

IMPACT OF GLOBALIZATION AND EDUCATION ON THE DEVELOPMENT OF SOCIAL ECONOMY USING THE EXAMPLE OF GEORGIA

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Methods. The research methodology is based on comparative-analytical and statistical analysis, which makes it possible to evaluate the processes on the example of Georgia, as well as compare them with international experience. Descriptive statistics, comparison, analysis, generalization and modeling were used to study the issue. At the same time, the research used a systematic analysis method, reviewed the existing material surrounding the work and modern theoretical and empirical sources on social economy. Based on the current situation, a desk study was conducted and primary and secondary sources were processed based on data from the National Statistics Service.

Results. The paper discusses the impact of globalization and education on the development of social economy. Problems and prospects are analyzed using the example of Georgia. Globalization provides new opportunities by strengthening economic ties between countries of the world. Globalization promotes knowledge exchange and innovation. Educational institutions play an important role in preparing personnel to respond to global challenges and effectively use economic instruments for the development of the country. The study showed that education is one of the priorities of the state development in Georgia. Education is a prerequisite for the development of science and the main factor in increasing the productivity of the workforce.

Novelty. The novelty of the work is the integrated analysis of globalization and education in the context of the development of the social economy. The article presents them as unified, interdependent processes that determine the level of social progress and economic sustainability. The novelty is also the designation of the level of education as a means of mitigating the negative effects of globalization and developing economic ties. It is also important to understand the challenges: training highly qualified personnel in the economy; shortage of human capital, outflow of personnel. In 2024, 29.6 thousand students graduated from higher education institutions, which is 12.4 percent more than the previous year. The number of graduates from state higher education institutions exceeds the number of graduates from private universities by 28.0 percent.

Practical value. The practical value of the work is expressed in the fact that it creates a basis for understanding the consequences of the interaction of globalization and education for the development of the social economy. The results and conclusions of the study are important for researchers interested in issues of sustainable development of the world economy and for the use of positive effects of globalization and reduction of its negative consequences in the process of development strategies of the social economy and labor market adaptation.

Keywords: Social economy, globalization education, social security, priority, investment, Georgia.

Statement of problem. Social and economic problems are a global and urgent issue for the modern world. The dimensions of social economy are: traditional economy, social welfare and legal relations. It is related to the social and economic rights of people: the rights to

food, water, health, education, work and housing.

Education is the process of acquiring and developing knowledge, skills and other qualities in legal educational institutions. Education is a fundamental human right and an important

condition for the sustainable development of a country.

High-quality education contributes to the improvement of well-being and is a necessary prerequisite for personal, social and professional development. The right to receive and choose education is guaranteed by the Constitution.

As a result of modern scientific and technical progress, the material and technical conditions of modern production and the very way of life of society have changed significantly. During this period, education has become the main factor in the development of production. Along with the changes in the relationship between production and education, new ideas and approaches have emerged in science.

The economic success of every society directly depends on the purposeful development of the education system. It is the education system that prepares the scientific and technical personnel of the society, which is a condition for economic and scientific and technical development. The economic function of education can be characterized as the preparation of young people for future professional activities in accordance with the needs of the society. The economic effectiveness of education is determined by the extent to which the education system is able to fulfill this purpose and at what cost it manages to satisfy the demand for the labor force. The need for education [10, p.8].

In a market economy, education enables an individual to realize his or her labor power in accordance with his or her views. The task of educational economics is precisely to determine how much money a country should allocate for education and how effectively it is spent on training the relevant highly qualified personnel.

Through education, social changes occur in individuals, and their efforts strengthen the processes that lead to social and economic progress [6, pp. 225–238].

Education has always been of great importance for economic development and has evolved along with economic development. With the development of modern high technologies, greater demands have emerged for a quality education system.

Education, as an economic category, is a service sector where human capital is developed. expenditures on education are

considered investments in capital formation. The success of the education system can be measured by the effectiveness of investments in human capital. Accordingly, the growth of economic competitiveness depends on an educated, qualified workforce [11, pp. 21–26].

The 21st century, along with the development of high technologies, increasingly places demands on society to train personnel. The economy is increasingly relying on knowledge and innovative potential. The demand for quality education is growing in the world, including in Georgia. The demand for an educated person, as capital, is growing. Education is one of the priorities of the state. The state is spending more and more money on education. At the same time, educational reforms are underway.

