Georgia Chooses an “Ordinary” President

The Presidential election in Georgia has brought the Western-oriented “dictator” Mikheil Saakashvili’s 9 year rule to an end. Prevented by the Constitution from standing himself, Saakashvili had nominated longtime ally Davit Bakradze as his successor, but Georgians have chosen Georgian Dream coalition candidate Giorgi Margvelashvili, who is backed by Bidzina Ivanishvili, the local tycoon who became Prime Minister after last year’s parliamentary elections.

The Georgian Dream has stated that Georgia has passed the final examination of democracy, as the sixth presidential elections in Georgia have been held without provocation, controversy and serious violation of electoral law which could have influenced the result of the elections.

On p. 7-10
By LISA TONAKANYAN, GT

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The peculiarity of the sixth presidential election held in Georgia since the state regained its independence in 1991 was the possibility that a second round could be held. No candidate received over 50 percent of the vote this would be mandatory. However, Bidzina Ivanishvili’s threat that his candidate would drop out of the race if there was a second round, and that he would not be so enthusiastic about supporting the country as a private citizen after his impending withdrawal from politics if Margvelashvili gained less than 60-70 percent of the vote (possibly a hint for the Central Election Commission (CEC) as well) had its desired effect - the electorate rushed to support the Georgian Dream’s candidate.

Preliminary results gave Margvelashvili 62.09 percent of the vote, while his main opponents - Bakradze, leader of Saakashvili’s United National Movement (UNM), and Nino Burjanadze, the former Speaker of Parliament turned Saakashvili opponent, had 21.4 and 10.06 percent accordingly. For the first time in the modern history of Georgia the elections were held in a calm and competitive environment, with no obvious prospect of revolutions or mass demonstrations breaking out over them. The CEC and international monitoring missions have confirmed this. However, voter turnout was lower than in all the previous elections - 46.6 percent. Georgia does not have a minimum required turnout, and a presidential candidate has to collect only 50 percent plus one vote to be declared winner.

Not all the candidates were satisfied with the preliminary results - Nino Burjanadze among them. After the first exit poll results were published, she declared that she would define the votes of her electorate. “It has been proved several times that polls do not work in Georgia. An exit poll is merely a good opportunity to manipulate public opinion… I know what the situation on the ground is. We are going to protect our votes. We will bring more than a thousand suits,” Burjanadze said.

To everyone’s surprise, outgoing president Mikheil Saakashvili called on “everybody who is dissatisfied with the results of the election” to “respect the opinion of the majority” as “the rule of democracy.” “Georgia has elected a new President, and I want to thank all the voters who participated in the election, because all elections, whatever their results, serve the further development of democracy in the country,” he said, while adding that the opinion of the minority should also be taken in consideration.

Saakashvili also added that for Georgia “the last year”, i.e. the time since his party lost power, had been a time of serious regression, but he expressed the hope that Georgia would overcome all its difficulties and head towards prosperity again.

This year Georgian voters had a very large choice of candidates – 23 of them, some genuinely gunning for victory, others merely wishing to show their faces to the public. The programmes and priorities of the prospective presidents were very different – ranging from the serious to the ridiculous.

Frontrunner from the start, Giorgi Margvelashvili called on the electorate to support him as a fellow of the path chosen by Prime Minister Ivanishvili. He promised to protect the political, social, economic and cultural rights of citizens. He assured the electorate that he would pursue the main development goal of Georgia – integrating with NATO and the European Union - whilst restoring relations with the northern neighbor, Russia.

Davit Bakradze’s programme was actually not much different from Margvelashvili’s. He also promised Euro-Atlantic integration and dialogue with Russia, though he said that the question of relations should be done on the basis of the national interests of Georgia. The focus of his campaign was the Georgian Dream’s unfulfilled promises. “Dreaming Doesn’t Work,” was his slogan. “Justice Everywhere and For Everyone” was the slogan on Nino Burjanadze’s posters, which appeared in every possible place. The leader of Democratic Movement – United Georgia insisted that she was the only person who could really restore relations with Russia and remove barbed wire fences that has been installing along the administrative border with South Ossetia. She also said that she would put Saakashvili under arrest for all the crimes he had committed.

Another optioned candidate, Christian Democrat leader Giorgi Targamadze, declared that he was “the only” truly Western-oriented politician in Georgia, whose ideology is based on Christian values. Koba Davitashvili, the People’s Party leader, knew he would not win but claimed he wanted to achieve at least three percent support, as without this he saw no reason to continue his political career.

