

CHALLENGES OF RE-CONNECTING ENTREPRENEURSHIP AND BUSINESS EDUCATION AT UNIVERSITIES (EVIDENCE FROM GEORGIA)

I. Natsvlishvili, E. Kharaishvili

Ivane Javakhishvili Tbilisi State University (GEORGIA)

Abstract

Given paper identifies the main challenges of reconnecting real entrepreneurial practice with business education at institutions of higher education on the example of Georgia. The paper also analyses peculiarities of youth entrepreneurial attitudes in post-soviet Georgia with transitional economy and discusses the ways of reconnecting business education and entrepreneurship within the institutions of higher education. Examination of youth's entrepreneurial attitudes helps to target their entrepreneurial aspirations, their potential and plan respective economic policy. The paper also develops conclusions based on analysis of different research projects and scholarly papers about the impact of Bologna Process on management of higher education in Europe and neighboring transitional countries. Comparison of survey results conducted by prominent scholars in Europe, Georgia and Latin American countries, despite differences between them, show the convergence in understanding of priorities of educational programs by stakeholders of higher education.

Keywords: Business education, higher education management, entrepreneurship, entrepreneurial attitudes, Post-Soviet transformation.

1 INTRODUCTION

Painful transition processes in Georgia over last two decades have had a sound influence on the formation of entrepreneurial attitudes of people in the country. Youth who are new entrants on the labor markets are particularly exposed to the negative impacts of economic crises and recession periods. Unemployment in youth is three times higher compared to that in aged people. Many of employed youth have informal, temporary or unpaid family work. Because of this strengthening of effective entrepreneurial activities among youth is considered as an important strategy for their integration into labor market. This, itself contributes to the efficient use of youth potential in sustainable development of the region. Because of such a big importance of youth entrepreneurship it is highly recommended to study their entrepreneurial attitudes in order to aim their entrepreneurial aspirations and potential towards proper direction and for better planning of respective economic policy. The results of the examination indicate that it is expedient to conduct entrepreneurial education in such a way that the educational institution facilitates the enhancement of contacts between youth and entrepreneurs. In management of educational programs at higher institutions it is recommended to promote entrepreneurial education and increase the practice and internship component in the enterprise in educational and business curriculum.

Need of incorporating entrepreneurship within the business educational programs takes roots in the socio-economic conditions of Georgia. Education in General; and particularly business education can nurture entrepreneurial spirit and entrepreneurial aspirations of citizens and young generation in particular. Entrepreneurship by itself plays significant role in economic growth and prosperity of the country. It can improve current economic challenges of Georgia. Georgia was ranked 66th among 140 countries in the World Economic Forum's Global Competitiveness Index in 2018. During 2010-2018 Georgia's position in the ranking was improving, except one year. In 2018, compared to 2017, Georgia's position in the ranking improved by one place. Among the so-called pillars measured to calculate the Global Competitiveness Index in 2018, Georgia scored best in terms of its labor market (31st place) while it was least competitive in terms of market size (102-th place). Georgia was ranked 6th among 190 countries in the Ease of Doing Business ranking in 2019. Georgia's position in the index has been improving since 2016. Compared to the Ease of Doing Business 2018 ranking, in 2019 Georgia improved its position by three places. Among the ten indicators of the Ease of Doing Business ranking in 2019, Georgia's best result was in the starting a business indicator (2nd place) while its lowest position was in the resolving insolvency (60th place) [1]. Georgia ranked 59th among 126 countries in the Global Innovation Index in 2018. Georgia's position in the Global Innovation Index

ranking during 2014-2016 was improving, however in 2017 Georgia worsened its position by 4 places. In 2018, compared to 2017, Georgia's position improved by 9 places. Among the pillars of the Global Innovation Index, in 2018, Georgia performed best in the institutions and market sophistication pillar (39th place) but fared worst in business sophistication assessment (91st place). In the World Bank's 2018 Logistics Performance Index Georgia ranked 119th among 160 countries (2.44 points). In 2018, Georgia's position in the Logistics Performance Index improved by 11 places compared to 2016. In 2018, among the six pillars of the Global Logistics Performance Index Georgia performed best in the customs pillar. In the World Bank's Human Capital Index Georgia has been ranked 61st among 157 countries for 2018. Georgia's score in this index of 0.61 means that a child born in Georgia can expect to realize 61% of his/her productivity in adulthood [1].

Georgian Government tries to improve socio-economic conditions in Georgia through economic diplomacy. Economic diplomacy reflects individual or collective efforts of governmental and non-governmental institutions directed towards building a positive international image of the country, implementation of strategic economic projects, trade, investment and tourism promotion, and transfer of knowledge and technology for the economic development of the State [2]. At a strategic and programmatic level, economic diplomacy activities are prioritized in the Social and Economic Development Strategy – Georgia 2020 that reveals the Government's attitude towards economic diplomacy. Among others, the vision of economic development is based on ensuring openness to international trade, expansion of free trade areas, and attractiveness for providers of foreign direct investments (FDI). The Government prioritizes the attraction of FDIs in export-oriented industries, transport, logistics, energy, agricultural processing and storage infrastructure, as well as investments supporting the introduction of new technologies [2].

