitative data which were grouped and analyzed.

Conducting research and results

It is significant to consider the role of each stakeholder and its importance while implementing the place brand strategy. Particularly noteworthy is residents' role in the process of place branding formation, which is also called a participatory place branding. The participatory place branding approaches help the residents to become active members of the place branding process in collaboration with other stakeholders (Kavaratzis 2017; Kavaratzis and Kalandides 2015), (Zenker and Erfgen 2014), (Kalandides 2011). The residents may have three different roles in this process: 1. The residents as an integrated part of the place brand; 2. The residents as place brand ambassadors; 3. The residents as the place social-economic leaders, who participate in creating of unique distinguished features of a place identity.

According to Dr. Mihalis Kavaratzis, an associate professor of Marketing at the School of Business, University of Leicester, place branding is a public activity and it should be supported by the society for socio-political reasons. In this regard the best example is an initiative of citizens of Georgia, launching a social campaign "Spend Your Summer in Georgia" (Facebook public group). The social campaign "Spend Your Summer in Georgia" aimed at promoting the country after Russian government had made a decision to suspend flights from Russia to Georgia and called on tour operators to suspend tours in a neighboring country. “We are responding to the current events related to endangering the country tourism image and we would like to invite you to start an active social campaign "Spend your Summer in Georgia." The aim of the campaign is to promote the country, attract tourists and show country's tourism potential to the world. During the campaign, share our country's image videos and posts actively with the hashtag #spendyoursummeringeorgia ", - it is written in the page description (BMG, 2019).

This example is also a clear proof that the residents act as the stakeholder and is the integral part of the place that spreads symbolic messages about the place through obvious place representation and emblematic behavior (Green et al., 2018) as brand ambassadors and as the residents.

For the proper formation of the place brand, one of the important aspects is to determine residents' approaches toward the place and the main factors. According to the survey results, a high percentage of respondents choose Ajara as the place of permanent residence - (92.7%). It is interesting that the respondents prefer to live in different regions of Georgia and not in a capital. Young people aged 18-20 consider Ajara to be the best place to live, the respondents aged 35-44 prefer to live in Imereti and Shida Kartli, while the respondents aged 45-55 prefer to live in Guria and Kakheti, etc.

In order to study the issue thoroughly, there is a need to determine those factors, according to which the residents choose the permanent place of residence. The results of the study clearly show that the nature/climate, place development perspective, cosmopolitan and tolerant environment, etc. are the leading factors (Figure 1).

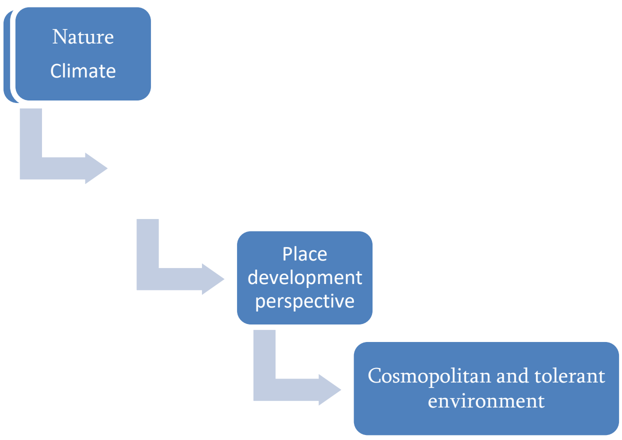

Figure 1: factors affecting on choosing of permanant residence
Source: Compiled by author, based on survey results

The data shown in the figure confirm that these factors also serve to foster a sense of pride and responsibility for the unique heritage of the residents, which is one of the most important issues for the stakeholder such as the residents in place branding.

According to the theories, the subject of interest is what the residents consider the most appealing to attract the visitors to their place. In this case, in order to attract foreign visitors in Ajara, the survey results – 61.1% of respondents name nature, place, climate and landscape. 38.7% - environment - maintained infrastructure, accommodation, work, fun. Then comes cultural heritage, historical sites, art, cuisine, people, behaviors, values and visitor relationships with relatively lower percentage.

Place brand management shows the urgency for enhancing communication between the government and other stakeholders and giving more control and monitoring possibilities to the residents. The opportunity of stakeholders' engagement should be planned at any level of the place brand strategy. In fact, this involvement shapes the place brand process itself (Kavaratzis, 2012).

When discussing how to apply the discipline of place branding and place public management, we approach the analysis of its political dimension, which is understood as urban policy. Some specialists define that place branding is a process of hybrid policy in which public and private, economics and politics, markets and politics are blurred and equally generated as a process of interaction in an interactive manner.

Hence, it is very interesting the role of the government as the stakeholder in place branding process. As place branding is a public activity, the role of the government is big and responsible, because its rights and responsibilities cover a broad-spectrum of fields. It provides a wide range of local services, protects the lives and freedom of people, creates a place for democratic participation and a civic dialogue, creates a favorable investment environment and promotes the tourism development with a private sector to develop a good country image and reputation. Properly defined brand management by the government, contributes to the sustainable development of the place.

Based on the reviewed literature and the reseach there was not found the place brand strategy of Ajara region (we do not mean Ajara tourism brand strategy). So, the subject of interest is a strategic development plan 2016-2021 of Ajara Autonomous Republic that covers the key and significant aspects of place branding. The strategic plan was worked out by the Government of the Autonomous Republic of Ajara, German Development Agency - GIZ and the Policy and Management Consulting Group "Delivering Progress." The analysis and discussions of the strategic plan revealed those significant factors that will play an important role in increasing income and the region awareness. Those factors are: geographical location of the region; historical heritage; business environment and human capital; ensuring the sustainability of the existing environment; improving living conditions and creating competitive products in the fields of tourism and logistics; agriculture; tourism. The implementation of this strategy will be a big contribution itself to the development of the place branding process.

There is a difference of opinions when the issue comes to tourism as the place brand stakeholder. A number of authors believe that tourism is extremely significant and influences on the formation of the country image, hence it is the most important part of the place brand. Some even believe that it is only economically beneficial and can not affect the brand image and reputation of the place.

Due to specificity and characteristics of the field it is noted that tourism contributes not only to the development of the economy, but also to the most massive form of socio-cultural activity and relationships in the community, which is important for the brand identity and image of the place (Dolikashvli, Arabuli, 2021). It implements innovative strategies to maintain a sustainable image of the city, brings vital energy and dynamism to the city, connects people and builds their relationships, teaches coexistence (AM Report). The marketing specialist Brendon Knott (2002) realizes the power of tourism and represents it as a determining factor of country image making.

Though, it is noteworthy to mention about a complex nature of place branding, which goes beyond the narrow boundaries of any particular industrial sectors including tourism, but there are some cases, where we can see a close link between tourism and the national brand. Even more, some researchers believe that in many cases, tourism distorts the true image of the country in order to achieve its interests trying to "sell" the tourist place at any cost.

In this regard there was conducted the survey to determine what is being done in our region in order to attract more tourists. According to the survey results, 42% mentions that our region is trying to do this through marketing activities on the international market; 27, 3% mentions state programs promoting tourism development; 23.7% mentions improving local infrastructure and transportation systems and 7% mentions about a safe environment.

As the brand is a promise that must constantly strive for perfection and keeping the promise, it was important to determine what Ajara offers to the visitors and what is its promise. The results of the survey gave the following picture: 83.5% of respondents believe that Ajara gives a functional promise to the visitors, which means authenticity, adventure, healthy environment, nature, gastronomy, traditions, hospitality. Only 16.5% believe that Ajara gives an emotional promise to the guest, which means gaining a new vision, happiness, a peace of mind.

As for the investors in the role of the stakeholder, there can be said that their interests and expectations are directly related to the place brand development strategy. Countries, cities purposefully develop economic structures, services to retain local businessmen and entrepreneurs, encourage new businesses, attract investment and contribute to business expansion. They create an entrepreneurial culture that helps the place to be called as "a place to do business", the best examples of this are "Silicon Valley", "Detroit", "Atlanta." The expectations of potential investors are tax benefits, easy market access, economic development prospects and other favorable investment conditions. Their role is not limited within the frame of investments' implementation, they also become "consumers" of this place.

Foreign students are also in place branding stakeholders' "list." In the context of place branding, it is important not only a highly ranked university but also environment, standard of living, safety, fun and other characteristics where the university is located. A good education system, high quality institutions on the one hand attract foreign students, academic staff, financial resources, give the city an advantage in a competitive environment and on the other hand the university takes its place on the international market.

Each place branding stakeholder is an independent sector and at the same time interconnected that has its own development directions, which is closely related to the place brand development process.

Conclusion

Thus, based on the analysis of the above-mentioned materials, we are able to conclude that each place branding stakeholder is an independent sector, organization or people having their own development visions, missions, responsibilities, attitudes, strategies and various characteristics that should develop a place brand through collaboration and partnership. Based on the reviewed theoretical material, the conducted survey and the practical part also clearly showed that the stakeholders are consuming the same attributes of the place with different expectations and goals.

We can formulate the following proposals based on the study and the analysis of this issue:

- The number of stakeholders in the place branding process and their characteristics, where each party has its own responsibilities, interests and expectations are often intersected. That is why dynamic relations, partnership and coordinated cooperation between the parties are important.
- Fragmented development of each sector, short-term visions and strategies hinder and delay place branding development process in a competitive environment between countries, cities and regions. Therefore, for the proper and consistent development of place branding, it is important to study each stakeholder, push their involvement in place branding and manage the process.

- Government covers a range of responsibilities in order to develop a good image and reputation of the city, region, country. It protects life and freedom of the population, creates a space for democratic participation and civic engagement, creates a favorable investment environment and promotes the tourism development with a private sector. Properly defined brand management by the government, contributes to the sustainable development of the place. Consequently, its active involvement as the stakeholder is extremely important in creating an effective place brand identity strategy, because without their involvement, the implementation of the place branding strategy will fail.

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დაინტერესებული მხარეები და ადგილის ბრენდინგის ფორმირების პროცესი

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აბსტრაქტი. სტატიაში განხილულია დაინტერესებული მხარეების როლი ადგილის ბრენდინგის ფორმირების პროცესში, რომლის სიმრავლეც მიიჩნევა აღნიშნული პროცესის განვითარების ერთ-ერთ გამოწვევად. გაანალიზებულია თითოეული დაინტერესებული მხარის: მთავრობის, ადგილობრივი მოსახლეობის, ინვესტორების, სტუდენტების და ტურისტების ინტერესები, პასუხისმგებლობა და მოლოდინები აღნიშნულ პროცესში, რომელიც ისეთ მოთხოვნებს უნდა აკმაყოფილებდეს როგორიცაა: პარტნიორობა, ლიდერობა, უწყვეტობა, გაზიარებული ხედვა, სტრატეგიაზე დაფუძნებული ქმედების განხორციელება.

ბიბლიოგრაფიულ კვლევასა და ემპირიულ მასალებზე დაყრდნობით გამოვლენილია აჭარის რეგიონში დაინტერესებული მხარეების მახასიათებლები, აქტივობები, მხარეებს შორის არსებული თანამშრომლობის გამოცდილებები და გამოწვევები. ჩატარებულ კვლევებზე დაყრდნობით, გამოკვეთილია იმ დაინტერესებულ მხარეთა მოთხოვნები, რომელიც განსაკუთრებით მნიშვნელოვანია რეგიონის როგორც ადგილის ბრენდის განვითარებისთვის. ექსპერტთა შეხედულებების, თეორიული და პრაქტიკული მასალების დამუშავების, კვლევის შედეგად მიღებული მონაცემების საფუძველზე გაანალიზებულია ადგილის ბრენდინგის პროცესში თითოეული დაინტერესებული მხარის როლი ადგილის ბრენდის წარმატებული ფორმირებისთვის და გაკეთებულია შესაბამისი დასკვნები.

საკვანძო სიტყვები: ადგილის ბრენდიგი, დაინტერესებული მხარეები, ადგილობრივი მოსახლეობა, მთავრობა, ინვესტორები, სტუდენტები, ტურიზმი

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THE ALGORITHM FOR DEVELOPING VALUE-BASED MARKETING STRATEGIES IN GEORGIAN TOURIST COMPANIES

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ABSTRACT. The aim of a marketing strategy must be the formation of an effective system of management in order to gain a competitive advantage. Connectivity between the size and the structure of the market, determining the level of marketing activity, responding to market changes, formatting individuality of the company – are the main principles for formatting marketing strategies. In the modern global world, information sources are one of the most important factors to develop marketing strategy: how much are consumers going to pay, what kind of resources are necessary for producing service, which is the most profitable field for selling services, how to format and promote values and other, are those issues, on which management of the company must receive necessary information.

Different marketing strategies can be useful in terms of particular demands, the enterprise and the purpose of research. It can be selected based on marketing research, commercial activity, responsibilities, new product advertisements, promotion and the role and importance of values.

The aim of the work is to discuss and explore the value-based marketing strategy of modern Georgian tourism firms and find out what consumers and tourist companies think about values if they are interested in and use them in their everyday work. The aim of the research is to determine the attitudes of consumers toward value-based marketing strategies. 228 people and 30 tourism companies participated in the research. Research has shown that companies are oriented on values, they are trying to format the most effective values for consumers, consumers are paying attention to the values and based on this are choosing the service of tourist companies.

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Introduction

The aim of the marketing strategy must be the formation of effective system of management in order to gain certain segments of the market, ensure the necessary level of profit, control over prices and markets, establish communication between manufacturer and customer, and transfer purchasing power of goods and services to a specific demand.

The main principles for formatting marketing strategies must be:

- The connectivity of the market size and structure;
- To choose leading factors of demand, ensuring;
- To determine the level of marketing activity;
- To respond to market changes;
- To maintain and form the individuality of the firm.

To develop a marketing strategy, the management of the company must receive the necessary information about:

- What kind of goods do the customers want, and why are they going to buy them?
- How much are consumers going to pay?
- Where and why is there the greatest demand for certain services?
- What kinds of resources are necessary for producing the services?
- Which market can gain a big profit for the firm?
- Which are the most successful ways of selling services?
- How to promote services on the market?
- How to format and promote values?

What is a successful marketing strategy? Marketing strategy is a method to achieve goals; It is the main strategic direction of the firm’s activities, and all marketing plans should be connected to it; Optimal management and distribution of goods and resources; A unified plan to achieve marketing aims, coordinating and unifying the firm’s aims and resources; Measures to achieve specific goals of marketing activities and etc. As we see, there is not one common view among scientists, they give a different definition for marketing strategies [1].

By summarizing all definitions, we can say that marketing strategy is the system of the company and the unity of the measures for achieving marketing goals; this is the activation of demand, the dealing of goods and satisfying consumers better than competitors. Marketing goals must be related to firm goals. It must improve and strengthen the firm’s position and image in the market. Creating an effective system of management is the aim of the firm. It must ensure the necessary level of profit and take control over the market and prices in order to establish a certain niche in the market and a long-term connection between manufacturer and consumer. It must transfer the purchasing capacity into a specific demand for goods and services. The marketing goals of the firm can be: expanding market share; maximization of sales by satisfying consumer needs; selection of rational channels of promotion; minimizing expenses in the life cycle of goods, etc [2].

We can single out different marketing strategies that the subject uses in economic activity: new segment assimilation and expansion strategies, innovations, product differentiation, customer individualization, etc.

Practical and theoretical knowledge show that different marketing strategies can be useful in terms of particular demands, the enterprise, and the purpose of research. The firm can use one or more elements of strategy.

A marketing strategy can be selected based on marketing research, commercial activity, responsibilities, new product advertisements, promotion and values. The long-term marketing strategy cannot be defined precisely, and it is always necessary to review it [3].

The firms' marketing strategy, on the one hand, should be directed towards recognizing and satisfying consumers’ demands and, on the other hand, achieving a competitive advantage. It is better to select one strategy that will ensure a firm's long-term goals.

Creating a proper marketing strategy and its effective usage is one of the most important factors for firms in any field. We will discuss these circumstances using the example of modern tourism firms [4].

Literature review

The term value, value-based marketing strategies and brand value chain is connected with different scholars. Philip Kotler (2010) was one of the first who considered values ,,we see a company not as a sole and self-sustaining operator in a competitive world but as a company that operates with a loyal network of partners-employees, distributors, dealers and suppliers. If the company chooses its network partners carefully, and their goals are aligned and the rewards are equitable and motivating, the company and its partners combines will become a powerful competitor. To achieve this, the company must share its mission, vision, and values with its team members so that they act in unison to achieve their goals.

According to Doyle (2008), in recent years creating values has become the overarching goals for the chief executives of more and more major companies. For managers choosing strategies that maximize value is almost unchangeable.

The value concept relates all the benefits offered by a product with its price and the effort required to obtain it. Global competition requires managing Value rather than individual products or brands. This fosters customer loyalty, and provides a solid basis for relationship marketing – Lopez (2014).

Quantifying and understanding the value proposition is key to business success. ,,Value first, then price is a timely and rare contribution, providing not only invaluable insights, but also a practical methodology of how to perceive, quantify an capture value – Hinterhuber (2017).

A value chain is a series of actions which are carried out in order to deliver a valuable product or service to the market. Any company, association or organization that creates value and wants to improve its competitiveness can use the value chain to achieve its goals – porter (2015).

Methodological approach

The methodological bases of the article are the works of scientists and the results of my own research. A questionnaire type survey was used, which was conducted through a questionnaire distributed is social space. Marketing research obtained quantitative data, which were groped and analyzed.

Conducting research and results

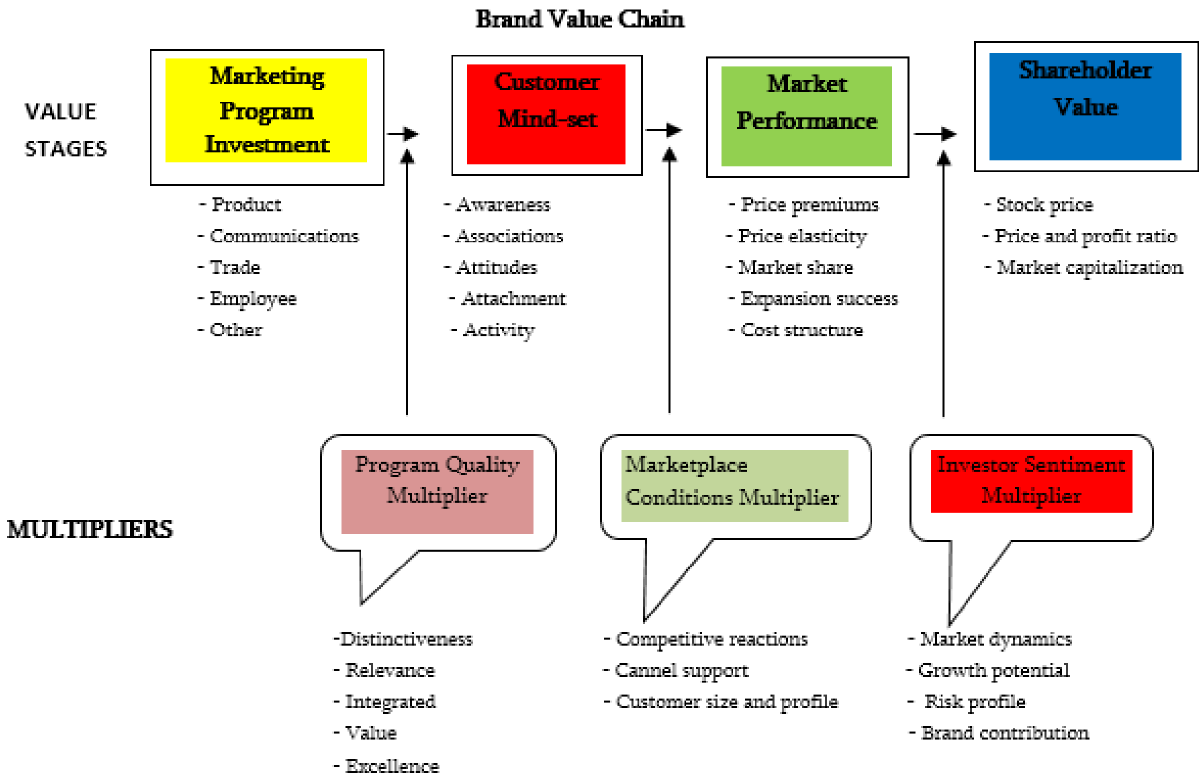
The value-based marketing strategy of modern tourism firms requires creating just such a kind of value chain, which will be based on the structured approach of the firm's capital sources and results and will show how firms' marketing activities create firm values (table 1) [5].

