

Ministry of Education and Science
Akaki Tsereteli State University
Faculty of Business, Law and Social Sciences

By right of manuscript

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**Tourism Industry and Prospects of Development of the
Georgian Labor Market**

Specialty „economy -07 “
To obtain the academic degree of Doctor of Economics

AUTOREFERENCE

Kutaisi
2017

The dissertation work is performed at Akaki Tsereteli State University at the Department of Economics

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I. General Description of work

Introduction

Study of labor market problems has a long history. Nevertheless, the labor market and employment continues to be a pressing issue of scientific research and one of the main concerns for the modern economists, sociologists, politicians, various international, governmental or non-governmental organization.

The problems on the labor market are primarily expressed in the quantitative and / or structural imbalance between labor demand and delivery, during which the supply of labor prevails or does not correspond to the requirement for the reduction of employment, which is reflected in the reduction of employment levels and the growth of unemployment.

One of the main problems of the economy of all countries is the employment of the population and, therefore, the balance of labor in the labor market on the basis of labor supply and demand balancing.

In Georgia there is a tendency of reducing the number of employed people and growing self-employed. A significant number of self-employed are mainly concentrated in agriculture, whose share is low in Gross Domestic Product and it is only 9%, while unemployment rates vary within 12-16%. Besides, there is the not only quantitative but also important structural (professions and qualifications) imbalance between the demand and supply of the labor on the labor market. This circumstance significantly hinders the efficient functioning of the labor market and negatively impacts on economic activity, which, in turn, is a necessary precondition for the country's development and employment.

In order to achieve the rising level of employment and achieve efficient functioning of the labor market, it is necessary to create a framework of economics through the utmost rational utilization of existing resources in the country to ensure the involvement of working people in labor.

As much as the demand for labor is derived from the demand for goods and services, which are created from this labor, it is recommended to determine

the economic sector / industries, which are growing at a rapid tendency to stand out and who, therefore, can contribute to the employment problem.

Based on this, we focused on the relatively new and one of the fastest growing sectors of the economy - the Tourism Industry.

Tourism occupies a central place in the tourism industry itself, the development of the tourism industry is derived from tourism and tourism services. The International Tourism Organization predicts that by 2020 the number of tourists will reach 1.6 billion, almost triple, while international tourist trips will increase revenue from 399 billion to 2 trillion dollars a year, almost 5 times more. Development of the tourism industry. In turn, it contributes to the growth of tourists, the number of employment and a positive impact on the functioning of the labor market.

In many countries, the tourism industry produces the majority of GDP. For example, the direct contribution of the tourism industry in Spain's gross domestic product is 16%; Italy - 10.3%; Morocco - 17.3%; France - 9.3%; Norway - 9.1%; Turkey - 12.6%; Great Britain - 11.3%, and the other. Accordingly, a significant proportion of employed in the tourism industry. One of the significant features of the functioning of International tourism is employment growth, since tourism, as a sector of the economy, is based on a wide application of human resources. Accordingly, Countries whose economies have a significantly larger share of tourism, the number of employees, directly according to the number of tourists. For example, in Europe, where the number of people engaged in tourism in 2015 was 14,229,000 people, in general, 3.6% of employees. 2016 the first quarter, according to European data, the number of visitors increased by 3.4% compared to the previous year, and then by the number of employees as the 1.8% growth in 2016 and the tourism industry in the number of employees was 14 492 000 people. In view of the foregoing, it can be concluded that the role of the tourism industry is positive on the solution of market problems related to labor.

Therefore, the Tourism Industry can be constituting a powerful tool, which can solved, some important problems for the country, such as employment and economic development.

Study of the problem. The study of the issues related to the increase in employment of the labor market and population, Scientists are keen interests. The Georgian scientists are studying the problems of employment of Georgian labor market and population in the country M. M.Tartsidze, N.Pichhadze, N.Laatsabidze, R.Besadze, A.Gugushvili, E. Meladze and others. A lot of research is provided, as well as statistical analysis of the population employment.

Prospects and trends in tourism industry development are the subject of active study. Also important are the works, which deals with the analysis of tourism industry, where various methodologies use the role of tourism industry in the economy. Tourism and tourism industry research is carrying out by M. Kapanadze, R. Beridze, L. Kochlamazashvili, M. Metreveli, R. Beridze, N. Kvaratskhelia, a. Okrotsadze, m. Vadachkoria, m. Meladze and others.

