



Bidzina Ivanishvili. Image source: BPN.ge

FOCUS ON IVANISHVILI

This week, Bidzina Ivanishvili finally speaks out on the political accusations and the Credit Suisse case **PAGE 3,4,6**

Prof. Iver B. Neumann on the Russian Mentality, Putin's Failing Regime, and What's Coming Next

INTERVIEW BY VAZHA TAVBERIDZE

Radio Free Europe's Georgian Service met with Prof. Iver B. Neumann, the "bad boy of Scandinavian Realpolitik" and one of the definitive contemporary scholars of Russia, to discuss that very country and its relationship with Europe.

In Neumann's seminal 1990s work, "Russia and the Idea of Europe," he correctly predicted that Russia's liberal tenure wouldn't last long and would be replaced by a nationalistic attitude. In the second, revised edition, he explained how this prediction came true and added another one for good measure: That Russia's position would soon change in a westernizing direction. He also argued there are only two things that bring change in Russia historically - wars and change of leadership. We ask him, is the war in Ukraine the beginning of that?

"It turned out that things had to get worse before they got better again," he answers. "In the international system, there is a limit to how difficult and how different a large state can be if it still wants to compete with the other states in the system. It somehow has to keep up with what's going on elsewhere. And China is a shining example of this logic. From 1979 on, they saw that the communist economic system simply didn't deliver the goods, they couldn't compete with other states, the US or the western states, India, etc., if they didn't overhaul the economy. Russia's problem is that they simply refused to understand that.

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Iver B. Neumann. Photo by Jan D. Sørensen

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Markets		Price		w/w		m/m	
BONDS							
GRAIL 07/28	84.37	(YTM 7.31%)	+0.9%	-0.3%			
GEORG 07/23	99.82	(YTM 6.19%)	+0.0%	+0.3%			
GEOPAP 03/24	93.77	(YTM 10.41%)	-0.2%	-2.2%			
SILNET 01/27	97.88	(YTM 8.96%)	-	+0.5%			
TBC 06/24	98.78	(YTM 6.44%)	-0.1%	+0.2%			
GGU 07/25	100.29	(YTM 7.64%)	-0.0%	-0.3%			
STOCKS							
Bank of Georgia (BGEO LN)	GBP 14.58		+3.3%	-			
Georgia Capital (CGEO LN)	GBP 6.14		+0.2%	+9.4%			
TBC Bank Group (TBCG LN)	GBP 12.98		+11.5%	-0.9%			
CURRENCIES							
GEL / USD	2.7849		-1.6%	-5.1%			
GEL / EUR	2.8461		-0.9%	-8.1%			
GEL / GBP	3.3542		-0.8%	-6.8%			
GEL / CHF	2.8934		-0.2%	-5.3%			
GEL / RUB	0.0481		-1.8%	-10.9%			
GEL / TRY	0.1564		-3.5%	-9.8%			
GEL / AZN	1.6431		-2.0%	-5.2%			
GEL / AMD	0.0068		-0.4%	-5.3%			
GEL / UAH	0.0760		-20.7%	-23.7%			
EUR / USD	0.9785		-0.7%	+3.3%			
GBP / USD	0.8303		-0.8%	+1.9%			
CHF / USD	0.9643		-1.4%	+0.6%			
RUB / USD	57.9874		+0.0%	+5.5%			
TRY / USD	17.8005		+1.9%	+5.2%			
AZN / USD	1.6950		+0.1%	+0.1%			
AMD / USD	409.8800		-1.3%	+0.1%			
COMMODITIES							
Crude Oil, Brent (US\$/bbl)	105.15		-1.1%	-7.0%			
Gold Spot (US\$/Oz)	1 719.78		+0.6%	-5.9%			
INDICES							
FTSE 100	7 306.30		+1.1%	+1.4%			
FTSE 250	19 802.99		+4.1%	+3.6%			
DAX	13 210.32		+1.9%	+0.7%			
DOW JONES	31 990.04		+3.0%	+1.6%			
NASDAQ	11 782.67		+3.7%	+1.5%			
MSCI EM EE	29.40		+1.9%	-3.5%			
MSCI EM	987.08		+0.7%	-2.4%			
SP 500	3 966.84		+3.5%	+1.4%			
MSCI FM	2 115.79		+0.8%	-1.4%			

Russia's Invasion Week 21: Ukrainian Ports Prepare to Restart Grain Shipments



Firefighters working to put out a fire in a sea port of Odessa, southern Ukraine, July 23. Source: Odessa City Hall Press Office via EPA

BY ANA DUMBADZE

Ukrainian forces attacked the Antonovskiy Bridge in occupied Kherson in southern Ukraine this week, with the army releasing footage appearing to show the bridge being shelled. The bridge is a crucial supply route for Russian forces occupying the city.

Meanwhile, Ukraine's President Volodymyr Zelensky has again condemned Russia's use of gas supplies to Europe as a weapon and bargaining chip, saying Moscow is using gas "price terror" against the continent.

Russian state gas giant Gazprom again cut gas supplies via the Nord Stream 1 pipeline from Wednesday,

saying this is due to "maintenance of a turbine," a claim rebuffed by European officials.

Klaus Mueller, head of Germany's energy regulator, said gas flows had dropped to 20% of the pipeline's capacity on Wednesday, from 40%.

In parallel, Italian energy major Eni said Gazprom had informed the group it would only deliver "approximately 27 million cubic meters" on Wednesday, down from around 34 million cubic meters in recent days.

Kremlin spokesman Dmitry Peskov blamed EU sanctions for the limited supply.

"Technical pumping capacities are down, more restricted. Why? Because the process of maintaining technical devices is made extremely difficult by the sanctions adopted by Europe," Peskov said.

OFFICIALS: EU CONSUMERS SHOULD PREPARE TO USE 'LESS HEAT' IN WINTER

With EU countries agreeing on Tuesday to cut their gas use by 15% over the winter months in order to mitigate the impact of lower supplies from Russia, how and where each member state will make those reductions, which will be voluntary unless there is a supply emergency, will be closely followed.

"Member states are best placed to decide where they will cut the gas for this winter," European Commissioner for Energy Kadri Simson told CNBC on Wednesday.

PORTS BEGIN OPERATIONS TO EXPORT GRAINS AND OTHER AGRICULTURAL PRODUCTS

The Ukrainian navy said on its Facebook page that the ports of Chornomorsk, Odessa and Pivdenny are preparing to resume grain exports from Ukraine.

Russia and Ukraine signed separate accords with the UN and Turkey on Friday to reopen Ukraine's Black Sea ports to grain exports, in an effort to ease an international food crisis caused by Russia's invasion of Ukraine.

The deal follows a month's-long blockade of dozens of Ukrainian ports sprinkled along the Sea of Azov and the Black Sea.

Less than 24 hours after the deal was signed though, Russian missiles hit Odessa, Ukraine's largest port.

An unnamed senior Turkish official told Reuters that the first ship is likely to depart Ukraine's Black Sea ports in a few days.

In addition, Russian Deputy Foreign Minister Andrei Rudenko reportedly said Wednesday that grain shipments from Ukraine would start soon.

UKRAINE SAYS RUSSIAN FORCES SEIZED SECOND BIGGEST POWER PLANT

A senior advisor to Ukrainian President Volodymyr Zelensky said Russian forces have seized Ukraine's second biggest power plant, reports NBC News.

In an interview uploaded to YouTube, presidential advisor Oleksiy Arestovych also said Moscow will be redeploying large numbers of troops to three southern regions.

Russian-backed forces had previously said they captured the plant. The UK Ministry of Defense said a private Russian military company "likely succeeded in making tactical advances in the Donbas around the Vuhlehirsk Power Plant," adding that some Ukrainian forces have "likely withdrawn from the area."

UKRAINE EXPECTS LIBERATION OF KHERSON BY SEPTEMBER

A Ukrainian official said Sunday that the country's southern region of Kherson, which fell to Russian troops early in their February invasion, would be recaptured by Kyiv's forces by September.

"We can say that the Kherson region will definitely be liberated by September, and all the occupiers' plans will fail," Serhiy Khlan, an aide to the head of Kherson region, said in an interview with Ukrainian television.

The Ukrainian army, emboldened by deliveries of Western-supplied long-range artillery, has been clawing back territory in the southern Kherson region in recent weeks.

"We can say that a turning point has occurred on the battlefield. We see that the Armed Forces of Ukraine are prevailing in their most recent military operations," Khlan said.

"We see that our armed forces are advancing openly. We can say that we

are switching from defensive to counter-offensive actions," he added.

He noted that Ukrainian strikes on two key bridges in the region, as well as attacks on Russian arms depots and command posts, were part of preparatory work for a ground offensive.

"Now the key issue is getting more precision artillery strikes on the front-line to knock out the orcs (Russians) from their current positions."

Russian forces seized the region's main city, also called Kherson, on March 3. It was the first major city to fall following the start of Moscow's military operation in Ukraine in late February.

UKRAINE ASKS FOR MORE HIMARS

Ukraine said it has used US-supplied HIMARS rocket systems to destroy 50 Russian ammunition depots since receiving the weapons last month, while Russia has claimed its forces destroyed a HIMARS ammunition depot in Ukraine's Khmelnytskyi region.

Moscow previously said it destroyed several of the high mobility artillery rocket systems (HIMARS) supplied to Ukraine by the West, in claims denied by Kyiv.

On Monday, Ukraine's defense minister Oleksiy Reznikov underlined the growing impact that the HIMARS appear to be having as Ukraine tries to repel Russia's invasion.

Ukrainian officials have said repeatedly that Western supplies of weapons are critical to Ukraine's military effort, and underlined the importance of the HIMARS because of Russia's artillery supremacy in terms of numbers and ammunition.

Russia has criticized the United States for providing Ukraine with instructors to help Ukrainian forces use HIMARS.

New Style Luca Polare Opens in Dedaena Park



Luca Polare is to open its 23rd branch in Georgia!

The new branch with a new style will be opened in Dedaena Park in Tbilisi.

Various spaces will be arranged on the outdoor terrace of the branch, including a children's playground and an alcohol bar. The space will host various events throughout the season.



"We are continuing our strategic development plan by opening a branch in Dedaena Park," says Thea Tabagari, the Director of the Company. "The new branch is different from others, and will have spaces for both children and adults. It is the first time alcoholic beverages will be sold in Luca Polare, and we will have the perfect environment for those who want to relax in the evening. We are confident that our new branch will become everyone's favorite space."