Education has its own economic function, the study of which is of particular importance in relation to social economics.

Analyses of recent papers. The scientific literature emphasizes the issue of the mutual influence of social economy and education. Scientists interpret social economy and education models from different aspects, the discussion of which is important when researching the issue.

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Education benefits not only individuals, but also society as a whole. Highly developed personnel contribute to the improvement of economic indicators. The provision of education by the state to the broad masses provides great state benefits and determines the efficiency of resource use.

The state plays a decisive role in providing educational services to the broad masses and financing this area. At the same time, it is necessary to develop new connections between the state, the population and private entrepreneurs, who must jointly assume financial responsibility for the development of education [5, p.115].

Adam Smith described the skill of the workforce as a crucial force for economic progress. He noted: «The skill of the workforce may be considered as machines and implements of work, which reduce labor and require a certain expense, but which compensate for these expenses by profit» [12, p.316].

Theodore Schultz drew attention to the connection between education and investment. He divided the benefits of education into two categories: 1. Education has an economic growth function; 2. Social benefits, which are related to the research function of universities and institutions [13, p.40].

The main motivation of a person is to acquire education and to be paid for his work. Economists consider wages as a necessary instrument through which a worker can be compensated for his labor.

According to the theory of human capital, education is the main institution of modern society, which can become the basis for solving many social problems. This theory answers the question: why do individuals see education as a central force for their future and why are they so loyal to this institution [6, pp. 225–238].

The increase in the quality of education is a reflection of integration and global processes and is based on processes such as competition between nations for education in global markets; The international mobility of the workforce, which is a necessary condition for the international recognition of diplomas and certificates of education in the country, which is important for stimulating the educational industry; Increase in the number of local and foreign students. It should be the result of the quality of education and its international recognition. The role of the state in this case is great [11, pp. 200–202].

The state, universities, teachers, and students are the main participants in the formation of civil society. New relationships are being established between them, reflecting traditional national education, culture, and global educational processes.

The social economy encompasses a range of activities that aim to increase access to opportunities and improve the economic and social well-being of members of a community. Social economy organisations serve both economic and social objectives. These include education and employment.

Materials and methods. The research methodology is based on an interdisciplinary approach that combines the theory of economics, education and social studies. The theoretical basis of the work is: models of globalization and social economy development; human capital theory; The role of education in strengthening social inclusion and economic sustainability.

The research methodology is based on comparative-analytical and statistical analysis, which makes it possible to evaluate the processes on the example of Georgia, as well as compare them with international experience. Descriptive statistics, comparison, analysis, generalization and modeling were used to study the issue. At the same time, the research used a systematic analysis method, reviewed the exist-

ing material surrounding the work and modern theoretical and empirical sources on social economy. Based on the current situation, a desk study was conducted and primary and secondary sources were processed based on data from the National Statistics Service.

Research Results. For Georgia, education is one of the main priority areas of the country's development. This is evidenced by the financial expenditures and approaches in Georgia. The education system is constantly developing. The right to receive and choose education in Georgia is guaranteed by the Constitution.

The Georgian education system consists of four subsystems: the early childhood and preschool education system; the general education system; the vocational education system; and the higher education system. The Georgian National Qualifications Framework is designed taking into account the requirements and principles of the European Qualifications Framework, which promotes the compatibility and recognition of qualifications issued in Georgia in the European educational space [2].

The field of early and preschool education in Georgia is regulated by the Law of Georgia “On Early and Preschool Education and Preparation”. Preschool education in Georgia, including the School Readiness Program, is voluntary. Public preschool education and preparation institutions provide free education and preparation of children, as well as their nu-

trition, in accordance with the rules established by the legislation of Georgia (Guidelines on the Education System of Georgia (n.d.)).

Complete general education lasts 12 years and is provided at three levels (primary, basic, secondary). Primary education lasts 6 years and is provided in grades I-VI; basic education lasts 3 years and is provided in grades VII-IX; secondary education lasts 3 years and is provided in grades X-XII. Primary and basic education are compulsory and free. Secondary education at school is also free, but not compulsory. There are also private educational institutions in Georgia that are available to interested persons. Education is also available for persons with special needs. A general educational institution can be a legal entity of either public or private law.