Restoring Georgia’s territorial integrity was, as usual, the main promise of all the candidates. However, some of them made patently absurd statements. Communist Party of Georgia leader Nugzar Avaliani wanted to return the country to the Soviet era, with its collective farms and planned economy. Mikheil (Gigi) Saakashvili, who called ex-President of Georgia Eduard Shevardnadze a living Antichrist and Saakashvili a false prophet, participated in the TV show “Nichieri” (Georgia’s Got Talent) in order to address the electorate. He failed to make it past the first round of the show, but promised to “fight Satanism” and impose a ban on rock music and nightclubs. Leader of the Labour Party Shalva Natelashvili promised to finance a week-long honeymoon for newweds, whilst For Fair Georgia candidate Sergei Java-khidze offered to raise the level of sexual education in the country in order to prevent unplanned pregnancies. However, the funniest part of the election campaign was the suggestion that there should be a content for the position of Georgia’s first lady, made by Giorgi Lialashvili, who also had pretensions to being head the state.

Twenty-seven year old Mamuka Khazaradze did not participate in the election – he saw no point. “Everything will turn out the way it must be,” he said smiling. “I don’t support anyone,” he added.

A number of people supported Shalva Natelashvili. “Let’s give him a chance, as he is asking for it,” said an aged woman at the exit of the polling station. Apart from the three expected leaders – Margvelashvili, Bakradze, Burjanadze – Natelashvili was the only candidate who gained any significant support, with 2.88 percent. The other 18 eventual candidates (one of the original 23, Akaki Asatiani, withdrew at the last moment) did not gain more than one percent.

The newly elected President’s inauguration is due to take place on November 17, 2013 in Tbilisi.
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The patriarch blessed massive charity initiatives and large-scale social projects - implemented by SOCAR in Georgia.
The Sixth Presidential Elections in Georgia

BY LONDA MINDKHAVILI, GT

The major issue of the past few weeks has been the preparation for and conduct of presidential elections in this country.

Georgia has suffered a very difficult political development. Back in 1918, Noz Zhordania declared the Democratic Republic of Georgia independent of Russia. On July 24, 1918 he became its head of government, thus becoming the first president of Georgia. The new leader of Soviet Georgia, Eduard Shevardnadze, was elected in May 1991. On 26 May 1991 the Georgian parliament passed a referendum on restoring its pre-independence status.

In the third presidential election of January 4, 2004 a significant advance on previous elections and closer to fulfilling OSCE obligations and other international standards of democratic elections. In the signs of things to come, the OSCE also underlined some problems: there was a political imbalance in the election administration, and administrative resources were used in favour of only one candidate – Mikheil Saakashvili, who secured a comprehensive victory. For example, his election headquarters were in a state-owned building, and his campaign materials were sometimes exhibited in the public buildings. There were also serious polling irregularities in some regions.

The fifth presidential election in Georgia was held on January 5, 2008. It was another early election, the date having been brought forward from autumn of that year by President Saakashvili after mass demonstrations against his rule in August 2007, organised by opposition parties. The opposition candidates claimed that this election was also rigged and that the exit poll results published on election night were false. Western observers hailed it as “the first genuinely competitive presidential election, which enabled the Georgian people to express their political choice.” However the OSCE’s final report was highly critical of the conduct of the election. It was generally acknowledged that the election process was disorganised and chaotic. And some written judgments of the courts did not fully and adequately consider and investigate a considerable number of complaints about irregularities, some of which were of a serious nature.

The Georgian Ombudsman, Sozar Subari, was highly critical of the election. In addition to identifying breaches of the law, his report stated that Saakashvili’s campaign was not equal and fair. An alarming blurring of the distinction between the presidential candidate and the ruling party and the state was once again observed in direct involvement of different agencies of the executive branch in the electoral process.

The electoral headquarters of the ruling party’s candidate was in reality run by the Ministry of Internal Affairs, which conducted meetings and assigning election-related tasks to local party leaders, heads of police departments, employees of the Constitutional Security and Special Operational Department, prosecutors and governors.

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I would like to ask some questions about elements which you don't currently officially think about, when they think of 'Georgia in the European Union'. When were your post and office established, and how is the elected government, for Whom do you report to?

The post of State Minister of European and Euro-Atlantic Integration was established in 2004. The Minister has two different tasks: firstly, to coordinate the following internal departments:

- The NATO Integration Coordination Department
- The European Integration Coordination Department
- The European Affairs Coordination Department
- The Administration
- The Public Relations Department

We also have a number of Advisers on different issues on staff. The Minister reports directly to the Prime Minister, Bidzina Ivanishvili. His role is to present Georgia on the world stage as a potential member of the European Union.