Some Individual models of economic influence of the tourism industry are established by foreign researchers working in this field. Among them: Jeffrey Dorfman, Jim Stanford, Laurie G Cletzer, William L. Koch, Schubert S., Brida G., Shi S., Wen W., Frechtling Douglas, Ernst Hinsken. Among foreign scientists work for the same questions, Burmenko T.D., Danilenko N.N., Turenko T.A., Dmitriev M., Zabaeva M., Malygina E., Kleimenov A.M., Sergeev B.I., Naumov SA, Novikov VS, Tarasov Y.I., N.A. Tumasyan, Tkachenko T.I., Gavrilyuk S.P., Zimin G.A.

Study of scientific literature on the issue reveals that research on tourism industry impact on labor market and population employment is rare and is less likely to be studied by integrating tourism industry into economics, Labor market and, first of all, employment opportunities, and possibilities of its influence which, in terms of existence of problems related to employment in the labor market, determine the actuality of the research.

The aims and objectives of the research. The aim of the research of the dissertation is to study the influence of tourism industry on prospects of employment growth in the Georgian labor market.

For the achievement of the goal, set the following tasks:

- Analyze different approaches to classification and segmentation of labor market and allocate concrete/specific segments for dissertation research;
- Verification of the concept and structure of the tourism industry;
- Determination of the relationship between structural elements of the tourism industry and employment in specified sectors of the labor market;
- Specification of the peculiarities of labor and employment in the field of tourism services;
- Exploring Characteristics of consumer demand in the field of tourism services and their impact on the labor market;
- Definition of employment prospects in the tourism industry in the short and medium term;
- Justification of the necessity of regulating labor activity in tourism services;
- Develop recommendations for the full range of policies in the field of tourism in order to increase employment in the Georgian labor market.

The object of the research: The object of the dissertation research is the relationship between the tourism industry and the labor market.

The subject of the research: the subject of the dissertation research is the tourism industry and its impact on the development of the labor market in terms of solving employment problems.

Theoretical-Methodological Basis of Research. The research method is determined on the basis of the variety of the research topic. The study was based on economic-mathematical, abstract-logical, functional and comparative analysis, scientific classification, statistical, graphical methods

and experience. The study is based on an integrated, interdisciplinary approach. The process used theoretical materials of a wide range, the data of the Ministry of Economic Development, the statistics of the State Department of Tourism, the work of scientific research institutes; scientific articles, PC manuals and recommendations, empirical studies (based on the questionnaire method), World Tourism Organization data, and Also web news, fundamental and special publications, books, articles.

With the purpose of studying the consumer demand for the Tour product, an empirical study was carried out by questioning respondents based on a random selection.

Scientific novelty. The scientific novelty of the dissertation research is a complex analysis of the phenomenon of the tourism industry as a whole, since it solves the problems of employment in the labor market.

The main results and novelties of the Dissertation research are the following:

- Defined the classification of the views of the origin of tourism;
- Definition of the interdependence between tourism, tourism services and the tourism industry;
- Based on the segmentation of the labor market definition the impact of the tourism industry on employment;
- With the purpose of assessing the consumer demand for a tourist product and its impact on the development of the labor market in terms of employment growth, empirical studies were conducted in Georgia and Dubai;
- Based on the experience, knowledge and economic impact of the tourism industry in the country, statistical forecasting was carried out for future developments relating to important economic indicators in terms of prospects for 2017 and 2020;
- Based on the evaluation, analysis and forecasting of proposals have been developed and a set of measures for the development of the tourism industry and its positive impact on the labor market.

Theoretical and practical value of the dissertation research: The proposed approaches, conclusions and recommendations in the dissertation work can be used for the development of regional and local strategic programs for the development of labor market, which will facilitate the country's economic advancement and level of living. Also, realization of these approaches is aimed at increasing the number of employment for the population, which in turn creates a precondition for balanced functioning of the labor market. Theoretical conclusions, the recommendations and proposals adopted as a result of the survey have been used for tourism management specialists in tourism management and teaching at higher education institutions.

The results of the survey can also be used by governmental and private sector representatives to develop strategic programs for tourism industry development, based on the goals and objectives of the scientific work, its structure is constructed in a logical sequence, interconnection between the separate parts and the problem Based on deep analysis.

