

Caucasus Journal
of
Social Sciences

Volume 12
Issue 1

The University of Georgia Publishing House

Tbilisi

2019

UDC(uak) 908 (479) (06)

k144

Printed at The University of Georgia.

Tbilisi, Georgia.

Copyright © 2019. All rights reserved by the University of Georgia. Permission to make digital or hard copies of part or all of this work for personal or classroom use is granted without fee provided that copies are not made or distributed for profit or commercial advantage.

No responsibility for the views expressed by authors in the Caucasus Journal of Social Sciences is assumed by the editors or the publisher.

Caucasus Journal of Social Sciences

The University of Georgia.

Georgia, Tbilisi, 0175.

M. Kostava Street 77, Building IV.

Tel: (+995 32) 255 22 22

Email: cjss_editor@ug.edu.ge

Copyright © 2019

Caucasus Journal of Social Sciences

ISSN 1512-3677

Caucasus Journal of Social Sciences

Editor-in-Chief

Jeremiah Paul Johnson

Managing Editor

Julieta Andguladze

Board of Editors

Abuladze Konstantine	Tbilisi Teaching University “Gorgasali”
Alasania Giuli	The University of Georgia
Begiashvili Malkhaz	The University of Georgia
Bobokhidze Mariam	The University of Georgia
Carper Mark	The University of Alaska Anchorage
Davies Janette	Oxford University
Dzebisashvili Lasha	The University of Georgia
Ghudushauri Tinatin	The University of Georgia
Gvelesiani Mariam	The University of Georgia
Kakachia Kornely	Tbilisi State University
Kaladze Natia	The University of Georgia
Kazakhashvili Nata	The University of Georgia
Licheli Vakhtang	The University of Georgia
Meparishvili Marina	The University of Georgia
Nadareishvili Mamuka	Chachava Clinic
Raupp Edward	Stefano Moshi Memorial University College
Reisner Oliver	The Humboldt University
Sanadze Manana	The University of Georgia
Söderlind Ulrica	Stockholm University
Tsiskadze Mariam	The University of Georgia

Contents

Economic

Goliadze Natia

International Practice Related to Compulsory MTPL Insurance 1

Raupp Edward R.

Forecasting Georgia Economic Growth 2020-2030 25

Linguistics

Chkheidze Maia

Universal, Discrete and Multidimensional Phenomena in Cognitive Linguistics 45

Shavtvaladze Nana

For the Issue of Language as a Relationship, Culture and Nation Awareness 57

Media

Machavariani Maia

Publisher the Georgian Press during the Years 1914-18 66

Psychology

Burduli Nana

Contact Boundaries in Love Relationships 72

Law

Kostanyan Gevorg Surik

The Formation of the Principle of Margin of Appreciation in the Practice of International Courts: A scientific and practical analysis 95

Metreveli Archil

“The Special Role of the Apostle Autocephalous Orthodox Church of Georgia in the History of Georgia” as the basis for exclusive exemptions and privileges - Case Law of the Constitutional Court of Georgia 104

Economic

Goliadze Natia

The University of Georgia, Georgia

International Practice Related to Compulsory MTPL Insurance

Compulsory MTPL insurance has several public goals, including fairness, road safety, consumer savings, solving road problems and feelings of safety. Studies have shown that an increased number of motor vehicles increases the number of road accidents and road conditions are getting worse. At the same time, the social responsibility for road accidents is shifting from society to government. That is where the compulsory form enters the field.

Compulsory MTPL insurance is a relatively new product for developing countries and its advantages are vague for society. In most cases, compulsory insurance is perceived as an additional charge that burdens the vehicle. This term is less common and not properly understood in developing countries.

In order to have a better understanding of compulsory MTPL insurance, this article discusses compulsory forms and stages of development of MTPL insurance in different countries. It also focuses on the recommendations for developing countries to properly implement the compulsory form in their own society.

Keywords: insurance, motor third party liability, compulsory insurance, compulsory MTPL insurance, auto insurance, road accident, international practice.

There are voluntary and obligatory forms of insurance. Under voluntary insurance, the user optionally insures his liability, property, or personal interest. But under obligatory insurance the object of insurance, the types and the procedure of implementation is determined by legislation. In such cases, the insurer can only offer insurance that is better than the conditions set by the law for the insurer (Parliament, 1997, Article 5).

The most common type of obligatory insurance in the world is the Motor Third Party Liability Insurance (MTPL). The purpose is to insure the civic responsibility of the owners of the vehicle towards the health or property damage inflicted on the third person (Rejda & McNamara, 2008, pp. 522-523).

Cars began being regularly used after the First World War. By that time motor vehicles were perceived as relatively fast and dangerous to the public, although obligatory insurance had not yet been a security mechanism. In most cases when the car accident occurred, the damage was so high for the vehicle owner itself that s/he was not able to compensate third party affected by the accident. The obligatory form of insurance was first introduced in England on the basis of the 1930 Road Act. However, this act covered only a third party's injury and death and not property damage. In 1939, there were already legislative requirements for such compulsory insurance in Germany.

Usually auto insurance includes four coverages. It includes the insurer's personal car and compensation is given to insurer for own damaged car; Another is medical expenses which covers expenses of the insured, his family members and other persons who are passengers of insured vehicles (insurer's own vehicle); Also liability coverage and insurance for the uninsured driver. The liability insurance covers medical expenses not for the passengers of insured vehicle, but for the third party injuries and death. Also property damage that is not caused by the damage of its own vehicle (insured vehicle) but the damage caused by the property of third parties - "victims".

The MTPL insurance solves the following types of problems: When an accident occurs and the victim has to use their own auto insurance for bodily or property damages of its own car/passengers (the insurance company reimburses the loss by the first and second payments/coverage), this expense will have an impact on the next insurance period. Also if the victim himself is not insured (as driver) or is only a pedestrian, s/he could perhaps will not be able to get reimbursement from the offender due to insufficient funds or because the offender can run away. In the case of MTPL insurance the "offender" has no motivation to flee the accident area because s/he knows that the insurance company will pay the money not s/he. Also, the victim's insurance company is not obliged to reimburse the amount, which will not increase their premiums over

the next insurance period. If the pedestrian is injured, the “offender” will not reimburse the loss, but its insurance company. And because the insurance company is an institutional unit, it is more likely to have financial stability and possibility to completely reimburse the losses.

Social problems and frequent motor incidents have become a cause for third party insurance in the compulsory form. The second biggest problem that has contributed to the formation of compulsory insurance are traffic jams and related problems. When the price of autos became publicly affordable, the number of motor vehicles quickly and significantly increased on roads, causing traffic jams and many other social problems. Immediately after the introduction of compulsory insurance, a guarantee fund was created, in which each insurer had to pay the percentage of the insurance premiums. Such funds were served and still serve to cover uninsured drivers. Such drivers are considered to be uninsured and runaway drivers and those whose insurance contract cannot fully compensate for the damage. Accordingly, the third party knows that the damage will be reimbursed by the insurance company or the guarantee fund. (Organization for Economic Cooperation and Development, 2004, p.192)

According to Todd Litmann, (executive director of the independent research agency for solving transport problems at the Victoria Transport Policy Institute of the Canadian Transport Policy Institute) compulsory MTPL insurance has several public goals: including fairness, availability, road safety, consumer savings, choice and solving road problems (Rejikumar, 2013, p.19). Studies have shown that as the use of motor vehicles is increasing, the risk of road accidents increases, and road conditions are getting worse. At the same time, social responsibility for road accidents is shifting from society to government. That is where compulsory form enters the field.

MTPL insurance should be especially relevant for developing countries, as the financial security of the community, economic stability and social environment should be improved daily. Because of this, this type of insurance is presented in compulsory form. The World Bank’s analysis across Africa, Central Asia and Europe clearly demonstrates that 30% of non-life insurance premiums come from auto insurance. This phenomenon can be explained by the growing industrialization in developing countries. The compulsory MTPL insurance is a relatively new product for planned economy systems and its advantages are vague for the developing countries. In most cases, compulsory insurance is perceived as an additional charge that burdens the vehicle owner and not personal liability insurance that improves the social environment. This term is less common and not properly understood by the developing countries (The World Bank, 2009, pp. 1-5).

In order to have a better understanding of compulsory insurance, this article discusses the compulsory forms of insurance and the stages of development of compulsory MTPL insurance in the Baltic States, Asia and South Africa. It also focuses on recommendations for developing countries from the examples of Brazil and India on improving this sphere of insurance. The examples of Russia, Poland and Azerbaijan are also considered. Insurance limits and premiums are discussed in the example of Estonia, Poland, Italy, Greece, Germany, France, Estonia and other countries of Europe.

The article reflects examples of insurance markets in different countries in relation to the compulsory MTPL insurance to be able to properly implement this field of insurance in their own society.

Georgia has the obligation to introduce MTPL insurance in compulsory form from the EU in accordance with the Directive 2009/103/EC of the European Parliament and of the Council of 16 September 2009 relating to insurance against civil liability in respect of the use of motor vehicles, and the enforcement of the obligation to insure against such liability. In the frame of this directive, the practice would become more important to Georgia to launch socially responsible and liberal insurance.

The compulsory insurance practice in the world

Compulsory forms of insurance mostly can be found in motor third party liability insurance and in insurance from the accidents at work. The frequency of the risk and the severity of the consequences are so high in these two cases that the obligation of insurance is uncertain.

Any type of insurance is not subject to an obligatory form. It is important that the frequency and the severity of the risk should be important and a heavy burden for the public. Another factor implies that the severity of risk may not be widely distributed across an entire society, but it may be so important for entities that there is a need to be insured. The third factor is the expansion of the sphere of responsibility. It is implied that the introduction of insurance in the compulsory form should increase responsibility towards third parties. For example, MTPL insurance uses a fine-premium system that increases responsibility, because the insured person knows that if they are in an accident they will be guilty, the insurer will use fine-premium system and for the next insurance period the premium may increase. So insured feels the need to be careful even if they are not paying for the damages. This reduces the negligence factor for

subsequent insurance periods. (Organization for Economic Cooperation and Development, 2004, pp. 192-197)

Compulsory insurance is introduced at the level of legislation. With the recommendation of the Organization for Economic Cooperation and Development, there are several points that are most important in terms of legislation. The first is what compulsory insurance covers. Information about coverage cannot be general (for example, all medical practitioners should have professional liability coverage) because very often, in exceptional and additional terms, insurance companies can maximize the limits of compulsory insurance and minimize the payments. The second paragraph, which is also important, denotes the risks covered by the legislation. It should be clearly indicated that MTPL insurance covers body damage, death and other additional expenses including court expenses, or also covers property damages (Organization for Economic Cooperation and Development, 2004, pp. 205). It is also important to disclose information about insured persons. Will compensation be given if the driver is the only insured person and its family members, or any third party? It is important that the exceptions are allowed in the policy are written by the legislation. Because the goal of compulsory insurance is to reimburse the damage to the members of society and thus reduce the sense of fear, threat and the uncertainty of future, the insurer and the victim must know that the insurance company is restricted from refusing to pay the damages. If compulsory insurance is different according to territorial units, it should be controlled at the level of legislation and not by local self-governments or insurance companies. Changes at the regional level in terms of setting premiums and insurance limits also should be centralized and done by changes within the framework of the legislation. (Organization for Economic Cooperation and Development, 2004, pp. 207)

The law shall include a list of necessary actions and obligations to the victim, the insurer and the insurance company, as well as the deadlines for reimbursement, or the terms of declaring an insurance case and other obligatory conditions that may be the basis for reimbursement of compensation. The law shall also include information about the insurance company, regulator body, fines, as well as the guarantee fund and its rational use. (Organization for Economic Cooperation and Development, 2004, pp. 207-212)

In almost all Asian countries, the insurance of MTPL is mandatory. For instance, compulsory insurance only concerns responsibility for death or bodily damage in 9 Asian countries (Brunei, Cambodia, Hong Kong, Indonesia, Malaysia, Philippines, Singapore, China, and Thailand). Contrary to that, in India, Sri Lanka, and Vietnam the responsibility also lends to property damage (Organization for Economic Cooperation

and Development, 2001, p. 41). Asian countries are generally characterized by a variety of compulsory insurance. One type of compulsory insurance is only in Sri Lanka and Thailand (compulsory MTPL insurance). In other countries their number is up to five. (Organization for Economic Cooperation and Development, 2001, p. 18)

A very interesting form of compulsory insurance is found in the Philippines. In return for MTPL, the insured person may carry out a monetary deposit to ensure coverage during the accidents caused by him/her. It is also possible to purchase a specific volume bond.

France has the most variety of compulsory insurance. There are about 100 compulsory insurances in this country. The most important is MTPL insurance which has been in force since 1958. As in every country, there is also a guarantee fund in France to cover uninsured drivers. Since 1985, insurance companies pay damages, regardless of whether the offender will prove to be indifferent or not. So, if the insured person could cause damage due to negligence, they could avoid risk by asking an insurance company for the payment and the injured party would still receive damages within the insurer's policy.

In France driving schools also have MTPL insurance. At this time, insurance limits should be unlimited. Public transport has become within the limits of compulsory insurance coverage since 1935 and liability is extended to property damages (Organization for Economic Cooperation and Development, 2004, pp. 149-154).

According to the number of compulsory insurances in Europe, After France comes Belgium, where by 2003 year there were 100 types of compulsory insurance, while in 1994 years only 50 was. The transportation arena was the first in compulsory insurance. MTPL insurance for property damage has been in force since 1989 and for the bodily damages since 1947. As in France, here also driving schools must have the insurance towards to the third party property (1998) and body damage (1988) (Organization for Economic Cooperation and Development, 2004, pp. 154-157).

Compulsory MTPL insurance in Portugal has operated since 1985 and for driving schools since 1982. In Italy, compulsory insurance forms are about 70 types and are divided according to regional units. Compulsory MTPL insurance has been in force since 1969. Such insurance for driving schools was put into force ten years before (Organization for Economic Cooperation and Development, 2004, pp. 158-162). In Denmark, rented motor transport also is under compulsory insurance.

Only 6 types of insurance are available in Turkey. Among them is the compulsory MTPL insurance; As well as bus passengers' insurance; Aviation insurance; Liability insurance to third parties which is related to dangerous cargo and materials (in terms of environmental pollution) and eventually earthquake insurance. In Ireland compulsory insurance is only in the form of MTPL. In Canada the insurance limits are different according to provinces. In the United States, MTPL insurance is compulsory, but not in every state.

The history of compulsory insurance development of the Baltic States (Estonia, Latvia and Lithuania) is very important because these countries are close in terms of economic development to Georgia's situation. In the Baltic countries we see compulsory insurance for professional liability, motor vehicles, air traffic, tourism operators and other types of compulsory insurance. In terms of health care, compulsory insurance concerns certain social classes. For example, in Latvia judges and prosecutors should have health and life insurance. Auditors, diplomats living abroad, specific operators of the National Opera should have health and accident insurance. (Organization for Economic Cooperation and Development, 2004, pp. 218)

The report of the Organization for Economic Cooperation and Development reviews the legislative basis of the Baltic countries's insurance (Insurance in the Baltic countries: Policy issues in Insurance, 2004, pp. 217). This report shows that MTPL insurance is compulsory for almost all Baltic countries, although legislation requires development and refinement. For example, the law adopted on July 10, 1996, in Lithuania states that compulsory insurance is regulated by legislation while voluntary insurance is based on a contract. As international experience shows, compulsory insurance cannot be carried out only by law. Contracts signed between the insurance company and the insurers are important and necessary. Since the law only contains a minimum number of requirements and reflects general terms of insurance, it is still not enough to ensure that each member of the society is insured. For this purpose, the insurer agrees to the insurance terms by signing an insurance contract and the insurance is in force from the first premium paid by the insurer. Lithuania's legislation requires the development of an approach towards compulsory insurance by improving this formulation. This is not a problem in Estonia. As a result of amendments to the 1995 insurance law, in 2002 it was clearly defined that compulsory insurance is a form of insurance that is mandatory under the legislation and entry into force means signing an insurance contract. The 1998 law in Latvia correctly reflected this condition of compulsory insurance. The second article includes information that "in the case of compulsory insurance,

insurance contract should cover the requirements for the relevant class, which is determined by the regulatory body defined by the country, in which country the insurance is compulsory” (Organization for Economic Cooperation and Development, 2004, pp. 217).

In Azerbaijan compulsory insurance is provided for real estate, MTPL, third party liability, against the use of real estate, for the disability arising from accidents at workspace, and for the passengers’ insurance against accident (Republic of Azerbaijan, 2014). The compulsory insurance bureau describes the essence of each type of insurance in detail on its website. There is also information about legislation; standard forms of insurance policies. Here is the inspection page of the insurance policy which has already been signed and a sign in can be done very easily: by entering the registration number. The site includes comprehensive information as well as the terms of payment, documentation and duties of the insurance companies. Azerbaijan’s population can easily get information that simplifies the duties for insurance companies to manage operations related to compulsory insurance.

Under the 2009 motor insurance directive, anyone who holds a compulsory motor insurance policy in an EU country is covered to drive throughout the entire EU. (Organisation for economic co-operation and development, 2001, p. 176). According to the “Green Card”, compulsory insurance contributes to the harmonization of legislation between the member states and the easy movement of the means of transport. Also, it provides for the social protection of victims (Business and Economics Center, I-002, pp. 4-5)

Compulsory insurance terms in Russia are causing some misunderstandings because of the unification of the two types of insurances. In the first case, the state budget is allocated for premiums and the recipients are the insurance companies. Such kind of insurance in Russia, as well as in Georgia, is presented as the state programs of health insurance. At this time, the state organises the health insurance programs, the beneficiaries are citizens of the country, but premiums are paid from the government budget. The second form in Russia is used in the sense of traditional compulsory insurance. At this time the law obliges the population to have insurance. In Russia, this is the civil responsibility of auto owners (Organization for Economic Cooperation and Development, 2005, p. 26).

In practice, compulsory MTPL insurance cannot take on the the first form (when the state budget is allocated for premiums). The reason for this is that the factor of introducing the compulsory insurance is the expansion of the sphere of respon-

sibility. If the state allocates funds for the premiums, and the insurance company reimburses the damage, the “offender’s”, (the person who carries the risk of the accident) liability will not increase. If the premiums are not paid by the “offender”, but the state, the benefit of the compulsory insurance will be decreased, since the driver (potential offender) will not have a motivation to reduce their risk of road accidents (which is carried out by Bonus-Malus system through an increase in the premium over the next insurance period if previous insurance period is completed with loss) and vice versa we may push the driver to the negligence because they will not have any financial interest: the loss will not affect them personally.

Compulsory MTPL insurance may be carried out on the basis of a premium calculation according to the distance. This method is called Pay-As-You-Drive system. Within this method, an insurance premium is calculated based on how many miles or kilometers (distance units) have been driven during the insurance period. This system of premiums calculation ensures that if a driver passes more miles/kilometers and accordingly has greater road accidental risk, the driver has to pay more premiums than a driver, who drives less miles and has less risk of a road accident. The Pay-As-You-Drive system is based on the market principle that the price that the customer pays has to be based on expenses. Over time the perception of justice increases in society, because the individual customer knows that the driver pays for what he or she spends, for example like a mobile phone operator’s service. (Victoria Transport Policy Institute, 2014). This system increases the perception of justice and also protects low-income drivers and their families; low-income families can still use vehicles despite compulsory insurance; The number of uninsured drivers is reduced because the fair approach facilitates the establishment of a positive attitude in society; (Boucher, Pérez-Marín, & Santolino, 2013); The movement and load on roads are reduced by about 10%, which improves traffic congestion, parking, road and pollution condition while increasing the safety of traffic on the roads. (Victoria Transport Policy Institute, 2014).

These miles/kilometers are counted according to data indicated at the beginning and end of the insurance period on the odometer (the distance measuring device). Some countries also use a GPS system to calculate the distance travelled. This way not only the distance but also the location of the vehicle and therefore the road conditions are taken into consideration, which improves the accuracy of premiums calculation (Rejinkumar, 2013, p.20).

However, researchers who contradict this method have proven that the passing less distance does not mean that the owner of the vehicle has lower risk. To prove this, the researchers said that people who drive cars more often and therefore have high mileage

are more experienced drivers and have a low risk of road accidents. And those who have high mileage are mostly moving on highways, which are more secure and safe than those who use cars less frequently at towns or cities (Boucher, Pérez-Marín & Santolino, 2013, p. 4).

Various forms of insurance may be presented as compulsory insurance. Also, compulsory insurance can be made by different methods. However, as we have seen in the example of the countries of Asia, the developed and developing countries of Europe and the Baltic countries, the MTPL insurance is compulsory in every country. As for implementation methods, Pay-As-You-Drive system is one of the most effective and efficient methods implemented in the developed countries after many years of experience.

Development of Compulsory Third Party Liability Insurance in Foreign Countries

Brazil is one of the best examples of the development of obligatory MTPL insurance, since previously 60% of cars were uninsured. Such kind of problem is characterized for the planned economy system. In these countries, free market relationships are limited, which affects the development of insurance sector itself. Brazil's compulsory MTPL insurance (called DPVAT in Brazil) was established in 1974, and changes were made in 1992 and 2007. All vehicles that are purchased under the procedure prescribed by law and are shipped to Brazilian territory must be insured annually. Compulsory insurance must be purchased in Brazil once a year when the driver is renewed for driving license. This process is regulated by the Private National Insurance Council which is independent of state structures.

In order to reduce the cost of administrative / operating expenses by insurance companies, a Centralized Electronic Data Interchange System operates in Brazil, which includes information about insurance history of each insurer. If an insurer selects another insurance company for the next year, the insurance history will be easily transferred to a new company. This makes it more precise to determine premiums.

The second issue, which is also important for organizing the activities of insurance companies, is the issue of the involvement in compulsory insurance. The authorized body inspects financial sustainability and other issues and only after this is the insurance company is allowed to provide compulsory insurance products.

The third important issue is to maximize the standardization of contracts and the conditions within them. That will minimize the administrative costs and increase efficiency. The minimum requirements provided for insurance companies and for the insurers should be included in the insurance contract and are regulated at the legislative level. This ensures the protection of the insurer so that she or he has acknowledged all of the rights or obligations associated with participating in the compulsory insurance policy.

The regulatory body obliges the insurance company to submit the following information on the policy: the type of insurance, insurance definition and purpose, phone number, where all the explanations can be obtained. It also provides a website that enables detailed information: information that allows the identification of the vehicle owner, information about the policy insurer, payment limits on one case or one person, documents required for compensation for losses, deadline for submitting an insurance case, description of the insured vehicle and information about the premiums (The World Bank, 2009, pp. 13-16).

When calculating premiums in Brazil, statistical calculations of frequency and severity of risk are used. However, this standard model does not take into consideration the individual characteristics of a car's owner, which has a significant impact on the frequency and severity of insurance cases. Most of the countries count this factor when calculating premiums. One of the simplest methods is Bonus-Malus, a fine-bonus system (The World Bank, 2009, pp. 17-18). This implies an increase or decrease in insurance premiums (in Parliament, 1997, pp. 1) in accordance the change in insurance risk.

Compulsory insurance premiums are allocated between insurance companies and state structures. 100% insurance premiums are distributed in Brazil as follows:

1. 45% belong to the Ministry of Health to cover costs incurred for medical and hospital services arising from a road accident
2. 5% belong to the National Traffic Department, which is a structural part of the local unit or city governing body in Brazil and is responsible for controlling and eliminating traffic accidents. Simply put, this is a division that provides safe road traffic and establishes penalties for violations.
3. 44.28% are distributed on administrative expenses
4. 2% is profit margin

5. 0.5% is commission for brokers and insurance intermediaries

6. 44.0572% returns for reimbursement losses.

Such transparent redistribution will ensure the establishment of fair insurance premiums. However, on the one hand, such control is a big limitation for insurance companies; The Brazilian National Insurance Council unilaterally declares that legislation does not guarantee profitability of insurance companies, but its purpose is to offer fair public insurance services to the public. (The World Bank, 2009, pp. 17-18)

The “Law on Insurance” focuses on the financial stability of insurance companies in Georgia. Developing insurance markets should pay significant attention to financial analysis and assessment of insurance companies. Financial sustainability increases public trust towards the insurance market and its participants.

MTPL insurance in India has an interesting development history, which led to the launch of the Fatal Accident Act in 1955. Before then, only those road accidents with fatal consequences were taken into account in the frame of legislation. Body damage was not covered by the law. The guilty verdict was made within the law and civil responsibility was imposed on the offender to compensate the family of dead person. The beneficiary may be only spouses, parents and children of dead person. The other person will not be compensated. Actually, third-party responsibility does not need to be approved by a law that simplifies the remuneration of compensation. The economic consequences of road accidents in India during this period became so important that it was impossible to ignore the health and property damage that was neglected by the old legislation. Based on this, a compulsory form of insurance was introduced. Here, as in Brazil, only a licensed company could offer insurance services. Also, in addition to the requirements on the insurance company in Brazil, which includes periodic submission of financial statements, in India information about corporate governance is required at least twice a year. This includes documentation that will be submitted to the Board of Directors by Top Management (The World Bank, 2009, pp. 156). The difference between these two countries is that legislation in Brazil does not name limits to property damage. Also under the definition of compulsory insurance the legislation does not clarify the need to insure this form of liability as compulsory form. In India it is clear that transport is considered to be adequate only when it is insured in licensed insurance company and insurance coverage is against the damage to the third party's body as well as property. Public transport has to insure not only third party liability against bodily or property damage, but also liability against its own passengers (The World Bank, 2009, pp. 145-146).

As of 2011, 43% of the total premium in India comes from the compulsory MTPL insurance, which comprises 35% of the total motor insurance market. This sector is regulated by the IRDA of Insurance Regulation and Development Authority (Rej Kumar, 2013, p. 21).

In India, the process of pooling is also controlled. Among the insurance features, one of the most important is the pooling losses. Pooling refers to the distribution of the losses arising from a minority to the whole group, which in result replaces the actual damage by the average losses. This process involves grouping a large number of homogeneous units which have higher potential risk. Consequently, India's legislation promotes grouping homogeneous pools between insurance companies, which unites the greater number of risks and improves the total balance of the pool. This reduces the average loss and reflects the amount of premium (The World Bank, 2009, p. 159).

Data management in Brazil, as well as in India, is centralized, which facilitates the simple and quick exchange of information between the insurance companies. Statistical information on the frequency and severity of risk is also improved.

A great example of the importance of a centralized system of data management can be found in Turkey. This country has long been trying to harmonize the activity of insurance companies while monitoring the service of agent to make compulsory insurance more productive. One of the factors that has contributed to this process was the creation of the Turkish Central Database for Insurance Companies (TRAMER). Before data system there were the following problems: a high percentage of uninsured drivers, invalid use of bonus-malus system, a lack of a unified insurance history that should be distributed to insurance companies, imperfect information about fraud losses and premiums, the absence of unified statistical database, bankruptcy of some insurance companies (The World Bank, 2009, pp. 215). After TRAMER started to work, some of the problems were solved and the severity of the rest of the problems decreased.

