

Achieving Economic Growth and Social Development Through Global Competitiveness

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A Vision for Georgia for Longer term Development

A Vision Statement is a brief articulation of the desired or ideal outcomes that are being aspired to in some specified time frame. A Vision for Georgia is a statement of intent and expectation for Georgia, politically, economically, socially and culturally to be achieved in 10 years (say). It could be stated simply as –

In 10 years Georgia will have reached a level of economic and social development converging to or matching that of EU countries of similar size and resources.

This is a very challenging and demanding vision for Georgia.

The Vision for Georgia would provide a philosophical base for the development of the Georgian National Development Plan. The Plan would state what Georgia needs to achieve from its present state of development and how Georgia is to do this in practical terms, under headings such as stability, security, prosperity and global participation. National Development Planning is a continuous process that would require the Plan being redrafted every 3 to 5 years to reflect progress to-date and to chart the way forward for the next phase of development. The acceptance and implementation of the Plan is the responsibility of Government.

The preparation of a planning Framework is a vital first step in the process of developing a National Development Strategy and the National Development Plan. The Framework would provide a base in methodologies, benchmarking against other selected economies and broadly identifying sectors of opportunity and essential infrastructural requirements.

Achieving Economic Growth and Social Development through Global Competitiveness is the key goal for the economic and social development of Georgia.

The overall Vision is that Georgia will be competitive in the global international marketplace and the benefits of economic success will be shared equitably among society and across regions so that people will enjoy a better quality of life. This will be achieved through the development of a dynamic and internationalised economy and society with

- A strong focus on achieving international competitiveness, export orientated, delivering sustainable employment and wealth
- Access by the people to affordable quality housing; quality education; healthcare; recreation and culture
- Quality environment and a high level of participation in society

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National Development Plan

We envisaged a three stage process which in summary would involve the preparation of the following documents:

Volume 1. The setting down of a Framework which identifies the key development nodes for Georgia, focused on the need for national competitiveness and in the process establishing a benchmarking framework against which Georgia can measure its progress.

Volume 2. The preparation of a National Development Plan which will be informed by the research work undertaken at the Framework stage and will clearly articulate infrastructural, economic and social development investment priorities over the planning period. For a proposed National Development Plan such as this to have credibility and be capable of adoption it would ideally have the support of all economic and social partners.

Volume 3. The completion of Sectoral Operational Programmes which outline the detailed individual investment priorities and measures proposed and makes recommendations with regard to their effective implementation. This will be a very elaborate exercise and will involve the preparation of a number of discrete operational programmes.

The creation of an Economic and Social Research Institute is a vital component in this exercise. It will provide independent research, ongoing insight and knowhow to the planning and strategy efforts in Georgia and facilitate international benchmarking.

National Development Plan Structure

The preparation of a National Development Plan is conventionally the responsibility of Government. In undertaking such a task the branch of Government charged with the responsibility would typically be expected to solicit views and opinions from a broad range of representative bodies and organisations and generally reflect a consensus view as to the way forward. The shape of the National Development Plan would be broadly along the following lines

- Chapter 1 Economic Background
- Chapter 2 National Strategy and Priorities
- Chapter 3 Regional Development Strategy
- Chapter 4 Human Resources Operational Programme
- Chapter 5 Economic and Social Infrastructure Operational Programme
- Chapter 6 Enterprise Sector Operational Programme
- Chapter 7 Agriculture and Rural Development Operational Programme
- Chapter 8 Tourism Operational Programme
- Chapter 9 Social Inclusion Operational Programme
- Chapter 10 Financial Resources
- Chapter 11 Management and Delivery

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Operational Programmes

This exercise would involve the preparation of separate documents in relation to the key development areas as specified in the NDP:

Human Resource Development

Health and welfare

Economic and Social Infrastructure

Enterprise Sector

Agriculture and Rural Development

Tourism

Social Inclusion

These Operational Programmes would set out in detail the context, objectives, strategies, measures, and implementation and monitoring considerations for each sector.

The Enterprise Sector Operational Programme

By way of illustration the Enterprise Sector Operational Programme would address the requirement for Georgia to have an appropriate business environment comparable with the best anywhere in the world: Georgia is capable of attracting appropriate types and levels of overseas investment; the potential of the indigenous enterprise base needs to be fostered and encouraged; capabilities in the areas of research, export performance, technology application etc must be developed and enhanced.

A. Context-Overview

- Structure of Indigenous Georgian Enterprise Sector: Perceived strengths and weaknesses
- Foreign Direct Investment:- Strengths and weaknesses
- Sectoral Analysis

B. Objectives and Strategies

Set out broad development objectives and strategies in relation to this sector. Specify the strategic choices, investment priorities, implementation mechanisms and economic benefits in terms of employment creation: wealth creation: regional impact. The key priority areas to be looked at include:

- Large Industry
- Small and Medium Enterprise
- Foreign Direct Investment
- Research, Technology Development, Innovation

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- Marketing
- Education, training and skills
- Health and safety
- Individual Priority Sectors e.g. Food

C. Description of Individual Measures in relation to the above Priority areas.

Outline the detailed specific actions and programmes proposed in respect of each priority. Set out the range of actions and responses to be undertaken by government, private sector, research and educational interests and the financial resources required in the achievement of targets and objectives.

D. Implementation and Delivery arrangements

Include an evaluation of development capacity in Georgia: explore and make recommendations regarding the role of the public and private agencies in delivering development supports and programmes. Reflect on best current international practice and make proposals accordingly.

E. Monitoring and Evaluation arrangements.

Ongoing review of the effectiveness of the programmes is important. Put in place people with appropriate skills and resources deployed.

Financial Implications of the Programme

By definition this would be an expensive undertaking. Typically in EU countries programmes such as these have been heavily supported through structural funds, exchequer funding and matching contributions from the private sector. The financing of the NDP and its constituent Operational Programmes will require significant international support. Hence there is all the more need for a soundly based approach to this exercise.

Conclusion

From an analysis of international trends and the perceived needs and capacities of the Georgian people there are potentially 11 key priority areas. Successfully addressed, through policy frameworks combined with infrastructure investment, they offer Georgia the prospect of developing a more competitive and sustainable economy and a better quality of life. These priority areas should be discussed and amended as appropriate through wide consultation in Georgia. A next step in the process would be the preparation of operational programmes, which specify the institutional and investment developments required:

1. The Enterprise Sector
2. International trading and marketing
3. Agri-food Sector
4. Tourism Industry
5. Education and Skills
6. Innovation and Research

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7. Energy Supply and Security
8. Physical Infrastructure
9. Social Policy and Quality of Life
10. Tbilisi
11. Regional Balance

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