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Contents

4 **Decision-making in the Context of a Crisis: A Selected Review**
Anna Maria Melina, Concetta Lucia Cristofaro, Marzia Ventura, Walter Vesperi

10 **Effective Coordination Prospects of Business, Vocational Education and Employment Services in the Tourism Sector (Georgia)**
Marine Tavartkiladze

20 **European Union Regulatory Framework on Artificial Intelligence (SMEs)**
Galia Mancheva

26 **Stakeholders in Higher Education - Transforming for Development and Well-Being**
Shorena Gogiashvili

35 **Implementation of Proactive Environmental Protection Management Opportunities**
Gela Aladashvili

42 **The Karabakh Conflict, and its Geopolitical and Economic Impacts on Georgia**
Dimitri Kobakhidze, Giorgi Kapanadze

50 **Author Guidelines**

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Decision-making in the Context of a Crisis: A Selected Review

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Decision-making, Adverse Events, Resilience.

ABSTRACT

In the 21st century, organisations have to face pressing "big challenges" (George et al., 2016). These can include adverse events such as global pandemics and climate change. The impacts of these adverse events lead organisations and decision-makers to adopt new behaviours. Although these adverse events are inevitable, organisations do not respond in the same ways, and some organisations are better able to withstand and recover from such shocks than others (Van der Vegt et.al, 2015). High-risk events that at first appear to cause only local and isolated effects, can multiply in intensity and damage vital infrastructure, affecting events on a national or global scale. McFarlane and Norris (2006, p. 4) defined an adverse event as "a potentially traumatic event that is experienced collectively, has an acute onset, and is limited in time; it can be attributed to natural, technological or human causes". An adverse event is caused by factors external to the system, unforeseen, and requiring immediate action. Examples include hurricanes, tsunamis, earthquakes and pandemics. The traditional way of dealing with adverse events is to develop approaches and systems to identify risks. Now, scholars are shifting their attention from identifying and mitigating risk to attempting to increase resilience (Sutcliffe & Vogus, 2003). The term "resilience" almost always has the positive connotation of flexibility and strengthening: The desired result is better than the preparation needed to face disruptive unexpected events.

The purpose of this study is to understand the impact of strategic choices in response to adverse events on the life of organisations. Specifically, when their responses to adverse events occur in a non-adaptive or non-resilient way (inertia). In order to understand this, we based this study on a review of the literature specifically linked to adverse events and the way in which it is possible to confront them.

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2. Theoretical background

2.1. Organisational Resilience and non-adaptive resilience

In this section, we introduce decision-making in adverse events through a non-adaptive approach to resilience (inertia). Traditional approaches characterised by hierarchy and centralisation have been replaced by decentralised emergency management systems. Because of the fact that emergency management is characterised by complexity, urgency, and uncertainty (Aldunate, Pena-Mora, & Robinson, 2005), it is crucial for the participating decision-maker(s) to have a fast though smooth and effective decision-making process in responding to adverse events. Such decision-making has been widely addressed by scholars of the field (Rosenthal & Kouzmin, 1997; Useem, Cook, & Sutton, 2005). Since most of the decision-making processes, whether organisational, team or individual, boil down to the choices of individual decision-makers in organisations or agencies, it is quite common for individual decision-making to receive the most attention. Selected literature on decision-making processes suggest that organisational resilience focuses on adaptive resilience and non-adaptive resilience (inertia) (See Figure 1). Resilience is a new configuration that an organisation employs in response to environmental conditions in order to survive. There can be no simple theory of inertia, as its causes are multiple and varied. In organisation theory, inertia is usually conceptualised as a reduced rate of change (slow and/or insufficient response), relative to the occurrence of opportunities and threats in the task environment. As Hannan and Freeman (1984) write, "*structures of organisations have high inertia when the speed of reorganisation is much lower than the rate at which environmental conditions change (p.151)*". Although change in configurations can be influenced by many different challenging environmental conditions, we suspect that a small number of dominant conditions can influence them at any one time (Prajogo, 2016, Kleindorfer&Saod, 2005). The adverse events have been defined as "transient perturbations whose occurrence is difficult to foresee and whose impacts on organisations are disruptive and potentially inimical" (Matsuo, 2015, p. 515). These are adverse events that negatively affect the normal operation of an organisation, such as earthquakes, pandemics, or industrial disputes. If sufficiently large and/or frequent, they may trigger organisations to try to generate new configurations. In order to understand how these processes vary, we present the studies of McCarthy et.al (2017, p.37) in Figure 1. The studies propose an adaptive resilience model phylogram, with the branch

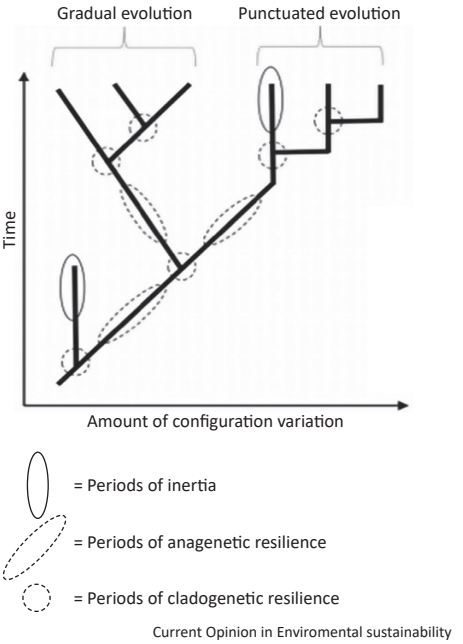

Fig. 1. A typology of adaptive organisational resilience

Source: *McCarthy et.al, 2017 p. 37.*

lengths and spacing conveying information about the amount and rate of configurational change. Phylograms typically include scales to specify the rate and amount of change by the length and divergence of the branches.

In Figure 1, adaptive resilience refers to the creation of a new organizational configuration, whereby a parent configuration branches off to produce a daughter configuration, and adds a branch to the form. In this way, the adaptive resilience involves one configuration evolving into another through a series of incremental changes along a branching lineage. Organisational inertia is generally defined as resistance to change, and involves an organisation persisting with its current configuration and repeating past strategies and practices. It occurs because a configuration is not exposed to significant enough forces for change, and thus it maintains its identity (see Figure 2). Consequently, we suggest in figures 1 and 2 that inertia is a type of non-adaptive or resistant resilience (inertia) that occurs when, in an evolutionary context, perseverance is seen among the existing characters, until an external challenging condition forces them to change (Comte & Olden, 2017).

Organizational Resilience (OR) is only manifested in a specific phase of adverse events (t2 – t3) (Ventura et.al.; 2020), without its being the only factor for survival. In fact, initially (0 – t1) the organisation has a consolidated structure, with defined routines and configuration. During the crisis (adverse event), the organisation shows its resistance. The time span (t1 – t2) is the latent period of the crisis, and in this phase, the first organisational inefficiencies can emerge in the modification of the decision-making process. The adaptive capacity of the organisation then emerges. The manifestation of the crisis (t2) – defined as vulnerability – in which the organisation becomes aware of the crisis,

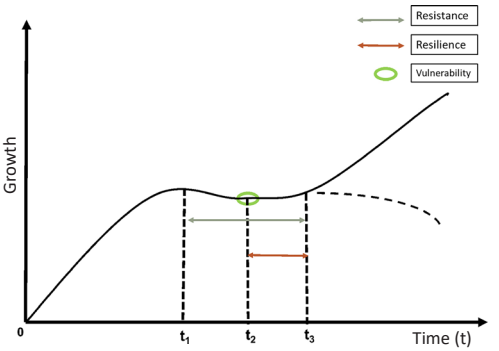

Fig. 2. The evolutionary cycle of organisational resilience

Source: *Ventura et.al, 2020, p. 118.*

is the most critical time; it is the final phase. The decision-maker is oriented to an organisational structure redesign, reconstructed routines, a new culture, and a new climate (change and innovation) or alternatively, to organizational inertia. In this second way, the decision-maker does not develop new capabilities, nor do they create new economic opportunities. Rumelt (1995), for instance, identifies five sources of inertia: distorted perception, dulled motivation, failed creative response, political deadlock, and action disconnect. From a different perspective, OR is not seen as the ability to take advantage of anticipated challenges and changes, but rather as the ability of an organization to remain inert to adverse events. Finally, through the progression of a major crisis, the organization must become resistant (t2 – t3), and becoming so is a long and complex process.

3. Methodology

The methodological approach allows for the collection, management and analysis of bibliographic data derived from scientific documents consistent with the research objective. The literature review adopts the principles of (1) mapping of the theoretical

field; (2) quality assessment; (3) data mining; (4) summary, and; (5) reflections. Consistent with previous studies (see Gravili, et al., 2020; Karamali, et al., 2020), the methodological process was composed of several phases. In particular, the literature review presented in this study was structured in three phases. The first phase was focused on data collection, through the consultation of two scientific databases (Web of Science [WoS] and Scopus). We selected two online databases of scientific documents widely used by scholars, Scopus and WoS, due to their coverage of peer-reviewed scientific journals, books and conference proceedings. At this stage, not all journals have been considered, but only those of high scientific relevance in the (i) Association of Business Schools (ABS 2018), (ii) Top 50 journals of The Financial Times and (iii) Class "A" ANVUR lists (Italian national agency for the evaluation of the university and research system). Furthermore, only journals from the areas of "General & Strategy", "Organisation Behaviour / Studies", "Human Resource Management" and "Industrial Relations" were taken into consideration. The second phase of the literature review was characterised by the creation of the search string, consisting of the following keywords: *Natural Disaster** OR *earthquake** OR *flood** OR *hurricane** OR *tornado** OR *volcano** OR *tsunami** OR *drought** OR *plague** OR *epidemic** OR *pandemic** OR *outbreak**. The keywords had to be present in the title, abstract or between keywords (for Scopus) and in topic (for WoS). The third phase involved selecting the scientific documents according to the PRISMA approach (Preferred Reporting Items for Systematic Reviews and Meta-Analyses). The flow chart (fig.3) shows the steps in the PRISMA literature review guideline.

The above flow chart (Figure 3) shows the steps followed for the identification of scientific documents. In the study, it was necessary to pay attention to duplicates, which were then removed from the databases. There were 26 relevant papers.

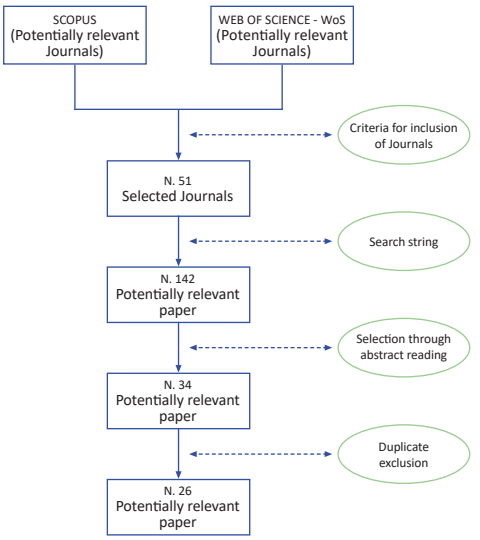

Fig. 3. PRISMA guidelines
Source: *Developed by the authors.*

4. First Results and Discussions

The results of our analysis represent a starting point in the ongoing debate within organizational studies on decision-making and adverse events. First, the selected pa-

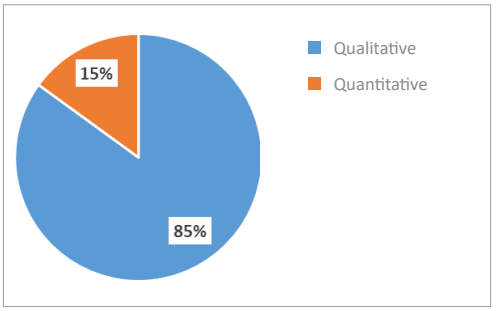

Fig. 4. Methodology used in the selected papers
Source: *Developed by the authors.*

pers were analysed in order to understand the methodology used by studies addressing the issue of adverse events, such as natural disasters, pandemics or economic crises.

The graph above highlights that the majority of the selected papers use qualitative methodology to address the issue of adverse events through an observation-based approach. Another reflection that emerges from analysis of the selected documents is an understanding of which phase of the adverse events the studies are focused on. Three phases were identified: preparedness, emergency and recovery.

From our analysis, 64% of the selected papers focus on the recovery phase, on post-disaster action, while just 28% of them focus on the emergency phase (action taken during the disaster), and 8% focus on the preparedness phase (action taken prior to the crisis). In focusing on resilience, several studies have spotlighted organizational resilience during adverse events. The analysis perspectives used are different, and, within the current state of literature analysis, a gap has emerged, with few studies focusing on organisational inertia. Our study highlights that, in addition to the characteristics of organisations, the behaviour of organisations in relation to a disaster plays a fundamental role. Our research highlights that more studies are needed on organizational resilience, disasters, and their impact on organisations. The findings of this study may offer new insights to scholars and managers, pushing forward the need for the next research agenda on this topic. For example, geographical location represents an important point for reflection, as does how the phenomenon is studied by scholars from different countries. This work is not without limits, the main constraint being the need for a non-exhaustive analysis of the selected papers. Yet, even with those limitations, we believe that this one contribution can serve as an initial point of reference, offering discussion points to interested scholars.

