

COVID-19 AND RELATED GOVERNMENT REGULATIONS' IMPACT ON EMPLOYMENT IN GEORGIA

Giga Abuseridze¹,
Nino Paresashvili²,
Teona Maisuradze³,
Badri Gechbaia⁴,
Levan Gvarishvili⁵,
Janis Grasis⁶

Abstract: Due to the pandemic, 2020 became one of the most memorable years in the world history. It affected employment as well. Georgia was one of the countries which experienced the pandemic impacts on its citizens. The unemployment rate increased by 2,1% within a year and reached 20,6% in 2021. Despite state regulations and restrictions, Georgia was among the most vulnerable countries to COVID-19 spreading. It caused severe results on employment and the whole economy. The paper aims to define and analyze the impact of COVID-19 and related state regulations' impact on employment in Georgia as well as to identify the tendencies based on the qualitative analysis of the surveys conducted in Georgia. The existing literature and available information on the impact of COVID-19 on the economy and employment is reviewed. Comparative analysis of the EU and Georgian state regulations related to COVID-19 is provided. Data used in the paper is of secondary type. Graphs are used to visualize data, and analysis of statistical observation is applied. Georgian researcher's findings are also used. Significant evaluations and analyses are drawn depending on the collected data relating to COVID-19 impact on the economy, employment and people's perception. Some authors' predictions are presented as well.

Keywords: unemployment, COVID-19, state regulations

JEL: E24, J23, J63, J64.

¹ Riga Stradins University, Riga, Latvia, giga.abuseridze@rsu.lv, ORCID: 0000-0003-2868-8719

² Iv. Javakhishvili Tbilisi State University, nino.paresashvili@tsu.ge, ORCID: 0000-0001-6738-5409

³ Georgian National University, t.maisuradze1@seu.edu.ge, ORCID: 0000-0003-4597-5736

⁴ Batumi Shota Rustaveli State University, Batumi, Georgia, gechbaia.badri@bsu.edu.ge, ORCID: 0000-0003-2815-2228

⁵ Batumi Shota Rustaveli State University, Batumi, Georgia, lgvarishvili@gmail.com, ORCID: 0000-0002-9894-2500

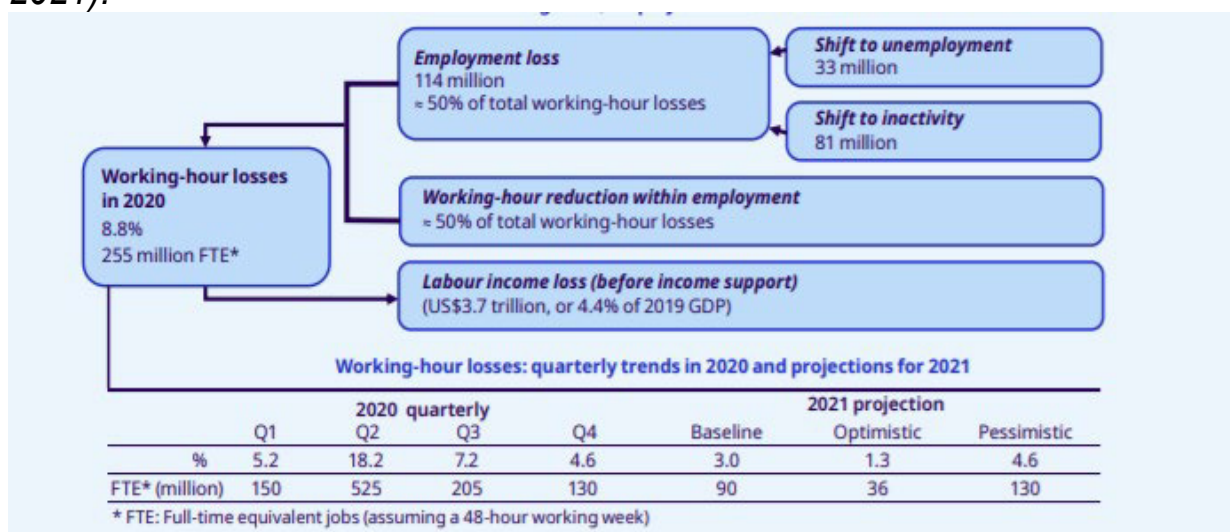
⁶ Riga Stradins University, Riga, Latvia, janis.grasis@rsu.lv, ORCID: 0000-0002-1394-9958

1. Introduction

In 2020, COVID-19 showed an accurate picture of how developed and developing countries were impacted. Because of the uncertain economy, people cut back on their purchases, while businesses postponed investments and hiring new employees (Gulseven et al., 2021; Ilieva, Bozhinova & Todorova, 2021; Abuseridze et al, 2022a; Abuseridze et al, 2022b; Em et al., 2022). From around 6.5% to 7.6% at the end of the year, the average unemployment rate for the EU's 27 member - states climbed by less than 1.1 percentage points. (CEPS, 2021). According to the International Monetary Fund COVID-19 has weakened economic activity around the world, reduced household consumption, particularly damaged the service sector, and dealt a major blow to the labor market and international trade (IMF, 2020). As per the Euro fund report 2021, while the economic and financial crisis of 2008-2010 particularly affected the male-dominated manufacturing and construction sectors, the COVID-19 pandemic mainly affected accommodation, food and beverage services, travel and tourism, as well as arts and entertainment. The hardest hit in the process had females. This is partly offset by the growing demand for workers in other women-owned sectors. COVID-19 was compared to the Global financial crisis: The 2008-2010 crisis saw the most significant losses in the wage distribution community, while until Q2 2020, the COVID-19 crisis mainly affected low-paid workers. ILO announced in 2020 that in the fourth quarter global working hours declined by 4.6 percent, equivalent to 130 million full-time jobs (Table 1).

Table 1.

Working hours' employment and labor income losses in 2020 (ILO Monitor, 2021).



In Georgia, as per the PWC survey, the most affected sectors during the pandemic are accommodation and food service providing businesses (78%), transportation and storage (69%), other services (68%), and wholesale and retail trade (66%). Around 40% of companies in the agriculture and manufacturing sectors reported a 50% drop in revenues. 5% of businesses disclosed no decrease in revenues in March and April 2020. In the context of respondents' answers by size, 69% of micro self-employed entities stated over 50% of revenue decline, followed by: micro employing 2-9 people (64%), small employing 10-49 (60%), medium 50-249 employees (54%) and large businesses (52%) (Pwc, 2021). In Georgia, the pandemic affected also traders, individual entrepreneurs, day laborers, etc. This was partially conditioned by the government policies of paralyzing restrictions on business enterprises and transport, as well as some other economic activities (Khorbaladze T., 2020).