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The trip to Vilnius next month does not guarantee Georgia membership of the European Union, but it does guarantee it an opportunity to showcase the progress the country has made since the demise of the Soviet Union – such as establishing a freely elected constitutional government, ruled by law and not political dictates, and its meaningful and steady integration into Western society and its economic development, conducted for the benefit of all Georgian people.

The Georgian Times recently found an opportunity to catch up with the always-busy Minister for European and Euro-Atlantic Integration, Alex Petriashvili, who will soon be departing for the Eastern Partnership Summit in Vilnius, Lithuania, due to be held on the 28th and 29th of next month. The Minister has been in post since October last year and reports directly to Prime Minister Bidzina Ivanishvili. His role is to present Georgia on the world stage as a potential member of the European Union.

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International Tourist Forum and “Tbilisoba” in Kiev

With the support of the World Tourism Organisation the Second Kiev International Tourist Forum has been held. The opening ceremony was attended by Mr. Kakha Kaladze, the Vice Prime Minister and Minister of Energy of Georgia. A delegation from the Georgian National Tourism Administration, led by Mr. Giorgi Sigua, attended the forum itself.

The event was opened on October 10 by Mr. Alexander Vilkul, the Vice Prime Minister of Ukraine, who talked about the tourist potential and future plans of his country. Speeches were made by Mr. Leonid Kozhara, the Minister of Foreign Affairs of Ukraine, Mr. Taleb Rifai, General Secretary of the World Tourism Organisation, Mr. Victor Tsvirkun, Secretary General of the BSEC, Mr. Oleg Preskurakov, the Minister of Ecology and Natural Resources of Ukraine and Mr. K hose Leon Lora, Head of the Economic Cooperation Division of the EU Mission to Ukraine.

Mr. Giorgi Sigua gave the speech regarding health tourism. He emphasized that only 20% of the great number of health resorts in Georgia are operating at the stage.

“We are talking about the creation of the joint tourist product under the auspices of the Black Sea Cooperation Organisation and raising the level of awareness of the common tourist products so that the world, and people in regions near to ours, can learn about the medical tourism products offered by Turkey, Ukraine, Georgia and other countries”, Mr. Sigua declared.

Mr. Sigua said that Georgia is distinguished by its very developed medical tourism sphere; its numerous health resorts include Tskaltubo, which has 53 sanatoriums. Mr. Sigua stated that there are 103 health resorts and 183 resort areas in total in Georgia, even though 80% of these are almost desolate at present.

“Georgia is rich in spas, climate spas and climate therapy resorts; here we are talking about the issue of their restoration; we have shared our conception with our guests and provided them with all the information about what we have in Georgia and what can be done; all this is designed to attract investments and raise the level of awareness of our country”, Mr. Sigua declared.

The Head of the Georgian National Tourism Administration believes that our country has unique conditions for medical tourism; there are certain places where different diseases can be cured by specific methods such as spa treatments or just enjoying the climate.

Mr. Kakha Kaladze also made a speech at the opening ceremony of the Tourist Forum; he underlined the strategic nature and prospects of Georgia-Ukraine partnership.

“Relations between Ukraine and Georgia are distinguished by close partnership. One of the directions for strengthening this relationship is tourism” Mr. Kaladze emphasized. He added that the number of tourists coming from Ukraine to Georgia is increasing annually, and that is why conducting joint projects is the major goal and task of both countries.

“If we rely on statistics and compare them each month, we see that the number of tourists visiting from Ukraine has increased 68%; this index will improve further in the future”, Mr. Kaladze declared.

The Second Kiev International Tourist Forum was held with the support of the Tourism and Resorts State Agency of Ukraine. As part of it, a discrete session for national tourism agency heads was held.

On October 12, the last day of the Forum, Kiev also hosted a festival of Georgian culture, with the support of the Embassy of Georgia in Ukraine, entitled “Tbilisoba on Andreevski Descent”. This event was opened by Mr. Mikheil Ukleba, the Ambassador of Georgia to Ukraine, and Mr. Giorgi Sigua.

This is the second time such a festival has been held in the oldest district in Kiev – the place which appears on all the tours of the capital of Ukraine. The festival offered Georgian folk songs and dances, a master class of Georgian cuisine, an “I Love Georgia” competition, an exhibition of paintings by Ms. Maia Dvalishvili, a Georgian artist residing in Kiev, a Georgian poetry corner, the children’s art project “I Paint Tbilisi” and other interesting events.

The concert programme of the festival attracted Georgian Diaspora organisations in Kiev; a special visitor to the festival was the girls group Gordela from Ivane Javakhishvili Tbilisi State University. The festival closed in the evening with the screening of Georgian movies.

