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COOPERATIVES IN AGRIBUSINESS

The article deals with the role of cooperatives in agricultural sector, it puts emphasis on providing scientific-economic basis for the purpose of founding agricultural cooperatives, integrated and mini integrated enterprises, in order to widen the range of their activities, create a food market and develop it. We have defined the meaning of cooperatives in accordance with two main principles of their functioning: priority of interest and management based on democracy. The research work is very topical as nowadays it is of primary importance to found cooperatives and ensure their functioning for boosting their cost effectiveness.

Our objective was to study one definite cooperative and in accordance with the results figure out the reasons preventing establishing the cooperative and its smooth functioning and at the same time define the necessity of founding cooperatives based on our innovative approach. We have used method of observation and made inquiry as well as studied the data of the definite enterprise.

We have set ourselves a task: we have studied the cooperative "Dovlati" in Maghlaki, Tskaltubo region, observed the existing situation, we have talked to its founder Avlandil Kvachakidze and shareholders. We have put special emphasis on problems troubling the founder as well as shareholders and the village population in general. We have familiarized with the speech of Minister of Agriculture delivered at the conference concerning agricultural issues.

The study has proved that village, its population and cooperatives face many problems (no credits with law interest rates, no machinery, great expenses, production without competitive capability, natural risk and lack of confidence among farmers as a result of past experience not only towards cooperatives but towards state program as well, lack of information, problems with issuing certificates). In conclusion we may say that nowadays the government should support founding cooperatives and ensure smooth functioning of the ones already running, as cooperatives can play a vital role in the welfare of farmers.

Today the purchase and realization of production are of primary importance which should be guaranteed by cooperatives as flexible, viable system.

HISTORICAL ASPECTS OF STUDYING THE CONNECTION BETWEEN OCCURRENCES

In the economic researches of the countries with developed market economies of the modern world there is widely used economic-statistic, mathematic–statistic, logical and other kind of methods. The economic hypothesis, intervals of reliability, statistic evaluations and taking relevant decisions are determined on the basis of the mentioned methods.

In the methods listed above the important is the correlative-regressive analysis and other methods of parallel series, balance, graphic, analytical grouping of studying connection between occurrences.

For characterizing incomplete connection (correlation) between current occurrences in economics and business the correlative-regressive method is mostly used which explains cause-and-effect connection with functional attitude and gives possibility to determine quality of connection closeness. On the basis of the above-mentioned the article is actual.

In the article there are discussed opinions of researchers of correlative-regressive analysis, evaluated results of the research and relevant reports are made upon them.
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TAXATION OF TRADE OBJECTS

It is important to the country’s economic revival the existence of a comprehensive legislative framework. At the present stage in Georgian structure of GDP great place takes the trade, which in turn, puts on the agenda the problem of perfection of accounting and taxation. Proposals make sense is the following: instead of trade objects to the current value added tax (VAT) and income (income tax - in the case of an individual enterprise) tax should be introduced one taxation that will be named: the trade tax or income tax, which is determined by a certain percentage rate on income from trading activities. Under the current legislation is somewhat realized by the introduction of a special tax regime, particularly in the small business tax, the bottom line is the 5% - a revenue rate of taxation on turnover volume (amount) of a certain range of -30000 GEL 100,000 thousand dollars, but these issues need to be considered - to be updated. The paper deals with the taxation mechanism for change - improvement of the issue, in particular for goods purchased (VAT - included), instead of calculating taxes on the sale price, it is recommended taxation by the average coefficient of the amount of sales. As a result not only decreased attracted tax volume in similar conditions by the existing tax law, but on the contrary, there are increased tax value, which gives a tax rate differentiation method. Tax rates are defined from supply and received (sales) amount. From suggested rule tax varies from 3% to 25%. Due to the average trade addition amount of the objects, the simplification of the tax assessment makes taxation more fair and efficient. Suggested method ensures payments with the budget on a monthly basis, Thereby it is increasing the amount of funds raised and circulation and the budgetary revenues are becoming stable.