Increasing the employment rate represents one of the most significant challenges and priorities of the Georgian economy. Trends related to employment for the period of 2014-2017 indicate that in 2017, compared to 2016, the number of people aged 15 or above increased by 0.1% and amounted to 3,012,300. In 2017, compared to 2016, the share of employees in the total population aged 15 or above (employment rate) decreased by 0.4 percentage points to 56.7%. In 2017, compared to 2016, the share of economically inactive people in the total population aged 15 or above increased by 0.5 percentage points to 34.1%. In 2017, compared to 2016, the unemployment rate in Georgia decreased by 0.1 percentage point to 13.9%. Over the four-year period under review, the percentage share of self-employed people decreased and, in 2017, the total number of self-employed people amounted to 44.5% of the labor force. In 2014-2017, both average monthly nominal and real salaries of hired employees grew annually. In 2017, compared to 2014, the average monthly nominal salary increased by 22.1%, while the real wage increased by 8.4% [3]. In 2017, despite the increase in the average monthly nominal salary, there was a sharp difference in wages across various kinds of economic activities. In 2017, the three best-paid economic sectors (average monthly income in brackets) were: financial and insurance activities (2008 GEL); professional, scientific and technical activities (1595) and construction (1466 GEL). The lowest monthly salaries were found in the following sectors: trade (844 GEL); agriculture (643 GEL); and education (577 GEL). It is worth noting that 2% of employed people worked in the highest-paying sector, while 52% of employed people were working in the two lowest-paying sectors. Most of the announced vacancies (53.7%) required secondary or vocational education, while 36.9% required higher education, and 9.4% required primary education. In 2017, a significant portion (41%) of the unemployed population had attained primary or secondary education and 42% of employed people had attained at least higher education. 29% of the employed population and 25% of the unemployed population had attained vocational education. In 2017, 34% of unemployed people had attained higher education [3].

Throughout the past decade, Georgia's gross domestic product (GDP) increased by an average of 4.2% annually. There have been no significant changes in the structure of Georgian GDP in the last 10 years (see figure 1). However, some differences are worth noting when comparing the GDP structure of the first three quarters of 2007, and the corresponding period of 2017. In the first three quarters of 2007, agriculture contributed 11.2% of total GDP which dropped to 8.7% in the corresponding period of 2017. The increased share of the construction sector in Georgia's GDP is also noteworthy. In the first three quarters of 2007, construction contributed 7.8% of total GDP, while in the corresponding period of 2017 this reached 9.4%. The decreased share of public administration in GDP (from 13.7% to 7.6%) is also noteworthy [4].

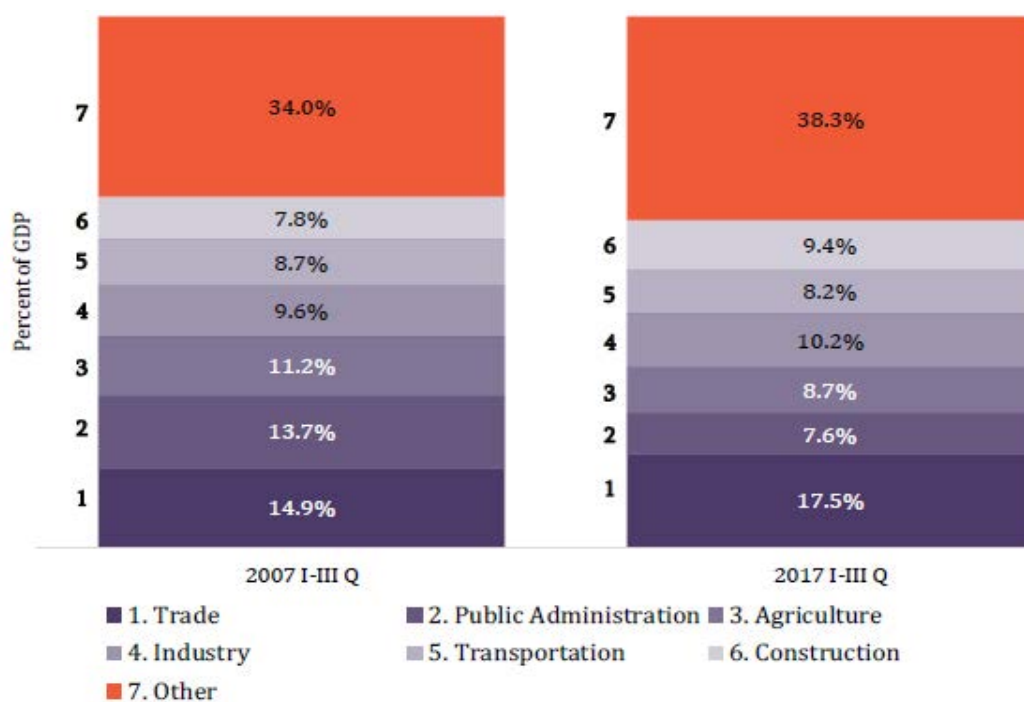


Figure 1. Structure of Gross Domestic Product by Sectors
(Source: Georgian National Statistics Office)