We think that the persistence of these results is that situation, despite vaccination, was not fully manageable; most of the borders were closed or entry was allowed under strict rules. Consequently, demand was significantly reduced in almost all sectors. This, in turn, pushed businesses to reduce their workforce. On the other hand, more and more of the hired employees applied for free work, the so-called Freelancing (Riaz M., et al., 2021). Demand for land and rural houses was increasing as well. Part of the families left the city and moved to the village. It can be considered as a positive step for the agricultural sector, as in Georgia this sector has suffered from recession for a long time already resulting in the reduction of efficiency in production, decapitalization, and poverty (Paresashvili N., Damenia N., 2019).

Both in the EU and in Georgia, governments received public health measures to slow the spread of the pandemic. The main challenge that government faced was to sustain economic conditions and minimize its impact on the labor market. At the same time, to consider that the adopted regulations should be adjusted to the business sector, which had to comply with travel restrictions, social distancing measures, and other health and hygiene regulations.

To overcome the pandemic situation, the EU developed a recovery plan on 23 April 2020. On July 21, EU leaders agreed on a € 1,824 billion budget for 2021-2027. The purpose of this fund was to support employees, businesses and countries. They wanted companies to return to the old state and become globally competitive in a short period. In addition, the EU's priorities were: limiting the spread of the virus, having the necessary medical equipment and supporting the necessary research on vaccines

and medicines. (Report of the European Council of the European Union, 2021).

Meanwhile, on April 24, 2020, the government of Georgia developed an initial anti-crisis plan, which for the current year was 3.5 billion Gel. The aim of the plan was to alleviate the damage caused by the COVID-19 pandemic. Despite the actions under this plan, the pandemic significantly hindered the positive trends of Georgia's economic development. Both internal and external sources of economic activity and income in the country were significantly affected. As per the government report (economy.ge, 2021), economic parameters worsened. Namely, in 2020, compared to the same indicators of the previous year, export decreased by 12%, import - by 15.6%, direct foreign investments - by 52,9%. The pandemic had a negative impact on employment figures as well. In 2020, the unemployment rate increased by 0.9 percentage points compared to the same period of the previous year and amounted to 18.5%. Furthermore, men's unemployment amounted to 20.2% (increased by 1.3 percentage points), and women's unemployment - 16.2% (increased by 0.2 percentage points). Also, the labor force participation rate (activity level) is higher among men than among women. In 2020 in particular, the mentioned figure was 40.4% among women (decreased by 2.7 percentage points), and 62% among men (increased by 0.3 percentage points).

2. Literature review

The first human cases of COVID-19, the disease caused by the novel coronavirus, subsequently named SARS-CoV-2, were first reported by officials in Wuhan City, China, in December 2019 (WHO). Spreading COVID-19 was unexpected for countries all over the world, despite the fact that throughout history we were familiar with economic crises caused by various pandemics (Roach, 2020). For example, the Spanish flu pandemic in 1918. COVID-19 as well as Spanish flu are characterized by declining economic activity, output, and population incomes (Papava, 2021). Referring to the number of confirmed cases, deaths, and the duration of outbreaks, COVID-19 has the worst impact compared to other pandemics. For instance, COVID-19 spread in 215 countries compared to other pandemics that spread in less than 30 countries. COVID-19 is also known as more dangerous than previous pandemics, such as MERS (396 times as many victims), SARS (328 times as many victims), and Ebola (119 times as many victims) (Irawan, A., &

Alamsyah, H., 2021). Additionally, it is considered as the deepest recession that the world has faced since World War II. According to the World Economic Outlook report published by the IMF (2021), the global economy contracted by 3.5% in 2020 (Agirkaya M.B., Koca Z., Ugan A.A, 2021).

The countries introduced many strict measures to prevent its spread, but they caused a significant increase in unemployment, including among young people in the European Union (Ambovska, M., Sardinha, B., Belas, J. 2021). It increased in the US as well (Beland et. Al, 2020), in Georgia (Geo-stat.ge, 2020), etc. These measures have had an impact on the labor market, which will be analyzed later on, in the example of Georgia in comparison with the EU.

Labor market changes were a new challenge for organizations, additionally, with the COVID-19 impacts. Despite all the existing research and studies, COVID-19 has made it clear that the experience and studies gathered so far are not enough to face all the problems created by the new reality and there is a need to rethink and reevaluate what we know (Petrova & Tairov, 2022). Thus, interest in organizational and employment nature has become a more and more active research topic.

Remote/hybrid work was the answer most of the companies used as their main strategies in the battle against COVID-19. For employees, it was reflected in changing organizational stress levels. For those, whose organizational stress levels increased, productivity decreased. Maisuradze (2022) has studied this issue and presented results in her doctoral thesis. She developed a few hypotheses, which were checked in SPSS using T-test method and accepted. We can emphasize on:

H1: Distance working correlates with organizational stress; (Table 2)

H2: The pandemic affected the stress levels of women and men differently; (Table 3)

Table 2. The relationship between remote work and stress (Maisuradze T.,2022)

	Did you have to work remotely?	N	Mean	Std. Deviation	Std. Error Mean
STRESS (Binned)	Yes	30658	1.88	.325	.002
	No	10854	1.87	.337	.003

Table 3.
The relationship between gender and increased stress as a result of the pandemic (Maisuradze T., 2022)

Equal variances assumed	Levene's Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
Equal variances not assumed	219.921	.000	-10.791	50704	.000	-.098	.009	-.116	-.080
			-10.619	20131.704	.000	-.098	.009	-.116	-.080

Based on PWC research (2020), analysis of the responses for occupations among dismissed workforce showed that the largest decrease was observed among sales and service workers - 38.7%, followed by business and administration - 10.5%, construction 10%, manufacturing and processing workers - 8.3% and transportation service staff - 8.1%.

UNFA with ACT conducted a study about COVID-19's impact on young people. We should observe and analyze trends but should not forget about the future (Nadjafiva, et al., 2021). They declare in the summary that unemployment problems and related financial challenges, as well as social alienation and isolation, are all related to the high risk of anxiety and stress among young people. As predicted by the World Health Organization, in the near future, the world will have to live with the coronavirus pandemic. Considering that the lack of jobs and problems related to employment has been one of Georgia's most serious challenges for many years, it is not difficult to speculate that the labor market will undergo major changes in the near future. Many companies will not be able to cope with the economic crisis easily, and sectors that are vital to the Georgian economy (such as tourism) will have to go a long way to continue operating. In this case, it is not easy to keep a job or find a new job, especially for young people who usually don't have much (if any) work experience.