It should also be noted that the proposed rule provides for the taxation of the entire lifecycle by VAT, because added value is created for all levels of production and circulation, including the turnover of less than GEL 100,000, and it turns out that the current system is not taxable by VAT. Why? Is it difficult to administer? Then again, a fundamental requirement of Taxation (fairness and equality) becomes partially neglected. This is a very important matter and the subject of a separate review and discussion.

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COMMERCIAL BANKS’ ROLE IN THE DEVELOPMENT OF SMALL AND MEDIUM BUSINESSES

Small business is an integral part of the national economy in the world; the modern economy is unthinkable without a well-developed small manufacturing sector. Because it gives the economy more flexible and movement character and at the same time provides a minimum cost of production and financial resource mobilization and creating new jobs.

It contributes to the activation of the human entrepreneurial skills and provides scientific - technical progress in the development of a number of important areas;

Contributes the employment problem and hence improve the social situation of the country and ultimately develops market relations in the formation of a democratic processes.

Commercial banks are still reluctant to long-term crediting of to small and medium-sized businesses, which is caused by 4 main reasons:
1. Financial risk – in the unprofitable enterprise it is greater risk of insolvency of the loan;
2. With the short-term crediting the velocity of money is more than with the long-term crediting, so commercial banks prefer a faster return limited financial resources rather than invest in long-term assets.
3. Political risk – in the majority of developing countries, including the political situation in Georgia, which negatively affects the business in general. This causes the result of the current credit market reality in Georgia. The market economy countries, including Georgia, recreational, commercial banks can not fully perform the role of stimulating the economy.

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NEW POSSIBILITIES OF ACCOUNTING DEVELOPMENT IN GEORGIA

In Georgia transformation of accounting system has been started from the beginning of XX century. Since XX century in the country making accounting according to International Accounting Standards became obligatory. Herewith, many arrangements have been developed for improving the quality of application of the standards requirements in the practice. Though, there should be mentioned that in spite of specified achievements Georgian couldn’t reach even to the modern European level through the direction.

In the article there is analyzed reasons of the above mentioned, especially, what has been done in recent years for introduction of Accounting International Standards and what the Accounting International Federation and other European countries do to this direction. On the basis of the above said the reports are made what should be done in the country for further development of accounting and where from the additional resources shall be attracted for providing. Especially in the article there is discussed the possibilities which is offered by innovative program STAREP of the World Bank to Partnership Participant Countries and including to Georgia.

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CONCEPTION OF INFORMATION SYSTEMS CONSTRUCTIONS OF ENTERPRISE AS MANAGEMENT ACTIVITY’S BASIC FACTOR OF ECONOMIC SUBJECT

In paper principles of construction, approbation and functioning of systems of the informational service for expansion of the target market and raise of efficiency of decision-making in management of the factories are observed.

Modern achievements in the field of computer techniques and communication facilities are observed as mechanisms of the informational service in management of information field of difficult economic installation. Control systems of such economic installations meet the requirements of an openness. They promote operative reception and machining of the trustworthy information providing adoption of effective administrative solutions. Use of new information technology and communication systems for formation on their basis of highly effective difficult economic installations should be a main route of economic policy of the state. The new approaches based on use of the informational systems, demand radical changes of organizational structures of management of financial and economic activity of the factories. Special value has a heading of the informational systems considerably expanding possibilities of use by the factories of the informational resources. The informational control system of the factory gives the powerful tool of forecasting, sampling of alternatives and the analysis of the future financial and economic condition of difficult economic installation, monitoring of its current condition for adoption of timely and adequate administrative solutions. The problem of creation of uniform information field of the factory can be successfully solved with application of multidimensional databases (OLAP). Production engineering OLAP gives to a key element and users as much as possible convenient and sweeping assessors, viewing and the
analysis of the business information. Representation of the economic information by the informational system in the form of a subset of the economic information, and this subset — as a subset of uniform information field allows to approach to modeling of agency of administrative solutions on balance of the organization through which quality of the made administrative solution can be sized up. The control system of databases (BODB) is applied to the solution of a problem of modeling of processes of planning in the informational system. In BODB the structure of the data of the administrative account, adequate to solved problems of the factory is formed.