Approbation: The doctoral dissertation was presented in the form of colloquiums at a meeting of the Department of Economics of the Tsereteli State University At the meeting on 12 October 2015 (Protocol No. 2) and 28 December 2015 (Protocol No. 4). At the meeting of the Economic Department of Akaki Tsereteli State University, on March 27, 2017 (Protocol No. 9), the preliminary discussion of the dissertation work was carried out.

The main results of the thesis are reflected in the following scientific works:

Scientific publications:

1. **"Tourism Legislation and Georgia"** Ivane Javakishvili Tbilisi State University, Paata Gugushvili Institute of Economics, International Scientific-Analytical Journal "Economist" N1, 2015, ISSN 1987-6890, p. 92-95;
2. **"Evolution of Formation of Demand for Tourism Product"** Academy of Business and Sciences of Georgia, International Referential and Reviewed Scientific-Practical Journal "Mozmbe" Tbilisi 2016, ISSN2233-3606, p.10-13;

3. **"Peculiarities of Employment in the Tourism Industry"**, European Journal of Economics and Management Sciences, Austria, Vein, N1, 2017, **Scientific Conferences:**

4. **"The Development Trends of Tourism Industry in Georgia"**, First Republican Conference "Young Agrarian", 2016, pp. 64-67 dedicated to the 25th anniversary of granting University status for ATSU;

5. **"Tourism as a Prospective Direction of the Economy of the Country"** Collection of materials of International Scientific-Practical Conference dedicated to the 110th anniversary of the academic Paata Gugushvili "Current Issues of Sustainable Development of National Economies" (10-11 July, 2015) ISBN 978-9941-13-435-7, p. 495-497;

6. **"Development of Hotel Industry in Georgia"**, International Conference "Contemporary Development, Economic, Legal and Social Problems" Materials, Kutaisi 2015, ISSN 2346-8203 pp.126-128;

7. **"Tourism as a Perspective Branch of the National Economy"**, Higher Humanitarian Education of the 21st Century: Problems and Prospects. Materials of the tenth international scientific and practical conference. - Samara: PCSGA, 2015. - 352 p., Social and Humanitarian Academy, ISBN 978-5-473-01020-6, p.109-113.

Dissertation structure: The dissertation work consists of 193 printed pages and consists of the introduction, three chapters, eight paragraphs, conclusions and proposals. The text contains 6 tables, 12 chart, 9 diagram. The work is accompanied by 4 annex and a list of the literature used in 120 nominations.

The thesis is represented by the following structure

Introduction

Chapter 1. Theoretical-methodological basics of research on the influence of tourism industry in the labor market

1.1. Theoretical-methodological basis for classification and segmentation of labor market

1.2. Evolution of the tourism essence and classification

1.3. The essence, structure and role of the tourism industry in the economy

Chapter 2. Peculiarities of employment in the sphere of tourist services

2.1. Peculiarities of labor and employment in the sphere of tourist services

2.2. Peculiarities of creating consumer demand for the tourism services market and its impact on employment

2.3. Development of the tourism services and employment prospects in the tourism industry

Chapter 3. Improvement of employment policy in the sphere of tourism services

3.1. Regulation of labor activities in the field of tourism services

3.2. Improving state policy in tourism services in order to increase employment in the Georgian labor market

Conclusions and recommendations

Used literature

Annexes

Main content of the work

In the introduction, the essence and topicality of the problem was reasoned, the situation was discussed, the goals and tasks were set, the subject and object of research were determined. In the process of the dissertation work it was revealed the scientific novelties and the theoretical and practical significance.

The first chapter of the dissertation work - „Theoretical-methodological basics of research on the influence of tourism industry in the labor market”-

Devoted to the study of the theoretical and methodological approaches to the tourism industry and labor market research is aimed at determining the interaction between the tourism industry and the labor market and the relationship between the prospects of employment growth in the labor market. Relevance and importance of the study of labor market issues is very high, both in practical and in theory a point of view, because the normal functioning of the labor market contributes to social and economic stability of the country. Judging by this, it is very important to identify and study the factors affecting the functioning of the labor market in terms of increasing employment.

In the first paragraph of the first chapter „*Theoretical-Methodological Basis for Classification and Segmentation of Labor Market*”- The views on the segmentation and classification of the labor market have been studied, defined different criteria for structuring labor market, based on which the study of the influence of tourism industry in the labor market has been made. Important types of labor market segmentation have been identified for the study problem, on which the tourism industry directly impacts and causes changes in employment, namely:

- Segmentation of the labor market by primary and secondary markets;
- Segmentation of the labor market by geographical features;
- Segmentation of the labor market by race;
- Segmentation of the labor market by gender;

➤ labor market segmentation by professional and qualification structure.