MTPL insurance became mandatory in Russia in January 2004, although the sale of insurance policies was still in force from July 1, 2003. From that time, the legislation imposed quite low insurance limits. The compulsory form has received a lot of criticism in society. The main reason was the imposition of additional burden on low-income families and pensioners. However, to address this problem limits and premiums were reduced to a minimum level. This issue was one of the reasons for abolishing the law on compulsory insurance in Georgia (Organization for Economic Cooperation and Development, 2005, pp. 49-50).

As well as in all the above-mentioned countries, in Russia operates the Automobile Insurance Association (RAMI), which controls two funds. The money is allocated from premiums and is aimed at covering uninsured drivers. The first fund receives 2% of premiums to cover claims inflicted by the hit-and-run or uninsured drivers; and the second fund distributes 1% of premiums to cover claims that the client's insurance company has not fully or partially paid for insolvency (Organization for Economic Cooperation development, 2005, pp. 50-70).

Compulsory MTPL insurance in Poland covers 30% of the entire insurance market and more than half of the non-life insurance market. Since this form of insurance in Poland has been compulsory, public safety related to traffic accidents has been improved in 2001-2009. Despite the fact that the number of vehicles increased by 50% during these years, traffic accidents have decreased by 18%. The better results are in 2001-2010 when traffic accidents have decreased by 28% (Kwiecien & Poprawska, 2011, pp. 117-118). Despite everything, Poland still has a high risk of road accidents. The mortality rate is 10 people per 100 road traffic accidents, while in Czech Republic it is 5, in Hungary – 6, and in Britain, Sweden and Germany this figure is only 2-3 (Kwiecien & Poprawska, 2011, p. 119).

In Poland, the process of collecting and processing statistical information is in very high level. Macroeconomic, demographic and other factors have a significant impact on the frequency and severity of risks. Therefore, information about traffic accidents is sorted by different demographic factors. For example, 77% of the traffic accidents are caused by males and 23% are caused by 18-24 year-old drivers (Kwiecien & Poprawska, 2011, p. 119). As mentioned above, in Brazil the individual characteristics of a car's owner is not taken into consideration. But such kind of calculation is not as fair, as a model, which counts demographic or personal characteristics.

In researching the frequency and severity of claims, Poland found that the frequency of traffic accidents is directly related to the two main factors. First is an increase of awareness of the public. The second factor is the change of society's attitude with regard to road accident reports (to inform the responsible governmental body) and submitting information perfectly (Kwiecien & Poprawska, 2011, p. 20).

Compulsory MTPL insurance in Azerbaijan covers passenger cars, trucks, minibuses, buses, motorcycles and tractors and other vehicles used for road construction, forestry and agriculture. It also includes Trolleybuses and Trams (Republic of Azerbaijan, 2014). There are several articles in the legislation. Article 5.3 states that the insurer can choose insurance company by himself but only from that companies, which has the

authority to carry out compulsory insurance. Policy is valid only if it contains relevant information and this policy is submitted in Information Data System (Article 51.1); Article 53.4 is quite clear and understandable, which relates to the insured driver: “Regardless of who is referred to in the insurance policy, any person who has a legitimate right to use the vehicle can be considered as the person whose responsibilities is covered beyond this legislation”. This part increases the scope of the law and ensures a greater chance of reimbursement to the victim. In Azerbaijan, as in other countries, funds are allocating from the Compulsory Insurance Bureau and are directed to compensate losses from uninsured drivers. (Republic of Azerbaijan, 2014)

In France, since 1985, the law has been enacted which protects especially pedestrians. The insurance limits are very high if the car accident involves pedestrian. Here is the Pay-as-You-Drive system. That means the calculation of the insurance premium according to the calculating mechanism of the kilometers passed by the car (European insurance and reinsurance federation, 2010, p. 74). France also has a mechanism for restricting driving damaged car. In 2008, insurance companies and state authorities established a rule that gives companies the authority to prohibit the movement of a vehicle that was seen as a dangerous for road accidents.

The advantage in Germany is its regulated electronic system, which allows the owner of the vehicle to register quickly and easily.

Compulsory MTPL insurance is regulated by legislation in Serbia, which is called the Law on Compulsory Road Insurance. This law consists of compulsory accidental insurance for public transport passengers, as well as motor third party liability insurance, compulsory liability insurance towards aircraft passengers and compulsory third-party liability insurance of vessel’s owners (Republic of Serbia, 2011)

In all EU countries, motor third party liability insurance is compulsory. The European Insurance and Reinsurance Association reports that 300 million motor vehicles were operating in Europe in 2009. This figure is almost equal to US and Canadian data. Since the main goal of the European Union is to create a single open market system for member states and to provide free movement between countries, it is critical to introduce the compulsory form of motor third party liability insurance. The EU countries are united in their Green Card system.

In 1949, before the EU was established, the Committee on Road Transport created a so-called green card system. Its main objective was to simplify movement of vehicles between countries. The system was based on the Scandinavian model that had been op-

erating since 1926. According to the EU's model, a "Green Card" is a document whose main purpose is to ensure the uninterrupted crossing of the border by the vehicle's owners. The Green Card system unites 45 European member countries. Latvia, Lithuania, Estonia, Ukraine, Moldova and Belarus are members from the post-Soviet countries (Business and Economics Center, I-002, p. 6). Based on the concept of the Green Card, the Central Insurance Organization of different European countries presented compulsory MTPL insurance. After that, national organizations (compulsory insurance bureau or other authorized organization) of the countries were able to reimburse the claims of foreign nationals within their country's insurance companies. Without this procedure, the direct involvement of foreign insurance companies increased the deadlines for reimbursement and complicated procedures.

As for the other countries, some African countries have a yellow card system that performs the same functions as "green card". Drivers who have a yellow card can travel in other countries of the yellow card system and their liability insurance policy will be applicable at any stage of movement. Similarly, drivers in Canada and the US move freely in these two countries, since an insurance contract signed in one country is valid in the other country.

In most of the states that are included in the EU, there are specific tariffs. However, the liberalization of tariffs is also ongoing. This means that after the EU's third directive, insurance companies are given greater freedom to impose tariffs and offer conditions. Slovakia and Turkey use different systems. Based on the regulation of July 1, 2008, insurance companies are free to determine their tariffs, but there is a minimum and maximum margin in the legislation (The World Bank, 2009, pp. 200).

Despite the fact that MTPL insurance is compulsory in nearly every European country, there is still a big problem with uninsured drivers. This applies especially to those countries that have a developing economy. In those countries the police are obliged to detect uninsured drivers. For this purpose, the continuous availability of information to the relevant authorities is necessary. For example, according to 2009 data, every 1 person is uninsured from 20 in England. Here is the Motor Insurance Database. The base describes all the vehicles with their identification number and details of the insurance policy related to this car. Police have continuous access to this. This database helped to gather information on uninsured drivers and traffic accidents. (The World Bank, 2009, pp. 200-210)

Reasons of differences between countries during MTPL insurance

There are several factors causing differences between the insurance characteristics, premiums and other factors among the countries. First of all, it is important to take into account the frequency and severity of risk. Depending on the fact that countries have different risk frequency and severity, the risk of insurance policy is also different, which causes a difference in premiums. The frequency and severity of the risk depends on many factors. For example, road safety, infrastructure, road surveillance (patrol service), and the condition of cars in the country: release date, fuel consumption, and their maintenance. The economic situation in the country also affects risk: the health system and prices in case of bodily damage reflects premiums. In case of damaging property, we consider the economic situation and the country's culture. Luxury cars are more common in high GDP countries, but if the country has different cultural preferences, bicycles or mopeds can be in common. Such property damage is less costly.

Factors Associated with Risk Frequency

Legislation, which regulates insurance, has a significant impact on insurance terms. In many cases the coverage of uninsured drivers, fugitives or drivers' polices that do not meet the norms of the law shall be paid by a supervisory body that collects funds from the share of premiums supplied by insurance companies. How much is this share? How large is the burden of this share for the insurance company? Those factors affect policy terms.

In case of compulsory insurance, insurance companies have minimum limits to be considered in each policy, which is in line with EU requirements. Those limits are high and may be different from non-EU countries.

The conditions for reimbursement are also different between countries. Most countries have 3 months to pay compensation from the date of a loss.

The cultures of countries and populations are also important. In some countries it is clear that if driver acknowledges that MTPL insurance will reimburse losses and not him, this will force them to reduce their own liability. That is, they are more likely to be more negligent and thus increase the risk of car accident.

In many countries, road conditions are still poor. Signs, traffic lights, and the safe movement of pedestrians are not managed perfectly. In many countries infrastructure and road safety can be done perfectly, but the geographical environment of the country

leads to riskier roads. Accordingly, the geographical environment and the road conditions affect the frequency of the risk. The patrol system is also important. Strict and regulated patrol system ensures risk reduction.

In developing countries, societies that still do not obey the elementary rules of road safety, increase their risk. Climate conditions can also affect road safety. It is known that a snowy road is more risky and, consequently, countries that are often under the influence of the changing weather are at higher risk. Traffic jams also have a significant impact on the risks. In cases of high traffic, the risk is higher and the premiums are higher. According to the EU recommendation, countries with high rates of mortality risk during road accidents should have higher insurance liabilities.

Factors Associated with Risk Severity

Risk severity contains factors associated with the costs that may be incurred within the health care system. In countries where treatment is expensive, the risk is high.

In some countries public transport is developed and accordingly, the risk of property damage is less. In some countries, it is common to use small cars, bicycles, and mopeds. In this case the severity of the risk is less. During a car accident, property damage can cause less loss, than in countries with luxury cars. In countries where more expensive and exclusive cars are on the roads, the risk is much higher.

The probability of car theft increases the risk. Countries where this precedent is high have higher risk severity.

Many of the country's population dishonestly use insurance services and often these actions are characterized as fraud. This increases the severity of risk.

Taxes also influence bonuses. A net risk bonus is added to different factors, including taxes, which increases the premium offered to the customer

Taxes also influence premiums. The net risk premium is added to different factors, including taxes, which increases the premium, offered to the customer.

The numbers of uninsured drivers increase the risk severity, since the funds required for the reimbursement of uninsured drivers are allocated from the premiums paid by consumers.

Conclusion

If we rely on international experience, it may be possible to disclose some minimum requirements that are necessary for the introduction of compulsory MTPL insurance. First of all, this has a legal basis. The legislation is essential not only to protect the public and to ensure the fairness of the insurance process but also to ensure that the rights of insurance companies are identified and taken care of. As already mentioned, any decision made about compulsory insurance in foreign countries has to be declared in the law.

The second important issue is the process of determining and developing tariffs. Since MTPL insurance is a burden to the public, the premiums, insurance limits and procedures for calculating the amount of compensation should be calculated very carefully. For this, the most important aspect is a centralized data system. Almost all of the above-mentioned countries have such kind of system. Databases simplify the insurer's movement from one insurance company to another. They also improve statistical information gathered from road accidents. Therefore, the calculations of premiums are improved. While the existence of perfect statistical information allows insurance companies to better evaluate the claims, which improve their calculations and makes possible better predict losses. Financial condition of Insurance companies as well as economic condition of society is protected.

The third requirement, which is followed by the introduction of compulsory insurance, is a guarantee fund for losses that are allocated for the reimbursement of the claims made by uninsured drivers. As already mentioned, despite the introduction of insurance in compulsory form, there are still numbers of non-insured drivers in each country. There is also a high probability that an insurance company will not be able to compensate full loss due to insolvency, or even the offender will escape from the crime scene. In such cases it is necessary to have some leverage that will protect the victim from a fugitive or insolvent driver.

A monitoring system is also very important. As already mentioned, the last stage of selecting a certain method in the risk management process is always a revision and monitoring of the relevant strategy. Consequently, it is necessary to monitor compulsory forms of insurance to ensure that the public and insurance companies get more benefits than losses.

It is essential that compulsory insurance should be offered by licensed companies only. In the example of Brazil, India and many other countries, the authorized body should

verify financial stability and other factors of insurance companies and then give the authority to be involved in the supply of compulsory insurance products. This will protect the public from the bankruptcy of the insurance companies (The World Bank, 2009, pp. 210-211).

In conclusion, it should be noted that introduction of the motor third party liability insurance has some important benefit. One is protecting society from risks the size and significance of which have increased in recent decades. Society should understand that a person who drives the car, collectively increases excessive damage and losses in society (The World Bank, 2009, p. 211). There are also the positive effects that have been introduced into compulsory forms of insurance almost all over the world. First of all, it is the expansion of the drivers' responsibility. Compulsory insurance ensures increases the liability by vehicle owners and consumers, which improves the road accident conditions. The condition of the victims is also improved and the same time public responsibility is improved. This is related to the public infrastructure, roads, vehicle condition, driving skills, driving conditions (prohibitions, restrictions and traffic rules) (The World Bank, 2009, pp. 211).

References

- On Changes to the Law “On Compulsory Insurance of Civil Liability for Owners of Auto Motors”. No. 891. (2008, December 26). Tbilisi, Georgia: Parliament.
- On Changes to the Law “On Compulsory Insurance of Civil Liability for Owners of Auto Motors”. No. 2535. (January 15, 2010). Tbilisi, Georgia: Parliament
- AirCare emissions program ending for Metro Vancouver vehicles. (2014). Retrieved from CBC news: <http://www.cbc.ca/news/canada/british-columbia/air-care-emissions-program-ending-for-metro-vancouver-vehicles-1.2885573>
- bnp Georgia. (2014, 05 07). Retrieved from There is no technical insight in Georgia and Ukraine: <https://bpn.ge/ekonomika/4148-teqdashvaliereba-mkholod-saqar-thvelosa-da-ukrainashi-ar-arsebobs.html?lang=ka-GE>
- Codice della strada / Art. 80. Revisioni. (2015). *Automobile Club d’Italia*. Retrieved from <http://www.aci.it/i-servizi/normative/codice-della-strada/titolo-iii-dei-veicoli/art-80-revisioni.html>
- Quels véhicules sont dispensés de contrôle technique? (2017, june). Le site officiel de l’administration française. Retrieved from Service-Public.Fr: <https://www.service-public.fr/particuliers/vosdroits/F2880>
- Car registration documents and formalities – Belgium. (2017). Retrieved from Europa.eu: http://europa.eu/youreurope/citizens/vehicles/registration/formalities/belgium/index_en.htm
- Car registration documents and formalities – Czech Republic. (2017). Retrieved from Europa.eu: http://europa.eu/youreurope/citizens/vehicles/registration/formalities/czech-republic/index_en.htm
- Car registration documents and formalities – Estonia. (2017). Retrieved from Europa.eu.
- Car registration documents and formalities - Hungary. (2017). Retrieved from Europa.eu: http://europa.eu/youreurope/citizens/vehicles/registration/formalities/hungary/index_en.htm
- Car registration documents and formalities – Poland. (2017). Retrieved from Europa.eu: http://europa.eu/youreurope/citizens/vehicles/registration/formalities/poland/index_en.htm
- Renewing your vehicle licence. (2017). The state of israel ministry of transport. Retrieved from The state of israel ministry of transport: <http://rishuy.mot.gov.il/en/vehicle-registration/faq>
- Road: Trafi (Finnish Transport Safety Agency). (2017). Retrieved from (Finnish Transport Safety Agency): https://www.trafi.fi/en/road/licences_and_approvals/technical_services

- Roadworthiness test. (2017). Retrieved from Republic of Estonia Road Administration: <https://www.mnt.ee/eng/vehicle/roadworthiness-test>
- Vehicle inspection. (2017, 09, 05). Retrieved from en.wikipedia.org: https://en.wikipedia.org/wiki/Vehicle_inspection#cite_note-4
- Bošković, I. (November, 2015). Technical Inspections of Motor Vehicles from the Perspective of Competition Rules. *Zagreb Law Review* (in Croatian), 4(2), pp. 172–173.
- Boucher, J.-P., Pérez-Marín, A. M., & Santolino, M. (2013). PAY-AS-YOU-DRIVE Insurance: The Effect of Kilometers on the Risk of Accident. *Anales del Instituto de Actuarios Españoles*. 135-154.
- Boucher, J.-P., Pérez-Marín, A. M., & Santolino, M. (2013). PAY-AS-YOU-DRIVE Insurance: The Effect of Kilometers on the Risk of Accident. *Anales del Instituto de Actuarios Españoles*. 135-154.
- Crews, T. (2010). *Fundamentals of insurance* (2nd ed.). Sowuth-Western: Cengage Learning.
- Denut, M., Marechal, X., Pitrebois, S., & Walhin, J.-F. (2007). *Actuarial Modelling of Claim Counts: Risk Classification, Credibility and bonus-malus system*. John Wiley & Sons.
- Dorfman, M. S., & Cather, D. (2008). *Introduction to Risk Management and Insurance* (9th ed.). New Jersey: Pearson.
- EU. (1972, May 2). Council Directive (72/166/EEC). Official journal of the European Communities No L 103/1, pp. 360-362.
- EU. (1984, January 11). Second Council Directive (84/5/EEC). Official journal of the European Communities No L 8/17.
- EU. (1990, May 19). Third Council Directive (90/232/EEC). Official journal of the European Communities No L 103/1.
- EU. (2000, July 20). Fourth Council Directive (2000/26/EC). Official journal of the European Communities No L 181/65.
- EU. (2005, June 11). Fifth Council Directive (2005/14/EC). Official journal of the European Communities No L 149/14.
- EU. (2014, June 6). Road safety evolution in EU. Retrieved from European Commission: ec.europa.eu
- European insurance and reinsurance federation. (2010, February). *The European Motor Insurance Market*. No. 38.
- European insurance and reinsurance federation. (2015). *European Motor Insurance Markets*. European insurance and reinsurance federation.

- European insurance and reinsurance federation. (2016). *European Insurance — Key Facts*. European insurance and reinsurance federation.
- Gonulal, S. (2010). *Motor Third-Party Liability Insurance*. The World Bank.
- <http://www.riskinstitute.org>. (n.d.). Motor Vehicle Incident Metrics. Retrieved from Public Entity Risk Institute: <http://www.riskinstitute.org/peri/images/file/VehicleMetricHandout.pdf>
- <http://www.riskinstitute.org/>. (n.d.). Motor Vehicle Incident Metrics. Retrieved from Public Entity Risk Institute: <http://www.riskinstitute.org/peri/images/file/VehicleMetricHandout.pdf>
- Insurance Europe. (2013, January). *European Insurance in Figures*. No. 46. Retrieved from <http://www.insuranceeurope.eu/uploads/Modules/Publications/eif-2013-final.pdf>
- Insurance Europe. (2014, February). *European Insurance in Figures*. No. 48. Retrieved from <http://www.insuranceeurope.eu/publications/statistics>
- Kwiecien, I., & Poprawska, E. (2011). Motor third party liability insurance - Polish market in connections to european trends. *International journal of Economics and Finance studies*, 3(2), 117-126.
- Liedtke, P. M., & Monkiewicz, J. (Eds.). (2011). *The future of insurance regulation and supervision: A global perspective*. London: Palgrave Macmillan.
- Modlova Republic. (2006, December 12). Law on Compulsory Third Party Liability Insurance No. 414-XVI. Modlova Republic: Parliament.
- Organisation for economic co-operation and development. (2001). *Insurance regulation and supervision in Asia and Latin America*. Paris: OECD.
- Organisation for economic co-operation and development. (2004). *Insurance in the Baltic countries: Policy issues in Insurance*. Paris: OECD.
- Organisation for economic co-operation and development. (2005). *Policy issues in insurance: Reforming the insurance market in Russia*. Paris: OECD.
- Rejda, G. E., & McNamara, M. (2008). *Principles of Risk Management and Insurance (10th ed.)*. New Jersey: Pearson.
- Rejikumar, G. (2013). A pre-launch exploration of customer acceptance of usage based vehicle insurance policy. *Procedia - Social and Behavioral Sciences*, 25. 19-27.
- Republic of Azerbaijan. (2014, May 30). Types of Insurance: Compulsory third party liability insurance of motor vehicles. Retrieved May 30, 2014, from Compulsory Insurance Bureay: http://www.isb.az/index.php?option=com_content&view=article&id=37&Itemid=47&lang=en
- Republic of Serbia. (2011, October 20). Law on compulsory motor third party liability

- insurance. Republic of Serbia20: RS Official Gazette.
- Saunders, M., Lewis, P., & Thornhill, A. (2009). *Research methods for business students (5th ed.)*. Harlow: Pearson Education.
- Slovak Republic. (2001, September 4). Act on Compulsory Contractual Motor Vehicle Third Party Liability Insurance No. 381. Slovak Republic.
- The World Bank. (2009). Motor Third-Party Liability Insurance in Developing Countries: Raising Awareness and Improving Safety. No. 69971. (S. O. Gönülal, Ed.) Retrieved from <http://hdl.handle.net/10986/12960>
- Thomson. (2004). *The law of motor insurance*. London: Sweet & Maxweel Limited.
- Tomeski, B. (2012). Development of Motor Third Party Liability Insurance. *Procedia - Social and Behavioral Sciences*, 44. 200 – 209.
- Tomeski, B. (2012). Development of Motor Third Party Liability Insurance Market in Terms of Changing Regulation. *Procedia - Social and Behavioral Sciences*, 44. 200-209.
- Tvalchrelidze, A. G., & Labbate, G. (2000). *Human Development Report*. United Nations Development Programme, p. 83.
- Tyagic, C. L., & Tyagi, M. (2007). *Insurance: Law and practice*. India: Atlantic.
- USTA, E. (2016). RISK PREMIUM ESTIMATION IN MTPL INSURANCE USING COPULA: TURKEY CASE. Department of Actuarial Sciences, Middle East Technical University.
- Victoria Transport Policy Institute. (2014, May 22). <http://www.vtpi.org/tdm/tdm79.htm>. Retrieved May 30, 2014, from <http://www.vtpi.org/>: <http://www.vtpi.org/tdm/tdm79.htm>
- Banks and Finances. (February 23, 2011). Number 5. p. 10.
- Business and Economics Center (I-002). Compulsory motor third party liability insurance Tbilisi: Business and Economics Center
- Parliament. (1997, June 27). Law of Georgia on Compulsory motor third party liability Insurance 824. Tbilisi, Georgia: Parliament.
- Parliament. (1997, May 2). Law of Georgia on Insurance 690. Georgia: Parliament.
- National Bank of Georgia (2012). *Annual report*. Tbilisi: National Bank of Georgia

Raupp Edward R.

Gori State Teaching University, Georgia

Forecasting Georgia Economic Growth 2020-2030

Firms, households, government agencies, and non-government organizations rely on forecasts when making decisions regarding the allocation of scarce resources. This paper develops evidence-based forecasts for key macroeconomic variables for the country of Georgia. Sources of data include the International Monetary Fund's World Economic Outlook, The World Bank, and others. This paper uses, primarily, exponential smoothing models generated by the statistical application Forecast Pro 100 to generate forecasts with 95 percent confidence limits. Finally, recognizing the high degree of uncertainty associated with long-term forecasting, we include scenarios to generate high, middle, and low values for the key variables. This analysis shows population, a key economic resource, to be declining, along with the labor force participation rate, after a considerable rise. Gross fixed capital formation appears to be rising, while total reserves (including gold) is holding steady. With real GDP rising at an average rate of about five percent over the past decade, our forecast shows GDP continuing to increase over the next decade, along with GDP per capita, indicating a rising level of general wellbeing. Georgia's inflation rate is low, and there is no credible evidence that the rate of inflation will accelerate in the coming years. This paper develops three scenarios for economic growth for Georgia for the period 2020-2030. All three scenarios – low, medium, and high–show continued healthy growth.

Keywords: Georgia, economics, forecasting, macroeconomics, GDP.

Economic Resources

Land. Georgia has manganese, silver-lead and zinc ores, barite, coal, and marble. Oil and peat deposits have been also discovered. Much of the country is mountainous and not suitable for large scale agriculture. Much of the infrastructure of Georgia was built during the Soviet period. This includes roads, bridges, electrical power generation and transmission systems, gas pipelines, and water and sewage systems. Maintenance of these systems, and further development require large capital investments. With the Rose Revolution of November 2003 under President Mikheil Saakashvili, the government made significant investments in infrastructure, including border-to-border superhighways. Georgia maintains some 1,045 miles in common carrier service not including industrial lines (Transportation in Georgia). A world-class motorway crosses the country east to west. Tbilisi has a metro system. Much of the internal transportation uses bus and minibus networks. There are 14 airports with paved runways. The largest, Shota Rustaveli International Airport 11 miles southeast of Tbilisi, accommodates a number of airlines. Ports on the Black Sea include Batumi, Poti, Sokhumi, and the Kulevi Oil Terminal. We would not expect to see much change over the coming decade.

Labor. The graph below shows a substantial increase in the labor force participation rate, from 62.7 percent in 2009 to a peak of 66.8 percent in 2015, and a decline to 65.8 percent in 2017. The rate may continue to decline over the next decade.

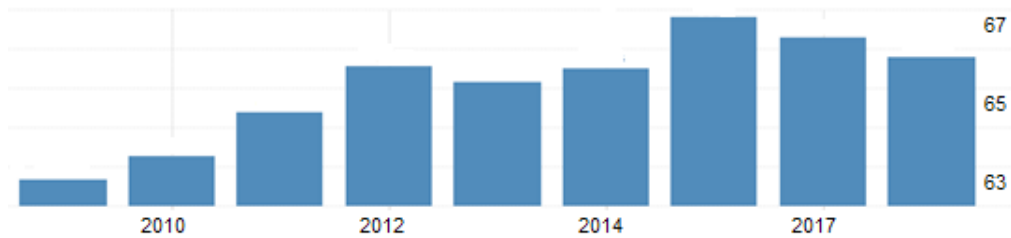


Figure 1. Georgia Labor Force Participation Rate, 2009-2017. (Trading Economics, 2018, from National Statistics Office, Georgia)

The population density in Georgia is 56 per Km² (146 people per mi²). 58.9 percent of the population is urban (2,302,656 people in 2018). The median age in Georgia is 38.1 years. The population of Georgia was 3,904,339 as of June 14, 2019, based on the United Nations estimates (Worldometers, 2019). This is down 28 percent from a 1990 peak of 5,410,372, just prior to the breakup of the Soviet Union. We forecast Georgia's

population will fall to about 3.7 million by 2030.

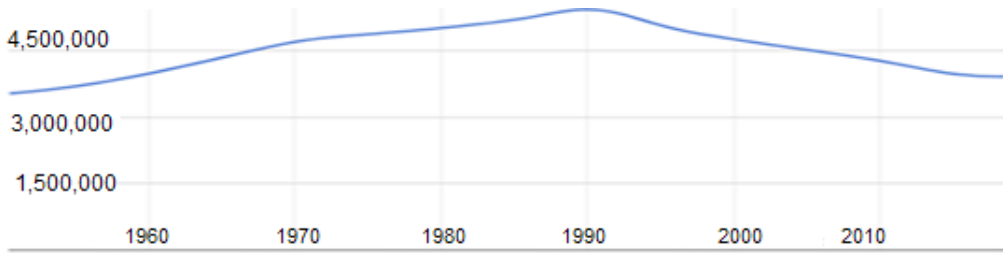


Figure 2. Georgia Population, 1950-2018. Worldometers, 2019.