Firs step for formatting value is when the firm invests money in the marketing program of development, which will be focused on existing and potential buyers.

This process must include product research, development, and design, intermediary support, and marketing communications. Then, it must be taken into account that the buyer's mindset, behavior during the purchase, and reaction to the price will change during the realization of the marketing program.

According to Chan Kim and Rene Moborn, "finding undeveloped market positions" is a real innovative value (INSEAD – the web of research results) [6]. They distribute the idea that in competitive war, modern firms must come out of the minds of so-called "Red Ocean" followers (when firms choose to "bloody" fight against concurrent, and thus significantly improve the level of expenses or quality or both) and become "Blue Ocean" followers, who provide the means to manufacture the kinds of goods and services that have no concurrent. This is possible only with the finding of real innovative values. Before we will work out the value chain for modern Georgian tourist companies, it's better to find out what tourist companies and consumers think about values [7].

Table 1: Brand value chain



Source: Kevin Lane Keller, Strategic Brand Management, 3rd ed. (Upper Saddle River, NJ: Prentice Hall, 2008). `Printed and electronically reproduced by permission of Pearson Education. Inc. Upper Saddle River, New Jersey.

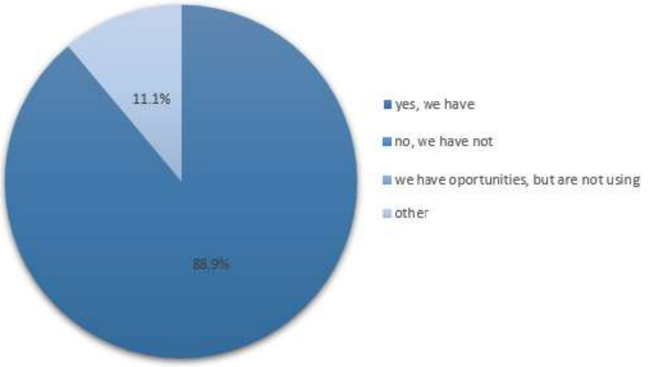
It is undeniable fact, that companies must format values, while they are investing in marketing programs, in order to gain a competitive advantage. We have provided marketing research in order to find out if tourist companies really thought about this circumstance. The object of the research was Georgian tourist firms, whose number, according to the result of National Statistics Office of Georgia are 2122 tourist firms. It is registered 58 active tourist firm in Adjara, according to the results of Tourism Development Association. We have chosen 30 tourist firms, such as: Akar tour, Degeorgio Tour, Euro Tour Georgia, Milky Way Travel, Iberia Travel, Laz Tour, Visit Adjara, Adjaratour, Calypso, Unitour, Wonderland, Temo Tour and etc.

Tourist firms were selected, based on the territorial rank and duration of the activity in the market. We have inquired tourist firms in Adjara tourist market, most of which have 10 years and more experience in this field.

The aim of the research was to determine the level of value-orientation and the frequency of its usage in Georgian tourist firms marketing activities.

According to the results of the survey, where was selected 30 Georgian tourist firms, 88.9% have values and 11.1% have chosen the answer „other". "No, we have not values", none of the companies answer this question (chart 1).

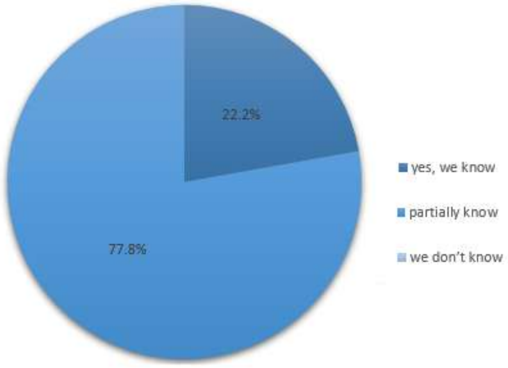
Chart 1: value index of tourist companies



Source: By the Author

We have mentioned above, that one of the most important things in order to gain a competitive advantage is formatting values. We decide to find out if tourist companies agree to this opinion and it turd out, that 77.8% partially and 22.25 fully knows the role of values in gaining competitive advantage (chart 2).

Chart 2: The role of values in gaining competitive advantage

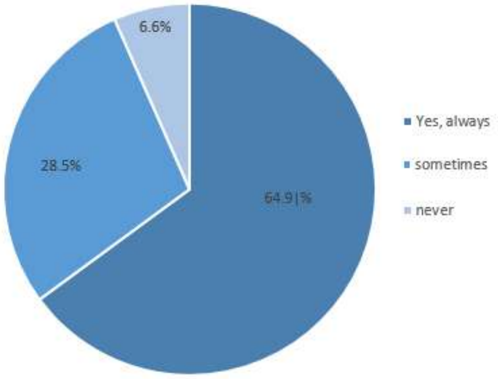


Source: By the Author

Tourist companies must pay more attention to the values. It must become one of the most important competitive advantages for the firms, which will ensure the loyalty of consumers and leading positions in the tourist market.

While studying tourist companies' tendency about values, at the same time it will be really interesting to find out what consumers think about companies' values and if they are really interested in it. So, we have provided consumer research (228 consumers) and have asked them several questions about values. The first question was about if they are interested in tourist companies' values? On the whole, 6439% is always interested in values, 28.5% sometimes and 6.6% is never interested in tourist companies' values (chart 3).

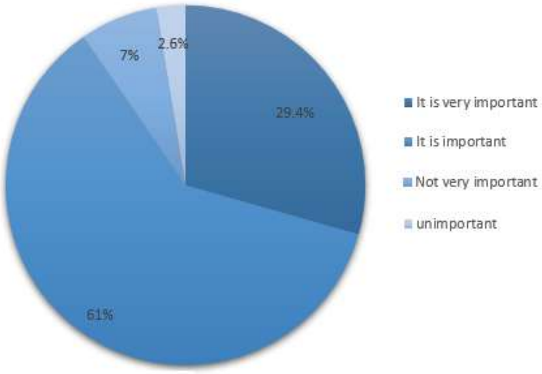
Chart 3: consumers interest index about tourist firms' values



Source: By the Author

According to the results of the survey, 61% of the respondents think that values are one of the most important factors while choosing the service of tourist companies. For 29.4% of respondents' values are important, for 7% are not very important, and for 2.6% it is unimportant (chart 4).

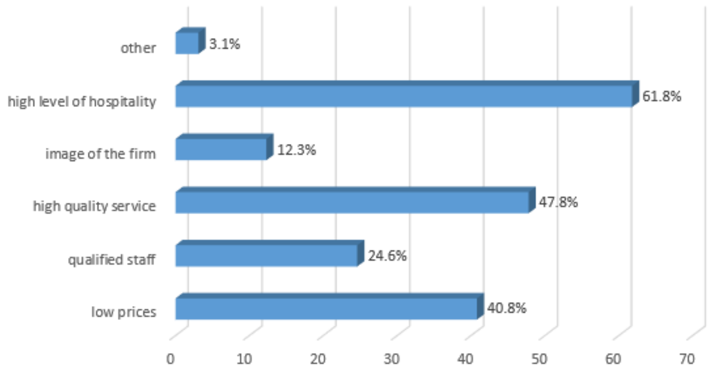
Chart 4: importance of values for consumers



Source: By the Author

Values are different and people are different. Accordingly, we can separate values that will be interesting and attractive for the part of consumers and others will not be. In order to find the most valuable value – the image of the firm, high level of hospitality, high-quality service, qualified staff, low prices, teamwork, and other, tourist companies must provide marketing research and identify the most appropriate values for the consumers. In the survey, we also have asked the respondents to name several important values for them. 61.8% of the respondents named high level of hospitality, 47.8% - high-quality service, 40.8% - low prices, 24.6% qualified staff, 12.3% - the image of the company, and 3.1% other values (chart 5).

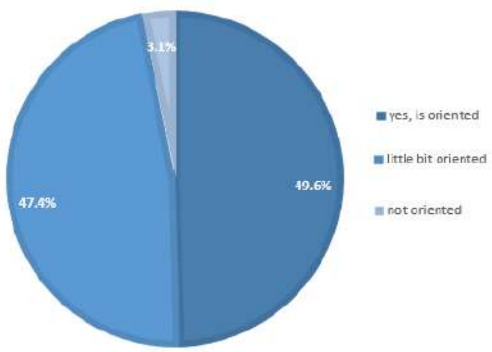
Chart 5: Most important values for consumers



Source: By the author

Firstly, from the research of tourist firms we have found out that they have values, are oriented on it and they acknowledge its role in gaining competitive advantage – this is the first fact. Secondly – we were interested in what consumers think: are companies oriented to make real their proposed values? 49.6% think that they are oriented on values, 47.4% said that is a little bit-oriented, and 3.1% - are not oriented (chart 6).

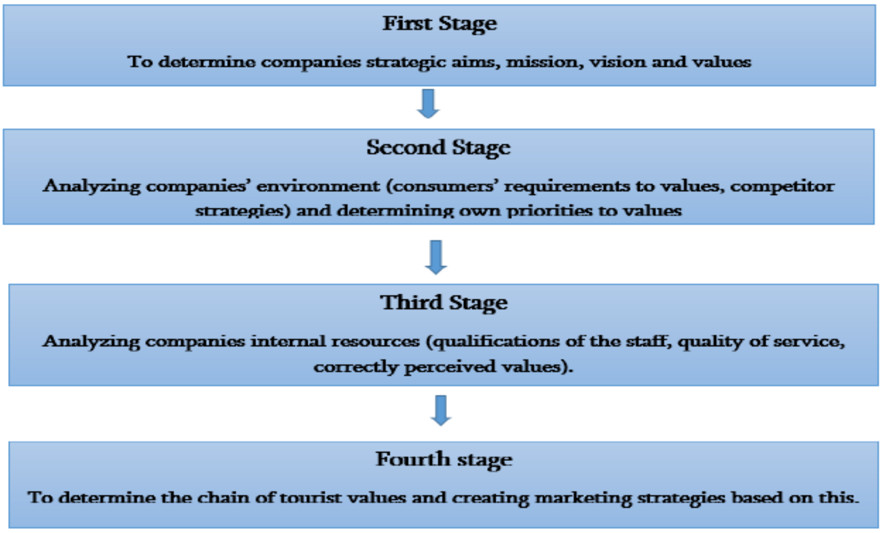
Chart 6: proposed values and consumers opinion



Source: By the Author

According to the results of the survey, we can say, that company's success on the tourist market will always depend on that joined chain of values which they offer to consumers. Georgian tourist firms acknowledge the importance of values and are using them in their marketing strategies. But it is not enough. The creation of a proper value chain in the marketing activities of Georgia tourism firms requires a detailed review of given issues, their consideration, and reflection in marketing strategies. In order to achieve these goals, Georgian tourism firms should deliberately conduct activities related to value-based marketing strategies according to the algorithm (table 2).

Table 2: Value based marketing strategies



Source: By the Author

In the first stage, it is recommended to discuss modern tourist firms' strategic aims, including their mission, vision, and values, which provide the proper perception of the new world of marketing for modern companies and allow them to formulate their own strategic interests.

The second stage determines the tourist firms' market position, consumers' needs for values, competitors' strategies, and own position and priorities based on SWOT analysis.

The third stage determines companies' internal sources and opportunities, staff qualification, internal standards, quality of service, and evaluation of proper perception of value.

The fourth stage determines the chain of values and its final establishment, developing marketing strategies based on this. At this stage, it is also important to pay attention to social responsibilities of such kinds of incorporeal values as morality, human rights, and public interests, which are necessary to ensure companies' integration with public interests. This increases companies' motivation to take part in employment, social, and environmental security programs.

Conclusion

Based on the analysis of the above given information, we can conclude that company's success on the tourist market will always depend on those chain of values which they offer to consumers. Based on survey, it's clear, that Georgian tourist firms acknowledge the importance of values and are using them in their marketing strategies. So, the usage of value-based algorithm will contribute to the more efficient functioning of marketing strategies of tourist firms. Accordingly, it will boost the company's competitiveness, improve its image and reputation, and increase its number of loyal customers.

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ნინო მამულაძე
ბათუმის შოთა რუსთაველის სახელმწიფო უნივერსიტეტის ასისტენტ-პროფესორი
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აბსტრაქტი. მარკეტინგული სტრატეგიის მიზანს მართვის ეფექტური სისტემის ფორმირება წარმოადგენს, რაც კომპანიებისათვის კონკურენტული უპირატესობის მოპოვების ერთ-ერთი მნიშვნელოვანი კომპონენტია. ბაზრის ზომასთან და სტრუქტურასთან კავშირი, მარკეტინგული აქტივობების დონის განსაზღვრა, ბაზრის კონიუქტურის ცვლილებებზე რეაგირება, ფირმის ინდივიდუალურობის ფორმირება და ა.შ. წარმოადგენს მარკეტინგული სტრატეგიის ფორმირების ძირითად პრინციპებს. თანამედროვე გლობალურ სამყაროში ინფორმაციული უზრუნველყოფა წარმოადგენს მარკეტინგული სტრატეგიების განვითარების ერთ-ერთ მნიშვნელოვან ფაქტორს: რამდენის გადახდა შეუძლია მომხმარებლებს მოცემული მომსახურების შესაძენად, რა რესურსებია აუცილებელია მომსახურების წარმოებისათვის, რომელია ყველაზე მომგებიანი დარგი მომსახურების რეალიზაციისათვის, რას მივაქციოთ ყურადღება და როგორ ჩამოვაყალიბოთ ეფექტური ფასეულობები, როგორ მოვახდინოთ მომსახურებასთან დაკავშირებული ფასეულობების სტიმულირება - არის იმ საკითხების ნუსხა, რომლებზეც კომპანიის მმართველობამ უნდა მიიღოს სრულყოფილი ინფორმაცია.

მარკეტინგული სტრატეგიები მრავალგვარია და მისი ეფექტურობაც სხვადასხვაგვარია, შესაბამისად, იმისათვის რომ მოხდეს ყველაზე ოპტიმალური ვარიანტის განსაზღვრა, შერჩევის დროს უნდა გავითვალისწინოთ ისეთი მნიშვნელოვანი გარემოებები, როგორიცაა მარკეტინგული კვლევები, პასუხისმგებლობა, ახალი პროდუქციის რეკლამირება, გასაღების სტიმულირება, ფასეულობების მნიშვნელობა და როლი საზოგადოებაში და ა.შ.

აქედან გამომდინარე, ჩვენ მიზნად დავისახეთ შეგვესწავლა ქართული ტურისტული ფირმების ფასეულობებზე დაფუძნებული მარკეტინგული სტრატეგიები. კვლევის მიზანია განვსაზღვროთ თუ რას ფიქრობენ ტურისტული კომპანიები და მათი მომხმარებლები ფასეულობებზე, არიან თუ არა დაინტერესებულნი და იყენებენ თუ არა ფასეულობებს მათ ყოველდღიურ საქმიანობაში. 228 ადამიანმა და 30 ტურისტულმა კომპანიამ მიიღო კვლევაში მონაწილეობა. შედეგებმა აჩვენა, რომ კომპანიები არიან ორიენტირებულნი ფასეულობებზე, ცდილობენ მომხმარებელზე ორიენტირებული ფასეულობების შემუშავებას, თავის მხრივ მომხმარებლებისთვისაც, ფასეულობები მნიშვნელოვანი კომპონენტია ტურისტული ფირმის მომსახურების შერჩევის დროს.

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THE ESSENCE OF SPECIAL ECONOMIC ZONES AND THEIR ROLE IN FRAGILE REGIONS

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ABSTRACT. In recent decades, Special Economic Zones (SEZs) have become widespread in both developed and developing and fragile countries around the world. The article discusses the main aspects of the concept of special economic zones; Features of SEZ models; Effective functioning factors of SEZ. The article focuses on SEZ policies and development strategies in fragile countries; Factors that determine the effectiveness of special economic zones in fragile countries and unstable regions are analyzed. The article provides recommendations for creating an optimal SEZ model integrated into the local economy in fragile regions.

Keywords: Special Economic Zones Concept, Fragile Regions, Models, Efficiency of zones, Development strategy

Introduction

In recent decades, special economic zones (SEZ) have become widespread in both developed and developing and fragile countries around the world. In general, special economic spaces are an effective mechanism for creating an attractive investment climate and a competitive business environment in a limited geographical area within a country, with a liberal normative, legal and trade regulatory framework, efficient infrastructure and services.

Countries are creating free economic zones to address challenges such as: expanding trade space and diversifying exports; Industrialization and development of non-traditional industries; Creating a competitive business environment; Attracting foreign direct investment and foreign exchange inflows; Creating new jobs. The goals of the creation of SEZ are also the transfer of new knowledge and innovative technologies in entrepreneurial activities, the development of human capital, and the socio-economic recovery of the regions beyond the zones.

Also, world experience shows that fragile and medium-sized developing countries are actively pursuing the SEZ as a mechanism to overcome socio-economic instability and facilitate the development of local entrepreneurial activity in regions beyond the zones. The effectiveness of such SEZs depends on how well they are integrated into the regional economy

Thus, the urgency of the topic is determined by the development of an adequate SEZ model for the specifics of a particular region and the achievement of optimal results for its functioning.

Literature review

The free economic zone is considered in the scientific literature as an effective mechanism for the growth of the country's national economy and regional integration. In the basic concept of special economic zones adopted by the world organizations, the special economic zone is defined as a demarcated geographical area, where liberal economic benefits and incentive packages different from the rest of the country operate to attract investors. SEZ offers customers an attractive investment environment that includes efficient infrastructure, a special customs regime, simplified administrative procedures, and an attractive fiscal policy.

According to SEZ researcher Douglas Jihua Zeng, special economic zones are an effective means of industrialization and structural transformation in the context of proper planning, targeted policies, and development strategies.

According to him, attracting foreign investment in SEZ, on the one hand, contributes to economic growth, the introduction of new technologies, and raising the qualification of the workforce. On the other hand, it has a positive impact on the development of the local private sector, increasing economic productivity and improving the quality of life of the population in the area beyond the SEZ.

The scholarly view that SEZ's productivity is determined by its integration into national or regional industrial policy and economic development strategy is noteworthy.

Douglas Jihua Zeng believes that the SEZ planning process should include an analysis of issues such as: regional requirements, local market conditions, industrial base and supply chain, business environment and infrastructure, labor market, and land use conditions.

The effectiveness of special economic zones also determines:.

- Strong state support for the long-term sustainable development of the national economy;
- Flexible legal and regulatory framework and institutions;
- Strategic location with developed infrastructure and services;
- Economic benefits and social compensation;
- Understand potential environmental problems and create an environmentally sustainable environment to address them. (Zeng,D)

Fragile countries in Africa and Asia have extensive experience in creating SEZs. It should be noted that SEZs have proven their potential in attracting foreign direct investment, job creation, and economic development.

2. Methodological approach

The methodological bases of the article are the works of scientists and the results of my own research. A questionnaire type survey was used, which was conducted through a questionnaire distributed is social space. Marketing research obtained quantitative data, which were groped and analyzed.

Methodological approach

The theoretical basis of the research is scientific literature focused on research issues, reports of international organizations and research centers, publications, electronic resources. The obtained information was processed using logical analysis, synthesis and comparative methods.

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Conducting research and results

Based on the analysis of scientific research, the main, interrelated economic and social goals of the creation of the SEZ are identified. (Table 1).