Labor Market Classification and Segmentation analysis has shown, that despite the differences between the authors, the division of the labor market is based on a professional-qualifying mark, one of the most important criteria for differentiation of the labor market.

The labor market rankings are based on professional-qualifications, on the one hand, the requirement for production of a certain level of education and professionally employed, and, on the other hand, the demands of the economically active population on the job areas that match their level of professional training and qualification. The economical content of the labor market sector is a joint public demand on the work force of the national farming industry, which is provided by real jobs in the specific sector of the economy. The imbalance of these requirements leads to the existence of vacant jobs in unemployment conditions and the deficit of job deficiencies in terms of lack of workforce with limited skills.

In the second paragraph of the first chapter - „Evolution of the tourism essence and classification“. The views on the origin of the concept of tourism concept and the historical development of classification are discussed.

Tourism is a precondition for the development of tourism industry. Consequently, it is important to understand the correct meaning of its contents. Tourism is socio-economic and cultural phenomenon, which involves the movement of people between countries or within the country, relaxing free time or business purposes. It is a relatively new area of economic activity and has an approximately one-century history of organized activities.

Tourism is an integral part of modern lifestyle, and the interest of the population towards tourism services is increasing, which makes tourism service more popular and economically important.

In science, there is still no uniform opinion about the origin of "tourism". There are different opinions on this issue that can be construed as three groups.

1. *Linguistic approach.* There is an opinion that the term "tourism" is the Latin word for "tornare" or Greek "tornos", meaning the journey to the circle, or to leave the place again. In France, the term "tourism" derives from the French word "tourisme" or "tour", which means walking, travel.

In addition, there is an opinion that the etymology of the word "tourism" is related to the old Aramaic hood "tur", which was used in Bible texts to mark human travel beings.

2. *The generalization of their own name.* According to another view, the term "tourism" is related to King Carlos 5, who in 1516 delivered a contract with England with an arrantic family representative DellaTour (DellaTour) to carry out commercial transportation in England and the name of this person is based on the term "tourism".

3. *Scandinavian mythology version.* According to one of the versions, the origin of the term "tourism" is associated with ancient scandinavian mythology and legends in which God describes Odin's world travels, Great travels, great tours («grand-tours»). In addition, it is known that the old Scandinavian valleys - Vikings - were distinguished by their love of travel and often traveled to long distances, or in large tours («grand-tour»).

In 1993, the United Nations Statistical Commission adopted tourism, which was approved by the International Tourism Organization and has since been widely used in international practice. According to this explanation, tourism is the activity of those people traveling for more than a year to stay outside their usual environment for relaxation, business or other purposes.

In terms of economic science tourism is a general concept used for all forms of movement of people outside the housing area when this movement aims at restoring health, cognitive interests and professional activities if the latter It is not related to receiving income.

In the third paragraph of this chapter - „The essence, structure and role of the tourism industry in the economy“. There are identify different opinions on the essence of the tourism: industry and its structure. defined The author's

view on the issues is set out and the possibilities for the tourism industry to influence the economy and the labor market.

The tourism industry is considered as an economic system consisting of industrial fields and subdivisions, whose function is to provide customer satisfaction for recreation and recreation. The tourism industry is an industrial complex comprising a combination of different areas oriented on tourism development and creation of conditions for travel and leisure.

The uniqueness of the tourist industry lies in its technical-economic specification. This means that different industries of the industry can not be united under one type of production and have a form of a single enterprise. That is why tourism industry should be considered as a unified system that promotes tourism services within the tourism industry.

Tourist business is actively developing on the base of the tourism industry. The tourism business itself is a field that uses the services of individual sectors of the tourism industry to produce such a tourism product that is focused on customer satisfaction. Tourism, as a field of activity, has an industrial form and includes a wide variety of sectors that are closely related to each other.

The tourism industry - is an industrial complex that combines different areas of tourism development and the purpose of creating travel and leisure conditions. That is, the tourism industry is carrying out a tourism product that is demanded both in local and in the external markets.

Tourism is the basis for the development of tourism industry. Besides, the tourism influence on the tourism industry is the service of tourism service that creates the tourism industry in the field of material production. The tourism industry as a combination of material and intangible production related to tourism services affects certain segments of the labor market and encourages employment growth in these segments.

