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MANAGEMENT OF INNOVATIONS IN GEORGIAN HIGHER EDUCATIONAL INSTITUTIONS: KEY PROBLEMS WITH TEACHING ECONOMIC SCIENCE

Abstract. *The paper has summarized the arguments for improvement of economic education in Georgia's High Educational Institutions. Systematization literary sources and approaches of research shows that in the period of transformation in Georgia the question on the role of government and the effectiveness has not been raised due to a number of factors, in particular, unprecedentedly high level of participation of the state during the socialist authoritarian system and the inefficient economic system, which as a negative experience is critically, discussed the academic circles and political elite; Dominant economic order in the world and in Georgia too, which aimed at spreading neoliberal ideas and thus restricted the role of government in the economy; Non-qualified and subjective judgments of the systemic reforms. Transformation process and its theory require revision and impartial evaluations; employment of public servants in key government positions who lack the skills of matching new circumstances (such as new geopolitical space, economic ties, membership in organizations, economic openness, etc.) and public governance skills (such as coordination, time-related compatibility) etc. Investigation of the topic brought to the conclusion that among the challenges of management of innovations in teaching economic science the important one is the issue of exploring and learning pluralist economic theories, offering interdisciplinary courses, teaching economic history, industrial economics, entrepreneurship and the modern information technological components, without which effective integration with the world market is unlikely. The process of implementing the innovative approach to teaching economic science should be aimed at preparing competitive employees who can perform successfully in the areas of both theoretical and applied economics. The results of the research can be useful for policymakers and conductors in the strategic and operational planning process.*

Keywords: entrepreneurship, industrial economics, management of innovations, market.

Introduction. The growing market changes combined with mounting corporate competition for excellence and the necessity of higher education institutions to produce industry-ready scientific projects requires policy-makers and industry actors to rethink and re-design more apt curricula and innovative approaches for research and training to meet the fast-evolving innovation market needs. Adapting relevant innovations in Georgia such as Knowledge Management (KM) and Competencies Development (CD) initiatives enable them to cope with the increasing pressures. Unfortunately, however, most higher education institutions have not paid adequate attention to introducing KM and CD innovations.

In Georgian Universities among the challenges of teaching economic science the important one is the issue of exploring and learning pluralist economic theories, teaching economic history course, entrepreneurship, offering interdisciplinary courses, including with the modern information technological components. High skilled professionals equipped with the above knowledge will be able to cope with the rapidly changing environment in the globalization age, respond external and internal shocks and make effective economic political decisions at all governance levels.

The process of implementing the innovative approach to teaching economic science should be aimed at preparing competitive employees who can perform successfully in the areas of both theoretical and applied economics.

Several factors determine the underdevelopment of the Georgian economy. Among them, essentially important are the contextual drawbacks of economics teaching/learning and research at higher education and research institutions. The goal of the present study is to answer the following questions: what are the key challenges of managing innovations in teaching economics at High Educational Institutions (HEI) and

how should the contested situation be managed? The paper focuses on the need for the pluralist way of economic thinking, the actualization of the historical method in economics teaching, entrepreneurial education and consideration of the advances of modern information technologies, without which effective integration with the world market is unlikely. Throughout in research, we used the logic, analysis and synthesis, inductive and deductive, grouping, statistical and chronological methods. Also, studied and evaluated high educational programs in Georgia in economics and business due to national quality standard requirements and used expert observation method. In order to make a complex investigation we use the research outcomes of Georgian and foreign scientists, reports prepared by governmental and non-governmental, national and international organizations and statistical data.

The object of the research is high educational institutions which deliver economic and business programs in Georgia because namely, they are responsible in producing qualified policymakers, who could think strategically for long term economic development of Georgia. High skilled professionals equipped with the above knowledge will be able to cope with the rapidly changing environment in the globalization age, respond external and internal shocks and make effective economic political decisions at all governance levels.

Literature Review. Within the University educational space under conditions of market economy formation and economic transformations, Marxist political economy was replaced by the neoliberal economic theory. Creation of a favourable environment for the latter to take the dominant position at Universities and in the country was determined by numerous external and internal factors. However, actually, we still have a situation that encourages the one-sided development of economic thinking and does not leave space for pluralist research and critical thinking.

The recent severe economic crisis in the world economy has raised new demands before theoretical and practical economic policy. In the age of globalization, new discussions have been actualized on the topics from old debates, including the role of government in the economy. Modern globalization is characterized by the intensification of all forms of international economic relations (international trade, international capital movement, international labour migration, technology transfer, international enterprise cooperation). Meanwhile, the financial system networked across the globe is supported and promoted. The negative result of globalization that emerged in financial markets in 2008 and spread over the real economy led to a fall in welfare and the rise in unemployment (it represents the example of market failure).