The "Be Cool and Happy" seasonal campaign will be launched in the new branch. For guests staying in town, there will be weekly events on the terrace. We'll also have informative and entertaining programs for children, evening events for adults, and masterclasses and meetings with interesting people will be organized," says Ani Tsitskshvili, the

Head of Public Relations and Marketing. Up to 15 additional people will be employed in the branch.

Luca Polare is a cafe-ice cream chain that offers customers up to 70 types of

ice cream and exclusive coffee. The brand has been operating on the Georgian market for 14 years and is currently represented in four cities across Georgia, with 15 branches in Tbilisi, four in Batumi, one in Kobuleti, one in Rustavi and one in Kutaisi.



Ivanishvili: Meeting with US Ambassador Did Take Place on March 21 at the Request of Degnan



Image source: droa.ge

BY KETEVAN SKHIRTADZE

Former Prime Minister of Georgia, founder of Georgian Dream, Bidzina Ivanishvili released a statement this week amid the straining of political relations among Georgia's ruling party and the West.

Ivanishvili confirmed that a meeting took place between he and the US Ambassador to Georgia, Kelly Degnan, on March 21, at the Ambassador's request and "lasted about three hours".

"First of all, I want to once again express my deep respect for Georgian society, which has repeatedly proven that it is loyal to European values. 30 years after the restoration of independence, the Georgian people have shown once again that dignity, freedom and independence are their most important values," he wrote. "At the same time, Georgian society has proved to everyone that despite its short democratic experience, it has the wisdom to deal with the most difficult challenges with dignity.

"It has been a year and a half since I informed the public about my decision to leave politics, and since then, I have fully observed my own decision. Dur-



I prefer to leave the relationship between me and the Swiss bank as my personal problem and not bother the public with it

ing this entire period, I published only one public statement, and that was only to give no-one the opportunity to speculate on my behalf. I didn't want my factor to have any influence on the political processes, and that was and is the reason for my complete distancing from the public space.

"At the same time, as a child of this country and one of its supporters, I naturally follow the events in Georgia with all my attention. Against the background of the most difficult political situation in the region, Georgia and its ruling team had to go through very painful processes during the past months and are still having to go through them. The situation for Georgia and its government is complicated by the fact that certain forces actively tried to drag Georgia into the war, and this desire and goal of theirs, unfortunately, is still relevant today.

"Despite the greatest difficulties, the ruling team worked correctly, took a correct and principled position, and the main difficulty, the first stage of the threat of war, has already been overcome. Thanks to these efforts, the immediate threat of Georgia being drawn into the war has been neutralized as much as possible. However, I would like to point out here that until the end of the war in Ukraine, certain risks still remain, and both the government and the public should be extremely careful so that Georgia can finally avoid a fatal war," Ivanishvili noted.

"However, today, with the immediate threat of war neutralized as much as possible, I believe the ruling team has the opportunity to largely shift its attention to another most important priority and to ensure that Georgia's relations with its strategic partner, the United States of America and the European Union, are not damaged.

"As for my personal problem, which arose in the relationship with the Swiss bank and is still relevant today, I believe that it has a direct connection with the ongoing processes in Georgia. However, due to the fact that Georgia has practically overcome the difficult situation and the immediate threat of war has

passed, I prefer to leave the relationship between me and the Swiss bank as my personal problem and not bother the public with it too much. It doesn't matter on what I planned to spend the funds frozen by the Swiss bank - for private purposes or for public needs. I prefer that society considers the problem created by the bank as my personal problem in all cases. My lawyer made relatively detailed explanations on this case and will do so in the future too.

"The most important thing for me is that Georgia can finally get out of the most difficult situation properly and maintain peace, and I will take care of my personal issue myself and will not try to overburden society with this problem.

"Finally, since a question was publicly raised about a meeting held between me and the American Ambassador after the start of the war in Ukraine, I would

like to explain to the public that such a meeting did take place at the request of the Ambassador on March 21 and it lasted for about three hours," reads Bidzina Ivanishvili's statement.

GAKHARIA: WE'VE REACHED THE POINT WHEN THE COUNTRY'S FUTURE IS BEING TRADED OUT OF PERSONAL INTERESTS

The leader of the 'For Georgia' party, Giorgi Gakharia, responded to Ivanishvili's statement, noting, "We have reached the point when the future of the country is being traded out of personal interests."

"It has come to this. It's all unfortunate. We have reached the point when the future of the country is being traded out of personal interests, and that's how myths are shattered," Gakharia told journalists.

KAVELASHVILI ON MEETING BETWEEN IVANISHVILI & DEGNAN: A SECOND FRONT SHOULD HAVE BEEN OPENED

MP Mikheil Kavelashvili, who left Georgian Dream a few weeks ago, said of Bidzina Ivanishvili's letter: "It is clear to me what would have been discussed - the second front that should have been opened and, since pressure on the government failed, they probably considered it necessary that since Ivanishvili is the founder of this party, he might have an influence on the government, that 'maybe we can use this person to exert pressure.'"

In response to a clarifying question - when he talks about pressure, does he mean pressure from Kelly Degnan - Kavelashvili answered 'yes.'

KELLY DEGNAN: THERE WAS NEVER TALK ABOUT INVOLVING GEORGIA IN RUSSIA'S WAR AGAINST UKRAINE

US Ambassador to Georgia Kelly Degnan commented on Ivanishvili's statement in an interview with InterPress-News, noting that normally they do not talk about our private meetings in the press, but as Mr. Ivanishvili has confirmed it, Degnan last met with him on March 21, "some time ago."

"When Mr. Ivanishvili and I met, it was in the capacity of discussing the US-Georgia partnership and the United States' efforts to support Georgia's economic, security, and democratic development. Let me be absolutely clear, so no-one will have to ask again: there was never talk about involving Georgia in Russia's war against Ukraine, or about "blackmail" or actions to stall the transfer of Mr. Ivanishvili's money. I would refer you to him or the banks involved regarding questions on these topics.

"When the United States imposes financial sanctions, we announce them publicly. There is a searchable list on the Treasury Department's website where banks, media, and the general public can check who is and isn't subject to financial sanctions. Any discussion of Swiss bank accounts is frankly a distraction from the important work at hand. As Mr. Ivanishvili noted in his July 27 statement, this is a private matter between him and his financial institution," Degnan stated.



Image source: bm.ge

Has the Eastern Partnership Plunged into Oblivion?

OP-ED BY NUGZAR B. RUHADZE

Not much has been heard lately about the famous Eastern Partnership. It is certainly alive, but is it kicking as hard as it did at the beginning of its creation? Launched 13 years ago in Prague, it has since done quite a job in terms of strengthening the stability of the eastern friends of the European Union, as well as looking to their wellbeing and rigidity. This strange and stupid Russian-Ukrainian war has certainly confused all developmental vectors, totally baffling the numerous internationally recognized decision makers, leaving us all at a loss, a worse loss even than we were faced with during the last two world wars. Then, it was at least clearly declared who friend and foe were of the concerned fifty odd countries. Right now, literally the entire world is involved in the process, and yet the action is taking place only on Ukrainian soil. A strange, strange war!

The Eastern Partnership, in the ideal

geopolitical understanding, is a strategic and mutually supporting economic and political agreement between the EU and partner countries, the post-soviet states of Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine. But at this point in time, the configuration of multilateral relationships within this specific dimension of international cooperation is constantly changing against the background of the ongoing war, no matter how practicable might be their common rules, interests, commitments and values. Not surprising though - the whole world order has changed unrecognizably since February 24, 2022!

One of the main objectives of the Eastern Partnership was to turn itself into a staunch supporter of various global policy objectives, such as the reaction to climate change, international security, world peace, migration, etc. This means that, via this partnership, the above-mentioned countries would acquire a promising chance to become actual international players. The recent consideration of Ukraine, Moldova and Georgia for EU membership candidacy is one of the best corroborations of this, although the former two have acquired

the status, and the latter has only been promised it, and only if it behaves accordingly in the granted probation period. Georgia was frustrated and even offended to have been relegated the status of a spanked probationer, but it has at least remained a member of the Eastern Partnership, however lacking in perseverance that partnership may seem now. This is one of the reasons I ask if the Eastern Partnership has a word, if any at all, in promoting the member nations' ambitions to acquire desirable standing in the European family of nations. Based on the information available to the public eye, one might think that it can truly do a lot to advocate the causes of its members. At least, this is what we read in its mission statement and other officially promulgated documents. Whether the Partnership can indeed do the job or not is a horse of a totally different color, although all of us watchers of the current political processes in the world make a positive judgment, based on what is written about its policy 'being broadened, deepened and adapted to changing realities'. And there can't be a more changing reality in the international arena than granting EU membership



The presidents of Georgia, Moldova, Ukraine with the president of the European Council at the Batumi International Conference in July 2021. Source: Presidential administration of Ukraine wikimedia.org

candidacy to a country deeply involved in a military conflict and the other on the verge of it.

The Eastern Partnership, even though its current role and endeavors are not very clear in pushing Georgia towards the Euro-Atlantic dream-world at this time, has as one of its vested goals the strengthening of tight political association and strong economic integration of this country into the European network

of contemporary doings. Understandably, the process might entail significant reforms that aim to bring Georgia as a partner country closer to the EU, aligning its legislation and all other issues to the EU standards. The consequent objective is, of course, the undelayed substantial improvement of the lives of our citizenry, whose western expectations right now are bigger and hotter than ever before.

PR Newswire: Court Orders CS Subsidiary to Pay \$607 mln to Plaintiffs, Including Ivanishvili



Based on the latest decision of the Court of Bermuda, the subsidiary of the Swiss bank, Credit Suisse, CS Life was ordered to pay \$607.35 million, PR Newswire reports.

"The company must pay the amount within 42 days, which will be held in a separate account until CS Life's claim is determined. After that, the final damages should be compensated to the plaintiffs, including the former Prime Minister of Georgia, Bidzina Ivanishvili.

"The ruling follows a court ruling in March that held CS Life liable for failing to take adequate measures to prevent fraud and mismanagement of accounts.

The total loss on the Credit Suisse accounts of Ivanishvili and his family is \$1.2 billion.

"At a hearing on June 21, CS Life argued that it should not pay the debt until all ways of appeal were exhausted and tried to rely on Credit Suisse's guarantee as sufficient security, but the court rejected that claim.

"As a result of the fraud committed by the bank staff over the course of 7 years, the victims lost 1 billion in total. One Credit Suisse employee has been convicted of fraud, and Switzerland's financial market watchdog has highlighted failures in the bank's system and controls that led to the crimes," reads the information.