Objectives of special economic zones	
Economic	**Social**
Attracting foreign direct investment; Export diversification; Industrialization; Economic Growth; Transfer of innovative technologies	Creating new jobs; Increase revenue; Human capital development; Raising the qualification of the workforce beyond the zone; Increase in well-being

Table1: **The goals of creating SEZ.**
Source:Compiled by author.

Special economic zones have evolved and gone through various stages of development. Accordingly, taking into account the needs of the country, geographical, economic contexts, and the level of industrialization, they were implemented in different forms in countries around the world. Therefore, the forms of their functional purpose and the terminology related to the definition of SEZ also differ. The zones classified according to the purpose, creation goals, and importance for the country's economy are presented in the following table.

SEZ models	**Destinations**
Free Trade Zone	Warehousing services, product configuration, processing, exporting
Specialized zones	Development of specific fields, activation of economic activity, provision of services
Scientific and technological zone	Generating research, design and innovative industrial ideas
Export Processing Zones	Stimulation of export and import production Focus on foreign markets; Offers firms free trade conditions and a liberal regulatory environment
Special Economic Zones	Attracting foreign investment, industrial development, orientation to local and foreign markets
Free Industrial Zone	Strengthening the competitiveness of industry. Implementation of large foreign investments within the zone
Ecological-Industrial zone	Focus on reducing environmental threats and environmental measures, attracting green technologies
Enterprise Zone	Revitalize backward urban and rural areas by providing tax breaks and financial subsidies.

Table2: SEZ models and destinations**.**
*Source:Compiled by author, based on (***FIAS.2008), (Zeng.2010)**

In special economic zones, there is a legislative-institutional framework developed by the state, a liberal tax and trade law. Special economic zones offer preferential-incentive packages to foreign and local investors. (UNCTAD/WIR.2019)

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Despite their different uses, SEZ has common features such as:Demarcated geographical area; Operating foreign and local companies within SEZ; Investment incentive packages and tax breaks; Simplified administrative procedures; A separate customs area; SEZ has an administrative governing body; The state land management policy is in force in SEZ; SEZ offers customers an efficient infrastructure.

It is generally accepted that the effective functioning of the SEZ is driven by the strategic planning of the SEZ; Development policy; Management; SEZ strategic geographical location; Regional and country contexts; Monitoring mechanisms; Profitability of SEZ.

The success of special economic zones is closely linked to the national economy, the investment climate, and the governance opportunities of the country's local structures, as well as the level of industrial development beyond the zone and the fiscal normative framework. (UNCTAD/WIR.2019).

According to Thomas Farole, the efficiency of SEZ operation is reflected in the static and dynamic effects obtained from SEZ, which are obtained in the short and long run, respectively. Static effects are: foreign direct investment; Generating new jobs; Inflow of foreign currency; Export growth; Creating additional economic value. The dynamic economic effects of SEZ are: the transfer of new technologies; Export diversification; Formation of industrial clusters; Establishing links with the national economy; Encouraging non-traditional industries; Raising the level of economic openness. (Farole, T.2011).

In addition, some studies have shown that the degree of positive effects is limited, and the secondary effects obtained from SEZ are mainly generated within a radius of 50 km. However, factors such as the level of industrialization of the area surrounding the zone and the stability of the country contribute to maintaining economic growth.(UNCTAD.20019)

The role of special economic zones in fragile regions.

In general, fragile countries and conflict-affected regions are characterized by political and economic instability, low levels of institutional capacity and services, damaged infrastructure, uncoordinated work of government and local structures, inefficient business environment and investment climate, and low social incomes. In such a situation, it is difficult to develop an SEZ development strategy and implement an SEZ policy, as well as to maximize the potential of the SEZ.

According to scientists, SEZs can play an important role in the socio-economic development of fragile regions. World experience shows that SEZ has the potential to become a tool for achieving economic growth, attracting foreign investment, and overcoming regional instability in fragile regions.

To get positive effects, the programs of special economic zones should focus on issues such as:

- Creating an area of economic growth;
- Private sector participation in zone management;
- Stimulating private sector development;
- Supporting economic diversification;
- Attract multilateral international political and financial support;
- Creating an area of economic growth;
- Private sector participation in zone management;
- Stimulating private sector development;
- Supporting economic diversification;
- Attract multilateral international political and financial support;
- Improved economic and physical security and reduced risk of losses for investors;
- Connection with the local economy;
- Access to agricultural land and protection of land rights.(AfDB. 2015)

The SEZ program created in some fragile countries of Africa relies on these issues. As a result, the inflow of foreign direct investment from the world's leading countries has increased significantly recently. Investments in the clothing and textile industries in the Madagascar Special Economic Zone were made by

China, France, and India. Germany, France, and Denmark have invested in Mali's industrial zones. In Togosezprogram has attracted investment from several countries.

In addition, foreign investment in SEZ accounts for a large share of the country's total foreign investment. 48% of the total national foreign investment was in foreign direct investment in the Ghanaian SEZ. In Kenya and Tanzania, SEZ direct foreign investment accounted for 20% and 18% of total national foreign investment, respectively.

In addition to attracting foreign investment, SEZ has the opportunity to establish productive links with local small and medium-sized businesses and to help optimize entrepreneurial activities beyond the zone and create a unified entrepreneurial value chain. SMEs are offered low entry fees to enter the zone and also, by simplifying procurement procedures, help them become suppliers to the major tenants of the zones.

Special economic zones initiate incubators to provide training, education, and other support services to larger firms. A good example of this strategy is the incubator set up by the Kenya Export Processing Zones Authority, which aims to transform small and medium-sized businesses into exporting enterprises and establish direct export links with larger firms. Also, the Multifunctional Industrial Park of the African country Ghana facilitated the integration of local firms into the SEZ export chain. (AfDB. 2015).

Developing and less developing countries are focused on attracting high-tech investment to promote those sectors where more added value is generated. Often such approaches fail because they do not take into account the local economic conditions and the capabilities of the workforce. Therefore, firms have to change strategy according to the existing business environment and the skills of the workforce.

This shows, that there are cause-and-effect relationships between the development of local economic conditions SEZ productivity depends on the extent to which local entrepreneurial opportunities and workforce skills are taken into account. For example, SEZ in Costa Rica and Vietnam, based on the capabilities of countries, initially focused on the low-value segments. After achieving success at this level, they switched to firms with high technology components. The implementation of such a strategy was conditioned by the improvement of local economic conditions, the qualification of the workforce and the capacity of local firms s, and the success of special economic zone strategies.(UNCTAD.2021)

Thus, the optimal results of the operation of the SEZ can be achieved by integrating it into the national economy. It is also important to have strong political support at all levels of government.

Conducting research and results

Thus, based on the analysis of the above-mentioned materials, we are able to conclude that creating an SEZ tailored to fragile situations and making the most of its potential is driven by a well-designed SEZ policy, development strategy, location, and form of governance. Local industrial and entrepreneurial opportunities, the level of qualification of the workforce play a big role in the effective functioning of SEZ.

The following recommendations have been developed to create an optimal model of a special economic zone integrated into the local economy:

- Assess the specifics of the specific region, political, economic, social and geographical contexts;
- Identify local entrepreneurial opportunities and workforce potential;
- Clearly define the role of SEZ in the socio-economic development of the region beyond the zone;
- Analyze the relevance of the SEZ model in addressing regional challenges;
- Analyze the constraints on the land resources of the required area of the SEZ;
- Assess the profitability, strategic location and security of the SEZ in both political and economic terms;
- It is advisable to conduct research on the private sector, business environment, and commodity market in the region.

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სპეციალური ეკონომიკური ზონების არსი და მათი როლი მყიფე რეგიონებში

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აბსტრაქტი. სტატიაში განხილულია სპეციალური ეკონომიკური ზონების კონცეფციის ძირითადი ასპექტები; სეზ-ის შექმნის მიზნები; სეზ-ის მოდელების დანიშნულებები და მათი საერთო მახასიათებლები; სეზ-ის ეფექტური ფუნქციონირების განმსაზღვრელი ფაქტორები; ყურადღება გამახვილებულია მყიფე ქვეყნებში სეზ-ის პოლიტიკის და განვითარების სტრატეგიის თავისებურებებზე. სტატიაში შემოთავაზებულია **რეკომენდაციები** მყიფე რეგიონებში ადგილობრივ ეკონომიკაში ინტეგრირებული სეზ-ის ოპტიმალური მოდელის შექმნის მიმართულებით.

კვლევის თეორიულ საფუძველს ქმნის საკვლევ საკითხებზე ფოკუსირებული სამეცნიერო ლიტერატურა; საერთაშორისო ორგანიზაციების (გაერო, მსოფლიო ბანკი, აფრიკის განვითარების ბანკი და სხვა) კვლევები და ანგარიშები, ასევე, ინტერნეტ რესურსები.

საკვანძო სიტყვები: *სპეციალური ეკონომიკური ზონების კონცეფცია, მყიფე რეგიონები, მოდელები, ეფექტურობა*

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INDEPENDENCE AS A MANDATORY PRINCIPLE OF INTERNAL AUDITORS

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ABSTRACT. The purpose of this study is to determine the requirements for the observance of the principle of independence by internal auditors**.** The methodological and theoretical basis of the study is the scientific and creative understanding of the developments of foreign and national scientists in the field of auditing in general, and internal audit in particular. The information base of the study was the official documents, standards and codes of ethics of international professional associations and organizations of accountants and auditors. To achieve this goal, a set of general scientific methods (analysis, synthesis, induction, deduction, abstraction) and methodological techniques (systematization, generalization, review, comparison) to study the principle of independence in the practice of internal audit as a professional activity have been used. The necessity of developing a detailed Code of Ethics for Internal Auditors and specific regulations for internal audit services, which would combine the requirements of official standards and codes, and identify clear measures to assess conflicts of interest and precautionary measures, has been substantiated. The main stages of development of appropriate precautionary measures at such levels as level of auditor, level of engagement, functional level, and organizational level have been determined. It has been proved that the independence of thought and behavior as components of the independence of both external and internal auditors should be formed in view of all parties involved in the process of performing the audit engagement, taking into account the content of three party relationships.
The practical use of the proposed theoretical approaches and practical recommendations will improve the quality of engagements performed by internal auditors.

JEL Classification: M21,M42

Keywords: audit, internal auditors, ethics, independence, conflict of interests, threats, tripartite relations.

Introduction

The essence of professionalism, including in auditing, is not just a simple sum of professional knowledge and skills, because true professionalism always includes a moral component, understanding of the professional duty, moral responsibility, responsible attitude to professional dignity and honor. Interested members of society rely on the objectivity and honesty of professional auditors, the high quality of their work, and on the other hand, the entities involved in these activities are interested in mutual trust and high quality services.

Auditors' independence is a factor that ensures that specific users of financial statements and society as a whole gain confidence in the objective nature of the auditor's report. It is important to emphasize that independence is singled out as a separate principle that is justified, because we agree with the statement that "Independence is not directly valuable for its own sake but as a means to securing objectivity, authority, and credibility" [0]. The effectiveness of the audit is determined by the competence and degree of independence of the auditor, and the desire of auditors to achieve independence should be the basis for improving the objectivity of the audit.

Literature review

The issues of auditor's ethics and observance of the principle of independence are considered by domestic and foreign scholars. Observance of independence is a problematic issue for both external and internal auditors, but they are becoming more relevant in the context of internal audit. According to Kamenska T.O., absolute independence of internal audit is hardly achievable, as internal auditors are employees of the company and their professional and career growth depends on the company's management and when speaking of independence, we mean the creation of such structural subordination in which the company's management will not put direct pressure on internal auditors [0]. In this context, it is worth noting that in the foreign literature, the independence of internal auditors and their influence are considered in detail [0; 0; 0; 0], especially in developing countries [0; 0; 0; 0].

However, many unresolved and ambiguous issues remain, both in identifying areas of potential conflict, and in identifying the circumstances in which a conflict of independence is likely, and in developing measures to prevent and eliminate them. Despite the availability of research on the principle of independence, the mechanisms of compliance with the principle of independence, their differences in external and internal audit, given the possibility of interaction, remain undisclosed.

Methodological approach

is to determine the requirements for the observance of the principle of independence by external and internal auditors, given their possible relationship in the performance of audit tasks. The information base of the study was the official documents, standards and codes of ethics of international professional associations and organizations of accountants and auditors: IFAC (International Federation of Accounting), IAASB (International Auditing and Assurance Standard Board), IIA (Institute of Internal Auditors).

Conducting research and results

There are two possible approaches to building users' confidence in the independence of auditors through the work of internal and external auditors. The first approach is in the established relationship with the request of auditors about all of the company - the client (for the external auditor) and with a special department (for the internal auditor), which can be considered as violating the independence of the audience and allow users or the highest governing body of the organization to assess how they are willing to rely on the opinion prepared by the auditor. This approach, based on the fact that the word "independent" is taken separately, may lead users to assume that the person who implements professional judgment should be from all economic, financial and other relationships. And this is impossible, because every member of society must have relationships with others. That is why the importance of economic, financial and other relations should be assessed in the light of the fact that it is a prudent and informed third party, knowing all the relevant information, reasonably considered unacceptable. However, the problem may be that it may be necessary to provide a significant amount of detailed information that is confusing rather than clarifying the problem.

The second approach involves developing a set of general requirements for independence and making it mandatory for internal and external auditors to provide evidence that they meet these requirements. Its advantage is that the user does not use a significant array of secondary information, and the disadvantage is that it requires pre-defined criteria that characterize independence, which is due to the need to determine the importance of various factors. In addition, factors that may be sufficient to maintain the user's confidence in the opinion of an unknown auditor may not be taken into account by the user dealing with a well-known audit firm.

The Code of Ethics for Professional Accountants was developed and adopted in July 1996 to address the professional ethics of auditors. Since then, it has been constantly improved, edited and expanded, and the current edition of 2020 [0] includes the Code of Ethics for Professional Accountants and International Independence Standards.

Internal audit, as well as external auditing, as a professionally highly intelligent activity, the results of which are relied on by various users, also requires compliance with a number of ethical principles and rules. In the field of internal audit, the Code of Ethics [0] has been developed, the purpose of which is to spread ethical culture in the profession of internal audit. Additionally, ethical requirements are explained in the Attribute Standards of International Standards for the Professional Practice of Internal Auditing [0], which highlight the following separate blocks: 1100 - Independence and Objectivity (1110 - Organizational Independence, 1120 - Individual Objectivity, 1130 - Impairment to Independence or Objectivity).

According to the International Standards for the Professional Practice of Internal Auditing independence is the freedom from conditions that threaten the ability of internal audit activity to carry out internal audit responsibilities in an unbiased manner.

The Code of Ethics for Professional Accountants identifies two aspects of independence that can logically be used for internal audit, namely:

- independence of thinking, direction of thinking, which allows to express a conclusion without any influence that may threaten professional judgment, and to act honestly, objectively and with professional skepticism;
- independence of conduct as the avoidance of facts and circumstances so significant that a prudent and informed third party is likely to conclude that the integrity or objectivity or professional skepticism of the firm or the audit team or assurance is compromised.

In order to achieve the organizational level of independence necessary for the effective performance of the internal audit function's responsibilities, the head of the internal audit service should:

1) have a direct and unlimited opportunity to appeal to the top executive and the board of directors, which can be achieved through double accountability;
2) report to a level of management in the organization that enables the internal audit function to perform its duties;
3) at least annually provide the board with confirmation of the organizational independence of the internal audit function.

It is believed that Organizational independence is effectively achieved when the chief audit executive reports functionally to the board. Examples of functional reporting to the board involve the board:

- approving the internal audit charter;
- approving the risk based internal audit plan;
- approving the internal audit budget and resource plan;
- receiving communications from the chief audit executive on the internal audit activity’s performance relative to its plan and other matters;

- approving decisions regarding the appointment and removal of the chief audit executive;
- approving the remuneration of the chief audit executive;
- making appropriate inquiries of management and the chief audit executive to determine whether there are inappropriate scope or resource limitations.

Individual objectivity implies that internal auditors must have an impartial, unbiased attitude and avoid any conflict of interest. It is necessary to expand this provision, taking into account the norms of International Standard of Auditing 610 "Using the Work of Internal Audit" [0], and consider individual objectivity as the ability to perform those tasks without allowing bias, conflict of interest or undue influence of others to override professional judgments.

From these positions, it is important to study the nature, types and content of conflicts of interest that may arise in the activities of internal auditors. In Attributes Standards (1120 - - Individual Objectivity) it is emphasized that Internal auditors must have an impartial, unbiased attitude and avoid any conflict of interest. Conflict of interest is a situation in which an internal auditor, who is in a position of trust, has a competing professional or personal interest. Such competing interests can make it difficult to fulfill his or her duties impartially. A conflict of interest exists even if no unethical or improper act results. A conflict of interest can create an appearance of impropriety that can undermine confidence in the internal auditor, the internal audit activity, and the profession.

Conflicts of interest usually arise during activities in the interests of others, and if we speak in a broader sense - in the case of subordination of interests, in whatever form it manifests itself. D. Dedov identifies the following groups of interests that may be in conflict with each other: personal interests of the representative and his affiliates; the interests of those they represent; general and public interests; no interests in maintaining neutrality or independence. In addition, he proposes combinations that form such conflicts and are confirmed in practice in the form of specific examples [0, p. 6-10], and the methodological basis for eliminating conflicts of interest, which consists of three elements: establishing the scope of conflict of interest, identifying the circumstances in which a conflict of interest is possible, development and implementation of the most effective measures to eliminate such circumstances [0, p. 215].

Therefore, in order to formulate requirements for ensuring the independence of auditors, it is necessary to identify areas of conflict of interest (they can also be called the principles of independence or in a negative sense potential threats to independence; this is the term used in the Code of Ethics for Professional Accountants). These, according to D. Dedov, may be: the range of persons who may have a negative impact on the objectivity of the conclusion; the relationship between the auditor (audit firm) and the audited entity that may affect the independence of the auditor; providing the client with services other than audit [0, p. 218].

Such an approach is provided by the Code of Ethics for Professional Accountants [0], which requires firms and members of task teams to identify, assess and address threats. To this end, the Code defines the types of threats (threat to self-interest, threat to self-assessment, threat to protection, threat to personal relationships, threat of pressure), examples of circumstances that may create them, examples of precautionary measures that can prevent, eliminate or reduce threats to acceptable levels. Precautions are measures created by professional organizations, legislators or regulators, and measures that exist in the work environment, which include both measures that apply to the whole firm and measures related to a specific task, as well as precautionary measures, forming part of the client's system and procedures.

In this context, it should be noted that the independence of thought and behavior as part of the independence of the auditor should be formed in view of all entities involved in the process of performing the audit task:

1) the subject of audit activity - an audit firm;
2) auditors - members of the task force;
3) the entity to be audited;
4) users (clients).

This approach is justified because both the responsible party and the users are interested in the objectivity of the auditor's opinion. This requires more effective cooperation between them in identifying threats, developing and implementing safeguards in the work environment not only of the audit firm, but also of the user and the responsible person. But traditionally, such complex multilateral relations are associated exclusively with external audit. At the same time, internal audit services also include three parties, namely:

1) the person or group directly involved with the entity, operation, function, process, system, or other subject matter - the process owner,

2) the person or group making the assessment - the internal auditor, and

3) the person or group using the assessment - the user.

For internal audit, conflict of interest assessment has a deeper emphasis in the context of the relationship between assurance engagements and other audit services. As emphasized, Internal audit functions in two ways:

1) ex post - as a provider of objective assurance of efficiency and effectiveness of operations, and

2) ex ante - as a catalyst for change by providing advice and guidance in work, which has provided this function a position that provides assistance to all other participants in the system of corporate governance, above all, management [0].

And this dual role and unique place in the management structure of the entity is a source of ongoing conflict of interest that affects the independence and objectivity of internal auditors. And it is more difficult to implement precautionary measures in this case than in the case of an external audit.