Currently, because of the ongoing global processes, the issues on the role of government in economic development is still raised by the representatives of neoliberal and new Keynesian theory. After financial crisis more and more economists talk about the needs of new approaches in research of economic problems, especially discussing issues of inclusive economic growth, poverty, sustainable development and redistribution (Michael A. Bernstein, 2018; Paul Krugman 2017; David Kay Johnston 2007; Erik S. Reinert, 2006; Dani Rodrik, 2008). Just recently the famous economist Francis Fukuyama told in his interview, my surprise: «At this juncture, it seems to me that certain things Karl Marx said are turning out to be true. He talked about the crisis of overproduction... that workers would be impoverished and there would be insufficient demand» (Francis, 2018).

Globalization of the XXI century is by no means accidental. It is the outcome of well thought economic political decisions, aimed at the purposeful restriction of national and state interventions in economic processes (Klump, 2015). As a result, a favourable environment for international companies to realize their economic interests has been created. The global economic crisis and methods of fighting against it have made it clear that in capitalist market economies the attitudes of markets and the government towards market regulation are essentially different.

In the old debates on economic policy, the questions of market coordination mechanism and state authority were discussed, while the criteria of new debates are market failure and forms of state imperfection. In Georgia, implementation of neoliberal policy could not lead successful economic

transformation and development. It triggered doubts about the effectiveness of practical economic policy. It was found out that «at present *laissez-faire* doctrine without government regulation theory is an abstraction far from reality» (Todua, 2004).

Considering these developments, we can conclude, that the universal market economic system is non-existent. Furthermore, separate contesting market economic systems may change practical economic political approaches depending on the classification of the goals of their strategic development and changes in the exogenous and endogenous factors. The future specialists of the field should consider these points.

Methodology and research methods. Throughout the research, we used the logic, analysis and synthesis, inductive and deductive, grouping, statistical, chronological methods, Fuzzy Cognitive Map (FCM) methodology. Also, studied and evaluated high educational programs in Georgia in economics and business due to national quality standard requirements and used expert observation method. In order to make complex investigation we used the research outcomes of Georgian and foreign scientists (Michael A. Bernstein, 2018; Paul Krugman 2017; David Kay Johnston 2007; Erik S. Reinert, 2006; Dani Rodrik, 2008; Grigol Todua, 2004; Painter Klump, 2015, Patrizio Bianchi, 2006 and est.), reports prepared by governmental and non-governmental, national and international organizations and statistical data.

Results. In the period of transformation in Georgia, the question on the role of government and the effectiveness has not been raised. This was due to a few factors:

1. Unprecedentedly high level of participation of the state during the socialist authoritarian system and the inefficient economic system, which as a negative experience is critical, discussed the academic circles and political elite.
2. Dominant economic order in the world and in Georgia too, which aimed at spreading neoliberal ideas and thus restricted the role of government in the economy.
3. Non-qualified and subjective judgments of the systemic reforms. Transformation process and its theory require revision and impartial evaluations.
4. Employment of public servants in key government positions who lack the skills of matching new circumstances (such as new geopolitical space, economic ties, membership in organizations, economic openness, etc.) and public governance skills (such as coordination, time-related compatibility).
5. Future development uncertainties and related expectations, etc.

To sum up, on the one hand, economic advances and social welfare on the other are central to the debates on evaluation and measurement of economic political goals. The solutions involve the integration of many new strands of the economic theory, development of a clear inter-disciplinary perspective and the determination of permanent relations between efficiency and fairness. Consideration of the above underlies economic political decision-making, based on teaching pluralist economic theories within higher education programs.

Among the challenges of teaching economic sciences in HEIs of Georgia the question of Economic History course is important. Since 2006 educational reforms, Economic History and History of Economic Thought courses have been removed from higher educational programs what had negative implications for the qualification and quality of knowledge of the Economics program graduates. These courses have been missing from the Qualifications Framework of higher education. The argument for removing Economic History was the absence of specialists as it was mainly taught using Marxist political economy methods. However, HEIs have not done anything to bring new qualified personnel. Almost no doctoral dissertations have been defended regarding the issues of economic history. Students have no chance to systematically study the examples of economic development in other countries and make adequate conclusions. Cases given in economics textbooks are fragmentary and lack the depth of evolutionary development.

In our view, it is impossible to explore the development of economic processes without studying economic traditions, consecutive knowledge of cultural history as well as genetic and historical analysis. «Mind of a thinker should always seek for the historical roots. Negligence of the memory of the past leads to disinformation. The longer the memory is, the greater the prospects of success» (G. Todua, 2004).