Due to the fact that the structural structure of the tourism industry is plural, we can conclude that the tourism industry has a unique opportunity to cover many sectors of the economy. The production of a tourist product involves a wide range of services to meet the specific tourist demand.

Therefore, the process of production of the tourism industry resembles the mechanical clock mechanism, the main principle of which is functioning and compatibility. Different sectors of the economy combine to promote and promote tourism services, while in turn the tourism industry is responsible for the intensive work and development of these sectors. This chain gives us the opportunity to intensify the process of manufacturing, which increases the number of jobs and revenues, attracting foreign currency as investments, as well as individually expenditures made by tourists, which ultimately aim to increase the country's economic development and living standards.

In the second chapter - "*Peculiarities of employment in the sphere of tourist services*" The impact of the tourism industry on employment and, in general, the labor market, is based on two approaches: *quantitative and qualitative approach*.

On the labor market and, first of all, the employment of the tourism industry is based on quantitative approach based on the employment of the tourism industry directly to the employment segments and indirect (employment) segments.

Direct (primary) employment is directly related to tourism industry, tourism reception, hospitality, vacation and travel. Direct employment in the field of tourism industry involves employment in hotels, tour agencies, tour operators, employment in public tourism organizations and resorts.

Indirect employment (secondary) of the tourism industry is characterized by the sectors of the economy that are not directly related to tourism, but they arise from the requirements of tourism services. The indirect form of employment in the tourism industry involves employment in such sectors as trade, construction, agriculture and others.

A qualitative approach to employment in the tourism industry is based on a number of peculiarities. These are the main moments:

- The diversity of tourism species, which enables employers with different qualifications and capabilities to work as primary and secondary markets of labor;

- Impossible to automate tourism directions;
- Changing demand for workforce;
- Temporary and incomplete working schedule;
- The ability to attract low-paid staff and high engagement of young people;
- The possibility of parallel work (combined employment);
- Growing demand for female gender worker;
- The possibility of illegal employment;
- Labor maneuvering.

The specifics of employment in the tourism industry are mainly linked to seasonal seasons, which create a prerequisite for unequal distribution of working hours. The connection between the number of employment and the tourism season is direct, as the seasonal season can be defined as tourism, as tourists are most likely to use some of the tourist resorts and, therefore, the concentration of tourist flows in the resort-tourist places. The seasonality implies the use of specific tourist resources at different times of the year. For example, summer - sea, winter - ski resorts, etc.) demand increases on work force, and in the non-season period, due to the seasonal nature of the job, the share of employment for the semi-worker is increased or, in some cases, the risk of staying without service.

In the sustainable, strategic development of the tourism industry focused on the production of innovative, exclusive and continuous renewable tourism products, the number of workplaces may be maintained throughout the year. Since sustainable development of tourism is aimed at reducing economic risks associated with seasonality and provides economic stability, including stable employment.

In the second paragraph of the same chapter, "*Peculiarities of creating consumer demand for the tourism services market and its impact on employment*" - The factors, peculiarities, perspectives and their impact on employment are discussed in terms of consumer demand for tourism services.

Requirements for tourism products are determined by the following factors:

- Increasing the interest of the population of the country towards the way of life of other countries;
- Increasing interest towards new tourist routes;
- Competition growth among countries producing tourist products;
- Harmonious combinations of travel and leisure, which can satisfy the interests of the most demanding responder tourists;
- Technological revolution that increases the mobility of modern people (movement) and distribution of information related to tourism;
- changing From the supply economy to the demand economy.

The existence of consumer demand for tourism services is a precondition for growth of tourist flows, and the increase of tourism flows is directly related to the increase in employment in the tourism industry.

Changing consumer demand on tourist products leads to a change in economically significant indicators. For example, in 2014 the total number of tourists was 5 515 559. By 2015, the same figure increased to 5 901 094, which was a direct reflection of the employment rate. Direct share of tourism in 2014 constituted 5.1% of total employment, and in 2015 the growth rate of tourists increased to 5.8%.

Promotion of tourism development is systemic and essentially depends on both economic and political factors. Tourism, as the economic sector, is largely dependent on the following factors:

- Geographical location of the country (tourist potential);
- The country's historical and cultural heritage;
- Social-economic sustainability of the country;
- Political stability of the country;
- Distinguished traditions of the country;
- Improve the country's tourism policy.