3. Methodology

The existing review literature and available information about EU and Georgian government's measures against COVID-19 give a short review of

measures by the Georgian government to manage the pandemic; use some studies by Georgian researchers (Shengelia T., 2021; Papava V., 2021; Maisuradze T., 2022; Paresashvili N., 2021, etc.) to present a full picture of COVID-19 impact on employment. A comparison analysis with EU countries, based on the existing study results, has been made and published in different journals. Government reports and non-governmental organizations' reports about COVID-19 are also used in the discussion. In order to directly analyze the dynamics of the pandemic, the WHO website ([who.com](https://www.who.com)) has been used as well as the official website especially created by the Government of Georgia (stopcov.ge). As a result, using all the mentioned steps, the main impact that the pandemic had on employment in Georgia has been outlined.

4. Georgian government actions against COVID-19 step by step

WHO announced the pandemic in Georgia on March 11th, 2020. As early as the beginning of the pandemic, the Georgian authorities directed their efforts in two directions: to save the health and lives of the people and the national economy. Therefore, all measures taken by the government were determined by the government's obligation to protect the health and safety of the people and the power to save the economy. They provided social support to citizens while guaranteeing support to entrepreneurs and the economy to mitigate the impact of the pandemic. In the first stage, they were effective in preventing the spread of the virus, but ineffective in the economy and employment as the unemployment rate increased by 2.1% (2020) for a year and reached 20.6% in 2021 in Georgia (Geostat.ge, 2021).

The first phase of Georgia's fight against the pandemic began a month before the first case of the virus was confirmed in the country. The aforementioned stages involved the implementation of appropriate coordination measures through multisector cooperation to ensure that the entry and spread of the virus were prevented as much as possible. That is, on January 28, 2021 the Interagency Coordination Committee (hereinafter, the Council) was established to guarantee an effective and coordinated fight against the coronavirus. The committee established itself as the main decision-making platform for coronavirus-related issues. It was made up of members of the government, members of parliament, the Presidential Palace of Georgia, and medical representatives.

The Council and the authorities presented to the public the four priority directions in the fight against COVID-19: healthcare, economy management and recovery, safety, supplies and logistics of food to the population.

About further restrictions - The implementation of the norms of compulsory isolation was first imposed on persons returning from China, and subsequently on persons returning from other high-risk countries. Thermal screening was started at the airports, border checkpoints were duly equipped, information booklets were prepared to inform passengers. Flights to China were suspended. In the epidemiological surveillance database of influenza and influenza-like disease samples, retrospective testing of materials that have been in existence since November 2020 has begun to determine whether there is a new type of coronavirus (Mygov.ge. 2020).

Various methodological recommendations and protocols related to COVID-19 have been developed and approved; disseminating video conferences and educational materials have started.

In the second stage, after the first case of infection was reported in Georgia, new cases, clusters, and associated contacts were identified, and their epidemiological oversight, isolation, quarantine, diagnosis, and treatment were ensured. At the same time, information on the recommendations made at the international level was systematically made available to the public. However, despite these measures, the spread of the virus in the country was still developing at an increasing rate. Namely, in the second stage in Georgia the educational process of educational institutions was suspended; creative activities of cultural institutions were suspended, and all scheduled activities were canceled; land border checkpoints in Georgia and three airports were established to conduct medical examinations on arriving passengers and then transfer them to special facilities; a special information website (www.StopCov.ge, 2020) was created that uploaded all available information related to the Coronavirus; quarantine areas were prepared for high-risk people suspected of being infected or infected with coronavirus to screen the population and ensure early detection of infected cases; all large gatherings related activities were suspended. Part of the civil servants switched to a remote mode of operation. The recommendation to transition to a remote mode of operation was also issued in the private sector.

In the third stage, the threat of the uncontrolled internal spread of the virus became apparent. The government started preparing for the maximum spread and large-scale epidemic scenario. Namely, international passenger traffic was completely suspended; municipal and intercity transport were sus-

pended; medical facilities (so-called COVID-19 clinics) were mobilized to prevent the spread of cases of possible infection by the new coronavirus; a curfew was imposed on 31st of March, 2021 from 9:00 pm to 6:00am; the number of people authorized to gather in public places was reduced from 10 to 3; an age restriction was imposed on circulation; that is, people over 70 years of age could not leave their place of residence (with exceptions); (Mygov.ge, 2020). Various types of economic activities were gradually suspended with a few exceptions (previously, restrictions only applied to trade). The government established a unified government hotline (144). Consequently, despite the restrictions, business entities had the opportunity to coordinate with the operational headquarters to use taxis and fixed-route buses to transport employees. In total, more than 63,000 economic entities could operate unhindered in an emergency (Mygov.ge, 2020). As a result, tens of thousands of jobs were retained.

In the fourth stage, as the epidemic became controllable and the number of daily cases began to decline, it was decided to gradually lift the restrictions and allow individual economic activities to resume operations. In April 2021, the daily number of new infections dropped below 30, and the number of new infections dropped below 100 each week. From 27 April till May 23, 2021 all the restrictions were removed step by step (Stopcov.ge, 2021).

Georgian prime-minister announced on April 2020 that the country would spend 3.5 billion GEL on managing the crisis, of which 1.035 billion GEL would be directed to social support of citizens, 2.11 billion GEL to the economy and entrepreneurs, while 350 million GEL would be spent on the healthcare of each citizen. Namely, people who lost their jobs because of the coronavirus crisis or were on unpaid leave would receive 1,200 GEL (about \$376.77/€349.37) over the course of six months, which is 200 GEL (about \$62.79/€58.23) per month. Over the course of six months, the salaries up to 750 GEL (about \$235.48/€218.35) would be fully exempt from income tax - the budget for which was 250 million GEL (about \$78.49m/€72.78m). (Agenda.ge, 2020).

In August, coronavirus cases started rising fast in Batumi and step by step in the whole of Georgia. The situation became unmanageable in November 2020. The Georgian government had to introduce restrictions again. Curfew was imposed again on November 9, 2020, amid climbing COVID-19 cases. Enforced from 10:00 pm to 05:00am initially, the curfew became nationwide starting November 28, 2020, its beginning time moved to 9:00pm. Georgian authorities pushed back the restriction to 11:00pm – 05:00am on

May 17, and to 11:00pm – 04:00am on June 1. Wearing a face mask outdoors was made mandatory on November 4, 2020.