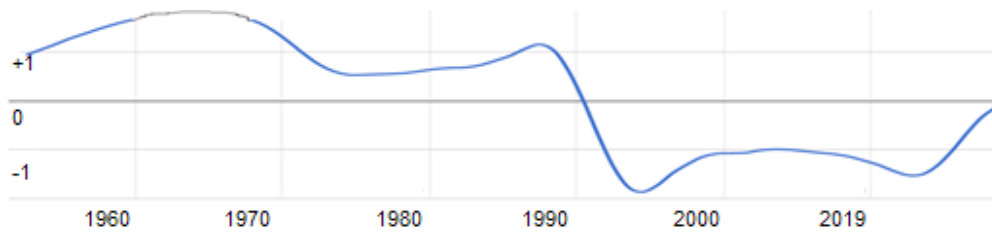


Figure 3. Georgia Population Growth Rate (percent). Worldometers, 2019.

We find historical population data for Georgia from 1980 to 2017 in the International Monetary Fund’s April 2019 World Economic Outlook (WEO). We use Forecast Pro 100 to forecast population to 2030. Our model is Holt exponential smoothing with a linear trend and no seasonality. (Shmueli and Lichtendahl, 2018, describe smoothing as “based on averaging values of multiple periods in order to reduce the noise,” p. 79). The sample size is 22. The adjusted R2 is 0.99. The mean absolute percent error (MAPE) is 0.48 percent, and the mean absolute deviation (MAD) is 0.02.

Our forecast shows a steady decline in Georgia’s population over the next decade.

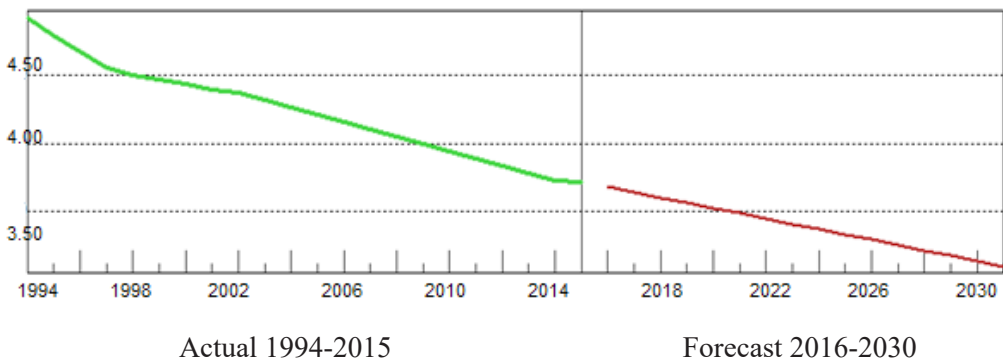


Figure 4. Georgia Population, 1994-2015 actual with forecast to 2030 (million persons).

Caucasus Business Week (2018) reports, “According to national statistics service of Georgia, the year of 2009 recorded highest unemployment indicator (16.9 percent) and the lowest figure was recorded in 2015 (12 percent).”

During the period 2009-2017, the unemployment rate in Georgia fell from 18.3 percent to 13.9 percent.

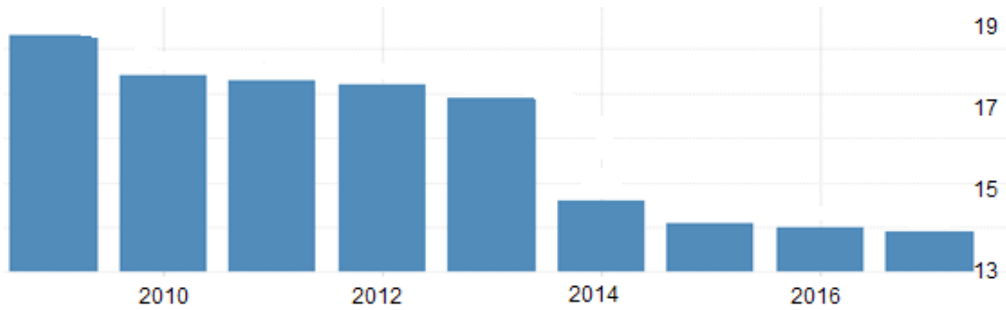


Figure.5 . Georgia Labor unemployment rate, 2009-2017.

(Trading Economics, 2018, from National Statistics Office, Georgia)

Capital. The World Bank (2019) includes in capital “land improvements (fences, ditches, drains, and so on); plant, machinery, and equipment purchases; and the construction of roads, railways, and the like, including schools, offices, hospitals, private residential dwellings, and commercial and industrial buildings.”

Georgia’s gross fixed capital formation (percent of GDP) is shown below for the years 1990 to 2017. Investment collapsed after the dissolution of the Soviet Union.



Figure 6. Georgia’s investment in fixed capital, 1990-2017, percent of GDP

(World Bank and OECD, 2019)

Foreign Direct Investment in Georgia increased by \$197 million in the fourth quarter of 2018. Foreign Direct Investment in Georgia averaged \$317 million from 2005 until 2018, reaching an all-time high of \$740.50 million in the third quarter of 2014 and a record low of \$79.60 million in the third quarter of 2005. (Trading Economics). We see no significant change in FDI over the next decade.

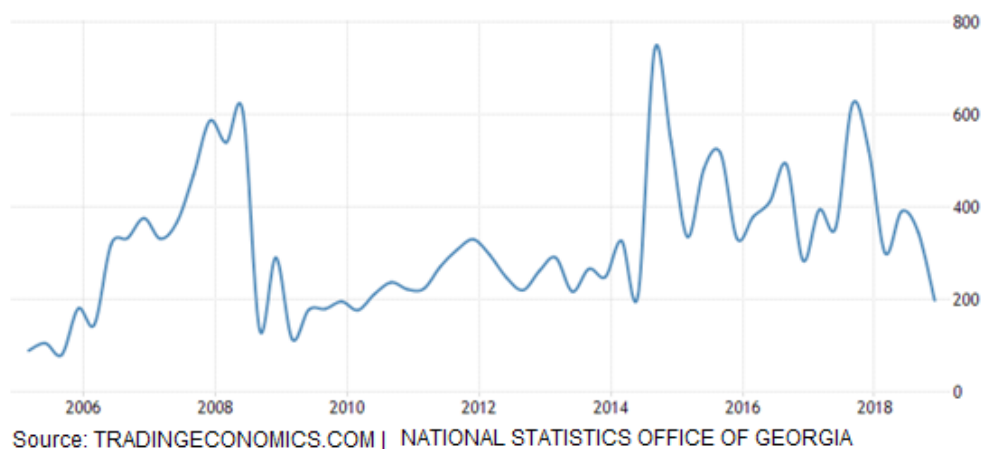


Figure 7. Georgia FDI 2006-2018, million US dollars (Trading Economics).

Driving Forces

Those forces that drive any economy include education, technology, healthcare, globalization, energy, trade, and institutions.

Education. . Georgia spends 3.8 percent of its GDP on education, compared to a world average of 4.8 percent (World Bank Group, 2019). Georgia has a total of 613,000 pupils enrolled in primary and secondary education. Of these pupils, about 287,000 (47%) are enrolled in primary education. Paresashvili & Oqruashvili (2017), commenting on the challenges of the building of human capital in Georgia, conclude, “Innovative development can be achieved first of all, by means of innovative changes in the education system” (p.7). Increases in education for 21st century jobs will enhance Georgia’s economic development in the coming decade.

Healthcare. The World Health Organization (2018) reports that life expectancy for Georgians at birth is 68 for males and 77 for females. The probability of dying between 15 and 60 years per 1,000 population is 238 for males and 83 for females. Georgia’s

total expenditure on health per capita was \$628 in 2016, or 7.4 percent of GDP. Improvements in the healthcare system will contribute to Georgia's economic development in the next decade.

Technology. Georgia has been positioning itself as a hub for information and communication technology. The State Program on Broadband Infrastructure Development in Georgia is expected to create a fiber-optic internet network in more than 2,000 cities and villages in Georgia. (Agenda.ge, 2016). Incentives to innovate will contribute to economic growth.

Energy. Georgia is a net energy importer (WEO April 2019, p. 49). Georgia had a total primary energy supply (TPES) of 4.793 Mtoe (million tons of oil equivalent) in 2016. Electricity production was 11.6 TWh, of which 81 percent is from hydroelectricity and 19 percent from natural gas. Georgia has no nuclear energy (International Energy Agency, 2019).

Trade. Georgia is a member of the GUAM Organization for Democracy and Economic Development (Georgia, Ukraine, Azerbaijan, and Moldova) and a member of the World Trade Organization (WTO) and the Organization of the Black Sea Economic Cooperation (BSEC). Georgia is an Observer state of the Southeast European Cooperative Initiative (SECI, 2019).

The IMF reports, "Since 2014, Georgia has been forced to deal with large and persistent external challenges to its economic stability, including pressure on its currency as well as lower global oil and commodity prices, which have undercut how much revenue it can obtain from exports" (International Monetary Fund, 2019a).

Georgia's trade deficit widened to \$454.7 million in November of 2018 from \$429 million in November 2017. Exports surged 29.4 percent from a year earlier to \$283.3 million and imports went up at a softer 13.9 percent to \$738 million. Considering the first eleven months of 2018, the deficit was recorded at \$5.3 billion, compared to a \$4.6 billion gap in the same period of 2017. Balance of trade in Georgia averaged a deficit of \$237 million from 1995 until 2018, reaching an all-time low of \$6.3 million in April of 1995 and a record high of \$629 million in December of 2014. IMF (WEO April 2019) projects Georgia current account balance for 2019 to be negative 8.0 percent of GDP, 7.8 in 2020, and 7.0 percent in 2024.

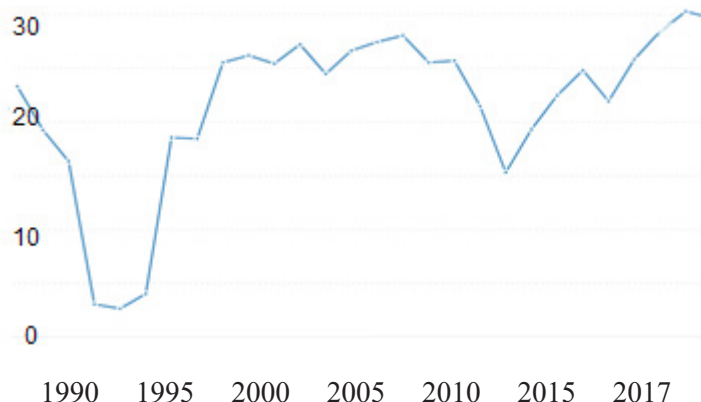


Figure 8. Georgia's gross fixed capital formation, 1990-2017, percent of GDP. (World Bank)

In millions of US dollars, the top export destinations of Georgia are Russia (\$403), Bulgaria (\$326), Azerbaijan (\$261), Turkey (\$229) and China (\$209). The top import origins are Turkey (\$1,400), Russia (\$787), China (\$757), Azerbaijan (\$547) and Ukraine (\$451). (OEC, 2019). Economic ties with China are increasing. First deputy prime minister, Dimitry Kumsishvili, said Georgia will see more Chinese investment in its power, financial services, railways and port construction sectors. “The opportunities come from growing demand for infrastructure projects, trade and investment channels, tourism activities and financial cooperation brought by the development of the Belt and Road Initiative” (China Daily, 2017).

Tourism. Georgia joined the World Tourism Organization in 1993 (UNWTO, 2019). In *Lifting the Veil* in 2009 (Raupp & Apkhazava), we noted the change in policies regarding tourism in Georgia, from being an essentially closed part of the Soviet Union to one of invitation and open hospitality. In our later paper (Raupp, 2013), we noted the importance of tourism in bringing hard currency reserves into the Caucasus Region. Tourism in Georgia had been increasing up to the invasion by Russia in August 2008. Efforts are being made to resume the favorable trend in attracting tourists to Georgia. Tourism in Georgia (2019) is an increasingly important component of the country's economy. In 2015, the tourism sector employed around 158,500 people, producing 6.7% of Georgia's GDP and providing US\$1.94 billion of revenue. In 2018, the number of international arrivals reached a record high of 8.7 million people with foreign exchange income in the year's first three quarters amounting to US\$2.6 billion. The country plans to host 11 million tourists by 2025 with annual revenues reaching US\$6.6 billion.” Government investment in tourism, both in infrastructure and in marketing, would have a positive effect on Georgia's GDP and total reserves (Raupp, 2013).

Reserves. Georgia has seen a steady increase in reserves over the past two decades, with a dip from 2012 to 2015, as shown in the graph below. Estimated total reserves in 2017 were about \$3.039 billion. Persistent trade deficits threaten to cut into total reserves over the coming decade.

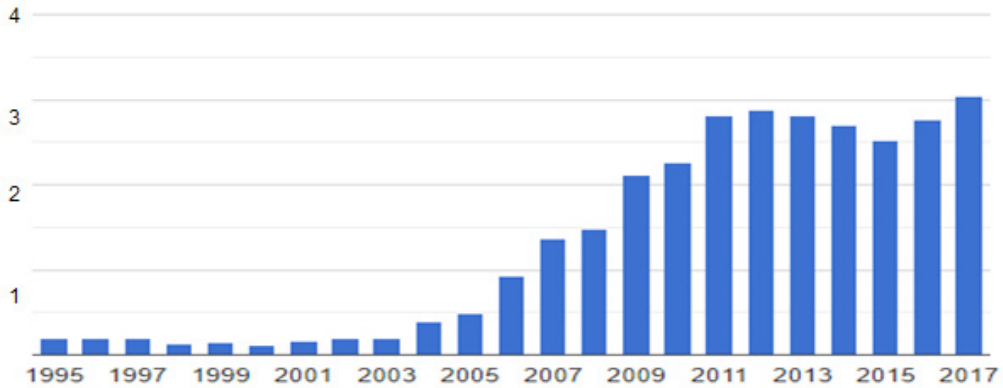


Figure 9. Georgia total reserves (includes gold, current billion US\$), 1995-2017.

(International Monetary Fund, International Financial Statistics and data files. 4.0)

Institutions. The Georgian Orthodox Church is a major institution, and its Patriarch Ilia II is perhaps the most highly respected figure in Georgian public life. The Patriarch is exceptionally well-informed and he is concerned about corruption in government and about the inequality of income and wealth.

Another strong institution in Georgia is its central and local government. Since the Rose Revolution of 2003, led by Mikheil Saakashvili, Georgia is the least corrupt of the fifteen former Soviet states (Transparency International, 2018). Elected as an independent in November 2018, Salome Zurbishvili, the French-born former foreign minister of Georgia, is its first female President. Following her term, the President will be elected by the Parliament as part of the transition to a stronger parliamentary democracy.

The 2019 Corruption Perceptions Index (CPI) paints a bleak picture of anti-corruption efforts in Eastern Europe and Central Asia. In a region where only one country scores over 50 out of 100 and all other countries score 45 or less out of 100 on the index, there has been very little progress in combatting corruption over several years. Georgia is that one country, scoring 58 points out of 100. (Transparency International, 2018). Continued measures to reduce corruption at all levels would contribute to healthy growth in the coming decade.

Total Factor Productivity (TFP). TFP, also called multi-factor productivity (MFP), is calculated by dividing output by the weighted average of labor and capital input, with labor weighted at 0.7 and capital at 0.3. TFP is a measure of economic efficiency.

Most of Georgia’s economic growth during the period 2004-2012 may be attributed to total factor productivity gains from economic restructuring. But it has fallen since, leaving capital accumulation to play an increasingly important role.

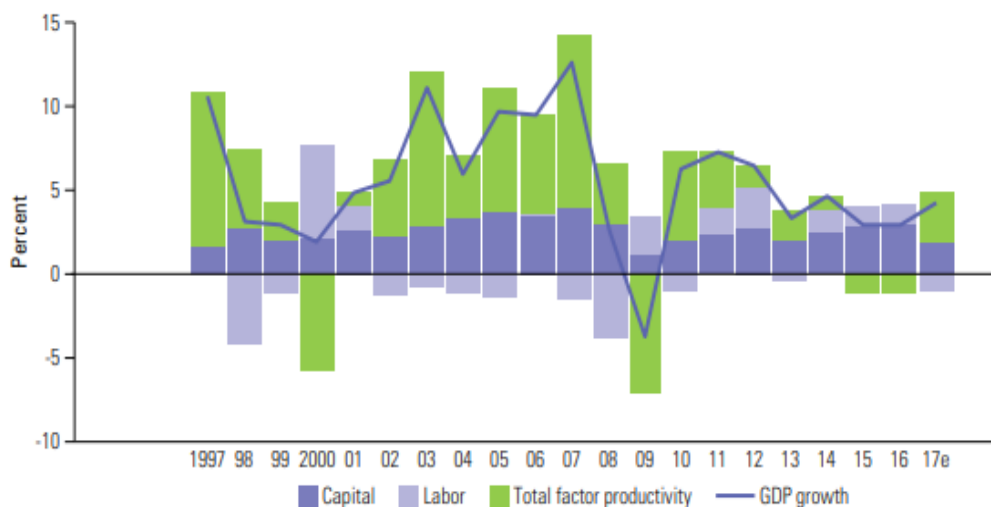


Figure 10. Contributions of capital, labor, and total factor productivity, Georgia, 1997-2017. (World Bank, 2019)

Gross Domestic Product (GDP)

Georgia’s economy relies heavily on domestic demand. Services account for nearly two-thirds of GDP, but—with the exception of tourism—are mostly made up of non-tradable activities, with the highest growth rates in domestic trade, hotels and restaurants, transportation, communications, and financial services. Personal consumption is supported by higher disposable incomes and credit growth. (World Bank Group, 2019.)

It is evident that the Georgian economy might enjoy a more robust economic growth through a greater degree of diversification. Investments by the government in marketing to external trading partners, especially those countries in the Black Sea Region,

might work toward that diversification. Agricultural products can be traded to a greater degree, but more scalable sectors could be developed in the financial and technology sectors. This would indicate a need for greater investments in education at all levels and in entrepreneurial ventures. The latter could be aided by investments in business incubators in cities and towns across the country.

Forecasting the GDP of any nation is uncertain. Studies show the most accurate forecasts tend to use multiple systems. In this paper, we report the results of several macroeconomic models, as well as the forecasting software, Forecast Pro 100 by Business Forecasting Systems (Stellwagen & Goodrich, 2017, 2018). Below, we show results using historical data from 1994 to 2016 from the October 2018 World Economic Outlook Database of the International Monetary Fund. We then forecast GDP to 2023 using Forecast Pro 100.

The model we use to forecast Georgia GDP is a Holt exponential smoothing model with linear trend and no seasonality. The sample size is 23, and the adjusted R2 is 0.99, indicating a good fit to the data. The mean absolute percent error (MAPE) is 3.25 percent, and the mean absolute deviation (MAD) is 0.27.

The IMF WEO Database forecast for 2023 is 20.606 billion Georgia lari (WEO, 2019). Using Forecast Pro 100, we show a forecast of 18 billion for 2023 and 20 billion by 2028. The graph below shows the results of the Forecast Pro model.

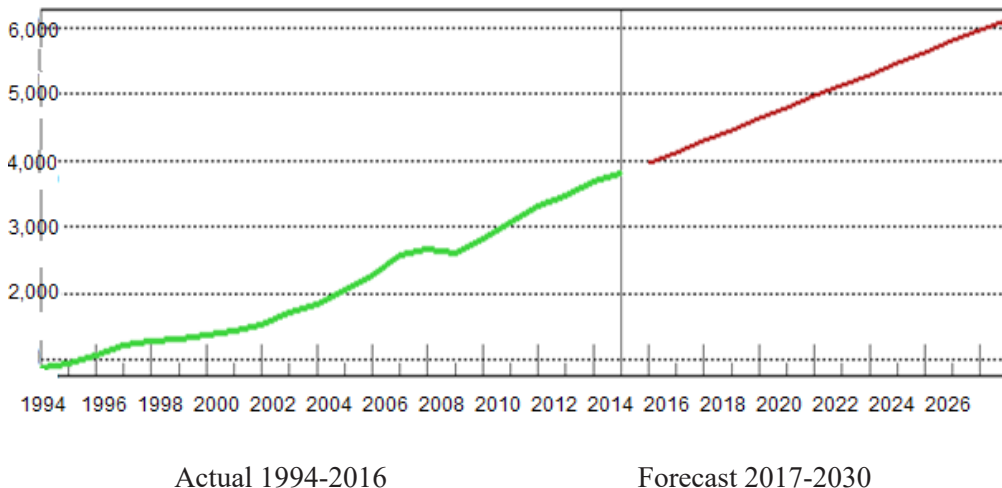


Figure 11. Georgia Historical GDP 1994-2016 and Forecast Pro 100 forecast 2017-2030

The World Bank provides data for Georgia from 1965 to 2017. The average value for Georgia during that period was 12.1 billion U.S. dollars with a minimum of 4.7 billion

U.S. dollars in 1994 and a maximum of 21.8 billion U.S. dollars in 1985.

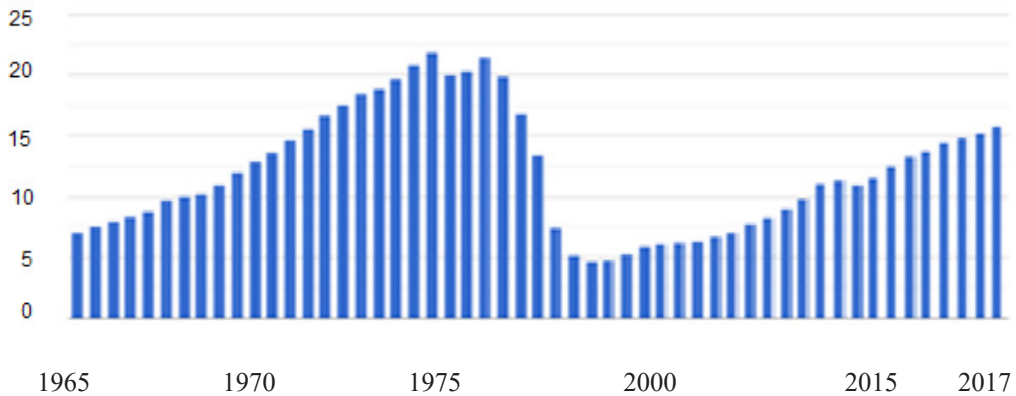


Figure 12. Georgia Real GDP (billion 2010 U.S. dollars), 1965-2017.

(World Bank Group, 2018)

The National Statistics Office of Georgia provides GDP growth rate data for Georgia from Q1 2004 to Q3 2018. The average value for Georgia during that period was 5.36 percent with a minimum of -8.7 percent in Q2 2009 and a maximum of 13.9 percent in Q3 2007.

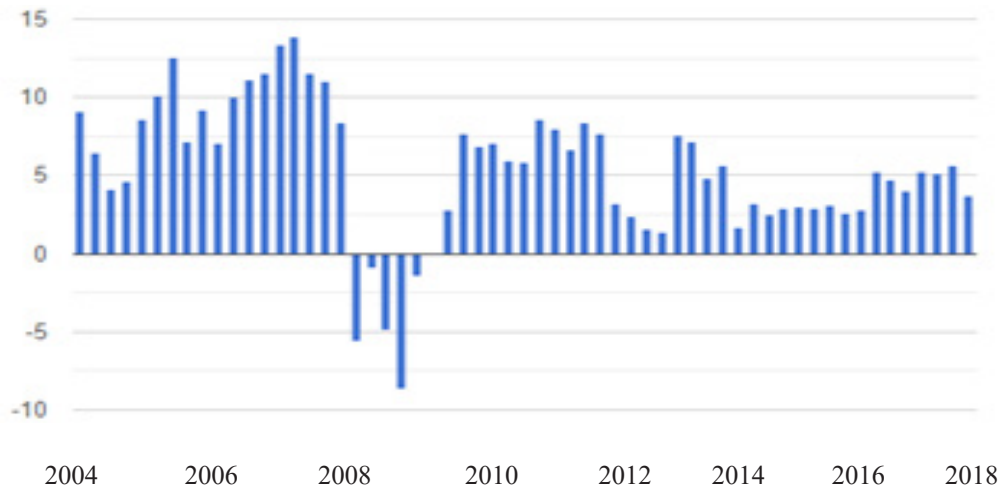


Figure 13. Georgia GDP Growth Rate, 2004-2018. (World Bank Group, 2018)

The GDP in Georgia was worth \$15.16 billion in 2017. GDP averaged \$7.62 billion from 1990 until 2017, reaching an all-time high of \$16.51 billion in 2014 and a record low of 0 in 1991. Georgia’s GDP is projected to trend around \$21 billion in 2020, according to Trading Economics (2018). IMF (WEO April 2019) projects Georgia real

GDP annual percent change for 2019 to be 4.8 percent, 5.0 percent for 2020, and 5.2 percent in 2024.

GDP per capita. Georgia’s GDP per capita in 2017 was \$4,078 (U.S. dollars), at purchasing power parity (PPP). This was number 8 of the 10 countries in the Black Sea Region, the average of which was \$6,293. Georgia’s GDP per capita is expected to trend to around \$4,678 by 2020 (Trading Economics).

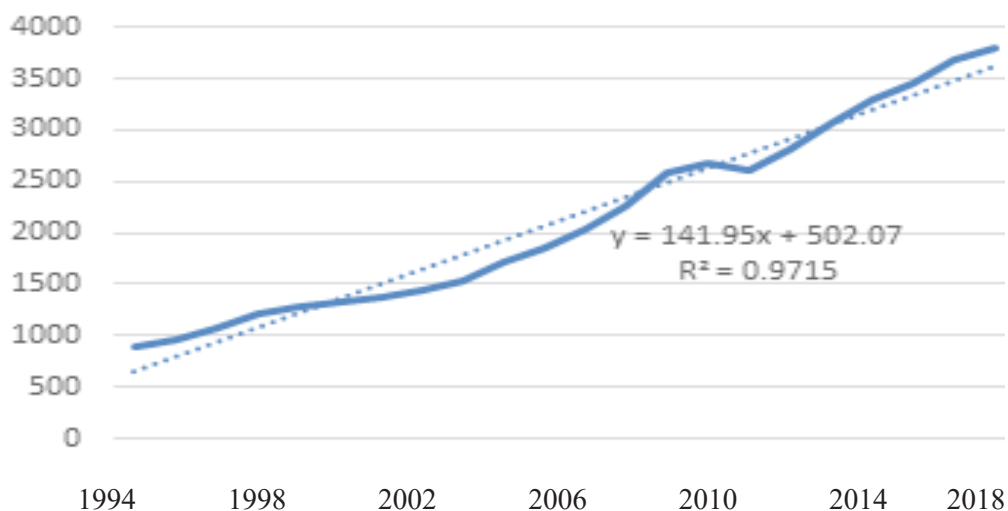


Figure 14. Georgia real GDP per capita, 1994-2015. (

Data from IMF WEO April 2019. Chart created in Excel.)

