

**Position Paper**

**"Enhancing digital transformation and connectivity in Georgia on the way to EU integration"**

**Introduction**

The digitization is one of the most important drivers for economic development. . It is drastically transforming our life, the economy and the workforce: job profiles are changing, some jobs are becoming obsolete, and skills mismatch becomes more visible. Relative to earlier industrial revolutions, the digital revolution is unfolding over a shorter time period and the adjustment process needs to be faster.

The harmonization of digital markets is one of the EU’s key policy deliverables for providing tangible results to citizens in the Eastern Partnership Countries, with most promising, comprehensive and substantial goals covering 6 main directions of HDM. EU support in this area is channeled through the EU4Digital initiative, which brings together priority actions and programmes in the field.

The digital agenda is a key priority for the government of Georgia. The ‘Georgia 2020’ Social Economic Development Strategy outlines several target areas to enhance the digital ecosystem, including High-speed Broadband Internet for future development, e-Literacy and Capacity Building, Innovation and High-Tech, and e-Government.

Development of the digital economy and society potential in Georgia is supported by the EU to foster economic growth, increase employment rate, improve the level of life and help businesses. Introduction of EU best practices will trigger the faster development of mature ICT innovation and start-up ecosystem supported by properly managed Georgian organizations. Researchers and innovative business will also benefit by gaining access to EU funding instruments.

**Existing gaps and suggested solutions:**

Underline progress of Georgia already made in improving of HDM legal framework and building and upgrading infrastructure, beside of there is weak law enforcement by stakeholders due to for the following reasons: weak governance and coordination in HDM(Harmonization of Digital Market) field by government; lack of awareness and competences on new law adoptions and opportunities from business sector and society.

Georgia committed to implement the provisions of this Sub-Section Liability of intermediary service providers Article 129-133 within two years from the date of entry into force of this agreement, but unfortunately it hasn’t performed yet. Call to responsible Ministry of Economy and Sustainable Development of Georgia implement it according to annual action plan of EU integration.

The main question is how Georgia should transpose all the benefits from the EU Digital Single Market on the way to digital transformation. However, more actions are needed still to fully comply with the HDM requirements on the way to EU integration. The government should engage more actively in the improvement of governance and coordination by the means of elaborating HDM policies, strategies, developing action plans in the relevant field and creating national roadmaps to promote development of HDM ecosystem in Georgia.

More importantly, Georgia should develop common legislative framework with EU Digital Single Market that will provide better opportunities for sharing and creating new ideas with the representatives of their field from different EU member states.

ICT Innovation is clearly vital to economic development in the digital age. Information and Communication Technology (ICT) plays important part in the process of development of Georgian economy. Georgia remains reliant on imports of ICT goods and services, but it is also expected to increase exports of services to adjacent markets in line with further market development. To shape competitive ICT innovation ecosystem, Georgian government should focus on assisting digital start-ups and SMEs to improve their access to finance, better reach to EU markets, and strengthen links with EU innovation ecosystems.

The EU4Digital Facility conducted gap analysis for Digital innovation SMEs in EaP countries, which revealed main gap is access to finance for Georgia and Ukraine. SMEs can access finance in all phases of their lifecycle (creation, expansion, business transfer). Relevant aspects of the financial ecosystem and policy include regulatory sandboxes for alternative finance, crowdfunding, business angels, venture capital, fast track support for high-risk innovations, and funding of digital transformation of traditional enterprises.

Digital skills is a key framework condition for the development of the digital economy and society. Digitization speeds up, the demand for digital skills is growing in Georgia as in other countries of the world. Citizens need adequate and appropriate digital skills to be empowered in a digital economy and society.

The following should be identified to foster sustainable long-term growth and innovation in Georgia: existing gaps in digital skills, market trends and requirements for ICT education and skills development. Education, training and workforce advancement should be supported to develop and adapt its offer in meeting the changing needs of the digital economy. Training aimed at fostering digital competence and digital skills is commonly believed to be the most appropriate tool to tackle the digital challenge. Modernization of our education and training systems for the digital age, bringing digital skills and competences to all levels of education and training are required.

More young people should be educates and trained in digital professions so that we can create a large pool of talented young digital professionals, with increased female participation, ready to work and take up the growing number of unfilled vacancies for ICT professionals in Georgia.

Up-skill and re-skill Georgia labor force with the digital skills as they need to remain productive in the jobs they have and become employable for new ones. Improve the digital skills of all citizens so that they can play an active role in modern society, and strengthen social inclusion.

Digitization of Cultural Heritage – information and communication technologies provides new possibilities for collection, accessing, application and visualization the data

Georgia has a very rich cultural heritage that embodies our past and inspires us with a sense of a shared history and identity. Digital transformation can play an essential role in enabling cultural experiences, knowledge creation, preservation, and use and re-use of cultural heritage across borders. Digitized cultural objects moreover unlock the potential for broader societal, cohesive and economic benefits of sectors such as tourism, education and creative sectors.

There is clear gap in level of development in this area between EU and Georgia, which will have negative effect on research, culture, education in the region. Establishment of high capacity networks and development of digitization of cultural heritage will give unique possibility for future development in this field.