The above-mentioned programs for the employed, self-employed, and those living below the poverty line were implemented once again on January 1, 2021, for a period of 6 months.

On June 2022, all the regulations, except wearing masks in public transport and medical institutions, were removed. As per the IMF, Georgia has a stable high level of unemployment compared to peer countries. However, the government can combat the entrenched high unemployment by advancing education reform and strengthening active labor market policies (IMF, 2022).

5. Discussion – Government regulations’ impact on the economy and employment

In Georgia, the pandemic affected not only officially employed people but also traders, individual entrepreneurs, day laborers, etc. Despite assistance from the government, many were unable to submit relevant documentation and receive the anti-crisis assistance intended for this category of victims of the pandemic. COVID-19 has also exacerbated the inequalities that existed before the pandemic in the areas of health, economy, safety, and social protection, especially for women and girls (UN Woman Georgia, 2020).

Studies (Baklanova, Petrova & Koval, 2020; Jarmusevica et al, 2019; Jukna & Grasis, 2022) have found that policies that encourage sick workers to isolate themselves through income support programs, vacations, and isolation policies were effective in preventing outbreaks in the workplace. Interventions that limit social interaction in the workplace and reduce the density of the workplace can effectively reduce the rate of infection. After relaxing the physical distance measures, the number of outbreaks in the workplace was multiplied by 5. It was found that the use of personal protective equipment (PPE) by workers can significantly reduce the rate of transmission between colleagues. Company policies and guidelines on the use of PPE improved worker PPE compliance.

Regular environmental testing, the use of masks by workers and customers, and the assessment of workers have effectively alleviated the epidemic in the workplace. High-cycle HVAC systems with HEPA filters have shown that they significantly reduce indoor virus concentrations (Who, 2021). Employers should remember that guidance from public health authorities is

likely to change as the COVID-19 pandemic evolves. Therefore, employers should continue to follow the most current information on maintaining workplace safety (EEOC, 2021). The pandemic has significantly affected the Georgian economy. Lockdown results in April 2020 and restrictions in January 2021 have resulted in the decline of business turnover (Fig.1).

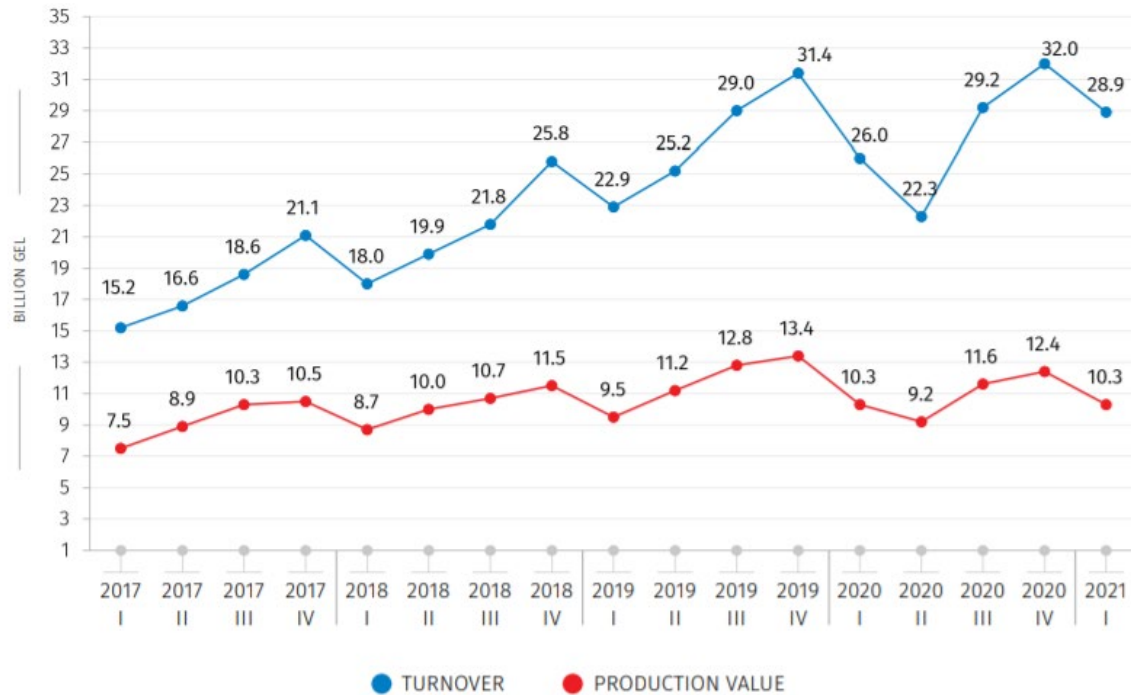


Figure 1. Business sector turnover and production value changes (Geostat.ge, 2021)

Since 2020, step-by-step employment has decreased as a result of COVID-19. The number of employees has been significantly reduced as well. The share of employees according to the business size is the following: 41.5 percent of the total number of employees come from large businesses, 22.5 percent - from medium-sized businesses, and the remaining 36.0 percent - from small businesses. The total number of employees decreased from 713.9 in the fourth quarter of 2019 to 622.7 thousand people in the first quarter of 2021 (Figure 2). Total expenses of enterprises on staff amounted to 2 299.9 ml in GEL (4.5 percent less than in the same period the previous year).

In the first quarter of 2021, the average monthly salary in the business sector amounted to 1 283.5 GEL (increased by 56.5 GEL compared to the same period the previous year), including the salary of women - 1018.6 GEL (increased by 61.0 GEL compared to the same period the previous year).