Drawing on data from the April 2019 IMF World Economic Outlook, Forecast Pro projects an increase in Georgia GDP per capita from 3,793 lari to about 6,300 in 2030. The mean absolute percent error for the forecast is 3.74 percent, and the mean absolute deviation is 73 lari. The adjusted R² is 0.99 for the series.

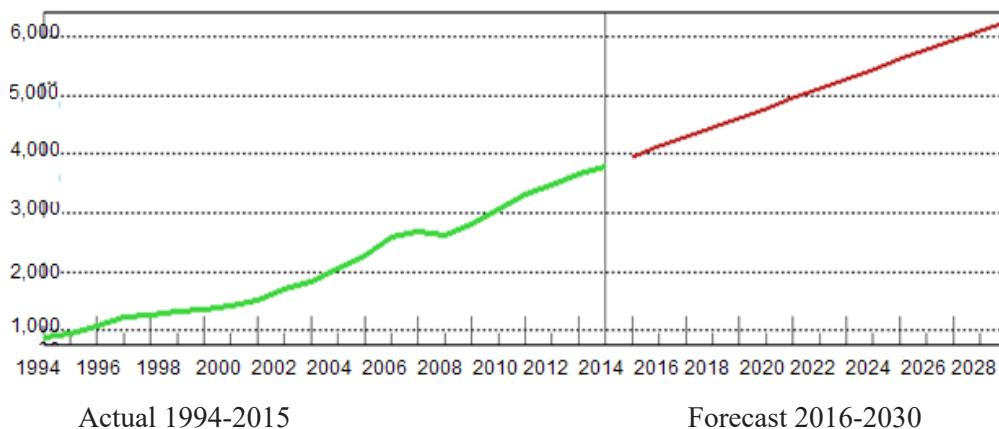


Figure 15. Georgia real GDP per capita, 1994-2015 actual, 2016-2030 projected.

(Data from IMF WEO 2019. Forecast and chart created in Forecast Pro.)

Currency

The Georgian lari (GEL) is worth about \$0.37, down from about \$0.60 some 10 years ago. A weaker lari makes Georgian exports more attractive to international buyers and imports from international sellers less attractive; each has the effect of increasing GDP. The IMF reports, “The banking sector remains well capitalized, liquid, and profitable, but dollarization remains high” (International Monetary Fund, 2018).

The chart below shows the value of one Georgian lari in terms of the United States dollar over the 10-year period 2009 to 2019. The high for the period was about 0.62 lari to the dollar. The low was about 0.36.

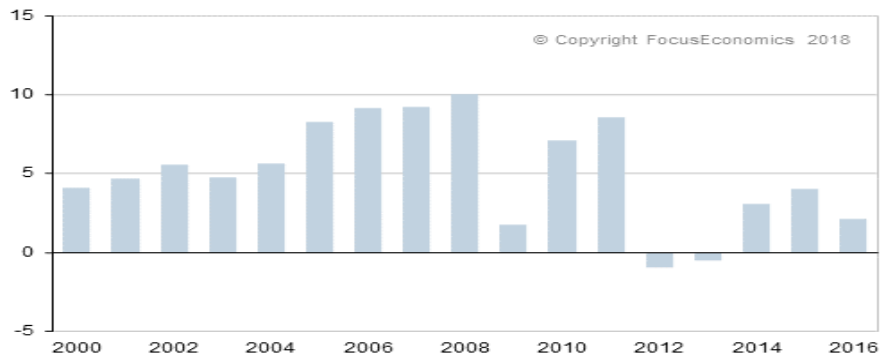


Figure 16. The value of one Georgian lari in terms of U.S. dollars, 2009-2019. (XE.com)

Inflation

The IMF (WEO April 2019) projects Georgia inflation for 2019 to be 2.5 percent and 3.0 percent in 2020 and 2024. Using consumer price index (CPI) data, Focus Economics (2018) shows a higher inflation rate at 6.0 percent and presents historical data from 2000 to 2016 in the following chart:

Georgia Inflation Chart



Note: Inflation, annual variation of consumer price index (CPI) in % (aop).
Source: National Bank of Georgia.

Figure17. Georgia's inflation rate, 2000-2016. (Focus Economics, 2019)

Distribution of Income and Wealth

Georgia's GINI index was 40.1 in 1999 and 36.5 in 2014 (World Bank Group, 2018). The implication is that the distribution of income—and, therefore, wealth, as well—has become less disparate.

Issues

Vladimir Putin remains an existential threat to the nation of Georgia. Putin's military forces occupy the northeastern province of Abkhazia, the north central region of South Ossetia, and the village of Akhagori bordering on and east of South Ossetia. Putin's invasion of Georgia in August 2008, along with the disdain of the current United States administration for NATO and the European region generally, offer no comfort to a nation seeking long-term peace and prosperity. (See Tumin, 2018.)

Scenarios

Georgia has been making progress economically and politically since the Rose Rev-

olution of 2003. A strong parliamentary democracy promises even greater stability in the coming years.

An IMF report in May 2019 (International Monetary Fund, 2019b) reported that Georgia's economic growth is projected to remain stable in 2019. Over the medium term, IMF said that structural reforms and infrastructure investment will be critical to support higher and more inclusive growth, and Georgia remains vulnerable to external developments. This requires continued exchange rate flexibility and reserves buildup, prudent monetary and fiscal policies, and sound financial sector policies. The IMF believes that diversification would offer greater macroeconomic stability.

The following scenarios are intended to provide a range of values depending on those "external developments" and the response of the Georgian authorities to both internal and external challenges.

Scenario 1: Base Scenario. Our most likely forecast for Georgia's real GDP (RGDP) in 2030 is 21 billion lari, up about 40 percent from 2017.

Scenario 2: High Scenario. At a confidence level of 95 percent, our forecast shows Georgia's RGDP could be as high as 24 billion lari, up 60 percent from 2017.

Scenario 3: Low Scenario. At a confidence level of 95 percent, our forecast shows Georgia's RGDP could be as low as 18 billion lari, up 20 percent from 2017.

Postscript

As this paper was in final editing, we received a report from the International Monetary Fund (2020). Highlights of the report are as follows:

- 2019 growth exceeded expectations, highlighting the resilience of the Georgian economy.
- Continued prudent policies are needed to maintain the growth momentum and bring inflation down to the 3-percent target by end-2020.
- Advancing structural reforms will make the economy more resilient to external shocks and improve medium-term growth potential.

An International Monetary Fund (IMF) team, led by Ms. Mercedes Vera-Martin, visit-

ed Tbilisi during February 5-11, 2020 to discuss recent economic and financial developments and progress with structural reforms. At the end of the visit, Ms. Vera-Martin issued the following statement:

“Georgia’s growth remains strong. According to preliminary estimates, real GDP grew 5.2 percent in 2019 compared to our projected 4.6 percent, and the current account deficit declined to a record low of 4.4 percent of GDP. Import growth remained broadly flat despite robust domestic demand, while exports increased by 12 percent (y/y). Despite higher policy rates, credit growth remained sustained, partly supported by lower foreign exchange reserve requirements. Strong revenue growth brought public investment to a record high (8 percent of GDP) without increasing the fiscal deficit (2.1 percent of GDP). After reaching 7 percent (y/y) at end-2019, inflation declined to 6.4 percent (y/y) in January.

“The growth outlook for 2020 remains stable, at 4.3 percent, but risks are now balanced due to higher-than-envisaged economic activity in 2019. Inflation is projected to converge to the 3-percent target by end-2020 due to tightened monetary policy and as the impact of one-off effects dissipate. The uncertain global outlook calls for continued exchange rate flexibility, reserve buildup, and prudent macroeconomic policies. The team welcomes the authorities’ continued commitment to maintain a tight monetary policy, for as long as needed, and a responsible fiscal policy.

“The 2020 budget appropriately targets a neutral fiscal stance. The fiscal deficit is expected to increase slightly, to 2.4 percent of GDP. The team welcomes the authorities’ efforts to accelerate VAT refunds by introducing an automatic repayment system; and steps to finalize the Public-Private Partnership framework and improve the management of state-owned enterprises, so that the authorities remain vigilant against a buildup in fiscal risks.

“Advancing structural reforms remain key to promote higher resilience to external shocks and more inclusive growth over the medium term. The team welcomes the new bank resolution legislation and steps taken to approve a new insolvency law. The current environment offers an opportunity to continue advancing with other reforms, including adopting an indexation rule for the basic public pension, addressing infrastructure investment needs, and improving education, to promote private-sector activity and create jobs.

“The team is looking forward to conducting the discussions for the sixth review under the Extended Fund Facility in April. The team would also like to thank the authorities

and technical team, and representatives of the private sector and development partners for their open and candid discussions.”

At the same time, while Georgia is not a Eurozone economy, there is a growing trade relationship between the two areas. A weaker Eurozone economy will likely have a negative, although small, impact on Georgia’s economic growth. Focus Economics (2020) offers this gloomy assessment for the Eurozone aggregate”

Prolonged weakness in the single-currency bloc’s industrial sector amid frail external demand, coupled with policy uncertainties at home, likely continued to constrain growth, with the French and Italian economies both unexpectedly contracting in the quarter.

This year, the economy looks set to remain anemic. The ECB sees growth at 1.1% in 2020 and 1.4% in 2021. Meanwhile, our panelists are slightly more pessimistic: The panel estimates growth will decelerate to 1.0% in 2020, which is unchanged from last month’s forecast, before edging back up to 1.2% in 2021.

Foreign sales are poised to cool, constrained by an unsupportive external environment, which will also weigh heavily on investment activity. On top of that, downside risks to the outlook include political instability in Italy, uncertainty related to the renegotiation of the currency bloc’s trading relationship with the U.K., an intensification of trade tensions with the U.S. and the coronavirus outbreak in China.

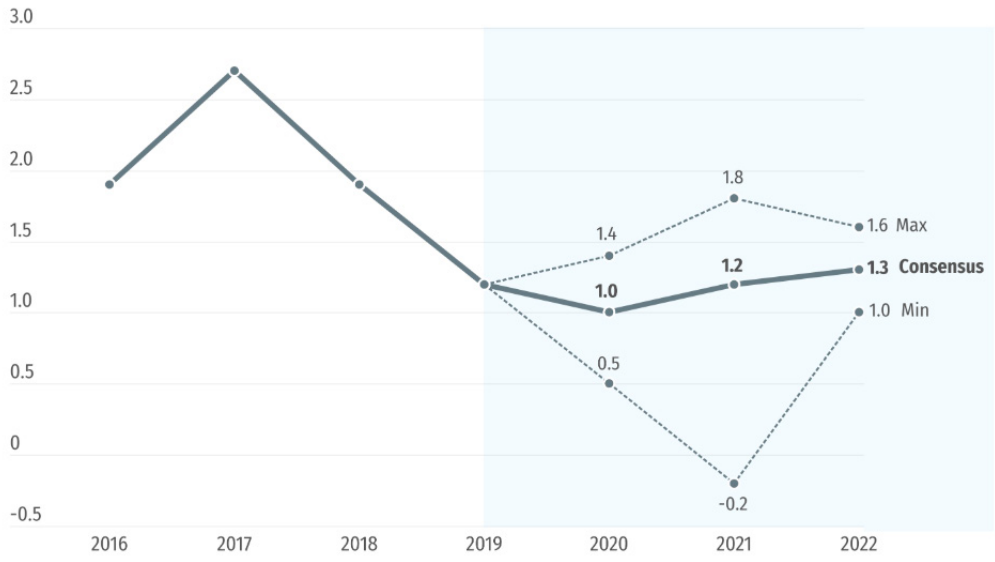


Figure 18. Eurozone GDP, year-on-year change

References

- Agenda.ge. (2016). Georgia, a growing hub for information, communication technology. Retrieved from <http://agenda.ge/en/news/2016/2792>.
- Caucasus Business Week. (2018). Retrieved from <http://cbw.ge/economy/anatomy-georgias-labor-market>.
- China Daily. (2017). Georgia secures more investment from China. Retrieved from http://www.chinadaily.com.cn/business/2017-05/17/content_29376797.htm.
- Focus Economics. (2019). Inflation in Georgia. Retrieved from <https://www.focus-economics.com/country-indicator/georgia/inflation>.
- International Energy Agency. (2019). Retrieved from <https://www.iea.org>.
- International Monetary Fund. (2018). Georgia : Third Review Under the Extended Fund Facility Arrangement-Press Release; Staff Report; Staff Supplement. Retrieved from <https://www.imf.org/en/Publications/CR/Issues/2018/12/19/Georgia-Third-Review-Under-the-Extended-Fund-Facility-Arrangement-Press-Release-Staff-Report-46484>
- International Monetary Fund International Financial Statistics and data files. 4.0. (2019). Retrieved from <https://data.imf.org/?sk=4C514D48-B6BA-49ED-8AB9-52B0C1A0179B>.
- International Monetary Fund. (2019a). Reining in risk to enhance financial stability in Georgia. Retrieved from https://www.imf.org/external/np/ins/English/capacity_countries_mfs_georgia.htm.
- International Monetary Fund. (2019b). IMF Reaches Staff-Level Agreement on the Fourth Review for Georgia's Extended Fund Facility. Retrieved June 14, 2019, from <https://www.imf.org/en/News/Articles/2019/05/13/pr19160-georgia-imf-reaches-staff-level-agreement-fourth-review-extended-fund-facility?cid=em-COM-123-38803>.
- OECD. (2019). Retrieved from <https://atlas.media.mit.edu/en/profile/country/geo>.
- OECD. (2019). National accounts database. Retrieved from <http://www.oecd.org/sdd/na>.
- Paresashvili, N., & Okruashvili, N. (2017). Modern problems to form human capital in Georgia Retrieved from <https://elibrary.ru/item.asp?id=29147370>.
- Raupp, E. R., & Apkhazava, N. (2009). Lifting the veil. Available at https://www.academia.edu/3515918/Lifting_the_Veil_Forecasting_Tourism_in_Post-Soviet_Georgia.
- Raupp, E. R. (2013). Forecasting the effect of tourism on foreign exchange reserves in

the Caucasus Region. Paper presented at 8th Silk Road International Conference, May 24-26, 2013, Batumi, Georgia.

- Raupp, E. R. (2019). *Economies of the Black Sea Region 2020-2030*. Gori, Georgia: Blue Impala Press.
- SECI. (2019). Southeast European Cooperative Initiative. Wikipedia. Retrieved from https://en.wikipedia.org/wiki/Southeast_European_Cooperative_Initiative
- Shmueli, G., & Lichtendahl, K. C., Jr. (2018). *Practical time series forecasting with R*. (2nd ed.). Hsinchu Taiwan: Axelrod Schnell.
- Stellwagen, E. A., & Goodrich, R. L. (2018). *Forecast Pro statistical reference manual*. Belmont, MA: Business Forecast Systems.
- Tourism in Georgia. (2019). Retrieved from [https://en.wikipedia.org/wiki/Tourism_in_Georgia_\(country\)](https://en.wikipedia.org/wiki/Tourism_in_Georgia_(country)).
- Trading Economics. (2018). Retrieved from <https://tradingeconomics.com>.
- Transparency International. (2018). *Corruption Perceptions Index 2018*. Retrieved from <https://www.transparency.org/cpi2018>.
- Transportation in Georgia. (2019). Wikipedia. Retrieved from [https://en.wikipedia.org/wiki/Transport_in_Georgia_\(country\)](https://en.wikipedia.org/wiki/Transport_in_Georgia_(country)).
- Tumin, R. (2018). Living on the shifting border of Georgia and Russia. *The New York Times*. Retrieved March 11, 2019, from <https://www.nytimes.com/2018/02/13/lens/living-on-the-shifting-border-of-georgia-and-russia.html?action=click&module=RelatedCoverage&pgtype=Article®ion=Footer>.
- UNWTO. (2019). Retrieved from <https://media.unwto.org/members/states>.
- World Bank. (2019). *World development indicators*. Retrieved from http://data.un.org/_Docs/WDI%20definitions.pdf.
- World Bank Group. (2018). *Georgia*. Retrieved from <https://data.worldbank.org/country/georgia>.
- World Bank Group. (2019). *Government expenditure on education, total (% of GDP)*. Retrieved from <https://data.worldbank.org/indicator/SE.XPD.TOTL.GD.ZS>
- WEO. (2019). *World Economic Outlook Reports April 2019*. Retrieved from <https://www.imf.org/en/Publications/WEO>.
- World Health Organization. (2018). *Georgia*. Retrieved from <https://www.who.int/countries/geo/en/>
- Worldometers. (2019). Retrieved from <https://www.worldometers.info/world-population/georgia-population>.

Linguistics

Chkheidze Maia

The University of Georgia, Georgia

Universal, Discrete and Multidimensional Phenomena in Cognitive Linguistics

The article represents an attempt at describing the essence of cognitive linguistics - the real face of modern linguistic science. Analysis of the well-known theories made possible to identify some new vectors: analysis of the semantic frame from the point of view of the relation between the contours of the individual and collective consciousness; analysis of the semantic frame from the point of view of the relation between subjective and objective factors; analysis of the concepts of validity, dependency and heredity within the frame premises; analysis of the concepts of reliability of the structure, adequacy and relevance of the relationships between the elements, integrity and completeness of the structure; analysis of one of the most complex dynamic processes – expansion of the frame system.

The process of formation of the system of semantic frames is viewed in the article as some “ritual of interaction” implying the process of transforming individual knowledge and experience into collective knowledge and experience.

Keywords: concept, semantic frame, the individual and collective consciousness, subjective and objective factors.

Cognitive linguistics determines the face of modern linguistic science. This direction in linguistics is relatively new, that's why many problems are evidenced in it – problems associated with theory (contradictoriness of approaches) and methodologies (ambiguity in methods) are implied.

Despite the fact that cognitive linguistics is rich in theoretical and practical works exploring different avenues in the analysis of the sphere of knowledge representation, this direction remains a space for future research, marked by incompleteness of specification of the essence of the system of universal, discrete and multidimensional constructions.

Analysis of the theories relevant to the problem of knowledge representation reveal ambiguity:

- In defining the specificity of the relationship between the contours of the individual and collective consciousness in the semantic frame;
- In determining the essence of validity, dependency and heredity within the premises of the semantic frame;
- In defining the criteria for reliability, integrity and completeness of the structure;
- In determining the essence of adequacy and relevance of the relations between the elements within the premises of the semantic frame;
- In describing the specificity of one of the most complex dynamic processes – expansion of the system of semantic frames.

In our opinion, some ambiguity and incompleteness associated with the problem of knowledge representation stems from the synergism of cognitive linguistics. Linguists dealing with the problem of knowledge representation have to find answers to their questions in different scientific fields. Sometimes it's impossible to find clear and unambiguous answers within the premises of one particular scientific field.

Cognitive linguistics is associated with the theoretical postulates of psycholinguistics. It is in psycholinguistics where the existence of nonverbal thinking and the existence of the conceptual sphere, comprising constantly changing and renewing quanta of knowledge were substantiated.

Some of the theoretical achievements of psycholinguistics turned out to be the basis for the development of the methodology of cognitive linguistics. The main thesis of the mentioned methodology can be summarized as: through the analysis of the semantics

of linguistic signs it is possible to penetrate the conceptual sphere of people. It is in the conceptual sphere where it is possible to find out what was important for different nations at different periods of their history and what remained outside their field of vision.

Having been developed on the basis of the mentioned methodology, the methods of cognitive linguistics now allow us to discover national markers and the entire diversity of the individual conceptual spheres.

The basic postulate of the approach we adhere to can be boiled down to the following: thinking is non-verbal – people think in concepts, belonging to human consciousness and being the global unit of mental activity. Ordered set of concepts in the human mind mold conceptual sphere. Access to the conceptual sphere as well as to the conceptual content of consciousness is provided by the language.

We fully agree with the following statements:

- Semantics of linguistic units objectifies concepts, so analysis of the semantics of linguistic units provides access to the content of concepts;
- Concept is the unit of the conceptual sphere, while meaning is the unit of the semantic space of the language;
- Meaning is the element of linguistic consciousness, while concept is the element of cognitive consciousness;
- Meaning, being tied to the concept for communication purposes is considered to be its part;
- Both meaning and concept are the phenomena of cognitive nature.

We share the following views:

- When named, the concept comprises psycholinguistic and lexicographic meanings;
- Psycholinguistic meaning is anchored in the word in the consciousness of the native speaker;
- This meaning is identified by experimental methods, while “lexicographic” meaning is briefly formulated in different types of dictionaries;
- The concept has no “binding relationship” with the word or other language means of verbalization;

- The concept can be verbalized as well as can be not verbalized by language means;
- Communicatively relevant part of the concept is verbalized in the act of speech;
- The reasons for verbalization or lack of verbalization of the concept are of a communicative nature.

It should be mentioned that in terms of volume of content the concept is considered to be greater than both psycholinguistic and lexicographic meanings.

The presence or absence of verbalization of the concept does not affect its existence or nonexistence in human consciousness – both verbalized and non-verbalized concepts are the units of thought. There are numerous non-verbalized concepts in the human mind. Concepts associated with an individual's consciousness are not subject to verbalization at all.

The presence of a large number of nominations of a particular concept indicates nominative density of this segment of the language system. Nominative density reflects the relevance of the verbalized concept for people.

A concept possesses the structure that is not rigid. This “possession” represents a necessary condition for the existence of the concept and its integration in the conceptual sphere. Concepts are organized according to the field principle. The structure of the concept is molded by cognitive signs differing in the degree of vividness in the consciousness of people.

The method of semantic-cognitive analysis assumes that in the process of lingua-cognitive research, in other words, in the process of cognitive interpretation we move from the content of meanings to the content of concepts. Cognitive interpretation is the stage of semantic-cognitive analysis. Due to the mentioned type of analysis, this research goes beyond the framework of linguistic semantics.

Semantic-cognitive approach provides the two possibilities of applying the obtained data:

- Cognitive semasiology – “a return to the language”. This direction implies the use of the obtained cognitive knowledge to explain phenomena and processes in the semantics of the language, deep analysis of lexical and grammatical semantics;
- Linguistic conceptology - movement towards consciousness. This direction

implies modeling concepts as units of the national conceptual sphere, national culture.

Linguistic conceptology aims at identifying a complete repertoire of the language tools representing the concept as well as at describing the semantics of these units; words, phrases, associative fields and texts are implied. Linguistic conceptology is focused on the cognitive interpretation of the results of linguistic research as well as on the modeling the content of the concept - global mental unit marked by national, social, age, gender and territorial signs. The place of the concept in the conceptual sphere is determined by cognitive interpretation.

The conceptual sphere is the domain of knowledge, composed of concepts and molded by all the potential of the concepts of people. The conceptual sphere is broader than the semantic sphere. It should be mentioned that conceptual sphere is quite ordered. The concepts molding the conceptual sphere are in systemic relations of similarity, differences and hierarchies with other concepts. The systemic nature of the relations between concepts seems to be absolutely natural, because thinking itself implies categorization of objects of thought, in other words, categorization presupposes arranging its objects.

The semantic-cognitive approach shows that the research path “from language to concept” is quite reliable - analysis of linguistic means reveals signs of concepts and shows simple and effective way to modeling concepts.

What is the essence of the cognitive picture of the world? – The cognitive picture of the world is considered to be the mental image of reality formed by national cognitive consciousness, more precisely, a cognitive picture of the world is the totality of the conceptual sphere and stereotypes set by culture.

Being common and stable, national cognitive picture of the world is an abstraction as well as cognitive-psychological reality manifested in the cognitive activity, physical and verbal behavior of the people. A national cognitive picture of the world is based on the uniformity of the behavior of the people in stereotyped situations, on the general ideas and judgments of the people about reality.

The conceptual sphere determines the mentality of the people - particular the perception and understanding of reality. Mental units, molding the national conceptual sphere, form cognitive stereotypes.

Sometimes concepts determine mental stereotypes but sometimes national mentality directs the dynamics of generating concepts, more precisely, existing stereotypes determine the content of emerging concepts.

The human conceptual sphere is the sphere of thought. It is the information base of the cognitive consciousness of the people as well of the individual. The conceptual sphere ensures orderliness and the systemic nature of the cognitive picture of the world. It provides an understanding of the reality perceived by man.

A person lives in a world of stereotypes, values and ideas. These phenomenological coordinates of his existence represent the world of concepts. So we can say that a person lives, communicates, thinks and acts in the world of concepts. Stereotypes, values and ideas represent projective, reduced forms of concepts. The latter can be interpreted as secondary and derivative forms of human existence in the world.

By imposing on the world the “net” of concepts, we can notice national markers of the world picture and the mentality of native speakers. The concept combines sensory and rational aspects; it displays dynamic and static features of a particular object or phenomenon. Being a highly organized unit, the concept combines various aspects of perception in their unity and integrity.

The structure of the concept represents a specific organization of the parts that make up the organic whole. This organic whole reflects a conceptual awareness of reality and hierarchical distribution of its components.

The hierarchical distribution of “significance” in the contour of the whole determines the center and periphery of the entity. All the properties of perception are reflected in the concept and create a multidimensional holistic entity.

A concept is a discrete, universal and multidimensional phenomenon being able to penetrate into the most diverse spheres and aspects of human existence in the world. Concepts are semantic quanta of human existence in the world, being able to transform into various specialized formations, in other words, into various, “gestalts” of being.

So, concepts are multidimensional variants/invariants, centers of transformations of diverse functional structures belonging to multilevel and multidimensional aspects of existence. Concepts are self-organizing multidimensional idealized formations embedded in the meaning of a sign.

Concepts are molecular structures - the limits of content divisibility. Just as a molecule, concepts are both similar to and different from the substance consisting of such molecules; in other words, concepts are similar to and different from the result of their synthesis. These definitions are valid only when the concept is interpreted as quantum of being. The essential thing in the concept is the multidimensionality and discrete integrity of the meaning existing in the long-term memory of people, in the continuous cultural and historical space.

The areal of the concept denotes a field in which the results of projecting the concept can be observed.

It should be mentioned that concepts can be connected by external relationships with other concepts. External relationships of the concepts with the other ones are the property of the entity.

The process of structuring the concept in the mind of a person, and then in his language and speech, implies a process of modeling semantic frames.

A semantic frame is a conceptual model of the knowledge representation structure. It also reveals specificity of the organization of human memory (Lehrer A. & Kittay E. F., 1992).

The basis of the human thinking process is the accumulated structures in ones memory – semantic frames. A semantic frame is considered to be the unit manifested the knowledge about the relations between phenomena (Minsky M., 1986).