Meetings of Parliamentary Opposition with NGOs Concerning 12 Points Determined by EU

The Parliamentary Opposition MPs held three working meetings with NGOs to discuss the 12 EU Candidacy points determined by the EU. The first meeting was dedicated to electoral issues.

As Reforms Group MP, Giorgi Vashadze, notes, the issues have been categorized into two blocks. "There are lots of issues to be discussed, so we agreed to categorize them into two blocks - one on the Constitutional changes and the threshold, and another on the multi-component changes to the Election Code," he stated.

He added that the next meeting on electoral issues is scheduled for July 29. The attendees will communicate the list of the issues.

The next meeting was dedicated to the justice system.

As MP from the Political Group Lelo - Partnership for Georgia, Ana Natsvlishvili noted, the opposition is working intensively to develop the reconciled justice reform for the session as a result of a transparent process.

"The justice system encounters grave and systematic problems that cannot be resolved through the changes of 1-2 paragraphs of the law: They need the

transformation of the judiciary system, in view of which, guided under the Charles Michel agreement, we developed a legal package and submitted it to Parliament months ago, but it is being blocked by the Georgian Dream," she stated.

Another meeting on justice issues was scheduled for July 28. A third meeting was dedicated to anti-corruption issues.

"In the anti-corruption sphere, we enjoy a fundamentally reconciled position. The Bill initiated has been discussed with the civil sector and will be slightly amended providing various positions," Vashadze noted.



Prof. Iver B. Neumann on the Russian Mentality, Putin's Failing Regime, and What's Coming Next

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Since Putin's tenure began 22 years ago, very little, if anything, has really happened to the economy. And I find it stunning that a trained Marxist like Putin simply doesn't grasp that material factors are of the essence. He's talking about what in Russian tradition is called volunteerism - that the will is so strong that we can trump a weak economy. "The West have the economy but we have the will." It doesn't work. So I think this is the beginning of the end for the Putin regime. The question then is do we get a regime that will continue what Putin did or will they go straight to a new Westernizer? I have a feeling that we may [yet] go for something that is not westernizing before we get to the westernizing, because I see very little westernized organized opposition in Russia, which is, of course, rather bad for the country.

Take Navalny - he is in prison, and though his movement is super interesting, it's not a clear-cut westernizing movement - it started as a Russian nationalist movement. I think of Navalny more as Peter the Great in the making, one that has to westernize in order to bring Russia up to speed, as it were. Putin and his regime have done a thorough job of rooting out what there was of organized liberal thinking and work in Russia. Bad for the country, good for the Putin regime.

YOU WRITE THAT RUSSIANS ARE OBSESSED WITH THE IDEA OF BEING THE GREAT POWER AND WILL ONLY SUPPORT A LEADER WHO CAN FULFILL THEIR AMBITIONS. HOW DOES NAVALNY SIT IN THAT EQUATION?

Navalny is definitely leading from the front. He is definitely standing up to power and he is speaking his mind, and doing so with no filter whatsoever. The man is super Russian in that respect. I'm impressed by Navalny, though not with his lack of finesse. But he has the conviction of his opinions, and he is a good organizer. He stands in a very Russian tradition [of leaders], I think.

HOW WOULD NAVALNY SET ABOUT MAKING RUSSIA A GREAT POWER? AND WHAT WOULD THAT MEAN FOR THE REST OF THE WORLD? ESPECIALLY FOR THE SO-CALLED "NEAR ABROAD"?

He has consistently talked about corruption being the problem of Russia, and the present regime being a regime of thieves, and he would go about doing that, which is not easy, because in a corrupt system, any new power will have to consolidate its power by being corrupt itself. Getting out of that vicious circle is very hard.

How Navalny would act in relation to the near abroad, well, this whole idea that Russia has special leeway, special rights, because it's a great power, breaks



The most worrying thing about this war is that except for Ukraine being battered the way it is, it lowers the threshold for the use of nuclear weapons



with the entire idea of the modern state system, which is reciprocity between sovereign states. I have seen little from what I've heard and read from Navalny telling us about that. But the Russian impulse is, of course, an imperial impulse. So the hard thing would be to break with that.

RUSSIANS HAVE THIS IDEAFIX THAT THEIR COUNTRY IS TO SERVE AS AN EXAMPLE TO THE REST OF HUMANKIND. IF IT IS INDEED AN EXAMPLE, WHAT IS THERE TO LEARN FROM THE RUSSIANS?

I don't think it's hard to think of Russia as something special. Every country has something special, and Russia is, as an American would say, extra special in that it is historically a bridge between the Asian and European traditions, there is no doubt about that, with the experience of the Mongols, with the experience before and after that of Turkic groups. Russia has a specific sort of, should we say cosmopolitan side to it. And I find it interesting that Russians can be super racist, super clear in denigrating other people, but at the same time, they were the ones to first build a mosque where people could serve their God, before European countries did it. And they were the ones who, when they conquered people, would take the local aristocracy and make it part of the Russian aristocracy. So they do have a tradition of integration, which sits rather uneasily with the general racist tenor of the debate, but it is there.

I have a colleague called Vyacheslav Morozov, who wrote a book about Russia and Europe, and his point was that the Putin regime had nothing to prop itself up ideologically except a hatred of Europe and the denigration of "European decadence" and European sexual morals and women's rights, that were an "onslaught to the family", etc. The whole

thing is negative ideology, and there is nothing to learn in this sense. The Putin regime has nothing to teach us, except, of course, how not to do things. For example, how not to run an economy.

RUSSIA STRIVES TO BE PORTRAYED AS THE THIRD ROME. HOW IMPORTANT A FOREIGN AND DOMESTIC POLICY TOOL IS RELIGION FOR THE KREMLIN AND RUSSIA?

Historically, religion is inestimable; it's super important for a country. And with nothing new to prop the regime up, Putin will have to go back to Soviet and Tsarist times in order to do so. He's going back to [Konstantin] Pobedonostsev's idea which propped up 19th century Tsarist Russia that the rigid legitimacy of the Russian state rests on a tripod of autocracy, orthodoxy, and, however "narodnost" would translate into English - Peopleness? A celebration of the simple people as it were. I see a return to this, and it bothers me because there is so little creativity in it from Putin.

THEN PUTIN ADDS ANOTHER INGREDIENT TO THIS COCKTAIL, AND THAT IS "NUCLEAR," AND WE GET WHAT YOU CALL "NUCLEAR ORTHODOXY". HOW MUCH OF A THREAT IS THAT FOR THE REST OF THE WORLD?

The way Russia has, over the last couple of years, played lightly with nuclear weapons, the way their TV commentators talk about obliterating Great Britain on primetime TV, the way Putin has been hinting that the world will see consequences that it has never seen before, the way he poses with his briefcase, and talks about nuclear war... This whole thing, in and of itself, increases the chances of there being a nuclear war, because when you talk about it, you make it more natural, more normal; you increase

the chances, you are lowering the barriers. And that's a very bad thing, not only for Europe, but for the world, actually. Because one thing that Europeans simply don't want to notice about this war is that it's a regional war. It's not a global war. It's not a repeat of the Cold War, which was a world-enveloping thing. We named a period in world history after that war. We call it the Cold War period. If you see this from India, China - It's a war of consequence. It's important, but it's not world defining in the way the Cold War was. It's a regional war. And the most worrying thing about this war is that except for Ukraine being battered the way it is, it lowers the threshold for the use of nuclear weapons.

CHINA, INDIA, BRAZIL OR LATIN AMERICA MIGHT NOT SEE THIS AS A WORLD-DEFINING WAR, BUT THE PROVERBIAL WEST CERTAINLY DOES. WHAT'S AT STAKE FOR THE WEST IN THIS REGIONAL WAR?

It's a war in Europe, so for Europe and the West it's a question of whether you can uphold the idea that conflicts should be settled peacefully and whether you can uphold the idea that *Pacta Sunt Servanda*, as the old Roman said - that deals you've been making should be kept. These are the basic tenets not only for the liberal international order, but of Western society. You can't have contracts, for example, if you don't uphold the idea that you stick to what you've been saying. And Russians don't quite grasp that.

Of course, you can always find a reason to say "no, this deal isn't valid anymore, because things aren't as they were when we made it." But if you think like that, there will be no stability. In Russia, you can still call a judge and get the verdict you want. There's no rule of law. And what's at stake for Europe is that this kind of thing cannot go on in Europe itself. And Ukraine increasingly identifies itself as European.

HOW DO YOU SEE EVENTS UNFOLDING WHEN IT COMES TO THIS AMALGAMATION BETWEEN EUROPE AND RUSSIA?

One thing is for certain: Russia is not going anywhere, either politically with Putin or geographically. The country is where it is - It can take a bit more territory in Donbas, maybe it will get the land corridor from Donbas to Crimea, but Russia, in whatever form, will be there. And we will have to speak to it. It's not a good idea to have "business as usual" in institutions, but keeping a conversation, a low key conversation through backchannels, through working groups, is very important. This is one of the fall-outs of the Trump regime that should be regretted. Trump made a point of doing away with a lot of the disarmament agreements between the US and Russia. And those agreements not only afforded one a place to talk about disarmament, they were also channels where we were going to talk about a hell of a lot of other stuff. And with those gone, the interstices between Russia and the West become fewer. And that is bad. Because whatever you think about the Putin regime, it's there, one has to communicate with it, and whatever comes afterwards, we have to communicate with that as well. So, the conversation has to go on.

Before the outbreak of the war, Russian diplomacy with the West was functioning. The results were not shining, but it was functioning. Even after the Crimean takeover in 2014, there were good diplomatic contacts where things were being discussed. This war is disastrous for everyone concerned in the sense that no-one gets much out of it. This is one of the things I have a hard time understanding: It's easy to say that Putin will get into the history books by gathering Russian lands. But what's the point of having more land if the one thing Russia really doesn't need is more



This is the beginning of the end for the Putin regime

territory? Okay, it will get more depth before St. Petersburg and Moscow for defensive purposes, but it's swimming in territory. Why take Ossetia? Why take Donbas, when there is so much other territory?

It's *animus dominandi* - the desire for power, the inbuilt human need to dominate other people. But this is exactly what one in European history has tried to get away from. And Putin seems to be basking in it. Angela Merkel said after the Crimean takeover in 2014, that Putin is living in a different world, and she was absolutely right: He is living in this 18th-19th century world, where this kind of domination is supposed to further the greatness of states, whereas the rest of us are living in a world where states are great because they are able to do good things.