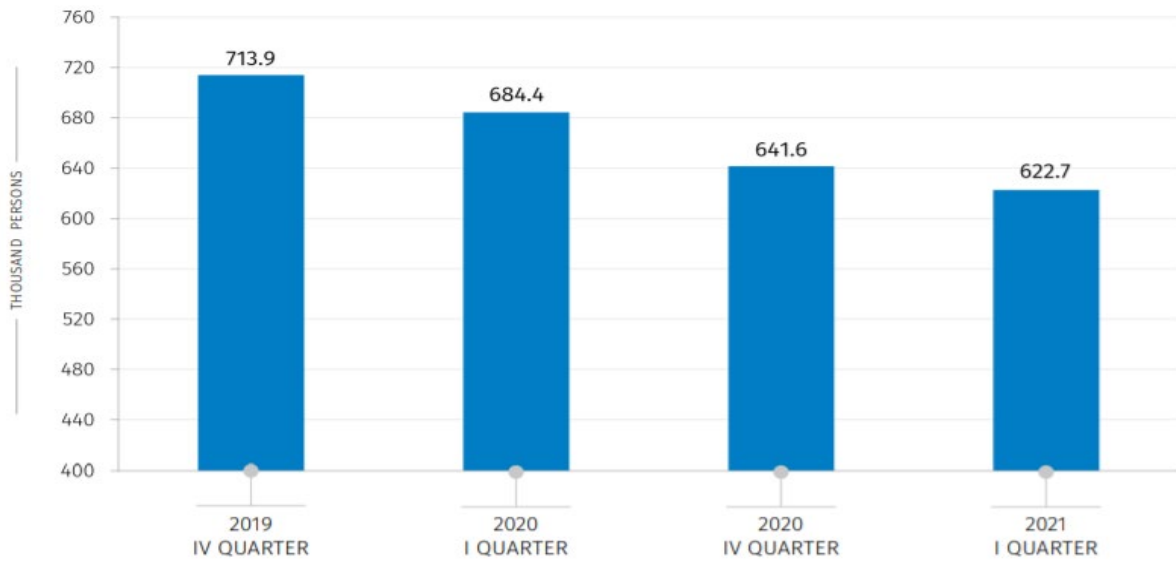


Figure 2. NA number of persons employed in the business sector by quarters (Geostat.ge, 2021).

As for the number of employees by region, this indicator is distributed as follows: Tbilisi - 65.4 percent, • Ajara AR - 8.1 percent, • Imereti - 6.9 percent, • Kvemo Kartli - 5.8 percent, • Samegrelo-Zemo Svaneti - 4.0 percent.

In some sectors, turnover increased despite the pandemic, but in most of them, it decreased, especially in tourism, construction, and real estate sectors (Table 4).

Table 4.

Turnover of business according to the sectors (Geostat.ge, 2021)

TURNOVER (MIL. GEL) NACE REV. 2	I QUARTER 2020	I QUARTER 2021
Construction	1 505.8	1 453.4
Wholesale and retail trade; repair of motor vehicles and motorcycles	9774.5	1 0746.3
Transportation and storage	1 403.8	1 367.1
Accommodation and food service activities	437.5	229.5
including:		
Accommodation	180.6	52.6
Foodservice	256.9	176.9
Real estate activities	367.9	247.1
Professional, scientific and technical activities	330.0	318.5
Other service activities	38.3	28.5

In the tourism and hospitality industry, women's employment share was bigger than men's employment. Accordingly, it is clear why the unemployment rate increased more for women than for men, but the difference is not very substantial because the construction sector, where the share of men is higher, also decreased. (Figure 3). The labor force participation rate (activity rate) for women decreased by 3.5, while it dropped by 2.3 percentage points for men, compared to the corresponding period of the previous year.

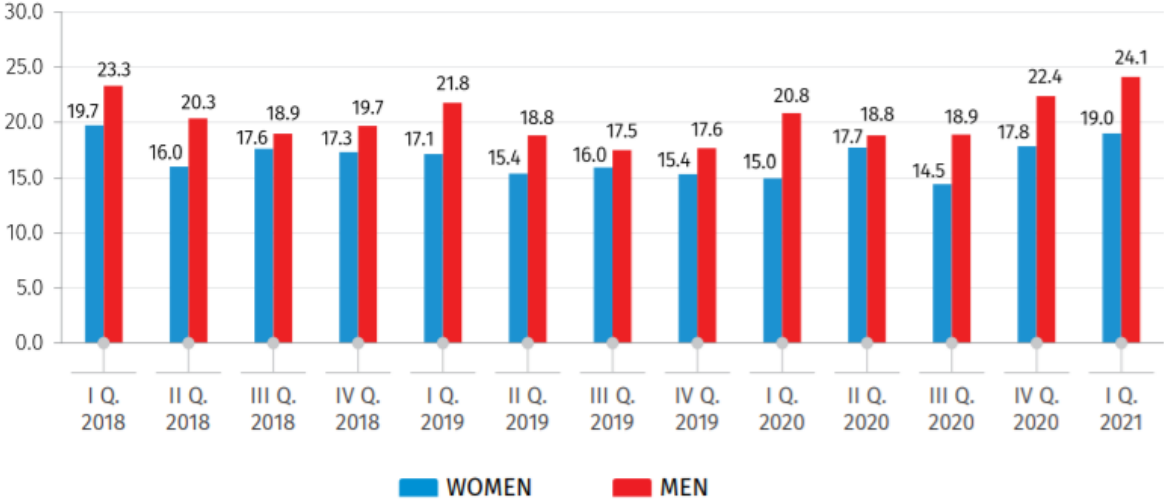


Figure 3. Unemployment rate by sex (Geostat.ge, 2021)

On the one side is all the above mention statistical data and on the other side, independent organization research results. In Georgia, three UN agencies – UNDP, UNFPA, and UN Women carried out research in 2021 and found that every five Georgian employees said their wages were lower than before; 40% of Georgians said that during the pandemic, they spent more time doing housework; but for women, the burden increased more than for men; about two-thirds of Georgian women do most of the housework alone. Compared with 36% of men, only 26% of women said that their workload and working hours were reduced during the pandemic; 33% of Georgians, including 38% of women and 27% of men, cut medical expenses to make up for the reduced family budgets due to the pandemic.

About half of Georgians report that their mental health is affected by the pandemic, but women (57%) are more affected than men (40%). One in five Georgians said that domestic violence had increased during the pandemic, and 23% of women and 17% of men said they felt or heard of an increase in domestic violence. 40% of women know about psychological support services, and 32% know about shelters and crisis centers.

6. Conclusions

Two years of living with a pandemic has made many things clear. First, this process will not end soon. As spoken in the EU and Georgia, the seventh wave of COVID-19 pandemic is apparent. Therefore, we should be able to live with it. As we saw in the above discussion, state regulations had positive impact on the unemployment, but the scale of this impact was very low. Measures taken by the government will not be fully able to control the COVID-19 negative impacts on the economy. The situation with the EU countries was a little bit better: government regulation and support helped to maintain existing economic indicators but could not reach the planned growth, while in Georgia main indicators went down. It might have been the result of the much better management of vaccination process in the EU countries compared to Georgia. On August 16, the number of the twice-vaccinated people in Georgia reached 2 882 587, while in the peak period in July 2021 it was about 400,000 and reached more than 1,000,000 only by the end of 2021.