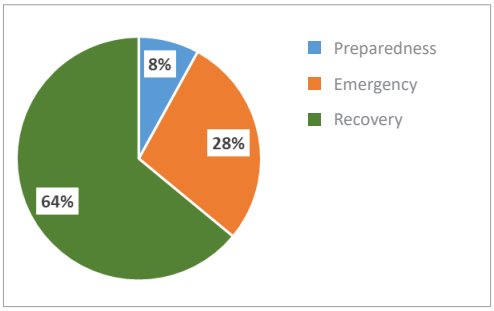

Fig. 5. Papers dedicated to different phases of a disaster

Source: *Developed by the authors.*

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Effective Coordination Prospects of Business, Vocational Education and Employment Services in the Tourism Sector (Georgia)

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ABSTRACT

One of the main goals of vocational education is, on the one hand, to increase the knowledge capital of jobseekers and, on the other, to ensure supply for professions in the employment market. In conditions of high unemployment, it is especially important to support this direction in order to facilitate the increase of access to highly qualified specialists tailored to the requirements of the labour market by focusing on vocational training. In the field of vocational education, in order to represent the interests of the private sector and improve services related to vocational education, we conducted qualitative research and ran focus groups in the tourism sector. The study involved the private and public sectors, experts in the field, vocational education institutions, sectoral associations, and others.

As part of the study, we compiled a list of key activities that respondents considered promote and stimulate vocational education in the tourism sector. The main employment motivators and incentive mechanisms were identified in the research process.

The paper presents conclusions and recommendations on effective coordination of vocational education, business and government employment services to help alleviate problems in the sector. Measures to be taken include programme updates, modification / restoration of canceled programmes, intensive involvement of the private sector in the teaching-learning process, increasing the awareness and popularity of vocational education in general, and more.

The research process highlighted the need to implement a number of measures to address the existing challenges, which will help to encourage and stimulate vocational education in the tourism sector.

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Introduction

The policy of state intervention in the labour market is defined in two directions: active and passive policy. The overall goal of an active policy is to plan and implement supporting measures for those who are unable to find stable employment or transfer to the ranks of the employed. Job assistance, vocational training, employment subsidies or job creation in the public sector are common forms of an active policy (State employment policy of Georgia and European Countries, 2021). Unlike active policies, passive policies are not intended to increase labour market efficiency. Passive policies are focused on improving the well-being of the unemployed found at a disadvantage. Unemployment insurance and early retirement are typical tools of a passive policy.

According to the Organization for Economic Co-operation and Development (OECD, 2015) classification, active policy instruments are:

1. Public employment services;
2. Vocational training programmes;
3. Encouraging employment;
4. Support and rehabilitation of the labour force without skills;
5. Creating new jobs;
6. Encouraging startups.

The passive policy includes the following tools:

1. Unemployment insurance;
2. Early pension.

The purpose of public employment services is to ensure a rapid flow of information between a potential employer and employee. This tool often includes the provision of open information portals, the creation of individual job seeker profiles, the dissemination of knowledge related to job searching, the financial provision of job search costs, etc. These programmes are ultimately designed to both increase the efforts of job seekers and their overall competitiveness.

Vocational training programmes include so-called institutional and “on-the-job” training programmes, as well as integrated and vocational training programmes.

Employment incentive programmes include tools for employment subsidies, job retention, job rotation, and redistribution. Unlike vocational training programmes, employment incentives have an impact on labour demand.

Workforce support and rehabilitation programmes are targeted at specific groups in the community. Their goal is to integrate people without labour skills into the workforce, as well as to motivate and encourage employers to maximize their involvement in the integration process.

New job creation programmes focus on either providing publicly beneficial employment, or supporting the creation of additional jobs in the private sector by providing wage subsidies.

Startup incentive programmes focus on encouraging private entrepreneurship by providing start-up capital. Such programmes are aimed at facilitating the start-up of new activities or the expansion of existing activities.

As we mentioned, the state does not actively interfere in labour relations through passive policy instruments. The unemployment insurance mechanism pays a certain amount of money to a person participating in an insurance scheme for a limited period of time. In addition to unemployment insurance, countries often have unemployment assistance programmes that apply to people who do not have unemployment insurance, or whose insurance has expired. In some cas-

es, we find so-called "bankruptcy compensation", when people are not paid due to their employer firms going bankrupt.

Early retirement programmes are mainly aimed at older people who have very low chances of employment, or who are being replaced by younger workers.

If we evaluate the content, purpose and results of active and passive employment instruments, we will see that active policy instruments are aimed at eliminating or maximally influencing the circumstances causing unemployment, whereas passive policy instruments aim to alleviate the consequences of unemployment to a certain degree and periodically for the beneficiaries. Hence, the choice of a state to pursue an active or passive policy is often conditioned by the political, economic and social factors of the country in question.

1. Overview of Georgia's employment market

At present, one of the main challenges for Georgia is the high level of unemployment. According to the National Statistics Office of Georgia, in 2021, the unemployment rate was 22.1%. 1.2 million people were employed and 344 thousand were unemployed. 31% of employees were self-employed, but were mostly structurally unemployed.

There are half a million recipients of social assistance in the country, and very many cases when people able to work refuse to look for a job, or get a job in order to receive / maintain receipt of social benefits from the state. As a result of long-term unemployment, a large part of these potentially economically active citizens become disqualified and get stuck outside the labour force. An un-

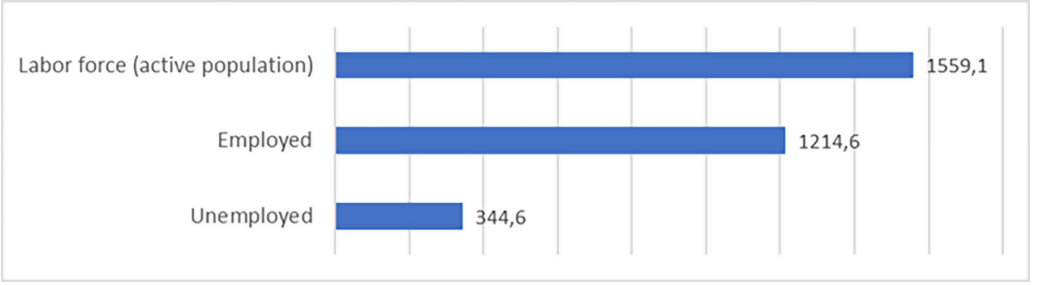

Fig. 1. Distribution of the population by economic activity, 2021, QII (in thousands)
Source: *National Statistics Office of Georgia. https://www.geostat.ge/*

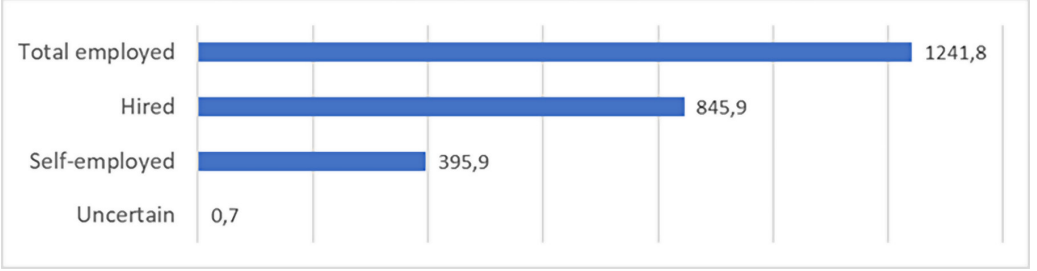

Fig. 2. Distribution of labour force by employment category (in thousands)
Source: *National Statistics Office of Georgia. https://www.geostat.ge/*

used labour force hinders both the business and the economic and social development of the country.

Despite the various educational and economic programmes implemented by the state, the ultimate goal of which is to improve the qualifications of job seekers and create new jobs, the next major challenge for the country in 2021 remained the following:

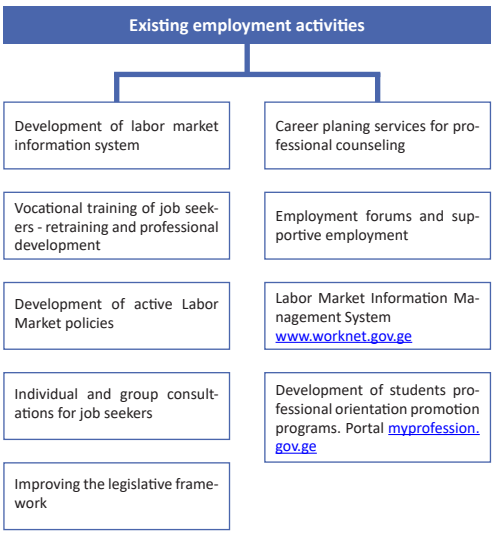

Fig. 3. Employment activities in Georgia, 2021

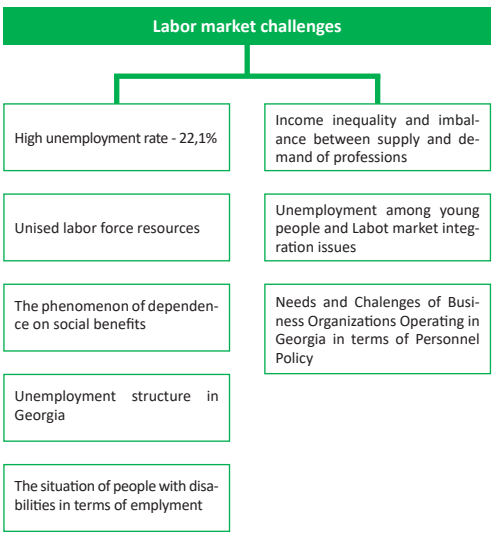

Fig. 4. Labour market challenges in Georgia, 2021

As such, it is necessary for the government to help these people improve their skills and find a job, thus eliminating their demotivation linked to employment. It is planned to create jobs for these individuals and allow them to return to the labour market and replace their social assistance with the payment of wages.

2.Vocational education in the tourism sector

According to the classification of the Organization for Economic Co-operation and Development (OECD), a good tool of an active employment policy is vocational training.

Among the main goals of vocational education is, on the one hand, to increase the knowledge capital of jobseekers and, on the other, to ensure supply for professions in the employment market. In conditions of high unemployment, it is especially important to support this direction in order to facilitate access to the employment of highly qualified specialists, who are tailored to the requirements of the labour market by focusing on vocational training.

In the field of vocational education, we conducted qualitative research and ran focus groups in the tourism sector in order to present the interests of the private sector and improve services related to vocational education. The research process was attended by experts in the field, and representatives of the private and public sectors, vocational education institutions, sectoral associations, and others.

The tourism sector has been experiencing a severe crisis due to the pandemic. International travel, local tourism, catering and restaurant services were substantially impacted due to the entire tourism industry being forced to a standstill. The players in the tourism industry (hotels, restaurants, airlines, travel companies and cultural and natural tourism facilities) have been facing an

unprecedented crisis, as a result of the complete abolition of all their activities.

It is because of these challenges that the sector now needs full retraining and adapting to the demands of the labour market, as it slowly moves to a new stage of development and shows greater growth potential.

At the meeting, the parties identified the challenges in the labour market:

- Promoting and coordinating vocational education;
- Increasing the number of staff tailored to the specifics of the field, increasing competencies (knowledge of a foreign language, communication skills, problem solving skills, etc.)
- Encouraging and researching initiatives to update existing programmes in the field of tourism, tailored to the modern market;
- Fixing the demand-supply imbalance in the field of tourism;
- Restoring / renewing programmes canceled from vocational schools (guiding, etc.);
- Adjusting the curricula of vocational schools to the requirements of the business;
- Addressing the need for further retraining of staff produced by vocational colleges;
- Improving the qualification of teachers, training practicing teachers;
- Studying the requirements of employers, defining the required professions;
- Strengthening the coordination of employers and colleges, focusing on quality;
- Increasing the popularity of staffing the hotel industry;
- Improving working conditions (salary, introduction of shifts, etc.)
- Improving personnel retrieval channels, eliminating the information vacuum;
- Reducing the degree of labour demotivation;
- Eliminating the fear of losing social assistance, introducing unemployment benefits, offering training courses, encouraging employment.

According to a study carried out by the Chamber of Commerce and Industry, the

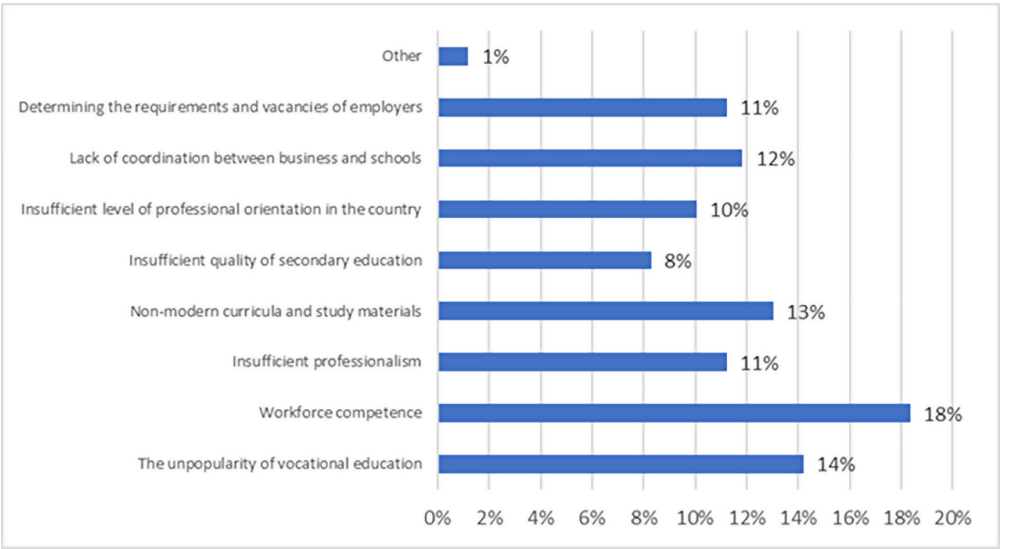

Fig. 5. Challenges of vocational education in Georgia, 2021

Source: *Developed by the author based on the data of the Chamber of Commerce and Industry of Georgia.*

main challenges for vocational education in Georgia are the lack of popularity and stereotypes of vocational education, (lack of) curricula and teaching materials tailored to modern standards, poor coordination between the private sector and vocational schools, and unsystematic planning and analysis of the required professions.