Thus, the concept of construction of the informational system of activity of the factory allows to solve problems of modeling of economic parameters on uniform information field. Besides, the informational system also is applied and in management of the finance through the analysis, modeling and control of use of financial resources. Management of the finance widely uses the data as accounting, and results of modeling of economic parameters of activity of the factory.

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SOME OF THE NECESSARY FEATURES OF A MANAGER

Manager’s features and managing skills are quite actual problems in today’s conditions: A manager should be definitely orientated on the future and be the leader if he would like to be successful. Only 10% of the society watches the future but others generally get momentary, every day enjoyments or they mainly look at the past.

The aim and the tasks of the work is to show the importance of some of the many features of a modern manager for the effective ruling of the company, what kind of influence the managers’ features have generally on the employees relationship and on raising the motivation.

While doing the research I used the methods of analysis and observation. The research has shown that a manager should take into account the rules of giving praises and remarks to his employees. He has to praise his employee publicly but his remark should be given unnoticed. It’s a matter of fact that none of the company is able to become successful if the managers rule the employees with terror and cruelty. They should definitely evaluate their staff’s work, praise the successful employees and correctly give the remarks to those who deserve it. A manager should never remark his employee in writing or with other people’s presence. The remark in both of these forms will be particularly painful and offensive for the employee. The remark told in others’ presence is the worth of abasement which always badly impacts on people.

In case of written remark it is naturally hard to guess the tone of the letter, that’s why, the employee as a rule imagines the worst picture and the remark in written form causes the special demotivation.

When a manager wants to praise, it should be done on the contrary. A praise said in other people’s presence is much more valuable. And a thank you letter is considered more positively than the oral praise. In such case the staff’s motivation increases and it finally raises the company’s results.

The ways of solving the problem can be developed in the following way: A good manager should definitely own the skill of watching the future, he should be the leader, he should be able to praise the employees objectively, he should know the rules of giving the praises and remarks to the staff and he should always be eager to develop a healthy relationship with the employees.
INCENTIVE TOURISM AS A MEANS OF INCREASING OF TOURIST ENTERPRISES STUFF MOTIVATIONAL POTENTIAL

This article is devoted to such method of increasing of tourist enterprises stuff motivational potential as incentive tourism. The author sets as the purpose to describe the main features of incentive tourism and justification of its efficiency as means of increasing of tourist industry stuff motivational potential.

In spite of the fact that native and foreign scientists pay attention on the matter of labor motivation including in the tourism sphere, in practice one usually the whole system of stimulating in tourism enterprises is reduced to material issues (wages, bonuses, allowances, etc.). Enterprises managers do not pay attention and simply ignore the intangible methods of motivation, which refers to the number incentive tourism too, which in short, represents incentive (motivational) journey which is organized for the employees of the company for those or other achievements in work (for example, for increasing of sales, effective advertizing, etc.). As a rule, such trips are provided absolutely free of charge.

This article reveals the content of the «incentive tourism» concept, describes its types and aims, as well as provides a rationale the effectiveness of incentive programs as a powerful stimulus for the formation of a cohesive team and functioning of the enterprises in the future.

Incentive tourism is a relatively new and almost unexplored phenomenon. This is evidenced by the virtual absence of researches and, as a consequence, the literature on the subject. However, as practice shows, it is one of the most effective methods of increasing the employees’ motivation on resulting work.
Their mission also consists in the decision of problems of consumers of their services. In the state field it is very important, that civil servants knew general missions of the organization in which they work. Most noncommercial organizations do not think about the priorities of their own activity, although they are interested in creation of the system of effective work of personnel in a greater degree, than the commercial organizations, otherwise resources will be distributed inefficiently, and employees and clients will be disappointed by low efficiency of work of the organization.

The activity of the considerable part of noncommercial organizations is determined by indeterminate “public interests” and good intentions, and failures are explained by the deficit of resources and political directives. Leaders take off their responsibility for the strategy realization for the sake of administrative work.