A semantic frame is a scheme needed for representation of stereotypical perception. This scheme makes possible to express the wide variety of knowledge about the universe (Gaines, B. R. & Shaw, M. L. G., 1997).

One of the markers of the semantic frame is the existence of the contours of individual and collective consciousness in it.

In the semantic frame, the relationship between the markers of individual and collective consciousness represents the relationship between the whole and the part. In the semantic frame the elements determined by individual and collective consciousness are interrelated and interdependent.

While interpreting the semantic frame as the unit determined by collective conscious-

ness, we don't deny the existence of the factor of the individual consciousness in the continuum of the semantic frame.

Time and space markers appear both in collective and individual consciousness. While discussing the genesis of the collective consciousness, we adhere to the idea of the organic integration of the simple into the complex.

We consider collective consciousness to be a slot of vital importance for the semantic frame. We interpret the semantic frame as the composition of the ideas, beliefs and feelings relevant to the phenomenon of collective consciousness. The validity of the semantic frame is based on the general regularities identified as a result of analyzing ideas, beliefs and feelings relevant to the phenomenon of individual consciousness.

From this point of view, the semantic frame can be considered to be an ideal that is determined by specific time and space markers.

Thus, the semantic frame is the objectification of public consciousness. However, it should be mentioned that the purpose of frame semantics cannot be restricted to the description and arrangement of the reality.

Frame semantics makes possible to identify specificity of the relations between the phenomena of the reality.

The desire to obtain objective regularities made the cognitive perspective one of the most important directions of modern linguistic thought. The cognitive perspective implies an analysis of causal relations as well as analysis of the elements determined by the time and space markers.

The process of constructing the semantic frames and scenarios implies a detailed analysis of the co-existence of objective and subjective factors. The mentioned type of analysis gives possibility to research the social determination of the individual psychology.

At first glance, semantic frames and scenarios are marked by extraordinary, almost mystical firmness and order. Does this order restrict free individuality?

The dramaturgy of mental models (scenarios) creates a predetermined, safe and orderly world. Freedom and mandatoriness are correlative concepts in semantic frames and scenarios.

The mentioned units are characterized by the coexistence of the individual and the non-individual. Constructing the universe in the form of the arranged integrity is the ability of consciousness.

If we consider the system of semantic frames to be the combination of interactive elements, the result of division/segmentation of the existing integrity (social, cultural) will be the description of the forms of the constructed world.

Semantic frames mold the system - the repertory grid, considered to be some kind of matrix of knowledge (Marsden, D. & Littler, D., 2000).

Analysis of several systems of semantic frames constructed by us reveal some definite regularity:

The continuum of the semantic frame is subject to contextual limitations. The semantic frame is understandable, in other words, valid only in the context of these rules. The circulation of symbols and values is typical of the continuum of the semantic frame.

It should be noted that semantic framing is not based only on solidarity - the rules of social interaction. On the contrary, semantic frames constructed in different times and spaces violate the rules. Violation of the rules is the rule itself.

Thus, we interpret the semantic frame not as the space of rules and limitations, but as the resource of some predictable and anticipated actions. This resource comprises the combination of stereotypical expectations.

In a broad sense, the semantic frame is the perspective of perceiving a phenomenon, a structure of knowledge to present stereotypical situations.

The key factors to evaluate the strategy of element distribution in the system of semantic frames are:

- Reliability of the structure - adequacy of the elements integrated in the frame system;
- Relevance of the relations between the elements integrated in the frame system;
- Integrity and completeness of the structure.

The relations between the elements of the system of semantic frames are marked by:

- Association;
- Dependency;
- Generalization;
- Heredity.

Objects can be stable, static and temporary. Temporariness determines the duration of absence or presence of the element in the system of semantic frames.

Modeling dynamic process is of vital importance for modeling the system of semantic frames. In the context of frame semantics the mentioned dynamic process implies the process of expansion of the system of semantic frames.

The system should be expanded, but this process should not violate the “conceptual frame”, in other words, there must be the “inhibitor arc”.

If the system of the semantic frame is in its terminal (final) condition, it means that the “inhibitor arc” is observable and the system of semantic frames cannot be subsequently decomposed.

What are the factors that make the semantic frame and this scenario acceptable and valid for common sense? - From our point of view, these factors are:

- Specificity of the roles in the semantic frame and scenario;
- The essence of succession (continuity).

In standard situations of interaction the role strengthens expectations. Social interaction is also strengthened due to the resource comprising values and ideas formed in the past. So, the specificity of the roles and transposition of the resources from the past to the present make it possible to realize where the semantic frame begins and where it ends.

The semantic frame integrates all the defined rules of actions. These rules are independent and objective. It can be said that “obedience” to these rules creates a sense of certain social coercion in the semantic frames and scenarios.

Can validity be considered to be the constant marker of the semantic frame? The semantic frame remains valid only in concrete time and space.

We interpret the system of semantic frames as the construct of some “moral order”.

This construct represents a manifestation of the coexistence of the individual and the collective within the premises of the integrity (Newell A., 1990).

The process of the formation of the frame system can be viewed as some “ritual of interaction” implying the process of transforming the individual knowledge and experience into the collective knowledge and experience.

The process of analysis of the frame continuum implies the process of identifying regularities being the main organizing force of the semantic frame elements. This force transforms the individual into the collective.

The creation of multidimensional models (semantic frames) is one of the hypostasis of development of cognitive linguistics and the highest stage of abstraction of conceptual knowledge.

To sum up, the social context shapes and transforms the meaning of the elements of the semantic frame. Space has a substantial impact on the continuum of the semantic frame. Certain rules of participation in social situations create the “beginning” as well as the “end” of the semantic frame, in other words, certain rules of participation in social situations create specific contour of the semantic frame.

The system of frames can be transformed. This transformation disrupts the system, but accelerates reproduction of new social experience. We interpret the process of transformation as the result of continuous (permanent) reproduction (interpretation and reinterpretation) of the reality.

Life experiences, perception of reality, individual actions, are structured – the “order of interaction” reproduced in actions creates a peculiar continuum, in other words, the tier of frames. The tier of semantic frames combines individual actions with social structures.

Changes occurring in the system of semantic frames may cause chaos. But the thing is that, some kind of regularity can be observed beyond the chaos, more precisely, absolutely deterministic system can be seen beyond any chaotic system. The system of semantic frames is absolutely deterministic and its determinism implies predictability of trajectories.

The process of molding universal, discrete and multidimensional models is one of the hypostasis of the development of cognitive linguistics and the highest stage of abstraction of the conceptual knowledge.

References

- Gaines, B. R. & Shaw, M. L. G. (1997). *Knowledge Modeling*. Knowledge Science Institute, University of Calgary: 723-736.
- Lehrer A. & Kittay E. F. (1992). *Frames, Fields, and Contrasts*. Hillsdale, NJ: Erlbaum.
- Marsden, D. & Littler, D. (2000). Repertory Grid Technique – An interpretive research framework. *International Journal of Design Education.*, No. 7. 18-26.
- Minsky M. (1986). *The Society of Mind*. New York: Simon and Schuster.
- Newell A. (1990). *Unified Theories of Cognition*. Cambridge: Harvard UP.

Shavtvaladze Nana
The University of Georgia, Georgia

For the Issue of Language as a Relationship, Culture and Nation Awareness

When teaching Georgian as a foreign language, not only the alphabet, morphological-syntactic, stylistic and lexical queries are taught, but also the details of the national consciousness are shown. These details make one unity that determines the character, habits, traditions and actions of the nation.

Foreign learner is interested in the whole cultural face of this or that nation. This is why such request was brought by the life of today's world. American Erin Meyer answered the challenge with the book "The Culture Map". You can find many nations with their practical views and cultural attitudes.

Georgia's place in this culture map was very interesting. Language is learnt because of the communication – communication determines the cultural form – cultural view determines the mentality of the nation, its consciousness. Language is an opportunity, it's a weapon to codify the nation. If there is not this or that word, signifies that the nation has not thought of it, it hasn't needed it.

It is a question statement. We should build our cultural map, which implies and consumes of many things. Individuals, especially intellectuals, create the epoch, influence the generation, but determining the mentality is perceived according to the nation's actions and is represented by the language.

Keywords: Language; communication; foreign; culture; map; research; nation; national.

Why Study a Foreign Language? There are a few answers: I want to communicate in that language; I want to work in that language or to live in a specific country where that language is spoken; I want to learn because my hobby is learning languages and so forth. The reasons are varied, and therefore the demand is defined based on this.

When teaching Georgian as a foreign language, not only the Georgian alphabet, morphological-syntactic language, style or vocabulary issues will be taught, but important details of the nation's consciousness will be absorbed. The details are one integral factor that defines the character, habits, traditions and actions of a nation. You will agree that it is extremely difficult and almost impossible to determine the purity of the water in which we swim. Everything that is ours is engulfed in us and it is virtually impossible to separate, perceive or distinguish it.

In fact, globalization, the unification of countries in some respects, is an inner alarm for small countries, a warning bell. It is also everyone's desire and ancestry for their ancestors to be able to maintain their originality and remain on the map. Immediately after a first encounter, a foreigner tries to absorb as much information as possible, to understand a country's internal movements, human actions, to explain the reactions they see visually. In order to learn about a country and a nation, they learn the language that is the code of the nation's thinking and cultural vision of the world.

It is not disputed in linguistics that the time has come to explore the links between linguistic and thought-provoking phenomena. Despite language as a psychological phenomenon, language and speech remain the object of study; It's just a changed aspect of research. For sociolinguists, the internal structure of a language is not important, but rather how humans consume language, how it is used by representatives of a particular society, in short, the communicative situation (language and ethnicity). There are sociolinguistics studies on the social differences in the functioning and development of language, and psycholinguistics - the mental processes of human speech activity.

For modern linguistics, not the language, but the person, or the person with a definite identity, is essential. The concepts of "individual" and "personality" are also used and different. The individual is born and the person creates their outside world. Contemporary scholars view socio-psycholinguistics as a sub-discipline of psycholinguistics as it is focused on researching the actual processes of speech creation and understanding. It is not the language and the person or the person, but the person / person in the language (Benveniste, E.). The study of socio-psycholinguistics is caused by practical necessity and is perceived in the whole society.

This is a linguistic approach to the country. However, many people are interested in what the whole cultural makeup of one or another nation is. It is especially relevant when representatives of different cultures and nationalities are active in different countries of the world today. That is why today's world life has brought this demand. American Erin Meyer responded to this challenge with a book, *The Cultural Map*. With a practical perspective here, many nations are represented by their cultural approach.

Georgia's place on this cultural map is very interesting. My nearly twenty years of experience independently set me on the same approach. What do I mean? By this I mean, our actions with the world, the country, the issues, the things and with each other. But language helps us to express all this. Language - a means of expressing culture. The cultural map should include: our nation's consciousness, beliefs, traditions, habits, historical past, art, sport, society today, language, Ilia's "Homeland - Language - Faith" etc.

The interest of a newly arrived student's in a country is paramount despite all the differences in age, position, and language learning, requiring the same answers as soon as the first attempt is made. The most important thing for them is to recognize the common cultural vision; Recognizing Georgian approaches; Perceptions of rituals and parties; Nominating a family institution; The conscious readiness of Georgians to marry; Education and quality of employment; Georgians' attitude towards health; Understanding the rules of acquaintance and hospitality, in general, understanding the intellectual level and awareness of the community.

Language School has been serving Georgian language since 2005 and has been teaching foreigners Georgian as a foreign language. They offer several programs: "Georgian Folk"; "Everyday Georgian"; "Communication Georgian"; "Traditional Georgian". According to the methodological approach of the school, when referring to the Georgian language, we immediately explain the language group, language system as far as possible, the principle of agglutination, if linguistic, we spend more on information, otherwise, we only present functions. Of course, it is crucial which program you are a part of as a student; It is important to define vocabulary in the context of etymology. It is clear that vocabulary and vocabulary are the result of the nation's cultural vision.

Understanding the cultural vision of the nation explains much about our interest in family, relationships, civic beliefs, and our society at large. It is noted that our relationship with the family is special, but the modern look and approach are also evident here. Young people are trying to live independently and their views on this issue have changed. Our attitude towards the chief, the guest, is greatly appreciated. Our society,

our civic beliefs, our education, our relationships with each other, our attitudes, our attitudes, our attitudes, our caring, our caring, our loud cries, our warm attitude towards children, etc. Like all nations, with our excitement and despair, we are represented in the consciousness of those who come. It is shocking to them that when our citizens are driving cars they are constantly yelling, aggressively speaking and noisily honking. It is believed that we will have a unique taste and manner of attire, wherever possible. Also, beware of our attitude towards black.

It is interesting to think about what Georgians expect, what do we think, how do we expect them to be evaluated? In fact, almost everyone is choosing the form of reference - lady / sir, but we are moving to informal address pretty quickly. This is explained by the fact that we are ready for close relations and support them; If we are dealing with the older generation, we are trying to keep using formal language here. It is traditional to come to visit with gifts - sweets or gifts; Georgian cuisine is recognized, it is also important that we are always ready for distribution of our gifts, with a knife fork, everyone is introduced to the new space and we like and love our country as much as we can.

Behavior in society is conditioned by status.

The intellectual community tries to govern itself by the mind, but at least part of this action is not perceived as part of the cultural integrity of the nation. How we behave in the street, that is how we behave in our everyday lives and in times of crises, this is part of it; We are warm and cordial towards the guest, though we do not meet strangers with a smile. Guest intellectuals try to be restrained, limited to general answers, mostly not talking about sex, religion, politics – it becomes awkward.

Language is learned because of relationships. Communication is determined by the cultural format - the cultural view of a nation's mentality - the nation's mentality - consciousness. Language is a tool for coding a nation. If there is no word in the language that indicates that the nation has never thought about it, it would not have taken. The etymological definition of lexical units speaks to our inner nature, mentality and consciousness. Apply - Get it right! Rightly, Georgians wanted to be the winner; And in the morning the peace of mind - the peace of the little people who have endured much and are still on the map, is extremely important. It is difficult for us to wait as well as for others, but especially because it is perceived by Georgians as a wait list and this action is identified with gravity. Communication words - girl, boy - even at a young age are considered a compliment, not offensive. It is a common vocabulary - swindle, pestilence ... - is a form of pestilence, that is, we are ready to accept pes-

tilence and any horror instead of a loved one. In the language we have allergic-alert forms - Dedikuna, Mamiko, Likucha, etc. In fact, it is coded, codified at the root of the word, further developed and produced in the language. The community needs to be authentic; communication is done through language; language reveals the space of knowledge of human thought. Through this approach to language, socioeconomic and even sociocultural levels are determined. In principle not only the vocabulary or the structure of the society is defined by the society, but they are also defined by the family. The language of family is based on pure communication, conversational Georgian and economic vocabulary.

It is a vision, as well as a question. We need to create our own cultural map that encompasses many things. Unless we personally do many things as many Georgians do, that does not change the situation. Individuals, especially intellectuals, form an era, influencing offspring, but defining the nation's mentality is perceived by the masses and expressed through language. Tradition, rituals, habits are the determinants of self-existence, but our conscious action is Georgian and it is ours.

One notable example is gender. Fortunately, it is important for a man in Georgia - his relative production in just a few words in the language - to be an uncle; The defining words of a woman are: aunt from mother's side, aunt from father's side, cousin. It's just for defining pattern dependencies.

Here's advice from people working in foreign lands, Erin Meyer: "Try to watch everything carefully, listen more, talk less; Before you talk, first listen and then think, then act!" - (Erin Meyer, (2015) *The Culture Map*. United States, Public Affairs, p. 27.)

Erin Meyer introduces an evaluation scheme in her work. This research is pretty impressive. According to the physio linguistic analysis there are eight points which show the main attitudes of the nation or people. These traits are important for relationships, especially for new relationships. If a foreigner has information about a foreign country in this scheme, then it will be much easier for him to do business with people on a daily basis.

The following issues are identified in the evaluation: Communication; Rate; Persuasion; Leadership; Solution; Trust; Refusal / disagreement; Planning.

Relationship – Relationship is defined here as the quality of a nation's relationship with each other and with its guests; how can it be evaluated? Low context or high context. Assessment – Georgians: How do we value things, events, actions, and people?

Do we refrain from saying our inner thoughts? That is, our evaluation is directly negative or indirect. Conviction – With our most important issues, do we adhere quietly to our own principles on certain issues or statements and instructions? Leadership - We operate with a team-based approach to management, with a consistent vision and approach or a hierarchical format. Solution - How do we make the decision? Is it easy or difficult? agreed and consensual, as instructed, that is, from below? Trust - What are issues of trust in general? We trust those we know, based on relationships, or on the basis of the assignment, the evidence of trust in man. In short, it's based on the quality of the work done or the relationship. Denial / Disagreement – Do we have a mostly confrontational or non-confrontational attitude towards any issue, opinion or action? We are ready to confront if we take it for granted. Planning - What is our lifestyle? Is it very carefully planned, calculated every minute of what the situation will bring and what we will need? Appreciate scheduled time if you prefer flexible and leisure time in business and personal life.

It was decided with great interest to conduct research. Only fifty 18-21 year olds were interviewed. Their evaluation table looked like this.

1. Relationship - a) Low context b) High context

0..... 10 2030..... 40 50.....60..... 70 80.....90 100%

2. Evaluation - a) Directly negative; b) Indirect / evasive

0..... 10 2030..... 40 50.....60..... 70 80.....90 100%

3. Persuasion - a) Principles first; b) Reference, obedience

0..... 10 2030..... 40 50.....60..... 70 80.....90 100%

4. Leadership - a) Equal b) Hierarchical

0..... 10 2030..... 40 50.....60..... 70 80.....90 100%

5. Solution - a) Consensual b) From top to bottom

0..... 10 2030..... 40 50.....60..... 70 80.....90 100%

6. Trust - a) On a case-by-case basis; b) On a relationship basis

0..... 10 20.....30.....40 50.....60.....70 80.....90 100%

7. Refusal / Disagreement - a) Confrontational; b) Non-confrontational

0..... 10 20.....30.....40 50.....60.....70 80.....90 100%

8. Planning - a) Scheduled time b) Flexible time

0..... 10 20.....30.....40 50.....60.....70 80.....90 100%

According to SPS, the data were categorized as Low: 0-20%; Below average - 21% -40%; Average - 41% -60%; Above average - 61% -80%; High -81% -100%.

The vision of the younger generation will not give us data about the whole mentality of the nation, but will clarify in the approaches. This generation is really coming to terms with a more assertive and loud statement.

1.	Communication	High context 9% - low context	<p>Communicating</p>	<p>Communicating</p>
2.	Rate 19%	directly negative 31% - indirect	<p>Evaluating</p>	<p>Evaluating</p>
3.	Persuasion	31% - Principles First 19% - by reference	<p>Persuading</p>	<p>Persuading</p>

4.	Leadership	50% - equal 50% - hierarchical	<p>Leading</p>	<p>Leading</p>
5.	Solution	26% from top to bottom 24% - Consensual	<p>Deciding</p>	<p>Deciding</p>
6.	Trust	40% - Relationship Based 10% on assignment basis	<p>Trusting</p>	<p>Trusting</p>
7.	Refusal	36% - confrontational 14% - non-confrontational	<p>Disagreeing</p>	<p>Disagreeing</p>
8.	Planning	31% - Flexible Time 19% - scheduled time	<p>Scheduling</p>	<p>Scheduling</p>

Complete readiness for the relationship and high quality advantage were clearly demonstrated; In evaluating and rejecting, we still choose to act inappropriately because we refrain from harassing anyone; The principles are important, and at least at least from the top, that is to say, we make the decision; No leadership was identified, the percentage being exactly split between him and the hierarchical format. The trust

factor important for the Georgian mentality does not betray tradition and expresses almost all trust on a relationship basis. Freedom depicts flexible time, thinking ahead, planning, allocating time. This is still an unusual fruit for us, but it is slowly becoming acceptable.

This is just an evaluation of young people. The medium will be very interesting

A vision of this for many ages is even more exciting for the older generation. Of course, this does not paint a perfect picture and will not answer the nation's readiness for these issues, but the way of approach and trends will certainly be obvious.

References

Андреева Г. М., (2009). *Социальная психология*, Москва, Аспект пресс.

Meyer, E., (2015). *The Culture Map*. Unatides State, PublicAffairs.

Media

Machavariani Maia

The University of Georgia, Georgia

Publisher the Georgian Press during the Years 1914-18

The objective of our research is the assessment of those materials from the years 1914-18 from the Georgian press, which highlight the protection of human rights and peace during the four year period of First World War, the need for the creation of International Organizations and their influence on international processes. The analysis of the Georgian press itself based on this assessment and its influence on the formation of public opinion.

The Georgian press, due to the violation of the neutrality of Belgium by Germany and considering the scope of the war, highlighted and focused on the defense of International rights and their implementation in real life. With the popularization of this issue, the press showed the necessity of defiance of those international norms and acts that were just starting to emerge in the beginning of century.

In Georgian historiography, materials published in years 1914-18 in Georgian press regarding the International Organizations during the First World War are not yet fully studied, covered and highlighted. Due to the abovementioned, the presented article represents an honorable attempt to partially fulfill this gap.

Keywords: Georgia, press, publisher, human rights

At the start of the World War I in 1914, the destruction of Belgian neutrality by Germany produced large-scale war, the size of which had never been seen. Related issues became so present in the Georgian press, issues with universal importance as a necessity for the protection of international rights. Georgian publishers devoted a number of analytical letters on these topics during this period. Our research aims to better understand the years 1914-18 years in Georgian press materials, focusing on the reporting the protection of human rights for the four year period of the World War I, the necessity of the creation of international organizations and their influence on international processes. On the basis of this assessment, the Georgian press gave birth to a unique discourse about the protection norms which gained a foothold at the start of this century.

With international tension in the background, the newspaper *Public Sheets* published a letter on July 20. In this letter “the triple union contract” reminds the reader about two military blocks: “Entente” and the history of the triple union and their role in the ongoing international processes. Accordingly both parties shall undertake mutual support in case of attack of from. The second article of the contract makes Germany assist Austria if the latter will attack. But according to the point of view of the newspaper, in a particular case, Austria is the attacker and Serbia is a repulsive. Therefore, the editorial staff explains to its readers that the union contract of Germany had not come into force until Russia did not attack Austria. But the newspaper suggested that there is an agreement with secret clauses. It is true that the editorial staff reported that an agreement concluded between Austria and Germany and Italy is unpublished but the newspaper’s unofficial sources suggests that Italy has a similar contract with Germany, as Austria-Germany did. There is only one difference that Russia’s place holds in this agreement, France. Thus, Italy has more less duty towards the Austria rather than towards the Germany. Therefore, according to the conclusion of the newspaper and according to this contract Italy does not consider it obliged to help Austria in an aggressive war. The point of view of the Georgian newspaper confirmed by history, because Italy declared neutrality (*Public Sheet*, 43; 1914; 2-3).

The political events of the first few days of First World War are analyzed and told to the readers on July 20 in *The Voice of Kakheti* in a letter entitled “Around the War.” In the beginning, the author highlights the Balkan wars of 1912-13 years and explains to the reader, how not make an agreement in the Balkan States “in division of the booty, and after it mixed up a monastery. According to his opinion,” the great state can great loudly about their culture and justice, all of this is only for showing to other and early even today, as throughout past centuries it has been everything built (*The Voice of Kakheti*, issue 171, 2).

The newspaper *Public Sheet* in the letter “What is a War?” states that according to the current situation, despite the divergence of newspaper observations, all think that it is necessary to create the War on the grounds of international rights, which aimed to create such conditions, when States are forced to no longer become his right to protect the weapons apply to the implementation of which is editorial and, unfortunately, cannot yet be established. Therefore, the states strength and their hopes lie in their military forces. According to the conclusion of editorial board, despite the publication of numerous declarations and documents, it’s a drop in the sea and this findings minimum take the great difficulties in this war (*Public Sheet*, issue 63, 3).

Still in 1914, in the Georgian press, trends in the violation of international rights appear, in even more active form with Georgian experiencing it and this appeared. Especially today, in a developing democratic society, the existence of the ideas born at the beginning of the last century indicates that this issue is the focus of progressive Georgian society, that is, it is articulated that any nation has the right - an independent existence and regardless of political affiliations, a sharply negative attitude towards the war.

The newspaper *Labor* published an important letter entitled as an “International Rights and the Armed Forces,” where the author fundamentally discusses such topical issues such as the lack of existence of international rights institutions and the need for their creation. The author is forced to recognize that indeed there is not one particular body, which will be equipped with all rights and that will be able to punish any state with response, that proves Germany’s Belgian intervention was a violation of the law of neutrality. According to the author’s point of view, stuck a paradox, none of the state have appeared to declare a war against the Germany, only in order that he violated an international right. And England named Belgium even as the cause of the war, but according to the author, this happened because “British activism was proportional to the scare, which prepared to him for Germany’s invasion near the border of Belgium. Therefore, according to the conclusion of the author and according to the existing international situation, it is necessary to create such body, which will have the most power to make international right is still not left the voice of one crying in the wilderness” (*Public Sheet*, 36-3/XI, 1).

The newspaper *Public Sheet* published the article “there is an international right or no?” according to the explanation of D. Onashvili, international rights are determined by the various resolutions of conferences. This author estimates that the war damage and scrap paper turn all these terms and rights, whose desires is the best, but its implementation means utopia. Because the author’s point of view, war itself is already

all right to abuse for this reason. According to the author “war does not impose any commitments to people, but also relieves from any obligations, whose evidence is this present war.” All this means to the author that European states signed on to the Hague Convention (1899; 1907) despite the fact that the next day they will be violating it, because the diplomats talk on the one hand about philanthropy and on the other hand, about the necessity of the war. The author indicated evidence of this opinion in Belgium’s neutrality, which at the beginning of the war becomes a “paper scrap”. On the basis of these facts, the author comes to the conclusion that the publication of international rights the creation of the international organizations, which stand at the highest place by its own rights that each state (*Public Sheet*, 170 I; 171; 1914; 3).

D. Kasradze refers to the same problem in article published in the magazine *Rock* and trying a wide readership, ascertain the various rights in which coverage, he can to conclude: “We as one unit and part of international life, we are covered by the law... If there is war... There is also and valid the right of the people, which is exceptions as every Law” (*Rock*, 39; 1914;8). For the Georgian press is interested not only in the opinion of the Europeans and Russian, but also the American media opinion. The newspaper *New Iveria* publishes the opinion of Theodore Roosevelt (USA’s 26th President, 1901-09) which criticized his country’s government for not have the measures to remedy the injustice which is drowning Belgium. According to him, the signing of international agreements was only fun for the American government. The same newspaper, expressed commentary showing a belief that America has not a right to come out with arms in their hands. So only one way remains - protest. America with all neutral states with solving the problem accuses Germany and reprimands his action (*New Iveria*, 26; 1914; 2).