The Embassy of Georgia in Ukraine has stated that “Tbilisoba” was attended by more than 5,000 people in total, including members of the Georgian Diaspora, Kiev residents and tourists visiting the capital at the time. Parts of it were broadcast by three leading TV channels in Ukraine. The Embassy of Georgia welcomes all events held with the purpose of popularising Georgia in Ukraine.
Wine Festival in Sighnaghi

A wine festival has been held in the city of Sighnaghi to popularise the wine of the Kakheti region and Georgia as a whole.

The event opened on October 13 with the exhibiting, manufacturing and selling of Georgian traditional handicrafts – felt, quilts, carpets, rugs, pipes, phanduris (Georgian traditional musical instrument) at the festival site. The guests were greeted by a group of singers in Baratashvili Street as they arrived in Sighnaghi and Berikas, folk song and dance groups, took part in the festival. The hosts rendered traditional Kakhetian hospitality: they laid a Kakhetian table, baked shoti (Georgian traditional bread) and nazuki and made tata and churchkhela.

All along Baratashvili Street people from the villages of the Sighnaghi municipality presented their products in the so-called farmer’s manner from white and black grapes; 11 wine companies organised the main exhibition held alongside this, of wine made in the European manner. The companies participating included Teliani Veli, Kindzmarauli, Kakhuri, Shumi and the Kvevri cooperative. Shumi’s representatives told The Georgian Times that they had presented dry white, dry red and semi-sweet wines such as Mukuzani, Kindzmarauli and Khvanchkara.

The event was really very impressive. It was visited by a lot of people who were knowledgeable about wine in general, who were given the opportunity to taste and get to know Georgian wine. There were a lot of guests from Ukraine, Russia, Poland and other countries. The more such events are held the greater opportunities there are for people to experience different sorts of wine”, the Shumi representatives declared.

Shumi has been developing wine tourism since 2005 and has a unique museum, featuring many priceless species of Georgian vines and works with all the leading tour operators. Consequently it welcomes the Georgian National Tourism Administration’s initiative of holding a wine festival.

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“Such events will support wine popularisation among the tourists; we always welcome such activities”, its representatives at the festival told us.

One of the festival’s aims was to popularise Sighnaghi itself, the beautiful city of local wine and traditional cuisine. Consequently it included other events such as a competition for the best speech about wine, the Machabela children’s theatre festival at Sighnaghi theatre and the folklore festival “Sighnaghi 2013”.

These latter events attracted song and dance groups from all regions of Georgia.

Regional Development Projects

The Georgian National Tourism Administration (GNTA) implements regional development projects to attract more tourists to the county. In 2012 the Spanish Consulting Company THR, in cooperation with the local company TBSC, developed the Imereti Tourism Development Plan, consisting of a tourism development strategy and a marketing plan.

The strategy presents a long term vision of the development of Imereti as a tourism region and specifies the implementation of specific pieces of work, such as small-scale tourism infrastructure development, human resource development, the creation of new tourist products, the development of private tourist businesses etc. The marketing plan addresses significant issues such as target strategies and the popularisation of Imereti in domestic and international markets.

Certain projects outlined in the strategy are already in progress. Tskaltubo is being developed, in cooperation with the World Bank and the Municipal Development Foundation of Georgia. The major goal of this project is the development of the tourism infrastructure and the establishment of an investment-friendly environment in Tskaltubo.

The local municipality is actively engaged in this project.

The implementation of the Imereti development strategy will take a significant place in the GNTA’s action plan for 2014. It will follow on from similar work undertaken in Kakheti, whose development strategy was developed in 2012 by the World Bank, in close cooperation with the GNTA. A number of infrastructural development measures have been taken in this region, and marketing has also been enhanced. Again, this strategy is being implemented in close cooperation with the Municipal Development Foundation and the World Bank.

The development of the regions is being greatly supported by the provision of regular flights between Tbilisi and Mestia. Since September 10 flights have taken place on every Monday and Friday in 22-seater MI-171 helicopters. Travel agent Ms. Shorena Gvarliani informs The Georgian Times that the helicopter departs from Tbilisi at 11:00 and returns at 14:00. The fare one way is 50 GEL, 100 GEL for a return ticket.

“The demand for flights is very high; the availability of the flights greatly depends on weather conditions, but they are in great demand by the general public, the local population, tourists and businesses,” Ms. Gvarliani declared. She confirmed that more airplane flights would also greatly support the development of tourism and the reduction of air fares would encourage the population to use the flights more intensively. Tbilisi-Mestia plane flights presently cost 75 GEL.