54% of respondents said they believe that vocational schools partially meet the demands of the labour market. Only 4% think that the work of schools is fully in line with the challenges of the labour market.

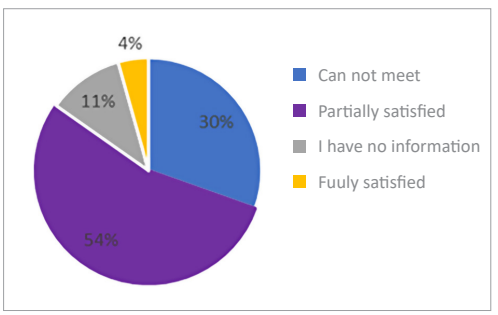

Fig. 6. Indicators of labour market satisfaction by the institution, 2021

Source: *Developed by the author based on the data of the Chamber of Commerce and Industry of Georgia.*

41% of the respondents state that updating the curricula and adjusting it to international standards, developing joint programmes with the involvement of more employers, and taking into account the requirements of the employer, will help vocational schools to better meet the demands of the labour market.

A survey of employment demotivators found that 35% of respondents consider seasonal and volatile work to be the main demotivator.

The results of the research show that the educational profession of specialists employed in the tourism sector more often does not suit their job than it does. 52% of respondents agreed.

The results show that the level of qualification of staff employed in the tourism sector is more than satisfied, though none of the respondents thinks that they are fully satisfied.

100% of respondents point to the combination of updating programmes tailored to market challenges in the tourism sector. 76% of respondents believe that the restoration of canceled professional programmes

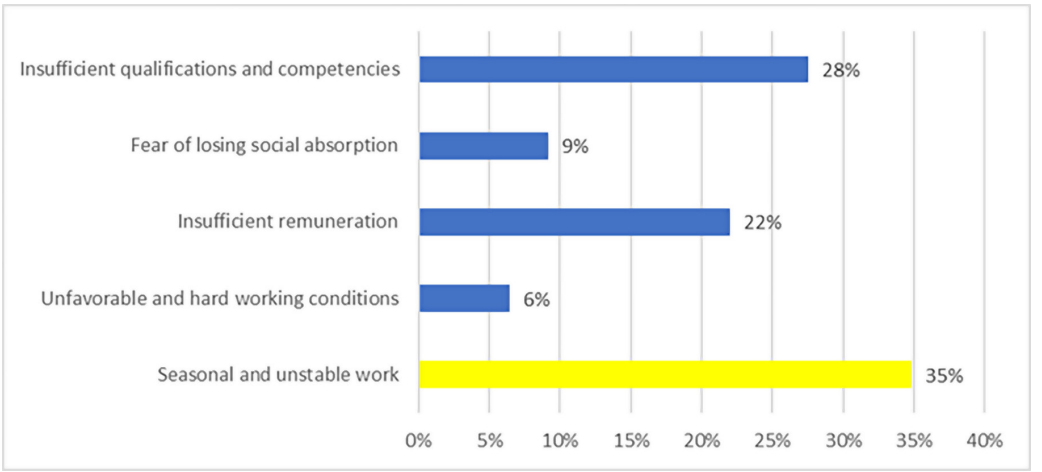

Fig. 7. Employment demotivators in the tourism sector, 2021

Source: *Developed by the author based on the data of the Chamber of Commerce and Industry of Georgia.*

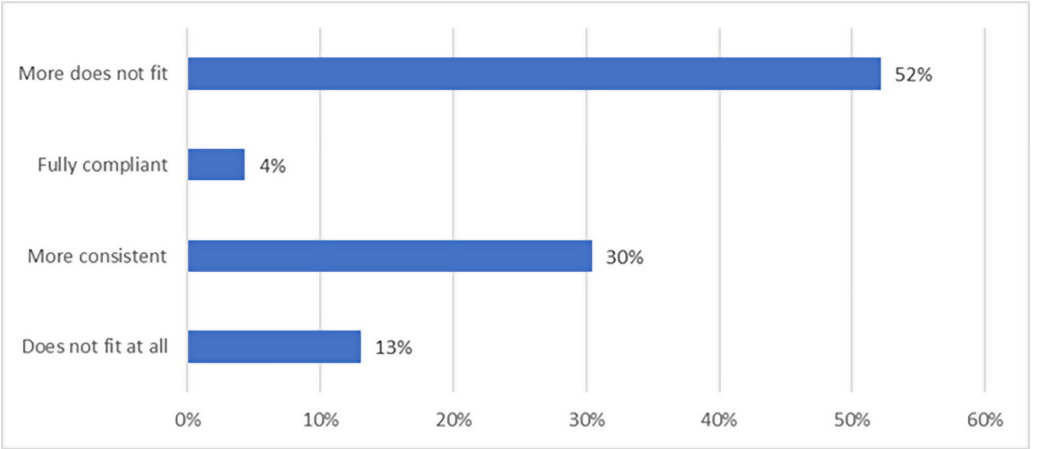

Fig. 8. Matching the education of specialists employed by specialists in the tourism sector to their place of work, 2021

Source: *Developed by the author based on the data of the Chamber of Commerce and Industry of Georgia.*

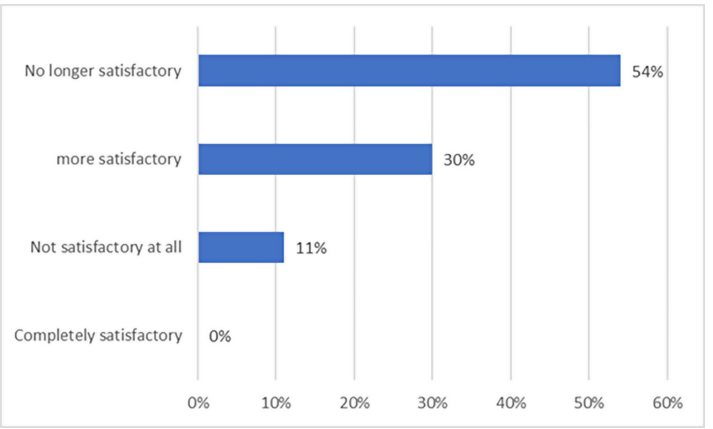

Fig. 9. Qualification level of staff employed in the tourism sector, 2021

Source: *Developed by the author based on the data of the Chamber of Commerce and Industry of Georgia.*

is necessary, such as guide and tour operator courses. Representatives of the tourism sector note that in order to encourage initiatives to renew programmes adapted to the modern labour market, it is important to coordinate between professional institutions and employers to improve the qualifications of teachers and address the challenges of an unstable environment.

24% of respondents said they believe that increasing employment popularity will lead to stronger communication with employers, taking into account their needs, and will result in the development of joint programmes. Only 5% believe that access to employment services will help popularise employment, which can be explained either by distrust of the service or by a lack of awareness of employment services.

60% of the respondents noted their belief that the main measures needed to increase and stimulate vocational education in the

tourism sector are: Introduction of a coordination mechanism to promote vocational education throughout the country; an increase in the supply of a labour force tailored to the specifics of the field and with relevant competencies (foreign languages, emotional intelligence, technical skills, etc.), and raising the qualifications of teachers involved in vocational education, attracting practicing teachers, taking into account foreign experience, and developing various motivational schemes for them. Only 7% of respondents believe that eliminating labour demotivation is necessary to stimulate the uptake of vocational education.

The COVID-19 pandemic significantly damaged the tourism sector both globally and in Georgia.

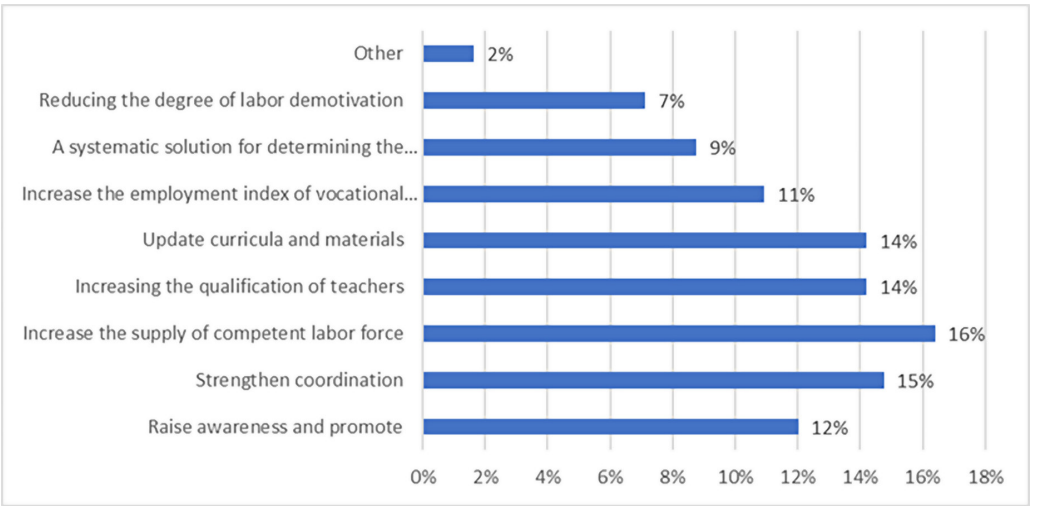

Fig. 10. Measures to be taken to promote and stimulate vocational education in the tourism sector

Source: *Developed by the author based on the data of the Chamber of Commerce and Industry of Georgia.*

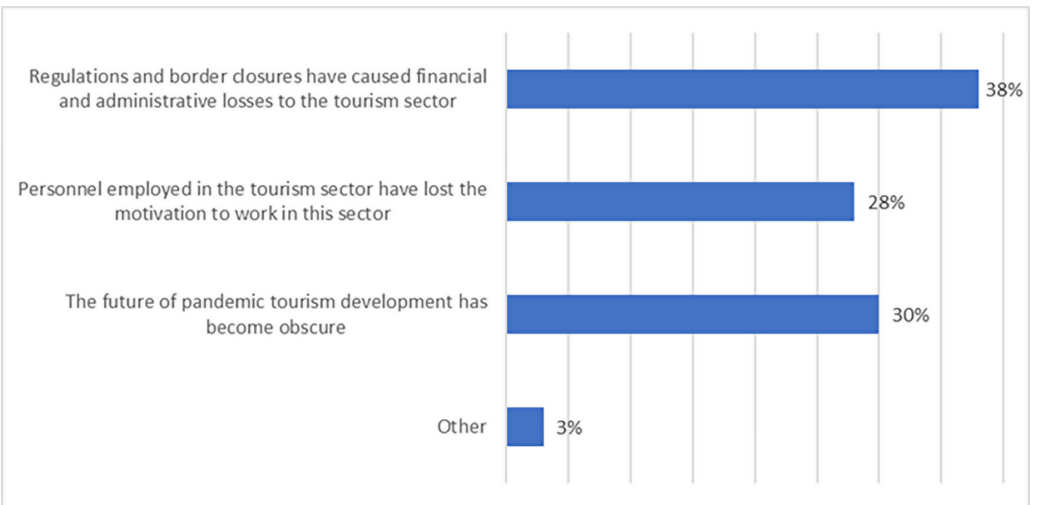

Fig. 11. Measures to be taken to promote and stimulate vocational education in the tourism sector

Source: *Developed by the author based on the data of the Chamber of Commerce and Industry of Georgia.*

According to the representatives of the tourism sector, in addition to financial and administrative losses, the future of the development of the tourism sector in general has become uncertain, although it should be noted that the sector is modernizing and starting to grow rapidly.

Conclusions

Analysis of the studies carried out allows us to draw up conclusions and recommendations for representatives of the tourism sector, as well as for the overall professional education, private and public sector:

- Increase the awareness of vocational education, clearly define its role and benefits to society;
- Introduce a coordination mechanism to promote vocational education throughout the country;
- Increase the supply of the labour force tailored to the specifics of the field and with relevant competencies (foreign languages, emotional intelligence, technical skills, etc.);
- Take effective steps to improve the qualifications of teachers involved in vocational education;
- Strengthen cooperation with the private sector and involve more facilities in vocational training;
- Make employment services available, and vocational schools one of the main labour force suppliers to fill the deficit in the tourism sector;
- Update and adapt to modern standards existing professional training programmes in the tourism sector, analyse the possibility of restoring canceled programmes;
- Carry out a complex legislative reform to eliminate dependence on social assistance;
- Plan various benefits and initiatives to reduce the losses of the Covid-19 pandemic, so that the industry can modernise and return to the forefront of the country's economy.