This conclusion is emphasized by the requirements of international documents. Attribute Standards of International Standards for the Professional Practice of Internal Auditing [0] contain three recommendations for independence and objectivity:

1) internal auditors must refrain from assessing specific operations for which they were previously responsible within the previous year;

2) assurance engagements for functions over which the chief audit executive has responsibility must be overseen by a party outside the internal audit activity.;

3) internal auditors may provide assurance services where it had previously performed consulting services, provided the nature of the consulting did not impair objectivity and provided individual objectivity is managed when assigning resources to the engagement..

These recommendations are rather vague, allowing for ambiguity of interpretation.

Also in the Attribute Standards of International Standards for the Professional Practice of Internal Auditing [0] it is stated: if independence or objectivity is impaired in fact or appearance, the details of the impact must be disclosed to appropriate parties; the nature of the disclosure will depend upon the impairment. Impairment to organizational independence and individual objectivity may include, but is not limited to, personal conflict of interest, scope limitations, restrictions on access to records, personnel, and properties, and resource limitations, such as funding.

Other factors are considered in the professional literature, for example, scope of work, level of reporting, extent of access to audit records, extent of provision of non-audit services [0].

More detailed factors that may affect the organizational independence of internal auditors are suggested:

- internal audit department is given low status in management structure;
- inadequate budget allocation for the department; policies and procedures are not clearly defined for the internal audit unit ;
- management has a wrong perception about internal auditors as fault finders rather than adding value to the organization;
- no opportunity to seek the assistance of experts during an audit especially when assessing the value of a contract or property;
- internal auditors are not given representation in Board meeting;

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- the unit is not allowed to carry out a pre-transaction audit;
- the unit is not allowed to choose any transaction or area of interest for audit;
- management interferes with the work of internal auditors; sectional heads are not cooperating with the internal audit departments [0].

The following factors are described in [0]:

- social pressure on internal auditors when external auditors, regulators, management, and others consider that any internal audit engagement must generate certain findings, or when management expects that auditors "overlook" suspicious items, etc.;
- economic interests, in the sense that an internal auditor's negative findings may impact future company operations, and, thus, the realization of their economic benefit as company employee, or in situations where work or department of individuals who directly influence the internal auditor's status and salary is audited;
- personal (family) relationships or intimacy, as a result of long-term co-operation, between internal auditors and individuals whose work or department is audited;
- cultural, racial or gender bias of internal auditors;
- psychological bias of internal auditors about the role they perform – if auditors have a critical perspective of internal audit, it is very likely that they will overlook the positive things and vice versa, the perception of internal audit as a facilitator for improvement can cause them to overlook negative things;
- audit of auditor's own work, in the sense that audit focuses on activity, process or work of the department for which the auditor previously, serving as a consultant, gave a recommendation for improvement;
- threats or intimidation of the internal auditor by the audit client or other stakeholders.

But the main conclusion is that these factors have a significant impact on internal audit, as the scope of audit, access and resources are determined in each case, as opposed to independent external audit, which is regulated by ISA and the auditor has every right to refuse which offers conditions that do not meet the requirements of ISA.

ISA 610 "Using the Work of Internal Audit" describes the factors that may influence an external auditor's assessment of the possibility of using the work of internal audit, the nature and extent of such use. By transforming these factors, it is possible to formulate the requirements that the internal audit department must meet:

- threats or intimidation of the internal auditor by the audit client or other stakeholders.
- the organizational status of the internal audit function, including the function's authority and accountability, supports the ability of the function to be free from bias, conflict of interest or undue influence of others to override professional judgments. For example, whether the internal audit function reports to those charged with governance or an officer with appropriate authority, or if the function reports to management, whether it has direct access to those charged with governance.
- the internal audit function is free of any conflicting responsibilities, for example, having managerial or operational duties or responsibilities that are outside of the internal audit function.
- those charged with governance oversee employment decisions related to the internal audit function, for example, determining the appropriate remuneration policy.
- there are any constraints or restrictions placed on the internal audit function by management or those charged with governance, for example, in communicating the internal audit function's findings to the external auditor.
- the internal auditors are members of relevant professional bodies and their memberships obligate their compliance with relevant professional standards relating to objectivity, or whether their internal policies achieve the same objectives.

In general, the requirements for ensuring compliance with ethical principles and rules of conduct are set out in both the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing, which complicates the perception of the requirements. This requires the development of a single document for organizations implementing an internal audit service, which will operate in accordance with the requirements of the International Standards for the Professional Practice of Internal Auditing. It is also advisable to harmonize the requirements of the Code of Ethics for Professional Accountants and the Code of Ethics of the Institute of Internal Auditors in terms of basic principles and provisions, but taking into account the peculiarities of internal audit such as organizational subordination and ethical internal audit service.

International Standards for the Professional Practice of Internal Auditing stipulate that Threats to independence must be managed at the individual auditor, engagement, functional, and organizational levels. It should be assumed that the effectiveness of precautionary measures depends on many factors that should be taken into account when assessing the impact of a precautionary measure on threats as a whole and on each of them. Among such factors are:

1) proper (correct) identification of threats, facts and circumstances that are inherent in a particular situation;

2) the adequacy of the definition of a precautionary measure for a specific purpose;

3) the procedure for applying the precautionary measure, persons affected by a certain precautionary measure, the sequence of application of precautionary measures, the person applying the precautionary measure.

Conducting research and results

Internal audit is a professional, highly intelligent activity that relies on a variety of users and requires adherence to a number of ethical principles and rules, most notably independence. It is necessary to develop a detailed Code of Ethics for Internal Auditors, which would combine the requirements of the Code of Ethics of the Institute of Internal Auditors, International Standards for Professional Practice of Internal Auditing, International Federation of Accountants and define clear measures. Emphasis should be placed on identifying areas of conflict of interest and circumstances in which conflicts of interest are possible, developing a mechanism for identifying and applying adequate and effective precautionary measures, covering the following steps: threat identification; determination of a precautionary measure that will correspond to a certain threat, taking into account the facts and circumstances that are inherent in a particular situation; development of the procedure for applying the precautionary measure; identification of persons who will fall under the influence of a certain precautionary measure; determining the sequence of application of precautionary measures; identification of persons who will apply and be responsible for the precautionary measure.

Independence of thought and behavior as part of the independence of auditors should be formed taking into account all entities involved in the audit task: the audit firm, auditors - members of the task force, the entity to be audited, and users, taking into account the possibility identification of the latter, because both the responsible party and the users are interested in the objectivity of the auditor's opinion. This requires more effective cooperation between them in identifying threats, developing and implementing safeguards in the work environment not only of the audit firm, but also of the user and the responsible person.

Prospects for further research are to substantiate the provisions of internal documents on the regulation of conflicts of interest, threats and precautionary measures in the activities of the internal audit service and interaction with external auditors. Such developments can also be used to improve the internal quality assurance system of audit entities in terms of specifying procedures for assessing the feasibility of using the results of internal auditors, given the level of their independence.

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დამოუკიდებლობა, როგორც შიდა აუდიტორების სავალდებულო პრინციპი

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აბსტრაქტი. კვლევის მიზანია შიდა აუდიტორების მიერ დამოუკიდებლობის პრინციპის დაცვის მოთხოვნების დადგენა.
კვლევის თეორიულ და მეთოდოლოგიურ საფუძველს წარმოადგენს ზოგადად აუდიტის და კონკრეტულად შიდა აუდიტის სფეროში უცხოელი და ეროვნული მეცნიერების შრომების მეცნიერული და შემოქმედებითი გააზრება.
კვლევის საინფორმაციო ბაზას წარმოადგენდა საერთაშორისო პროფესიული ასოციაციებისა და ბუღალტერთა და აუდიტორთა ორგანიზაციების ოფიციალური დოკუმენტები, სტანდარტები და ეთიკის კოდექსები.
მიზნის მისაღწევად, გამოყენებულია ზოგადი სამეცნიერო მეთოდების (ანალიზი, სინთეზი, ინდუქცია, დედუქცია). დასაბუთებულია შიდა აუდიტორთა ეთიკის დეტალური კოდექსისა და შიდა აუდიტის სერვისების სპეციფიკური რეგულაციების შემუშავების აუცილებლობა, რომელიც გააერთიანებს ოფიციალური სტანდარტებისა და კოდექსების მოთხოვნებს და გამოავლენს მკაფიო ზომებს ინტერესთა კონფლიქტისა და სიფრთხილის ზომების შესაფასებლად.
განისაზღვრა შესაბამისი სიფრთხილის ზომების შემუშავების ძირითადი ეტაპები ისეთ დონეზე, როგორიცაა აუდიტორის დონე, ჩართულობის დონე, ფუნქციონალური დონე და ორგანიზაციული დონე. დადასტურდა, რომ აზრისა და ქცევის დამოუკიდებლობა, როგორც გარე და შიდა აუდიტორების დამოუკიდებლობის კომპონენტები, უნდა ჩამოყალიბდეს აუდიტის შესრულების პროცესში ჩართული ყველა მხარის გათვალისწინებით, სამი მხარის ურთიერთობის შინაარსის გათვალისწინებით.
შემოთავაზებული თეორიული მიდგომებისა და პრაქტიკული რეკომენდაციების პრაქტიკული გამოყენება გააუმჯობესებს შიდა აუდიტორების მიერ შესრულებული სამუშაოების ხარისხს.

***JEL Classification**:* M21,M42

საკვანძო სიტყვები: *აუდიტი, შიდა აუდიტორები, ეთიკა, დამოუკიდებლობა, ინტერესთა კონფლიქტი, საფრთხეები, სამმხრივი ურთიერთობები.*

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PRINCIPLES OF TAX LEGISLATION AND ORGANIZATION OF TAX CONTROL IN UKRAINE

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ABSTRACT. The purpose of the article is to study and generalize the composition and essence of the principles of tax legislation and organization of tax control in Ukraine.
It is emphasized that the main normative act that determines the principles of tax legislation is the Tax Code of Ukraine, and any provisions can be changed only by amending it. The essence of the principles on which the tax legislation is based is grouped and presented, in particular: generality of taxation; equality of all taxpayers before the law, prevention of any manifestations of tax discrimination; the inevitability of liability under the law; presumption of legality of taxpayer's decisions; fiscal sufficiency; social justice; cost-effectiveness of taxation; tax neutrality; stability; uniformity and convenience of payment; a single approach to setting taxes and fees.
The economic content, necessity and ways of tax control in Ukraine are considered. It is generalized that the controlling bodies in the part of tax control are tax and customs bodies, the central body of executive power, which implements the state tax and customs policy, respectively, and its territorial bodies.
It is proved that the organization of tax control is based on the use of general, specific and common law principles and their essence is revealed.

JEL Classification*:* H20, K34

Keywords: Tax control, principles on which the tax legislation of Ukraine is based, tax control bodies, principles of organization of tax control in Ukraine, general principles, specific principles, common law principles

Introduction

Necessity and stabilization of the financial system, ensuring sustainable budget revenues, compliance with tax discipline as a condition for quality performance by individuals and legal entities of obligations to the state, as well as the existence of the shadow economy in Ukraine led to a special direction of public financial control - tax control [8, p. 259].

The Tax Code of Ukraine provides for Chapter 5 "Tax Control", which contains only Article 61 "Definition of tax control and the powers of public authorities to exercise it" and Article 62 "Methods of tax control". Tax control is carried out by the bodies specified in Article 41 of the Tax Code of Ukraine "Controlling bodies and collection authorities", within their powers. The powers and functions of regulatory authorities are determined by the Tax Code of Ukraine, the Customs Code and the laws of Ukraine. The division of powers and functional responsibilities of regulatory authorities is determined by the legislation of Ukraine. Other state bodies do not have the right to conduct inspections of timeliness, reliability, completeness of accrual and payment of taxes and fees, including at the request of law enforcement agencies.

Literature review

Issues of tax control and general problems that arise in the process of its organization and implementation are reflected in the works of such specialists as: A. Abramova, V. Aloshkin, S. Bohachov, V. Boreiko, O. Burdonova, V. Vyshnevskyi, N. Vytvytska, L. Voronova, O. Danylov, V. Dedekaiev, V. Yeharmina, O. Zadorozhnyi, S. Kalambeta, Ye. Kovalchuk, O. Kramarenko, A. Krysovatyi, M. Kucheriavenko, O. Leha, D. Lypnytskyi, V. Lytvynenko, K. Matviichuk, P. Melnyk, T. Mysnyk, O. Naidenko, V. Onyshchenko, O. Orliuk, V. Revun, L. Savchenko, M. Sverdan, A. Sihaiev, A. Cherednichenko, L. Chernelevskyi, O. Shevchuk and others, but the topic of tax control has not lost its relevance. Its importance lies in the fact that the improvement and effective organization of tax control, including and defining its principles, is capable of solving the problems that arise in the conditions of the shadow economy, which is especially relevant during the political and financial crisis in Ukraine and is exacerbated by the Covid-19 pandemic.

The purpose of the article is to study and generalize the composition and essence of the principles of tax legislation and organization of tax control in Ukraine.

Conducting research and results

Tax control is a system of measures taken by regulatory authorities and coordinated by the central executive body, which ensures the formation and implementation of public financial policy, in order to control the correctness of accrual, completeness and timeliness of taxes and fees, as well as compliance with legislation on cash circulation, conducting settlement and cash transactions, patenting, licensing and other legislation, compliance with which is entrusted to the supervisory authorities [6].

Tax control in Ukraine can be carried out in the ways shown in Fig. 1.

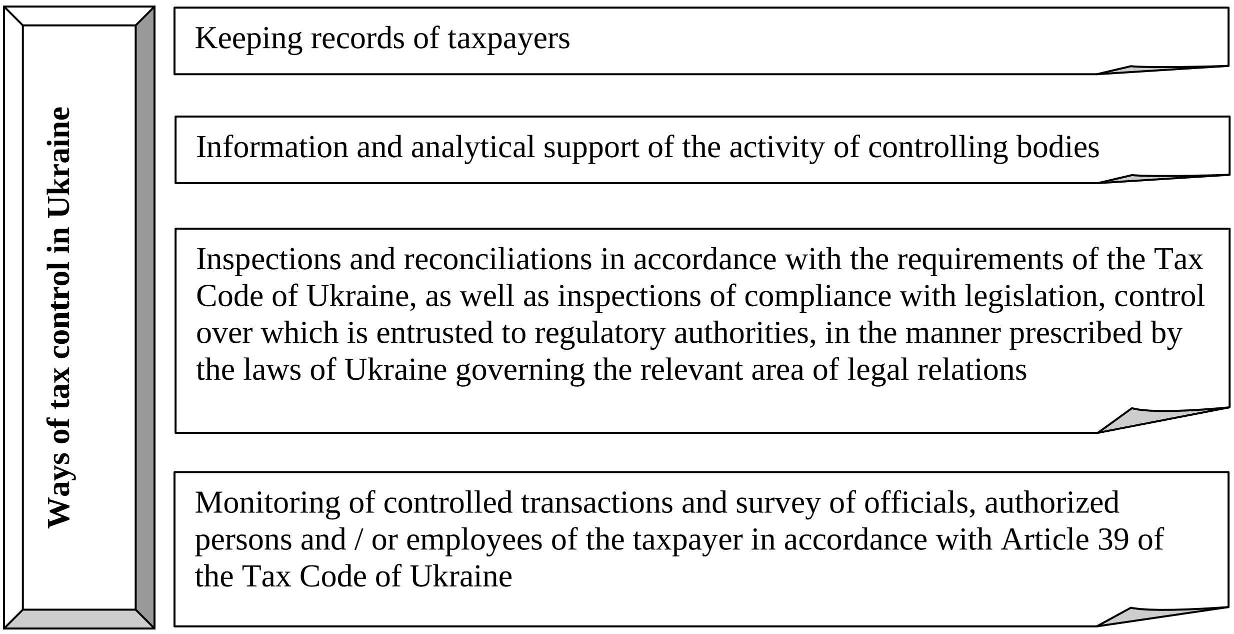

Figure 1 - Ways of tax control according to the Tax Code of Ukraine
Source: compiled by the authors using [6]

The Tax Code of Ukraine defines the functions and legal bases of the activity of controlling bodies and the central body of executive power, which ensures the formation and implementation of the state financial policy. Thus, the controlling bodies in terms of tax control in Ukraine are:

– tax authorities (central executive body implementing state tax policy, its territorial bodies) - on compliance with tax legislation, legislation on the payment of a single contribution, as well as compliance with other legislation, the implementation of which is entrusted to the central executive body that implements the state tax policy or its territorial bodies;

– customs authorities (central executive body implementing state customs policy, its territorial bodies) - on compliance with legislation on customs and taxation of customs duties, excise tax, value added tax, other taxes and fees in accordance with tax, customs and other legislation is handled in connection with the import (forwarding) of goods into the customs territory of Ukraine or the territory of a free customs zone or the export (forwarding) of goods from the customs territory of Ukraine or the territory of a free customs zone.

State tax inspections are structural subdivisions of territorial bodies of the central executive body implementing state tax policy and act on the basis of provisions on such territorial bodies approved by the central executive body implementing state tax policy within the functions defined by Article 19^3 of the Tax Code of Ukraine.

Article 61 of the Tax Code of Ukraine states that the Security Service of Ukraine, the National Police of Ukraine, the Prosecutor's Office, other law enforcement agencies and their officials may not directly participate in inspections conducted by regulatory authorities and conduct inspections of business entities. taxation activities.

The main segments of the shadow economy and mechanisms for obtaining shadow profits are: corruption; concealment of real incomes of citizens, as well as profits of enterprises from taxation (tax evasion); illegal export of capital; illegal privatization of state property; receiving shadow profits due to the withdrawal from circulation of the difference between official and real prices for goods and services; petty theft at state, joint-stock and collective enterprises; illegal currency and foreign economic transactions (smuggling); production and sale of unaccounted products and provision of unaccounted services; criminal offenses; financial fraud [3, p. 166].

The Tax Code of Ukraine regulates relations arising in the field of taxes and fees, in particular determines an exhaustive list of taxes and fees levied in Ukraine, and the procedure for their administration, taxpayers, their rights and responsibilities, the competence of regulatory authorities, powers and the responsibilities of their officials in the administration of taxes and fees, as well as liability for violations of tax laws. The rules of taxation of goods moving across the customs border of Ukraine are determined by the Tax Code of Ukraine, except for the rules of taxation of goods by customs, which are established by the Customs Code of Ukraine and other laws on customs matters.

The tax legislation of Ukraine consists of the Constitution of Ukraine; Tax Code of Ukraine; The Customs Code of Ukraine and other laws on customs matters in terms of regulating legal relations arising in connection with the taxation of customs duties on the movement of goods across the customs border of Ukraine; current international agreements, the binding nature of which has been approved by the Verkhovna Rada of Ukraine and which regulate taxation issues; normative legal acts adopted on the basis of and in pursuance of the Tax Code of Ukraine and laws on customs matters; decisions of local self-government bodies on issues of local taxes and fees, adopted according to the rules established by the Tax Code of Ukraine. If an international agreement, approved by the Verkhovna Rada of Ukraine, establishes rules other than those provided for in the Tax Code of Ukraine, the rules of the international agreement shall apply.

Article 4 of the Tax Code of Ukraine "Basic Principles of Tax Legislation of Ukraine" declares that the tax legislation of Ukraine is based on 11 principles:

– the principle of unity of the budget system of Ukraine - the unity of the budget system of Ukraine is ensured by a single legal framework, a single monetary system, a single regulation of budgetary relations, a single budget classification, the unity of the order of budget execution and accounting and reporting;
– the principle of balance - the authority to implement budget expenditures should correspond to the amount of budget revenues for the relevant budget period;

- the principle of independence - the state budget of Ukraine and local budgets are independent. The state is not responsible for the budget obligations of local governments at the expense of the state budget. Local governments at the expense of the respective local budgets are not responsible for each other's budgetary obligations, as well as for the state's budgetary obligations. The independence of budgets is ensured by assigning them appropriate sources of budget revenues, the right of relevant state authorities and local governments to determine the use of budget funds in accordance with Ukrainian legislation, the right of relevant local councils to consider and approve relevant local budgets;
- the principle of completeness - the budgets shall include all budget revenues and budget expenditures carried out in accordance with the regulations of public authorities, local governments;
- the principle of validity - the budget is formed on realistic macro indicators of economic and social development of Ukraine and calculations of budget revenues and budget expenditures, which are carried out in accordance with the approved methods and rules;
- the principle of efficiency and effectiveness - when drawing up and executing budgets, all participants in the budget process should strive to achieve the goals planned on the basis of the national system of values and tasks of innovative economic development, by ensuring quality public services while attracting a minimum amount of budget funds and achieving maximum results;
- the principle of subsidiarity - the distribution of types of expenditures between the state budget and local budgets, as well as between local budgets is based on the need to bring the provision of public services as close as possible to their direct consumer;
- the principle of targeted use of budget funds - budget funds are used only for the purposes defined by budget allocations and budget allocations;
- the principle of justice and impartiality - Ukraine's budget system is based on the principles of fair and impartial distribution of public wealth between citizens and territorial communities;
- the principle of publicity and transparency - informing the public on budget policy, drafting, consideration, approval, implementation of the state budget and local budgets, as well as control over the implementation of the state budget and local budgets [6].