“We are not going to declare that the helicopter flights will be terminated for a certain period due to the winter season. The flights will be made regularly if the weather is fine, and we will not revoke them in advance”, Ms. Gvarliani declared.

The Georgian National Tourism Administration is planning to develop strategies for other regions similarly to those for Kakheti and Imereti. Representatives of the Administration say that the selection of a priority region will not be done randomly but following close consultation with the private and public sectors. The main criteria which will be applied are the material and non-material condition of the region and its touristic potential.
The Georgian National Tourism Administration has begun work on a new tourist portal which will be more diverse and efficient than the existing webpage. It will enable every potential foreign or domestic tourist to familiarise themselves with Georgia and obtain any information they are interested in.

The site will be interactive, giving potential tourists the opportunity to register as portal users, create their own personal pages, make friends, establish contact with other tourists, plan itineraries and create maps tailored to their needs.

“A new Facebook page – “Georgia and Travel”, which derives from the portal, provides information and photo and video materials for the purpose of popularising Georgia. It will also include Georgian recipes and information about museums and sightseeing” – the National Tourism Administration declares.

“Georgia and Travel” is running a photo competition which aims to popularise tourist sites. Everyone interested in participating should upload their photos to the official page: the winning photo is the one which receives the greatest number of “Like”-s. Entitled “Georgia is the Country of Life”, the competition announces winners at the end of each month. The first was Mr. Nika Mchedlidze, who was presented with a gift bag and a “Hotel Rooms” voucher by Mr. Giorgi Sigua, Head of the Georgian National Tourism Administration.

Mr. Mchedlidze told The Georgian Times that he won with a photo entitled “Tohoravchikhle”. “I learned about the photo competition and decided to take part in it. My photo gained the highest number of “Like”-s. Of course, such competitions are a good thing, as civil society develops more interest and activity in this sphere as a consequence. This one is very good for the popularisation of tourism and of “Georgia and Travel” and the prizes are also appropriate, as they are associated with travel and very interesting”, Mr. Mchedlidze declared.

Mr. Mchedlidze added that some photos were uploaded for enjoyment rather than competition, but that although it is good for the population to be able to select the winner by “liking” the photos it would also be good if a jury voted on them too, as this would increase the standing of the competition participants. “A jury should assess the quality of the photos and draw up shortlists of the best photos under different headings; the artistic aspect of the photos should also be given more weight by the jury. This would increase both the quality of the photos submitted and the level of public interest in the competition,” Nika Mchedlidze declared. He added that segmentation of the photos into different categories is a good thing, and he plans to send his to other thematic groups on the basis of this. It should be emphasized that the same individual can take part in the competition every month if they so choose. The topic for November will be “Georgian Portraits” and for December it is “Winter”.

Tourism Information Centres

One of the priorities of the Georgian National Tourism Administration is the establishment of Tourism Information Centres throughout the country. Similar centres operate in all countries with a developed tourism sphere, and aim to provide tourists with information about any and all types of services, such as accommodation, restaurants, sightseeing and other necessary information.

There are currently 18 tourist information centres in Georgia, in Tbilisi, Mestia, Kutaisi, Batumi, Sarpi, Kobuleti, Khulo, Gori, Mukheta, Kvareli, Sigdari, Tbilisi, Borjomi and Akhaltsikhe. Two additional centres, in Ureki and Gudauta, operate seasonally.

The GNTA is now establishing more centres. It is planning to open a new one in Tbilisi, in the tower in Sanapari Street, and also ones in Diakleti Municipality, Bakuriani, Khegavi and Samegrelo.

There are presently two tourist information centres in the capital, one in Rustaveli Avenue, in the National Museum building, and the other at the Airport. The information centres say they have a busy workload, and opening more would be a reasonable step. Ms. Nina Sirbiladze of the National Museum says that the centre there has been operating for four years but was previously located in Freedom Square. It was moved to the National Museum about two years ago. The centre provides tourists with any information they may need whilst visiting the country.

“We have a database containing information about transport, accommodation, regulations, tourist companies, tours; we also offer leaflets and maps of the city and the regions. All these are free for tourists,” she says. The centre also has an e-base including an interactive map, displaying all the relevant tourist sites.

Ms. Sirbiladze explained that this summer a great number of tourists visited the country from Israel, Poland, Ukraine, Russia and other countries. “If we talk about points of interest, the main one was the mountains. In Tbilisi tourists are interested in Old Tbilisi and sightseeing; it would be reasonable to increase the number of information centres, as too many tourists are coming to us and enjoying our services!” she explained.