In addition to it, world experience shows that at all levels of historical development only competitive products with high benefit has been able to bring radical changes. It significantly increases the national income of a country, improves economic structures, has high spillover effects and makes the influence on welfare (Competitiveness; Industrial; International; Johannisson, 1991; Lekashvili, 2018).

Problems faced by the Georgian economy include unsustainable economic growth, high unemployment, unskilled labour force, poverty, the large share of labour-intensive production, lack of investments in research and development, etc. By the recommendations of UN Industrial Development Organization (2016) and the Frankfurt school finance and management (2015), the main solution to these problems is the development of high value-adding industries and industrial policy. Industrial policy is insufficiently taught in Georgian HEIs.

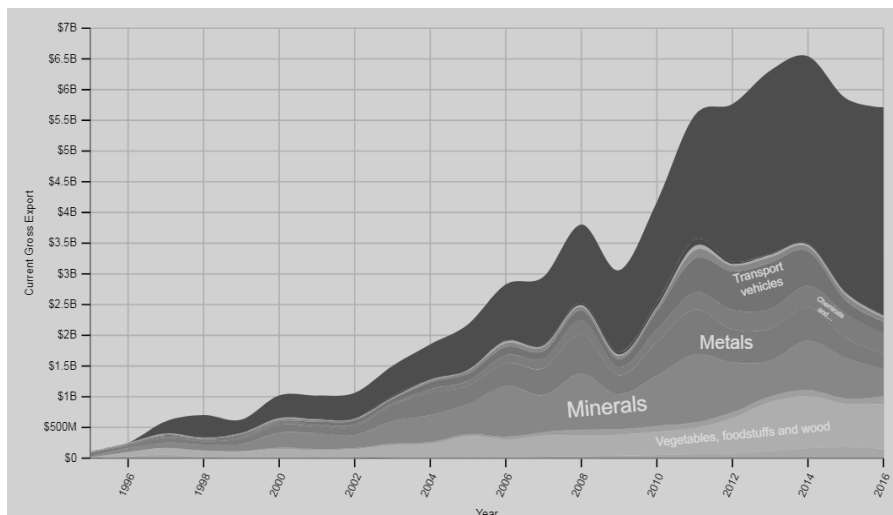


Figure 1. Georgia's export in 1996-2016, B\$

Sources: Atlas of economic complexity, 2018.

Graphs 1 and 2 show Georgia's Export and Import dynamic and structure during 1996-2016 yy period. Georgia is the 127th largest export economy in the world. In 2016, Georgia exported \$2.54B and imported \$7.51B, resulting in a negative trade balance of \$4.97B. In 2016 the GDP of Georgia was \$14.4B and its GDP per capita was \$10k. The top exports of Georgia are Copper Ore (\$278M), Other Nuts (\$181M), Ferroalloys (\$177M), Gold (\$163M) and Cars (\$155M), using the 1992 revision of the HS (Harmonized System) classification. The most recent exports are led by Copper Ore which represents 11% of the total exports of Georgia, followed by Other Nuts, which account for 7.16%. Its top imports are Refined Petroleum (\$619M), Cars (\$499M), Petroleum Gas (\$315M), Packaged Medicaments (\$277M) and Copper Ore (\$194M). The top export destinations of Georgia are Russia (\$229M), Turkey (\$216M), China (\$171M), Azerbaijan (\$168M) and Bulgaria (\$161M). The top import origins are Turkey (\$1.36B), Russia (\$695M), China (\$580M), Azerbaijan(\$496M) and Ukraine (\$417M). The structure of export and import is derived from economic structure. Statistical data shows the weaknesses of the industrial development of

Georgia after the revitalization of independence. So, Industrial development one of the important challenge for the economy of Georgia.