The methodological basis of tax control covers the principles of its implementation - axiomatic concepts that define the organization and effective implementation of tax control, which should be guided by the subjects of tax control in their control measures in the field of taxation [4].

Article 3 of the Law of Ukraine "On Basic Principles of State Supervision (Control) in the Sphere of Economic Activity" indicates that the state supervision (control) is carried out on the principles of:

- the priority of security in matters of human life and health, the functioning and development of society, the environment and living activities over any other interests and goals in the field of economic activity;
- controllability and accountability of the state supervision (control) body to the relevant state authorities;
- equality of rights and legitimate interests of all business entities;
- guaranteeing the rights and legitimate interests of each business entity;
- objectivity and impartiality of state supervision (control), inadmissibility of inspections of business entities on anonymous and other unfounded applications, as well as the inevitability of liability of persons for submitting such applications;
- implementation of state supervision (control) only if there are grounds and in the manner prescribed by law;
- openness, transparency, planning and systematic state supervision (control);
- inadmissibility of duplication of powers of state supervision (control) bodies and inadmissibility of implementation of state supervision (control) measures by different state supervision (control) bodies on the same issue;

- non-interference of the state supervision (control) body in the activity of the business entity, if it is carried out within the law;
- liability of the state supervision (control) body and its officials for damage caused to the business entity as a result of violation of the law, violation of the rights and legitimate interests of the business entity;
- compliance with the terms of international agreements of Ukraine;
- independence of state supervision (control) bodies from political parties and any other associations of citizens;
- the presence of one body of state supervision (control) within the central body of executive power;
- presumptions of legality of the business entity's activity if the norm of a law or other normative legal act issued on the basis of the law, or if the norms of different laws or different normative legal acts allow ambiguous (multiple) interpretation of the rights and obligations of the subject management and / or powers of the state supervision (control) body;
- orientation of state supervision (control) on the prevention of offenses in the sphere of economic activity;
- preventing the establishment of targets or any other planning for bringing businesses to justice and imposing sanctions on them;
- implementation of state supervision (control) based on the principle of risk assessment and feasibility [7].

Regarding tax control in the work [1, p. 5] it is emphasized that the following principles should be especially noted: independence; non-interference in the operational and economic activities of controlled facilities; objectivity; controllability and accountability of controlling bodies; liability for damages involves compensation for damages caused to taxpayers as a result of illegal actions of the tax control authority. It is pointed out that these principles are to some extent enshrined in the "Rules of Conduct for Officials of the Ministry of Revenue and Duties", which have expired on 22.04.2016.

In [4] the principles of tax control are both general and specific requirements for relations in the field of tax control, as well as the basic guidelines for its implementation, expressing the essence of tax control and arising from the ideas of harmonizing the interests of taxpayers and tax authorities. orientation and the most significant features of tax control. Given that principles are the basis for the effective functioning of the tax control system, there is an urgent need for their legislative regulation, which determines the direction of further improvement of existing tax legislation.

The principles of tax control are divided into general and specific. The first group includes the general principles of control activities: free implementation, competence, professionalism, certainty of the subject of control, coordination and interaction of control bodies, completeness, prevention. Specific principles of tax control include: compliance with procedural form, presumption of innocence of the taxpayer, presumption of rightness of the taxpayer, compliance with tax secrecy, ensuring the optimal combination of fiscal and regulatory direction of tax control (principle of non-harm to the taxpayer) [4].

It is indicated that the principles of tax control include [2]: 1) common law principles: legality, legal equality, respect for the rights of the taxpayer, publicity, responsibility, protection of the rights of taxpayers; 2) general management principles: independence, planning, systematicity, objectivity and reliability, coordination and interaction, efficiency, economy and expediency, flexibility; 3) special principles: universality, unity, territoriality, confidentiality, damages.

The organization of tax control is based on the use of a number of principles. The principles of organization of tax control in general and in the prevention of the shadow economy can be divided into general, specific and common law (Fig. 2).

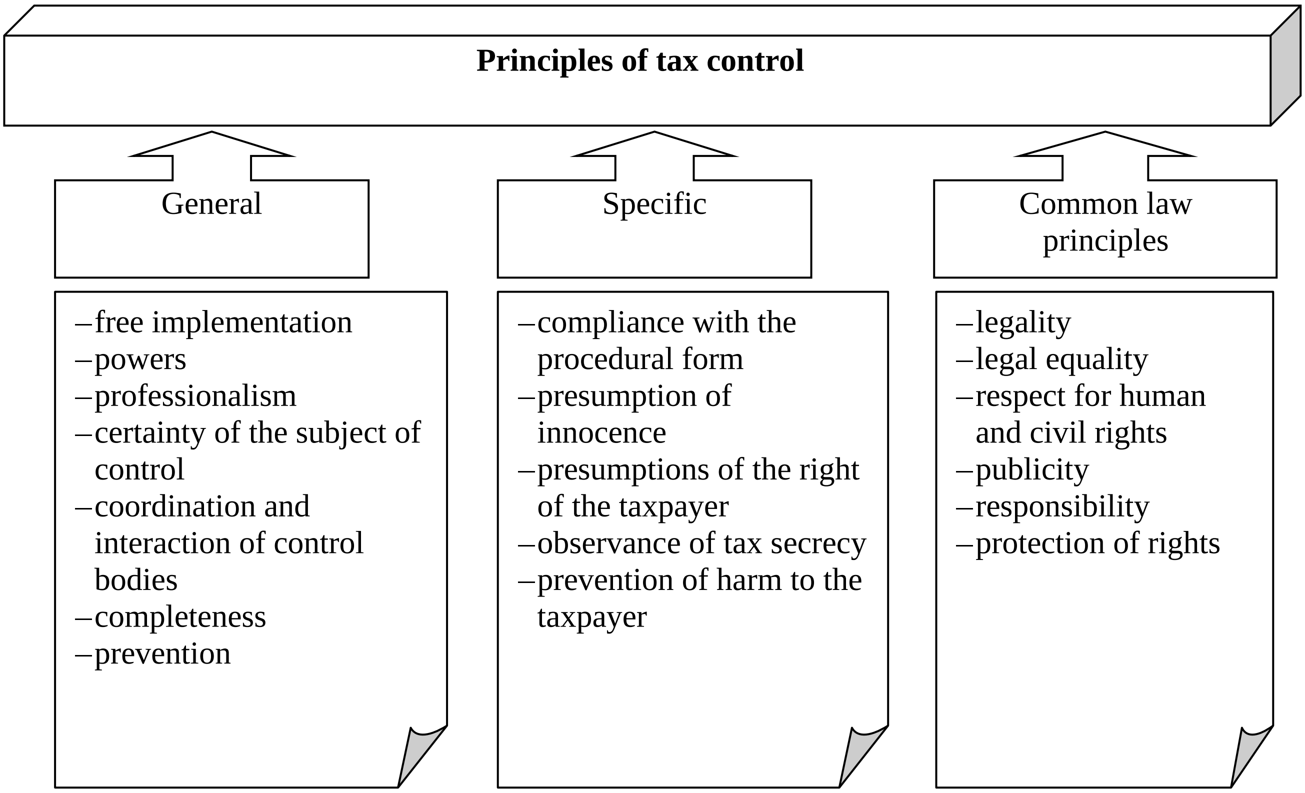

Figure 2 - Principles of tax control
Source: compiled by the author using [9, p. 14-19]

The general principles of control activities include:

– the principle of free implementation implies that tax control is carried out at the expense of budget funds;
– the principle of jurisdiction means the exercise of tax control only by the relevant state bodies acting within their powers and in accordance with the level of competence under the law;
– the principle of professionalism provides for the control of persons with appropriate training;
– the principle of certainty of the subject of control implies that the subject of control can only be the verification of mandatory requirements, as well as compliance with the instructions of the tax control authorities;
– the principle of coordination and interaction of control bodies requires that each body participating in the tax control system perform only the tasks directly assigned to it. None of the control bodies has the right to interfere in the competence of other bodies, but at the same time is obliged to constantly interact with other bodies and exchange the necessary information;
– the principle of completeness means that all types of taxes, fees, charges, as well as all taxpayers must be covered by the control system, regardless of the amount of tax payments;
– the principle of prevention is determined by one of the most important tasks of control- the prevention of tax offenses.

The specific principles of tax control include:

– the principle of observance of the procedural form is that no one can be prosecuted other than if there are grounds and in the manner prescribed by law, and the guilt of the taxpayer must be proved;
– the principle of the presumption of innocence is the recognition of the innocence of the taxpayer until his guilt is established by a court decision that has entered into force;
– the principle of presumption of the taxpayer's rightness - doubts that are the result of unresolved

contradictions and ambiguities in tax legislation are interpreted in favor of the taxpayer;
- the principle of observance of tax secrecy provides for liability for disclosure of tax secrecy, special regime of storage and access to data constituting tax secrecy, the right of taxpayers to demand compliance with tax secrecy, the obligation of tax authorities to comply with tax secrecy;
- the principle of preventing harm to the taxpayer - ensuring the optimal ratio of fiscal and regulatory direction of tax control [5, p. 32-35].

Common law (constitutional) principles of tax control are essentially fundamental for both the tax investigation and its mechanism, in particular:
- the principle of legality implies strict compliance with the requirements of legislative acts;
- the principle of legal equality is manifested in the equality of all persons before the law and the court, regardless of gender, age, nationality, property status, etc .;
- the principle of observance of human and civil rights is transformed into a number of other principles (manifested, for example, in the fact that during tax audits access of tax officials to residential premises without the consent of natural persons living in them is not allowed, except provided by law);
- the principle of publicity during tax control is implemented during the official publication of information on taxes and fees in force in Ukraine, when explaining to taxpayers the procedure for calculating and paying taxes, fees, charges;
- the principle of responsibility is fundamental for the institution of responsibility in the commission of tax offenses and is manifested in the establishment and recording of the facts of offenses in the documents of tax control;
- the principle of protection of rights provides for the availability of guarantees at any stage of development of tax relations. Controlled entities may challenge the actions and acts of regulatory authorities at any stage of control activities.

In addition to the above-indicated principles of tax control, there is a group of principles that are manifested in:
- the principle of independence - it is not allowed to receive directly by state control bodies from the amounts collected as a result of additional control measures;
- the principle of planning - preparation and scheduling of relevant activities, as well as the order of inspections;
- the principle of systematicity - the cyclical nature of control (in some cases, legally established periods of time for tax control measures);
- the principle of objectivity and reliability - any bias on the part of the authorities of any body is excluded, and the facts revealed during the control must be the result of a thorough inspection and confirmed by relevant documents;
- the principle of the documentation of control results - in the course of control activities all invented facts, events and actions are recorded in documents, established types and forms [8, p. 262-264].

In general, the considered principles determine the features of the activities of regulatory authorities in the tax sphere, operational and investigative activities, criminal procedure and law and ensuring tax security, both in general and in the shadow economy.

Conducting research and results

The study allows us to draw the following conclusions:
1. Firstly, it is established that the main normative act that determines the principles of tax legislation is the Tax Code of Ukraine, and changes in any provisions can be made only by amending it.
2. Secondly, the essence of the principles on which the tax legislation is based is grouped and presented, in particular: generality of taxation; equality of all taxpayers before the law, prevention of

any manifestations of tax discrimination; the inevitability of liability under the law; presumption of legality of taxpayer's decisions; fiscal sufficiency; social justice; cost-effectiveness of taxation; tax neutrality; stability; uniformity and convenience of payment; unified approach to the establishment of taxes and fees.

3. Thirdly, at the legislative level it is defined that tax control is a system of measures taken by regulatory authorities and coordinated by the central executive body that ensures the formation and implementation of public financial policy to control the correctness, completeness and timeliness of taxes and fees. as well as compliance with the legislation on the regulation of cash circulation, settlement and cash transactions, patenting, licensing and other legislation, compliance with which is entrusted to the supervisory authorities. This interpretation of the concept of "tax control" is enshrined in the definition provided from 21.12.2016.
4. Fourthly, it is stated that the controlling bodies in terms of tax control are tax and customs authorities, the central executive body that implements the state tax and customs policy, respectively, and its territorial bodies. In addition, from September 25, 2021, the legislative level stipulates that the Security Service of Ukraine, the National Police of Ukraine, the Prosecutor's Office, other law enforcement agencies and their officials may not directly participate in inspections conducted by regulatory authorities, and to conduct inspections of business entities on taxation issues.
5. Fifthly, it is proved that the organization of tax control is based on the use of general, specific and common law principles and their essence is revealed.

Prospects for further research are seen in the development of specific recommendations for the organization of tax control in compliance with the principles of its implementation in verifying the correctness of the calculation and payment of certain types of national (corporate income tax, personal income tax, value added tax, excise tax, environmental tax, rent, duty) and local (property tax, single tax, fee for parking spaces for vehicles, tourist tax) taxes and fees in Ukraine.

პუგაჩენკო ო., (2022). *ინოვაციური ეკონომიკა და მართვა 9*(1), 57-65

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საგადასახადო კანონმდებლობის პრინციპები და საგადასახადო კონტროლის ორგანიზაცია უკრაინაში

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აბსტრაქტი. სტატიის მიზანია უკრაინაში საგადასახადო კანონმდებლობისა და საგადასახადო კონტროლის ორგანიზების პრინციპების შემადგენლობისა და არსის შესწავლა და განზოგადება.

ხაზგასმულია, რომ მთავარი ნორმატიული აქტი, რომელიც განსაზღვრავს საგადასახადო კანონმდებლობის პრინციპებს, არის უკრაინის საგადასახადო კოდექსი და ნებისმიერი დებულება შეიძლება შეიცვალოს მხოლოდ მასში ცვლილების შეტანით.

დაჯგუფებულია და წარმოდგენილია იმ პრინციპების არსი, რომლებზეც დაფუძნებულია საგადასახადო კანონმდებლობა, კერძოდ: დაბეგვრის ზოგადობა; ყველა გადასახადის გადამხდელის თანასწორობა კანონის წინაშე, საგადასახადო დისკრიმინაციის ნებისმიერი გამოვლინების აღკვეთა; კანონით გათვალისწინებული პასუხისმგებლობის გარდაუვალობა; გადასახადის გადამხდელის გადაწყვეტილებების კანონიერების პრეზუმფცია; ფისკალური საკმარისობა; სოციალური სამართალი; დაბეგვრის ეფექტურობა; საგადასახადო ნეიტრალიტეტი; სტაბილურობა; გადახდის ერთგვაროვნება და მოხერხებულობა; გადასახადებისა და მოსაკრებლების დადგენის ერ-

თიანი მიდგომა.
განხილულია უკრაინაში საგადასახადო კონტროლის ეკონომიკური შინაარსი, აუცილებლობა და გზები. განზოგადებულია, რომ საგადასახადო კონტროლის ნაწილში მაკონტროლებელი ორგანოებია საგადასახადო და საბაჟო ორგანოები, აღმასრულებელი ხელისუფლების ცენტრალური ორგანო, რომელიც ახორციელებს, შესაბამისად, სახელმწიფო საგადასახადო და საბაჟო პოლიტიკას და მისი ტერიტორიული ორგანოები.
დადგენილია, რომ საგადასახადო კონტროლის ორგანიზაცია ეფუძნება ზოგადი, სპეციფიკური და საერთო სამართლის პრინციპების გამოყენებას და ვლინდება მათი არსი.

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THE ROLE OF BUDGETING IN THE MANAGEMENT ACCOUNTING SYSTEM

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ABSTRACT. The study and generalization of theoretical provisions, the definition of the main directions of development of bio budgeting management accounting in accordance with modern requirements for information support for management.

Methodology. The theoretical and methodological basis of the study was general economic literature, theoretical and scientific and methodological provisions contained in the works of domestic and foreign authors on the theory and methodology of management accounting. In the process of studying the topic, both general scientific methods were used - dialectics, analysis, synthesis, induction, deduction, and special techniques for systematizing scientific data: examination, comparison, generalization of theoretical and practical material, comprehensive analysis and a systematic approach.

Keywords: *Accounting, Costs, Information, Management, Organization, Budget, Budgeting*

Introduction

The trends in the growth of the global market in general and the Georgian market in particular need a complication of the enterprise's approach in defining its objectives. Creating a flexible management system capable of accounting, planning, monitoring, and analyzing data on the results of economic activity in the context of managed objects, substantiating calculations, and making prompt decisions on the basis of these data can ensure the resolution of the most important issues of tactical and strategic development.

Literature review

The scientific formulation of the problem of strategic management accounting requires a comprehensive, systemic use of theoretical heritage of domestic and foreign scholars to learn the laws of its functioning and development. In this context, the article analyzes the works of foreign scientists studying the problem of management accounting such as H. Anderson, K. Drury, D. Caldwell, B. Needles, B. Ryan, J. Siegel, CH. T. Horngren, George Shim, J. Foster and others. In the study examined the theoretical development of a number of prominent Russian scientists in the field of bookkeeping management accounting: P. S. Bezrukikh, , M. A. Bakhrushina, T. P. Karpova, V. Z. Kerimov, O. Ye. Nikolaeva, V. F. Paliy, N. G. Shevchenko, and others

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Methodological approach

The methodological basis of the study is the dialectical method of cognition, involving the study of economic relations and phenomena in their development and relationships. General scientific methods of research were used, such as analysis and synthesis, classification, observation and generalization, logical, historical, comprehensive and systematic approach to the assessment of economic phenomena.