The positive trend of tourism development has been demonstrated in the process of historical development of the tourism development and current

state analysis, which demonstrates the statistics of the World Tourism Organization (UNWTO), which according to the annual demand for tourism services in the world at least 3%.

With the purpose of assessing the future prospects of development of tourism industry in Georgia, surveying has been conducted in terms of recognition and attractiveness of Georgia as a tourist product. The survey was conducted in two countries - in Georgia and in Dubai. The citizens of 16 countries participated in the survey and in Dubai - 39 citizens of the country.

The absolute majority of respondents who participated in the survey had information about Georgia as tourist destinations. However, it was revealed that there was no information about the possibility of providing tourist services in Georgia. 100% of respondents interviewed in Dubai, and 96% of interviewed respondents expressed their desire to visit Georgia in the country and enjoyed the tourism service of Georgia.

The results obtained from the survey, which express the growing demand for tourism services in Georgia, create an important precondition for further development of the tourism industry.

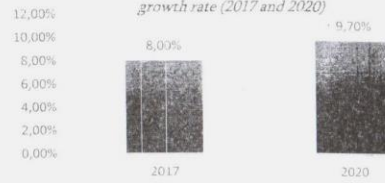
Tourism as an activity that extends to the country's cultural and natural heritage, its traditions and the modern culture of the country contributes to sustainable economic development of the country.

In the third paragraph of the second chapter, "Development of the tourism services and employment prospects in the tourism industry" - Is discussed The impact of tourism service development on economics and, first of all, the prospects for employment in the labor market.

Based on the experience and statistical data in the country regarding the development of tourism industry evaluation of the influence of the development of tourism industry on the important economic indicators (forecast) for 2017 and 2020.

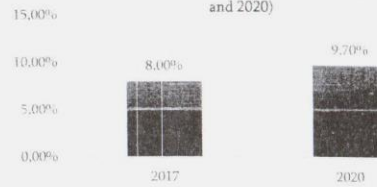
As a result of the projections revealed that employment growth by the development of tourism industry by 2017 should be at least 6,8%, and by 2020 the effectiveness of tourism industry will increase at least 8,6% on employment (see Diagram):

The share of tourism industry in employment growth rate (2017 and 2020)



The direct share of the tourism industry in Georgia's gross domestic product by 2016 was 7,3%, and based on our forecast it is expected that this indicator will increase to 8% by 2017 and reach 9,7% by 2020. Diagram):

The share of tourism industry in GDP (%) (2017 and 2020)



As for the country's decline in tourists, according to 2015 data, 5.9 million people traveled to Georgia for tourism purposes. 2016 This number has increased to about 6 million, and we have taken into consideration the factors that exist: a) the world positive trend of tourism travels.; B) Annual increase in demand for tourism product; C) State policy for tourism development, etc. We have also used the above mentioned approach and as a result, we have predicted 2017 to be 7.2 million tourists, and by 2020, the expectation will go up to 10 million.

Thus, by 2017, income is expected to exceed 2 billion GEL from tourism. Taking into consideration all the above considerations and researches, we can say that the tourism industry is an instrument that can have a significant positive effect on the economic problems faced by the state like employment and GDP growth. Georgia is distinguished by the development of tourism industry. Therefore, we consider it necessary to promote development of the sector and take more intensive steps in this direction. The tourism industry is the field of economic activity that is vital for the modern stage of the national economy.

Third Chapter - „*Improvement of employment policy in the sphere of tourism services*” - Problems of legislative regulation in the field of tourist services and, therefore, the regulation criteria and regulatory components are proposed, among them, the focus is on emphasizing employment and regulation of labor activity in the field of tourism services, which, in turn, reflects the peculiarities of labor legislation that have tourism services and will reflect on the prospects of functioning of the labor market.

In the first paragraph of the Third Chapter - „*Regulation of labor activities in the field of tourism services*” - *It is noted that in general, international regulation of tourism is directed to ensure sustainable development of tourism. The role of the main regulator in tourism is the role of national institutional*

structures, the function of which is to ensure sustainable development of tourism, its legal regulation and harmonization with internationally recognized standards. The regulation of tourism is a rather complex issue, as the economic, social, cultural and political situation of the particular country contributes to the peculiarity of such regulation.

The main precondition for the functioning of the tourism industry is institutional regulation of the sector, which is implemented in different directions.