Great Britain can be specified as an example, where there is a mission in a government, separate ministries, departments and branches. Even London subway has its mission that is not only well-known to all workers of the subway but also well-proven into consideration of every passenger: at a subway entrance everybody can take a leaf that explains the mission of this organization. In this case the mission of an organization targets simultaneously the increase of the efficiency of work of subway personnel and the establishment of positive standard of the given organization in the eyes of consumers of its services.

On the basis of the mission the aims of an organization are produced. The have the following characteristics:
- measurability: any, even a quality aim should be to converted to the quantitative measuring;
- orientation in time;
- reach: an aim must be real;
- interconnection of aims.

Thus, a mission formulates the general directions and principles that determine the aim of an organization and its cooperation with other objects.

A strategy is a system of interconnected decisions and directions that determine the priority directions of actions as for realization of the mission of an organization, and aims determine the eventual and intermediate states in realization of the strategy. Aims are movable the same as external conditions, that is why strategies can not be worked out in detail beforehand. On the basis of the accepted aims and taking into account the results of strategic analysis decisions about basic directions of actions and corresponding administrative procedures are produced.

For working out the strategic plan of the organization development the intellectual potential of the organization and professional consultants in strategic management industry can be used.

Organization of strategy realization consists in distribution of strategic tasks in the structure of management and control after their implementation.

In world practice the new method of control – benchmarking spread widely. It is the special administrative procedure of introduction in practice of work of an organization technologies, standards and methods of work of the best organizations. Within the benchmarking framework the search of organizations (enterprises) that show the greatest efficiency, studies of the methods of their work and realization of the advanced methods in practice are carried out.

Not only leaders of commercial firms but also leaders of public sector organizations, and also the civil servants of many countries of the world use benchmarking as an instrument of estimation of the executed work and for the transmission of advanced experience of management.

Thus, in the conditions of market, that change constantly, organizations are forced to develop, and this development becomes not only the consequence of natural evolution but also the result of purposeful efforts of managers on transformation of an organization.

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MONITORING OF LEVEL OF ECONOMIC SAFETY
BY MEANS OF EXPERT SYSTEM

In paper main routes of development of monitoring of level of economic safety at regional level which assume performance of certain stages are observed. The first stage of monitoring consists in formation of system of economic safety at region level. At the second stage of monitoring the estimation of level of economic safety on separate functional making by means of formation of system of separate parameters and comparisons of the gained design values with threshold values of indicators is made. On the counted magnitudes of functional components the integrated parameter of level of economic safety of region pays off. Observing a significant amount of the used given and spent scaling, the author develops expert system «Universal expert» which allows to make the analysis, to count and predict level of economic safety of region. Necessity of a heading of expert system for implementation of monitoring of level of economic safety at regional level is proved. The developed expert system «Universal expert» refers to the combined type of expert systems. It can be used for diagnostic of level of economic safety of installation of economy which is investigated, and also for monitoring and forecasting.

The user answers on defined by the expert and the list of questions put in expert system which touch economic safety. On certain algorithm calculations of level of economic safety of a prototype system are carried out, and expert leading-outs concerning a condition of level of economic safety are given. The expert system allows to fill up the knowledge base, to add separate functions for conducting of additional calculations and refinement, to update existing techniques of calculations of level of economic safety, to supplement look-ahead models for reception of look-ahead results. For reception of look-ahead level of economic safety of a prototype system it is desirable to carry out the analysis of a condition of economic safety for some contiguous previous periods for definition of existing trends.

The purpose of state regulation of economic safety at regional level is definition of a possible condition of system of economic safety which can be attained under condition of the forestalling of origination of threats of economic safety and maintenance developments of the personand a society as the priority.

Process of monitoring of state regulation of economic safety at regional level develops of five basic stages: 1) formations of system of economic safety at regional level; 2) estimations of a condition of economic safety of region behind the gated out functional components; 3) estimations of possibilities of state regulation of maintenance of economic safety of region; 4) workings out and headings of tooling of state regulation by economic safety of regions and the country; 5) control over performance of the previous stages.
CAN WE PREDICT THE FUTURE

It is important for any manager to be successful in its activities. This requires serious thinking and judgment of the manager’s future. As is well known, the manufacturing process is carried out in-house and external situational factors. Internal factors include: the objectives, structure, tasks, technology, and people. While external factors include the factors that come as functioning of the organization, existence and effectiveness of a facilitator.