The other negative aspect of the impact of COVID-19 related regulations was the increasing stress level of the employed people. Now, when 6 waves of the pandemic are over, it should be the priority for the government and the businesses to take care of the mental condition of the labor force. The strong and qualified labor force with a healthy psyche will be able to put the country on the path to prosperity again. This requires first and foremost healthy communication between the state, business, and employees. If the interests of all parties are not taken into account, the number of vulnerable groups will increase. In this process, main attention should be paid to the workforce that works in the healthcare sector and is still at the forefront of fighting the pandemic. They have had the greatest pressure, working under severe psychological conditions, with a high workload and low pay. All this needs to be compensated in a relatively quiet period when the incidence rate is low. Welfare programs should be developed for them, with vacations and other benefits.

The next priority should be to develop the tourism sector with the appropriate regulations. Today, after their reopening, the hotels and restaurants face a new challenge – a shortage of personnel. As for the rest of the businesses, they need to listen to their employees as much as possible, take into account their wishes, and use the time saved for upgrading their skills. In the process, it should be considered that every organization has a specific style, specific rules, policies, and situations which cannot be combined into general rules (Paresashvili, et.al, 2021).

The other impact COVID-19 had on employment, from the organizations' side, was the general violation of labor rights. Thus, the government should have stricter supervision on legislation execution in the private sector. Execution of the law can become a prerequisite for real improvements in workers' daily lives and create opportunities for future changes.

As poverty has raised in Georgia as per the World Bank data, there is a high probability that the process will continue in the future. According to the latest poverty projection by the World Bank, the economic shock from the pandemic could have impoverished 350,000 people in Georgia and forced over 800,000 people to suffer from downward mobility, transitioning to a lower-income group. (World Bank, 2021).

We share the opinion of Shengelia T., 2020 that despite the importance of the anti-crisis measures established by the Government of Georgia, the government's anti-crisis plan required more serious understanding and in-depth argumentation. Government should continuously and permanently work on the structural changes and improvement of the weak parts of the system in the country as reactive solutions are not solutions. If done so, no pandemic or any other disaster would cause unresolvable problems in the country's economy.

The limitations of the research are that the studies presented in this paper are conducted during different periods of the pandemic. Thus, one by one, they do not cover the main trends caused by COVID-19. The analysis in this paper is not systematic or complex enough to fully show all the impacts. For further research, it is recommended to make questionnaires for the employed people and the organizations that will cover the whole COVID-19 period with all its complexity, i.e. its outbreak, evolvement, combat and overcoming trends.

References

- Abuseridze, G., Paliani-Dittrich, I., Shalikashvili, M., Zahars, V. (2022a). Challenges and economic adjustment policies in the EU. Access to science, business, innovation in digital economy, ACCESS Press, 3(2): 136-146. [https://doi.org/10.46656/access.2022.3.2\(4\)](https://doi.org/10.46656/access.2022.3.2(4))
- Abuseridze, G., Petrova, M., Zahars, V., Tumalavicius, V. (2022b). Transformation of Georgia's trade policy strategy: from frailty to sustainability. Access to science, business, innovation in digital

- economy, ACCESS Press, 3(1): 43-52.
[https://doi.org/10.46656/access.2022.3.1\(4\)](https://doi.org/10.46656/access.2022.3.1(4))
- Agirkaya M.B., Koca Z., Ugan A.A. (2021). The Impact of COVID-19 on the Economy of Selected Asian Countries, Volume: 39-10, October 2021 // ISSN: 1133-3197, DOI:10.25115EEAa.v39i10.5736
- Baklanova, O., Petrova, M., Koval, V. (2020). Institutional transmission in economic development, Ikonomicheski Izsledvania (Economic Studies), 29(1), pp. 68-91
- EEOC, 2021, *What You Should Know About COVID-19 and the ADA, the Rehabilitation Act, and Other EEO Laws*,
<https://www.eeoc.gov/wysk/what-you-should-know-about-COVID-19-and-ada-rehabilitation-act-and-other-eeo-laws> (Accessed on 24th of July, 2021)
- Em, O.; Georgiev, G.; Radukanov, S.; Petrova, M. (2022). Assessing the Market Risk on the Government Debt of Kazakhstan and Bulgaria in Conditions of Turbulence. *Risks* 2022, 10, 93.
<https://doi.org/10.3390/risks10050093>
- European council of the European Union, 2021, *COVID-19 coronavirus pandemic: the EU's response*, <https://www.consilium.europa.eu/en/policies/coronavirus/> (Accessed on 24th of July)
- Eurofound.(2021). *COVID-19: Implications for employment and working life*, COVID-19 series, Publications Office of the European Union, Luxembourg, https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef20050en.pdf (Accessed on 24th of July)
- Fana M., Torrejón Pérez S., Fernández-Macías E., *Employment impact of COVID-19 crisis: from short term effects to long terms prospects*, Journal of Industrial and Business Economics, July 2020
<https://doi.org/10.1007/s40812-020-00168-5> (Accessed on 24th of July)
- Georgia to compensate individuals who lost job amid coronavirus crisis while on leave for child related reasons,
<https://agenda.ge/en/news/2020/1579> (Accessed on 24th of July)
- Gov't announces 3.5 bln GEL anti-crisis plan.* (2020).
<https://agenda.ge/en/news/2020/1273> (Accessed on 24th of July)
- Georgia to Lift COVID-19 Curfew Starting July.* (2021). <https://civil.ge/archives/428638> (Accessed on 24th of July)
- Geostat. (2021). *Activities of Enterprises I Quarter*, <https://www.geostat.ge/en/single-news/2258/activities-of-enterprises-i-quarter-2021> (Accessed on 24th of July)