According to the data, unemployment levels are not dramatically high in Georgia, however, the total number of employed people is highly expressed in the self-employed and their incomes are quite small. This factor is the main cause of labor and educational migration. In recent years, the share of young people in labor and educational migration has been significantly increased in Georgia [5]. The main directions of international educational migration from Georgia are the higher education institutions of Europe and USA and the dynamics of this number is growing. This high rate of youth migration is due to the high level of competition on the labor market, with the desire to find high quality education and higher paid jobs.

By offering innovative products and services to the different markets entrepreneurial activity plays an important role on a microeconomic level. It also plays important role on a macroeconomic level in the country by providing it with additional jobs and supporting its economic development. There is a big difference between countries with regard to the entrepreneurial activities and individuals' attitudes towards these activities. Painful transition processes in Georgia over last two decades have had a sound influence on the formation of entrepreneurial attitudes of people in the country. Youth who are new entrants on the labor markets are particularly exposed to the negative impacts of economic crises and recession periods. Unemployment in youth is three times higher compared to that in aged people. Many of employed youth have informal, temporary or unpaid family work [6. p. 4]. Because of this strengthening of effective entrepreneurial activities among youth is considered as an important strategy for their integration into labor market. This, itself contributes to the efficient use of youth potential in sustainable development of the region. Because of such a big importance of youth entrepreneurship it is highly recommended to study their entrepreneurial attitudes in order to aim their entrepreneurial aspirations and potential towards proper direction and for better planning of respective economic policy.

2 METHODOLOGY

The goal of the research was to identify the peculiarities of entrepreneurial attitudes of youth in Georgia, to determine how the students' entrepreneurial attitudes affect realization of their entrepreneurial potential. Based on a review of quantitative and qualitative research on entrepreneurial attitudes, the paper deals with the characteristics of youth entrepreneurship in the world and the attitude of youth towards entrepreneurship in Georgia.

The methodological basis of the research was the methodology developed by the world-renowned research organization "Global Entrepreneurship Monitor" to survey the entrepreneurship trends in various countries globally. Since 1999, GEM has been collecting, analyzing and interpreting data on individuals' entrepreneurial activity, aspirations and attitudes over more than 100 countries around the world. In the economy of each country, GEM will consider two elements: (1) entrepreneurial behavior and attitudes of individuals; (2) national context of the country and its influence on entrepreneurship. GEM explains youth as individuals from the age of 18 to 34 years. Often, due to the goals of the research, youth are divided into two age groups: 18-24 years olds (junior youth) and 25-34 years olds (senior youth). Due to the aim of our research focus was made on student youth aged 18-24 and questionnaire was developed based on the methodology presented in the report "Global Entrepreneurship Monitor Perspectives on Youth Entrepreneurship". The survey was carried out at Iv. Javakhishvili Tbilisi State University in May-June 2017. The organizer of the inquiry was assisted by the academic personnel of the Chair of Microeconomics at this university and invited lecturers. The study used both qualitative and quantitative research methods. In total 409 students were interviewed based on the proportionate number of bachelor's and master's students at the Faculty. In-depth interviews were conducted with representatives of students at target university, as well as with focus groups of interested individuals and experts. Computer program SPSS was used to work with quantitative research data.

The large-scale survey of youth entrepreneurship in Georgia has not been conducted yet. However, there are separate studies devoted to research in general entrepreneurial attitudes. Our research is another modest step in this direction. It includes only students from one (true, first and foremost) university and one faculty. The survey does not include representatives of other higher education institutions and youth in Georgia. Accordingly, the generalization of the survey results can't be made on total population of Georgia. The results of the survey do not reflect the whole picture throughout the country. Another limitation of the study is that for the formulation of questions in the questionnaire opinions of the students, experts and interested people were revealed through the qualitative methods - in-depth interviews and focus groups. Nevertheless, research has revealed a number of general trends that are in line with the tendencies in scientific literature dedicated to researching similar issues.