There are direct and indirect impact factors:
- Direct impact factors include: providers, labor resources, laws, and public institutions, customers, competitors and audience contact, which directly affect the outcome of the organization. Indirect impact factors include: political - legal, economic, scientific - technical, social - cultural, competitive and natural environment. A change in any environmental factors causes change in others.
- Job purpose and objectives: What aspects of the environmental factors should be taken and which ignored? Is it possible to predict future events? How far should the organizations predict the future? How can organizations minimize risk derived from the outer conditions and benefit from the current abilities?

The article provides a method that is designed to find out the future of some of the elements.
- “Futurology” - science that seeks to define the development of the environment in advance, a few years before. Futurologists describe the development of a scenario, as it is called in modern trends in the development and they base their future projection.
- The Delphi method - this method is known under the name of Delphi in ancient Greece in honor of Orakuli. Overall, the Delphi method is based on any future event, expert opinions confrontation - and their shared belief.
- Economic model - creating an imaginary economy, and put a lot of information into computer. In this article, it is said, that we cannot predict the future, but organizations can minimize the risk of external factors, to take advantage of existing opportunities and thy course, if we follow the principle – “from future to the present, not from the past to the future”.

THE BEHAVIOR OF THE WORKERS GROUPS AND THE HAWTHORNE EXPERIMENTS

The article stressed the fact that the rate of growth of the scientific and technical progress is outstripping the pace of development of science of production management as a result of which occurs discrepancy. Therefore, each rational proposal for the management of production will make a certain contribution to the closing of the difference. With this purpose the author considers the question on creation of the workers groups and their behavior in different conditions of work. Considered in one of the first studies on the workers groups which was held at the Hawthorne factory (owned by Western Electric factory outside Chicago).

The studies were conducted between 1924 and 1932. In the article, the attention of research is most pronounced with a direct link to the productivity of workers in different conditions, such as working-collectors of electrical appliances. Change of work conditions included changing factors such as illumination and temperature of the room, the work schedule, which were reflected certain results. There have been two experiments to test whether the material incentives caused long-term influence to the results. F.Rostisberg from Harvard University and W.Dikson from Western Electric were specialists which protested against how the incentives affected the experiment’s result. Also psychologist M.Whyterless objected to the result. The article also considered a question about another important experiment, conducted in Hawthorne Works.
There was observation group of qualified operators employed for making wound relay. The aim of the research was to establish the pattern of change of output, when the workers were guided by their own rules and standards and not by the management of the company. Workers created some informal organization templates. As result of the study it was found that non-formal attitude among workers led to the formation of organizational templates management of the group. The authority of group norms was maintained by means of moral impact, and in the case of necessity - the use of force. The study found that employees in the group in spite of the fact that they differed in status, payment was the same. At the end of article there are some conclusions made on the basis of a study conducted by the Hawthorne factory.

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THE ISSUE OF MODERN MANAGEMENT CRITERIA

In management there are three main tasks that can be called as criteria. The first is to think and formulate a concrete purpose and mission of the organization, whether it is a business enterprise, hospitals, schools or public organ. The second problem is, that make the work productive , and the employee - a successful. Finally, third task is to control the influence of the organization on society and to have social responsibility. In regard to the second and third problems ,all institutions alike. Only the first task of a business enterprise differs from a hospital, a school or a public authority.

A concrete purpose and mission of the business enterprise is the economic impact. To achieve them, managers must always balance the present with an uncertain and risky future, they must seek and ensure long-term success of business.

Managers in any situation should be administrators.. In addition, they need to create something new. They need to be entrepreneurs and innovators willing to take risks .Modern business can benefit both society and the employees, only it can survive several generations of workers and will fulfill its functions in new, changing future .