Conducting research and results

Management accounting employs several approaches thoroughly and systematically, since it includes multiple practical economic sciences: planning, organization, and management of production, regulation, operational accounting, and management analysis. Establishing a management accounting system is an enterprise-internal matter. Additionally, they derive from management's aims and objectives. It is crucial to recognize that each organization may utilize management accounting for different purposes. Therefore, when discussing its objectives, it must be borne in mind that, as a management technology, it can pursue its own objectives in each organization, use its own methodological tools, and create any necessary accounting systems within the enterprise that are superimposed on the existing organizational structure, which is highly diverse and dependent on numerous factors. Modern understanding of the essence of management accounting should be founded on the idea that the management system is a collection of management items that can be categorized as follows: Resources are everything an organization has to accomplish its objectives. • structural divisions - officially allocated parts of the enterprise and certain areas of activity with independent tasks, functions and responsibility for their implementation; • internal business processes - everything that makes up the organization's activities; • various indicators of economic activity - quantitative and qualitative characteristics of one or more aspects of the organization's activities. On the other hand, the management system is a set of management actions implemented in relation to the listed objects. This provides the ability to view and track how a certain management action is implemented in relation to a certain management object. In a market economy, such a management technique as budgeting has become in demand. The concept of this category is ambiguous, and, on the one hand, it is a process of drawing up financial plans and estimates, and on the other hand, a management technology designed to search for management decisions and increase their financial feasibility. Budgeting is a priority and effective tool for the management structures of the enterprise. The recently increased popularity is not accidental and is due to a number of advantages of this technique. because budgeting allows you to control the activities of an enterprise both as a whole and in the context of its divisions., budgets create an objective basis for evaluating the results of economic activity and allow you to identify reserves, the use of this technique involves the creation of a hierarchical enterprise management structure, which ensures the smooth operation of the entire system, based on budgets, an analysis of deviations is carried out, which helps to identify the causes of negative factors that hinder the planned actions of the enterprise to achieve the intended goals of economic activity. It is worth clarifying that the terms "budget" and "plan" are not identical, although the basis of the enterprise plan is always the consolidated budget. The budget contains a quantitative expression of centrally established indicators of the enterprise plan for a certain period of time for: • the use of capital, inventory, financial resources; • attracting sources of financing for current and investment activities; • income and expenses; • cash flow; • investments Budgeting is used in companies to manage the assets of the enterprise, to achieve capitalization growth or to reliably determine the investment attractiveness of certain areas of economic activity, to control certain indicators, such as the size of receivables and payables, or in order to establish cost levels in certain structural departments. You should always remember that intra-company budgeting is not so much a tool as a management technology, that budgeting is an indicator of the quality of management in a company, the compliance of the level of its management and management decisions with modern requirements. In its most general form, the purpose of budgeting in a company is that it is the basis

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for: planning and making managerial decisions in a company; assessment of all aspects of the financial solvency of the company; strengthening financial discipline and subordinating the interests of individual structural divisions to the interests of the company as a whole and the owners of its capital. The main object of budgeting is business. Not an enterprise or a firm, but a business as a type or area of economic activity (Likhacheva, 142). Properly set, full-fledged budgeting will also solve the problems of optimizing financial flows, balancing sources of cash receipts and their use, determining volumes and forms, conditions and terms external financing and many other managerial tasks (Zhdanov, 201). 14. Unlike financial reporting, budget forms are not standardized. Their structure depends on the object of planning, the size of the organization and the degree of qualification of the developers. World practice has revealed positive and negative aspects in the budgeting system.

Budgeting serves the following functions within the system of management accounting and the general activity of an economic entity: Planning of finances and cost effectiveness - In this instance, budgeting enables the identification of effective possibilities for investing funds, the exclusion of unprofitable regions, and the determination of the efficient application of expenses. Coordination of departmental activities and work coordination - Information moves between managers (who establish plans) and employees inside the organization (report on results). Employee and supervisory motivation - In order to pique the interest of employees in labor activity, budgeting includes bonuses for achieving specific job results. Management accounting allows you to discover profitable divisions and develop their operations. You can also discover unprofitable departments and close them if they are no longer required. Analysis of the company's financial activities and managers' work - Budgeting has a direct effect on the activities of the business. On the basis of the outcomes of the task-implementation managers' work, the efficacy of each department's work is evaluated and the feasibility of material rewards for employees is determined. Analysis of the company's actions and formulation of a financial forecast-At the conclusion of the reporting period, the achieved results are evaluated. The following budget is constructed with the indicated "weaknesses" in mind, and includes the rectification of recognized inaccuracies.

Before introducing budgeting in a company, do the following: study the documentation, the organizational structure of the company, the relationship between departments, as well as the accounting mechanisms used; find the easiest ways to involve managers in the budgeting process; develop a plan for the implementation of budgeting in the company; develop documentation on the procedure and rules for budgeting; develop reporting by departments to form an information base; identify responsible persons for creating budgets or create a new department to control the budgeting process; train employees for competent and correct budgeting.

The disadvantages of budgeting include (Denisova, .164): - the complexity and high cost of the budgeting system; - budgets that are not brought to the attention of each employee have practically no effect on motivation and performance, but instead are perceived solely as a means to evaluate the performance of employees and track errors; - budgeting contains a contradiction between the achievability of goals and their stimulating effect: if reach the set goals too quickly, then the budget has no incentive effect to increase productivity, if it is too difficult to achieve the goals, the incentive effect disappears, because no one believes in the possibility of achieving the goals;

- The slightest modifications to the budgeting system's requirements in terms of planning and reporting data or organizational changes in businesses necessitate a new round of implementation work..

Depending on the goals, objectives, time period and some restrictions, different types of budgets are distinguished:

- the general budget, consolidating all sub-budgets into a general plan, on the basis of which management is carried out;
- private budget, consisting of items of income and expenses and relating to a specific unit, function or process;
- long-term and short-term budgets, differing in the period for which they are drawn up;

- itemized budget, in which expenses are classified according to the sources of their occurrence;
- a budget with a time period that provides for spending on each item in a certain period without the possibility of carrying over unspent funds to the next period;
- flexible budget, the indicators of which can be adjusted depending on the level of business activety. Most often, the data for this budget is fixed amounts plus variables from business activity;
- static budget, which is calculated on a certain level of business activity;
- a succession budget that is based on a template and revisions reflect changes to current processes;
- zero-level budget, which is made up without a template.

The enterprise's overall budget consists of two components: operating and financial budgets.

The operating budget is a plan of revenues and expenditures linked with the execution of operational operations over a certain time period. The number of budgets, ranging from the sales budget to the departmental cost budget, depends on the hierarchical structure of the business. The financial budget contains a budget for capital expenditures and cash, the consequence of which is the preparation of a projected balance.

The budget is a thorough strategy for the responsibility center's actions. Responsibility center (e.g., financial responsibility center - FRC) - a division of an organization, a type of activity, a distinct product, or a distinct individual for which accounting, planning, and cost management are maintained. Typically, the responsibility center is an individual (manager) who is accountable for the proper use of funds; however, a group of employees (team, team, etc.) may also be liable.

Budgeting typically initiates the budget cycle. This approach entails a recursive series of actions targeted at budget preparation, control, and any necessary revisions throughout execution.

During the formation of an enterprise, it is vital to establish its goals and objectives, which influences its long-term planning. Long-term planning defines medium-term planning and budgeting, which are meant for a shorter time frame and hence include greater specificity and complexity. The sales budget is the foundation of every budget, as production is largely focused on what will be sold, i.e., what is in demand on the market. The amount of sales influences the volume of production, which in turn determines the planning of all sorts of resources, including human resources, raw materials, and material stocks, as well as the formulation of appropriate budgets. This requires financial preparation, as well as preparing for costs and profits. Utilizing the computations of numerous quantitative indicators, budgeting should adhere to a tight system.

The organization of management accounting in conjunction with other management subsystems, namely the budgeting subsystem, produces outstanding outcomes in corporate management. The budget is a tool for organizing the actions of the enterprise's many divisions, and it also encourages the leaders of individual responsibility centers to construct their activities with the enterprise's overall interests in mind. This system's benefits are visible in the required short- and long-term planning of enterprise resources, the conduct of competitors, and the existing and projected market demand for products. Budgeting technology will become a dependable aid in the organization of good firm management if a management accounting system is constructed with skill. Utilizing a specific program will yield the most beneficial results. The budget cycle is the length of time from the start of the development of the consolidated budget for the reporting period and the stage of plan - actual - analysis of the implementation of the consolidated budget for this period.

Conclusions and Recommendations

Budgeting is currently one of the core skills that any manager must master. Cost planning, production planning, sales planning, and financial planning are all crucial components of the budgeting procedure (profit planning). Budgeting enables you to arrange operations in a manner that maximizes profit while minimizing expenses in the face of market volatility. Obviously, this entails an inherent financial risk, especially in contemporary Georgia, but a well-executed budget will mitigate the risk.

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ბიუჯეტირების როლი მმართველობითი აღრიცხვის სისტემაში

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აბსტრაქტი. **კვლევის მიზანია** საწარმოთა ბიუჯეტირების პროცესის თეორიული დებულებების შესწავლა და განზოგადება, უცხოური გამოცდილებების ანალიზი, მმართველობით აღრიცხვაში ბიუჯეტირების როლის და როგორც პრცესის განვითარების ძირითადი მიმართულებების განსაზღვრა მენეჯმენტის საინფორმაციო მხარდაჭერის თანამედროვე მოთხოვნების შესაბამისად.

მეთოდოლოგია. კვლევის თეორიულ და მეთოდოლოგიურ საფუძველს წარმოადგენდა ზოგადი ეკონომიკური ლიტერატურა, თეორიული და მეცნიერული და მეთოდოლოგიური დებულებები, რომლებიც შეიცავს ადგილობრივი და უცხოელი ავტორების ნაშრომებში მმართველობითი აღრიცხვის თეორიისა და მეთოდოლოგიის შესახებ. თემის შესწავლის პროცესში გამოყენებული იქნა სამეცნიერო მეთოდები - დიალექტიკა, ანალიზი, სინთეზი, ინდუქცია, დედუქცია და სამეცნიერო მონაცემების სისტემატიზაციის სპეციალური ტექნიკა: გამოკვლევა, შედარება, თეორიული და პრაქტიკული მასალის განზოგადება, ყოვლისმომცველი ანალიზი და სისტემატური მიდგომა.

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INTERNATIONAL FINANCIAL CORPORATION (IFC) IN GEORGIA

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ABSTRACT. The modern financial corporations are universal structures due to the type of their activities. On a transnational scale, they are often represented as a combined group of banking, commercial, construction, industrial, and other financial institutions. Such financial corporations determine the ways to solve the world economic problems. The financial corporations sector includes those corporations and nonprofit organizations that finance and control financial corporations. The sector of financial corporations unites: credit organizations, investment funds, intermediary financial corporations, insurance companies, non-state pension funds. The financial corporations sector unites all corporations and quasi-corporations, which main function is to perform as a financial intermediary. The financial corporations sector includes those corporations and nonprofit organizations that finance and control financial corporations. The sector of financial corporations unites: credit organizations, investment funds, intermediary financial corporations, insurance companies, non-state pension funds.

Keywords: Investment fund, insurance company, securities, syndication, financing.

Introduction

The modern financial corporations are universal structures due to the type of their activities. On a transnational scale, they are often represented as a combined group of banking, commercial, construction, industrial, and other financial institutions. Such financial corporations determine the ways to solve the world economic problems. The XXI century's market economic model-oriented system is characterized with the use of a great variety of financial instruments and a well-developed capital market.

Literature review

We researched and discussed the following material around the research issue: Construction of hydroelectric station in Svaneti and its impact on human rights. Georgia is one of the leading countries in the world, new research on doing business, The International Finance Corporation (IFC) helps to improve the access to high quality medical services in Georgia, The representatives of the International Finance Corporation (IFC), the Georgian Stock Exchange, CiDA, and the United Nations Women discussed the gender equality in Tbilisi, Gachechiladze N. International Finance Corporation (IFC) is making its first investment in the Georgian leasing sector. Banks and Finances, Gamsakhurdia T. International Finance Corporation and Business Development in Georgia. Journal “Economist”, Narchemashvili N. International Finance Corporation (IFC) is strengthening its support for the Georgian private sector.

Methodological approach

The methodological basis of the article is the information posted on the official websites of international financial corporations, financial statements of the National Bank of Georgia and commercial banks, as well as. Results of own research. In addition, a questionnaire type survey was used as a quantitative research method, which was conducted through a questionnaire distributed in social space. The study obtained mainly quantitative data that were grouped and analyzed.

Conducting research and results

The IFC is an international financial institution that is the part of the structure of the World Bank. Its members include 184 countries from all over the world, which form the statutory funds of the mentioned financial corporation ($ 2.4 billion). The IFC coordinates its activities with other structures of the World Bank, but operates as an independent organization in terms of legal and financial relations. Its headquarter is located in Washington.

The main task of the IFC is to provide the strong private sector with the investments in developed countries to reduce poverty and improve living conditions in these countries. The IFC conducts investment and consulting activities globally, and supports the investment projects that are beneficial for the economy of these countries, not only in terms of revenue, but also in terms of the social and ecological issues.

The IFC provides the solid development of countries using the following methodology:

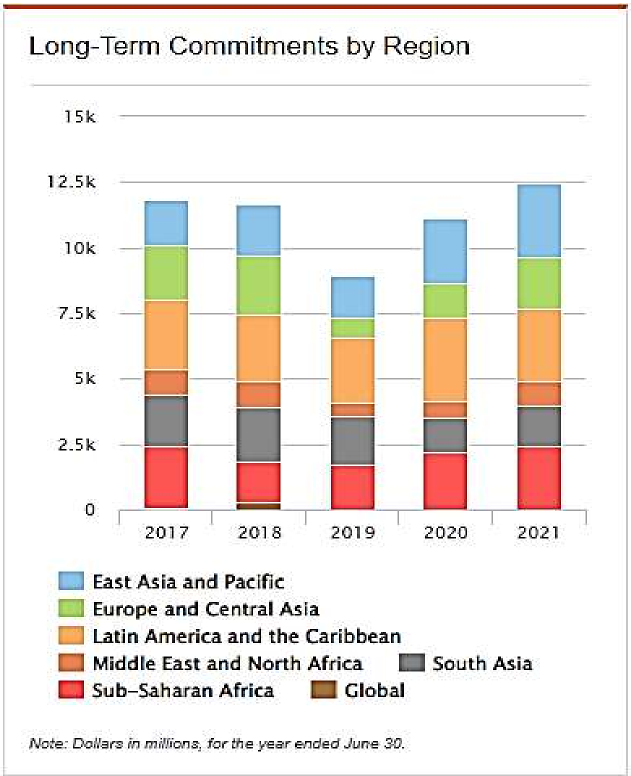
- Financing the investment projects of private sector in the developed countries.
- Assisting the private companies with finding the financial resources and sale markets in the developed countries.
- Providing the private sector with the consulting and technical assistance in the developing countries.

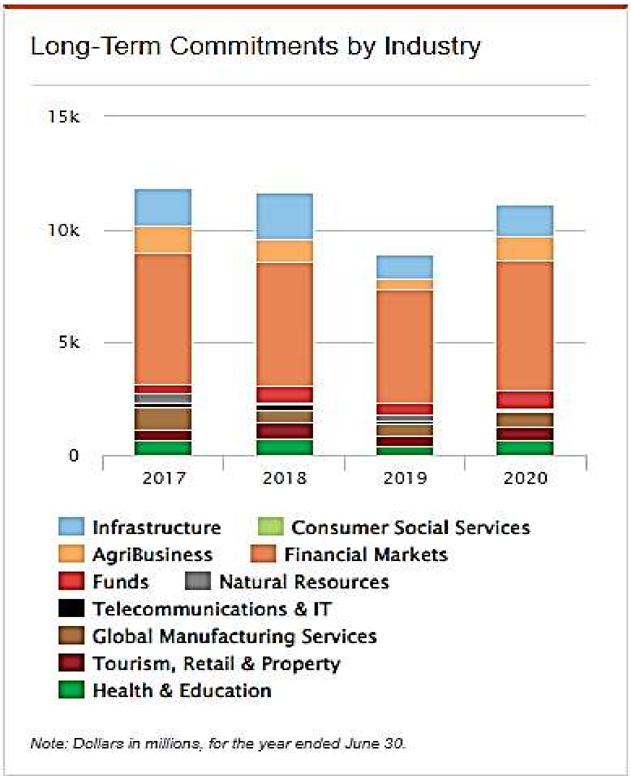
The IFC was formed after the World War II, when the economies of developed countries were still at a very low level, with an acute shortage of human resources and underdeveloped infrastructure. The private sector inconclusivly demanded the financial support from these countries and desired to be helped. In 1951, Eugene Black, President of the World Bank, proposed to set up a special body within the World Bank to assume the responsibility for investment support in the developing countries. The proposal also considered that this financial corporation would allocate loans, participate in the share capital of local companies, send specialists and experts to evaluate the investment project, and so on. The idea was endorsed, and in 1955 the World Bank experts drafted a charter agreement for an international financial corporation.

Source: https://disclosures.ifc.org/

The IFC was officially launched in 1956 and was first headed by Robert L. Garner. At present, the IFC is the world's largest financial corporation, providing the largest investment support to the private sector in the developing countries through a variety of instruments:

- Loan: The IFC offers the financial support for profitable investment projects of the private sector. This financial support can be given to both large companies and small enterprises that are successfully operating in the local market.
- Securities: The IFC often considers necessary to conduct securities transactions and expresses its participation in the project through these securities.
- Syndication: The IFC often mobilizes the additional funding for specific investment projects from various sources, which has received the name of syndication or second category loan. The IFC often uses this method of financial support.





Georgia became a member of the IFC in 1995 and acceded to the provisions of the founding agreement of this international financial corporation, which is binding on the country. Since July 18, 2007, the country has also joined to the Convention on the Privileges and Immunities of Special Agencies in terms of corporation. By December 31, 2016, the IFC has provided approximately $ 1.64 billion long-term funding in Georgia, of which $ 774 million was attracted from partners. In addition, the IFC supported a financial program worth more than $ 331 million that included the trade program financing and consulting projects that was oriented on the private sector development. As a World Bank Country Partnership Strategy for Georgia, the IFC is working to increase the access to MSMES finance, which tries to achieve the sustainable private sector-oriented trade and competitiveness.

Source: https://data.worldbank.org/indicator/DT.NFL.NIFC.CD?locations=GE

(The chart shows the dynamics of long-term loans issued by the IFC to the Georgian private sector from 1995 to 2020)[1]

In July 2008, the IFC submitted a proposal to the Government of Georgia to establish a local office.

Since 2010, the IFC has been actively cooperating with the Georgian financial sector at the consulting level, and Georgia is involved in the European and Central Asian Resource Efficiency Program. Since 2012, Georgia has been involved in the European Central Asian Corporate Governance Program. Since 2013, Georgia has been involved in the Agribusiness Standards Advisory Program as well as the Climate Development Project with the assistance of the IFC.

On May 18, 2011, the International Finance Corporation (IFC) and the Ministry of Finance of Georgia signed a Memorandum of Understanding. The goal of the International Finance Corporation was to reduce the cost of tax compliance for Georgian micro, small and medium-sized enterprises and expand their tax base. The program was financially supported by the governments of the Netherlands, Austria and Luxembourg. On the other hand, the Ministry of Finance of Georgia was a government body responsible for developing and implementing the country's fiscal policy, which aims to ensure the effective tax administration in Georgia. The project budget was set at $ 424,000, consisting of the following items:

Cash contribution of the International Finance Corporation (IFC)	200 000 $
Cash participation of the Ministry of Finance of Georgia	200 000 $
Non-monetary participation of the Ministry of Finance of Georgia	Estimated 24 000 $

"Back in early 2014, the Partnership Fund signed an agreement with the World Bank Affiliate International Finance Corporation (IFC) to consult on the development of the Nenskra hydroelectric station project structure, contract and financial documentation, negotiation process with investors, evaluation of the investor's proposal included the preparation of the legal, commercial and financial structure of the transaction."[2]

[1]private nonguaranteed Is an unsecured long-term loan placed in the private sector by an international financial corporation.

[2]https://socialjustice.org.ge/uploads/products/pdf/%E1%83%B0%E1%83%94%E1%83%A1%E1%83%94%E1%83%91%E1%83%98%E1%83%A1_%E1%83%9B%E1%83%A8%E1%83%94%E1%83%9C%E1%83%94%E1%83%91%E1%83%9A%E1%83%9D%E1%83%91%E1%83%90_%E1%83%A1%E1%83%95%E1%83%90%E1%83%9C%E1%83%94%E1%83%97%E1%83%A8%E1%83%98_1568016353.pdf
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In 2015, the IFC provided a $ 90 million long-term loan to the Bank of Georgia, one of the largest commercial banks, to improve access to financial resources in the country, which would increase Georgia's economic diversification. $ 20 million was a 10-year subordinated loan attracted from the European Fund, which was intended to use banking services and improve the micro, small and medium enterprises in Georgia. The Bank of Georgia and the IFC have long been partners in the region. This assistance enabled the Bank to implement its most important strategic direction - to support the industrial sector in Georgia. By 2015, the IFC had supported 51 important projects, with $ 280 million invested in financing the trade sector. In addition, there were a number of consulting projects.

In 2015, the IFC provided a $ 2 million loan to Kvareli Nursery. With this, the corporation expressed its support for the plan, which envisaged a significant increase in milk production in Georgia. The project contributed to the development of agribusiness, which had the great importance in terms of economic growth, employment incentives and poverty reduction in Georgia. The IFC loan helped them to purchase the additional equipment, which tripled their milk production capacity. As a result, Kvareli Nursery became the largest natural milk producer in Georgia for that period.