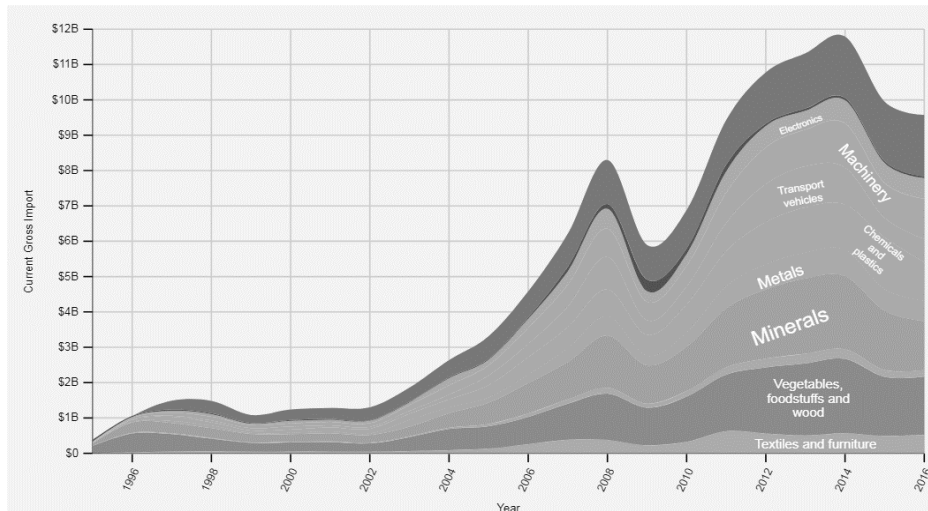


Figure 2. Georgia's import in 1996-2016, B\$

Sources: Atlas of economic complexity, 2018.

Also, as International Monetary Fund's Report, Georgia's Labor Market and Educational System (2018) show, most of Georgia's labour resources are lacked in low productivity jobs, while a large share of youth with higher education is unemployed. If the GDP growth averaged 4.4% over 2006-16 in Georgia, while employment barely increased – unemployment remains high (14%), especially among the youth (33.2). The Georgian Economy is not creating enough jobs in high-productivity sectors that stir the structural problems in Georgia's labour market. It is noteworthy that since the 1980s the definition of «industrial policy» has been changed. Earlier it implied direct state intervention in the economy, while the new industrial policy means state support for the formation of firms, agglomeration, innovations and competitiveness under the open economy. Traditional industrial policy purposefully uses such «rigid» tools of management and regulation as money (financial incentives) and law (regulation). Later this approach was supplemented with «soft» instruments – private-public dialogue (PPD), private-public partnership (PPP). However, the shortcomings of these approaches also have become clear and the requirements for state actions and skilful public servants are being changed. There is a need for finding and implementation of the innovative forms of state intervention.

Considering the above topicality of new industrial policy within economics programs of the Georgian HEIs is undebated because of the need for pluralist economic thinking, research and teaching of the theoretical and practical economic policy and the applicability of the research outcomes. According to the World Economic Forum (WEF), 2017-18 Report the Index of country attractiveness for the venture and private capital gives a clear understanding of the factors affecting entrepreneurship in Georgia. It involves taxes, economic activity, investor protection, corporate governance, human and social environment, entrepreneurship culture and opportunities. At this part of the research, we will study entrepreneurship education problems in Georgia and reveal solutions. But WEF ranks workforce skills as the most problematic factor for doing business in Georgia. The World Bank's 2015 Skills Toward Employment and Productivity (STEP) survey indicates that Georgians do not have the skills demanded by businesses.

Theoretical research and practical experience prove that the development of entrepreneurship is the main solution to these problems. The propensity to entrepreneurship and entrepreneurial activities are different across countries. The positive job creation, innovation and competition effects gained from the development of entrepreneurship are further increased by economic growth gains, which are redistributed and controlled by the state. Generally, entrepreneurship and economic growth require that the need for economic education be generated. This goal can be achieved by means of effective educational and entrepreneurship development policies. It is important to start a discussion of features of entrepreneurship in transitional period Georgia at all level, based on which we will define the policy instruments for transferring entrepreneurial way of thinking; in addition, study of the policy problems of transferring entrepreneurial way of thinking in Georgia; make recommendations on how to ensure entrepreneurship education and way of thinking relying on the experience of EU.

The theoretical and empirical research on entrepreneurship and economic growth confirmed that the development of entrepreneurship depends on individual entrepreneurs, as well as on business and economic environment and social-economic inequality. Besides, two main types of entrepreneurship are distinguished in the economic system: productive and non-productive entrepreneurship. This kind of division into productive and non-productive entrepreneurship comes from the nature of the economic system and is determined by the economic policy. It is noteworthy that according to the economic order, capitalization of productive entrepreneurship requires that the supportive environment for entrepreneurship development be formed. In economics, where restrictive entrepreneurship policy was adopted, entrepreneurship was declared illegal and this type of economic activity was identified with non-productive or unfair business. In the so-called transition period, the main entrepreneurship-related goal of reforms was to transform non-productive activity into a productive one and promote economic growth.

During the transition period, changes were made aiming to move to a liberal economic system from the centralized planned economy. This was accompanied by economic liberalization and implementation of such macroeconomic policy, which overcome inflation and promote the formation of the private financial sector. As a result, the formation of the favourable environment for entrepreneurship starts. In transitional countries, the success of the new economic policy strongly depends on entrepreneurs' participation in privatization. At the initial stage, the prevalence of opportunities raised during chaos and imbalances is common. It is noteworthy that the success or failure of the economic policy of the transition period is also determined by the cultural characteristics of a society.