Managers are transformation agents of the workforce and made individuals into a group of the educated and highly qualified specialists and performers in developed countries. This is achieved by using knowledge of the activity. Managers create organizations, conduct and use them to achieve its goals. As soon as the organization begins to grow in size it immediately posed the need for managers who will be professionals. In the 20th century, our society became a society of organizations.

Organizations rely on managers Management is a scientific discipline that is supported by objective goals of the organization and its employees. Any organization needs managers, who perform the tasks of management. They will be occupied with planning, job systematization and integrating, evaluating, and developing people. The organization needs managers who will be responsible for the consequences of their contribution. Management brings together people from different areas within the organization. Thus, it appears as a social factor. Consequently, the management as a scientific discipline and a practical method is important for all public institutions. Management relies on this function as a humanitarian, as well as knowledge of the natural sciences, and technology.
CONFLICT SITUATIONS MANAGEMENT

Conflicts mean collision of tendencies of conflict directions in human’s psychics, interrelation of their formal and informal associations. The conflicts are displayed in the organizations by their specific conduct and actions which often are overgrown with meddling in others matters.

By modern view on conflict many of them can be not only allowed but they can be advisable also. The matter is that they give information on the problem of the organization. Besides, by help of them there can be displayed secret processes in the organization, useful point of view of the employee and etc.

The positive result of the conflict is a resolution of the problem by acceptable facilities for all parties and etc.

The positive results of the conflict can be admitted resolution of the problem by acceptable facilities for all parties which confirms interrelation of the people, supports to unity of the staff and normal collaboration of the members, reduces antagonism and etc.

The methods of conflict management are: to avoid from conflict, suppression and management of conflict.

The priority of the method of avoiding from conflict is that the resolution shall be taken operatively as a rule. The categories of the method of avoiding from conflict are inactivity, concession and adjustment, agreement.

One of the methods of management of conflict is suppression. It means using different methods. The important one is the method of secret actions and the method of taking fast decision.

Conflict management is one of the most important problem of management. In the process application of the entire complex of methods having influence on conduct of the participant of conflict situation and conflict is essential.

The methods of management of conflict situations consist of: explanation of the requests to the work, using co-ordinate and integrative mechanisms, establishing general organizational complex aims and using awarding system.

The valuable management of conflict situations is one of the establishing mean of successful management. Besides avoiding from conflict with minimal expanses will be importantly supported by considering the following recommendations of the conflict specialists by all staff members of the organization: ability to differ the main from secondary; internal calmness; emotional ripeness and stability; while effecting on events knowing moderation, ability of approaching to the problem from different point of view, perception of reality as it is and not so as the specific person wants to see and etc.
a strategic resource, and information (which provides working out and a heading of computer aids, computers, the software and information technology) – is not only a profitable field of activity, but also one of the priority problems of the state, promoting acceleration of the general development. Construction of the informational society – the purpose which is beyond the National program of information. An overall objective of the informational society is maintenance of legal and social assurances of each citizen of a society which is in any place, and at any time, for the comprehensible price and with the secured level of safety can gain all necessary for the solution of essential problems the information. Additional criterion is accessibility of the information to each person which is attained by decrease in its cost as a result of development and a timely heading of new informational-communication production engineering, for example, networks the Internet. Thanks to the prompt rates of increase the Internet makes today really revolutionary changes in a number of economic areas. At the same time, the Internet already became the powerful factor of social, educational and cultural development, giving new possibilities, eliminating barriers to creation and extending of materials, offering general access to constantly increasing sources of the digital information.

Safety of information field of Ukraine – gets today the greatest significance because of enormous value of mass media (mass-media). At the moment the information is main means and the precondition for adoption or aversion of solutions. Value of protection of the information is defined not only in information security system, but also in system of national safety. Thus, management of information security can be observed as an integral part of a control system of the state.

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THE PROBLEMS OF UNEMPLOYMENT IN GEORGIA AND THE WAYS OF ITS DECISION

Unemployment causes the harsh reality to country. An unemployment rises, the ability of country citizens to pay taxes decreases, the quality of life decreases, economic growth can come to a halt and increased pressure on the government can lower spending on social benefits. Long term high unemployment can cause even more global issues.