The Tbilisi International Airport tourist information centre is three years old and is open 24 hours a day. Ms. Nuna Krvavadze, one of its staff, told GT that most of the people they see are interested in the sights of Tbilisi.

“We give them maps and show them certain places to go, and inform about the transport they will need, etc. The tourists usually know where they want to go already, but if they don’t we choose suitable sites for them,” Ms. Krvavadze declared. She added that the places of most interest to tourists are Kazbegi, Svaneti, Samtskhe-Javakheti and Kakheti; they are interested in the Svaneti towers, the nature of Kazbegi, the reserves and national parks of Samtskhe-Javakheti region and the UNESCO world heritage sites, and they visit Kakheti for the wine.

The Airport’s information centre is also very busy; they render service to any tourist who is interested in this or that type of information. “Currently we are seeing many tourists from Iraq, Iran, Russia, Ukraine, Poland and Israel, also from Germany, Austria etc.” Ms. Krvavadze declared. The tourist information centres in the regions are also busy, but their schedules and services are more diversified, as each region of Georgia offers different attractions.
Russia More Determined on Eurasian Integration

BY DR. VAKHTANG MAISAIA, GT

As the EU’s Vilnius Summit is approaching, which will make possible further EU enlargement to the East, the Belarusian government has been furthering its Eurasian integration policy more enthusiastically and vigorously. It was a real surprise when it was announced recently that the proposed Eurasian Economic Union could be transformed into a full-fledged Eurasian Union, which would include Turkey. This idea has been put forward by President of Kazakhstan Nursultan Nazarbayev, the long-time proponent of Eurasian integration similar to that of the European Union.

In contradiction to the forthcoming the EU Summit in Vilnius, Belarus has hosted two Eurasian Union summits, in part as a symbol of independence. These were intentionally held to demonstrate that the Eurasian integration structures are to be counterparts to the EU’s. The CIS Summit was very interesting, as it sought to reintegrate Georgia into the organisation – Belarus President Alexander Lukashenko made a special gesture of inviting Georgia back into the ex-Soviet space under the aegis of the CIS.

Russia provides Belarus with financial subsidies of more than $10 billion annually in order to dampen down energy prices. This figure differs from that provided by the EU to the members of its so-called “Eastern Partnership” (six countries – Georgia, Moldova, Armenia, Azerbaijan, Ukraine, Belarus) by about 600 million Euro, a significant difference, in favour of the EU. As two of the Eastern Partnership nations – Armenia and Belarus – are now looking East toward the West, it is easy to predict which nations will be the next to “re-take their seats” in the former Eastern bloc.

Georgia has been requested, via the Belarus President, to re-take its own “seat” in the CIS rather than a more lucrative “place in the EU” which EU Associate Membership, which should be offered at the Vilnius Summit, will provide. As previously predicted by the Financial Times, “who controls the Heartland (Russia-China-Turkey) controls the World Island”. The “World Island” is really a counterweight to the incumbent geopolitical world power – the USA. That is why it is important to consider seriously how the Russian government is pursuing this project, and by doing so prolonging The Kremlin regime for years ahead.

Armenia and Kyrgyzstan are really on the verge of going, as The Beatles put it, “Back in the USSR”. The modern Eurasian Empire, which will stretch from Turkey to China via Russia, will effectively be a new version of Genghis Khan’s Mongol Empire of the 13th-14th centuries. More generally, Eurasian geopolitical integration will be based on three main pillars:

- The First Pillar – the Eurasian Economic Component – consisting of the three main organisational structures in the area, the CIS, the Customs Union, and the Eurasian Economic Union;
- The Second Pillar – the Eurasian Security Component – consisting of the Shanghai Co-operation Organisation and Collective Security Treaty Organisation (CSTO) with its relevant integrated structures – the Joint Mobile Forces and Joint Military Coordination Staff;
- The Third Pillar – the Eurasian Political Component – the Eurasian Union, with the further inclusion of Turkey and China.