Yet to say "that is how they are" is to simplify. If you go back 80 years, we could have said the same about the Germans, and people did. That's just how they are. Well, they weren't like that before. And they weren't like that afterwards. So I don't rule out that Russians can change at all. If there is a difference, it will be hard, but it's doable.

HOW SHOULD THE WEST DEAL WITH THIS NEW, DIFFERENT WORLD, WHOSE FUNDAMENTAL PRINCIPLES ARE IN COMPLETE DISAGREEMENT WITH AND OPPOSITION TO THOSE OF THE WEST?

I think we're doing exactly what we should do: Putting our foot down and saying "this is enough." I'm deeply worried about what's happening in the US, where you have a polarization moving away from the Republican idea that we are all one state, all one society, and that we have to deal with what's happening. The polarization in the US moves away from that and opens the door to a society that is not unlike Russia. What we should do in the face of this is to stand firm against Russia, and we can see to it that we consolidate our own way of life and adhere to our way of life. We're talking containment. George Kennan was very clear, in his long telegram after the Second World War, that's the most important thing the West could do was to see to it that we consolidate our own way of life.

HOW DO YOU SEE THE WEST STANDING FIRM CONSIDERING THE RECENT HYSTERIA IN WESTERN EUROPE REGARDING THE GAS CRISIS AND PEOPLE DEBATING THE VALUE OF SHOWERS FOR FIVE MINUTES A DAY VERSUS DEMOCRACY AND FREEDOM AND BELIEFS LIKE THAT?

There are obviously costs. NATO's Secretary General was delivering a speech the other week, where he talks about the cost of actually standing up for democracy. And this was one of the key things in the interwar period as well, to remind people that it costs to run a democracy. I think about this everytime I pay my taxes, and taxes in my country are high, and I think, "okay, it costs to maintain a situation where people have their bellies full and where they can use free roads and education is free, etc." You have to be willing to pay for that. If you're not - well, we can't have democracy as we know it.

The Seventh Package of Sanctions and Embargo on Russian Gold

BY DAVIT SHATAKISHVILI FOR GFSIS

On July 21, the European Union states approved a seventh package of sanctions against Russia. The new restrictions include a ban on Russian gold imports into the EU, a freeze on the assets of "Sberbank", Russia's largest financial institution, and individual sanctions against people accused of war crimes. With the previous round of sanctions covering Russian crude oil, many thought the EU would target Russian natural gas in the next package of restrictions, but that did not happen, despite the fact that as the war continued, there was expectation of a tougher political and economic response from the West. The decision also became subject to criticism from the President of Ukraine, who openly says that much more radical decisions are needed to stop Moscow's war.

There is no doubt that the most important component of the seventh package of sanctions is the ban on Russian gold. At the end of last month, the G7 countries, Canada, Japan, the USA and Great Britain, decided to impose an embargo on Russian gold imports, and were joined in this almost a month later by the European Union. Let's take a look at how important gold assets are for Moscow, and what impact this restriction might have on the Russian economy and budgetary revenues.

THE SIGNIFICANCE OF GOLD ASSETS FOR THE RUSSIAN ECONOMY

In terms of gold mining, the Russian Federation is the second country in the world behind China, with the third place occupied by Australia. Gold is also an important part of Russia's budgetary revenues. It is the second source of income for the country after the cash flows received from energy carriers. In addition, the Central Bank of Russia has denominated 21% of its national reserves

in gold, which is approximately 135 billion US dollars. After the annexation of Crimea in 2014, Russia doubled the share of gold in its reserves. For Moscow, the annual income from the sale of mined gold was about 19 billion US dollars. The main market for its sales was the London Stock Exchange, where Russia sold about 16.9 billion US dollars' worth of gold annually. The next places in the list of buyers were Switzerland, Kazakhstan, Turkey and India. Russian gold mining companies sell gold both on the domestic consumer market and via commercial banks, which then deliver it to the Central Bank or export it.

In 2021, Russia produced 314 tons of gold, which is about 10% of the global production of shiny metals. More than 700 gold mining companies operate in Russia, the largest of them Polyus, which mined up to 85 tons of gold last year, followed by Polymetal and Kinross Gold.

After the ban on the import of Russian gold from the West, Russia will have to look for alternative markets, and it will likely turn again to China and India. Even during the war, both countries have successfully continued to purchase Russian crude oil at a discount. Unlike other products, since the beginning of the war, Russia has managed to transfer its own gold to different countries, and will already have accumulated some experience in this regard. The states of the Middle East and Central Asia are also considered as potential buyers. In addition to mining gold internally, Russia is actively involved in extraction on the African continent, and is trying to strengthen its regional influence, including by increasing the dependence of these countries on self-made military weapons and equipment.

WHY TARGET GOLD?

The blow to Russian gold came in early March, when the London Stock Exchange unofficially banned trading in Russian gold. The "London Bullion Market Association" removed Russian gold refiners from its accredited list, and as a result, most buyers have given up on it. In addition,



Image source: REUTERS/Alexander Manzyuk

the United States of America prohibited its citizens from any transactions in Russian gold, leading to significant pressure on gold assets from the beginning, although now this process has taken on a more formal and radical character. Some experts suggest that the gold restrictions may have been more political than economic, as the American and European markets for Russian gold were largely closed anyway. At the same time, the Western countries imposed sanctions on the main banks dealing in Russian gold in previous packages of restrictions, and European refining companies and shipping companies cut off all ties with Russian gold.

The gold ban means that Russian mining companies, banks and oligarchs will be restricted in their ability to buy gold and convert it into hard currency, which they could otherwise use to mitigate the harsh economic effects of the international sanctions. Along with other restrictions, this sanction's main goal is to financially exhaust Moscow's war machine by limiting key sources of state budgetary revenue.

In general, gold is considered as a means of diversifying reserves for central banks, as it is considered a more stable and reli-

able asset than paper currency. Governments hold gold to deal with crises and to hedge against inflation. According to gold reserves, Russia ranks fifth in the world.

CONCLUSION

The restriction imposed by the West on the import of Russian gold will obviously have economic consequences, although the forecasts vary. According to experts, large fluctuations in the global gold market and a sharp price increase are not expected. In the medium and long-term, the approximate price is expected to remain within the range of 3-5%. The "World Gold Council" also forecasts the stability of the gold prices. According to them, the global gold reserves are sufficient to meet production and trade needs. Although Russia is one of the major gold miners, its factor in the global market may not be enough to cause noticeable changes.

Shortly after the start of the war, in early March, the price of one ounce of gold reached 2,050 US dollars, the highest level in the last 20 months. After that, the price decreased and became more or less stable. Before the decision of the European Union states to embargo Russian gold on July 20, the price of one

ounce of gold was 1,696 US dollars. At the current stage, its price is 1,727 US dollars. Thus, since March, its price has reduced by about 18%.

The ban on Russian gold imports is the most important component of the latest package of Western sanctions, which will obviously have a negative impact on the Russian economy, the only question is - to what extent? It is a fact that the sanctions are working, and from an economic point of view, there are quite severe consequences facing the authoritarian regime of Moscow, but, unfortunately, it has yet to result in a political decision which would lead to the cessation of the war. It is likely that the gold restriction will also fail to stop the Russian aggression, especially when, on the one hand, it has strong and reliable partners like China, India and the Persian Gulf countries, and on the other it has powerful political leverage over a number of African and Asian states.

Russia will try to find markets for the sale of its own gold, and will be ready to sell it at a relatively low price, as happened with its energy resources. The closure of the Western markets will obviously cause financial damage to the country, but in light of the partial filling of the deficit by other countries, it will not be a decisive factor for it to stop the war. It seems that Moscow is still managing to mobilize monetary resources to finance its aggression in Ukraine, most of which it receives through natural gas. The West is expected to make tougher decisions which should fully cover the energy sector, but as winter approaches, this issue becomes more and more doubtful. The sanctions have already covered most industries of critical importance for Russia, and the list is expanding every month. Let's see how much the next decisions will be a determining factor for stopping the war. The past has clearly shown that Western states are also being significantly affected by the sanctions, but without taking the greatest risk and being prepared for economic recession, stopping Russian aggression is going to be a difficult task to achieve.

Bernhard Odehnal on the Ivanishvili – Credit Suisse Affair



Bernhard Odehnal, investigative journalist of the Swiss media group "Tamedia"

INTERVIEW BY VAZHA TAVBERIDZE

Credit Suisse has an enormous amount of problems as it is. This Ivanishvili case is just one small part of the problems they have - says Bernhard Odehnal, reporter in the investigative team of the Swiss media group "Tamedia", in an interview with Radio Free Europe's Georgian Service.

LET'S START BY HEARING YOUR TAKE ON THIS WHOLE IVANISHVILI VS CREDIT SUISSE AFFAIR - WHY HAS IT BECOME SO CONTROVERSIAL?

Controversial is actually your expression - I'm a bit surprised that you regarded this as controversial because, from the Swiss perspective, I don't see any controversy, at least with the media reporting. The last big coverage on that issue was sometime in March-April, when the verdict in the Bermudas came out. All

the media reported that Credit Suisse has to pay 550 million. There was hardly any coverage of the issue after that because there is a war going on and most of us are focused elsewhere. And then there was coverage of a former partner of Ivanishvili, a Russian oligarch Vitaly Malkin, who is also suing Credit Suisse. But that was it. So I am sorry, but I don't see a controversy here from the Swiss point.

THE FACT THAT THE LAST BIG COVERAGE WAS IN APRIL IS SOMETHING CERTAIN PEOPLE SEEM NOT TOO HAPPY ABOUT - MKD, THE LAW FIRM DEFENDING IVANISHVILI'S INTERESTS, CLAIMS THE SWISS MEDIA IS IGNORING WHERE THEY HIGHLIGHT GROSS VIOLATIONS BY CREDIT SUISSE.

I don't think that Swiss media, at least ones I work with, receive press releases from Georgia. They don't have to, because Ivanishvili and his group are engaging a very famous Swiss lobbyist - former Swiss Ambassador to Germany, Thomas Borer. So I am quite sure that he would have provided them (Swiss media) with information. And I'm also quite sure that we did not ignore this information in the reporting.

INTERESTINGLY ENOUGH, THE PRESS RELEASE THEY ARE COMPLAINING ABOUT THE LACK OF COVERAGE ON IS AVAILABLE ON THEIR OFFICIAL WEBSITE ONLY IN GEORGIAN.