- Geostat. (2021). *Indicators of the Labour Force (Employment And Unemployment) I Quarter*, <https://www.geostat.ge/en/single-news/2248/indicators-of-the-labour-force-employment-and-unemployment-i-quarter-2021-year> (Accessed on 24th of July)
- GYLA. (2021). Pandemic and International Workers' Day, https://gyla.ge/en/post/pandemia-da-mshromelta-saertashorisdghe?fbclid=IwAR3XNZGDOrqae_IIm64PBqCQ7RZAORF-IdEvleK3ail-q1aLLyIUv8ai8#sthash.YQN9e7n1.UgbAJJhl.dpbs (Accessed on 24th of July)
- Gulseven O., Ozkok I., Şazmaz E. B., Şimşek H. (2021). *The Impact of COVID-19 on European Unemployment and Labor Market Slack*, January, 2021, DOI: 10.13140/RG.2.2.24224.40963
- Gros D., Ounnas A. (2021). Labour market responses to the COVID-19 crisis in the U.S. and Europe. EconPol Annual Conference 2021 October 13th, 2021 Center for European Policy Studies
- Casquilho-Martins I., Belchior-Rocha H. (2022). Responses to COVID-19 Social and Economic Impacts: A Comparative Analysis in Southern European Countries. *Social Sciences* 11: 36. <https://doi.org/10.3390/socsci11020036>
- EY Report. (2020). COVID-19 impact on the business sector, <http://www.gfpaa.ge/site/index.php>, (Accessed on 4th of August, 2022) <https://www.worldometers.info/coronavirus/country/georgia/> (Accessed on 4th of August, 2022)
- Jarmusevica, V., Ilisko, D., Badjanova, J., Jukss, V., Petrova, M. (2019). *SMART governance of implementing the strategy of corporate societal responsibility for a sustainable regional development*. SGEM 19(5.3), pp. 645-652, DOI: 10.5593/sgem2019/5.3/S21.081
- Measures implemented by the government of Georgia against COVID-19*, https://stopcov.ge/content/files/COVID-19_response_report__eng.pdf (Accessed on 24th of July, 2021).
- Ilieva, L., Bozhinova, M., Todorova, L. (2021). *A study of the impact of COVID-19 on tourism demand*. International Multidisciplinary Scientific Geo Conference Surveying Geology and Mining Ecology Management, SGEM, 2021, 21(5.1), pp. 321–332, DOI 10.5593/sgem2021/5.1/s21.074
- ILO Monitor. (2021). *COVID-19 and the world of work. Seventh edition- Updated estimates and analysis*, https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/briefingnote/wcms_767028.pdf (Accessed on 24th of July, 2021).

- Jukna, T., Grasis, J. (2022). Ownership rights on intermediated securities. *Access to science, business, innovation in digital economy*, ACCESS Press, 3(3): 206-220. [https://doi.org/10.46656/access.2022.3.3\(1\)](https://doi.org/10.46656/access.2022.3.3(1))
- International Monetary Fund. (2022). Georgia Request For A Stand-By Arrangement - Press Release; Staff Report; And Statement By The Executive Director For Georgia
- International Monetary Fund. (2020). COVID-19 Crisis: More Severe Economic Fallout than Anticipated. A Crisis Like No Other, An Uncertain Recovery. *World Economic Outlook Update*, June 2020. <https://www.imf.org/en/Publications/WEO/Issues/2020/06/24/WEOUpdateJune2020>.
- Irawan, A., & Alamsyah, H. (2021). The COVID-19's Economic Crisis and Its Solution: A Literature Review. *Etikonomi*, 20 (1), 77 – 92. <https://doi.org/10.15408/etk.v20i1.16870>.
- Khorbaladze T. (2021). The COVID-19 Pandemic and Its Impact On Georgia's Economy - Regional Analysis, *Eecmd Report*
- Lambovska, M., Sardinha, B., Belas, J. (2021). *Impact of COVID-19 pandemic on the Youth unemployment in the European Union*, *Ekonomicko-manazerske spektrum*, 15(1), 55-63
- Maisuradze T. (2022). *Improving Organizational Stress Management and Its Impact on Employee Productivity (Example of Private Companies)*, Doctoral thesis, Ivane Javakhishvili Tbilisi State Univeristy, https://www.tsu.ge/assets/media/files/48/disertaciebi5/Teona_Maisuradze.pdf
- Ministry of Economy of Georgia, Development strategy of SMEs 2021-2025, http://www.economy.ge/uploads/files/2017/ek__politika/sme_strategy/sme_development_strategy_2021_2025_.pdf (Accessed on 7th of July, 2022)
- Nadjafova Z., Paresashvili N., Maisuradze T., Nikvashvili M., Organizational Conflict Management During COVID-19, 70th International Scientific Conference on Economic and Social Development – Baku, 25-26 June, 2021
- Papava V. (2022). *Main Economic Challenges of Pandexit* (April 13, 2022). SSRN: <https://ssrn.com/abstract=4083302> or <http://dx.doi.org/10.2139/ssrn.4083302> (Accessed on 7th of July, 2022)
- Paresashvili N., Maisuradze T., Gechbaia B., Weis L., Koval V. (2021). *Conflict management impact on the employee Productivity*, SHS Web of Conferences 111, 01010 (2021), EECME 2021, <https://doi.org/10.1051/shsconf/202111101010>

- Paresashvili N., Damenia N. (2019). *The Mechanisms of State Management in Agricultural Sector of Georgia*, ISSN 1822-8038 (online *Intellectual Economics* 2019, No. 13(2))
- Petrova, M., Tairov, I. (2022). Solutions to Manage Smart Cities' Risks in Times of Pandemic Crisis. *Risks* **2022**, 10, 240.
<https://doi.org/10.3390/risks10120240>
- Pwc. (2020). Georgian Business in the face of the COVID-19 Pandemic, https://www.pwc.com/ge/en/assets/pdf/may-2020/Georgia_COVID-19_survey_Report_Final_English_21.05.20.pdf (Accessed on 10.08.2022)
- Rafiqul Islam M., Muyeed A. (2020). *Impacts Of COVID-19 Pandemic On Global Economy: A Meta-Analysis Approach*, International Journal of Technical Research & Science, ISSN No.: 2454- 2024 (online), May 2020, DOI: 10.30780/IJTRS.V05.I05.002
- Riaz M., Syed N., Bhatti Z., Noureen A., Rahnan S. and Abbas S. (2021). *Freelancing –A Novel Opportunity for Youth Amid Corona Pandemic*, *Ilkogretim Online - Elementary Education Online*, 2021; Vol 20 (Issue 5): pp. 7681-7687 <http://ilkogretim-online.org> doi: 10.17051/ilkonline.2021.05.871
- Roach, Stephen. (2020). *The Pandemic's Long Economic Shadow*. Project Syndicate, December 21, 2020. <https://www.project-syndicate.org/commentary/pandemics-longeconomic-shadow-by-stephen-s-roach-2020-12?barrier=accesspaylog> (Accessed on 7th of July, 2022)
- Shengelia T. (2020). Business development prospects in the context of the COVID-19 pandemic crisis. // *Economic and Business* № 12
- USA Embassy (2021). *COVID-19 Information for Georgia*, <https://ge.usembassy.gov/COVID-19-information-on-georgia/> (Accessed on 24th of July, 2021)
- UNFA, ACT. (2021). Assessing The Socio-Economic Impact Of COVID-19 On Young People In Georgia, https://georgia.un.org/sites/default/files/2021-04/executive_summary_assesing_se_impact_COVID-19_eng.pdf (Accessed on 24th of July, 2021)
- UNDP Georgia. (2021). *Rapid Gender Assessment of COVID-19 Situation in Georgia – 2*, https://www.ge.undp.org/content/georgia/en/home/library/democratic_governance/COVID-19-gender-assessment.html?fbclid=IwAR39KzGJfKmkZK56SyPg8AZn-rooYDRSf37i2qcDSINZCyrAYhkv0pCBke6c (Accessed on 24th of July, 2021)