At the beginning of transition processes in Georgia entrepreneurship was limited to the privatization of small stores and restaurants. In addition to this, the issues of agrarian reform were very important. Public ownership on lands was changed into private ownership and control. Scales of entrepreneurship was expanded correspondingly with the growth of the private sector because the market had to satisfy the increasing demand for goods and services which was impossible at initial stages. Until demand is controlled by consumers rather than business, entrepreneurs are under increasing pressure from international competitors, which is backed up by economies of scale and, consequently national entrepreneurship activities get in a recession. Therefore, in the transition period government policy should have been directed at the activation of entrepreneurship under conditions of rational growth.

While studying entrepreneurship issues in transition economies Aidis (Aidis, 2005) distinguished three supportive elements of entrepreneurship development: environment, government and the entrepreneur. Among these, the decisive role is attached to the government because the formation of the new market economic environment depends on it.

Actually, the transition period is characterized by numerous social, economic and political changes. Institutional environment is underdeveloped, and optimal utilization of resources is impossible; the role of government as an initiator of changes and implementation agent is very important. The government lacks the experience needed to adopt rational entrepreneurship policy and often appears intrusively in market

processes with the aim of regulating the market. Conflict of market and government interests leads to increased corruption and the formation of controversial political viewpoints. Entrepreneurs acting in transitional economic space do not have adequate knowledge and experience of working under market conditions. Therefore, they make frequent mistakes and incur increasing losses.

Privatization of public property and establishment of multi-form ownership laid grounds for the development of new type of entrepreneurship in Georgia. Legislative imperfections put economic agents in unequal conditions and created obstacles for entrepreneurship. It was the legislative framework that should have ensured economic freedom – the basis of free entrepreneurship.

In Georgia as in many other countries transition to the new economic system required that the principles of entrepreneurship development be worked out and implemented, such as improvement of competition, freedom of choice in entrepreneurship, effective mechanisms of labour motivation, creation of the flexible mechanisms for matching public and private interests, determination of the regulatory role of government, etc. (Lekashvili, 2015).

In 2001 Georgia's State Statistics Department studied the adverse factors affecting entrepreneurship. The first-rate factors were: tax system imperfections, corruption in government structures; the second-rate factors were: the inability of the government to protect local entrepreneurs' interests, unemployment of the significant part of the economically active population; third rate factors were: the energy crisis, over-interference of governing bodies in business, unreliable banking system.

In Georgia development of entrepreneurship was hindered underdevelopment of entrepreneurship education, the absence of entrepreneurship culture which led to low quality of management and administration. Ineffective institutional reforms; imperfect entrepreneurship legislation, the low degree of internationalization of functional levels of business; low tax culture and social responsibility, etc.

In many studies, where are analyzed analysis of small and medium-sized businesses in Georgia clearly demonstrates weaknesses and threats of entrepreneurship and business sector development. They include low efficiency of business education and consulting/ information service; poor accessibility of financial resources, lack of support for starting businesses; limited business experience and SME supportive institutions; limited budget resources; pressure from criminal and corruption; instability of energy supply; large share of low-quality products in the market, which reduce the effectiveness of support, etc. The social and economic development strategy 2020 worked out the government of Georgia declares that the growth diagnostics method revealed critical problems, which impede the economic development of the country. They involve low competitiveness of the private sector, insufficiently developed human capital and limited access to financial resources.

The entrepreneur as a central figure of the entrepreneurship process is an agent who 1) can perceive entrepreneurship opportunities; 2) has organizational skills and 3) has chances to provide resources. An individual becomes the entrepreneur when he/she makes decisions about combining these three qualitative elements. The society for which an increase in entrepreneurship potential and economic development is significant should promote cultivation of entrepreneurial skills among its members (Aidis, 2005). Entrepreneurship and entrepreneurial way of thinking are relevant to all types of activities which have the goal of:

1. Identifying and evaluating those opportunities, which yield gains.
2. Identifying and evaluating uncertainties and risks related to these opportunities.
3. Making rational allocation of the owners or acquired resources.
4. Protecting returns on invested resources gained in quantitative (and value terms).

In 2000 Mark Grant and Mac Millan formulated several characteristics of the entrepreneurial way of thinking. They are 1. willingness and determination to search for new opportunities; 2. disciplined actions taken in order to seize these opportunities; 3. making the best possible choice; 4. focus on fulfilment; 4. engage other people in this process (Lekashvili, 2015).