The main components for the creation and operation of tourism legislation are:

- Determination of economic importance of tourism;
- Specification of the main terms and concepts of tourism;
- Development of measures aimed at solving problems related to labor activity in the sphere of tourism services;
- Reflecting the peculiarities of employment in the field of tourism services in labor legislation;
- Establishment of tourism management bodies;
- Establish a hierarchical and functional relationship between tourism management bodies;
- Development of financial support for tourism sector;
- Develop strategic approaches for tourism development.

The regulation of labor activity constitutes a significant part of tourism law and creates stable labor relations and preconditions for sustainable development of the labor market.

The role of the state in the regulation of tourism is not clearly expressed in the scientific literature and is frequently seen as contradictory opinions about forms and methods of state regulation of tourism. Because of this, solving this issue requires a complex approach, which should be reflected in the formulation of the adaptive legislative base. The forms and methods of state regulation of tourism are differentiated. The main forms of regulation include

law making activities are, support, stimulation, legalization, regulation, planning, prediction and cooperation.

In the next paragraph of the same chapter - " *Improving state policy in tourism services in order to increase employment in the Georgian labor market* " - are discussed The criteria for establishing state policy in tourism services and have been developed recommendations.

Development of tourism in Georgia is one of the priority directions that should in turn promote development of tourism industry. Besides, there are a number of problematic issues in forming state policy in the direction of tourism in our country that have negative impact on tourism development and need immediate solutions. Among these issues should be noted:

Legislative provision of tourism industry - Provision of legislation in the field of tourism throughout the world remains a problematic issue as it is difficult to adapt and deliver as common norms. Therefore, there are major international provisions, which are harmonized with the legislation of the country and, therefore, the formation of tourism legislation. Such a approach has many countries around the world that make a significant prerequisite for the development of the sector. All the above mentioned, the role of legislative provision is great. Since 1996 the law on tourism and resorts has been operating in Georgia, although this law is out of date and is now inevitable to respond to modern challenges. Therefore, we consider the setting of state policy as a priority for legislative provision of tourism sector, as legislative regulation is a prerequisite for sustainable development.

Improvement of personnel policy in tourism - Functioning of the tourism industry is unimaginable without qualified staff. In this direction there are serious failures in the country, since: a) is not defined by the number and the level of preparation required; B) No state tourism intensive training and exchange programs are organized by the state; C) There is a serious language barrier that requires immediate solutions (in this case the private and public sector parallel involvement is very important); D) improvement of tourism programs for state institutions and adapt to modern standards, as well as

increase the language barrier for those interested in learning in tourism in the examinations; E) Periodic training of preparatory staff in the tourism industry or hospitality skills for the employees already provided; F) focus on professional ethics and etiquette issues, as the latter is vital for tourism workers. Generally, in terms of staffing in tourism, the country is finding it difficult to find professional staff as a senior management and primary position.

The issues of realization of tourism policy are on the one hand of the study of political science, because this area combines cultural, transport, population employment, security, international relations, hospitality and many other, and on the other hand requires economic research.

Several approaches to theoretical study of state policy are discussed, out of which are the main:

- Institutionalism, which examines the state policy as the result of the functioning of state institutions (government, parliament, bureaucracy, judicial organs, etc.);
- The concept of a political process that deals with state policy as a result of political decisions, which, in turn, consists of structural elements (goal, political decision making, policy formulation, legitimation, performance, monitoring and evaluation of social problems).

State policy in the field of tourism should include such components, such as:

- *Economic policy;*
- *Institutionalization;*
- *Social policy.*

Also, in establishing Georgian tourism policy, we consider it appropriate to consider the following issues:

- Institutional capabilities;
- Establishment of personnel policies;
- Determination of Investment Policy;
- Increasing awareness of Georgia as a tourist country on the international market;

- Stimulating development of tourist streams and domestic tourism in the country;
- Creation of a favorable environment for tourism business;
- Raising competitiveness in the international tourism market;
- Promoting the image of a safe country and establishing Georgia as a strong tourist brand

The analysis of modern views on implementation of the state policy of tourism and regulation of the sector shows that there is no uniform opinion about the concepts and categories reflecting the role of the state in tourism development. That is why it is very important to correctly define the priorities and the function of the state of tourism regulation. Examples of leading travel countries of the world should be used and adapted to local legislation by the principle of compliance. To support the tourism industry, it is necessary to create:

- State Investment Organization, which will determine the priority directions of tourism, formation of national tourism brand, financial support for economic sectors within the tourism industry as a grant, as well as co-financing and / or low-level lending (eg. Norway, Innovasjon Norge);
- To develop a common state tourist services booking system, which will guarantee the quality of service to tourists and promote accurate statistics and records in the country.