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European Union Regulatory Framework on Artificial Intelligence (SMEs)

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ABSTRACT

Artificial Intelligence (AI) and its application has become a popular topic of discussion, especially within the last decade, with its being seen with both enthusiasm for the opportunities it rings, and fear of its potential. The current paper aims to investigate the European Union (EU) regulatory framework proposal on Artificial Intelligence, and its impact on small and medium size enterprises (SMEs). Within the paper, the regulatory goals and recommendations, conceptual view of AI, and global trends on its application are presented.

Introduction

Since 1956, when the term "artificial intelligence" was used for the first time by John McCarthy, the understanding of AI and its application have changed, and it has an increasing role in the global economy, as well as in our daily lives. However, our understanding of what it is and its potential are still limited, and there remain many concerns about it, mainly related to the risk and uncertainty AI generates. And yet, this obstacle has not prevented countries around the globe from seeking to compete in its development and application.

A good example of this is a new European Union regulatory framework proposal on AI for SMEs. The proposal aims to provide AI developers, deployers and users with clear requirements and obligations regarding specific uses of AI. At the same time, the proposal seeks to reduce administrative and financial burdens for businesses, in particular for SMEs.

The regulatory proposal is the first ever legal framework on AI to address the risks of AI, and positions Europe to play a leading role globally. Regulations are needed to ensure that Europeans can trust what AI has to offer.

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Thus, the current study aims to test the hypothesis: "*AI can drive greater efficiency in the SME sector.*"

Definition of AI

The term "artificial intelligence" was coined in 1956 by John McCarthy, a computer scientist, who defined it as "the science and engineering of making intelligent machines" (ScienceDaily, 2021).

One of the most common explanations of the term "AI" is given by the Merriam Webster dictionary (Merriam-Webster Dictionary, 2021):

- A branch of computer science dealing with the simulation of intelligent behavior in computers;
- The capability of a machine to imitate intelligent human behavior.

In the current study, AI will be understood according to the European parliamentary research service: "Artificial Intelligence is a term used to describe machines performing human-like cognitive processes, such as learning, understanding, reasoning and interacting" (Samoili et al., 2020).

Conceptual view of an AI system

Currently, an AI system can be explained by three main pillars (fig. 1):

- First pillar – Data – the stage where the data management is performed;
- Second pillar – Environment – the stage where the algorithms and the model are developed;
- Third stage – Influence – where the model is applied to the chosen system.

Within the Environment stage, two approaches can be used:

- Symbolic approach – driven by experts;
- Statistical approach – driven by data and machine learning.

Required enablers are computer power, storage capacity, internet speed and coverage, and some other technological developments, e.g. lower sensor costs, 3D printing, etc.

Small and medium-sized companies in the context of the EU definition

SMEs represent 99% of all businesses in the EU. According to the EU, they are categorized based on (Table 1):

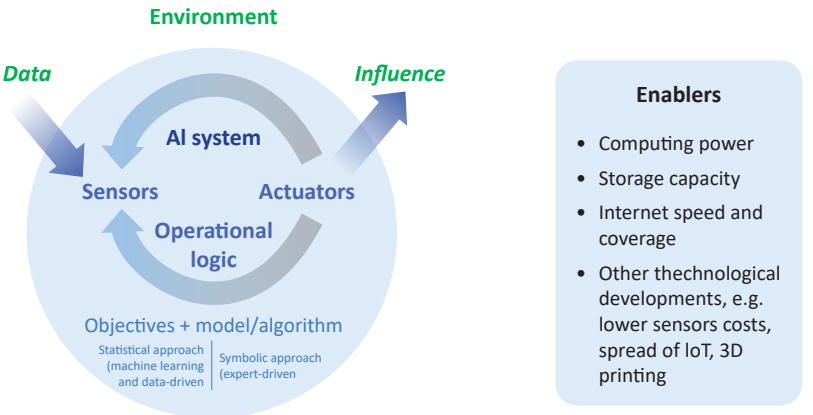

Fig. 1. Conceptual view of an AI system

Source: *Based on OECD (2019), Artificial Intelligence in Society, OECD Publishing, Paris, https://doi.org/10.1787/eedfee77-en*

- Employees;
- Turnover;
- Total balance sheet.

Table 1. SME categorization

Companu Categoru	Staff headcount	Turnover	Balance sheet total
Medium-sized	<250	≤ € 50 m	≤ € 43 m
Small	<50	≤ € 10 m	≤ € 10 m
Micro	<10	≤ € 2 m	≤ € 2 m

Source: *User Guide to the SME Definition. Europeam Comission. 2016. https://ec.europa.eu/regional_policy/sources/conferences/state-aid/sme/smedefinitionguide_en*

Using these criteria, companies are divided into three main categories:

- Medium-sized companies – with a staff of less than 250 employees, a turnover less than or equal to 50 mil Euro, and a balance sheet less than or equal to 43 mil Euro;
- Small companies – with a staff of less than 50 employees, a turnover less than or equal to 10 mil Euro, and a balance sheet less than or equal to 10 mil Euro;
- Micro companies - with a staff of less than 10 employees, a turnover less than or equal to 2 mil Euro, and a balance sheet less than or equal to 2 mil Euro.

Global trends in AI application

Within the study, only three main global trends are presented on AI application, representing the most important aspects. First is "Relevant vs. Mitigated Risks - what organizations consider relevant in adopting AI." See Figure 2.

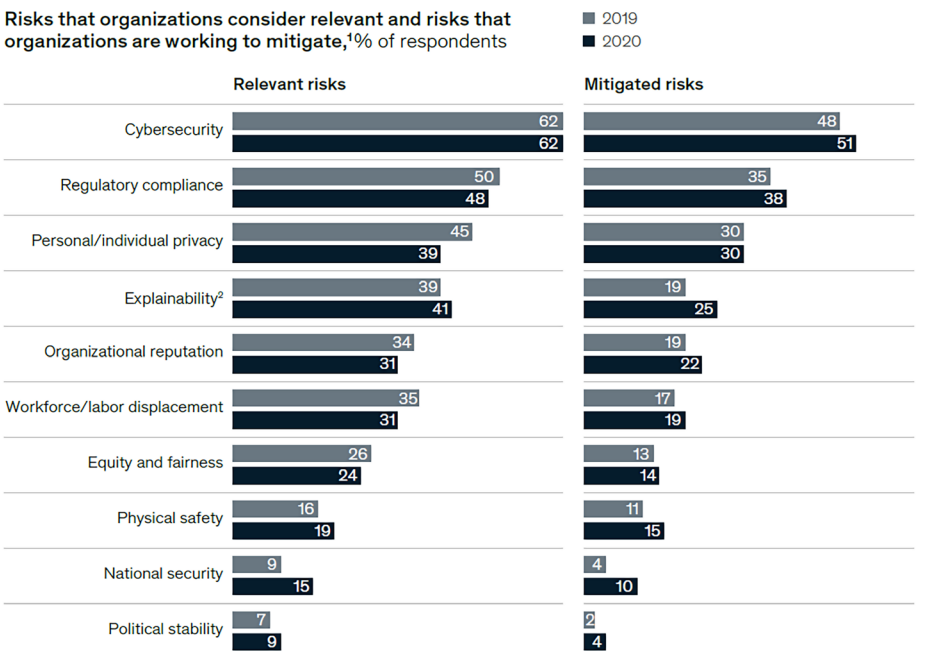

Fig. 2. Relevant vs. Mitigated Risks - what organizations consider relevant in adopting AI (2019-2020)

Source: *The state of AI in 2020. Global survey, Mckinsey.*

According to fig. 2, regulatory compliance is the second trigger that drives SMEs to implement AI, following cybersecurity. Although about 50% of respondents consider regulatory compliance relevant, only 1/3 of them are willing to mitigate this risk. Still, most organisations pay attention only to the risks generated by cybersecurity and thus focus on mitigating that factor in particular.

The second trend represents global publications about AI (fig. 3). In this "competition", China is in the lead, having issued 76,300 publications in the field between 2016 and 2020. This is the highest amount worldwide. The United States and India follow with, respectively, 44,400 and 27,000 AI-related publications in that period. European representatives The United Kingdom, Germany and France take up the next places, but produced a significantly lower volume of publications on AI, namely 16,000, 12,900, and 10,900, which is about 50% less than India and only 20% of that of the leading country, China.

The third trend (fig. 4) represents businesses in the EU having performed a big data analysis. In general, the business sector in most countries shows a **low level of adoption of data analytics**. Nevertheless, some countries have taken the lead – The Netherlands, Belgium and Ireland. In these countries, more than 20% of companies performed a big data analysis in 2018. In last position in this trend are Italy, Austria and Hungary, where just 6-7 % of businesses engaged.

Finland and Luxembourg are considered as innovation leaders. France, The United Kingdom and Germany are said to be more advanced in the transformation process, while Eastern European countries tend to lag behind, with few enterprises engaging in these new practices (The Digital Transformation of SMEs, 2021).

Pros and Cons of AI for SMEs

AI application in SMEs can be illustrated best via its pros and cons:

✓Pros

- AI can be applied to most industrial SME activities;
- AI can trigger a new product revolution;
- AI can improve and ease SME business conditions;
- AI will enable SMEs to change their business models and practices, which

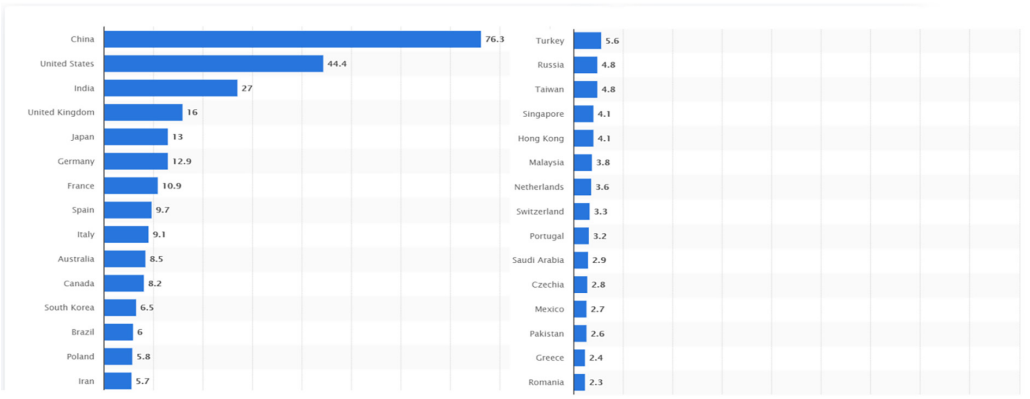

Fig. 3. Number of AI publications worldwide from 2016 to 2020, by country (in thousands)
Source: *Statista.*

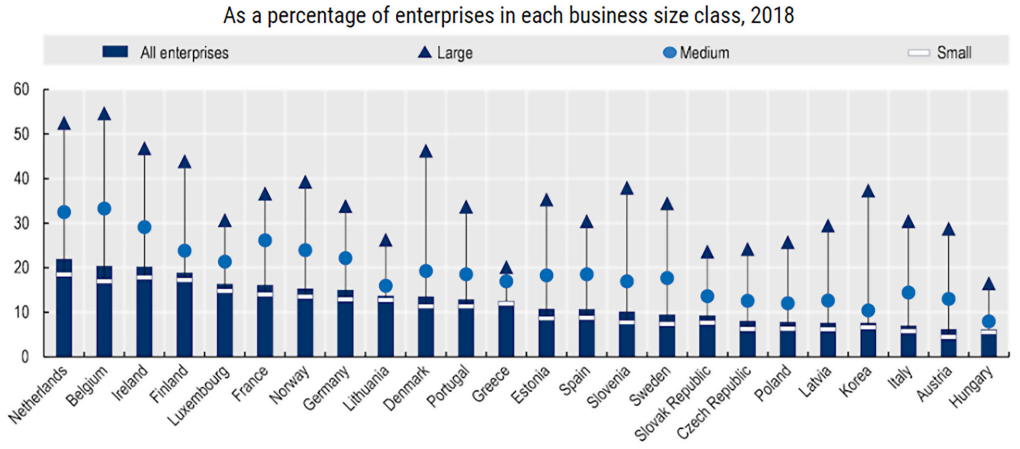

Fig. 4. Businesses having performed big data analysis (2018)

Source: *OECD (2020), OECD Database on ICT Access and Usage by Businesses, http://stats.oecd.org/Index.aspx?DataSetCode=ICT_BUS (accessed on 19 September 2020).*

will increase the productivity and scale-up potential;

- AI will free workers from low value-added tasks and will provide an opportunity for them to re-organize and up-grade;
- AI will bring change to the internal value chain of the company.

✓Cons

- High cost and uncertainty about AI benefits;
- Human factor: 1) AI will open new job postings and will require a specific skill-set (trainings); 2) Managers' and workers' lack of understanding of the potential and risks of using AI;
- Lack of data culture and weak data management practices.

Obviously, AI application in SMEs brings more positive effects than negative. A lack of data management practices, the human factor, and uncertainty will easily be overcome thanks to the positive effects of AI. New products, new business models and practices will help companies to scale up and upgrade their employees.

Conclusions

Despite all concerns, uncertainty and lack of knowledge and skills, AI is already part of our lives even, in some cases, without us being aware of it. Its application will increase in future, and understanding and accepting it will help us to better benefit from it.

The hypothesis "*AI can drive greater efficiency in the SME sector*" is confirmed. Further, we can make a few conclusions based on the benefits that SMEs will gain from applying AI:

- Management, trade, service, etc., will be able to shorten and automate processes;
- SMEs will have clear requirements and drivers for AI applications;
- Human capital development will be ensured;
- New products and business models will be made possible.