In 2000, in Lisbon, the European Council defined five new basic skills for the knowledge-based economy: information and communication technologies, technological culture, entrepreneurship, foreign language and social skills. In Stockholm, in 2001 the European Council formed five strategic goals for the improvement of quality and accessibility of education and training. Later these goals were divided into 13 objectives and promotion of «entrepreneurial spirit» was the basic among them (Council document 6365/02 of 14 February 2001).

In the EU the support for the entrepreneurial way of thinking is carried based on two main approaches: the first implies stimulation of entrepreneurial way of thinking, attitudes and idea generation, what finds its manifestation in the improved entrepreneurial way of thinking. The second implies support for the development of new knowledge and technologies. Promotion of the businesses held by individuals with an entrepreneurial way of thinking can be achieved through such a policy, which aims at the development of entrepreneurship culture and skills.

Implementation of the European approach towards entrepreneurship education needs systematization of inter-relationships and promotion of research activities; sharing European experience in the field of entrepreneurship education; adoption of new teaching methods and learning materials in entrepreneurship courses; creation of the grounds for sustainable cooperation; creation of the grounds for action plan for future cooperation; intensification of the academic ties and transnational relationships, etc.

The basic policy instruments for the transfer of an entrepreneurial way of thinking can be referred to as actions taken for:

1. Improvement of entrepreneurship education.
2. The popularization of entrepreneurship.
3. Development of small and medium-sized entrepreneurship.

It is noteworthy in 2014 that by the Order of Georgia's Minister of Economy and Sustainable Development the statute of the «Entrepreneurship Development Agency» was approved, which determines the functions of the Agency to support for small, medium and starting businesses. The main goal of the Agency will be the improvement of small and medium-sized entrepreneurs' skills, access to finance, funding starting businesses and intensification of the entrepreneurs' export potential.

One of the functions of the Agency is to provide pieces of training and consulting to starting entrepreneurs. For these reasons, the «Business Monitoring Program» was created, which aims at building contacts among experienced and starting entrepreneurs. Within this program, an experienced entrepreneur gives advice to the starting businesses about how to develop and manage the business at the early stages. In addition to this, basic pieces of training for starting entrepreneurs and people willing to start the business will be organized. It will enable to attend pieces of training and develop basic skills which are exploited to start or manage the business. Despite the establishment of the Agency, factual data and publicly accessible information about its activities are currently unavailable.

Except for the above-mentioned, education programs in business administration and management are offered at Georgia's higher educational institutions. However, none of them offers the «entrepreneurship» module. A lot of activities are directed at the development of entrepreneurial culture and way of thinking, but they cannot bring effective results by fragmentary measures, without systematized entrepreneurship education. The latter implies logical development and improvement of thinking skills at each step of education – general, professional, higher and lifelong learning.

In order to upgrade entrepreneurship quality and culture, it is reasonable to interfere in the educational system and implement entrepreneurship education initiatives. Improvement of entrepreneurship skills and potential needs:

1. Formation of entrepreneurship culture.
2. Educational support.
3. Support for entrepreneurship-related institutions.

4. Support for mentor initiatives.
5. Education and life-long learning.
6. Workforce flexibility and employment.
7. Generation and implementation of high-tech knowledge.
8. Financial support.
9. Support for research initiatives.
10. Protection of patents and copyrights, etc. (Aidis; p.143).

To manage innovations in the field of teaching economic science, we propose to identify the factors that most influence the modernization system. According to a survey of a group of experts, which was conducted in two stages, the intensity of the interaction of factors was described. The first stage includes the selection of all factors characterizing the problem situation. A questionnaire is being drafted with questions to the experts and asking for as many variables as possible. Questionnaires with expert answers are processed for a complete list of variables of factors.

As a result of the analysis of the key problems of managing innovations in the field of teaching economic science, we identified 12 factors affecting the modernization of education process of the university (Table 1).

Table 1. Basic factors of managing the innovation process in the field of teaching economic science

	Factor
X1	Human resources potential (highly qualified personnel)
X2	Corporate culture
X3	Applicants, students
X4	Self-monitoring of the quality of education
X5	Modernization of infrastructure capacity
X6	International activities
X7	Scientific commercialized innovative projects and products
X8	Financial and economic potential
X9	Lack of information resources
X10	Optimization of pricing policy
X11	Extracurricular activities
X12	Marketing of educational services

Sources: developed by the author.

The purpose of the second survey is to determine the degree of positive and negative influence of the factor on the factor. The value of each concept is calculated, computing the influence of other factors to the specific factor, by applying the calculation rule of equation (Chrysostomos, 1999):

$$X^{(k)} = f(W^T X^{(k-1)}), \tag{1}$$

where f is the sigmoid function, W^T is the transposed matrix.