3 RESULTS

3.1 Literature Review

Study of entrepreneurial attitudes is very important for the planning of entrepreneurship support policy measures. The Global Entrepreneurship Monitor conducted a comprehensive survey of the Georgian population's attitude towards entrepreneurship in 2014. This study covers a whole country, analyzes the specific characteristics of the population's attitude towards entrepreneurship and systematizes the results. According to respondents, successful entrepreneurs have high status in the society (75.9 % of adult population) and 66% of adults think that entrepreneurship is a good career choice. Only 7.2 % of Georgians are going to open or already own a new enterprise. Incentives behind entrepreneurial activities are almost evenly distributed between necessity-driven entrepreneurship (48.6%) and opportunity-driven entrepreneurship (50.6%) [7. p. 5]. Georgia's indicators of social values related to entrepreneurship are higher than those of EU and non-EU countries. Georgia is 6th among efficiency-driven European countries. According to population perceptions the start of a business is a good career choice. Compared to the EU and non-EU countries, Georgia has higher percentage of population believing that (1) starting a business is a good career choice; (2) successful entrepreneurs have high status in the society and (3) media attention is high towards entrepreneurship. Georgia's indicator is also higher than that in a reference country - Estonia [7. p. 25]. Compared to efficiency-driven EU and non-EU economies, entrepreneurial activities in Georgia are driven by necessity rather than opportunity. Necessity-driven entrepreneurship is an entrepreneurial activity when an entrepreneur starts own business only because there is no other better possibility for getting necessary resources for subsistence. In case of opportunity-driven entrepreneurship, the entrepreneur considers the possibilities existing in the environment and that is the reason of starting a business. One of the motivations for an opportunity-driven entrepreneurial activity can be improvement driven when the individual starts business for increasing his revenues even higher or for achieving more independence [7. p. 43]. Motivation Index - ratio between improvement-based and necessity-based entrepreneurship reflects entrepreneurial capabilities in the country. High motivation index shows a high share of improvement-based entrepreneurs, which leads to more long-term and ambitious expectations about the establishment of an enterprise. The lowest motivation index is observed in

non-EU countries, including Georgia. Moreover, Georgia has one of the lowest motivation index (0.6) among efficiency-driven European countries. The median indicator of EU countries is 2.1, the average rate of non-EU countries is 1.4. The motivation index in the reference country Estonia is 2.7 [8. p. 46].

As it is known, entrepreneurship often starts in small and medium enterprises that have great opportunities for job creation and economic development. The business practice of developed countries and the successful experience of some post-Soviet countries show that small and medium businesses have an important role in solving economic and social problems. According to the data of National Statistics Office of Georgia for January 1, 2015, there is 667 363 registered organizations in different sectors of the economy of Georgia. Among them 636 067 were commercial legal entities and physical persons. 74.5 percent of them, or 473 542 subjects were private entrepreneurs. According to the official data for February 1, 2015 the number of active businesses was 118 108 (20% of registered subjects). Most of the businesses were involved in trade and repair services [9. p. 4]. According to the World Bank Entrepreneurship Database, the frequency of enterprise market penetration differs in the South Caucasus, Europe and Central Asia. Georgia is distinguished by its growing trend in time, but despite the high frequency of enterprise market penetration, the firm ownership index is lower than that in Europe, Central Asia and average index of developing countries [10. p. 23]. According to Gallup World Poll 2011 (which includes firms in the informal sector while the World Bank Entrepreneurship Database includes only formally registered firms) 15% of individuals in developing countries state about their business ownership. In comparison, this indicator is 6% in Europe and Central Asia, 2% in Armenia, 5% in Azerbaijan and 4% in Georgia [10. p. 23].

Transformational processes in the Georgian economy and its social system over the past two decades have clearly influenced the attitude towards entrepreneurial activity in the population. Does the transformation process lead to the disappearance of a desire to become entrepreneur? What are the wishes and expectations of the population about entrepreneurship? Long-term and large-scale surveys are needed to provide comprehensive answers to these questions. An express survey made by the I. Natsvlishvili in Tbilisi in 2010 can be considered as an attempt to answer these questions. Hypothesis of research was the following: negative attitude towards entrepreneurship as a result of successful reforms in recent years in Georgia is less expected, considering the high levels of unemployment and the difficulties in economic transformation. In the future, intensified expectations of self-employment and high expectations of starting entrepreneurship are expected. 91.5 percent of respondents would like to be self-employed. In contrast, Europeans are less prone to entrepreneurship. In Georgians' opinion, the main danger is the uncertainty regarding the income from entrepreneurship - 48% of respondents consider it as a major threat related to becoming entrepreneur. 39.6% of respondents are afraid of bankruptcy. The empirical data analysis shows that 91.5% of respondents express their desire to be self-employed. Europeans are less likely to be interested in becoming entrepreneurs. Only 45% of respondents in the EU want to be self-employed. In the US, 65% of respondents would like to be an entrepreneur. 71% of China's population wants to be an entrepreneur [11. p. 3]. In the recent years, the negative attitude towards entrepreneurship in light of successful reforms in Georgia is weak. The desire to be self-employed is strong considering the high level of unemployment. Positive attitude towards entrepreneurship in Tbilisi indicates respondents' confidence, perception of social and political stability, and expectations of successful market-oriented economic reforms.