In this scene, EU regulation is needed, as it will **bring rules, will protect consumer rights, and will move European companies into a**

competitive position globally. AI has significant potential to boost economic growth and productivity.

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Stakeholders in Higher Education - Transforming for Development and Well-Being

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ABSTRACT

Due to globalisation, massification of higher education, and neo-liberal policies in higher education, education started to be viewed as a sort of business, seeing stakeholders becoming vital for the development of HEIs. Stakeholders have the power to respond to, negotiate with, and modify the strategic future of the various institutions. From a power position, political and governmental bodies, and accompanying structures such as the Parliamentary Commission on Education and Ministry of Education, state educational quality assurance bodies are the most important. They define the criteria of quality and independence, while authorisation/accreditation committees have the power to authorise/accredit or shut down a university or educational program. They also define what kinds of learning outcomes are expected from programs (Ministry of Education, 2010), so, whatever is written in the national standards has a huge, maybe determining, impact on what a university does in the pursuit of officially recognised quality.

1. Introduction

1.1 Introducing the Problem

Nowadays, too frequently, representatives of the business community voice their concerns about the quality of graduates' knowledge and skills, and their lack of key generic and subject specific competences (Turcan, 2016). Governments, too, are urging universities to work more closely with employers, claiming it as mutually beneficial for industries and universities, and, consequently, for the economic development of the country as a whole. In order to achieve such benefits, there should be a bilateral understanding of the need of universities to satisfy employers, while employers need to communicate to universities what they expect from graduates in order to employ them. This is a relatively new approach, especially in Georgia (Ministry of Education, Science, Culture and Sport, 2017), and both universities and their graduates' employers need to change their mentality, as, not only are employers unhappy with

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the skills their employees have, but students are also often left dissatisfied with both the process and the result of the education they obtain (Andghuladze & Bregvadze, 2014).

1.2. Stakeholders in higher education. Who are they and what do they do?

While carrying out their duties and activities, it is obvious that universities do not work alone. In this circumstance, a wide range of stakeholders and various social co-workers of universities should be looked at more closely, so as to consider the diversity of their needs and expectations. (Labanauskis & Ginevičius, 2017) See Figure 1.

Due to globalisation, massification of higher education, and neo-liberal policies in higher education, education started to be viewed as a sort of business, and we see many business-related terms now being applied to it (Akyildiz, 2010). "Stakeholders" is one such term. According to Eden and Ackermann (1998), "stakeholders are the most important group of individuals, small groups, or people in general, with the significant ability to answer, negotiate with, and modify the strategic future of an organisation" (p.117). Bryson (2004) calls them a "winning coalition". However, they may come with threats as well, especially if they exceed their power mandate, and/or if their competence is low (Gomes &Liddle, 2009).

In order to achieve the goals HEIs have in their missions and visions, effective coordination is vital between the parties. See Figure 2 below.

We should pay attention to the difference between stakeholders in business and those in education, as well as their coordination. In business, their focus tends to be on financial issues and only after that do they look at other things, such as ecology, humanism, etc. In education, the emphasis is (or, at least, should be) on people: their employability and quality of life.

While defining who the stakeholders in higher education are, various approaches

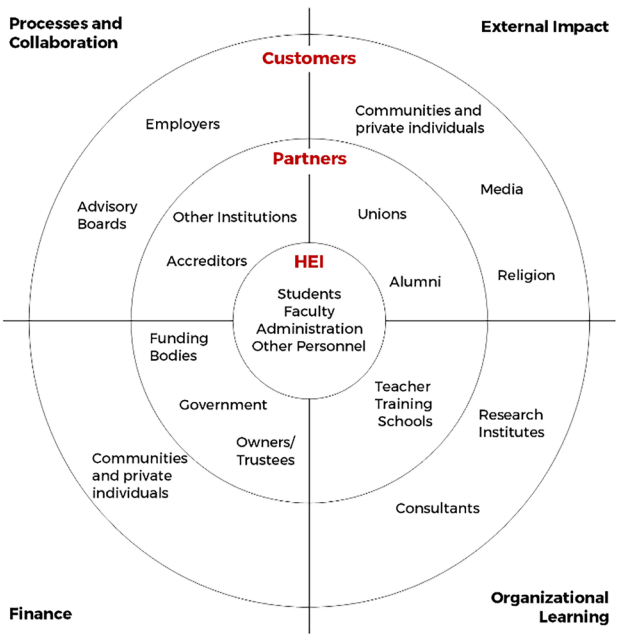

Fig. 1. HEIs' various stakeholders and social partners

Source: *Treating Constituents as Customers (Treating Constituents as Customers, n.d.).*

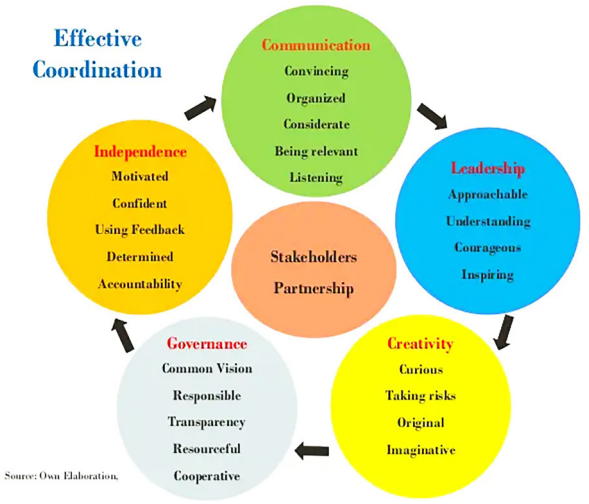

Fig. 2. Coordination/ stakeholders' partnership
Source: *Stakeholders' and Partnerships' Role in Open Education Action Lab / Education as a Strategy.*

have been offered by stakeholders, such as non-profit organisations, who do everything without benefit, voluntarily (Clarkson, 1995), and with a lower level of power and degree of benefit (Johnson and Scholes 2002), and involvement (Reed, 2008).

From a power position, political and governmental bodies, and accompanying structures such as the Parliamentary Commission on Education and Ministry of Education, state educational quality assurance bodies are the most important. They define the criteria of quality and have the power to authorise/accredit or shut down a university or educational programme. They define what kinds of learning outcomes are expected of programmes (Ministry of Education, Science, Culture and Sport, 2010), and so, whatever is written in the national standards has a huge, maybe determining, impact on what a university does in the pursuit of officially recognised quality.

Freeman (1984) mentioned stakeholders as a source of vitality, able to affect or impact the way an organisation's objectives are achieved through its involvement with the organisations, group or individuals. The stakeholder theory developed by Freeman and his colleagues (Freeman et al., 2010) is essential to the contemporary understanding of higher education stakeholders.

In Figure 3, we see examples of the key stakeholders in higher education: students, alumni, university administrative and academic staff, employers, regulatory bodies, policy makers, and local and professional communities.

Of course, students are the number one stakeholders, and thus it is important that they are satisfied with the quality of the teaching (and other services) that the university they study at provides, otherwise, they will trans-

Fig. 3. The most important interested bodies in HEIs
Source: *Koester, et.al., 2006.*

fer to another university or drop out. Students who are happy with their universities learn better and are generally more involved in the educational process (Gibbs, 2017; Guild HE, 2018). Sears & Hall (2000) view students as key stakeholders in the educational process. Students assess lecturers, courses, and the programme. Where lecturers and courses are assessed by all students every semester, programmes are usually assessed by senior students, as programme assessment requires a wide and deep awareness of the programme and future career opportunities.

Graduates are no less important, as their degree of satisfaction defines what they will say (including online) to their friends and relatives about the university, and this word-of-mouth aspect is very important (Briggs, 2006; Sweeney, Soutar & Mazzarol, 2008). In countries like Georgia, it is valued even more highly than official advertising. Graduate satisfaction is also defined by what employers think of them, and, correspondingly, whether those employers are willing to employ other graduates of the same university / programme in future (Morley & Aynsley, 2007).

The academic staff of a higher education institution is vital as a stakeholder, as it is they who deliver the courses and assess the students. Where, in the past, a teacher-centered approach dominated, and it was the professor who selected and was responsible for the content, educational materials, teaching and assessment methods (and was probably somehow controlled by the university administration), nowadays, lecturers, while making up the syllabi and delivering the course, have to consider students', graduates' and potential employers' needs and assessments (Bowen & Shapiro, 1998).

The administrative staff has to organise the educational process so as to support both students and academic staff (hold trainings, monitor the process, deal with paperwork, etc.). Their task is to regulate the smooth functioning of the university and the pro-

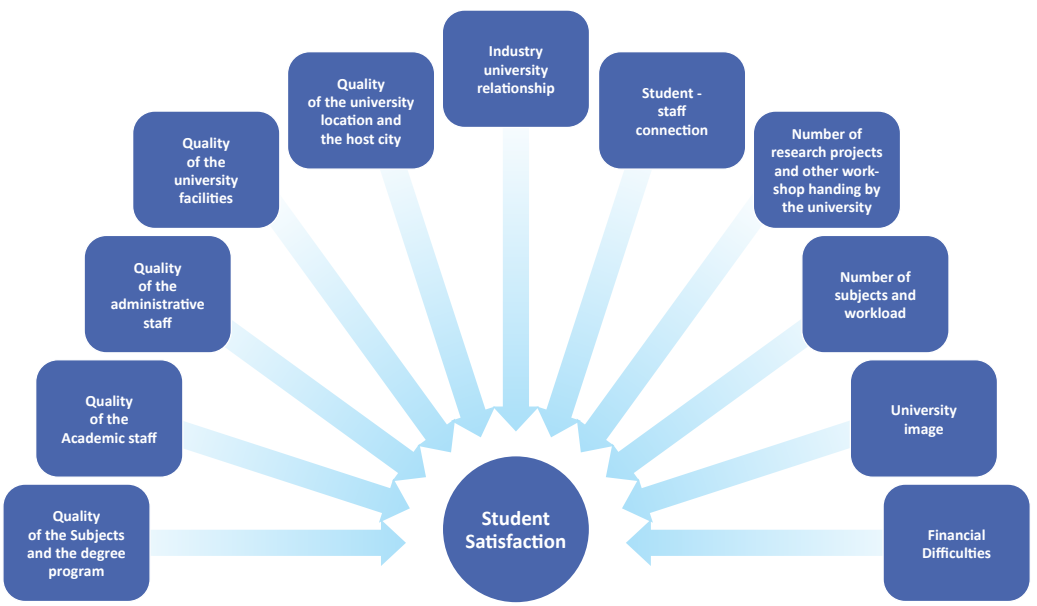

Fig. 4. Student satisfaction and what HEIs should do to achieve it

Source: *Udara S.P.R. Arachchige, 2020.*

grams, as well as to create an enthusiastic and student-centered teaching and learning environment (Shanahan & Gerber, 2004).

1.3. Employer satisfaction

The satisfaction of employers is important, as only graduates who are (successfully) employed work as a "living advertisement" of the university / program. Beautiful booklets that contradict reality will be of no help to a university that is not providing employable graduates. Ideally, dealing with quality education and employee competence should involve the consultation of employers on the content of curricula, as well as feedback on graduate competences on a longitudinal basis. Similarly, given the appropriate resources, universities could survey their alumni periodically in order to ensure the ongoing relevance and effectiveness of the learning, teaching and assessments that they offer. Intended learning outcomes, assessment, and assessment criteria that contribute to the overall degree, need to be discussed by the students, graduates and employers in order to help graduates get employed and for their employers to be satisfied with their work (Turcan, 2016). This sense of mutual responsibility is vital, and it is important to include all educational players in the process of policy making, allowing all the different stakeholders to take on an active role. (Peláez&Usma, 2017). As we can see, all stakeholders, no matter what status they hold, are vital for HEIs and their well-being.

1.4 Stakeholders and their connections with HEIs

We usually categorise stakeholders in the business world as "primary" and "secondary" sources. Those stakeholders who affect organisations' well-being are "primary". Their main role is to identify and eliminate possible problems HEIs might have. Meanwhile, "secondary" stakeholders have no direct influence or high impact on possible outcomes (Stankevičienė & Vaiciukevičiūtė, 2014).

Stakeholders approach universities from different angles. For higher education to be successful, all stakeholders must be engaged, but not all stakeholders can necessarily be persuaded of the benefits of doing so. Small enterprises may be particularly unenthusiastic, but their support in providing work placements for incoming students may be vital in securing reciprocal arrangements for outgoing students with partners in other countries.

According to Labanauskis and Ginevičius, universities are consolidated institutions surrounded by a large number of stakeholders, and we can thus see huge importance in their internal links and suppositions. HEIs have the challenge to create steps to boost their values in order to build up partnership among the interested bodies. Unfortunately, this effort is often foiled by the different and often contradictory expectations of the partners (Labanauskis R, 2017). A scientific map was created by John Borwick in 2013, and later elaborated by Labanauskis and Ginevičius, and it demonstrates to us that the same is true in Georgian HEIs (Labanauskis R, 2017, p. 68). See Figure 5 below.

Of course, it is impossible for every stakeholder in a higher education institution to have the same needs and expectations. This figure indicates and explains all the interactions and prospects of HEIs. It is vital to note that the value for universities is not generated by separately functioning stakeholders, but by the joint activities of HEIs and stakeholders in order to satisfy all the parties. Fig. 4 shows the HEIs and their external connections, however, the reflected stakeholder chain does not show the level of influence of each player or their position within the HEIs (Labanauskis R, 2017, p. 69).