Fuzzy Cognitive Map methodology helps to make a qualitative assessment of each interaction of all factors. The matrix W^T gathers the values of the causal edge weights for the Fuzzy Cognitive Map, where the dimension of the matrices is equal to the number of the factors, which consist of the map. The positive value means that the value of the factor X1 leads to an increase in the value of Xn and vice versa. The

negative value means the reverse effect: the increase in the value of the first factor leads to a decrease in the second.

We investigate the influence of factors on the process of managing the innovation process in the field of teaching economic science based on the transponder matrix, in which values are obtained by the expert estimation method.

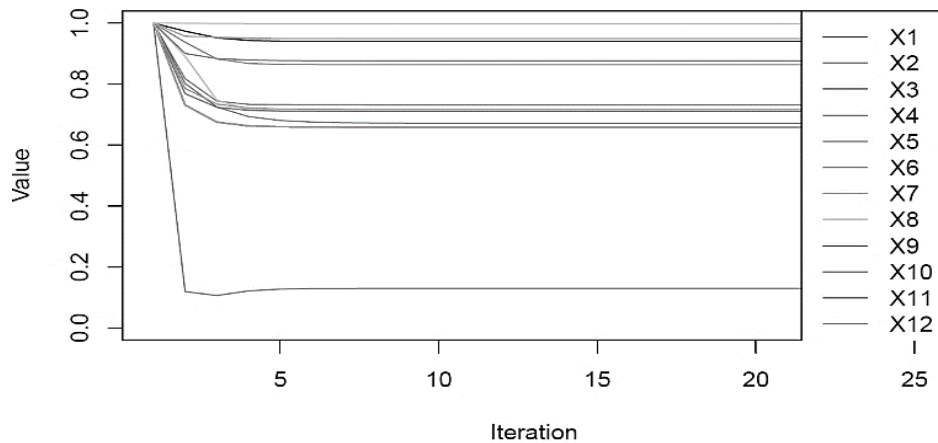


Figure 3. Results of the factors impact

Sources: developed by the author.

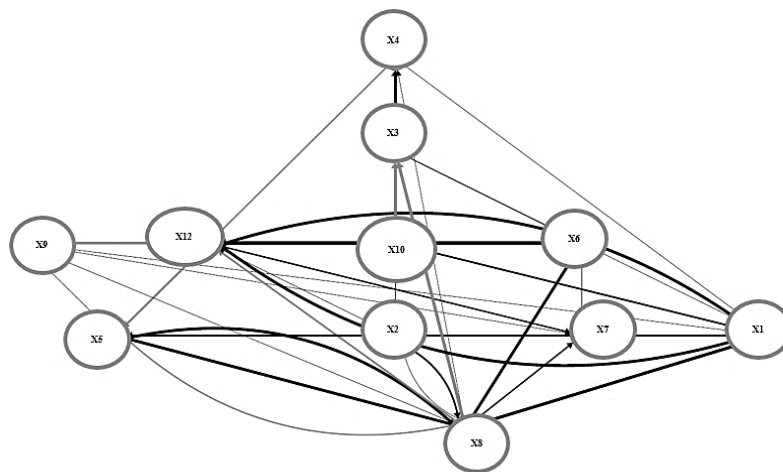


Figure 4. FCM map after excluding factors that have no effect

Sources: developed by the author.

So, for more effective management of the process of teaching economic science, it is necessary to know its factors of impact, features of the cause-effect relations between the basic factors-concepts. Due to the cognitive map, we have constructed, the most important, direct connections between connections of factors that affect the quality of managing innovations in the educational sphere are presented.

Thus, at the current stage studying the European experience (Entrepreneurship, 2006; Klump, 2015; Papachashvili, 2016; Taatila, 2010) in order to improve management system in teaching economic science the state should resolve the following concrete tasks:

1. Develop a governmental strategy to support entrepreneurship education and declare it as one of the priorities of the state policy.
2. Develop national strategies of entrepreneurship and implement them at every step of education;
3. Take adequate actions at public, regional and local administration levels.
4. Form coordinating groups at the state level consisting of civil organizations, businesses, educational institutions, students and representatives of other organizations.
5. Promote teacher and student mobility among countries, higher education institutions and private sectors in order to enhance the development of entrepreneurship education.
6. Promote entrepreneurship education projects within the programs supported by the European funds.
7. Finance and support for the educational activities that contribute to the improvement of entrepreneurship education.
8. Work out and implement flexible financial, fiscal, tax incentives for entrepreneur agents in order to build contacts with Universities.
9. Implement practice-based learning in entrepreneurship education by engaging students into certain entrepreneurship projects.
10. Organize information actions at schools and public areas for the popularization of entrepreneurship.
11. Engage entrepreneurs into educational programs; stimulate close relationships of students with companies and entrepreneurs.
12. Help entrepreneurs and business people to develop pedagogical skills on the part of educational institutions.
13. Implement adequate programs for self-employment and starting enterprises, etc.