- UNECE. (2021). *The Impact of COVID-19 on trade and structural transformation in Georgia*, https://unece.org/fileadmin/DAM/trade/StudiesRegulatoryProceduralBarriersTrade/ThematicPublications/Impact_COVID-19_Georgia.pdf (Accessed on 24th of July, 2021)
- UN Women Georgia. (2020). *COVID-19 exacerbates women's vulnerabilities and gender inequalities in Georgia*, <https://georgia.unwomen.org/en/news/stories/2020/06/COVID-19-exacerbates-womens-vulnerabilities-and-gender-inequalities-in-georgia> (Accessed on 24th of July, 2021)
- USAID funded Trade Union research. (2021). *The impact of the pandemic on the labor market and the situation of employees*, <http://ewmi-prolog.org/images/files/8832GTUCReportGEO.pdf> (Accessed on 14th of August)
- World bank. (2021). *Tackling Uncertainty with Real-Time Data: Tracing COVID-19's Impact on Households and Firms in Georgia*, <https://www.worldbank.org/en/country/georgia/brief/tracing-COVID-19s-impact-on-households-and-firms-in-georgia> (Accessed on 24th of July)
- WHO. (2021). *Preventing and mitigating COVID-19-19 at work*, (Accessed on 24th of July, 2021)
- WHO. (2020). *Coronavirus disease 2019 (COVID-19-19) Situation Report – 94*, (Accessed on 7th of July, 2022)

ISSN 0861 - 6604
ISSN 2534 - 8396

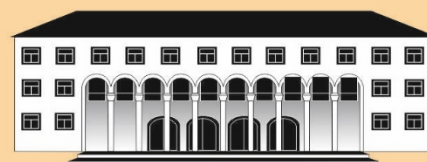
БИЗНЕС УПРАВЛЕНИЕ

1/2023

2023/1

BUSINESS management

BUSINESS management



PUBLISHED BY
D. A. TSENOV ACADEMY
OF ECONOMICS - SVISHTOV

1/2023

Editorial board:

Prof. Mariyana Bozhinova, Phd - Editor in Chief, Tsenov Academy of Economics, Svishtov, Bulgaria

Prof. Krasimir Shishmanov, Phd – Co-editor in Chief, Tsenov Academy of Economics, Svishtov, Bulgaria

Prof. Mariana Petrova, PhD - Managing Editor Tsenov Academy of Economics, Svishtov, Bulgaria

Prof. Borislav Borissov, DSc - Tsenov Academy of Economics, Svishtov, Bulgaria

Assoc. Prof. Aleksandar Ganchev, Phd - Tsenov Academy of Economics, Svishtov Bulgaria

Assoc. Prof. Irena Emilova, Phd - Tsenov Academy of Economics, Svishtov Bulgaria

Assoc. Prof. Ivan Marchevski, Phd - Tsenov Academy of Economics, Svishtov, Bulgaria

Assoc. Prof. Simeonka Petrova, Phd - Tsenov Academy of Economics, Svishtov Bulgaria

International editorial board:

Yuriy Dyachenko, Prof., DSc (Ukraine)

Olena Sushchenko, Prof., DSc (Ukraine)

Nurlan Kurmanov, Prof., PhD (Kazakhstan)

Dariusz Nowak, Prof., PhD (Poland)

Ryszard Pukala, Prof., PhD (Poland)

Yoto Yotov, Prof., PhD (USA)

Badri Gechbaia, Assoc. Prof., PhD (Georgia)

Ioana Panagoret, Assoc. Prof., PhD (Romania)

Proofreader: Elka Uzunova

Technical Secretary: Zhivka Tananeeva

Web Manager: Martin Aleksandrov

The printing of the issue 1-2023 is funded with a grand from the Scientific Research Fund, Contract KP-06-NP4/75 /16.12.2022 by the competition “Bulgarian Scientific Periodicals - 2023”.

Submitted for publishing on 29.03.2023, published on 30.03.2023, format 70x100/16, total print 80

© D. A. Tsenov Academy of Economics, Svishtov,

2 Emanuil Chakarov Str, telephone number: +359 631 66298

© Tsenov Academic Publishing House, Svishtov, 11A Tsanko Tserkovski Str

BUSINESS **management**

D. A. Tsenov Academy
of Economics, Svishtov

Year XXXIII * Book 1, 2023

CONTENTS

MANAGEMENT theory

**THE EU POLICIES AS THE PUBLIC ADMINISTRATION TOOL
TO INCREASE THE AGRICULTURAL PRODUCTS EXPORTS**
Oksana Kiforenko 5

**MODELS FOR MAKING DECISIONS ON PURCHASE VOLUMES
DEPENDING ON THE ASSESSMENT OF UPCOMING RETAIL SALES**
Zalozhnev A. Yu., Chistov D. V. 20

INSURANCE and social security

**THE NON-LIFE INSURANCE MARKET IN BULGARIA – 15 YEARS
AFTER THE COUNTRY'S ACCESSION TO THE EUROPEAN UNION**
Rumen Erusalimov, Ventsislav Vasilev, Aneliya Paneva 32

MANAGEMENT practice

**THE AREAL AS A TOOL FOR LOCAL BUSINESS
DEVELOPMENT AND PROSUMING (A vision)**
Nikola Yankov 47

**THE INFLUENCE OF SOCIAL MEDIA ON ADVERTISING
TOURISM SERVICES (IN THE EXAMPLE OF BULGARIA)**
Angel Stoykov 64

**COVID-19 AND RELATED GOVERNMENT
REGULATIONS' IMPACT ON EMPLOYMENT IN GEORGIA**
Giga Abuseridze, Nino Paresashvili, Teona Maisuradze,
Badri Gechbaia, Levan Gvarishvili, Janis Grasis 81