"Well, then there might be slight difficulties here for Swiss journalists. But as I said, they engaged a lobbyist in Switzerland, and I can only guess that they invested a lot of money there, too. I'm sure that Mr. Borer would have provided such information, and this information

would also have been included in the reporting. I don't understand all the complaints, because there was massive reporting about the case. There is a Swiss media databank where you can check all the articles, so the claim that Swiss media is ignoring the case is totally absurd."

According to the ex PM's side, Credit Suisse sent them a letter saying they are withholding from paying based on the complex situation in the region, hinting at the recent EP (non-binding) resolution, which calls on the European Council to consider sanctioning Ivanishvili as an oligarch. reporter in the investigative team of the Swiss media group "Tamedia". We asked our respondent how common a practice this is.

"I am not a Credit Suisse spokesperson and I haven't seen that letter published anywhere, so I don't know whether such a claim has really been made," he tells us. "In general, I can only say that Swiss banks have a problem now with sanctions because they were accused of somehow bypassing them - the Swiss government is following the EU rules on sanctions on Ukraine, so the banks also have to follow them. And they're coming against accusations that they tried to bypass these sanctions, knowingly or unknowingly. It's quite a big problem for them, and I can understand that they are being very careful. But I don't know in this specific case if this argument really came from Credit Suisse or if it was just made up by the Georgian side. I can only say it's a sensitive issue. And I can understand the banks when they say we have to be careful. And if the Europeans consider introducing sanctions on a specific guy, then we will wait to see what happens - if there are sanctions or not. If sanctions are introduced, and you forward money to this guy, then you can get in much bigger trouble.

THE GEORGIAN SIDE CLAIMS THIS IS ALL HAPPENING BECAUSE OF "POLITICAL PRESSURE" AND "AN ATTEMPT TO GET GEORGIA INVOLVED IN THE WAR IN UKRAINE" BY THREATENING TO EITHER SANCTION IVANISHVILI OR WITHHOLD HIS FINANCIAL ASSETS. WHAT WOULD BE YOUR TAKE ON THIS CLAIM?

Political pressure would mean that politicians in Switzerland are putting pressure on the bank not to fulfill obligations, to draw Georgia into the war in Ukraine? Or not even Swiss politicians, but some people in Europe? That's even more absurd - someone in Europe tries to pressure Swiss politicians in order for them to pressure the Swiss bank to "draw Georgia into the Ukrainian war?" It sounds more and more absurd each time I say it. Credit Suisse has an enormous amount of problems as it is. This Ivanishvili case is one small part of the problems they have - so it would be toxic for any politicians to get involved in the bank affairs of Credit Suisse now, and I'm pretty sure they won't do it. The lobbyist Thomas Borer, he has a bit of history - he was working for the Kazakh government and tried to influence politicians in Bern to work in the interests of the Kazakh government, which caused a huge scandal, but that was some time ago. And I actually very much doubt that any Swiss politician would be tempted by him now.

BE THAT AS IT MAY, THE RULING GEORGIAN DREAM PARTY IS CLAIMING THAT THIS PRECEDENT UNDERMINES TRUST IN THE SWISS BANKING SYSTEM. AS A SWISS JOURNALIST, HOW "WATERPROOF" IS SUCH A CLAIM?

Swiss banks had huge problems about

10 years ago, especially in the US, when they were accused by the US of helping customers there of tax evasion. And they were even forced to issue the bank data of their customers, which is usually an absolute no go. I mean, this is sacrosanct. But that was 10 years ago. And since then regulations got strict, the banks themselves worked on the internal control systems. So I would say now, it's only a problem for Credit Suisse, for their reputation. Because of these cases, they lost a huge amount of money, because they invested in the wrong investment funds and in hedge funds which went bankrupt, and now they are accused that they helped the Bulgarian mafia laundering drug money. Ivanishvili is one part of their problems, but it's not even the biggest part. But still, it's a specific Credit Suisse problem. And I would not say that it concerns the whole Swiss banking sector. We have more problems with the sector of lawyers and trustees, who are not under control. For instance, from the Pandora papers, we saw that there are hundreds of Swiss lawyers and trustees who helped oligarchs all over the world to hide money. But that's not a bank problem. That's another problem.

HOW WILL IT AFFECT THE PROCEEDINGS, IF THE EX PM DOES INDEED GET SANCTIONED, EITHER BY THE EU OR THE US?

That's a difficult question to answer. I think it will be up to the court to decide, because even if you get sanctioned, then the reason as I understand it would be because of pressure that his party puts on media in Georgia. And then it begs a question: how does this affect an old case? I think even the court will not be able to decide on this. And so I think the Ivanishvili case will stick to Credit Suisse for a long time yet - they will not get rid of it.

Skills Week Boosts Quality Vocational Education in Georgia

High quality vocational education and training can be a pathway to success for many Georgians struggling with unemployment and poverty. Around 34% of Georgian youth are currently classified as not in employment, education or training (NEET) while youth unemployment exceeds 40% in some of the regions.

To give vocational education and training a boost, Georgia's newly established Skills Agency, with support from the Swiss Agency for Development and Cooperation (SDC) and the United Nations Development Program (UNDP), launched a Skills Week, aiming to discuss more effective educational models and greater cooperation between educational institutions and the private sector. Interactive and innovative events, presentations and discussions organized on 18-22 July, brought together decision-makers, educators, scholars and entrepreneurs.

The Week's participants discussed how government organizations could better work with the private sector to ensure

that vocational schools supply skills needed in the local labor markets, contributing to employment and economic growth. The discussion also addressed lifelong education, offering self-development opportunities at any age, and integrated training programs aimed at unlocking 'dead-ends' associated with vocational education.

Representatives of the Skills Agency presented key findings of a recent study analyzing public attitudes toward vocational education. They also discussed a new vision of research in vocational education and training and potential strategies for developing a so-called 'skills ecosystem' that balances the demand and supply of skills in the labor market.

"Developing modern skills tailored to Georgia's economy is critical for the ongoing reform in vocational education and training. Our goal is to help the state institutions and the private sector understand the connection between professional skills and economic development, and to create an ecosystem where the skills supply will be integrated into sec-

toral development policies," said Tamar Kitiashvili, Skills Agency Director.

"Switzerland assists Georgia to reform and improve its system of vocational education and training that serves as a critical tool for reducing poverty and unemployment," said Beka Tagauri, National Programme Coordinator at the Swiss Cooperation Office. "We provide the resources and expertise needed to develop effective policies, introduce modern approaches to education, launch new training programs and increase the professionalism of educational managers and teachers."

"In Georgia, only 5% of secondary school graduates choose to enter vocational education programs, compared to 48% in the European Union countries. UNDP works with a wide range of partners, including the government, educational institutions and the private sector, to introduce new approaches to vocational education and training and make it a pathway to prosperity and economic growth," said Anna Chernyshova, UNDP Deputy Resident Representative in



Image source: Ministry of Education and Science of Georgia

Georgia.

The SDC and UNDP support reforms in Georgia's vocational education and training drawing on the resources of a Swiss-funded \$8 million program to pro-

mote high-quality professional training in agriculture. The program runs in close partnership with the Ministry of Education and Science of Georgia, educational institutions and private companies.

Constructing the Middle Corridor: The Case of Georgia and Kazakhstan



Image source: shyladzmitry.com

ANALYSIS BY EMIL AVDALIANI

Russia's invasion of Ukraine reverberated deep into the whole Eurasian continent. Two regions which are especially susceptible to the pace of changes are the South Caucasus and Central Asia. This is especially true in light of the changing dynamics of Eurasian connectivity.

In Central Asia, Russia and China, two former imperial powers willing to change the present world order, are seeking to

impose a version of regionalism that excludes non-regional powers, chiefly the US and the EU, from playing an active role. The war unnerved Central Asian countries, which fear that the Kremlin might use the same brutal tactics as in Ukraine in the event it deems it necessary. Seeing Russia fixated on making dreams of recreating the imperial map of Russia a reality, the former subjects under Moscow's rule cannot feel safe. This is especially true with Kazakhstan, which shares a 7,644-kilometer border with Russia, and northern parts of which are populated by ethnic Russians.

In the latest round of friction between

Kazakhstan and Russia, the Kazakh president, Kassim-Jomart Tokayev, said his country would not recognize the Lugansk and Donetsk separatist republics – the policy Kazakhstan has pursued toward other separatist entities supported by Moscow. More interesting is the fact that the statement was made in Vladimir Putin's presence during a televised meeting. This followed the ominous statement made by the first deputy chairman of the committee of the State Duma for the CIS and relations with Russian nationals abroad, Konstantin Zatulin, that "[Kazaks] know too well that a number of regions and settlements with a predominantly

Russian population had little to do with what was called Kazakhstan."

More worryingly, these bitter exchanges were followed by unconfirmed reports that Kazakhstan stalled 1,700 railcars of Russian coal on its territory in response to Moscow's decision to block Kazakh oil. In April, one Kazakh official argued that Kazakhstan would not assist Russia in evading Western sanctions imposed on Moscow. Russia also stopped the transit of Kazakh oil through its Novorossiysk port, only to reverse its decision after Tokayev instructed the government to seek alternative export routes.

In the South Caucasus, Russia is a powerful player, but increasingly only through military means. Prior to the aggression against Ukraine, Russia had approximately 20,000 troops deployed in four major military bases (including the peacekeeping force in Nagorno-Karabakh) in all three South Caucasus states. However, beyond military measures, Moscow has few concrete tools to maintain its declining prestige. In other words, a weakened Russia could easily result in a near-complete disorganization of its influence in the region.

One of the examples of the weak Russian position is that the countries in the South Caucasus and Central Asia have laid the groundwork for the expanded Middle Corridor. Certainly, the route has existed for decades, but its operation has been limited for various reasons. The route consists of both sea and land routes, which complicates shipment. China has always preferred sending goods via the Russian route simply because it involves fewer states and a more or less stable/predictable geopolitical situation.

Two critical states along the Middle Corridor are Georgia and Kazakhstan. Each has long argued for the expansion of the route. However, the geopolitical situation was unfavorable until the war in Ukraine upended the very fabric of Eurasian connectivity. Kazakh and Georgian officials have held several meetings over the past couple of months to advance the corridor's operation. Georgia's growing attention toward the Middle Corridor is well reflected in the recent move to sign an agreement with Uzbekistan on

how to effectively use Georgia's seaports and Uzbekistan's logistics hubs for the export and import of goods. The two sides also discussed the establishment of transportation corridors connecting Central Asia and the South Caucasus.