After the entrepreneurship activity optimization, the state can expand entrepreneurship by means of entrepreneurship development measures, subsidizing, entrepreneurship risk reduction, entrepreneurship potential growth, and support for innovation adoption, entrepreneurship popularization and use of other supportive tools. Conscious implementation of the above-mentioned measures and educational policy will undoubtedly bring positive results. These results will be long-lasting and contribute not only to the development of entrepreneurship, improved competitiveness and economic growth of the country but also enhance economic and social integration and raise the standard of living.

Simultaneously it is worth mentioning that in the age of globalization and information technologies new requirements for teaching economic science have emerged. Among their application of interdisciplinary approaches and methods is important. In the information age, economics programs should be modernized in a way that the graduates be able to participate in the process of electronic governance. It should guarantee the involvement of citizens in the decision-making process using new technologies. Besides, the development of this direction will enhance the processes of electronic democracy and provide transparency of governance. It is desirable that economics programs incorporate the following courses: «Business process re-engineering for electronic governance», «geographical information systems for electronic governance», «Electronic governance decision support systems», etc.

Conclusions. Thus, in Georgian Universities among the challenges of teaching economic science the important one is the issue of exploring and learning pluralist economic theories, teaching economic history course and offering interdisciplinary courses, including with the modern information technological components. High skilled professionals equipped with the above knowledge will be able to cope with the rapidly changing environment in the globalization age, respond external and internal shocks and make

effective economic political decisions at all governance levels. A model using FCM-analysis will allow identifying the factors that have an impact on the system of managing the educational process and develop optimal decision-making strategies. The development of entrepreneurial thinking by solving fragmented tasks, without systematization of entrepreneurial education, cannot provide effective results. This includes logical development of the thinking and perfection between all the levels of the education – basic, professional, high and Life Long Learning. Rising of entrepreneurial study qualification and culture in Georgia needs the interference in the education system and implementation of entrepreneurial education initiatives in. The research suggests the list of recommendations for the raising of entrepreneurial thinking and education in Georgia.

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Інноваційний менеджмент у діяльності закладів вищої освіти Грузії: головні проблеми викладання економічних дисциплін

У статті систематизовано передумови трансформації освітнього процесу економічних спеціальностей у закладах вищої освіти Грузії. На основі результатів аналізу наукової літератури авторами встановлено, що протягом трансформаційного періоду в Грузії питання щодо ефективності та ролі уряду в навчальному процесі не розглядались вченими у повній мірі. У першу чергу, це обумовлено безпрецедентно високим рівнем контролю влади у період соціалістично-авторитарної системи та неефективністю сформованої економічної системи, що підтверджено науковими доробками низки вчених. По-друге, домінуючий того часу економічний устрій у Грузії, був спрямований на розповсюдження неоліберальних ідей, що тим самим обмежувало роль уряду в економіці. Окрім цього, низка необґрунтованих та суб'єктивних рішень того часу щодо проведення системних реформ призвели до появи конфліктів у всіх секторах економіки. Так, наслідки трансформаційного процесу актуалізують подальші дослідження щодо реформування системи освіти. При цьому автором наголошено на необхідності формування нових критеріїв оцінювання потенційних кандидатів при працевлаштуванні їх на ключові державні посади, враховуючі наступні фактори: наявність навичок узгодження нових обставин (таких як новий геополітичний простір, економічні зв'язки, членство в організаціях, відкритість економіки, тощо) та навичок державного управління (таких як узгоджена взаємодія, тимчасова сумісність, тощо). На основі результатів дослідження встановлено, що реалізація даного процесу неможлива без трансформації освітнього процесу економічних спеціальностей на основі принципів інноваційного менеджменту. При цьому автор зазначає, що ефективна підготовка здобувачів вищої освіти потребує впровадження міждисциплінарних курсів, викладання історії економічного розвитку, економіки галузевих ринків, підприємництва та сучасних інформаційно-технологічних компонентів. Автор зазначає, що управління трансформацією освітнього процесу має бути спрямоване на підготовку конкурентоспроможних державних службовців, які спроможні досягти успіху як в теоретичній, так і в прикладній економіці. Отримані результати проведеного дослідження можуть бути використані у процесі стратегічного та оперативного планування.

Ключові слова: підприємництво, економіка галузевих ринків, інноваційний менеджмент, ринок.

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