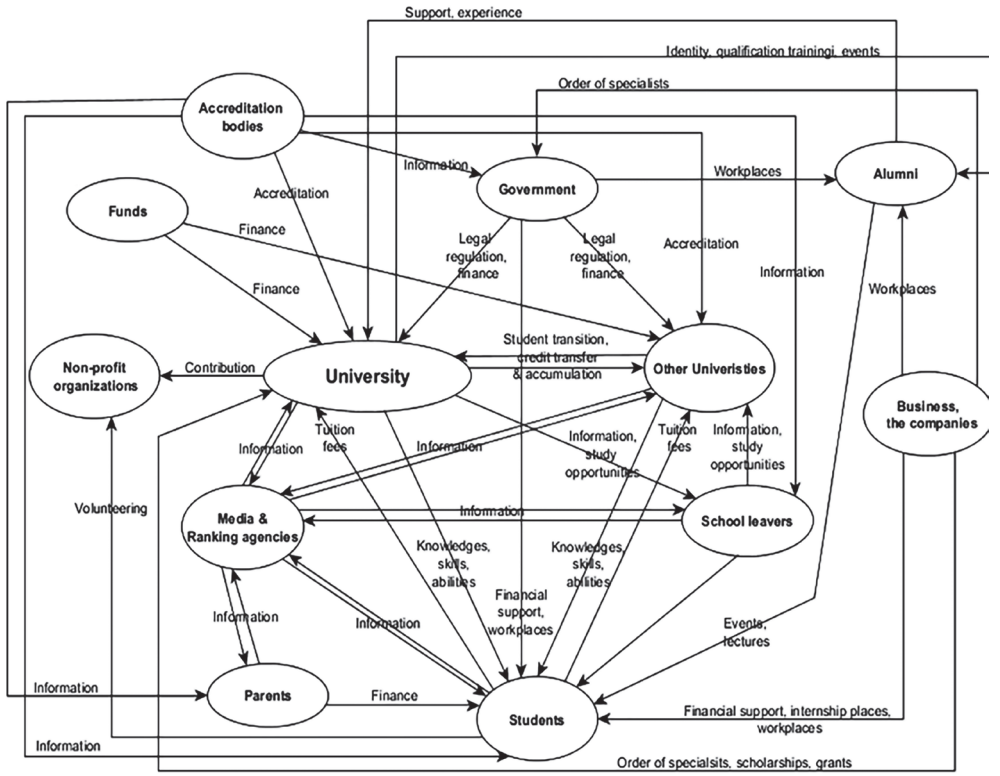

Fig. 5. Connections between stakeholder groups in universities

Source: *Borwick 2013; Labanauskis and Ginevičius 2017.*

Many other factors are vital for HEIs, among them, programme planning, designing, and development form a participatory process, and all stakeholders (staff, students, alumni, employers, professional associations) are involved in order to ensure the development of high quality, market-oriented, and modern educational programmes. While making decisions on the planning, designing, implementation, development or annulment of an educational programme, an education institution considers the requirements of the labor market, feedback from alumni and employers, results of students and alumni satisfaction surveys, students' academic performance monitoring results (according to programme learning outcomes), consultations with professional associations, and best local and international practices.

We must first classify stakeholders of universities as "internal" or "external", considering the various factors, such as the presence or use of different models and charlatanistic which could influence HEI development.

As we see, many factors (direct impact, partial impact, indirect impact or lack of impact) play a great role in stakeholder satisfaction and the well-being of HEIs. See Figure 6 below.

Direct impact stakeholders, such as students, alumni, and the university's administrative and academic staff, can not only be affected by employers, but are also directly impacted by the content, teaching

and assessment methods, and learning environment.

Janmaat, McCowan & Rao (2016) analyzed several studies (Chan, Siu-Keung-Ngai & Choi, 2016; Collet & Bang, 2014; Cosunen & Karrasco, 2016; Floyd & Fuller, 2016; Hammad, 2016) from all over the world (Finland, Chile, Hong Kong, Canada, Kenya, Jamaica, South and North Korea, the USA, Jordan, Egypt) that dealt with the motives / interests of different groups of stakeholders in the learning outcomes of a programme. "Selling the product" (having knowledgeable graduates who are easily and well employed and who eventually serve as the best possible advertisement for the educational institution) is the major motive for universities. However, female school principals in Hong Kong also expressed a motherly type of interest in the future of their graduates (Chan et al., 2016). Attracting international students and staff is another, sometimes more powerful, motive for them. On the other hand, for parents and students, the major concern deals with happiness and social adjustment. Parents express both hope and fears when trying to choose the best educational institution for their children (Cosunen & Karrasco, 2016). Migrant (refugee) students and their parents care about the security of the institution, as well as about the risk of loss of personal or ethnic identity (Collet & Bang, 2014).

Although the modern world is now very much business-minded, and there is a whole direction in education science which studies entrepreneurial universities as a successful model, educationalists' major concern should deal with the students. Ethnic minorities care about preserving their identity while studying with students representing the dominant nation (Floyd & Fuller, 2016). Teachers, while being retrained on the "international standards", also care about preserving their national culture, and worry the trainings organised for them might present linguistic or cultural challenges (Hammad, 2016). Thus, while analyzing the contribution of various stakeholders to the assessment and quality of LOs, research-

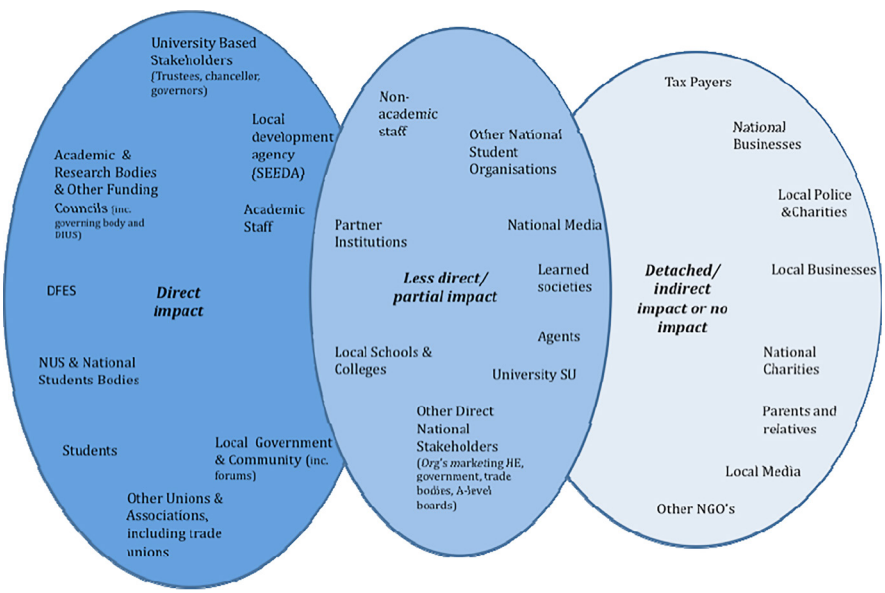

Fig. 6. Direct impact, partial impact, indirect impact or lack of impact of stakeholders on HEIs

ers and program authors / university quality services need to take into consideration their motives for taking part in this process.

It is a well-known fact that the most powerful external groups of stakeholders are employers. Their ability and motivation to impact HEI studies and R&D activities is very limited. Nobody doubts HEI managers and their importance in decision making, though. As the most powerful internal group of interested stakeholders, they have the right to make decisions referring to the performance and activities of higher education institutions; however, external opinion is vital so as not to miss relevant issues.

Another vitally important group of interested people is the professors, who also share their opinions on all ongoing processes taking place in their universities. They help the universities to implement the policies in studies and activities, such as R&D. Their experience, and information based on it, is extremely valuable.

Students, who are considered the most valuable stakeholders, due to their limited experience and understanding of what higher education institutions do, are not often great contributors to the process of integration of the university quality management system. Awareness must thus be raised among students of the importance of said system.

For a university's well-functioning activities, alumni are seen as the most valuable source of information. The alumni are not only aware of ongoing processes within society, but can also be good advocates for the universities among youngsters. We see the consistent and ongoing efforts of organisational development universities. Progress in the conditions of HEIs is determined by both social and economic changes. Universities need to be clear about what they should expect, and must be able to expand their attractiveness to stay in the higher education market. Higher education stakeholders are grouped and analyzed, in various ways, by their connections with HEIs, and by their needs and expectations. We see that different groups of stakeholders have different needs, and, thus, their objectives vary (Labanauskis R, 2017, pp. 72-73).

Conclusion

Organisational well-being is dependent on the long-term efforts of the higher educational institutions. The transformation of HEIs is determined by changes in social and economic thinking. Taking into consideration the situation in Georgia, universities have to be clear about what they except to get, and must do their best to enhance their privileges, to be attractive, and to remain in the market, especially considering higher education is a highly competitive area. We have characterised university stakeholders in detailed ways, according to their linkages with the higher education institutions, their needs, and their expectations. Different groups of interested parties, of course, have different goals and ambitions. Accordingly, universities must adjust, harmonise, and form priorities when seeking to impose the demands of the various stakeholders. Stakeholder involvement in higher education institution activities is a powerful determinant in finding the best way to improve and develop that institution.

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Implementation of Proactive Environmental Protection Management Opportunities

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ABSTRACT

Among the contemporary challenges facing sustainable development, the efficient consumption of resources, which have a huge ecological impact, is very much in the spotlight. Management of resource consumption is a task that many say should be put to resource recycling companies. The answer to the global demand for the development of a type of production that will not threaten future generations is made possible through the production process itself and the management priorities set. The global scale of harsh ecological problems indicates the need for proactive management implementation. In this light, internationally recognised and widely introduced environmental protection standards are well worth considering.

This paper deals with the introduction of Environment Protection Management capacities based on the International Organisation for Standardisation ISO 14001:2015, globally, as well as in Georgia.

Introduction

Eight of the UN's 17 Sustainable Development Goals are directly connected with environmental protection standards: Clean Water and Sanitation; Affordable and Clean Energy; Decent Work and Economic Growth; Industry, Innovation and Infrastructure; Responsible Consumption and Production; Climate Action; Life Below Water, and; Life on Land (ISO Environmental Management Systems).

The widescale objectives of the Sustainable Development Goals can be achieved when management decisions focus on the production process. Environmental Protection Management is not simple, and does not provide guaranteed benefits for a company. Some firms which have introduced this kind of management process have witnesssed increased expenses due to the need to meet the strict norms of environmental protection, whereas others have seen a positive impact. Suppliers of pollution reduction and control system equipment quickly appeared on the growing market. Many companies have discovered that it is possible to run a company

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by attracting customer attention via leadership in the issues of environmental protection, and many have turned tough state regulations on waste reduction and resource saving into public image improvement and a source of income. Besides the above-mentioned, environmental protection priorities are connected with issues such as water supply and water quality, air quality, soil pollution, and the depletion of non-renewable resources. Fossil fuel in particular was considered the main physical obstacle.

Currently, emphasis is being put on improving water and air quality, waste assimilation, and nature protection. This paper aims to study ways of environmental protection management development. To emphasise the opportunities granted by the introduction of ISO 14001:2005 standards, the study findings can be used to stimulate proactive environmental protection management. To study the issue, the International Organisation for Standardisation webpage materials and relevant academic publications were analysed.

Proactive Environmental Management Challenges in Companies

Alongside an increase in the scale of industrial production and world population, mankind's impact on the environment is growing. The business sector also has to deal with these problems. Developed countries enact ecological laws and implement relevant policies, with governments having a serious influence on many sectors of industry (an issue widely discussed by Aladashvili, G., 2015, 41-65).

Environmental Protection Regulations have various impacts on businesses. It is possible to increase environmental protection expenses with the expansion of production activity. Industrial expenses on environmental pollution control are 3% on average. For the hard-polluting sector (chemical, paper and mining), the percentage increases by 20% or more (Paye J. V., 1996:4).

Companies may implement environmental management strategies on various levels, among which are pollution prevention, reduction of risks due to the introduction of new technologies, and protection of regulating standards at the highest level.

It is obvious that many companies not only fail to implement proactive environmental management, they are not even informed about its existence.

Effects of environmental protection are miscellaneous, a fact which can be connected with ineffective management, lack of information or regulations, and other factors. A survey carried out in 2020 in Georgia revealed that the environmental protection benefits vary dramatically by company. The survey revealed that benefits were available in applied materials or water quantity reduction (-17%), energy consumption reduction (-20.6%), water, noise, soil, air pollution reduction (-29.9%), less polluting and dangerous materials substituted (-19.9%), renewable energy sources substituting fossil energy (11.5%), private usage or renewable recycled waste for sale, and water from materials usage (10%). For insignificant benefit or a lack of benefit allocation of the mentioned effects, see Table 1. All the above indicates the need for measures to be taken for environmental protection in Georgian enterprises.