State policy in the field of tourist services in the first place should be based on the country's tourism resources, including the specifics of the development and future prospects. Of the case, in terms of economic policy in the country to recognize the positive impact of tourism in the economy, but it should be said that the development of the tourism industry in the direction of almost each and every case we face the same mistakes, these are uncoordinated and inconsistent policy of the tourist services Field, which can not ensure sustainable development of the tourism industry.

Conclusions and proposals: The work of the Dissertation thesis gives us the following theoretical or practical conclusions:

- *The economy sector is allocated for determining the prospects of employment growth in the labor market, Which is characterized by the tendency of development and, therefore, can facilitate the settlement of the employment problem. This sector is the tourism industry;*
- *Development of tourism industry is directly related to development of tourism and tourism services;*
- *The tourism industry, as a combination of material and non-material production related to tourism services, affects segments of the labor market such as: a)Segmentation of the labor market by geographical features; B) Segmentation of the labor market by economic sectors;C) Segmentation of the labor market by qualitative;D) labor market segmentation by professional and qualification structure- and leads to increase employment in these segments;*
- *The importance of economic analysis of the tourism industry is its assessment of impact on employment. For this purpose, the tourism industry is focused on identifying opportunities for employment and related problems;*
- *Tourism industry is a special technical-economic system that specifies that various fields of production within it can not be united under one type of production and have a form of a single enterprise. Therefore, the tourism industry should be considered as a unified system that creates tourism services with the participation of material and non-material spheres within the tourism industry;*
- *One of the most important economic features of the tourism industry is to maintain the dynamic of growth in extreme situations, including during economic crisis. The exception is political instability. However, in the case of Georgia in August 2008 the war was not a hindering factor for the number of growth tourists and consequently increased revenue from tourism;*

- The survey conducted for assessing consumer demand on tourism service revealed the trend of growth in tourism services in Georgia;
- The tourism industry has the ability to reduce excess of labor supply on the labor market and thus reduce the quality of instability. For this purpose, it is necessary to activate scientific methodical work in research and development, as the tourism needs deep study to further function / use;
- In order to facilitate the development of tourism, there must be a need sharply expressed state-economic policy that will enable private and public sector to determine priorities and plan future work plans;
- In realization of state-economic policy in tourism services, it is important to analyze the tourism potential of the country; survey of potential tourist zones and evaluation of development perspectives;
- State policy in the field of tourist services should include such components as:
 - Economic policy;
 - Institutional provision;
 - Social policy.
- Regulation of tourism industry at the state level should include regulation of labor in the sphere of tourism service, which is reflected in labor legislation and is one of the important preconditions for the stable development of labor market;
- In establishing tourism policy in Georgia it is desirable to institute of the sector institutionalisation - to implement a legislative-normative and administrative-hierarchical and functional regulation of the sector;
- Since there is no uniform opinion on the concepts and categories reflecting the role of the state in the development of tourism, it is important to correctly define the priorities and function of the state of tourism regulation;

- It is important to establish a state tourism policy that defines the terms and conditions of economic development of the tourism industry. It is necessary to realize economic, social and institutional approaches;
- State Investment Organization, which will determine the priority directions of tourism, formation of national tourism brand, financial support for economic sectors within the tourism industry as a grant, as well as co-financing and / or low-level lending (eg. Norway, Innovasjon Norge);
 - To develop a common state tourist services booking system, which will guarantee the quality of service to tourists and promote accurate statistics and records in the country;
 - Determine the status of resort tourist regions and grant economic functionality, introduce strict standards of licensing;
 - Particular attention should be paid to certification of the hotels, which should be a guarantee of stability for the owner, and a good way to provide information to customers on the quality of existing services;
 - Evaluation of impact on the economy of the tourism industry is an important precondition for the future prospective development of the sector. Therefore, it is necessary to create accurate and comprehensive statistical accounting system that will allow us to determine the goals, periodicity and travel expenses of foreign visitors;
 - The main precondition for tourism activities is the introduction of regulation and control mechanisms to prevent the chaotic of the sector and bypassing the state budget;
 - The tourism industry is a socio-economic phenomenon that can solve many economic problems faced by the country and its functioning is maintained in parallel with maintaining national identity, which is so important in globalization.