According to data from the 2024–2025 academic year, there are 2,086 public schools and 208 private schools in Georgia [9].

In recent years, vocational education has become increasingly popular, the promotion of which is one of the important elements of overcoming unemployment and the country's economic development. In accordance with market requirements, human resources development is promoted in Georgia, and vocational education is available to all segments of society.

The table below shows the number of vocational education institutions in Georgia that accepted students in 2023 and 2024.

Table 1

Number of vocational education institutions in Georgia

Institutional form	2023			2024		
	Private	State	Total	Private	State	Total
Institutions Total	42	54	96	47	75	122
General educational institution	1	1	2	2	21	23
Vocational college	37	39	76	40	40	80
Higher educational institution	4	14	18	5	14	19

Source: Ministry of Education, Science and Youth of Georgia. National Statistical Service of Georgia.

The following vocational education programs are implemented in Georgia: viticulture and winemaking, fruit and vegetable processing, forestry, information technology, floor and tile work, car undercarriage repair, hair and beauty services, artistic woodworking, nursing, electricity, stonework, office work, installation of plasterboard structures, artistic textiles, felt making, enameling, ceramic production [1].

Higher education in Georgia is regulated by the Law of Georgia «On Higher Education». The education system is three-tiered and higher education is provided at the bachelor's, master's and doctoral levels. The prerequisite for admission to a bachelor's degree program is the Unified National Examinations. A bachelor's degree program includes at least 240 credits. A master's degree program includes at least 120 credits. A doctoral program includes at least 180 credits [3].

There are two types of higher education institutions in Georgia: college and university. A higher education institution can be a legal entity of both public and private law. Obtaining the status of a higher education institution and carrying out relevant educational activities is possible only in the event of authorization in

accordance with the procedure established by the Regulation on the Authorization of Educational Institutions.

The following statistical data also prove that education is a priority for the Georgian state: since 2015, the state has been fully financing the tuition fees of students in more than 50 specialties at universities; the state also fully finances the tuition fees of students displaced from the occupied territories and from border villages; the state finances the tuition fees of socially vulnerable students. A student grant system also operates in higher education institutions of Georgia. Currently, there are 56 (19 – state, 37 – private) universities and 2 colleges authorized in Georgia.

By the beginning of the 2024/2025 academic year, Georgian higher education institutions admitted 54.2 thousand students, of which 30.5 thousand were admitted to state universities, and 23.7. Student enrollment at private universities decreased by 0.2 percent compared to the same period last year [3].

The diagram below presents the number of students admitted to higher education institutions in the 2020/2021–2024/2025 academic years (Figure 1).

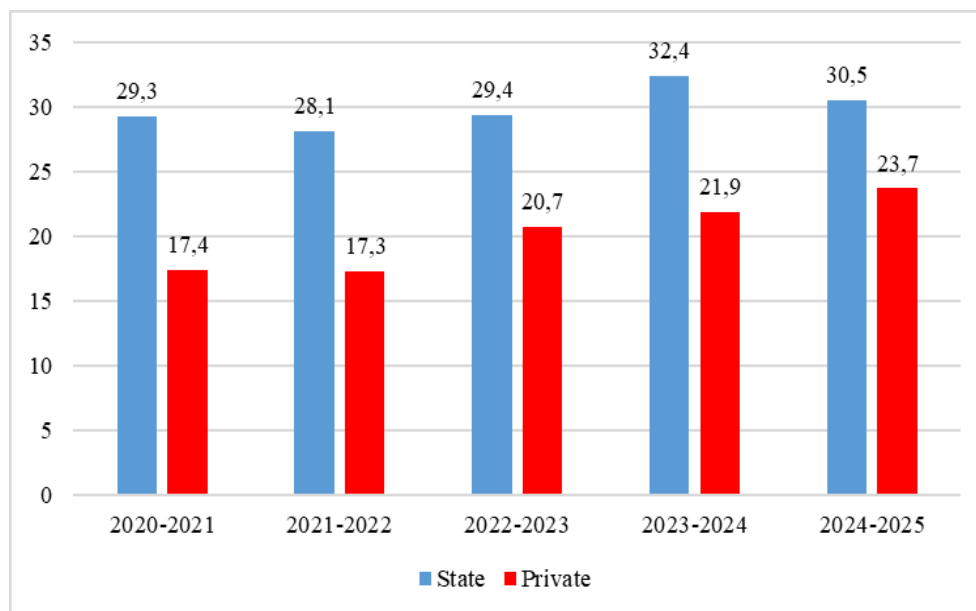


Figure 1. Number of students in higher education institutions of Georgia (thousands)
Source: National Statistical Service of Georgia