Local Government in Georgia

Local or, as it is often called municipal government, is widely recognised and proven public relationship system which ensures the involvement of the population through directly responsible organs covering small manageable units which can address grass roots local issues. Such self-government requires considerable legal regulation to ensure that it serves its purpose appropriately. The European charter of local government, which applies throughout the European Union, is an important legal document on the level of an international multi-lateral agreement, which demonstrates the importance and necessity of local government in each country. This specifies that the principle of local government must be recognised within the constitutions of European states. Georgia’s membership of the European family, and this will involve the harmonisation of its domestic legal systems with European systems. The member states of the Council of Europe, which is the signatory of this charter, consider local government to be one of the bases of democratic governance. The establishment of local government in Georgia has not so good and not so successful constitutional history. Before the 1990’s, the traditional reform of 2010 local government was covered by only one paragraph of one article of the Georgian Constitution, which merely stated that local government would be established without limitation of national sovereignty. Local government was therefore optional, a subject of organic rather than constitutional law. Occurrence this was insufficient in the eyes of Georgia, and it was therefore necessary to make additional regulations concerning it within the context of local government. In 2009-2010 the State Constitution Commission agreed that a definition of local government, its social function and role should be included in the Constitution. It was defined as the right and means of residents to decide issues of local significance through direct participation, independently from national government. Local government and local government should therefore be separate from each other. The basic constitutional principles of local government were also laid down - not just the fact that local authorities should be elected, as the principle of local government already exists, but their competences, status, funding, property rights, means of acquiring resources, social responsibilities, relations with and to state bodies, means of settlement of disputes with the help of the court and other stipulations.

Based on these principles a new chapter has been added to Georgian Constitution, which regulates local government.

In the new edition of the Georgian Constitution local government is determined as the right and possibility of Georgian citizens who are registered as living in the various local government bodies to decide issues of local significance independently within their set rights and responsibilities.

The structural basis of local government bodies, their election, absolute and relative status, financial basis, property and resource acquisition and management principles and relation with and to State bodies have been laid down. Local public authorities are to be subordinate to the local government bodies. Creation and abolition of new local government units and the vision of administrative borders, now covered by law. Such actions shall always be pre-determined by consultations with local government units. This stipulation is consistent with the aforementioned European Charter of local government.

In general, the powers of local government bodies must be separated from those of the national government and its agencies. It is important that local government bodies can act independently and not be subordinated to the will of national ones. According to the new edition of the constitution there are two types of local government competences: direct and delegated. Direct competences, as prescribed by law, is exclusively of the local government body, which means that only such a body can exercise that competence. In such cases central government is powerless. Decisions taken by a local government body within its direct competence are binding upon every physical and juridical person within its boundaries.

Delegated competences are those which are transferred by the state to local government bodies by law or agreement, and such delegation must be accompanied with the provision of appropriate material resources by the delegating body. If it is given an additional competence, a local government body will receive additional money to exercise it. State bodies will ensure that appropriate financial possibilities are given to local government, as the implementation of local self-government is impossible without financial guarantees. According to the new edition of the constitution local government bodies will have their own property and finances. Local government activities are subject to state monitoring. This may be of two types: legal oversight of local government’s actions and examination of its actions for the purpose of determining their advisability. The state monitors the observance of those normative acts passed by local authorities which comply with the Georgian constitution and that are consistent with their delegated competencies. State oversight is undertaken in proportion to its objectives.

Under the new edition of the constitution local authorities have new rights concerning the Constitutional Court. A local council now has the right to ask the Constitutional Court to rule on the constitutionality of state actions which affect local government.

Chairman of the Regional Centre for the Research and Promotion of Constitutionalism Antondi Demirdzeishvili

Executive Director of the Regional Centre for the Research and Promotion of Constitutionalism Vakhtang Zhvania

POLITICS

Monday, October 30, 2013
Small and Medium-Sized Business in Georgia

BY EMMA BAIRAMOV

Many people dream of starting their own business, but only smart people can make these dreams come true. Only smart people can find the start-up money for their business and maintain it through.

Very often people who have obtained start-up finance still lay starting the business up, and the reason they often give is interference from the government (of any complexion) and heavy taxes. But according to some business experts, smart businessmen can “survive” in any conditions and a real, successful business is not harmed by government regulations.

Those who have a little experience in business know that despite all the possible problems a big business can maintain itself because it has big lobbyists etc., however we cannot say the same about small and medium-sized businesses, which are also very important for the country’s economic development. Here in an interview with the Georgian Times Mikel Chelidze, auditor and Chairman of Tax Committee of the Georgian Small and Medium-Sized Enterprises Association, speaks about the development of small businesses in Georgia.

What is the main problem faced when starting up a business in Georgia?

First of all, it is important to mention that very often people who don’t know what business is begin to conduct business. I can say that there is a lack of “business education”. Sometimes they do not even have any money, only ideas. They do not have even general information, do not know which consumer segment they will sell their product to, do not know about market research and so on. The second problem is that business “start up” is never financed by banks here and new entrepreneurs have to mortgage their houses. So running a business, especially a small business, is really not safe.

Do monopolies have a negative influence on small businesses?

Monopolisation mostly concerns big businesses, as this or that company can have no competitors and become monopoly, but small businesses very frequently staff offices of big businesses. The two main problems of small businesses are not monopolisation but lack of finance and necessary business education, the latter being especially important for conducting successful business.