Unemployment is caused when someone is laid off, fired or quits - and is still looking for a job.

This type of natural unemployment always occurs, even in healthy economy. Sometimes unemployment is a result of advanced technology, such as computers or robots, which replaces worker tasks with machines. If the workers are not retrained, they may not have this skills needed to get a new job. This is known as structural unemployment.

Unemployment can also be caused by job outsourcing, or when consumer demand slows enough that business lose too much profit. This happens during the recession phase of the business cycle.

The purpose of this study is to analyze the problems of unemployment, its causes and its results, also to view the unemployment rate in Georgia in last period.

The unemployment rate represents the number unemployed persons as a percent of the labor force.

Unemployment rate in Georgia decreased to 15 percent in 2012 from 15,1 percents in 2011. unemployment rate in Georgia is reported by the National Statistics Office of Georgia. Unemployment rate averaged 13,6 percent reaching an all time high of 16,9 percent in December of 2009 and a record low of 10,3 percent in December of 2000. In Georgia unemployment rate measures the number of people actively looking for a job.

The unemployment rate can be defined as the number of people actively looking for a job divided by the labor force. Changes in unemployment depend mostly on inflows made up of non-employed people who lose their jobs and look for new ones and of people who stop looking for employment.

The problem of high unemployment exist in Georgia. Setting up the business, becoming an entrepreneur could be a positive step towards the solution of unemployment problem. Also education sector remain longer underdeveloped and this problem must be solved, as unemployment is often caused by lack of skill and knowledge in relevant field.
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ON THE ISSUE OF EVALUATING BUSINESS DEVELOPMENT TRENDS IN GEORGIA

The presented paper discusses and analyses the objective necessity of supporting businesses in Georgia. Generally, in recent years significant progress has been made in terms of business development in Georgia. In particular, several facts can be named: considerable growth of gross domestic product, a leading position in terms of ease of starting up business according to the world rankings, the simplicity of registration and liquidation of a business, several concessionary regimes regarding small and micro businesses, a policy of deregulation and reduction of administrative barriers in business, and etc.

To form a policy regarding businesses it is important to reveal the potential of the development of the above-mentioned sector. Therefore, the complex evaluation of this type of enterprises has been prepared in the paper. It is expedient to choose an index that enables to effectively evaluate the condition of businesses and their development prospects. Such type of information is necessary for a business sector and for determining the main tendencies of a state support of businesses as well. The paper presents the indices of businesses (Ib) calculated within the bounds of the research.

The values of the indices within 2004-2012 enabled us to reveal the tendencies in small and medium businesses. The law should be realized in the following directions: the law should provide the scientifically proved system of the criteria for defining small and medium enterprises. Businesses should be independent and self-regulatory institutions. It is not enough to create corresponding commissions and committees in executive and legislative structures.

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WESTERN VECTOR OF FOREIGN TRADE: ANALYSIS AND FORECASTS

The main driving indicators of world economic globalization at present are foreign trade and foreign investments. The transfer of scientific-technical and technological advances from developed to developing countries is being just carried out by means of those drivers. This process ensures an acceleration in economic development and improvement of living standards in developing countries.

After regaining independence Georgia took a course towards liberal trade policies and inclusion in the process of global economic integration. As a result of the tariff policy pursued by the government in the transitional stage, nowadays Georgia has the one of the most liberal foreign trade regimes in the world.

Signing of “associate agreement” with the EU does not mean EU membership, it is just the preparatory stage of the integration process. More complicated approach were used for Georgia and other post-Soviet countries (Moldova, Ukraine) than for Western Balkan countries. The Western Balkan countries directly gained membership in the EU. Deepening trade ties with the EU will raise a set of problems related to overall improvements of food safety and quality; and quite a large volume of financial resources will be needed to settle these problems. In this regard, both an aid from foreign donors and a mobilization of state budget allocations will be required.

The main objective of the Georgian government is to overcome expected challenges and reach an initial free trade agreement with the EU. In case of meeting certain terms and conditions, this agreement will give Georgian entrepreneurs free access to the world’s largest market.