The International Finance Corporation (IFC) provided a $ 23 million loan in November, 2015 to m^2's subsidiary Real Estate, creating an environmentally friendly living space in the Georgian capital for middle-income citizens. The project created the additional jobs and stimulated the economic growth. The elaboration of the project was conditioned by the fact that recent development of Tbilisi has not created the ecologically clean districts. $ 11.5 million of this loan was raised from the Green for Growth Fund in Southern Europe to build 1,800 apartments.

In relation to the IFC, "Georgia has increased the reliability of its electricity supply by imposing fines on suppliers for the deterioration of the System Average Interruption Duration Index (SAIDI) and the System Average Interruption Frequency Index (SAIFI) compared to the previous year. Land administration has been improved by mapping the privately-owned plots in Tbilisi. Georgia has strengthened the protection of small investors by increasing the rights and role of shareholders in key corporate decisions and by clearly defining ownership and control structures. The improvement of the electronic processing system has made it possible to submit export and import documents faster."[3]

In 2016, the International Finance Corporation (IFC) actively cooperated with Bank Republic, a subsidiary of the Société Générale Group, one of the largest commercial banks in Georgia, in terms of business incentives, and offered a $ 30 million loan to finance the small and medium-sized enterprises in Georgia. It is a long-term financing that offers small and medium-sized businesses a wide range of high quality banking services, for international financial corporation. This relationship was motivated by the Global Induction of Competitiveness of the World Economic Forum 2014-2015, which showed that the main impediment to doing business in Georgia was the lack of financial resources and credit resources had the great importance for small and medium-sized enterprises; this direction has a high priority.

In 2016, the International Finance Corporation (IFC) actively cooperated with JSC Medical Corporation Evex and provided it with a loan of $ 25 million. The assistance helped the company to fund a medical services development program and introduce new services to existing clinics. Evex Corporation manages 35 hospitals, 9 outpatient clinics and 28 express outpatient clinics in Georgia, which has 25% of the total number of beds in the country. The company is one of the largest employers in the

[3] https://pressroom.ifc.org/all/pages/PressDetail.aspx?ID=24695
Georgia is one of the leading countries in the world, new research on doing business

country, employing about 10,000 people. Evex Corporation is wholly owned by the Georgian Healthcare Group, a premium listing company in London. [4]

In 2016, the International Finance Corporation (IFC) cooperated with Georgia's the leading investment group, Bijou, to invest $ 25 million in Eurobonds. In the international capital markets, these bonds have the longest maturities among the securities issued by the Georgian private companies, they are the first corporate Eurobonds that will enter the CEMBI index.[5]

In 2018, the International Finance Corporation (IFC) hosted the international initiative "Ring the Bell for Gender Equality" with the organization of the Georgian Stock Exchange and other partners. Its purpose was to emphasize the importance of gender equality for economic development and growth. According to international studies, the world's gross domestic product could increase with about $ 5.3 trillion by 2025 if gender inequality in economic activity is reduced with at least 25%.[6]

In May 2018, the World Bank Group approved a cooperation strategy with Georgia, which aimed at the sustainable development and the living standards raising in the country that was in full compliance with the government's vision for the development of the country. The program implementation is ensured by the World Bank institutions, including the International Finance Corporation IFC, which continues to support the financial sector, the sustainable development of clean energy, job creation, development of export-oriented sectors, and to explore the new opportunities in other sectors of the economy, urban and transport infrastructure.

The International Finance Corporation (IFC) was the first international financial corporation that in 2000 made a decision to become a shareholder in TBC Bank, as its main goal was to support the development of the financial sector in Georgia and to provide the access to finance for businesses.

In 2020, the International Finance Corporation (IFC) started the cooperation with the Bank of Georgia Group and signed a 5-year 100 million GEL loan agreement. The investment was supported by the Women in Entrepreneurship Opportunity program, a global initiative of IFC and the Goldman Sachs Foundation, which facilitated women entrepreneurs' access to the capital.

Conclusion

The 21st century market economy-oriented system is characterized with a wide variety of financial instruments and a well-developed capital market. The financial corporations sector includes all corporations and quasi-corporations, whose main function is to act as a financial intermediary. The financial corporations sector includes those corporations and nonprofit organizations that finance and control financial corporations. The sector of financial corporations includes: credit organizations, investment funds, intermediary financial corporations, insurance companies, non-state pension funds, et. The modern financial corporations are universal structures with type of their activities. On a trans-

[4] https://pressroom.ifc.org/all/pages/PressDetail.aspx?ID=15485
The International Finance Corporation (IFC) helps to improve the access to high quality medical services in Georgia
[5] The CEMBI Index is an international standard that assesses US $-denominated corporate bonds issued by companies in developing countries
[6] https://pressroom.ifc.org/all/pages/PressDetail.aspx?ID=18297
The representatives of the International Finance Corporation (IFC), the Georgian Stock Exchange, CiDA, and the United Nations Women discussed the gender equality in Tbilisi

national scale, they are often represented as a combined group of banking, commercial, construction, industrial, and other financial institutions. Such financial corporations determine the ways to solve the world economic problems.

The IFC is an international financial institution that is the part of the structure of the World Bank. Its members include 184 countries from all over the world, which form the statutory funds of the mentioned financial corporation ($ 2.4 billion). The IFC coordinates its activities with other structures of the World Bank, but operates as an independent organization in terms of legal and financial relations. Its headquarter is located in Washington. The main task of the IFC is to provide the strong private sector with the investments in developed countries to reduce poverty and improve living conditions in these countries. The IFC conducts investment and consulting activities globally, and supports the investment projects that are beneficial for the economy of these countries, not only in terms of revenue, but also in terms of the social and ecological issues.

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საერთაშორისო ფინანსური კორპორაცია IFC-ის საქმიანობა საქართველოში

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აბსტრაქტი. თანამედროვე ფინანსური კორპორაციები თავისი საქმიანობის ხასიათით წარმოადგენს უნივერსალურ სტრუქტურებს. ტრანსნაციონალური მასშტაბებით, რომლებიც ხშირად წარმოგვიდგებიან საბანკო, სავაჭრო, სამშენებლო, სამრეწველო და სხვა საფინანსო ინსტიტუტების გაერთიანებულ ჯგუფად. სწორედ ასეთი ფინანსური კორპორაციები განსაზღვრავენ მსოფლიო ეკონომიკური პრობლემების გადაჭრის გზებს. ფინანსური კორპორაციების სექტორში შედიან ის კორპორაციები და არაკომერციული ორგანიზაციები, რომლებიც აფინანსებენ და აკონტროლებენ ფინანსურ კორპორაციებს. ფინანსური კორპორაციების სექტორი თავის თავში აერთიანებს: საკრედიტო ორგანიზაციებს, საინვესტიციო ფონდებს, შუამავალ საფინანსო კორპორაციებს, სადაზღვევო კომპანიებს, არასახელმწიფო საპენსიო ფონდებს და სხვა.

თანამედროვე ფინანსური კორპორაციები თავისი საქმიანობის ხასიათით წარმოადგენს უნივერსალურ სტრუქტურებს. ტრანსნაციონალური მასშტაბებით, რომლებიც ხშირად წარმოგვიდგებიან საბანკო, სავაჭრო, სამშენებლო, სამრეწველო და სხვა საფინანსო ინსტიტუტების გაერთიანებულ ჯგუფად. სწორედ ასეთი ფინანსური კორპორაციები განსაზღვრავენ მსოფლიო ეკონომიკური პრობლემების გადაჭრის გზებს. XXI საუკუნის საბაზრო ეკონომიკურ მოდელზე ორიენტირებული სისტემა ხასიათდება ფინანსური ინსტრუმენტების გამოყენების დიდი მრავალფეროვნებით და განვითარებული კაპიტალის ბაზრით.

საკვანძო სიტყვები: *საინვესტიციო ფონდი, სადაზღვევო კომპანია, ფასიანი ქაღალდი, სინდიკაცია, დაფინანსება.*

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GEORGIA-TURKEY (OTTOMAN EMPIRE) RELATIONS IN THE FIRST WORLD WAR AND POST-WAR PERIOD (1918-1921)

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ABSTRACT. A special part of the history of Georgia is the period of the Democratic Republic of Georgia (1918-1921). At the end of the World War, the struggle of the great powers for the seizure of southwestern Georgia - especially the Batumi district - intensified. The economic and economic potential of the region, and its strategic location attracted both the Ottomans and the European states (England, France, Italy, and Russia). In the district, however, the plans of the supporters of Turanism to rebuild the earlier empire were not carried out. The defeat of the German bloc countries ruled out the possibility of Ottoman domination here. The UK took advantage of this and actively worked on establishing its prominent position in the region. For the same purpose, he tried to internationalize the Batumi issue, but due to the protests of the Georgian people and the diplomatic measures taken by the government of the Democratic Republic of Georgia, it was thwarted. In the background, Russia was noticeably active in both the Tsarists and the Soviets, which fought to maintain a united and indivisible empire. Nevertheless, quite intensive relations between the Russian National Council in Batumi and its commander, Cadet Maslov, and the famous General Denikin aimed to withdraw Batumi region from Georgia. The Angorie government was no less active in the same direction. In such a problematic situation, Adjara itself has taken the right position by having decided with the active support of the Government of the Republic of Georgia to pursue its future as a part of Georgia..

Another significant aspect to the research is the so-called Republic of Kars, which can be said to have been 'stillborn', but in its content was a real reflection of the most difficult political relations and battle of interests in the region. However, it was an extremely dangerous project on the territory of historic southern Georgia that posed a threat to Georgian statehood. This issue is virtually unexplored so far and is highly biased in its depiction in the works of historians of neighboring countries (Azerbaijan, Turkey).

Particular attention will be paid to the analysis of the political events in late 1920 and early 1921 in the context of the common Transcaucasian policy (referring to the agreements of Moscow, March 16, 1920 and Kars, October 13, 1921). Considering that Batumi region was one of the cornerstones of this great policy, a comprehensive research of the problem will be carried out with the help of new documentary sources discovered in the scientific circles and the archives in of Georgia, Turkey and Russia.

Keywords: Georgia; Turkey; Brest Peace Treaty, Russia, Angora Government, Kemal Ataturk

Introduction

The course towards Russia's exit from the First World War began to be implemented immediately after the Bolsheviks came to power.

On November 21, 1917, People's Commissar for Foreign Affairs L. Trotsky sent diplomatic notes to the ambassadors of the Entente countries with a proposal to stop hostilities on all fronts and start peace negotiations. As a result, in early December, peace negotiations between Bolshevik Russia and Germany began in Brest-Litovsk.

Having assessed the situation, the Entente missions began preparations for creating a government independent of Bolshevik Russia in the Transcaucasus, which is confirmed by a telegram from US Consul Smith sent to Secretary of State Lansing [1].

On December 3, 1917, in Brest-Litovsk, where the Headquarters of the Supreme Command of the German troops on the Eastern Front was located (Germany offered the place of negotiations), negotiations began. On December 9, the first meeting of the official peace conference opened [2], ended on December 15 with the signing of an armistice agreement for 28 days, and on December 18, in the city of Erzincan an armistice agreement was signed between the Russian and Turkish armies, in connection with which hostilities on the Caucasian front were suspended [3].

We must also consider that Germany's ally, Turkey, also had its own specific goals in the Transcaucasus, and it had to try to solve them here at this conference. obviously, Georgia was in danger of losing a significant part of its territories.

On January 1 (14), 1918, Lieutenant-General I. Odishelidze received a letter from the Commander-in-Chief of the Turkish Army, Ferik Vehib-Mehmed, stating that the Acting Commander-in-Chief of the Turkish Army, Enver Pasha, wanted to know “in what way it will be possible to restore relations with the independent Caucasian government, what proposals does the Caucasian independent government have to restore peaceful relations between both sides ... "To this end, Enver Pasha was ready to send a delegation to the capital of the independent Caucasian Government - Tbilisi, to achieve "the speedy restoration of a mutually desired just peace" [4]. (Although this telegram emphasizes (4 times) the status of an independent Caucasian government (in the person of the Transcaucasian Commissariat), this was not a sincere statement on their part. The fact that the Ottoman side at this stage did not consider the actual government of Transcaucasia to be legitimate and did not recognize it " de-iure”, was clearly manifested at the very first meeting of the Trabzon Peace Conference).

In response, the Transcaucasian Commissariat informed the Turkish side that the Transcaucasian government was very interested in the speedy end of the war and the establishment of peace; however, at the same time, it considered “it is necessary to bring to your attention that we, being an integral part of the Russian republic, can start negotiations on world only after receiving the appropriate authority from the newly assembled Constituent Assembly " [5]. We share the opinion of Professor Mikhail Svanidze, Doctor of Historical Sciences, that if the Transcaucasian government did not recognize Bolshevik power, it should have more actively fixed its position and officially declared the independence of Transcaucasia. However, Noe Zhordania and his like-minded people still hoped that the Bolsheviks would not retain power in Russia for long, so they believed that there were no appropriate conditions for declaring the independence of Transcaucasia. Based on this, they did not even show proper attention to the Brest-Litovsk Treaty [6].

On March 3, 1918, peace negotiations ended in Brest-Litovsk.In accordance with paragraph 4 of this agreement, Bolshevik Russia had to fulfill everything that was required of it under this agreement. The treaty, as already noted, demanded a lot, and even a lot, from Russia. She was supposed to ensure a quick cleansing of the eastern provinces of Anatolia and the same quick return to their former owner. “The districts of Ardagan, Kars and Batum will also be immediately cleared of Russian troops. Russia will not interfere in the new organization of state-legal and international-legal relations of these districts but will allow the population to establish a new system in agreement with neighboring states, especially Turkey’’[7]. This agreement also meant that the Russian-Turkish borders were to be restored in the form they existed before the Russian-Turkish war of 1877-1878 [8].

In order to correctly assess this agreement, one must pay tribute to the words of Chicherin - "Here is the content of the agreement that we were forced to sign with a gun to our foreheads."[9].

Methodological approach

The methodological bases of the article is official data from central and local government agencies and the results of our research. Specific and general research methods defined based on the theoretical and empirical materials of the research aim at implementing the goals and objectives of the research. For the sake of the project, due to its content, as it relies on a broad and diverse database of written sources, descriptive, comparative-historical methods proven and established in Georgian and foreign science willbe applied.

Consequently, the empirical base of the research includes: analysis of state-archival-museum, library documents and materials; analysis of press materials.

Conducting research and results

On February 16, 1918, the Transcaucasian Seim approved delegation's composition for peace negotiations with the Turks. I. Chkhenkeli was elected the head of the delegation. A program of action was also adopted there. The envoys were supposed to achieve a revision of the border to maintain the Russian-Turkish border of 1914 between Transcaucasia and Turkey.

The first official meeting of the peace negotiations took place on March 14, 1918. On the part of the Ottomans, it was attended by: the head of the delegation, Rauf Bey, Memed Nusret Bey, Dr. Tevpik Salim Bey, Professor of Istanbul University, Ismail Gami Bey, and others. and G. Lashishvili and others [10].

The Turks raised the question for the delegation to explain the form of political and administrative arrangement of the Transcaucasian Republic whether this form satisfies the conditions provided for international legal norms for the emergence of the state [11].

At the second meeting of the peace conference, AI Chkhenkeli characterized the form of the political government of the Transcaucasian republic. Transcaucasia will directly solve its problems with the neighboring state, and this should be the leitmotif of our meeting, said A. Chkhenkeli [12].

This consideration of A. Chkhenkeli was rather an expression of good will than a solid political argument. Transcaucasia had not yet declared independence, and at the Brest Conference, the Bolsheviks spoke on behalf of all of Russia. In our opinion, antipathy towards the Bolsheviks could not be suitable for ignoring the Brest Treaty. Because of these circumstances, the delegation in Trabzon encountered difficulties in defending their positions. According to Rauf Bey, their side arrived here not to consider the Brest Treaty, but to participate in new negotiations and had no other purpose than to prepare the foundations of economic and commercial relations, to determine the practical and technical details of these relations that were left without attention. in the Treaty of Brest-Litovsk [13].

The Trabzon negotiations were at an impasse. The Turks considered the Brest Treaty to be the basis of the forthcoming agreement. The issue of the Kars, Ardagan, and Batumi regions is not subject to discussion at all, since the Ottoman Empire has the right to join them [14].

Transcaucasia could not positively resolve the issue of the absolute preservation of its territories. A variant of the transfer of a certain part of these territories was developed. The Ottoman Empire received the Kagizmansky region from the Kars region and Oltissky from the Ardagan region. With this combination, Georgia kept Potskhov-Erusheti in the Ardagan region, which was equal to the territory of the Kars region left by Armenia [15].

On March 23, the Transcaucasian delegation presented a memorandum to the Ottomans. The Ottoman Empire was given: Oltisi - the southern part of the Ardagan region, Kagizman - the southwestern part of the Kars region [16].

The Turkish side went on a new maneuver - a memorandum was sent to Istanbul for review by the empires government. This concluded the formal meetings.

According to Turkish historiography, the main goal of the Ottoman delegation in Trabzon was to maintain peace and stability between Turkey and its Caucasian neighbors. However, it is worth emphasizing that the rights of the delegates of the Ottoman side were limited to a certain extent. For example, the head of the delegation, Rauf Bey, appealed to his government with a request to expand his powers, which was not satisfied. For these and other reasons, the negotiations stalled, after which the delegation was forced to return to Istanbul [17].

On April 15, 1918, the Turkish side agreed to continue peace negotiations. This time, the city of Batumi, already occupied by Turkish troops, became the place for negotiations.

The Batumi conference touched upon all the problems connected with the settlement of territorial issues in relations with Turkey, in particular, the renunciation of Kars, Batumi and Ardagan. This action was to stop Turkish expansion. It should be noted that the work of the Trabzon and Batum conferences took place against the background of the influence of the Turkish side and military expansion, which aggravated the already difficult situation in the Transcaucasus. The Turkish side presented at the conference a draft treaty, which was of an annexation nature [18]. According to this project, Georgia lost all those territories that were returned due to the Russian-Turkish wars throughout the 19th century. These were the territories of the Ardagan and Batumi districtsthe territories of Akhalkalaki and Akhaltsikhe. Thus, Georgia's political and economic situation was violated [19]. The Turkish side presented this project as a final agreement.

On May 25, 1918, the Transcaucasian delegation received an ultimatum from Khalil Bey. They had to fulfill all conditions within 72 hours, the most important of which was changing the borders in favor of Turkey **[20]**.

On May 26, 1918, Georgia declared independence. As an independent state, on May 28, Georgia signed the first treaty with Germany, which outlined the priorities of relations and actions. Germany de facto recognized Georgia. There were hopes and some guarantees of the territorial integrity of the state, but it should be noted right away that Georgian-German relations were determined by the conditions of the Brest peace, which was recognized by both sides [21]. It was after this, on June 4, 1918, that the Batumi Treaty and a friendly agreement between Georgia and Turkey were signed, based on which the new territory from the Choloka River to Abastumani (borders after the Russian-Turkish war of 1877), now reached the Akhalkalaki and Akhaltsikhe districts, crossing to Turkey [22]. Thus, the Ottoman Empire regained the so-called "Great Vilayet of Gurjistan" [23]. Thus, this agreement represented a political and diplomatic defeat for Georgia. After the occupation of Batumi, the Turkish government tried to use the conditions of the Brest peace in its favor, in particular, it demanded that the local population determine their future status and for this purpose, held a referendum in order to give the occupation a legal basis.

Germany did not agree with the referendum (there were many violations). This was not a surprise, since the Turkish Transcaucasian policy no longer considered the conditions of the Brest Peace. At the same time, Germany did not want to lose its authority in the eyes of the Georgian government. In a note sent to Istanbul, it was emphasized that the conditions of the Brest peace were violated [24].Later, the government of Soviet Russia responded to this document. A protest note sent on September 20, 1918 emphasized that the local population did not use the conditions stipulated in the Brest Agreement to establish new orders in these territoriesn [25].

