

# SOME PECULIARITIES OF EFFECTIVE STATE MANAGEMENT OF INTELLECTUAL PROPERTY AND INNOVATION IN GEORGIA. PART 1

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The aspiration for a knowledge-based society, where intellectual property is protected, forces the government to seek more effective methods of governance; it becomes increasingly dependent on the knowledge and experience that are "located" outside this specific state.

The number of domestic developments and patents received is relatively small, as well as the number of research innovations. Diffusion of knowledge and technology is taking place in the country. It would be desirable to increase the rate of organizational innovation.

It is reasonable to provide members of the parliament and the government, as well as politicians with the relevant information about the multifunctional nature of intellectual creativity in a more accessible way. This information should be reliable and convincing, transparent, accessible, compressed and as simple as possible for perception.

It is necessary to create special services and modernize the existing ones, organize the possibility of retraining of civil servants in specific areas and spheres of IP.

For Georgia, the process of integration into international structures will be greatly simplified if the intellectual property management process is put on a qualitatively new level, and economic development is based on the active use of intellectual property and innovations.

The Georgian National Intellectual Property Center and the Agency for Innovation and Technology of Georgia, whose functions and powers overlap directly or indirectly, deal with issues of intellectual property and innovation on the level of the Georgian government. However, there is no clear coordination between them, which affects the effectiveness of management.

It is necessary to create a relatively stable, conservative and at the same time flexible system of laws in the field of intellectual property and innovation. Changes and amendments in the law should not occur spontaneously depending on the political situation. They must be purposeful, thought-out and comprehensive — without any special drastic changes in legislation.

**Keywords:** legislation, intellectual property, public administration, innovation.

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# НЕКОТОРЫЕ ОСОБЕННОСТИ ЭФФЕКТИВНОГО ГОСУДАРСТВЕННОГО УПРАВЛЕНИЯ ИНТЕЛЛЕКТУАЛЬНОЙ СОБСТВЕННОСТИ И ИННОВАЦИЯМИ В ГРУЗИИ. ЧАСТЬ 1

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Стремление к обществу, которое основано на знаниях и где защищена интеллектуальная собственность, заставляет правительство искать более эффективные методы управления и оно становится все более зависящим от того знания и опыта, которые находятся за пределами данного государства.

Сравнительно невелико количество отечественных разработок и полученных патентов, а также небольшое число исследовательских инноваций. В стране происходит диффузия знаний и технологий. Было бы желательно, увеличить показатель организационных инноваций.

Целесообразно в более доступном виде предоставить членам парламента и правительства, политикам соответствующую информацию о полифункциональной природе интеллектуального творчества. Эта информация должна быть достоверной и убедительной, прозрачной, доступной, сжатой и максимально простой для восприятия.

Необходимо создавать специальные службы и модернизировать существующие, организовать возможность переподготовки государственных служащих по конкретным направлениям и сферам ИС.

Для Грузии значительно упростится процесс интеграции в международные структуры, если процесс управления интеллектуальной собственности будет поставлен на качественно новом уровне, а экономическое развитие будет базироваться на активном использовании объектов интеллектуальной собственности и инноваций.

В государственных структурах Грузии вопросами интеллектуальной собственности и инновациями занимаются Национальный центр интеллектуальной собственности Грузии и Агентство по инновациям и технологиям Грузии, функции и полномочия которых прямо или косвенно пересекаются. Хотя нет четкой координации между ними, что и сказывается на эффективности управления.

Необходимо создавать сравнительно стабильную, консервативную и вместе с тем гибкую систему законов в области интеллектуальной собственности и инноваций. Изменения и дополнения в законе должны происходить не спонтанно в зависимости от политической конъюнктуры, а целенаправленно, вдумчиво и комплексно, без особенных резких изменений в законодательстве.

**Ключевые слова:** законодательство, интеллектуальная собственность, государственное управление, инновации.

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Social capital behaviour, attitudes and habits are among the key points in sustainable development issues. Each

component of sustainable development contains human factors, economic growth as a resource and productivity, life expectancy, education, and care of environment, but in order to manage everything it is necessary to manage

Tab. 1.

## Financial Literacy

	At least 3 out of 4 answers, % of adults							
Country	All adults	Men	Women	Adults live in the richest 60% of households	Adults living in the poorest 40% of households	Age 15-32	Age 35-54	Age 55+
Georgia	30	35	25	32	26	39	30	25
Azerbaijan	36	47	26	37	35	41	35	32
Armenia	18	21	16	19	17	20	22	16

Source: (Leora Klapper, Annamaria Lusardi and Peter van Oudheusden, 2015)

Tab. 2.