An important part of Georgian respondents (48.4%) consider unstable revenues as a major threat to entrepreneurial activity. Bankruptcy is considered the biggest threat by 39.6%. These figures differ from the same indicators in Europe and other countries. Bankruptcy is considered the main threat to entrepreneurial activity in China - 56%. The biggest threat to entrepreneurial activity is bankruptcy also for Europeans - 49%. In the United States and Japan, as with Georgia, the main risk of entrepreneurship is unstable income - 46% of respondents in the US and 37% in Japan. The answers to the question "do you think you will be entrepreneur/self-employed within the next 5 years?" show the preferences of Georgians towards self-employment and a strong positive attitude towards entrepreneurship. It should be noted that in total, 82.6% of respondents prefer to be self-employed rather than employed. Only 13.9% of respondents prefer to be employed in other organizations. Data is not received from 3.5% of respondents [11. p. 5]. It may sound paradoxically, but despite the great desire of self-employment expressed by respondents, most of the respondents prefer to be employed in the public sector rather than in the private sector. 55.7% of respondents prefer the public and 41.2% prefer the private sector. No data received from 3.1%. Such a paradoxical situation can be explained by the fact that unstable revenues are considered as the biggest threat related to entrepreneurship and consequently to the business sector. From this point of view, the reader may conclude that employment in the public sector is considered by the respondents as guarantees of stable income.

Special attention is paid to the preferences of respondents to various fields of business activity. Perhaps surprising, but most of the respondents (19.5%) believe that education, culture and leisure are the most preferred sectors for entrepreneurship. Finance, banking and insurance - 15.3%; travel and recreation/recreational services - 14.7%; trade/commerce - 11.6%; health care - 9.5% were among the 5 most desirable sectors for entrepreneurship [11. p. 7]. The significant part of the Georgians surveyed in 2010 preferred to be employed in the public sector rather than in private sector. Irregular incomes are considered as the biggest fears of entrepreneurship [12. p. 155]. Despite the fact that according to official statistics data, unemployment in Georgia is slightly decreased compared to previous years, most of the population does not perceive improvement in this direction. This is confirmed by the data of the survey conducted by the National Democratic Institute (NDI) in April 2017. 63% of respondents respond negatively to the question: "Do you consider yourself employed" [13. p. 11].

In general, entrepreneurship is treated as a form of employment. Entrepreneurship is also a contributing factor to economic growth and poverty reduction in developing countries. Results from various studies show that negative attitude towards entrepreneurship in Georgia is weak. The desire for being self-employed is big in light of high unemployment. Entrepreneurship is considered as one of the forms of employment. In Georgia, traditionally, the share of self-employed is large in the total number of employees. The starting stage of entrepreneurial activities in Georgia is mainly due to the needs and not the opportunity. People's desire of the entrepreneurial activities and the positive attitudes towards entrepreneurship looks quite logical in light of high unemployment.

3.2 Discussion of the Youth's Attitudes Survey Results

Results of the survey of youth attitudes among students of Faculty of Economics and Business at Ivane Javakhishvili Tbilisi State University in 2017 revealed peculiarities of youth's attitudes toward entrepreneurship. 52,3% of respondents are female and 46.9% are male. The age of respondents is from 18 to 25 years. 82.2% of respondents earn less than 550 GEL per month. Youth experience financial hardship and get less than the average salary. 50,4% of the respondents earn less than the subsistence minimum of 150 GEL. 48.7% of students do not work. 24% are employed by other private organization/person, 2,2% is hired by the budget organization, 9% are self-employed, 1.5% are engaged in entrepreneurship in small and/or medium business, 13.4% of respondents answer "other". These data reveal the socio-economic conditions of our students. 89.7% of respondents respond negatively to the question whether they were engaged in entrepreneurship or not. Other respondents indicate that they are self-employed (6,4%), engaged in entrepreneurship in small and/or medium business (3,2%), engaged in entrepreneurship in large business (0,7%). These figures show that 10.3% of students surveyed along with the studying are engaged in entrepreneurship. On a question "if you had possibility, would you want to be an entrepreneur/self-employed?" the majority of respondents (94,9%) respond positively. Such a high number indicates a very positive attitude of students towards entrepreneurship [14].

In general, senior youth (age 25-34) show higher levels of entrepreneurial pursuits than junior (age 18-24) youth. However, studies show that almost 40% of junior youth have personal contacts with start-up entrepreneurs [14. p. 4]. Through personal contacts with entrepreneurs, young people can acquire knowledge and experience for entrepreneurial activities. Providing this, it is expedient to conduct entrepreneurial education in such a way that the educational institution facilitates the enhancement of contacts between youth and entrepreneurs. Respondents' answers show that the biggest threat to entrepreneurship is the danger of bankruptcy (42.8%), 35.7% of respondents consider irregular income as the biggest threat, while for 21.0% of respondents other factors are the biggest threat to entrepreneurship. The answers to the question "do you consider yourself being entrepreneur in the next 5 years?" indicate that young people are very optimistic about starting entrepreneurial activities and have ambitious plans. 65,5% of respondents respond positively to the question and indicate that will be self-employed (22.7%), will start entrepreneurship in small and/or medium business (36,2%), will start entrepreneurship in large businesses (6,6%) [14].