Company activities are not revealed clearly here. For example, of the companies surveyed in Georgia in 2020 that received environmental benefits from the implemented innovations, only 10.5% indicated that they participated in voluntary actions or initiatives for good environmental practices in the relevant sector, and almost half of these (47.7%)

Table 1. The distribution of categories of importance for enterprises according to the types of environmental benefits, Georgia

	2020		
	Significant benefits	Insignificant benefits	Without benefits
Environmental benefits obtained within enterprise			
Reduced material or water use per unit of output	17,2%	19,2%	16,6%
Reduced energy use or CO2 'footprint' (i.e. reduced total CO2 emission)	20,6%	18,9%	16,5%
Reduced soil, noise, water or air pollution	20,9%	18,1%	16,5%
Replaced a share of materials with less polluting or hazardous substitutes	19,9%	16,8%	16,6%
Replaced a share of fossil energy with renewable energy sources	11,5%	13,2%	16,9%
Recycled waste, water, or materials for own use or sale	10,0%	13,8%	16,9%
Total	**100,0%**	**100,0%**	**100,0%**

Source: *National Statistics Office of Georgia https://www.geostat.ge/en/modules/categories/108/innovation-activity*

indicated that this factor did not impact on the enterprise. Challenges to eco-friendly management are present in all countries of the world. Studies were especially active in this direction in the 1990s, which resulted in the creation of EN ISO 14001 and eco-management and audit schemes. The effects of implementing standards-based environmental management (EMS) systems have since been reported in many studies.

Researchers indicate that the implementation of a certified EMS helps to increase a company's reputation in the eyes of external stakeholders, and the results show that investing in IS0 14000 standards is also highly beneficial for the wider applicability of developing strategies that can help firms make better decisions in marketing (D'Souza et al., 2019).

Based on a study of more than a hundred academic papers on the challenges of environmental management applied in companies and industries, researchers (Potrich et al., 2019) systematised three main perspectives: Evolutionary stage models, typology models, and proactive practices. They concluded that evolutionary stage models more fully reflect proactive approaches to environmental management, and proposed an environmental proactive framework that integrates proactive practices with organisational, operational, and communicative directions.

ISO 14001:2015 and heterogeneous motivations for implementing an environmental management system

Today, there are important international standards that aim to systematise the introduction of business management systems. The series of standards developed by the International Organisation for Standardisa-

tion (ISO) have spread widely throughout the world, cover almost all areas of activity, and are now recognised by many countries for the many benefits brought about by implementing them in business. Two series of management-related standards are noteworthy: the ISO 9000 series, related to the implementation of quality management systems (Quality Management Systems - QMS), and the ISO 14000 series, related to the implementation of environmental management systems (Environmental Management Systems - EMS).

ISO 14000 is a series of voluntary standards for environmental management. It provides a set of best practice tools and methods that, if implemented by a firm, are likely to help minimise environmental impact and conserve resources. Currently, companies can obtain certification in the standard ISO 14001, a standard at the core of the 14000 series which outlines what a firm should do to implement an environmental management system.

ISO 14001 is a globally recognised standard based on the concept that environmental performance is best achieved when environmental aspects are systematically identified and managed, making a significant contribution to sustainability through pollution prevention, environmental performance improvement and compliance with the applicable laws. This standard was monitored in accordance with the new structure of management system standards, and, in September 2015, a widely recognised environmental management system standard was issued.

ISO 14001:2015 is characterised by an integrated approach to environmental management, and its implementation means reducing the impact on the environment, along with meeting the appropriate legal requirements, which, of course, does not exclude the possibility of business growth.

To implement ISO 14001, the organisation must develop an environmental policy based on the following principles: Compliance of the policy with activities, products and services; commitments to continuous improvement and pollution prevention; compliance with environmental legislation and legal regulations; taking on responsibility to define and review environmental goals and objectives; and ensuring employee engagement and availability to the public.

ISO 14001:2015 helps an organisation to achieve the intended results of the environmental management system, which is valuable for the environment, the organisation itself, and its stakeholders. In accordance with the environmental policy of the organisation, the targeted results of the environmental management system include: Improvement of environmental performance, fulfillment of obligations, and achievement of environmental goals. ISO 14001:2015 applies to any organisation, regardless of size or type. It also applies to the environmental aspects of the activities, products and services that the organisation defines as areas of control or influence, taking into account the life cycle. ISO 14001:2015 does not establish specific criteria for environmental performance. ISO 14001:2015 can be used in whole or in part to systematically improve environmental management; however, a claim for compliance with ISO 14001:2015 will not be accepted unless all its requirements are included in the organisation's environmental management system and are met without exception (ISO 14001:2015).

The implementation of ISO 14001 is based on the principles of the well-known Deming Wheel: Plan - Do - Check - Act. At each stage, direct and indirect environmental aspects are taken into account in terms of environmental impact (Martin, 2017). The majority of organisations supporting the imple-

mentation of the standard indicate that, by implementing it, the organisation will reduce waste management costs, save energy and material consumption, have lower distribution costs, and improve the corporate image before regulators, consumers, and the public. In addition to the above, the expected benefits are compliance with legal and business requirements, increased competitive advantage in the market, identification of problem areas, improved opportunities, independent verification of system stability and process reliability, greater employee awareness of company obligations, and overall increased responsibility.

According to the latest data from the ISO survey, the number of certificates of conformity to ISO management system standards issued is increasing, issued by accredited bodies worldwide. In 2016, there were 1,643,523 valid certificates issued across nine standards, an 8% increase compared to 1,520,368 in 2015. A certain amount was added (834 certificates) and the total figure for 2016 was 1,644,357. Demand for the ever-popular ISO 9001, Requirements for Quality Management Systems, and ISO 14001, Requirements for Environmental Management Systems guidelines, increased by 7% and 8%, with 1,106,356 and 346,189 certificates issued respectively. More recent additions, such as ISO 50001 for Energy Management and ISO / IEC 27001 for Information Security, increased by 69% and 21%, respectively, with 20,206 and 33,290 certificates issued worldwide (Use of ISO, 2017).

The ISO survey also notes the number of certificates of conformity to ISO management system standards is increasing. Certificates are issued by accredited bodies worldwide. In 2016, there were 1,643,523 valid certifications given under the nine standards, compared to 1,520,368 in 2015. The results of a survey of the Chinese manufacturing sector showed that certification according to the ISO 14001 standard increases compliance with environmental regulations and helps to maintain the results achieved in this aspect (McGuire, 2014).

A number of researchers focus on the influence of national culture on environmental management, and indicate that efficiency orientation and institutional collectivism influence the spread of ISO 14001. However, while efficiency orientation slows the spread of ISO 14001, institutional collectivism accelerates it, though the moderating effect of efficiency orientation decreases over time and the accelerating effect of institutional collectivism increases (Orcos & Palomas, 2019).

The standards of the International Organisation for Standardisation are allowed in Georgia. Georgia regained the status of member-correspondent of this organisation on July 1, 2006. The body responsible for standards in Georgia is the National Agency of Standards and Metrology, whose partner organisation is ISO. Its membership provides an opportunity for any person involved in the quality infrastructure in the country to accept and act in accordance with international standards for health, ecology, safety protection, the entry of Georgian products onto the international market, and increasing competitiveness (National Agency of Standards and Metrology).

Among the standards in force in Georgia are the general quality management standards of the International Organisation for Standardisation (for example, 9001:2015), as well as some standards of the family of environmental protection management (standards catalogue), although statistics of environmental standards implemented by organisations, especially according to individual standards, could not be found. It is significant that steps are to be taken in this direction- the

planned political measures point to this, and they will contribute to the wider implementation of the discussed standards. In the Third National Program of Environmental Protection Actions of Georgia, it is mentioned that the transition to acceptable activities from an environmental point of view is not able to be carried out immediately, and requires scientific knowledge, innovation, a certain level of public awareness, appropriate development planning, an effective economic policy, appropriate implementation of legislation, and the strengthening of human and institutional capacities at the national level. In addition, the first task is to promote green economy and sustainable development policies and their mechanisms, and development and implement them to raise the level of knowledge at the national level (National Environmental Protection Program, 2018: 152).

Conclusion

ISO 14001 refers to certification in the field of environmental management and can be used on a voluntary basis in all areas of business. Possession of this certificate demonstrates how a company implements environmental management system control and highlights corporate responsibility in terms of environmental protection, which, at the same time, helps to raise the image of said organisation.

ISO 14001:2015 defines the environmental management system requirements that an organisation can use to improve its environmental performance. ISO 14001:2015 is intended for organisations that seek to systematically manage their environmental responsibilities, thereby contributing to environmental sustainability.

Implementation of the mentioned standard is voluntary. The motivation for its introduction is different and the benefits are mixed. The critical opinions that some research results show are related to the ambiguous results of the certification and the indirect implementation of this standard by companies in mitigating the environmental impact, seeing their motivation tend towards other results, although the reviewed papers confirm that the certification, according to the environmental standard, does not have a negative impact on the efficiency of the companies themselves. With this in mind, we can suggest there are prerequisites for stimulating proactive environmental management in companies, with a need for more motivation related to more benefits, an effect linked to the introduction of international standards.

Among the positive results of ISO 14001 certification, it helps to reduce the negative impact on the environment; saves costs; increases the credibility of companies with both customers and regulatory bodies due to recognition at the international level; expands the possibility of a company's receiving the status of a responsible organisation; indicates compliance with the legal requirements related to environmental protection; and increases the chance of market entry and establishment.

Appropriate national culture has an impact on environmental management. Researchers note the accelerating role of "institutional collectivism." The results of a survey of Georgian companies reveal the need for internal stimulation of proactive environmental management and implementation of external regulations. It is necessary to scale-up the measures planned in the direction of raising public awareness mentioned in the Third National Program of Environmental Protection Actions of Georgia, which will have a positive impact on the introduction and improvement of environmental management.

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The Karabakh Conflict, and its Geopolitical and Economic Impacts on Georgia

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ABSTRACT

Georgia has been a land hub between Europe and Asia since ancient times, when trade began in the second century BC. The Great Silk Road trailheaded in Sian, and, in Dunghuan, it split into two branches heading westward: north of the first Lobnor Lake, and Turfan, to the south of the same lake - Khotani and st. Via Yarkend - St. Kashgar. From there, the northern road connected with the Caspian Sea and the Transcaucasus, and crossed Georgia to reach the Byzantine and Roman Black Sea via the Phasis. The second road went from Kashgar to Balkh and northern Iran, and from there to the shores of the Mediterranean Sea. In 1998, on the initiative of Senator Brownbeck, the United States Senate passed a resolution to support the development of a New Silk Road. The TRACECA, as well as the Baku-Tbilisi-Ceyhan "Great Oil Pipeline" and the Baku-Tbilisi-Erzurum "Great Gas Pipeline" are already operating under the auspices of the New Silk Road, significantly changing the economic reality in the Caspian-Black Sea region, creating new conditions for development, and strengthening that region - not only regarding the energy security of the countries there, but the energy security of Europe as a whole (The Silk Road History, 2021; Elisseeff, 2001; Li & Taube, 2018).

Considering this, the resumption of the Nagorno-Karabakh conflict (the so-called Third Karabakh War) has affected Georgia more than it may seem at first glance.

The results of this war in reality present huge threats and challenges to the geopolitical and economic environment of Georgia, and a naïve understanding of the status quo could be very unfortunate for the country.

In this paper, we will explain why the new Karabakh status quo is more threatening to the Georgian economy than the current situation, what challenges it poses to the country, and what we can do to either completely circumvent these threats or, at worst, minimize them.

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Historical-Geographical Overview

In general, Georgians tend to know little of the history of Azerbaijan and Armenia, often because there is no emphasis on the need for such knowledge of its neighboring countries in economic or political terms. It is this very historical uncertainty that leads to endless disputes and conflicts over the delimitation of borders in the Caucasus region, to which the main contribution has been made by Russia, which has planted its "mines" in the region over the centuries and is always quick to use them. In the words of Beka Kobakhidze, Associate Professor, Head of the Master's Program: "The 'Boundless Caucasus', based on the Schengen model, is still a chimera, which follows Georgia on its path to European integration" (Kobakhidze, 2020).

We read about the historical-geographical perspective in the article of Sandro Samadbegishvili, a Geocase analyst: The history of Nagorno-Karabakh (called "Artsakh" in Armenian) and its affiliation, is a controversial issue, which on the one hand is difficult to enter and on the other is not an essential factor of analysis. The reality is that the territory of Nagorno-Karabakh (alongside other various parts of the Caucasus region) has historically passed from hand to hand, and on it we find traces of Albanian and Azerbaijani, Armenian and Persian. Each mosque, church, inscription or cemetery provides the different sides with arguments to substantiate their positions. Nevertheless, the indisputable fact is that the Nagorno-Karabakh Autonomous Region was part of the Soviet Socialist Republic of Azerbaijan and is now an integral part of the territory of independent Azerbaijan, recognized by the world community.

Even before the collapse of the Soviet Union, relations between ethnic Armenians living in Nagorno-Karabakh and the Azerbaijanis were strained, linked to the desire of those Armenians for autonomy and to be annexed to Armenia.

To better understand the status quo established in 1994 and in the aftermath of the 2020 conflict, we need to understand what Nagorno-Karabakh is geographically. The region is an enclave, an island deep in the territory of Azerbaijan, and it has no geographical border with Armenia. Therefore, in order to ensure the connection of the "Armenian satellite" Nagorno-Karabakh with "Armenia proper," it was necessary to build a sort of bridge between them. The Lachin Corridor, which connects the last city of Goris in Armenia with Nagorno-Karabakh, is a 6 km serpentine bridge. For years, the Lachin Corridor was the only route between Nagorno-Karabakh and Armenia. Thus, the Nagorno-Karabakh conflict for Azerbaijan was not limited to the loss of direct control over Nagorno-Karabakh but, at the very least, lost control of the corridor.