In 2024, 29.6 thousand students graduated from higher education institutions, which is 12.4 percent more than the previous

year. 60.2 percent of graduates are women, and 39.8 percent are men. The number of graduates from state higher education institutions exceeds

the number of graduates from private universities by 28.0 percent [4].

The diagram below presents the number of graduates from higher education institutions in the 2020/2021–2024/2025 academic years (Figure 2). In modern society, higher education is one

of the most important social institutions, which is organically linked to the foundations of socio-economic and socio-political

organizations of society and the development of the individual.

Higher education is a multifunctional system that performs a wide range of functions of various contents. Among them are educational, upbringing and organizational functions.

Recently, the study of higher education from the point of view of economic purposes has become relevant.

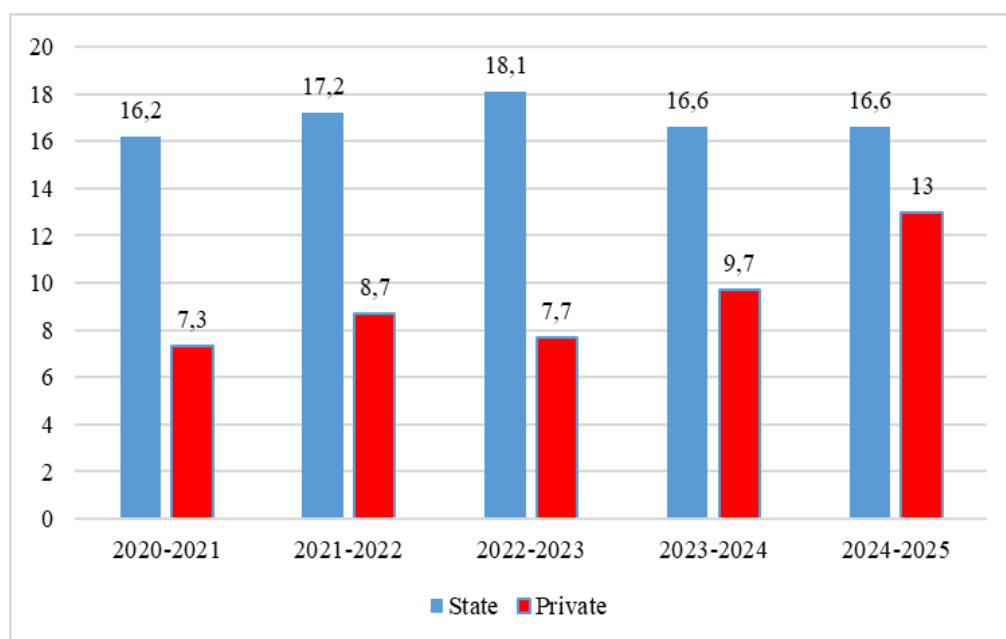


Figure 2. Number of students in higher education institutions of Georgia (thousands)
Source: National Statistical Service of Georgia

In the context of the transition to a market economy, the expansion and strengthening of economic education gives each member of society the right to participate in economic activity and, at the same time, gives responsibility for the quality and efficiency of production activities, the scientific foundations of industrial relations, business ethics and the protection of economic culture.

The economic function of higher education is to transform the knowledge and skills of practical activity obtained in the higher education system into productive forces. Higher education and science cannot be just goods and services. They are the only guarantors of the country's sustainable development, the increase in the security and quality of life of each citizen, the solution of environmental problems, success in world markets and the development of the economy of the country (Mdinardze, Lobzhanidze, Mdinardze (n.d.).