Geopolitically, Georgia and Kazakhstan (and Central Asia in general) benefit from the fact that critical Eurasian states are increasingly aligned around a shared goal – finding new transportation routes. China and the EU, despite difficulties in bilateral relations, might actually fruitfully cooperate on advancing the Middle Corridor. Indeed, from a geographical standpoint, it is the shortest route between these two actors. Both will also carefully measure Russia's reaction to the route that circumvents it from the south. Before the war in Ukraine, Turkey actively promoted the Middle Corridor and helped launch a series of "block train" travels. In February 2021, one of these trains reached Turkey from China after nearly 20 days of transit. A similar train route was used in April this year. The Kazakh president was especially interested in Turkey's role when he emphasized the changing connectivity during his visit to Ankara this May.

Yet the biggest question is how the war results in Ukraine will impact the South Caucasus and Central Asia. If Russia prevails, it will likely be less tolerant of a major transportation corridor circumventing it from the south. Moscow is unlikely to resort to military force, but it will nevertheless have a range of options to undermine the emerging momentum behind the route. Moscow could escalate tensions in Georgia's two occupied regions. It could also undermine the peace efforts currently taking place between Armenia and Azerbaijan, and Armenia and Turkey. In Central Asia, it could use pressure on Kazakhstan and try to negotiate favorable outcomes with China. Still, now China, Turkey and the EU are all interested in seeing the corridor operating as fast and effectively as possible.

Emil Avdaliani is a professor at European University and the Director of Middle East Studies at Georgian think-tank, Geocase.

The Sit Down: Ukrainian Refugees Fleeing War and Geopolitics



A destroyed Russian tank is seen in a backyard garden of a local resident Valerii in the village of Velyka Dymarka, Kyiv region, Ukraine. Photo by Valentyn Ogirenko/REUTERS

INTERVIEW BY MICHAEL GODWIN

Twelve million civilians have fled the ongoing fighting in Ukraine since Russia's renewed invasion on February 24. Of these, a reported 7 million are still inside the embattled country. As Russia's reach deep into the country, through missiles and air strikes, continues, more people are unsure about the sustainability of living a normal life.

One family had endured this long before the recent invasion. Russia's first incursion in 2014 caused thousands to turn west, among them Dmytro and Anna, who chose Kyiv as their place of refuge. As the occupation line degraded into stagnant trench warfare, the hopes of returning to their lifelong home dissolved. As the years passed, Kyiv became a place of safety and community for them.

Sadly, this was short lived. Russia's second invasion in February forced the family out of their new homestead to the relative safety of the far west of the country. Dmytro and Anna have seen their home taken from them twice, not only by the Russian invasion forces, but by roots that go deeper into the politics of the region. GEORGIA TODAY sat down with Dmytro and Anna to discuss their experiences, difficulties of life in modern-day Ukraine, and what their options look like and their future holds.

BRIEFLY, CAN YOU DESCRIBE THE CHANGES IN LIFE BETWEEN LIVING IN EASTERN UKRAINE BEFORE 2014, LIFE AFTER THE FIRST INVASION UNTIL 2022, AND THEN LIFE AFTER THE FEBRUARY 24 INVASION AND LEAVING KYIV?

Anna: Before 2014, for me personally, it was carefree. I turned 20 in 2014, so I was studying and living with my parents. When everything happened, it was painful, we had to leave our lives and our parents. Now, it is even more painful.

Dmytro: I didn't think I would have to move to a different city or leave Donetsk. I never really liked it there, though. Now

it is clearer than ever, but even then the city was populated by pro-Russian people. I had been thinking about getting an apartment, the city is well developed, with decent industry and services. In Kyiv, the city we left this time, it was much better. Come to think of it, I realize Donetsk never really was home. But in the five years we lived in Kyiv, it truly became home for us.

WHAT WOULD YOU SAY ARE THE MOST DIFFICULT PARTS OF LIFE NOW?

Anna: It might seem like a joke, but waking up to air raid alarms now is a bit annoying. We only think of it as a joke because everything is a bit tough. We don't know if everything is going to end soon, or ever, and everything seems boring and difficult. But you push yourself.

Dmytro: It's like that photo on the internet of the vending machine with the sign that says 'the light inside is broken but I still work.' That's how it feels. Thankfully for us, we are in a safer part of the country, to a limited degree.

CAN YOU ELABORATE A LITTLE ON WHAT YOU FEAR THE MOST DURING DAILY LIFE?

Anna: It would probably be a nuclear bomb. You never know if it's going to come, and it's always a threat. I wake up watching the news feed, saying, 'please, no nuke,' because you never know what's in Putin's head. Then, shelling in general.

Dmytro: For me it's fifty-fifty that either the Russians are going to send an unconventional or nuclear missile, or our local government is going to make some incompetent decision that's crazy in nature.

DO YOU THINK YOU WILL BE FORCED TO LEAVE THE COUNTRY FOREVER? IF SO, WHERE WOULD YOU GO?

Dmytro: 'Want to' is not really an option. 'Unable to' is the reality, but I'd say Europe ideally. Certainly a NATO country, because as useless as some might perceive NATO to be right now, I don't think Russia would dare do anything to them. I don't think any country bordering Russia is safe right now, at least until they lose their nuclear arsenal.

WHAT ARE YOUR PERSONAL VIEWS ON THE INVOLVEMENT OF NATO AND OTHER WESTERN COUNTRIES IN SUPPORTING THE UKRAINIAN ARMED FORCES? IS IT MAKING A TANGIBLE DIFFERENCE FOR YOU/YOUR COMMUNITY?

Anna: We had high hopes for NATO, especially in the early weeks of the war. People here were asking NATO to close the sky and they said they don't want to anger Russia. With that we lost a lot of hope and trust in NATO. It seemed so useless as countries pay so much money to be a member of them, both the NATO and EU. Especially the EU, they do nothing and stand by and say they are concerned. I'm not sure NATO is the right way to go for us, but then again, Russia is unlikely to stop bombing us any time soon.

Dmytro: In terms of EU involvement, at least they provide some support in the form of weapons. These are relatively light weapons such as firearms, Javelins, NLAWs, and things like this. While these are good, particularly after everyone

thought Ukraine would fall in under a week, most of these weapons are more for guerilla warfare.

If I was writing this, I would put this in bold caps; we are very slowly getting heavy weaponry from Western countries. This includes the HIMARS, M777s, and M270s but the problem is that it's very slow. As I understand, they have more transport planes capable of delivering them, but maybe they are afraid of angering Russia by sending too much, too quickly. The HIMARS especially are very effective, such as in Kherson.

Anna: They say that in occupied Kherson the Russian soldiers are very paranoid. The locals have said the soldiers look like astronauts because of all the equipment they have on, they're really protected because they're scared of the HIMARS. The fear is also that Kherson will be liberated soon because of this support. It proves that we need more heavy equipment.

WILL THERE COME A TIME THAT YOU SEE YOURSELVES GOING INTO THE MILITARY/POLICE/SECURITY SERVICE OUT OF DESPERATION?

Anna: For me, it's out of the question. That's a part of the conscription, but it's forced here for all men. But for some men, it's more useful to keep them doing what they are doing, such as businessmen or IT workers. It's more useful than having them die or become wounded. For me, I'm more useful where I am because I earn money, pay taxes, and donate supplies and money to the army. That's not just the argument for me, but for a lot of people here.

Dmytro: For me, it's very much the same. For anyone that's been following this war, you've seen the cruise missiles we used to sink the Russian ship Moskva, and also the artillery we used to liberate Snake Island. Both of these were prototype weapons and not listed as official weapons of the Armed Forces of Ukraine. The development of both started between 2014 and 2019, and the funding stopped sometime after 2019. This was sometime after the presidential elections.

VOLODYMYR ZELENSKY HAS WIDELY BEEN PRAISED AS A HERO OF THE REPUBLIC, A SAVIOR OF UKRAINE, ETC., BUT NOT EVERYONE IN UKRAINE SHARES THIS PERSPECTIVE. WHAT DO YOU SEE IN HIM AS A NATIONAL LEADERSHIP FIGURE?

Dmytro: Well, when we were driving out of Kyiv at the start of the war, I was driving the car and Anna was checking the news constantly. It was an emotionally

challenging period of time, for sure. I felt quite a bit of respect for him because he didn't run away. Apparently, there was some conversation, I'm not sure if it took place or not, but the US offered him a helicopter ride out of Ukraine and he said he needed ammunition, not a ride. But now, unfortunately, that respect is long gone. We have a lot of questions for him, much more than we had with Petro Poroshenko.

Anna: His concept was ridiculous. They were trying to shape [former US President Ronald] Reagan out of him and say 'look they had Reagan and now we have Zelensky.' Just because it worked in one country, doesn't mean it will work here as well. His predecessor, Poroshenko, was fighting on all fronts and refused to let people forget that there was a war going on. He constantly said we needed a bigger army, wanted to popularize Ukrainian as the national language, bring in the Church, and that we needed to be one nation. He had his share of scandals and things he needs to be responsible for, so he's certainly no saint, but he was perfect for that time. However, so many people were tired of hearing about the war.

IT SEEMS THIS WAR IS NOT GOING TO END ANYTIME SOON. WHAT DOES THE FUTURE HOLD FOR YOUR FAMILY?

Anna: I would like to stay and eventually go back to Kyiv. But everything would have to stop because even now there's too much bombing and shelling. Kyiv really did become our home. I somehow always grew up knowing I would live in Kyiv, even when I was living in Donetsk.

Dmytro: I really don't know. While I do have my friends here, there is the matter of my parents. They are still living in occupied Donetsk, and I have no idea when it's going to be de-occupied, if at all. Honestly, I'm not sure it needs to be de-occupied.

Kherson and Zaporizhzhia definitely need to be de-occupied, and there's a good guerilla movement there and general local resistance. In Donetsk, Luhansk, and Crimea, there is no resistance. The people there are ok with or actively support Russia. My family has been living there since 2014, I saw them in 2018, and I have not seen them since.

Kyiv did become home, but I realize it's not going to be entirely safe until Russia loses its nuclear weapons. Even if they don't use them, it still gives them leverage and an attitude that they can do whatever they want. For now, any Ukrainian who can should at least try to go to a different country, because if the West isn't going to do more, then it's not going to be safe here.