In general, the majority of respondents express positive attitude towards the private sector of the economy. They are more willing to be employed in private sector than in the public sector. Answers to the question "if you had a choice would you like to be employed in public or in a private sector?" showed that 33.7% of respondents wanted to work in the public sector and 63.8% of the respondents would like to be employed in the private sector. Optimism of youth and ambitious plans on entrepreneurial activities are also indicated by the answers of the respondents to the question "if you had the opportunity to choose would you choose being self-employed or employed by another

organization/person?" The vast majority of respondents (85.1%) would choose to be self-employed. For the entrepreneurial activity, these five sectors are the most appealing for the respondents: banking, finance and insurance services (18,6%), trade/commerce (13,7%), tourism/resort (12.5%), agriculture and processing of agricultural products (11%), hotels and restaurants, catering facilities (10%). It should be noted that tourism/resort and hotels/restaurants and catering facilities together are the most attractive for startup activities (22.5%) and are more desirable than banking, finance and insurance services. These attitudes come perfectly in line with the future potential of tourism development in Georgia [14].

In spite of the positive attitudes towards entrepreneurship and in parallel with the optimistic expectations of entrepreneurial activity in the long term (as noted above, only 34% of respondents respond negatively to the question "do you think that in the next 5 years you will be engaged in entrepreneurship?"), respondents are very pessimistic in the short-run. The majority of respondents believe that in the nearest six months there will be no good opportunity around their living place to start their entrepreneurial activities. 30,1% of respondents respond positively and 69,2% negatively to the question about their ability to start business around their living place in the next six months. Most students believe that they do not have enough knowledge and experience to start entrepreneurial activities. Asked "do you think you have the skills and experience necessary to start a new business?", only 37.7% of respondents answered positively and 62,3% of respondents respond negatively. To the question "do you know someone who has started business activities over the last two years/has become an entrepreneur?" 70.2% of respondents answered positively and 29.3% responded negatively. The fact that 70.2% of students are personally familiar with the individual who has started business activities over the last two years can be considered as positive, because intentions of entrepreneurship of youth is positively affected by acquaintance with entrepreneurs and successful examples of their work. Respondents answered the question "where do you acquire/can acquire skills such as self-efficacy/confidence, observing opportunity, risk/desire to risk?". Answers provide a very important message about the potential sources of individual skills for entrepreneurship. 58.7% of respondents think that such skills are generated by working in the enterprise/organization, 21.3% thinks that these skills can be generated at the time of education, while only 4,9% of respondents consider that the skills required for entrepreneurship can be acquired in the process of socialization. 13,4% of respondents indicate "other" as a response to this question [14].

Unlike the Georgian respondents, in general, as indicated in scientific literature, young people have not acquired such entrepreneurial skills as self-efficacy/confidence, observing opportunities, risk/desire to risk by working in the enterprise. Instead, young people acquire these skills in the process of socialization (if parents are entrepreneurs) and through education [6. p. 9]. It is the fact that many young people intend to become entrepreneurs, but only a few of them start entrepreneurial activities, supposedly because of inadequate training [6. p. 10]. This indicates necessity for investing in entrepreneurial education and training of young people. Taking this into consideration, it is recommended to promote entrepreneurial education in higher education institutions and increase the practice and internship component in manufacturing/organization in educational curriculums of business and economic profile. The interesting material for analysis is the fact that the majority of respondents have the desire to start entrepreneurship. Asked "do you want to become an entrepreneur?", 86.8% of respondents responded positively and only to 12% of them responded negatively. Such a large number of people wishing to become entrepreneurs can be explained by the phenomenon of so called "necessity-driven entrepreneurship" and current situation in Georgia expressed by high share of unemployed youth among in total unemployment. The number of people willing to start self-employment/entrepreneurship is high, despite the lack of employment opportunities. To discuss the main impediments to entrepreneurship we should start with these three problems: 44.5 percent of respondents believe that the main drawback to entrepreneurship starts with the lack of finances, 26.4 percent of respondents believe that the lack of knowledge, experience, education and training is the main obstacle to starting a business, while 14.2 percent of the respondents believe that the unfavorable business environment is the main stumbling block [14]. Like Georgian respondents, for people in the European countries lack of financial assistance from the private sector is an important obstacle for business activities of youth [6. p. 11]. It is interesting to find out what the respondents think is the main problem in Georgia in transitional period: about 42% of respondents think the main problem is the lack of employment opportunities/unemployment, about 17% thinks it is poverty that is main problem in the country, corruption and nepotism is considered as the main problem by 15% of respondents, while the occupied territories are the main problem for 12% of the respondents. Generally, scientific literature notes that the lack of employment opportunities is considered as

country's biggest problem by more than 2/3 of the world's population (Asia - 62%, North America - 64%, Middle East and North Africa - 70%, Latin America - 79% Africa below Sahara – 88%) [6. p. 7].