According to information in the Georgian Press, President Wilson believes that this war had turned into an international public war and it was necessary to establish an international agreement based “People Union”. Its creation and principles of output concern the equals Peace Conference. America is ready to be responsible for this contract on which future decisions will be based (*Unity*, 232, 1918; 3).

Despite the current political and military upheaval in the world and in Russia, the Georgian Press of 1917, as yet in composition of Russian and in the meantime the World War I front-line side media, had a special interest towards the necessity of creation of the international organizations. The Georgian press envisaged the newest information of the European and American press and stands in the center of the events, the analytical article “War and America” analyzes and informs to the Georgian readers the erstwhile political situation and mentions the idea of the creation of the League of

Nations. The author starts the article with President Wilson's critical estimates. "Wilson is the sober nation child and leaves in the practical century, but it seems like that he is imbued with incurable idealism and dreams for the international peace at the time of bloodshed and thinks to found a World Federation for achieving this goal." The author shares to the readers the purpose of this federation according to which the Member States of this Federation do not have the right to declare the war. And possible conflicts will be clarified by the supreme entity of the world. The publisher asks the question: "Is it possible to establish the World Federation and, most importantly, be able the World Federation to perform this mission? When the author's critical approach consists the US past and present noteworthy facts on this issues, the author welcomes to the idea of establishing of the league of nations, but its implementation, at this case for this time, does not watch with great optimism. And the reason for many other reasons, he believes in the American historical past. It is more than a century that this Federal State is there and the principle of cooperation is still being not carried out on their own territory. For proving this opinion, the author believes that the yellow-skinned and blacks nowhere are being persecuted that in the USA. The "legal equality and idea, is only on the paper. 10 million of American blacks considered as the second quality citizens. The moral wall that white-skinned and black people divide more inevitable than the ghetto, which divided the middle ages Jewish." The author quotes the actual material, and asks the question: "How can establish an international cooperation and the peace if this cooperation and peace not hardens between the two neighbors tributes, which live in the same country?, Then when the world tribal and cultural resistance is even stronger than in the US?" The Publisher for the better representation of his own opinions and for the better clarification of the general community cites the history of America, who produced a few wars during its short existence, as within the country (civil war) as well as outside the country. After which, the author believes that "this historical memoir retrenched to Wilson's noble dream and if this did not happen, this probably can be explained by the some people in advance on those doctrines change the ability of sensation of living reality." But the author who knows the international situation better and who has good political intuition, concludes that the "War Shadow" has sustained democracy "Beacon-Star" –the country from which we understudied only the peaceful and agreed words (Georgia, 19; 1917; 1).

Thus, between the 1914-1918, Georgian publishers of the Georgian media, are still predicted in the beginning of the last century and actually substantiate the necessity of creation of the competent international organizations, that the real implementation is only a dozen years later, failed, and without which the present world order would be incredible.

Thus, from today's point even more relevant and interesting, how it manifests itself in the years 1914-18 over the world historical events were explained in the international press and Georgian editions materials. At the modern stage, the relevance of the research theme conditioned by the facts, that those international norms, their reception and protection, which only born at the last century, is the problematic issue for the modern society. Indeed, under today's globalization conditions, democratic society should foster the development of basic principles to maintain peace and end all conflicts with peaceful solutions.

References

- “An Old Rider Around the World.” (1914). *Voice of Kakheti*. 171-20/VII. p. 2.
- Kasradze, D. (1914). “People's Right.” *Rock*. 39-21/XII. pp. 8-10.
- Leliani, F. (1917). “War and America.” *Georgia*. # 19, 25/1, p. 1.
- Onashvili, R. (1914). “If there is no International Right.” *Public Sheet*. 171-24/XII. p.3.
- “Rubric Telegrams.” (1914). *New Iveria*. 6-31/X. p. 2.
- T-NI. (1914). “International Rights and the Armed Forces.” *Labor*. 36-3/XI. p. 1.
- “Triple Union Agreement.” (1914). *Public Sheet*. # 43-20/VII. pp. 2-3.
- “War and Peace.” (1918). *Unity*. 29/X. p. 3.
- “What is War?” (1914). *Public Sheet*. 63-14/VIII, p. 3.

Psychology

Burduli Nana

The University of Georgia, Georgia

Contact Boundaries in Love Relationships

The purpose of this article is to show the role of contact boundary in relationships; especially in love relationships.

The term “contact” is a fundamental concept in Gestalt Therapy. Contact has been described as the central point of human life, as well as the life of all organisms, and it can be understood as the “meetings of various kinds with others”.

In the context of gestalt therapy, contact means meeting with awareness with the other. Such contact is possible only where there is awareness of difference, of what is not-me. Therefore, contact can be described as the awareness of an “other” at a boundary in the field.

The practice of gestalt therapy shows how couples realize, or avoid, the intention to reach and be reached by the other. Couple relationships are seen by Gestalt therapy as a continuous co-creation of the contact boundary, as an experience that lies “between” the partners.

Thus, the awareness and protection of the contact boundaries is very important in love relationships.

Keywords: gestalt therapy, contact, contact boundaries, contact-mechanisms, spontaneity

The issue of contact boundaries is very important in our culture. We often meet people who are not aware of own contact boundaries, both in new relationships and in short-term contacts.

One of the factors influencing the violation of contact boundaries in our country lies in parenting style. It is well seen in symbiotic-confluent relationships between parents and children. Good example is when client calls stating that his/her child has a psychological problem and wants to bring the child to therapist; on question how old the child is, answer is 40.

Problem of violating contact boundaries in Georgian reality is apparent also in speech. Parents often use phrases like: “we are already grown up,” “we’re ill,” “we started to walk” etc.

Naturally, all this leads to unhealthy relationships that lead us to contact defense mechanisms like confluence, retroflexion, introjections, and deflection.

As my practice has shown, the problem in love relationships basically is related to a lack of awareness and a lack of sensing contact boundaries. It later reflects as confluence and isolation in relationships. From an emotional perspective, typically we see fear of relationship, sense of danger, aggression, feeling of suppression, anxiety, etc.

I assert that in love relationships the most important thing is to know the person you face. It is not simple to get to know another person; first, you need to know yourself. This means you need to notice and be aware of your feelings, thoughts, what choices you make being in contact and what needs are these choices connected with. Unfortunately, it does not often happen like that. As a result, every person interacts with others from own experience, opinions, needs having an illusion that another one should feel the same. This determines the violation of contact boundaries in relationships. The violation of contact boundaries is especially painful in love relationships. It creates crisis both in personal and couple relationships. Human psychics have a tendency to need external help, as it’s very difficult to deal with the crisis on its own. Psychotherapy, and namely gestalt therapy is an instrument for these.

So, the aim of the article is to reveal the role of contact boundaries in relationships; especially in love relationships; to show how important it is to know, protect and respect inner personal boundaries as contact boundaries in relationships.

Two Ways of the Being in the World: “I-It” and “I-Thou”

Gestalt Therapy has the perception of the “Figure” and the “Ground”. The “Figure” like the element of the unity-ground, and the “Ground” like the emerged sense from the figure.

One of the first profoundly simple definitions of Gestalt therapy was given by Perls himself. He states that the two philosophical pillars on which this therapy rest are Phenomenology and Behaviorism.

Bob Resnick defines Gestalt therapy as being based on three (not two) philosophical pillars - Field Theory, Phenomenology and Dialogue (O’Neill & O’Neill, 1995, 2007).

Maurice Nicoll, a British psychiatrist of the early 20th century, was a student of Gurdjieff (Nicoll, M., 1952). He described when people meet there are two “realities” – the visible and the invisible.

There is a world not visible to others which may be experienced only by the person. No one is aware of others’ thoughts, dreams and imaginations unless we are told by the person themselves. This is our secret, private, invisible world. When we then look at each other it seems to us we have easy access to this invisible reality in ourselves. Therefore, most of what we see and hear is not the whole person. We don’t have access to others invisible world unless they tell us about it. This invisible world includes feelings and thoughts, love and wisdom. Hence, most of what is important in life and is all around us - is this invisible inner world (MeulmeesterFrans, Module 3).

This movement in awareness between this inner “essential” world of self and the external world of “observed” phenomenon is crucial to understanding the dialogical philosophy and counselling of Martin Buber (Buber, 1958).

There is a dialogic existentialist approach based on Martin Buber’s work, a Jewish mystic, who saw there are two ways of being in the world: “I -It “(seeing people as objects) and “I-thou”(discovering the connectedness, seeing each other as an “other”).

This movement from an “I-It” observation and control of the objects of our external world (found in so many counselling approaches) to one where we are “bound up in relation to the other” – a relationship of I-Thou – is a significant and creative leap in psychotherapy (Meulmeester Frans, Module 3).

In Philip Lichtenberg's opinion concept of contact is very strange. Concerning contact and retrieving it is the very thing that gestalt therapy took from Freud. Freud calls it the experience of meeting the needs. He uses the example of the nutrition of a newborn child and notes that contact happens on the first days of life (Anthology, 2016).

In the process of a relationship we create something new and for some time the individual "I" and the individual "you" are created/restructured/processed during this process (i.e., in every moment self-determination, self-establishment and self-creation happens).

We are autonomous and different at the beginning, in the very process of relationship, if "I" identity and "you" identity are fully present, we meet and get a chance to become parts of something bigger. We become we. Here is the dialectics: from one side – self establishment, and from the other side – merging "I" with something bigger. The work *Civilization and its Discontents* calls this egoism and altruism.

In gestalt therapy, in Lichtenberg's opinion, we cannot develop "I-Thou" contact, we develop uniqueness of each part of a relationship, rather than observe them merging, healthy merging in full contact phase. This is the drama: to be special and be lost in something big (Anthology, 2016).

In every event there is "I" and "You". Laura Perls noted that there is "I" in contact, and there is "You". Here we come at the point, that I-ness and You-ness transforms into We-ness. Lichtenberg speaks that you may be in a kind of relationship, when the other person tried to speak about him/herself and not about you. She or he had friends for a long time that overemphasized their own importance: they knew very little about Lichtenberg, were not interested about him, unlike him admiring and supporting them. They represented special "I". "For them, I was obscure "I", meetings were sentimental and I tried to leave contact unsatisfied" (Anthology, 2016).

It's interesting that people growing up in family violence are more cautious when they don't know when the drunken father would beat someone up, or whether he arrives or not. They have to spend a lot of time watching his mood and guessing taking others into consideration. Besides, they lose sense of self in this process. They get used to others and at the same time, lose connection with own life rhythm. Other becomes dominant - "you", and your "I" -identity shrinks/ is lost.

In most of the cases the relationship diverts to one direction or another: either I is sharply expressed, or the other. It restricts the productivity of our relationships. In

every case, they strive for equality. Eventually any relationship is a relationship of equals.

It's known that in any contact there is "I" and "other". In every act in a relationship we mobilize our inner world, connect its different parts, our desires and needs, and behave by regulations of existing relationships. But a connection has two directions (towards oneself and towards the other).

As it's noted above, for an alert/cautious child, a connection with one of sides of contact is lost. When someone speaks to me, without me, talks endlessly about oneself, without considering me, this person speaks with deep feelings, but is not with me.

In any relationship that we are part of, we influence and impact others. Besides, we are influenced by other.

Thus, in whole contacting we have two corners - "I" (I want, I feel who I am) and "I" how I react on "you" (when you do this, something happens in me).

Lichtenberg notes that when contacting, both our selfness develops and other person's selfness develops. Thus, during contact, there are not two but four components.

It means that "I take responsibility to ask you what you want, who you are, what you feel in contact with me, also to ask what is your reaction when I speak or do something."

Thus, during contacting in the process of I-individuality and you-individuality, four corners are outlined:

- I am
- I react on you
- I want you to tell me who you are and what you want
- I want to tell me how you react on me

Different combinations take place in relationship. Quite often, two persons talk with each other and there are two monologues going on: I talk about myself and you talk about yourself. It continues this way: I..., I..., I..., I want, I feel, I think and no one gets the idea to say: "wait, I think what you said is just terrible. Don't you think?" it may also be put this way: "What you said about yourself makes me concerned."

If we refer to Goodman's point of view, that there are big and little involvements in contact; a big involvement may be defined as: when all four components are apparent, it is not necessary that in words, but obviously it may be said, that we know each other (Anthology, 2016).

In my opinion, in love relationships problems appear while in contact there is only "I" oriented relationship or only "you" oriented one. The first case leads us to isolation, and the other – to confluence. Relevantly, dialogue of a couple does not go beyond "I am..." level.

When we speak of love relationships, we cannot ignore influences that may be coming from outside (i.e., from the field), where there is a field, and at the same time which is created by each of them towards each other.

Contact and Contact Boundaries

Contact is what happens when people move around in the world. In a very rudimentary way, contact is what happens when a person bumps into a wall. There is a sudden meeting between soft, sensitive face and hard, resistant wall. They touch. Contact in the gestalt vernacular involves a bit more. There is a meeting, but this meeting constitutes the awareness of the relationship between self and other and makes explicit the way in which self and other touch. It also gets one's attention, because contact is exciting. "Primarily, contact is the awareness of, and behavior toward, the assailable novelty; and the rejection of the inassimilable novelty" (Perls, Hefferline, & Goodman, 1951/1972, p. 230). Erving Polster and Miriam Polster (1973) described contact as the lifeblood of growth and the means by which a person changes himself or herself and the experience of the world. Contact takes place at a boundary, conceived metaphorically as an organ or membrane connecting oneself to one's environment. A contact boundary is the point at which a person experiences "me" as opposed to "not me" (Brownell, 2009).

The term "contact" is fundamental concept in Gestalt Therapy. Contact has been described as the central fact of human life, as well as the life of all organisms, and it can be understood as the "meetings of various kinds with others" (Crocker, 1999, p. 18). Contact also means being in touch with what is emerging in the moment (Yontef & Jacobs, 2007). Contact is the means for changing oneself and one's experience of the world (Polster & Polster, 1973). In the context of gestalt therapy, contact means "aware

meeting with the other. Such contact is possible only where there is awareness of difference, of what is not-me” (Crocker, 2008, p. 132; Philip Brownell, 2010, pp.103).

Therefore, contact can be described as awareness of the “other” at a boundary in the field. The organism makes contact with the rest of the world at its boundary and here an exchange takes place which maintains homeostasis or contributes to growth.

A relationship can be impersonal or personal. Impersonal relationships can be a causal relationship between two variables or simply a correlation between them. Personal relationships can be sexual relationships between two people or simply a friendship between them. A relationship is a connection between two or more variables, objects, or subjects. When this connection is between two people, it can be thought of as contact over time. (Philip Brownell, 2010, p.111)

According to Erv and Miriam Polster, contact is not just togetherness or joining. It can only happen between separate beings always requiring independence and always risking capture in the union. At the moment of the creation of the union, one’s fullest sense of his person is swept along into a new creation: I am no longer only me, but I and you make us (Erv and Miriam Polster, 1974, p. 99).

According to Frans Meulmeester contact is the process of interaction between an organism and its environment. It is the continuous process of mutual influence, which takes place at the boundary of organism and environment, which means that contact is not just something belonging to the organism, but something that belongs to both, organism and environment.

When we say that contact takes place at the boundary of an organism and its environment, this word ‘boundary’ has two aspects:

1. The process of contact takes place at the boundary, organism-environment
2. The process of contact is limited (bound) by the possibilities and limitations of the manner of contact.

There is always some kind of contact and for that reason it is better to differentiate between two aspects of the word ‘contact’:

- Contact as a continuous process of interaction between organism and environment
- Contact as a consciously initiated or consciously experienced moment of connection with the environment. (Frans Meulmeester, 2006)

The second form of contact can be seen as a moment within the continuous process of contact that is already going on. Therefore we can differentiate four moments in the total contact-process (Perls, 1980):

- Fore-contact: something occurs, a new figure comes up. The body is the ground. There is a physical sensation, but not yet a conscious experience. We notice something.
- Contacting: the figure becomes more clear. There is awareness and the excitement prepares us for action.
- Final contact: we make the connection with the figure. It is a moment of confluence with the figure, through which something new can arise.
- Post-contact: the connection dissolves and we withdraw, while the figure is incorporated into the ground. We integrate the experience. There is space again for a new figure to come up. The moment of post contact fluently goes into a new moment of fore contact.

In this sequence of the contact-process we find the second aspect of the word ‘contact’ in the moment of ‘final contact’. It is important that we notice that the contact-process includes both poles of the polarity, ‘approaching – withdrawal’.

Now I would like to discuss the ideas of the prominent representatives of gestalt therapy about issues related with contact boundaries. I would like to start with *three boundaries* discussed by Peter Philippon, that create their own sense of self in relationship. *The first boundary* starts where Perls, Hefferline and Goodman indicate: this is the boundary between the organism and environment; it is also called it/not-it. Boundary emerges when field is created and differentiates two processes: happening outside my skin, that is essentially different that processes within my skin. Boundary maintains permanence of this difference. Therefore, everything happening at the both side of boundaries is determined by the activity of the boundary itself and how boundary functions depend on processes at both sides. Philippon notes that boundary is not something third, like a wall between properties; boundary is a form of relationship containing both sides (Anthology, 2016).

Perls, Hefferline and Goodman write in their book that a boundary contains two aspects for a live organism. First, it must keep the physical unity of an organism. (Perls, Hefferline, and Goodman, 1951)

Second, the feedback mechanism is in action; due to this feature, the organism grows, gets resources for existence from the environment and exchange happens. This inter-

action happens between me and environment. The borderline process happens at the boundary of interaction between organism and environment, which is the experience and feelings, and the instrument of this experience is skin, axon terminals, proprioceptors, sensory and motor organs. Through them we get experience. Philippson notes, that it may be difficult to understand, but it does not represent our experience – “I” does not exist yet, self is not there yet. He cites Descartes: “I think therefore I exist.” Here lays a puzzle, a trick. If we say, that “I think”, then “I” already exists. It becomes a closed circle. Therefore, at this stage, we don’t speak of self, but of situation where we get experience.

Philippson calls *the second boundary* as self/other border or ego border. It is completely different than the first one. This border differentiates between “me” and “not-me”; its essence is that the first border gives ground to feelings: “here are my emotions, here am I, here is the other”. Daniel Stern and other authors write about how we feel the self and the other, by being close and distant, by possibility to control the environment. In his opinion, there are many ways to perceive I-ness.

Interaction at the boundary is contact, but not experience. It is true that the first boundary is also called contact boundary, but it functions in the mode as getting experience. Only at this boundary we get to the processes of identification and rejection and we say: “it is me, it is not-me”, at this point we can say, that this is our own experience.

Contact instruments include choice, responsibility, awareness, aggression, and spontaneity – all these elements are elements of boundary.

The possibility of feedback is much broader, as «the other» - is much large territory. Eventually «I» reveals itself with respect of those aspects of «the other» that match my needs and interests. Therefore, «I» choose what to form certain elements of the territory of the other. Of course, the other will do something similar, s/he has own needs. In many cases the other is a person, but it may not be a person. This is why there are broad interactions between self and others, and we create us at every moment of such interaction. This is the second boundary and the advantage is the possibility of flexibility it gives to self.

Philippson calls *the third boundary* personality boundary, «for me/not for me». He means using the ego-function in retroreflection when identifying and rejecting. I self-identify with certain aspects of possible behavior and am alienated from some aspects.

Personality characteristics are memory, table environment (supportive environment), volition and autonomy.

It must be noted, that all these three boundaries are interconnected. A physical boundary is of course a primary one; it is the basis, and it is feeling of the field. But as soon as the ego-boundary is formed, it forms physical boundary. After this I have a choice, to be in physical boundaries that I chose myself, be able to be here or to be in the pool. Thus, ego-boundary is related with physical boundary by reflexive feedback. I generalize and realize when I go from ego-boundary to personality boundary. But when I do that, it influences my choice and my physical boundary. This way, these three boundaries are interconnected.

If we go back to Perls, Hefferline and Goodmann's work and functions of self, we will see that physical boundaries are relevant to Id. There "Id represents something passive, scattered and irrational, content is imaginary and body comes to the foreground".

Here is the simple schema of figure-ground. It is more relationship with the ground, than with the figure. "Id" has relationship more with the field than with I.

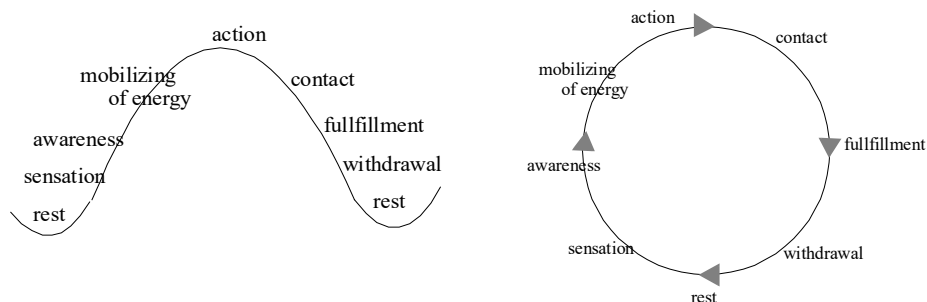
Thus, the organism/environment boundary is feelings, there is a little bit of self or is not at all. It is a newborn self, that feels something, senses body at the first stage. Apparently, ego boundaries are connected with ego-functions, personality boundaries with personality functions (Anthology, 2016).

According to Michael Vincent Miller, a basic issue in gestalt therapy is about experience that appears for two reasons. First, experience is acquired at the contact boundary between the personality and environment. Second, experience is not only acquired, but also is created at every given moment. Accordingly, experience is an example of creative activity (Anthology, 2016).

The contact-process

Beside the four phases of making contact, Gestalt literature mentions several other models for the process of contact. The names and descriptions vary a little bit, but the most essential elements that come forward in all these models is the cyclical and the creative experience. Therefore we encounter names like 'cycle of experience', 'cycle of creative process', 'contact-cycle' or 'Gestalt cycle of experience'. In this book I

would like to refer to the model, which Zinker and Nevis describe as the ‘cycle of experience’. Both of them use two ways of representing the cycle: the circle on the left and the curve on the right.



While the cycle clearly represents the cyclical process, it is the curve that represents the changes in energy during the process. In the process we see a sequence of rest, mobilizing of energy, action and again rest. So the energy changes depending on the phase of the process.

Let's look at the phases now starting with the rest phase.

Rest - The point of rest can be seen as a moment in the contact-process, where we have just integrated a previous experience and are open again for new impulses. It is also called the point of creative indifference (Friedländer in Lambrechts, p. 37).

Sensation - Out of this rest or emptiness, a new impulse can arise; first, as only a bodily sensation or stimulus, of which we are hardly aware. Our need for food or drink announces itself as a bodily sensation. It takes some time however before we really notice this sensation.

Awareness - Therefore, the next phase in the process is noticing and realizing, the moment of awareness. We become aware of the sensation; we notice it and realize its meaning. A figure starts to differentiate against the ground.

Mobilizing of Energy - The more we increase our awareness, the clearer the figure becomes, and so energy will be mobilized to make a connection with this figure.

Awareness calls upon us to go into action, to make the connection and mobilize the energy that is needed.

Action - A logical next step is to go into action. Literally, we activate our muscles (e.g., to open our mouth to say something). This action leads to making a connection with the figure, which has become more and more defined against the ground during the process.

Contact - We make contact with the present figure. Contact is in the sense of ‘final contact’, a moment within the total contact-process towards which the process aims. It is the moment of connection, which can lead to a new experience and fulfillment.

Fulfillment - It becomes clear in this example; the moment of contact will lead to fulfillment satisfaction. Making the connection with the figure has led us to a transformation of the situation; something has changed.

Withdrawal - In this moment, integration of a new experience takes place. The new experience becomes a part of us and contributes to our growth as an individual as well our growth as a team or as an organization. We now can withdraw and let go of the figure.

After the withdrawal we enter a phase of rest again, a phase in which a new impulse, sensation or need can come up and a new cycle can begin. The continuous process of creative learning and growing goes on and every new cycle will bring us one more step further in our growth or development as an individual, couple or group. Because the process of contact is always an interactive process between an organism and its environment, we do not only grow or develop ourselves, but our environment grows or develops with us as well. (Syllabus, 2017, pp. 28-31)

Contact-Mechanisms

As it's known the contact-mechanisms contribute to the interaction and so to the contact-process. These mechanisms were actually first described by Sigmund Freud, but he used the word “defense-mechanisms” and by doing so, he emphasized their neurotic, defensive function. It was Perls and his associates who deserve credits for describing the contact-increasing function of the mechanisms.

These contact mechanisms are:

- confluence

- introjection
- projection
- retroflection
- deflection

Confluence - Literally means ‘merging’. It is the mechanism that enables us to merge fully with somebody or something. For just a moment there is no boundary, no awareness of being different. “It is the appreciation of equality” (Lambrechts, p. 470).

You can think of examples like ‘losing’ yourself completely in music or in nature or ‘losing’ yourself in somebody else during a moment of total intimacy. It is also the merging of a new experience or the merging of nourishment, which we have taken in and which now becomes a part of us (Syllabus, 2017, pp. 31-33).

In love relationships, we often see this contact mechanism, when partners lose their sense of personal boundaries. It means losing one’s own feelings, needs, emotions, thoughts, interests, goals and living another person’s life.

Introjection- Literally means ‘throwing inside’ (Lambrechts, p. 471). It can be understood as the mechanism which enables us to take in something from our environment. Taking in nourishment as well as taking in ideas are forms of introjection. Without introjection, we are not able to learn anything and in a fact, we are not able to live, because we would not take in any food. Taking in new impulses can also be seen as a type of introjection. In the cycle of the contact-process, introjection fits into the phase of sensation.

Of course we can uncritically take in the ‘wrong’ things (the wrong food, the wrong ideas etc.). But in that case we are dealing with a distortion of introjection. In its original meaning, introjection has a clear function in serving life and growth. (Syllabus, 2017, pp. 31-33)

Introjects become toxic and dysfunctional sometimes, including in love relationships. It disturbs partners in being authentic and meeting real needs “here and now”. And the needs have tendency to be met by no means. When introjects prevent meeting needs directly, a person starts to “creatively adjust” and realizes himself/herself by using other contact mechanisms

Projection – This actually is the opposite of introjection. Projection means ‘throwing

outside'. This mechanism enables us to put or bring something out of ourselves. This 'something' can be something we no longer need like the remains of our nourishment, or it can also be something new, like an idea in which we create something completely new in the world. For example, an architect projects his idea of the new house that he wants to design into the landscape in front of him. Or the expressionist painter projects his inner images or feelings onto the waiting canvas.

We can also project ideas and images onto other persons, (e.g., onto partners in love relationships, like we do when we recognize something from ourselves in the other). This is a well-known phenomenon when meeting new people: we assume all kinds of specific characteristics or qualities of the person based on someone's appearance or clothes. Because he dresses himself the same way we do, we assume that he will resemble us in other ways too, and with that assumption, we feel more comfortable making contact with this person. We call this phenomenon 'projective identification'.