A traffic jam in Kyiv, Ukraine, on 24 February 2022, as residents flee the Russian invasion on the first day. Source: EPA-EFE/Sergiy Dolzhenko

Finance and Information Management - Kutaisi International University Launches New Master's Degree Program



Kutaisi International University campus. Image source: Ministry of Education and Science of Georgia

INTERVIEW BY MICHAEL GODWIN

Kutaisi International University, or KIU, is one of Georgia's newest and most cutting-edge higher learning institutions. The university, the largest campus-based university in the South Caucasus, was opened in 2020, offers an expertly designed campus on 158 hectares (390 acres) of land, and English language programs in management, mathematics, and computer science (undergraduate level). In partnership with the Technical University of Munich (TUM), KIU is now introducing yet another program with the announcement of the admission of students to a new master's program in "Finance and Information Management - FIM". The FIM program was established at TUM in 2004 and has been ranked top by the nationwide CHE Master-Ranking of 2008, 2011, 2014, 2017, and 2020 of the newspapers "Die Zeit" and "Handelsblatt", ranking 1st in all categories. This program aims to equip students with advanced technical knowledge as well as the career opportunities to excel in the financial sector.

GEORGIA TODAY sat down with Natia Zedgenidze, the Head of the School of Management and co-chair of the FIM program at Kutaisi International University School to speak about this new opportunity. Dr. Zedgenidze has worked in the field of education for years, particularly in higher education. She discusses the new program's potential, how the FIM program stands out from other university programs, and how this is a growth opportunity for education in Georgia.

WHAT MAKES KIU A PERFECT PLACE FOR THIS NEW PROGRAM?

KIU has committed itself to offering its students an excellent practice-oriented education at the highest level. In doing so, excellence, the entrepreneurial mindset, as well as integrity, are to be created and adapted into the students' way of thinking and acting. The degree program fits seamlessly into this concept.

With FIM education programs, KIU, namely the School of Management (where the FIM program will be delivered to future students), offers a comprehensive program portfolio that puts into action the idea of lifelong learning and the mandate of an offer of study and continuing education. In accordance with the strategic orientation of the school, international management education takes place in all programs at the interface of economics with engineering, natural and/or life sciences, with a strong entrepreneurial component.

The design of digital business models is one of the major societal and entrepreneurial challenges to be addressed by the school in research and teaching. In the field of financial services, the transformation to digital business models is taking place at a particularly high speed. With the introduction of the Master's in Finance and Information Man-

agement, this is also being reflected in education.

The content of the programs varies according to the different admission requirements and the individual educational background of the applicants. The FIM program of the School of Management can be divided into the following categories:

(1) Interdisciplinary management program with a focus on engineering, natural and life sciences;

(2) Program that provides basic management training for students with a technical or scientific first degree;

(3) Programs in the area of continuing education: The faculty's area of continuing education is structured analogously to this strategy.

In the FIM for professionally experienced persons with management responsibility, the participants will further develop into effective and responsible managers through the expansion of knowledge, the development of their competences and the development of their personality.

HOW DOES THIS DIFFER FROM OTHER FINANCIAL AND IT MASTER'S PROGRAMS IN GEORGIA?

The present Master's program is not yet offered in its overall concept and objective at any other university in Georgia. The closest to the Finance and Information Management degree programs are Finance Management degree programs with the option of specializing in the field of Information Management, and Information Management with the option of specializing in the field of Finance.

For comparability, only programs with a Master of Science degree program in either Finance or Information Management are experienced on the Georgian market. Yet those financial management degree programs do not have a link to Information Management. The possibility of taking information management as an explicit specialization was offered by KIU with its Master of Science in Finance degree program. No other financial management study programs are known in Georgia in which the areas of financial management and information management can be combined or even linked as focal points.

Further, no information management degree program can be found in which the fields of Finance and Information Management are linked in a way as in our Finance and Information Management program. In some cases, Information Management courses include in-depth modules from the field of Economics. In most cases, however, these are comparatively general in-depth modules in economics. Only KIU offers a specialization in Finance and Economics in its FIM program.

The possibility of obtaining this particularly research-oriented qualification profile through the modules within the framework of the Master's program is unique in Georgia in the case of the Finance and Information Management program.

The Master's program in Finance and Information Management is located in

the School of Management. By focusing on the topics of digital finance, financial management, information technology and financial mathematics, in conjunction with entrepreneurial thinking and acting, this degree program is characterizing and adds a new component to the portfolio at the School of Management.

There is a diverse list of areas where FIM program graduates can find employment or continue their professional careers. Those sectors will be most in demand and high-paying by 2030, such as the financial sector; start-ups, especially the so-called FinTech sector (FinTech) and insurance-tech (Insure-Tech) companies; insurance companies; investment companies; consulting organizations that specialize in consulting digital financial services, conceptual software design and development; healthcare and pharmaceuticals; computer and data science sector; multinational companies in distribution and production/manufacturing sectors. The career opportunities of the FIM program cover all sectors where financial management technology models are needed.

I would also emphasize the concentrations that the FIM program includes: Quantitative Finance - (QF); Financial Management (FM); and Business and Information Systems Engineering - (BISE). Involving international academic personnel from the Technical University of Munich, the University of Toronto and other higher education institutions cre-

ates and adds more value to the program.

The third and not least important factor I would name is the academic personnel of the program. The FIM program head at KIU is the Head of the Financial Mathematics Department at the Technical University of Munich (TUM), Professor Rudi Zagst, who is the creator and implementer of the program at TUM. Prof. Zagst will personally deliver some courses under the FIM program, as will his colleagues from Toronto University and other international professors. There are many international professors in the Management School who will be teaching during the learning period. Their international experiences on a global level and technology focused skills, represent knowledge I am sure will create a golden opportunity for future FIM students to explore and gain the best from the program.

The annual program fee is GEL 12,250 for Georgian citizens, and 7,000 Euros for foreign citizens. The fee covers local transportation (Tbilisi-Kutaisi-Tbilisi), KIU International University shuttles, a welcome kit with a laptop (if necessary, a KIU laptop can be provided free of charge for the program duration), email, Office365, corporate kit, access to KIU LMS, an online library, and more.

The KIU offers tuition funding to the best 10 candidates. Funding can be obtained after the application procedure and submission of relevant documents. Funding will be provided through the budget allocated within the relevant category. It is a competitive process and scores obtained in the Master's exam will be taken into consideration.

ARE THEY ANY OBSTACLES YOU SEE WITH THE PROGRAM, SUCH AS ENROLLMENT NUMBERS, STAFFING, ETC.?

Well, the FIM program is totally new in the Georgian market and there is no such experience of combining multidisciplinary areas (such as Finance and Information Management) into one program. You cannot find any other master's degree programs in Georgia that are so rich with in-demand and at the same time challenging courses! We offer Blockchain System Engineering, Blockchain Based Systems Engineering, Complex IT Inspection and Audit (IT Due Diligence & Audit), Financial Econometrics, Machine Learning, Digital Disruption, Innovation

and Transformation, and more.

It's impossible to find people who can deliver those courses on an academic level, in English and with modern and relevant teaching formats. Why? Because the program concept is totally new for the domestic market, and that in turn requires and demands high level professionals with mixed knowledge and skills in finance and information management.

Yet, I don't see a challenge in terms of academic personnel, as we already have well established and experienced professionals, international academic staff at KIU, and on the School of Management board.

I consider a challenge the limited number of students who will be able to become MSc FIM Program students for of a couple of reasons:

1) Program admission requirements which limit the number of potential applicants for the program. Namely, admission requirements ask for one out of the following areas: finance, economics, business & information systems engineering, computer science, information technologies, information systems, mathematics, statistics or related study fields, physics, computer engineering.

2) The total number of students in the FIM program - we opened for a maximum of 15 students. This number is low, but we established the same standard by suggestion of FIM program supervisor Prof. Zagst, the same total number of students set at TUM due to the individual working and study approach/collaboration towards each student under the program.

COULD THIS NEW PROGRAM OPEN THE DOOR FOR ADDITIONAL OPPORTUNITIES IN EDUCATION FOR GEORGIA?

The FIM program and KIU platform are concepts of teaching, meaning and architecture of programs, focused on international and global requirements and on the Georgian educational research market will set the new voice and demand of the global world. While the technology era is setting its requirements to different areas/sectors of the markets, the combination and mixture of economics, finance, econometrics, information management, IT, statistics, engineering, etc. disciplines under the FIM program, will bring a new cohort of human capital into the market.

I strongly believe the FIM program graduates will establish new experience and improvements in their existing or future companies; they will be new words in the local market and create competitive advantages not only at the personal level, but in terms of company levels.

ARE THERE ANY OTHER UPCOMING PROGRAMS, PROSPECTIVE STUDENTS, PARTNER ORGANIZATIONS, AND THE EDUCATION INDUSTRY SHOULD BE ON THE LOOK-OUT FOR AT KIU?

Yes, there is another new PhD in Economics program at the School of Management, that will start in fall 2022 and get doctorate students on board. The PhD Students will conduct their research and academic activities under the mentorship and supervision of our international professors. We have great and well experienced international and national researchers and academics in Economics: Prof. Steffen Sirries, Prof. Martin Leroch, and Prof. Murtaz Kvirkvaia. I am sure that our doctorates will create valuable research and elaborate outstanding doctorates in the area of economics.

I would like to add that in October 2022, Munich Technical University students from the FIM program are visiting the KIU campus. They will share their experience in the FIM program, as well as prepared projects with KIU, FIM Students. Prof. Zagst explains this as a great opportunity to create bridges and tighten links between TUM and KIU FIM program students that will increase the collaborative and experience sharing education process.



KIU's announcement flier for the new Master's program. (KIU)

Why I Danced. Part I



BLOG BY TONY HANMER

My 2nd Svan tale, but published 3rd, set like the others in the silent Middle Ages.

DEDICATION
My neighbor, having read the Georgian translation of my first Ungathered Svan Tale, Legend of the Grandparents, and begged for more, can now peruse the next one. He told the original version to

me, so I dedicate my retelling to him: Ramaz, this one's for you, dear friend.

PROLOGUE

Every year, without fail, as the snows on the Mountain Wall across the Enguri River above Etseri village begin to melt under the influence of the summer sun's growing presence, a figure is revealed on the near-vertical slopes. It is unmistakably that of a man dancing, holding a banner which waves in the breeze. What does he mean by this?

The inhabitants of the villages of the area who can see his appearance know. Pari ("shield" in Georgian), Etseri ("help"

in Hebrew), Tskhumari, all nearby; and others out of direct sight who know the story. Much seemingly depends on this dancer as he gradually disappears, his form partly melting and running down, partly sublimating up into the very air.

All these people above a certain age grew up being told this: that whichever of the man's limbs vanishes last, in other words survives the longest, the village or part of Svaneti to which that appendage points will have the best fortune in the coming year. They wait and watch now, having learned the hard way that to interfere in this process unnaturally can only, at best, give nothing, and at

worst reverse the blessing, turning it fiercely against them while allowing others to flourish.