It should also be noted that the economic benefits associated with the increase in human income are not only the result of professional commitment by the worker. Therefore, the economic value of higher education should not be limited only to the formation of a qualified workforce. Increasing the educational and qualified potential of those employed in production is reflected in the increase in both individual and public income. Accordingly, education has economic benefits.

Conclusions. Based on the analysis, comparison and descriptive research of the analysed scientific literature, electronic resources and statistical data, we can draw appropriate conclusions. The economic function of education can be characterized as the preparation of young people for future professional activities in accordance with the demands of society. The economic efficiency of education is determined by the extent to which the education system is

ready to fulfil its purpose and at what costs it manages to meet the demands of the workforce.

An educated person has more opportunities to develop new ideas that will be directed both towards improving technology and developing new methods of management and organization. Education is a prerequisite for the development of science and the main means of increasing the productivity of the workforce. Education increases consumer tastes and demands, which improves and expands the market. Education is directly related to one of the dimensions of the social economy – increasing the well-being of society.

Education contributes to globalization and communication between cultures and creates the basis for scientific and technological progress, opportunities for increasing labour productivity through the transformation of science into a productive force, which ultimately increases national income.

Education in Georgia is one of the foundations of the social economy. The state makes every effort to ensure that the content of education is comprehensive and aimed at the full development of the human personality. In Georgia, the capital allocated for education is an investment in the social economy.

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ВПЛИВ ГЛОБАЛІЗАЦІЇ ТА ОСВІТИ НА РОЗВИТОК СОЦІАЛЬНОЇ ЕКОНОМІКИ НА ПРИКЛАДІ ГРУЗІЇ

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Методологія дослідження. Методологія дослідження базується на порівняльно-аналітичному та статистичному аналізі, що дозволяє оцінити процеси на прикладі Грузії, а також порівняти їх з міжнародним досвідом. Для вивчення проблеми було використано описову статистику, порівняння, аналіз, узагальнення та моделювання. Водночас у дослідженні було застосовано метод системного аналізу, розглянуто існуючий матеріал, що оточує роботу, та сучасні теоретичні та емпіричні джерела з питань соціальної економіки. Виходячи з поточної ситуації, було проведено кабінетне дослідження та оброблено первинні та вторинні джерела на основі даних Національної служби статистики.

Результати. У роботі розглядається вплив глобалізації та освіти на розвиток соціальної економіки. Проблеми та перспективи аналізуються на прикладі Грузії. Глобалізація надає нові можливості, зміцнюючи економічні зв'язки між країнами світу. Глобалізація сприяє обміну знаннями та інноваціям. Освітні заклади відіграють важливу роль у підготовці кадрів до

реагування на глобальні виклики та ефективного використання економічних інструментів для розвитку країни. Дослідження показало, що освіта є одним із пріоритетів розвитку держави в Грузії. Освіта є передумовою розвитку науки та основним фактором підвищення продуктивності робочої сили.

Новизна. Новизна роботи полягає в комплексному аналізі глобалізації та освіти в контексті розвитку соціальної економіки. У статті їх представлено як єдині, взаємозалежні процеси, що визначають рівень соціального прогресу та економічної стійкості. Новизною також є позначення рівня освіти як засобу пом'якшення негативних наслідків глобалізації та розвитку економічних зв'язків. Важливо також розуміти виклики: підготовка висококваліфікованих кадрів в економіці; дефіцит людського капіталу, відтік кадрів. У 2024 році вищі навчальні заклади закінчили 29,6 тисячі студентів, що на 12,4 відсотка більше, ніж у попередньому році. Кількість випускників державних вищих навчальних закладів перевищує кількість випускників приватних університетів на 28,0 відсотка.

Практична значущість. Практична цінність роботи виражається в тому, що вона створює основу для розуміння наслідків взаємодії глобалізації та освіти для розвитку соціальної економіки. Результати та висновки дослідження є важливими для дослідників, які цікавляться питаннями сталого розвитку світової економіки та використанням позитивних ефектів глобалізації та зменшення її негативних наслідків у процесі стратегій розвитку соціальної економіки та адаптації до ринку праці.

Ключові слова: Соціальна економіка, глобалізаційна освіта, соціальне забезпечення, пріоритет, інвестиції, Грузія.

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