Here, projection has a clear function in getting to know each other.

Since we also attribute a thought, meaning or feeling in the phase of awareness to the sensation we noticed, we are actually projecting. Therefore, this mechanism connects with the phase of awareness within the contact-cycle.

Retroreflection – This literally means 'throwing back'. It enables us to direct our attention to ourselves and by doing that, to take care of ourselves. Like Lambrechts describes, retroreflection enables us to make a split in ourselves between 'somebody who is handling' and 'somebody who is handled', between 'somebody who is observing' and 'somebody who is observed'.

In this way, we are able to observe ourselves and also able to be in dialogue with ourselves. It enables us to distance ourselves from ourselves and postpone the fulfillment of our needs or be considerate of somebody else.

Retroreflection also has to do with how we handle our energy. If we are considerate of somebody else or postpone the fulfillment of our needs, we redirect or diminish the energy which has been mobilized by the awareness of our needs. So therefore, retroreflection is connected to a phase of mobilizing energy.

By retroreflecting, by being able to distance ourselves from ourselves, we are also able to laugh at ourselves. So self-mockery and self-criticizing can be seen as a positive as well - in its distortion - as a negative form of retroreflection. In its distortion, we

become too critical to ourselves; we demolish ourselves and become paralyzed (Syllabus, 2017, pp. 31-33).

Retroreflection often emerges in love relationships, when the wife or the husband uses most of his/her energy taking care of their partner and has no time, space and energy left for own interests and goals.

Deflection - means 'not throwing'. Literally it means 'distracting'. Deflection enables us to put things into perspective, to reduce things or experiences to manageable proportions. It diminishes the load or tension and in this way it also connects to the word 'soothing'. By deflecting we are able to bring somebody a shocking message in a manageable way.

We can place this mechanism in the phase of mobilizing energy as well as in the phase of action. In the phase of mobilizing energy we can see deflecting as 'having the energy evaporate' which will prevent us from coming into action. In the phase of action, deflection will enable us to adjust or reduce our action, in a way that it better fits our environment or ourselves (e.g., not overruling others)(Syllabus, 2017, pp. 31-33).

Deflection in love relationship emerges by ignoring painful problems and devaluating them, that leads to isolation and losing contact.

Self in Contact

The self in Gestalt therapy theory is the person's system of contacts. There is no "core" or "self" apart from an organism/environment field, and no human environment without the processes that we usually characterize as "internal". Whether the self is healthy, neurotic, psychotic or in the range of a self disorder, Gestalt therapy notion is a process that occurs at the boundary. (Gary M. Yontef, 1993)

Margherita Spagnuolo Lobb says in her definition- self is experience, happening here and now. Self in gestalt therapy is what acts and is acted on. Acting is defined not only by what we already know, not only by what acts on us, what influences us, but by free choice, within the contact of creative creation of self.

Margherita Spagnuolo Lobb links anthropology of self in gestalt therapy with Darwin theory and from this perspective, she reviews interrelationship between the organism

and environment. Those animals survive that adapt to the environment. Fathers of gestalt therapy go further and consider this link between the person and social environment. If an organism adapts to the environment by physiological mechanisms, an individual does it by contact, its ability to stay at the contact boundary to the end. An individual is focused on how to draw a line between a person and society, and person and his/her physiology.

Spontaneity makes human and nature, person and social environment closer, and the goal of self is contact, and during contact we are human-animal organisms.

Self is human “animal” organism’s ability to be in contact. For a therapist it means to set a goal to restore the client’s ability to be spontaneous (Anthology, 2016).

Thus, the gestalt concept of self as process involves three structures: id, ego and personality. These three structures are referred to as functions or self-functions meaning that they are processes that act in relation to the person’s situation in the present moment.

When is self in contact and when it is not?

According to Lobb, self is always in contact, while the person is alive. Different forms of contact are e.g. Contact with sofa pillow, chair, different persons, hearing birds singing, feeling warmth by our skin, air that we breathe. You are in various contacts and your organism is also constantly in contact. But the self chooses one of these contacts from the point of view of growth and development. In gestalt therapy growth is always happening on the basis of encouraged (chosen) contact. Doing contact assimilation of something new takes place.

Margherita Lobb believes that these points that may lead to psychopathology.

- stopping spontaneity (that determines anxiety, and tendency to get rid of it);
- intentions/goals change/become deteriorated;
- contacting is accompanied by fears and is realized through interjects, projections and retroreflections (egotism may be added);

Contact does not stop; contact continues, but loses spontaneity and brings restlessness.

When there is no spontaneity anymore, the impulse becomes restlessness that we want to get rid of. A person does not need restlessness and starts to learn other thing (e.g., avoiding contact, restlessness). Therefore, we get into contact with help of introjects,

projections, retroreflections, or I am a person thinking high of me.

Spontaneity means fully existing at the contact boundary with full awareness and full use of feelings that enables to see the other clearly (Anthology, 2016).

Issues of boundaries in love relationships

The whole is different from the sum of its parts. A couple is more than the sum of two people. It is not the traditional “two shall become one” of the Bible! This would reduce each partner to a half! The new arithmetic is: $1 + 1 = 3$. Each person plus the couple as an autonomous entity which “leads its own life”. And why not $1 + 1 = 7$? Meaning: me, you, us; you in me, me in you (the images of the other that we harbor); the ideal couple in my mind, the ideal couple in yours - a created, fantasized, mystified couple.

Being in couple implies that you are interested in the other as an other, as a novelty, besides our perception of the other, which rather frames and triggers our fear that we will not be accepted, or our fear of having to stop on our way towards the significant other. (SpagnuoloLobb, 2007)

From a phenomenological perspective, Lee is based on the assumption that it is through the experience co-created by the partners, their inter-acting with each other.

The couple leads its own life: it is not a definitive and stable state. It lives, it changes, it grows, it suffers, it is sick... and sometimes, independently from its “components” — who may be feeling very well! For example, each partner may have initiated an outside relationship steeped in joy... and the couple is suffering or dying. So the life of a couple occurs at the contact boundary. Growth and all changes of the partners are happening on these boundaries.

In turn, contact can be described as the awareness of an “other” at a boundary in the field. The organism makes contact with the rest of the world at its boundary and here an exchange takes place which maintains homeostasis or contributes to growth.

Through clear contact, the person can discriminate against that which can be taken in and assimilated and that which can be kept out and rejected.

Hence the health of the person depends on clear, full contact and if this function be-

comes disrupted or blocked the person might then take in what would be better to have been rejected (you're a bad person) and keep out what we need (I am a good person).

Whenever there is a resistance to contact due to an associated negative consequence then the person feels tension or anxiety as they move toward contact and begin to resist contact and look to how they can creatively adjust the contact to suit themselves and the environment.

This is particularly so for the people in a relationship which does not meet their needs at that moment, and so they must find ways to deal with the needs as best they can. The person uses their ability to adapt and find ways to “creatively adjust” to the difficulties in a relationship. Perls said these creative adjustments became “neurotic” when they are used chronically, outside of awareness and inappropriately; they are fixated on impossible or non-existent objects when they to involve an impoverishment of awareness and when they prevent meaningful integration of needs and experiences.

It's important to discuss healthy and unhealthy couples. What do we mean by “healthy,” and what do we mean by “couple”? A healthy life is one that is characterized by a sense of satisfaction, by growth of the individual, and by generativity, a productive connectedness in which the person is part of and enhances a larger social whole. A healthy person, then, has a sense of achieving significant personal goals, of continuing to generate new goals that are meaningfully larger, and of contributing something important to a community beyond the individual in a way that harmonizes with some larger holistic meaning (whether spiritually, politically, or otherwise conceived). At least these three elements, we would argue, are essential to the definition of health (and particularly to a Gestalt definition): take away any one of them, and we begin to think of unhealthy (meaning not whole) or dysfunction, not just a problem in life but a second-order problem of some block or distortion in the processes of life and growth themselves. By the same token, a healthy couple's relationship is one that promotes those processes of health in both partners. The keyword here is “promotes”. To promote is to support, nurture, and enhance, something more than just leaving each member free to live on his or her own while allowing for the pursuit of some goals in common (like business, child-rearing, or some other career or similar partnership goals). (Gordon Wheeler, Stephanie Backman, 1994, pp. 83)

Yet the maintenance of a healthy couple bond over time is plainly one of the most challenging relational tasks we face in human development. By the same token, studying, facilitating, and intervening in this relationship and its problems must be among the most challenging tasks for therapists, and one that is much less frequently addressed

and written about than the topics of individual work and family therapy, within which couples therapy is often subsumed. People having difficulties with intimate friendships are commonly counseled to go into individual therapy, or possibly group therapy, to explore what ails them.

Margherita Spagnuolo Lobb outlines the three dimensions of the experience of couples: who do we live with? What keeps us linked? And we fight as a way to fill the relational void. (Spagnuolo Lobb, M., 2007)

According to Hasidic saying, the motto of life is “Give and Take.” Everyone must be both a giver and a receiver. Those who are not are a barren tree. By Richard Borofsky and Antra Kalnins Borofsky a life is the activity of exchange, or the activity of giving and receiving. And in intimate relationships we exchange attentions, feelings, favors, meanings, intentions, dreams, and eventually, perhaps, vows. We see intimate relationships as an elaborate economy of experience that is given and received between two partners. This process of exchange is the means by which bonding occurs. Relationships are not, we believe, made in heaven-or in hell. Rather, bonds between two people are co-created moment by moment, year after year by the process of giving to and receiving from each other.

The health of a relationship, like the health of an economy, depends on the ease and frequency of exchange. When this exchange goes well, relationships thrive. Both partners become increasingly present, alive, and aware. They become deeply connected with each other, yet are respectful of their separateness. Partners are able to freely share with each other the unique truth of their experience and both are able to value, receive, and learn from the contact with each other’s otherness. There is a reciprocity or balance of giving and receiving so that both partners are equally givers and receivers. The exchange is fair and mutually empowering. There is also an acknowledgment of both partners’ interdependence. Both partners recognize that each has a limited range of experience and limited capacities, and that they need each other’s differences. Through giving and receiving each has access to new possibilities, and, through the exchange of these possibilities, both partners become more flexible, compassionate, and whole human beings.

When the process of exchange between partners is not working, the relationship and both partners suffer. There is a weakening of the bond that connects them. There is also a sense that nothing is changing, that they are stuck with each other’s limitations, and that either is teaming or growing in the relationship. Often there is also a power struggle between partners in which they try to control, devalue, and even hurt each other. This is the relationship hell. (Gordon Wheeler, Stephanie Backman, 1994, pp. 327-328)

Though when couples keep fighting it may be a useful creative adjustment for one or both to withdraw, both for themselves and their children. And most importantly of all, its important to assist couples inn becoming more aware. To talk about and experiment with being a couple creates the possibility that they can change. Their ability to talk about and discuss their patterns of being a couple adds significantly to their ability to meet and stay with the difficult experiences of being a couple and offers hope and support for their wisdom as a couple.

Thinking about Gestalt couples therapy Hunter Beaumont notes: “I think about actual people I’ve worked with; I see their faces, I hear their voices. For the most part, they are good people, sincere, capable of love and hope, willing to work hard in therapy. They come to therapy because they are caught in a cycle of disappointed hopes, of hurt and anger, and they know that they are destroying their love for one another in spite of their good intentions” (Gordon Wheeler, Stephanie Backman, 1994, p. 83).

In couples’ therapy many people feel they are losing themselves and risking capture in the union.

Serge and Anne Ginger outline the main situations couples are faced with:

- The couple wishes to remain together, review and enrich their relationship
- The couple is contemplating separation: they wish to attempt “a last chance”, or else the decision is already taken but they wish to prepare, and succeed in their separation, without too much disruption to their personal life or to their children
- The couple is already separated and wishes to review and solve residual, affective, material, family or social problems
- One of partners wishes to undergo couple therapy, and the other refuses
- The problems arising are essentially: - emotional - sexual - social or legal (divorce, custody of children, sharing out property)
- Particular couples: - elderly couples (or presenting a great age difference)
- inter-cultural couples (or inter-racial)
- homosexual couples
- mother-child couples (or father-child), whether or not in mono-parental homes
- brother and sister couples (or twins)
- co-workers or co-therapists (Ginger, S. and A., 1999)
- As I mentioned above about my therapeutic experience the requests of main

situations I faced with are:

- to remain together, review and enrich their relation
- find yourself and maintain their union

It's natural, that a destroyed relationship is connected with losing and losing yourself means to lose sensation of their boundaries.

Conclusions

Contact is not just togetherness or joining. It can only happen between separate beings always requiring independence and always risking capture in the union. "At the moment of union, one's fullest sense of his person is swept along into a new creation. I am no longer only me, but me and thee make we" (Erv and Miriam Polster, 1974).

It can be noted that in a relationship before one person notices another person, one should notice oneself. It implies noticing and be aware of one's feelings, thoughts, what choices one makes being in contact and what needs are these choices connected with. To be able to ecologically share this with another person, in order to be seen and then give space to another person for the same, the person needs skills and experience. This ability is called spontaneity and with it a relationship becomes healthy.

Hence the spontaneous human ability to be fully present at the contact boundary with the environment is shaped for the couple by the ability to maintain the spontaneity of seeing, feeling attracted, allowing oneself to be changed by the other-precisely as other, by the other we do not expect, by the other novelties.

Personal relationships occur at the contact boundary. The more the partners meet in the fullness of their senses, the more they aware of the totality of the experience they co-create when they meet. The result of gestalt therapists is when a couple will have the ability to perceive their contact boundary clearly, with all the senses awakened.

Couple relationships are thus seen by Gestalt therapy as a continuous co-creation of the contact boundary, as an experience that lies "between" the partners, not as a projection onto the other of personal experiences.

As Margherita Spagniolio Lobb notes, with her theory of self as a process of contact and withdrawal, Gestalt therapy shows how couples realize, or avoid, the intention to

reach and be reached by the other (Spagnuolo Lobb, M. S., 2007).

So it's important to intend to focus mainly on how couples interrupt their intention to contact, thus losing their spontaneity, and how instead they creatively adjust. Feelings like shame, anger, and love are basic elements of this process.

References

- Buber, M. (1958). *I-Thou*. New York: Scribner Books.
- Brownell, Philip. (2010). *Gestalt Therapy, A Guide to Contemporary Practice*. Springer Publishing Company, LLC.
- Crocker, S. (1999). *A well-lived life: Essays in gestalt therapy*. Cambridge, MA: Gestalt Institute of Cleveland Press
- Crocker, S. (2008). A unified theory. In P. Brownell (Ed.), *Handbook for theory, research, and practice in gestalt therapy*. Newcastle, England: Cambridge Scholars.
- Ginger, S. and A. (1999). *Working with Couples*.
- Gordon Wheeler, Stephanie Backman, (1994). *On Intimate Ground, A Gestalt Approach to Working with Couples*. San Francisco: Jossey-Bass Publishers.
- Lee, R. (n.d.). *The Secret Language of Intimacy*. Cambridge: Gestalt Press/the Analytic Press.
- Mane, D. (2010). *Gestalt Therapy, 100 Key Points and Techniques*. Taylor & Francis e-Library
- Meulmeester, F. (2006). *Changing is standing still, A Gestalt perspective on organizations*.
- Meulmeester, F. (2016). “Couples therapy”, (Module 3)
- Nicoll, M. (1952). *Living Time and the Integration of the Life*, London: Vincent Stuart
- Perls, F., Hefferline, R., and Goodman, P. (1951). *Gestalt Therapy: Excitement and Growth in the Human Personality*. Souvenir Press edition (1984). London.
- O’Neill, B., & O’Neill, J. (2008). The Secret Life of Us, in Lee, R., *The Secret Language of Intimacy*. USA: Routledge Press/Gestalt Press.
- Polster, E., & Polster, M. (1974). *Gestalt therapy integrated: Contours of theory and practice*. New York: Vintage Books/Random House
- Robine, Jean-Marie. (2016). *Field Theory in Gestalt therapy, contact and relationship*. Kazan: Anthology (in Russian).
- Singer, S., (2007). *Gestalt Therapy, The Art of Contact*. Karnac Books Ltd
- SpagnuoloLobb, M. S., (2007). Being at the Contact Boundary with the Other: The Challenge of Every Couple. *The British Gestalt Journal*. Gestalt Publications Ltd
- Syllabus, (2017). *Gestalt training Tbilisi, 2017*
- Yontef, Gary M. (1993). *Awawreness Dialogue & Process, Essays on Gestalt Therapy*, The Gestalt Journal Press, Inc

Law

Kostanyan Gevorg Surik

European Court of Human Rights, Representative of the Republic of Armenia

Member of the Parliament of the Republic of Armenia

The Formation of the Principle of Margin of Appreciation in the Practice of International Courts: A scientific and practical analysis

This article is based on a legal analysis of the case law of the European Court of Human Rights. It discusses the early application of the principle of margin of appreciation, which determines the basis for its application in the context of domestic law.

Keywords: margin of appreciation, precedent, European Court

The Court first used an understanding of this framework in the case of Greece vs. United Kingdom (Greece vs United Kingdom) (Greece v. United Kingdom, no. 176/56.), examined in 1958. The inter-state complaint filed by Greece against the United Kingdom related to how the United Kingdom managed Cyprus.¹ In its defense, the United Kingdom presented Article 15 of the Convention 2, arguing that the deviation from responsibilities was due to extenuating circumstances (a state of emergency). In the conclusion of the case, the Commission noted that in determining the degree of deviation from obligations caused by the complexity of the situation, States should be entitled to exercise the margin of appreciation (Howard C. Yourow. p. 16).

The principle of the margin of appreciation of States is again used in the case *Lawless vs Ireland* (Lawless v. Ireland, no. 332/57.), on which the European Court delivered its first judgment. In this document, the Commission, in a more or less lengthy analysis of the above principle, defined it in a certain way. The applicant in the case insisted that his arrest and further detainment were conducted without charge and without trial, which is a violation of the right to freedom and personal inviolability provided for in Article 5 of the Convention. In their defense, the authorities of Ireland claimed that the applicant's detention and arrest had been carried out on the basis of the Emergency Act of 1940.

In this case, the Court, in fact, had to answer two questions: 1) whether there was a state of emergency in Ireland at the time of the applicant's arrest and deprivation of his liberty; and 2) were his arrest and imprisonment measures that were strictly dictated by the severity of the state of emergency? During the judicial investigation, the chairman of the Commission presented his arguments, which are still considered to be the best formulation of the doctrine of the limits of freedom of discretion of states. In his speech before the Court, the Chairman of the Commission, Sir Humphrey Waldock, in particular, noted:

The question of whether to use exceptional measures in accordance with Article 15 is related to the problems of margins of appreciation and timing, which are very complex problems, and particularly complex in democratic societies ... The Commission agrees that the Government is obliged to strike a balance between the negative consequences asso-

1 In the event of war or other extenuating circumstances threatening the life of the nation, any of the High Contracting Parties may take measures derogating from its obligations under this Convention only to the extent that this is due to the extreme circumstances, provided that such measures do not conflict with its other obligations under international law.

ciated with the temporary restriction of fundamental rights, on the one hand, and the possible worst consequences - on the other... Article 15 should be considered in the context of a special task that is the subject of its settlement, namely: in the context of the responsibility of the Government for maintaining order during war or any other public emergency threatening the life of the State. The concept of the discretion of the state is that the fulfillment by the government of these obligations is, in fact, a highly delicate process of assessing extremely complex factors and balancing conflicting approaches to understanding public interests; and that when the Commission of the Court is satisfied that the assessment of the Government is at least within the limits of the powers conferred by Article 15, then the interest of the public itself in an effective government and in the maintenance of order justifies the decision in favor of the legitimacy of the assessment of the government (Howard C. Yourow, p. 17.).

The third case, within which the Court within the framework of Article 15 turned to the doctrine of the limits of discretion of States, is the so-called Greek Case (Denmark, Norway, Sweden, the Netherlands v. Greece). In this case, four States parties to the Convention lodged a complaint against Greece in connection with the alleged violations of the Convention by the revolutionary government that came to power in 1967. The Greek authorities in this case also referred to their right to deviate from the provisions of the Convention provided for in Article 15.

In that case, the Commission rejected Greece's assertion that the state of emergency in the country threatened the life of the State and found a violation of the Convention. In the context of this case, a special opinion of one of the members of the Commission, Judge Susterhenn deserves attention. Disagreeing with the other judges, he stated that the essence of the doctrine of the limits of the discretion of states as follows:

“In discussing the existence of a state of emergency threatening the life of the state, the right to make a decision belongs to the state within its fair margins of appreciation. In considering such a decision of the Government, the Commission has no right to replace the respondent State and assume the functions of super-government. Instead, the Commission should examine whether the principle of margins of

appreciation applied by the government resulted from its illogical or willful actions (*Brannigan and McBride v. United Kingdom*, para 43).

A study of the application of the principle of the limits of the margins of appreciation of States in the context of Article 15 of the Convention shows that issues relating to deviations from obligations, as well as the reasonableness of the decision as to their scope and compliance with the Convention, are part of the powers of the European Court, although States have a rather wide margin of appreciation. It is the Court that must assess whether the measures taken by the state were dictated by a strict need, related to the seriousness of the situation. In such cases, as indicated in the *Brannigan* case, the Court, exercising its powers in judicial review, should take into account such facts as the nature of the restricted rights, the circumstances that led to the state of emergency, and its duration (*Handyside v United Kingdom*, no 5493/72).

Thus, it can be stated that the principle of the limits of the margins of appreciation of the state began to be applied by the Court already in the 1950s. Initially, the Commission and the Court addressed this principle exclusively in those cases in which the respondent State invoked the right to deviate from its obligations under the Article 15 of the Convention. The following circumstance deserves attention: the application or consideration of the principle of the State's discretion from the very first cases of the European Court shows that already during the consideration of the first complaints the Court was aware that, based on the essence of the Convention, it cannot take the sole right to make decisions on all questions. From the earliest period of the Court's work, it has become apparent that the task of establishing common criteria for assessing human rights for a variety of socially diverse peoples creates a number of issues that only the authorities of participating States can answer. At the same time, the Court recognized that, as a guarantor of the international Convention for the Protection of Human Rights, it must assume the function of the issue of compliance with the requirements of the Convention for measures taken by the State within the limits of discretion.

From the point of view of the application of the principle of margin of appreciation, a crucial role was played by the *Handyside vs The United Kingdom* case (Convention for the Protection of Human Rights and Fundamental Freedoms, Article 10),² examined by the Court in 1976. The case concerned the publication by the applicant of a book that was regarded by the authorities of the United Kingdom as contrary to morality, as a result of which it was seized, the circulation was destroyed by the police, and the ap-

2 cf. Convention for the Protection of Human Rights and Fundamental Freedoms, Article 10.

plicant himself was found guilty of keeping obscene literature for personal gain. After that, the applicant lodged a complaint with the European Court, insisting, among other things, that bringing him to justice for the said book violated the right to freedom of expression provided for in Article 10 of the Convention. The court dismissed the applicant's complaint, finding that, having convicted him, the United Kingdom's authorities had not violated Article 10 of the Convention.

Before reaching a final conclusion, the Court turned to the principle of the state's margin of appreciation. Noting that there was a violation of the right protected by Article 10 of the Convention, the Court discussed whether the interference of the United Kingdom authorities was consistent with the criteria provided for in the second paragraph of Article 10 of the Convention. The said part of Article 10 states:

The exercise of these freedoms, imposing duties and responsibilities, may be subject to certain formalities, conditions, restrictions or sanctions that are prescribed by law and are necessary in a democratic society in the interests of national security, territorial integrity or public order, for the prevention of disorder or crime, for protection of health and morals, protection of reputation or rights of other persons, prevention of disclosure of information received in confidence, or securing authority and impartiality of justice (Handyside v United Kingdom, no 5493/72, para. 48.).

According to the United Kingdom, interference with the applicant's rights under Article 10 of the Convention was necessary in a "democratic society" in order to protect morality, as indicated in the second paragraph of Article 10 of the Convention. The main task of the Court was to decide whether the measures taken by the United Kingdom were "necessary" to achieve the stated goal of protecting morality.

In this case, the Court in turn discussed several important principles for the interpretation and application of the Convention. First, the Court turned to the principle of subsidiarity, noting that "the protection mechanism established by the Convention is a subsidiary state system that protects human rights ... The Convention reserves for each participating State, first and foremost, the task of guaranteeing rights and freedoms, the institutions it creates contribute to this task, but they are only connected in disputed situations after all domestic protection has been exhausted." (Handyside v United Kingdom, no 5493/72, para. 48.)

The court also noted that in an era when the views on morality are rapidly and radically changing and largely dependent on the concrete times and the foundations of a particular society, local authorities are in a better position than international judges to assess both the specific content of the moral criteria, and what is “necessary” for their protection (*Handyside v United Kingdom*, no 5493/72, para. 49).

Further, having addressed to a principle of limits of freedom of the discretion of the states, the Court noted:

The primary assessment of the existence of an acute social need, which is the basis of the meaning of the term” necessity, “is vested in the domestic authorities. Therefore, Article 10 (2) leaves to the participating States certain limits of margins of appreciation. This margin of appreciation is granted to the legislator (“ prescribed by law “) and to the judicial bodies, including those called upon to interpret and enforce the laws ...

However, paragraph 2 of Article 10 does not provide unlimited power of margins of appreciation to participating States. The power of the Court, which is responsible for ensuring that these states fulfill their obligations (Article 19), includes making a final decision on whether any restriction or sanction complies with freedom of expression, as guaranteed by Article 10. Thus, the margins of appreciation for domestic authorities goes hand in hand with European control (*Open Door and Dublin Well Woman v. Ireland*, para. 68.).

The case of *Handyside v. United Kingdom* gave rise to a discussion of the principle of margin of appreciation in connection with the criterion “necessary in a democratic society” provided for in the second paragraphs of articles 8 to 11 of the Convention. It is in this case that the Court has outlined the specifics of the application of this principle and has made a very significant observation that States are not afforded absolute margin of appreciation and that the supervisory function of the Court extends to each individual case.

The following cases, in the course of which the Court identified and determined the main criteria for applying the principle of margin of appreciation, would allow us to show the patterns that were discovered in the application of this principle in practice.

The second paragraphs of articles 8 (Right of respect of private and family life), 9

(Freedom of thought, conscience and religion), 10 (Freedom of expression) and 11 (Freedom of assembly and association) contain a list of situations in which the rights provided for in the first paragraphs of the articles may be limited. When in the situations listed in the second paragraphs of the article, the restriction of rights and freedoms is allowed, the court is entitled to exercise certain degree of margins of appreciation.

The possibility of limiting rights or freedoms for the protection of morality is provided for in the second paragraphs of articles 8, 9, 10 and 11. In addition to the case of *Handyside v. The United Kingdom*, there are several other cases in which the Court has detailed the margin of appreciation of States in cases of protection of morality. In the case of *Open Door and Dublin Well Woman v. Ireland* (*Dudgeon v the United Kingdom*) the Court found a violation of Article 10 of the Convention, stressing that restricting the rights of pregnant women to information about the possibility of abortion abroad was incompatible with the requirements of Article 10 of the Convention. The Court also noted that the national authorities have wide margin of appreciation in the protection of morality, especially in cases affecting the moral aspects of human life.