But that's not all. The consequences of the 1990s conflict were far worse for Azerbaijan, seeing it lose control not only of Nagorno-Karabakh (which covers an area of about 4,400 sq. km.), but also of the seven districts around Nagorno-Karabakh, which were not at all part of Nagorno-Karabakh. In total, the de facto Nagorno-Karabakh Republic established control of about 11,500 sq. km. For the de facto government of Nagorno-Karabakh and Armenia, the occupied territories beyond Nagorno-Karabakh functioned as a buffer zone and trade area of great importance. The occupied territories beyond Karabakh are about the size of Abkhazia, and are home to more than half a million IDPs. The interesting thing is that neither Armenia nor Karabakh had a legal or logical argument for occupying the territory beyond Nagorno-Karabakh.

All that was left after that was for Azerbaijan to consolidate its military potential, forge an even stronger coalition with its Turkish allies, react to the potential negotiation with Russia, and wait for the best moment to resolve the issue, militarily, at least (Samadbegishvili, 2020).

Analysis of the Political Environment of the Region

It would be interesting to explore who gained or lost what with the ending of the war and reaching of a peace agreement, as well as what echoes the new order in the Caucasus region may have in the future.

Azerbaijan

Territorial integrity has always been a priority for Azerbaijan, so the agreement was a direct personal victory for President Ilham Aliyev. Under the agreement, Azerbaijan regained control of the Nagorno-Karabakh Autonomous Region and the city of Shusha.

Armenia

After the war, Armenia and its interests suffered the most. The concession of Karabakh was painful for the Armenians, and clear proof of this can be found in the October 27, 1999 assassination of the Speaker of the Parliament Karen Demirchyan, Prime Minister Vazgen Sargsyan, and other politicians of the Armenian Parliament who, on their part, expressed willingness to make concessions on the Karabakh issue.

Even Nikol Pashinyan, who survived the revolution in 2018, could not escape these clichés, and he also repeatedly stated that "Artsakh [the Armenian name for Karabakh] is Armenia."

By sitting down at the negotiating table, Pashinyan might have avoided the Third Karabakh War and had to give up less, but he could not escape the prevailing thinking that "everything can be given up except Karabakh," and, in the end, he got what he got.

Like Azerbaijan, another setback for Armenia can be considered in the appearance of Russian "peacekeepers" in Karabakh, which further limits Armenia's actions within the borders of the protected territories.

However, if there is one thing that can be seen in a positive light regarding Armenia's position, it is the preservation of the capital of Karabakh, Stepanakert (Khankendi), its surroundings, and the corridor of Lachin, as well as the rest of Azerbaijan-Nakhichevan. Maximum obstruction of the issue of the land corridor connecting Azerbaijan and Nakhichevan will be a small victory for Armenia. If it fails, the role of Armenia as "the loser" may be further aggravated, and may even become a humiliation for them.

Russia

From the first day of the Second Karabakh War, the main question was related to Russia's passivity. Why did Russia not fulfill its commitment to allied Armenia? Moscow's formal response to this was that the war was taking place in the territory of another country, and there was no legal basis for interference. Yet Moscow did not even use its levers of pressure on Baku.

Russia, with its silent strategy, achieved the maximum, as always. Russia won Aliyev's favor, punishing the entire Armenian diaspora. Only Pashinyan was unaffected, with his ambitions to escape from Russia's orbit, develop a democratic country and, most importantly, to do so in the only conflict region in the Caucasus where Russia had not previously been present.

When a third airport was captured in the Caucasus region (the former Gudauta

Airport, located in Georgian territory in the Russian-occupied region of Abkhazia), the Erebuni Airport in Armenia was added to the Hojal Airport on the territory of Azerbaijan, 7 km from Stefanakert.

Now, Russian military transport planes are flying from Russia via Azerbaijani airspace and the city of Ganja, to Yerevan, which was before unthinkable. Soon, though, the Karabakh-based military springboard will no longer have to use Yerevan for logistical support, with its difficult 300 km of hard terrain road; it can instead use Hojal Airport.

Everyone is well aware of the trump card Russia has with its own "peacekeeping force" in the region of its interest. Both Azerbaijan and Armenia are in the grip of Russia with this decision, and a step taken incorrectly in the perception of Russia could land on them like the sword of Damocles (Russian Gambit, 2020).

Georgia

In 2021, in Azerbaijan, the President of Turkey, Recep Tayyip Erdogan, green-lighted a profitable format, the 3 + 3, which envisages the formation of a joint group comprised of Turkey, Russia, Iran, Azerbaijan, Armenia and Georgia, and the holding of negotiations between them.

The next step was to discuss the format at a meeting between Turkish Foreign Minister Mevlüt Çavuşoglu and his Georgian counterpart Davit Zalkaliani in March 2021, which was followed by Zalkaliani's following comment: "The country should not lose its role and function, not at the expense of state interests and concessions to the occupier."

This wording was both disturbing and negatively perceived, because in the first place it is impossible to negotiate with the occupier until it fulfills its obligation, restores the status quo, and withdraws its declarations of independence of Abkhazia and South Ossetia. Only then could this format be discussed, and only in a modified form of 3 + 5, where, in addition to the above-mentioned states, the US and the EU would join. In all other cases, Georgia would be left vulnerable and without an ally.

Another drawback for Georgia in the 3 + 3 format is that Turkey will be a lobbyist for Azerbaijan, and, in addition to its own interests, it will defend the interests of Azerbaijan. This will hit Georgia unequivocally hard, because it still has many disputed border zones with Azerbaijan. Thus, this format will have a clear negative impact on Georgia's interests.

As unbelievable as it may sound, besides Russia, Iran can be. A clear example of this is the tense situation on the new border between Iran and Azerbaijan, coming as a result of strict control of Iranian truck drivers by Azeri border guards. As such, Russia, the "unpredictable" state, will be the defender of Armenia's interests along with its own. And in light of all this, Georgia will find itself in such a losing position that it may face irremediable problems; besides the eventual loss of the regions currently occupied by Russia, many more border lines may be lost in favor of Azerbaijan, Armenia and Turkey (What is the 3 + 3 format, 2021).

Economic Impacts and Challenges

2020 turned out to be one of the worst years for the South Caucasus. By the end of the year, Georgia's economy had reduced by 6.2%, and Armenia and Azerbaijan's by 7.5% and 4.3%, respectively, not only due to the restrictions imposed by the governments to

combat the pandemic, but also as a result of falling oil prices from the beginning of March.

The same year, the economies of the Caucasus region received a third shock: The course of events between Armenia and Azerbaijan, which affected both the countries involved and the wider region (including Central Asia). The reason was the trade chain, if we do not consider Armenia-Azerbaijan and partly Armenia-Turkey economic relations in the region separately.

According to 2019 data, Georgia's trade turnover with Armenia and Azerbaijan is 13.3%, and is worth $1,767.7 million. In terms of exports, the second largest export country for Georgia is Azerbaijan, and the third largest is Armenia. These two countries hold 24.8% of Georgia's total exports, and, while they do not trade with each other, they have close trade relations with other countries in the region.

Both Armenia and Azerbaijan play an important role not only for Georgia, but also for other economies of the region. Consequently, the negative impact of the Karabakh wars on Georgia, reflected indirectly from these countries, sees a complicating of the economic situation in the region.

Foreign trade is not the only negative impact of the Karabakh conflict affecting the Georgian economy. The negative effects of the war also impact foreign investment, on the one hand reducing foreign investment from these countries and, on the other, making the entire Caucasus region less attractive to the rest of the world. Due to instability in the region, the risks for potential investors increase, which in many cases can lead to their reconsidering large-scale capital investments. This cause-and-effect relationship has been confirmed many times.

Foreign investments in particular play an important role in the case of Georgia and Armenia, as it is the main source of financing for local consumption. In particular, 68% of the current account deficit is financed by foreign direct investments (FDI). In other equal conditions, when there is less inflow of foreign capital, local consumption decreases, which leads to a reduction in the economy and, consequently, a worsening in the living standards of the population. In contrast, in oil-exporting countries like Azerbaijan, the main source of funding for domestic consumption is revenue from the latter, and foreign investment in the economy does not play the same role as in the rest of the Caucasus.

In Georgia, FDI averages 6.9% of the total economy. In Armenia, it averages 3.0%. Thus, in Georgia's case, foreign investment has a special role, which is essential for long-term, stable growth. While the accompaniment of foreign investment is the import of knowledge and technology, which improves the productivity of the economy, the latter is crucial for sustainable economic development (Shamugia, 2021).

In addition to these problems, after the war, the new redistribution may lead to disruption of the supply chain, whose main transit corridor is Georgia, from Turkey to Azerbaijan (and vice versa).

Azerbaijan and Turkey have a mere 10 kilometres of land border between Armenia and Iran. Those few kilometres change a lot today, and may become the kindle for another war in the South Caucasus, this time on the Azerbaijan-Armenia border.

After the victory in the Third Karabakh War, and the liberation of the previously occupied seven Azerbaijani regions, as well as the takeover of parts of Nagorno-Karabakh, Official Baku has a new and very large per-

spective, the implementation of which could completely change the reality of the South Caucasus over the next century. Azerbaijan includes the Nakhichevan Autonomous Republic, with which Azerbaijan is divided by the Syunik region of the territory of Armenia: The shortest distance between Azerbaijan and Nakhichevan is a straight line of just 37 km.

During the Soviet era, the railway from Azerbaijan to Armenia ran along the Araks River, along the Iranian border. Today, this line no longer exists, having long ago been scrapped, but for some reason President Putin wants to restore the transport corridor through the Syunik region, an initiative which appeared in the last paragraph of the ceasefire agreement of the last war in Karabakh.

It may be in Russia's strategic interest not to depend solely on Georgia's "whim" to reach Armenia from Russia by land, and is thus looking to prepare a spare option from Azerbaijan as well. Cutting off such a transport corridor directly from Azerbaijan to Nakhichevan via the Armenian Syunik is a good opportunity for Baku and Ankara.

If this corridor is put into operation, Azerbaijan and Turkey will acquire the shortest connecting land route through Nakhichevan, which will strengthen Ankara's influence in Azerbaijan and the whole South Caucasus. This will also significantly impact Georgia's budget, as a large part of the cargo transported from Turkey to Azerbaijan, and vice versa, via the roads of Georgia, will no longer need to come via Georgia.

One year has passed since the end of the Third Karabakh War, but the last paragraph of the above-mentioned tripartite agreement has not yet been fulfilled. The main reason for this is that Yerevan is preparing for new parliamentary elections, which should bring some clarity to the political direction of the country as a loser in the war. But while Armenian politicians blame each other for that loss, the President of Azerbaijan has no intention of wasting time, and is taking advantage of the current military-political weakness of Armenia.

President Aliyev is just 37 km away from fulfilling the centuries-old dream of Azerbaijan to claim the Nakhichevan territory. "If the Armenians have occupied seven other regions of Azerbaijan in addition to Nagorno-Karabakh for the last 30 years, which were never part of the Soviet-era Nagorno-Karabakh Autonomous District, then why can't Azerbaijan, in the Syunik region, which was historically ours and was called Zangezuri, cut the corridor to Nakhichevan?!" is the widespread sentiment in Azerbaijan.

The future of the Georgian transit hub may depend on these 37 kilometres. If Azerbaijan finally fulfills this dream, a large part of the cargo going from Turkey to Azerbaijan and vice versa will move in this direction. Controlled by the Russian "peacekeepers", they will likely use this transit corridor for their own benefit to supply their bases (Aladashvili, 2021).

Also, after some time, if this corridor gains credibility, it will lead to the relocation of those energy carriers (the Baku-Tbilisi-Ceyhan oil pipeline, Baku-Supsa oil pipeline, and Baku-Tbilisi-Erzurum gas pipeline), because it will be more favourable for Baku and Ankara. This will reduce the costs paid to Georgia for its transit function, and ultimately, in the long run, Georgia will lose its role as the main transit hub in the Caucasus.

Conclusion and Recommendations

It is clear that the new status quo is not a good sign for Georgia, either politically or economically. The country is surrounded by a neighbourhood of totalitarian rule, and the general environment is aggravated. Of course, Georgia does not and will not be able to resist the above, and must accept these new challenges and take new steps forward to pursue alternative solutions.

There is urgent need for a deep-water port in Anaklia, and blocking it was a blow to Russia's mill and a major blow to the country's economic interests. Large container ships should be able to enter and load/unload their cargoes, yet the existing ports in Georgia are not able to receive them. Anaklia Deep Sea Port is also very important in terms of political security, as it will allow Georgia to share the role of an Asia-Europe maritime hub with Turkey. It is further vital in terms of political security, because Georgia, as a country striving toward NATO membership, will have the opportunity to welcome, berth, and perhaps even build large warships for the North Atlantic Alliance, which will definitely serve as an additional security measure against potential Russian threats, as well as increase the level of security and safety in the eyes of potential investors looking for additional security guarantees in an otherwise uncertain region.

Another unequivocally positive factor is Kutaisi Airport being a base for Hungarian budget airline Wizz Air. A leader of civil transportation in the Georgian aviation market, it has a 15% market share (Wizz Air base, 2020). With the right tactics from the government, it is possible to mobilize other budget companies, which will have a positive impact on Georgia's economy, create new jobs, increase the number of foreign visitors and make Georgia a new global destination. Within a stable environment, this can provide a great resource for diversification and will bring numerous economic benefits to the country.

In conclusion, the Euro-Atlantic aspirations and the unwavering implementation of democracy should remain Georgia's primary aspirations, which will unequivocally lead to additional investments, market diversification, and the strengthening of Georgia's role and economic progress. In doing so, the country ensures it will not be shorthanded with just a new (and perhaps lesser) land hub function.

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