Sultan Turkey suffered a heavy defeat in the First World War. On October 30, 1918, she signed an armistice agreement under which the Entente armed forces occupied Istanbul and the most important cities of southern and western Anatolia. Under cover of the Entente warships, Greek troops landed in Izmir. The policy of destruction of the Turkish statehood, and the open division of the territory of Turkey itself began. But the Turkish people did not reconcile themselves to the prospect of enslavement, a stubborn national liberation struggle against the invaders started, it was headed by a patriotic part of the national bourgeoisie, the intelligentsia, and, in particular, the officers. Soon, the young brigadier general Mustafa Kemal Pasha emerged from the sphere of senior officers as the leader of the national liberation movement, and he became the leader of the struggle of the Turkish people for their independence [26]. Independence of the Turkish state and declared itself the only legitimate authority. Mustafa Kemal Pasha was elected chairman of the Turkish Grand National Assembly and head of the Turkish government.

In the fight against the countries of the Entente, the government of Mustafa Kemal took a course towards rapprochement with Soviet Russia. June 2, 1920 may well be considered the date of the establishment of diplomatic relations between the RSFSR and Turkey, although the first official contacts between representatives of the RSFSR and Turkey took place on July 19, 1920, when a Turkish government delegation headed by Foreign Minister Bekir Sami arrived in Moscow.

In our opinion, the alliance concluded by the Russian government with the government of Mustafa Kemal was based not only on the utopian idea of a world socialist revolution. The new foreign policy course primarily implied streamlining the problems of the Caucasus in the interests of Russia notably the accession of the Transcaucasian states to Russia through their Sovietization... [27]. In this strategic plan, Turkey also occupied a specific place, reflected in subsequent events. The Turkish government was well aware of the severity of the situation. In this regard, the information of the commander of the 15th corps of the Turkish army, Karabekir, is interesting, which indicates that the commander of the 3rd corps, in a frank conversation with the representative of Great Britain, said that the Turkish side, after the withdrawal of the British occupying forces from Georgia, should show firmness in relation to the eastern borders of the country and the city of Batumi [28].

On April 26, 1920, in a note sent to the Soviet government, the Angora government raised the issue of the Batumi region.

In its response dated June 3, 1920, the Soviet side promised Turkey, fighting against the Entente, complicity for cooperation, but about the Batumi issue, it did not agree and did not reject the demand of the Turks [29].

the treaty, according to which Batumi and the territory adjacent to it are considered an indivisible part of Georgia (the peace treaty between Georgia and Soviet Russia of May 7, 1920 was implied)

Georgy Chicherin, in his reply, explained to Russian Ambassador to Georgia Sergey Kirov that in the note addressed to Kemal Pasha, the quote about Batumi was taken from the resolution of the Great National Pact of Angora and does not reflect the opinion of the People's Commissariat for Foreign Affairs of Russia. As you can see, relations between the Russian leadership and the government of Mustafa Kemal have entered a new stage of activity. Although the peace initiative of the Turkish government and the first step in establishing diplomatic relations with the neighboring country were very encouraging, it was clear that another "key" to peaceful relations was in the hands of the northern neighbor. Unfortunately, this was a reality that the Georgian government did not pay due attention to.

As we see, in the issue of relations with Georgia, Soviet Russia assigned a certain place to the Batumi issue. In light of this, the appeal of the Commander-in-Chief of the Russian 11th Army Gecker dated December 18, 1920 to the chairman of the revolutionary military council is of great interest.

The appeal noted: “If the military council of the 11th army receives firm guarantees of a friendly attitude towards us from the army of Kazim Karabekir, then the issue of the occupation of Georgia and Tbilisi will become more real” [30]. Russia's relations with the Kemal government entered a new stage of activity. Based on this, it was considered inappropriate to present claims to Georgia on the territorial issue by Turkey at this stage. The issue of establishing diplomatic relations between the two countries was on the agenda. On November 13, 1920, the official representative of the government of Ankara, Colonel Kazim Bey, arrived in Georgia. At a meeting with representatives of the Georgian press, he stated that "the government of Angora wants to see Georgia united and strong, and that Georgia has earned our sympathy" [31].

The Georgian public was very optimistic about the initiative of the Turkish side, but did not lose a realistic perception of the situation. The basis for good neighborly relations between Georgia and Turkey was the recognition of Georgia's independence within limits established by the Russian-Georgian Treaty of May 7, 1920. As a result, the opinion of the Georgian public was formulated as follows: “We believe in the promises of Angora, the friendly hand extended by Mustafi Kemal Pasha will not hang in the air” [32].

On January 31, 1921, a Georgian diplomatic delegation arrived in Turkey. At that time, the Consul General of Turkey visited Tbilisi. The Georgian delegation was quite representative. On February 8, 1921, the Georgian ambassador visited Mustafa Kemal on an official visit. How did the sons of the future Republic of Turkey imagine relations with the neighboring country? This is well formulated in Ataturk's reply: “We are united with Georgia not only by mutual sympathy but also by the unity of goals. We need a strong and independent Georgia” [33]. Unfortunately, subsequent events, caused by several objective and subjective factors, did not fully confirm these good wishes. However, it should be noted that in the neighboring country there have always been supporters of the above idea of Ataturk (meaning the positive attitude towards Georgia of the Minister of Foreign Affairs of the government of Angora Bekir Sami). February 8, 1921, was the date of de jure recognition of Georgia by the government of Mustafa Kemal Ataturk.

On February 11, 1921, the Red Army invaded Georgia On the second day after the Red Army invaded Georgia, the ambassador of the Angora government in this country, Kazim Bey, decisively declared:

“It is in our interests to cooperate with independent Georgia, and to achieve this goal, we will not even give up the war against the Bolsheviks. This is the opinion of our government.” [34]. It should be noted that this statement of the Turkish ambassador was only an expression of his personal point of view.

The chairman of the government of Georgia, N. Zhordania, had an illusory hope for solving the problem of Russian-Georgian relations with the help of Turkey. Therefore, the Georgian ambassador in Ankara, Svimon Mdivani, was instructed to urgently start negotiations on this issue with the government of Kemal Pasha. The following days of negotiations were intense. Gradually it became clear what the Turkish side wanted from Georgia. The current situation has given a special shade to the Georgian-Turkish relations. The Turkish side made the first territorial claims on February 18, 1921. She demanded that Artvin and Ardagan be handed over to her.

In this regard, in a note of protest, Svimon Mdivani pointed out: “... Your planned actions to bring troops into Ardagan and Artvin without agreement with us are a repetition of the historical mistake due to which Ottoman Turkey forced Georgia to seek support in the face of Russia with continuous attacks…» [35].

Of particular interest is the telegram of the Acting Minister of Foreign Affairs of Georgia, Kote Sabakhtarishvili, to Svimon Mdivani dated February 18, 1921, from which it becomes clear that to preserve Batumi and the Batumi region, Georgia was ready to cede the Ardagan and Oltis regions to Turkey. Furthermore, the Georgian ambassador was given instructions on what territories Georgia could cede at the moment. Such territories could be the regions of Ardagan and Oltis. But the Turkish side was not satisfied with this and additionally demanded the transfer of the Artvin region and a plebiscite in Batumi.

Accordingly, this circumstance created a peculiar background in Georgian-Turkish relations. In addition to territorial claims, the Turkish side demanded a nominal plebiscite in the Batumi region. Thus, the Turks added a new demand - a nominal plebiscite and the transfer of the Artvin region [36]. In a note handed over to S. Mdivani by Deputy Foreign Minister Mukhtar Beim on the transfer of Ardagan and Artvin, it was clearly stated that the commander-in-chief of the armed forces of the eastern front “received directives to ensure the return of the indicated territories to the homeland” [37].

Georgia could not fight on two fronts. It was decided to throw all forces into the fight against the Bolsheviks, so on February 20, 1921, the commander-in-chief of the armed forces of Georgia ordered the withdrawal of military units from Artvin and Ardagani [38]. Turkey's claims were not limited to this.

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In his note addressed to Georgy Chicherin, the Turkish Ambassador to Russia, Ali Fuad Jebesoy, explained the occupation of Ardagan and Artvin by the Turks as a very natural consequence of the provision of the National Pact Turkey concerning the three border sanjaks. In the ambassador's opinion: "This occupation takes on the significance of the material assistance provided by the Turkish army to the Georgian workers fighting for their liberation against the Menshevik government" [39].

The Democratic Republic of Georgia government was forced to leave Tbilisi and go to Kutaisi, completely isolated; in search of a way out, it made more and more mistakes. The demands of the Turkish side grew rapidly. After the capture of Tbilisi by the Red Army, Kazim Bey turned to the commander-in-chief of the eastern front of Turkey, Karabekir, with a proposal to take Batumi [40].

On March 2, 1921, this issue was considered by the Turkish General Staff. As a result, they decided to occupy Batumi, Akhaltsikhe and Akhalkalaki. For this purpose, the Chorokh group was created [41]. At the same time, on March 4, the Turkish government sent a telegram to the People's Commissar for Foreign Affairs of Russia, Georgy Chicherin, asking that the Red Army units that invaded Georgia not enter the areas mentioned above. “I ask you, in order to maintain mutual friendship between the two Governments and to eliminate all kinds of reasons for friction between the Red and Turkish troops, give a categorical order to the Commander-in-Chief of the Red Army operating in Georgia in order to prevent the entry of his detachments into the areas lying next to our borders, and equally to the regions of Akhaltsy and Akhalkalaki" [42].

Despite the fact that the Turkish side refrained from helping Georgia in military operations against Soviet Russia, the government of N. Zhordania, which fed on illusions, on March 4, on behalf of the Minister of Foreign Affairs, drew up a particular letter, according to which the Ambassador of Georgia was given instructions on further actions. According to these instructions, the Georgian government, in return for help in the fight against Moscow, agreed to the occupation by Turkey of the Batumi region and the Akhaltsikhe and Akhalkalaki districts so that civil administration and sovereign rights of the Georgian government would be preserved here. Under such conditions, the Georgian army would even assist the Turkish army in occupying the above areas [43]. It can be seen from the above that the government of Noe Zhordania, in order to preserve its own power and the sovereignty of the country, did not refrain from extreme adventure.

On March 6, 1921, Kazim Bey sent a telegram from Kutaisi to Ankara's government. HAnkara's government. He reported that the government of Georgia agreed that the Turkish army occupied Batumi Akhaltsikhe and Akhalkalaki. Thus, finding itself in a hopeless situation, the Georgian government allowed the entry of Turkish troops into Georgia [44]. On March 9, 1921, the Turkish General Staff ordered Kazim Karabekir Pasha to occupy Georgian territories and prevent the entry of the Red Army into Batumi [45]. On March 11, the Turkish army entered Batumi. Despite the fact that, according to the decision of Moscow, Batumi was to remain part of Soviet Georgia, the advance of the Ottoman troops continued. On March 10, after the capture of Artvin and Ardagan, Turkish troops approached Batumi. Georgian army units were located in Batumi, consisting of 3,000 soldiers and 10,000 soldiers who fought on the front of Sajavakho (Western Georgia.). The panic in the city caused the enemy to advance rapidly. Askers under the command of Colonel Kazim Bey appeared on the streets of Batumi. Overcoming weak resistance, the Turks occupied the main state facilities, and Kazim Bey proclaimed himself the governor-general of Batumi and the entire district. This forced the government of Zhordania to negotiate with the Bolsheviks in order to defend Batumi with joint forces. To do this, Grigol Lortkipanidze was sent to the Georgian Revolutionary Committee in Kutaisi, and the Georgian troops stationed on the Rioni River were ordered to let the Red Army soldiers through. All the hostages were released from the Batumi prison under the leadership of the Bolshevik Sergo Kavtaradze. In a conversation with S. Kavtaradze, N. Zhordania outlined the current situation and called for effective measures but saving the city.

The entrance of the Red Army was delayed for various objective reasons, and time was running out. At a time when the issue of saving the homeland was acute, the Georgian military units with amazing courage, selflessly rushed to the enemy. The well-known personnel general Georgy Mazniashvili was appointed commander. In a short time, combat-ready formations were formed from the disintegrated parts of the Georgian army, next to which stood ordinary citizens. Under the leadership of Ahmed Kikava, Abdul Tkhilaishvili, Osman Mikeladze and other patriots of Georgia, parts of the people's guard were created from the local population, which fought along with the remnants of the troops of democratic Georgia. Military operations in the city developed in two directions. In the direction of Kakhaberi, they were led by General Varden Tsulukidze and in the direction of "Stepanovka" and "Forts of Anaria" by General Data Artmeladze.

Consequently, as a result of the heroic battles on March 18-19, Batumi was cleared of enemy troops and avoided great danger. Kazim Bey's adventure failed and he was forced to leave Batumi along with his military units. In Batumi, with the help of military units of the Democratic Republic of Georgia, the establishment of Soviet power was completed.

On February 18, 1921, a Turkish delegation arrived in Moscow. The parties were in no hurry to start negotiations. The main text of the Russian-Turkish agreement was announced on August 24, 1920, only the question of the Russian-Turkish border in the Caucasus remained to be resolved. On March 16, 1921, the Treaty of Friendship and Brotherhood between the RSFSR and Turkey was signed in a solemn atmosphere. According to this document, the Soviet government ceded to Turkey the areas of Kars, Ardagan and Artvin. Turkey renounced in favor of Georgia from "... suzerainty over the port and city of Batum and the territory lying north of the border specified in article one of the current treaty and forming part of the Batumi district" [46]. At the same time, an agreement was reached on the provision by Soviet Russia of assistance to Turkey in money (in the amount of 10 million gold rubles) and military materials.

In our opinion, the 15th article of this treaty can be considered nonsense.. Russia assumed the obligation to take the necessary steps in relation to the Transcaucasian republics to force them to recognize the articles directly related to them [47]. At the time of the signing of this treaty, the Menshevik government of Georgia was still in the country. Only on March 18 did it leave Batumi with the hope that the emigration would be short-lived. Unfortunately for them, this hope did not come true.

On October 13, 1921, with the participation of the RSFSR, a friendship agreement was concluded in Kars between Turkey, on the one hand, and Azerbaijan, Armenia and Georgia, on the other. The Russian factor played an essential role in preparing and signing an important document that established the inviolability of Turkey's northeastern borders. We share the opinion that exists in Georgian historiography that the Kars Agreement was a direct continuation of the Moscow Agreement of March 16, 1921. According to international law, this was his shortcoming [48]. But the most important thing is that Georgia was able to save Batum and the Batumi region. We share the opinion of the prominent Georgian historian Professor L. Toidze, who rightly believed that the legitimate solution to the issue of Batumi and the Batumi region (as an indivisible part of Georgia) was due to the firm and unshakable position of Soviet Russia [49].

Conclusion

Thus, based on the analysis of the above materials, it can be concluded:

1. After the restoration of Georgia's independence, the government of the Democratic Republic of Georgia tried to preserve the territorial integrity of the country within its historical borders, although this was extremely difficult to achieve in the then difficult internal and external conditions.

2. The leadership of Georgia sought to preserve the realities of the border regime that existed between the Russian and Ottoman empires before the First World War, which the Ottoman Empire categorically opposed. Chief among them was the Treaty of Brest-Litovsk, drawn up under Georgia's difficult and unfavorable conditions.

3. In the autumn of 1918, the positions of Ottoman Turkey in Southwestern Georgia were seriously shaken. Defeated in the World War, Turkey tried to regulate relations with the neighboring Georgian Republic. At the end of October 1918, Tbilisi was officially informed about the withdrawal of Turkish troops from Batumi. The current political situation dictated this move by Turkey. Having suffered a defeat in battles

with the Entente, on October 30, 1918, Turkey signed a temporary agreement with England in the port of Mudros, according to which she had to leave all the occupied territories.

4. The provision of assistance to the new Turkey also contributed to the strengthening of the positions of Soviet Russia in an extremely important region. At the same time, the friendly alliance concluded by Russia with the government of Kemal Pasha implied the implementation of a new Russian foreign policy. At this stage, the Angora government also benefited from close relations with Bolshevik Russia, so it is not surprising that it was sympathetic to Russia's plans for the Transcaucasus.

5. By the end of 1920, the situation that had arisen forced Russia to abandon its open occupation of Georgia. Moreover, the Soviet government called on Turkey about Georgia to take into account the peace treaty between the Georgian Democratic Republic and the RSFSR of May 7, 1920, according to which the Russian side recognized the integrity and independence of Georgia (according to this treaty, the Batumi region was part of Georgia). Therefore, "The Soviet Government would consider it more desirable from the point of view of the interests of Turkey and Russia to conclude a peace treaty between Georgia and Turkey based on the Russo-Georgian Treaty."

In conclusion, it can be said that the wrong political course of the Entente towards Turkey, developed after the end of the World War, implying the collapse of the Turkish state, not only contributed to the start of a powerful national liberation struggle under the leadership of Mustafa Kemal Ataturk, but accelerated the rapprochement between Soviet Russia and Turkey. Relations between Russia and Georgia, Georgia, and Turkey during the analyzed period resulted from a difficult international situation.

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აბსტრაქტი. საქართველოს ისტორიის მნიშვნელოვანი ნაწილია საქართველოს დემოკრატიული რესპუბლიკის პერიოდი (1918-1921 წწ.). მსოფლიო ომის დასასრულს გაძლიერდა დიდი სახელმწიფოების ბრძოლა სამხრეთ-დასავლეთ საქართველოს, განსაკუთრებით ბათუმის მხარის დასაკავებლად. რეგიონის სტრატეგიულმა მდგომარეობამ ყურადღება მიიპყრო, როგორც ოსმალეთის, ისე ევროპული სახელმწიფოებისაც (ინგლისი, საფრანგეთი, იტალია). გერმანიის ბლოკის ქვეყნების დამარცხებამ გამორიცხა აქ ოსმალეთის იმპერიის ბატონობის შესაძლებლობა. 1919 წლიდან ბათუმის ოლქში იწყება დიდი ბრიტანეთის საოკუპაციო რეჟიმის ფუნქციონირება. ამ გარემოებამ ხელსაყრელი ფონი შეუქმნა თეთრგვარდიულ-დენიკინური რუსეთის წარმომადგენლებს, რომლებიც იბრძოდნენ ერთიანი და განუყოფელი იმპერიის შესანარჩუნებლად. არანაკლებ ამბიციური იყო ოსმალეთის იმპერიაში ახალფეხადგმული ანგორის მთავრობაც. ასეთ რთულ ვითარებაში თავად აჭარამ დაიკავა სწორი პოზიცია და საქართველოს რესპუბლიკის მთავრობის აქტიური მხარდაჭერით გააგრძელა ეროვნულ-განმათავისუფლებელი ბრძოლა დედასამშობლოსთან კვლავ შეერთებისათვის.

კვლევის კიდევ ერთი მნიშვნელოვანი ასპექტია ე.წ. ყარსის რესპუბლიკა, რომლის შესახებაც შეიძლება ითქვას, რომ დაიბადა „მკვდრადშობილი“, მაგრამ თავისი შინაარსით იყო რეგიონში არსებული ურთულესი პოლიტიკური ურთიერთობებისა და ინტერესთა ჭიდილის რეალური ასახვა. უნდა ითქვას, რომ ეს იყო

უკიდურესად საშიში პროექტი ისტორიული სამხრეთ საქართველოს ტერიტორიაზე. იგი აშკარად უქმნიდა საფრთხეს ქართულ სახელმწიფოებრიობას.
განსაკუთრებული ყურადღება ეთმობა 1920 წლის ბოლოსა და 1921 წლის დასაწყისის პოლიტიკური მოვლენების ანალიზს (იგულისხმება 1920 წლის 16 მარტის მოსკოვის ხელშეკრულება და 1921 წლის 13 ოქტომბრის ყარსის ხელშეკრულება). იმის გათვალისწინებით, რომ ბათუმის ოლქი იყო ამ დიდი პოლიტიკის ერთ-ერთი ქვაკუთხედი!

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