3.3 Reconnecting Entrepreneurship, Entrepreneurial Attitudes and Business Education

Challenges of reconnecting Entrepreneurship and business education in Georgian higher educational institutions take root in current socio-economic conditions of the country with the difficulties of communist past and post-soviet transition. The history of Georgia as part of the Union of the Soviet Socialist Republic (USSR) is characterized by a focus on the behavioral model of socio-economic development which was based on the long-term planning of economic activity. In the transitional economy of modern Georgia, in the face of uncertainty and focus on quick profits, the use of a model based on the long-term interests is unjustified from the point of view of the interests of the existing elites (which can change through the implementation of the democratic election procedures, or, that has already manifested itself in Georgia - as a result of the revolutionary events). At the same time, in the society, and especially among the new generation, the short-term behavior pattern practiced at the national level significantly affects the system of basic values [15].

Some peculiarities of quality assurance and development strategies of business educational programs exist in European Union neighboring transitional countries. Conclusion about these peculiarities are based on analysis and experience of several research projects completed by author jointly with other scholars from EU and USA. Analysis also is based on the results of the research projects conducted by the International Institute for Education Policy, Planning and Managements (EPPM). Several valuable conclusion can be drowned from the research results about the impact of Bologna Process on management of higher education in Europe and neighboring countries: a) Bologna Process leads to a European construction project through convergence of educational programs and management philosophy of higher institutions throughout the Europe, b) the need of change by universities and educational policy makers, c) redesigning the curricula according job market needs, d) emphasis on learning outcomes of educational programs and on "student centered" teaching methodology, e) the need of increase of competitiveness of European educational programs [16].

Comparison of survey results in Europe, Georgia and Latin American countries, despite differences between them, show the convergence in understanding of priorities of educational programs by four group of stakeholders of higher education: academic personnel, students, graduates and employers. For example for the business education priorities must be formation of skills of identifying company's problems and using adequate instruments in the decision making process (operational, tactical and strategic planning skills; accounting and financial information interpreting skills; market analysis; statistical analysis; project management). Research results prove that students are those who have better intuitive understanding of labour market demands and types of competencies ensuring competitiveness [16]. Competitive educational program should be designed based on the following principles: definition of program profile and competencies formed as a result of learning; implementation of a learning-teaching-evaluating approach; determining the load for students; constant ensuring of quality; encouraging mobility of students and academic personnel for the purpose of gaining international experience; taking students' opinions into consideration in the process of designing the program; increasing the role of internships in curriculum; organization of consultations between academic personnel and employers in order to bring their opinions closer; involvement of study courses in curricula necessary for formation of first-priority competencies in Europe and the whole world. The main impact of the Bologna process on management of educational programs and higher education as a whole is an increase of cooperation on the methods of evaluation, the concept of performance based outcomes, consensus on the methods of evaluation, the concept of performance based on outcomes, consensus around the question of higher education, legitimization of educational system by all parties involved and deeper integration among participating countries [17].

4 CONCLUSIONS

- Examination of youth's entrepreneurial attitudes helps to target their entrepreneurial aspirations, their potential and plan respective economic policy. Peculiarities of youth entrepreneurial attitudes in post-soviet Georgia with transitional economy revealed using survey methods and desktop research. Quantitative and qualitative research methods were applied to examine the topic. In total 409 students were interviewed to reveal youth's entrepreneurial attitude in order to

identify the ways of reconnecting business education and entrepreneurship practice within the universities in Georgia.

- 94,9% of respondents are willing to become an entrepreneur. Young people are optimistic about starting entrepreneurial activities and have ambitious plans. But only few of them start entrepreneurial activities, supposedly because of inadequate training. This indicates necessity for investing in entrepreneurial education and training of young people. In parallel with positive expectations regarding entrepreneurship in the long term respondents are very pessimistic in the short-run. Most respondents believe that they do not have adequate knowledge and experience to start business. Entrepreneurial education should facilitate the enhancement of contacts between youth and entrepreneurs.
- The results of the survey show the optimistic expectations of young people, positive attitude towards entrepreneurship and ambitions plans on entrepreneurial activities. Majority of young respondents express positive attitude towards the private sector of the economy. They are more desirable to be employed in private sector than in the public sector.
- In parallel with positive expectations regarding entrepreneurship in the long term respondents are very pessimistic in the short-run. The results of the survey provide very important information about the potential sources of individual skills required for entrepreneurship. Most of the interviewed students believe that they do not have enough knowledge and experience to start entrepreneurial activities. 58.7% of respondents think that such skills are generated by working in the enterprise/organization, 21.3% believe that these skills can be generated at the time of education, while only 4,9% of respondents think that skills required for entrepreneurship are being acquired in the process of socialization. 70,2% of interviewed students are personally familiar with the person who has started business activities over the last two years.
- Acquaintance with entrepreneurs and successful examples of their activities positively affects youth entrepreneurial intentions and their attitudes towards entrepreneurship. Through personal contacts with entrepreneurs, young people can acquire knowledge and experience for entrepreneurial activities. Based on this, it is expedient to conduct entrepreneurial education in such a way that the educational institution facilitates the enhancement of contacts between youth and entrepreneurs. In addition, it is recommended to promote entrepreneurial education in higher education institutions and increase the practice and internship component in the enterprise in educational and business curriculum.