How can you assess the environment for small businesses in this country? Do the existing regulations impede business development?

First of all, I have to mention something about taxes. I must say that taxes are quite low in Georgia, and don’t hinder small businesses, so we cannot consider tax as one of the interfering factors. It is important that all entrepreneurs have good accounting staff, who will keep an exact record of transactions. It is not proper to blame taxes for the failure of a business. The entrepreneurs have full and proper information about government taxes, because taxes are not money thrown to the wind. Taxation is a necessary aspect of a state’s economic development. Taxes in Georgia are lower than in other post-Soviet countries and in Europe. The profit tax here is 13%, and I think this is a quite acceptable figure for Georgia.

The registration of businesses is very easy in Georgia, and this surprises many foreigners. Making all the documentation electronic is one of the main reasons progress has been made here, and this provides accurate record keeping facilities for entrepreneurs.

Whether an enterprise is a small or medium-sized business is determined by the number of people it employs, it is not indicated in the registration documents or by any special legal norm. Small business development is regulated by the big business environment. They cannot rise to become big businesses very quickly, but the development of small businesses is very important for the country, because they are the main creators of employment, one of the main factors driving the development of the macro-economy.

Can you say that the change of government last year changed anything for businesses and for smaller entrepreneurs?

What has changed is the entrepreneurs’ mood. They feel more motivated. Before there was the feeling that someone was watching you closely. Even people who had never attempted to found a business were claiming that it was impossible to conduct business in Georgia because someone would pursue that business. Now, there is the vague notion that government is completely free.

In fact those who are able to run businesses managed to run them before and are doing so now, because they can do this in any conditions. Since last year there have been no serious or radical changes in the Finance Ministry structure or regulations, but the penalty tax has been reduced. Some people have been waiting for a financial amnesty, but this hasn’t happened and shouldn’t happen, because it is unfair to those people who have paid their taxes in good faith. An amnesty would mean that they would lose out. Such amnesties encourage people not to pay taxes, at least when we are approaching elections. Taxes and duties must be paid, except in special cases where taxes are imposed unfairly, but these must be examined by the appropriate experts.

The population of our country is small, so whatever you produce and sell you will be working on low margins because of the low consumption rate, and therefore taxes may seem too high for you. Tax regulation, and encouraging its correct perception by the population, will take some time.

How do associations like yours contribute to the development of small businesses?

We help those who apply to us by representing them if there are some administrative irregularities and problems. We arrange meetings with the business ombudsman, we also disseminate business news for entrepreneurs and sometimes broker mutual promotions of businesses between companies. There have also been cases in which we have made proper business plans for start-up companies which have helped them obtain a phased credit or stepwise loan from the bank.

Unfortunately in Georgia we have no culture of applying to such associations yet. Many people do not understand the significance of business incubators. For example, many new entrepreneurs think that they do not need to learn how to run a business, and think having start-up capital is enough for them to conduct effective business. In many developed countries people appreciate the work of business associations. But this is not a problem, because the new generation does know the significance of “protecting” associations — so-called business incubators — and in the near future this situation will change noticeably.

Political catastrophes also have great influence on business and the business spirit of the people: they do not make significant purchases, do not spend money, because there is a constant expectation of change, and of course this affects the economic indicators of the country.

Do you agree that business must preserve itself, without government protection, independent from any interference from outside, because business exists under different governments and in good or bad times?

Of course, business can preserve itself in any conditions and it must not wait for government and regulatory changes.

What must one do to start a successful business?

First of all, the entrepreneur must prepare an effective business plan, then meet his competitors in the market, to see with whom he will compete, and finally research the market. The first income from the successful business must be spent on its further development; however in many cases business owners spending their income on meeting other needs, which is completely wrong. A business is like a living organism, which needs proper care.
Tbilisi, Not Be The Same Again

By: TAKAGARASHVILI GT

Gift 2013 has just ended. The two week celebration of the Tbilisi Film Festival reached the finish line. Thilisi will miss the long lines in front of the Tumanashvili, Rustavelli and Grubelov Theaters. Every time I saw people standing there with tickets in hand, I thought about my upcoming performance, I was afraid of the audience. It rang a bell for me; it just kept getting bigger. You feel you can’t stop, you need running. Every play generated raw, unprocessed emotions. The Laboratory’s plays make you feel you can’t stop, you need running. Every play generated raw, unprocessed emotions. It looks like you trust your actors, your actors are exquisite to the point of “impossible”. How can you get them? It takes a long time. What can you do with them? It takes a long time. It is always connected to the perpetuation. It is always connected to the per-
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