### **Development indicators**

Country	GDP per capita at current prices in 2014	HDI 2014	Inequality-adjusted education index
Georgia	3670	0.754	0.761
Azerbaijan	7884,2	0.751	0.645
Armenia	3873,5	0.733	0.679

Source: (World Bank, 2016) and (United Nations Development Programme, 2015)

money by finding ways to earn, spend and save them.

The basis of the money management financial literacy. However, understanding of the money issue by Georgians is a reflection of the country's life. One Georgian proverb says: "money make hands dirty". It says to the society, that dirt should be washed off, so money should be spend or given out. The other maxima is shown in the famous poem of the XII century by Shota Rustaveli: "What you gave away is yours; what you did not give was lost". These are the pillars for the Georgians values, but what has been formatting those values? Main anthropological factors are the religion and the soviet heritage. If we explore them, we shall find out the roots of the problems related to financial literacy and irrationality of the Georgian population.

majority of Georgians (Tsiala Eliadze and others, Tbilisi) are Orthodox Christians - 84%. The Christianity had been spread in the III century in Georgia; in IV century the religion was approved as the official state religion. There have been two directions in the Christianity: Monophysitism and Dyophysitism. Monophysitism means "only, single" and says that Jesus Christ has only divine single nature, while Dyophysitism states that Christ maintained two natures: one divine and one human. Monophysites condemn wealth, luxury and satiety, demanding that true Christians should live as the Primevals. This became the basis for the doctrine of the Orthodox Church, and has been spreading in Georgia since 608 (Ashordia, 2011).

Since 1408 it is known that the religion preserved the identity of the Georgians. In 1860 the famous Georgian public figure and writer Ilia Chavchavadze, who was called the father of the nation, offered the doctrine: Georgians from

ancestry have inherited the treasure of the three things: Homeland, Language and Religion (Kiknadze, 2006).

According of the Orthodox Christianity usury is a deadly sin. Today usury means immoral or unethical loans that enrich the lender. Originally, usury meant an interest of any kind, so in the Georgian society making any interest from personal loans is a sin.

There are the following features of the values dominant in the society: man should not love wealth, luxury, satiety, and should not be a usurer. From that three: wealth, luxury and usury are directly linked to the financial decisions.

The other aspect of problems of the Social capital in Georgia comes from the Soviet roots. Main idea of the Soviet time was that all property must be owned by the state, and that private property is illegal.

Under the centralized planning, citizens were allowed to work and study specific guidelines. For example, peasants were not allowed to possess more than 4 sheep. If they had more, then the surplus would be passed to the collective farms. Trade, entrepreneurship or business making were not allowed. There was a special article in the criminal law, assuming serious punishment for entrepreneurs or small business runners. Making money was immoral, and was not normal for the public; especially the intelligence was condemning the moneymaking businesses.

The Administrative imperious regime lasted for 70 years in Georgia. During this time, many generations have changed there. The nation's thinking, perception and attitudes were completely changed; market-oriented thinking and rational analysis have been lost completely, and at the same time the population became lazy, because you don't have to work hard having only 4 sheep.

The other 25 years have passed,

and what we have now is the fact that Georgia is a low to middle income Country. According to the Standard & Poor's ratings of the global financial literacy survey, the Georgians' financial literacy rate is 30, which is natural for the developing countries.

If we compare Financial literacy rate of the Caucasian countries, which have the same Soviet history, but different religions (Armenia has Armenian Orthodox Church or Gregorian Church, Azerbaijan is a Muslim country), we will find out that Georgia and Azerbaijan show similar literacy rates: 36 and 30; but Armenia's financial literacy is even lower – 18 (See table 1).

In Georgia and Azerbaijan financial literacy is better developed in youth. If we compare the financial literacy index with income per capita, human development index and education index, we can assume that, in Caucasian countries the highest financial literacy index of Azerbaijan is caused by the highest GDP per capita and the religious factor (See table 2).

Financial literacy of the Georgians is higher than that of Armenians because the education index is 10 points higher, than that of Armenians (and by 12 then the index of Azerbaijan). This really proves that countries' financial literacy depends on many factors, and also on the diversity of social values.

Proceeding from the results of the focused group research, which covered the Georgian youth (two groups of 10 persons; held in Tbilisi and Kutaisi; age between 16 and 25), it was found out that the most problematic issue about money for youth is: "if they do not have money, they do not feel confident; but if they have money they still have the same feeling anyway" - because they feel that they are afraid to make decisions. Then they were asked to choose

3 main core values from the list of their personal values. Most of them chose independence, spirituality and safety. Their explanations were the following: spirituality – from our Christianity, independence – from our Soviet times, and Safety - from the war of 2008.

It means that social capital has memories, which form attitudes with time transformed into habits. Therefore, we should create memories about money and business by spreading the financial literacy. This will build the attitudes and transform them into habits.

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