REFERENCES

- [1] Georgia in International Rankings in 2018. Economic Outlook and Indicators. PMC Research Center. Newsletter, no. 107, 14.12.2018. Tbilisi. 2018
- [2] Economic Diplomacy in Georgia: Existing Practice and Future Prospects. PMC Research Policy Paper. PMC Research Center. Tbilisi. 2019
- [3] Employment in Georgia (2014-2017). Economic Outlook and Indicators. PMC Research Center. Newsletter, no. 108, 13.02.2019. Tbilisi. 2019
- [4] Georgian Economy-Overview, 2007-2017. Economic Outlook and Indicators. PMC Research Center. Newsletter, no. 100, 16.01.2018. Tbilisi. 2018
- [5] E. Kharaisvili, M. Chavleishvili, M. Lobzhanidze, N. Grigolaia, *The Socio-economic consequences of educational migration for Georgia*. in ICEBMM 2018: 20th International Conference on Economics, Business and Marketing Management. Barcelona, Spain. October 29-30, 2018, Accessed 14 February, 2019. Retrieved from https://www.researchgate.net/publication/330728143_The_Socio-Economic_Consequences_of_Educational_Migration_for_Georgia
- [6] Th. Schottt, P. Kew, M. Cheraghi, *Future Potential. A GEM Perspective on Youth Entrepreneurship*, 2015. Accessed 20 January, 2019. Retrieved from <http://www.gemconsortium.org/report>
- [7] B. Lezhava, P. Brekashvili, I. Melua, *Global Entrepreneurship Monitor (2014 Georgia Report)*. 2015. Accessed 20 January, 2019. Retrieved from http://www.cu.edu.ge/images/caucasus_university/docs/csb/GEM%20Georgia/Georgia_GEM_National_Report_2014%20final_CS.pdf

- [8] Global Entrepreneurship Monitor. *GEM Global Report, 2014*. Accessed 20 January, 2019. Retrieved from <http://www.gemconsortium.org/report>
- [9] Sh, Machavariani, O. Shatberashvili, S. Tavartkiladze, G. Ghaghanidze, *Major Supporting Conditions for the Development of Small and Medium Size Business in Georgia*. Tbilisi. Caucasus University and Friedrich-Ebert-Stiftung 2015, (in Georgian)
- [10] S. Kuriakose, (editor). *Fostering Entrepreneurship in Georgia*. Washington DC. The World Bank. 2013. Accessed 20 January, 2019. Retrieved from http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2013/08/27/000356161_20130827152554/Rendered/PDF/806730PUB0Fost00Box379809B00PUBLIC0.pdf
- [11] I. Natsvlshvili, Entrepreneurial Attitudes in Post Communist Countries (Case of Georgia). *International Journal of Business and Management Studies*. vol. 1, no 3, pp. 451–457. 2012
- [12] I. Natsvlshvili, *Entrepreneurship Attitudes in the Context of Post-soviet Transformation (Case of Georgia)*, conference paper, George Washington University (USA), 2011. Accessed 20 January, 2019. Retrieved from https://www.researchgate.net/publication/268012767_ENTREPRENEURIAL_ATTITUDES_IN_THE_CONTEXT_OF_POST_SOVIET_TRANSFORMATION_CASE_OF_GEORGIA
- [13] National Democratic Institute. *Public Attitudes in Georgia. Results of a April 2017 survey carried out for NDI by CRRG Georgia, 2017*. Accessed 20 January, 2019. Retrieved from https://www.ndi.org/sites/default/files/NDI%20poll_April%202017_foreign%20affairs_GEO_VF.pdf (in Georgian)
- [14] I. Natsvlshvili. Youth's Entrepreneurial Attitudes in the Contexts of Higher Education Management in Georgia. in proceedings of IV international scientific and practical conference Strategic Imperatives of Modern Management (SIM-2018), Kyiv, April 19-20, 2018 ДВНЗ «Київський національний економічний університет імені Вадима Гетьмана». Київ : КНЕУ, pp. 352–365, 2018
- [15] I. Balarjishvili, I Natsvlshvili. Elites and society: Conflicts of Economic and institutional Interests-The Example of Georgia. *International Journal of Business and Management Studies*, vol. 6, no. 1, pp. 155-162, 2017
- [16] I. Natsvlshvili. Quality Assurance of Business Educational Programs in Transitional Countries (Georgian Case). in proceedings of II International scientific and practical conference "Modern Management Strategic Imperatives" (MMSI-2014). Kyiv, 22-23 May, 2014. ДВНЗ «Київський національний економічний університет імені Вадима Гетьмана», Київ : КНЕУ, pp. 232-234, 2014
- [17] I. Natsvlshvili. Quality Assurance of Educational Programs in Business and Economics in Transitional Countries (Georgian Case). *International Journal of Business and Management Studies*, vol. 4, no. 1, pp. 185-191, 2015