It might seem odd that one has to wait until long after midsummer to discern the fate of a particular area of snow. We are not, after all, at Arctic or Antarctic latitudes; a handful of days' walk away are subtropics, palms and citrus! But such are the vagaries of the sun's changing passage here and the angle of the Mountain Wall in relation to it that precisely this place is allowed to continue being draped in white until so late. One might be forgiven for thinking in mid-winter that surely that Wall cannot shrug off all its vast and deep accumulation of snow, no matter how strong the sun beating against it. Autumn, and a new winter, will after all return, with even more snow! But the Wall does emerge all in green, the whole thing, except for one or two peaks which seem to be connected to it but are in fact far behind it and much higher than the Wall. It is only our perspective which links them, and falsely at that. The snow drips and rushes into the roaring canyons of the Enguri, and thence eventually into the Black Sea.

* * *

It was on such a midsummer long ago that Demetre, impatient from having observed for days, roused his friends in Etseri to cross the Enguri, climb up, and attack the Snow Dancer with shovels. Their plan was to cut off and destroy all his limbs except for the one which pointed straight to their village, precisely in order to guarantee it a good, prosperous, successful and in all ways happy year, while denying the same for all other villages and regions of Svaneti which came under the reach of his frozen exertions. They knew that they would be quite visible in this endeavor if they went by day, unable to hide, but decided to proceed anyway. The risks of doing it by night were sim-

ply too high, especially given that they wanted good fortune for their troubles, and not evil!

On a fine sunny summer morning, the four of them packed saddle bags with food, water and ropes, and lashed spades to their horses' saddles for good measure. They set off down through Isk'ari hamlet, crossed the main road through Upper Svaneti, and continued through Ladreri. Then more steeply down, nearly sliding forward over their steeds' necks, towards the bridge over the Enguri. This whole process took more than an hour, as it was much further to the bridge than was obvious from above. Across the boiling waters far below, then up, up the other side through Gvalderi before they were even level with their departure point.

The seemingly insignificant streamlet which they had to cross now was actually, when one was upon it, much too fast and deep for a strong man to stand up in; he would simply be knocked right off his feet at first step and swept away to the Enguri which this melt-river fed along with many hundreds of others. But the young men knew that their horses had better sense than to enter the river if they could not traverse it and, trusting them as they had many times before, they were borne slowly safely over the rock-laden gush. Following the ancient cattle trails, they continued to ascend, back and forth but always upwards.

To be continued in next week's GT.

Tony Hanmer has lived in Georgia since 1999, in Svaneti since 2007, and been a weekly writer and photographer for GT since early 2011. He runs the "Svaneti Renaissance" Facebook group, now with nearly 2000 members, at www.facebook.com/groups/SvanetiRenaissance/. He and his wife also run their own guest house in Etseri: www.facebook.com/hanmer.house.svaneti

The New Life for the "Intourist Kazbegi" Hotel



BY SOFIA MALANIA, TRANSLATED
BY ANA DUMBADZE

The history of Hotel "Intourist Kazbegi" began long ago in the 1960s, but now it has acquired a new life, while continuing to promise its guests proximity to nature, a comfortable, peaceful rest, and quality services.

The general manager of "Intourist Kazbegi" Tsira Fitskhelauri talks about the advantages of the hotel.

WHAT IS THE HISTORY OF CREATION OF "INTOURIST KAZBEGI"?

The hotel is of historical importance.

About 60 years ago, it operated in Kazbegi within the "Intourist" chain. In the 1990s, it stopped working due to the political situation in the country. But in 2021, the hotel acquired a new life, keeping its a historical name and appearance. Although the hotel opened during the pandemic, interest was quite high.

TELL US ABOUT THE ADVANTAGES OF THE HOTEL.

Our main advantages are our proximity to nature, location, design, history and quality service. All this will make every guest feel special, and anyone who has stayed with us at least once will definitely be back for more. The hotel has two bars, a restaurant, a terrace and a library. Despite its simplicity, the exterior of the hotel is very impressive. Our vacation-

ers often note this, that even every detail has been well planned in the design.

Nature is present throughout the hotel. The wooden facade blends flawlessly with the beautiful forest scenery, and the rooms offer a beautiful panoramic view overlooking the Kazbegi mountains. In the hotel kitchen, you can discover new flavors and taste traditional dishes. Also, customers have the opportunity to attend masterclasses run by the hotel's chefs and to get to know Georgian culture and traditions more closely.

We also offer a wide selection of drinks, including types of Georgian wine and Qvevri wine. In addition, for those who combine leisure with work, conference rooms are available. In fact, it is an ideal environment for various events.



FUTURE PLANS?

In the near future, the management of "Intourist Kazbegi" is thinking of offering additional services for vacationers: a spa and pool, gym, various entertainment spaces for both adults and children;

more spaces for business meetings, etc. Our goal is for "Intourist Kazbegi" to be associated with quality, comfort and innovation. We have already created a cozy and pleasant environment for our guests.



Vardzia: History Etched in Stone



The Vardzia cave complex in southern Georgia. Photo by Mike Godwin

BLOG BY MICHAEL GODWIN

While many ruins of ancient kingdoms have either crumbled away from years of decay or been destroyed by war, some still remain very habitable to this day. The Georgian cave complex of Vardzia is one such case. With a monastery still in use and many of the caves still capable of providing adequate shelter, the complex has a special place in the Georgian national identity.

The approach to the complex takes visitors through a winding valley road

along the Mtkvari River. The lush valley opens to a wide space of terraced fields and a modern village still inhabited by locals. A foot trail leads up to the complex where, at the first of these caves, the path continues under the dome of an old stone overlook still bearing ornate carvings around the entrances.

One of the first preserved rooms is a refectory, or dining facility, with seats and crud tables still lining the sides of the hall. These Spartan eating quarters consist of only a long stone bench and table where the monks would consume their simple rations of bread and wine. Some of the other cave compartments have visible signs of smoke, alluding to the use of camp fires in the complex.

However, as it would be improbable

that anyone would light a fire in a closed compartment, it's likely these markings were made later. When the Ottomans arrived in 1578, the area was a heavily trafficked road for trade and military travels. As a result, many merchants and traders would use the exposed caves as temporary lodging, thus the campfire residue.

Entering the The Church of the Dormition, we see the walls are covered in wonderfully preserved artwork. These paintings are breathtaking, and UNESCO states they are of "crucial significance in the development of the Medieval Georgian mural painting." The interior is likewise amazing, with a barrel arch ceiling rising 30 feet (9.2 meters) above visitors. On the north wall are the famed

paintings of Kings Giorgi III and Tamar the Great, both holding models of the church. Of particular note is an inscription that only Tamar has, saying, "God grant her a long life."

Scenes of the life of Christ cover the remaining wall space, illuminated by only three large windows. To the rear of the church, through a tunnel, is a natural spring, where a virtually endless supply of potable water is available. This would have been invaluable during times of siege. A small tomb lies to the north, before a tight tunnel invites visitors to the next location.

The tunnel leads to another section of the complex, complete with additional housing, meeting halls, and cellars, before leading back down to the slopes of the complex. The wine storage cellars show an interesting view into life at the monastery, and many of the pits inside these special caves still have remains of Georgia's famous Qvevri (clay wine amphora). These large handless amphorae would have stored vast liters of the church's wine, shedding interesting light on monastic viticulture in the region.

For centuries, the site was home to some of Georgia's earliest inhabitants. While much of the visible cave structures come from later medieval Georgia, the origins of the site go much farther back. Proof of pre-Christian habitation has been found at the site, indicating that the area was an important trading hub, and the long valley was likely an important highway for trade and military transport.

Evidence of the Tiralti cultures from around the 3rd and early 2nd millennium BC was found by archeologists in the mid-20th century, indicating the breadth of this ancient empire. Since then, it seems to have been an important center for trade, culture, and religion, particularly as Saint Nino brought Christianity in 327 AD. However, it was not until later that the greater cave complex would become the massive behemoth it is today.

The first phase of intensive construction began under the reign of Giorgi III, who ruled the Georgian kingdom from 1156 to 1184. The King, with his more aggressive stance towards Georgia's enemies, saw in the beginning of what is commonly referred to as Georgia's Golden Age. While the site was already a significantly populated area, the caves began to be carved out and a complex constructed in its early form under Giorgi

III. As a result of this, he is forever memorialized in the Church that was built later.

Following his death in 1184, his young daughter's ascension to the throne would spell new additions for the Vardzia caves. Tamar the Great, also known as King Tamar, led the country from 1184 to 1213. Her reign is largely considered the most prosperous period of Georgian medieval history. During her tenure, the caves received their most iconic structure in 1186: The Church of the Dormition. It was at this time that some of the earliest paintings were created in the interior of this sacred structure.

Again, under the reign of King Tamar, the complex was improved. During her conflict with the Sultanate of Rum, or modern day central Turkey, the caves were used as a staging area for her armies. As they marched to victory against the Sultanate leader Suleiman II at the Battle of Basiani, the complex was again upgraded. These upgrades included advanced fortifications, additional habitation structures, and an integrated water and irrigation supply system that can still be seen today.

This upgrading would carry the cave monastery complex and accompanying village through generations of kings and queens. During their reigns, the caves saw continuous small improvements and additions, owing to its reliability and security. An earthquake in 1283 launched a massive reconstruction effort that deepened and reinforced the cave framework under King Demetre II. It is said that during the raids of the Mongol Horde in the late 13th century, many of the kingdom's valuables were stored in the complex. However, in the late 16th century, the population of monks and assisting villagers departed the area, leaving the caves abandoned to time.

Today, the site is an impressive testament to Georgian strength and power, and a lasting monument to its history. The preservation of much of the artwork near the church is done through the Courtauld Institute of Art in conjunction with the National Agency for Cultural Heritage Preservation of Georgia and Tbilisi State Academy of Arts. It remains on the UNESCO World Heritage list and is a common location for tourists of all persuasions. Just as it has withstood invasions, monarchical collapse, and abandonment, it will likely survive the continuing test of time as one of Georgia's most astonishing historical sites.



The facade of the cave complex with the large tower in the center left, and the church exterior on the center right. Photo by Mike Godwin



A cave chamber once used as a wine storage cellar, with some of the pits still containing Qvevri remnants. Photo by Mike Godwin



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Reg. # 06/4-309

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THE WORLD AHEAD 2022