A similar approach of the Court is also observed in other cases related to the protection of morality, but already in the context of Article 8. Thus, for example, in the case of *Dudgeon v. the United Kingdom* (*Sunday Times v. The United Kingdom*, para 59) the Court concluded that there is a European consensus on the basis of which the criminal prosecution of adult men for homosexual relations is a serious interference with privacy.

In the *Sunday Times v. United Kingdom* case, the subject of discussion was the possibility of applying restrictions to ensure the authority and impartiality of justice provided for only by Article 10. The Court noted that if in cases involving the defense of morality, States have much broader limits of discretion, "... the same can not be said for a much more objective concept, which is the authority of justice. The domestic legislation and practice of the participating States reveal considerably bigger common ground ... Accordingly, in this case, the wider scope of European supervision will correspond to the narrowing of the limits of the discretion of states." (*Klass and others v. Germany*, para 49)

In cases where the rights and freedoms of an individual are restricted in order to ensure economic well-being and public peace, the Court grants a wide margin of appreciation to States. For example, in the *Klass and others v. Germany* case, the Court observes:

As regards the definition of the conditions under which the monitoring system should operate, the Court points out that the legislature of the participating States has a certain right to its own margins of appreciation. It is, of course, not in the Court's power to replace the assessment given by the national authorities with its own assessment of what would be appropriate in this area (*Petrov v. Bulgaria*, para 55).

In cases concerning the prohibition of discrimination (Article 14), the Court, in determining the limits of margins of appreciation, adheres to the same principles as in cases relating to articles 8 to 11, requiring in each case of discriminatory treatment to be present objective and reasonable explanations, a legitimate aim and proportionate actions aimed at achieving the goal. Thus, in the case of *Petrov v. Bulgaria*, the Court reached the following conclusion:

Although in relation to married and unmarried couples, participating States are entitled to margins of appreciation in areas such as taxation, social security or social policy, the Court is nevertheless unclear about the discriminatory, differentiated approach to married couples and unmarried but living well-established family life partners, in particular, in connection with the possibility of telephone communication in cases where one of them is in custody.

References

Greece v. United Kingdom, no. 176/56.

Howard C. Yourow, *The Margin of Appreciation Doctrine in the Dynamics of European Human Rights*, c. 16.

Lawless v. Ireland, no. 332/57.

Denmark, Norway, Sweden, the Netherlands v. Greece, no 3321/67, 3322/67, 3323/67, 3344/67.

Cora S. Feingold, *Doctrine of Margin of Appreciation and the European Convention on Human Rights*.

Brannigan and McBride v. United Kingdom,

Handyside v. United Kingdom,

Open Door and Dublin Well Woman v. Ireland.

Dudgeon v the United Kingdom.

Sunday Times v. The United Kingdom.

Klass and others v. Germany,.

Petrov v. Bulgaria,.

Metreveli Archil, PhD

The University of Georgia, Georgia

“The Special Role of the Apostle Autocephalous Orthodox Church of Georgia in the History of Georgia” as the basis for exclusive exemptions and privileges - Case Law of the Constitutional Court of Georgia

Between 2015-2018, the Constitutional Court of Georgia considered two cases with respect to religious organizations' Right on Equality and Non-discrimination. The Respondent Party, the Parliament of Georgia, as one of its arguments, indicated that alleged different treatment - exemptions and privileges granted exclusively to the Orthodox Church of Georgia, was justified by the 'Special Role of the Orthodox Church of Georgia in the History of Georgia'. In connection with that argument, the Court made valuable interpretations, in particular, whether and to what extent the special role of a religious institution in the historical past of country can be used to pursue an aim to create the privileged status for it in the present days. The present article considers this very issue from the perspective of the Constitutional Court of Georgia's Case Law.

Keywords: The religious organizations' Right on Equality and Non-discrimination; Special Role of the Orthodox Church of Georgia in the History of Georgia; the Case Law of the Constitutional Court of Georgia on the Freedom of Religion and Belief.

During 2015 and 2016, several religious organizations, registered in Georgia, lodged two constitutional claims to the Constitutional Court of Georgia. The Claimants appealed exclusive exemptions and privileges granted to the Apostle Autocephalous Orthodox Church of Georgia (hereinafter: the Orthodox Church of Georgia) by the separate provisions of the Tax Code of Georgia and the Law of Georgia on State Property, with respect to Article 14 (Right of Equality Before Law) and Article 21 (Right of Property) of the Constitution of Georgia. The claim, related with the Right of Property and the Advantages established in this field, the Court declared ill-founded on merits of the Right of Property and, therefore, both claims were admitted for consideration with respect to Discrimination and the Right of Equality.

During the hearing, the Claimants' Party stated that their impugned treatment was unequal and, correspondingly, discriminatory with regard to the all other registered religious organizations (not only to the Claimants), as compared with the Orthodox Church of Georgia. In this regard, the Respondent Party, the Parliament of Georgia, as one of its arguments, indicated that the alleged different treatment was justified by the 'Special Role of the Orthodox Church of Georgia in the history of Georgia'. It also noted that this 'Special Role' was safeguarded by the Constitution of Georgia and the Constitutional Agreement between the state of Georgia and the Apostle Autocephalous Orthodox Church of Georgia (hereinafter: the Constitutional Agreement). In connection with that argument, the Court made precious interpretations, in particular, whether the special role of a religious institution, in this case, of the Orthodox Church of Georgia, in the history of country can pursue an aim to create the privileged status for it in the present, in relation to the impugned provisions. Furthermore, whether a special role in the history of a country can be the basis for the different status of religious organizations and, thus, for the privileged legal status for one of them.

The intention of the present article is to consider this very issue and analyze the special role of the Orthodox Church of Georgia in the history of Georgia and Its Exclusive Advantages and Privileges following from this Special Role, from the perspective of the Constitutional Court of Georgia's Case Law.

Facts

The Constitutional Court of Georgia, for the first time in its practice, considered the Constitutional provision: *'The Special Role of the Apostle Autocephalous Orthodox Church of Georgia in the History of Georgia'* (article 9), as the basis of the latest's

privileged positions. While relying on this provision was not the only argument of the respondent party, it was still a subject of considerable reasoning and, therefore, the valuable definitions of the Court.

According to the article 9 of the Constitution of Georgia: ‘The state shall declare complete freedom of belief and religion, as well as shall recognize the special role of the Apostle Autocephalous Orthodox Church of Georgia in the history of Georgia and its independence from the state.’ We must mention that in the course of the Court hearings, this provision was provided in Article 9 of the Constitution of Georgia. Following the completion of the constitutional reform in parallel with the Court hearings, the above-mentioned provision is given by minor changes in Article 8 of the new edition of the Constitution of Georgia - the relationship between the State and Georgian Apostolic Autocephalous Orthodox Church – “With the freedom of belief and religion the state recognizes the special role of the Apostle Autocephalous Orthodox Church of Georgia in the history of Georgia and its independence from the state.” Consequently, the text will be used in the textual numbering (Article 9) and the above-quoted contents before the Constitutional Amendment of 2018.

Since this article focuses on this very provision of the Constitution of Georgia and the reasoning regarding it. While this article focuses on just one aspect of these cases, as there is a risk that the proposed analysis will be less understandable in the case of incomplete information. Therefore, it is advisable to briefly outline important factual circumstances related to these cases and later go back to this issue.

In the first Case - Claim N671, (hereafter ‘Case N1/2/671’) which was lodged to the Constitutional Court of Georgia on October 9, 2015, the Claimants were the following religious associations: Evangelical-Baptist Church of Georgia; Word of Life Church of Georgia; Church of Christ; Pentecostal Church of Georgia; Trans-Caucasian Union of Seventh-Day Adventist Church; Caucasus Apostolic Administration of Latin Rite Catholics; Georgian Muslims Union and Holy Trinity Church. The Respondent was the Parliament of Georgia.

The Claimants requested to find provisions of the Tax Code of Georgia, which granted exclusive tax exemptions (exemptions from the value-added tax (VAT), income tax, and property tax) to the Georgian Orthodox Church, unconstitutional. The Claimant association considered that it was discriminatory with regard to them (and the all other registered religious organizations), as compared with the Orthodox Church of Georgia. In particular, it was appealed: a) the constitutionality of the words of subparagraph “d” of paragraph 1 of Article 99 of the Tax Code of Georgia – *‘by the Patriarchate of Geor-*

gia’, subparagraph “f” of paragraph 1 of Article 168 of the Tax Code of Georgia – ‘*by the Patriarchate of Georgia*’ and subparagraph “b” of paragraph 2 of Article 168 of the Tax Code of Georgia – ‘*under commission by the Patriarchate of Georgia*’, in relation to the Article 14 of the Constitution of Georgia (The Right of Equality Before the Law); b) The constitutionality of the normative content of the words of subparagraph “e” of paragraph 1 of Article 206 of the Tax Code of Georgia – ‘*except the land*’, which concerns to the religious organizations, in relation to Article 14 of the Constitution of Georgia (The Right of Equality Before the Law).

The Constitutional Claim was assigned to the First Board of the Constitutional Court of Georgia for ruling on the admission of the case for consideration on merits. The Executive session of the First Board of the Constitutional Court with an oral hearing was held on December 23, 2016, and February 11, 2017. The Court admitted the Claim for consideration on merits in the part disputing Constitutionality of the words of subparagraph “b” of paragraph 2 of Article 168 of the Tax Code of Georgia – ‘*under commission by the Patriarchate of Georgia*’, in relation to Article 14 of the Constitution of Georgia. In relation to the remaining parts of the claim, the Court explained that a systemic analysis of the Tax Code of Georgia states that the taxation benefits appealed are equally distributed to all registered religious associations and therefore equality before the law is not violated. (The Recording Notice N1/2/671)

The Constitutional Court of Georgia satisfied the constitutional claim and ruled:

‘With respect to Article 14 of the Constitution of Georgia, the normative content of the words of the subparagraph “b” of paragraph 2 of Article 168 of the Tax Code of Georgia – “under commission by the Patriarchate of Georgia”, which exempts from VAT without the right of deduction construction, restoration and painting of churches exclusively under commission by the Patriarchate of Georgia’, is recognized as unconstitutional.’ (Case N1/2/671)

In the second Case - Claim N811, (hereafter ‘Case N1/1/811’) which was lodged in the Constitutional Court of Georgia on February 6, 2016, the Claimants were the following religious associations: Evangelical-Baptist Church of Georgia; Evangelical-Lutheran Church of Georgia; The Highest Administration of all Muslims of Georgia; The Redeemed Christian Church of God in Georgia; Pentecostal Church of Georgia. The Respondent was the Parliament of Georgia.

The Claimants requested to find provisions of the Law of Georgia on State Property, which granted exclusive privileges (the right to acquire the state property and the right

to the privatization of a state-owned agricultural land plot, free of charge) to the Georgian Orthodox Church, unconstitutional. The Claimant association considered that it was discriminatory with regard to them (and the all other registered religious organizations), as compared with the Orthodox Church of Georgia. In particular, it sought to appeal: a) the constitutionality of the words of the paragraph 1 of Article 3 of the Law of Georgia on State Property – *'legal entity under private law'*, in relation to the 1-st and 2-nd paragraphs of Article 21 of the Constitution of Georgia (The Right of Property); b) The constitutionality of the words of paragraph 2 of Article 3 of the Law of Georgia on State Property – *'legal entity under private law'*, *'for a fee'*, *'free of charge'*, paragraph 5 of Article 3 of the Law of Georgia on State Property – *'legal entity under private law'* and paragraph 1 of Article 63 of the Law of Georgia on State Property – *'the Georgian Apostolic Autocephalous Orthodox'*, in relation to Article 14 (equality before the law) and to the 1-st and 2-nd paragraphs of Article 21 (The Right of Property) of the Constitution of Georgia.

This Constitutional Claim was assigned to the First Board of the Constitutional Court of Georgia for ruling on the admission of the case for consideration on merits. The Executive session of the First Board of the Constitutional Court without an oral hearing was held on February 6, 2017. The Court admitted the Claim for consideration on merits in the part disputing Constitutionality of the words of paragraph 1 of Article 63 of the Law of Georgia on State Property – *'the Georgian Apostolic Autocephalous Orthodox'*, in relation to Article 14 (equality before the law) of the Constitution of Georgia. In relation to the remaining parts of the claim, the Court noted that the arguments submitted by the Claimants were based on the wrong understanding of the impugned norms and the complaints were not properly substantiated. (The Recording Notice N1/1/811)

The Constitutional Court of Georgia satisfied the constitutional claim and ruled:

'With respect to Article 14 of the Constitution of Georgia, the normative content of the words of the paragraph 1 of Article 63 of the Law of Georgia on State Property - "the Georgian Apostolic Autocephalous Orthodox", which grants the right to transfer of title to state property free of charge exclusively to the Georgian Apostolic Autocephalous Orthodox Church, is recognized as unconstitutional.' (Case N1/1/811)

‘Recognition of the Special Role of the Apostle Autocephalous Orthodox Church of Georgia in the History of Georgia’, as the legitimate aim of the impugned norms

As we already mentioned above, the respondent party of the cited cases, the Parliament of Georgia, named the promotion of the special relationship between the State and the Orthodox Church, as the legitimate aim of the impugned norms. In particular, the recognition, protection and strengthening of the Special Role of the Apostolic Autocephalous Orthodox Church of Georgia in the History of Georgia, declared by the article 9 of the Constitution of Georgia and the fulfillment of the normative framework considered by the Constitutional Agreement concluded with the Georgian Orthodox Church, on the basis of the same Article. (Case N1/2/671 § 28 and Case N1/1/811 § 13)

With regard to the given argument, the Claimant Party stated that the Constitutional provision – ‘the State shall recognize the special role of the Apostle Autocephalous Orthodox Church of Georgia in the history of Georgia’, which the Respondent Party named as the legitimate aim of the impugned norms, is definitely declaratory and its mere goal is to appreciate the past, as genuine fact, and therefore, it does not create any obligations for the state in the present reality. (Case N1/2/671 § 9 and Case N1/1/811 § 10)

Thus, before the Court, the necessity of explaining the Constitutional Provision has arisen. In relation to this task, the Court, first of all, explained that the Constitution of Georgia has the effect of direct action and its normative force does not depend on the representation of the constitutional provisions in subordinate legal acts. Nevertheless, it is necessary to adapt legislative regulations properly to the full implementation of the Constitutional requirements. Nevertheless, the appropriate settlement of the legislative regulations is necessary for the full implementation of the Constitutional requirements. Consequently, the purpose of the impugned norms to enforce constitutional requirement is undoubtedly valuable legal good. According to this explanation, the Court accepted this argument - the implementation of the Constitutional requirements, provided by the Respondent Party and made the main object of its assessment the compliance of the impugned norms with given Constitutional requirements.

The Court reemphasized that it does not stand before the need for an exhaustive explanation of the requirements set out in the cited Article of the Constitution and its reasoning addresses to the definition of the constitutional provision of the Recognition of the Special Role of the Orthodox Church of Georgia, in the mere context of the Cases in question. (Case N1/2/671 § 29 and Case N1/1/811 § 16). Thus, the Court restricted

its interest to the context of the cases in question and avoided the general definition of the constitutional provision.

Nevertheless, the Court noted that the entry of paragraph 1 of Article 9 of the Constitution of Georgia has autonomous significance in its recognition of the Special Role of the Georgian Orthodox Church in the History of Georgia and does not expire within the circumstances directly specified in the Constitution. This entry itself is a site for some different interpretations. For example, the Constitution does not require concluding a Constitutional Agreement with other religious organizations. Consequently, the requirements of the constitution will be preserved if the Constitutional Agreement will not be concluded with representatives of different religious confessions. The Court, therefore, considered the provision of the Constitution of Georgia, which recognizes that ‘the Role of the Orthodox Church of Georgia in the History of the Country’, not only the entry with mere declaratory nature but directly sanctioned it as the legitimate aim for a certain differentiated condition, in particular, for the conclusion of the Constitutional Agreement exclusively with the Georgian Orthodox Church.

According to the established approach, the Court continued the assessment of the argument presented by the Respondent Party in the context of disputed issues. Particularly, it made the object of consideration whether the impugned norms served the implementation of the Constitutional requirements, in other words, whether the exemptions and privileges, in question, ensures ‘the Special Role of the Orthodox Church of Georgia in the History of Georgia’. In this regard, the Court followed an approach, according to which the recognition of the Special Role of the Orthodox Church of Georgia is directly related to its contribution in the past and cannot serve to the aim of creating such privileged legal status for Orthodox Christian Religion in the present days, which is not connected directly to its contributions in the past, hence, the contributions cannot be considered as the legitimate basis for the privileges, in question:

‘The recognition of the Special Role of the Church is related to its contribution in the historical past and does not serve to the creation of a privileged legal position for the Orthodox Christian religion in the present days. The contribution in the historical past cannot be considered as the legitimate source of the privileges. The differentiation and creation of a privileged legal position for the Church is not and shall not be the aim of the Constitution. In addition, the Court did not exclude the legitimacy of differentiations in some cases when a measure of support will be objectively and rationally related to the historical merits of the Church and the specific historical circumstances.’ (Case N1/2/671 § 35)

Thus, the Court accepted the position of the Claimant Party, and with regards to the Respondent Party, noted that it could not provide a valid arguments that would make credible that the privileges granted by the impugned norms are not an end in itself, but followed from the recognition of the historical merits of the Georgian Orthodox Church, related to the historical circumstances and legal consequence of them. For example, the right to acquire the state property by direct sale and the right to the privatization of a state-owned agricultural land plot, free of charge, shall be entitled to any state property and are not pledged by any historical circumstances. As regards to the Tax Exceptions, the Court relying upon the same logic noted that the benefits, in question, are connected to the legal relations started after the implementation of the given norms and accordingly, the granting the privileged position to the Orthodox Church of Georgia has not solid and inevitable connection with the historical merits of the Church but represents the goodwill of the State.

Consequently, based on the arguments submitted by the Respondent Party, the Court considered that paragraph 1 of Article 9 of the Constitution of Georgia does not require differentiation of legal nature, in question. Since the differentiation provided by the impugned norms does not have a rational connection with the legitimate aims suggested by the Respondent Party, it shall be recognized as discriminatory and therefore, unconstitutional in respect with Article 14 of the Constitution of Georgia.

‘Recognition of the Special Role of the Apostle Autocephalous Orthodox Church of Georgia in the History of Georgia’, as the basis for concluding a Constitutional Agreement

According to the Court’s explanation, in general, ‘the Recognition of the Special Role of the Georgian Orthodox Church in the History of Georgia’, declared by the Constitution of Georgia, is not a direct foundation for granting privileges and exclusive rights to the latter. In particular, this Constitutional provision cannot be the legitimate source for granting such privileged legal status to the Georgian Orthodox Church in present days, which is connected with its contribution in the past. More specifically, relying on this logic, the Court has indicated in both cases that the differentiation established by the impugned norms, which is preferential and privileged position for the Georgian Orthodox Church as compared with other religious organizations, does not derive from its ‘Special Historical Role’ and is not in rational connection with the legitimate aim, suggested by the Respondent Party:

‘An analysis of the relevant Constitutional provisions approves that the differentiation defined by the impugned norm does not represent the requirement of the Constitution of Georgia. It does not derive from the provision of Article 9 of the Constitution on the special role of the Orthodox Church in the history of Georgia. The impugned norm does not have a rational connection with the legitimate aim as suggested by the Respondent Party; it establishes such different treatment on religious grounds, which do not have sufficient objective and reasonable justification.’ (Case N1/1/811 § 28)

Consequently, it is clear, that the court’s approach implies that the differentiated condition based on the ‘Recognition of the Special Role in the History’ can only be justified in situations where the differentiation is directly and substantially associated with the merits of the past, is derived from it and has a rational connection with it.

Nevertheless, the Court also noted that the ‘Special Historical Role’ of the Georgian Orthodox Church recognized by the Georgian Constitution is fair justification for concluding the Constitutional Agreement exclusively with this religious organization:

‘According to paragraph 1 of Article 9 of the Constitution of Georgia, “The state shall declare complete freedom of belief and religion, as well as shall recognize the special role of the Apostle Autocephalous Orthodox Church of Georgia in the history of Georgia and its independence from the state.” The cited provision concerning the recognition of the special role of the Church, at first glance, is a mere declaration of the historical fact. However, its significance does not expire with the recognition of the particular circumstance and this constitutional entry cannot be read separately from the other constitutional provisions.

Recognition of the special role of the Church is primarily expressed in the constitutional provisions linked to the Orthodox Church of Georgia. In particular, the Constitution of Georgia provides the obligation of concluding the Constitutional Agreement between the State and the Apostle Autocephalous Orthodox Church.’ (Case N1/2/671 § 30-31)

Based on the above excerpt, the Court’s approach may be summarized in this regard: The Special Role of the Georgian Orthodox Church in the history of Georgia cannot be a legitimate source in creating exclusive and preferential status in favor of this religious organization, in the present days, because the exemptions and privileges provided by the impugned norms are not directly derived from the historical merits of this religious organization. Furthermore, the Constitutional Agreement, as a basis for legal relations between the State of Georgia and the Orthodox Church of Georgia, is directly

derived from the historical merits of the latter and, therefore, justified in accordance with the requirements of Article 9 of the Constitution.

The substantive analysis of the Court's approach leads to the following possible conclusion, in particular: the Constitutional Agreement between the State and the Orthodox Church, by its essence, is a neutral document and does not cause the privileges irrelevant with the latter's historical merits. Otherwise, the approach established by the Court is clearly contradictory. In order to further explore this, it is necessary to assess the Constitutional Agreement as a legal instrument and its content as the source of the rights of the Orthodox Church of Georgia.

As a result of the constitutional amendments of 2001, in the Constitution of Georgia was established the legal institute of the Constitutional Agreement, which was previously unknown in Georgian national legislation. Based on the aforementioned, the Constitutional Agreement was concluded between the State of Georgia and the Apostle Autocephalous Orthodox Church of Georgia, in 2002. According to the constitutional amendments of 2001, Article 9 of the Constitution was settled with the following content:

‘1. The state shall declare complete freedom of belief and religion, as well as shall recognize the special role of the Apostle Autocephalous Orthodox Church of Georgia in the history of Georgia and its independence from the state.

2. The relations between the state of Georgia and the Apostle Autocephalous Orthodox Church of Georgia shall be determined by the Constitutional Agreement. The Constitutional Agreement shall correspond completely to universally recognized principles and norms of international law, in particular, in the field of human rights and fundamental freedoms.’

According to the same amendments, the right to conclude the Constitutional Agreement with the Apostle Autocephalous Orthodox Church on behalf of the State of Georgia was granted to the President of Georgia (Article 73.1”A”1) and the right to approve it - to the Parliament of Georgia (Article 66.11). According to Article 4 of the Law of Georgia on Normative Acts, the Constitutional Agreement of Georgia is the next after the Constitution of Georgia and the Constitutional Law of Georgia and, therefore, hierarchically exceeds all other normative acts, including international treaties and agreements of Georgia. It is essential, that in accordance with the Constitutional provision the Constitutional Agreement shall correspond completely to universally recognized principles and norms of international law, in particular, in the field of human rights and

fundamental freedoms. The Court noted that the essence of this provision shall not be limited to the meaning of the requirement only to the Constitutional Agreement, but at the same time indicates the necessity of taking into consideration the universal principles in the field of human rights and fundamental freedoms in determining the relations between the State and the Church. (Case N1/2/671 § 31)

Considering all of the above mentioned, the Constitutional Agreement can be interpreted as a neutral legal institution (obligatory to conform to the universally recognized principles of human rights and fundamental freedoms), which governs the exclusive relations (between the State of Georgian and the Orthodox Church of Georgia). In this regard, the Constitutional Agreement as a ‘Special Legal Institution’ could be a legitimate aim for the recognition of “the Special Role” of the Orthodox Church of Georgia. In any event, the Court did not enter into a comprehensive assessment of the Constitutional Agreement as a legal institution, and, thus, a broader analysis of this issue is beyond the scope of the present article, in particular, the Case Law of the Constitutional Court of Georgia.

The contradictory nature of the Court’s approach in understanding the nature of the Constitutional Agreement is reflected in the field of the rights of the Orthodox Church of Georgia guaranteed through the Constitutional Agreement. In particular, the Constitutional Agreement exempts the Church from certain Taxes (Article 6.5), which, in accordance with the Court’s approach, is the legal relationship started after the implementation of the given norm, which does not derive from the historical merits of the Church, and in essence, it is the expression of the goodwill of the state. Consequently, the legal logic of the Court’s approach is problematic. In particular, if a ‘Special Role’ in the history of Georgia cannot be a fair basis for such ‘privileges’ (in this case, the Tax exemptions), which do not directly derive from this ‘Role’, how can it, at the same time, be a fair foundation for the document (the Constitutional Agreement), which is the guarantee precisely for such ‘privileges’?

It can be assumed that the Court, in this case, assessed the Constitutional Agreement in a formal and non-contextual meaning and ‘the Special Role in the Historical’ considered as a fair foundation directly for this legal institution and not by its means of granting the rights, exemptions and privileges granted to the Orthodox Church of Georgian. In such an allegation, which is outwardly justified, there arises a new problem, in particular, how can it be possible to separate the legal form and legal content of the Constitutional Agreement throughout the discussing it? As far as the Constitutional Agreement in the legislative space of Georgia exists within the one unique form and content, it is practically impossible to judge it neutrally as a legal institution by remov-

ing discourse from its content. The unambiguous answer on this question in the judgments of the Constitutional Court is not given, which, in turn, is conditioned by the fact, that the Court's interest, in this case, was not a comprehensive assessment of the Constitutional Agreement. Consequently, our academic goal, within the scope of the present article, is limited to presenting the problem of the Court's consideration and the full analysis of the issue, itself, which is beyond the scope of the existing practice of the Constitutional Court, is the object of other, more extensive research.

Conclusion

First of all, it should be noted, that the assessment of the Constitutional Court of Georgia, within the scope of these cases, regarding the historical role of the Georgian Orthodox Church as the source of the rights and privileges of the latter, is undoubtedly a significant precedent. Definitions established by the Court are valuable grounds for the broader jurisprudential researches and discussions on this issue, including the essence of the historical role of the Orthodox Church of Georgia in general.

Moreover, the Court's significant interpretation concerning the issue of the special role played by the certain religious institution in the history of the country, in question, cannot be the legitimate bases for granting such rights and privileges that are not directly derived from this role.

Finally, the regulation of the relations between the State of Georgia and the Orthodox Church of Georgia by the Constitutional Agreement, the special legal institution, at first glance, derives from the special role played by the latter in the history of Georgia. Nevertheless, the legal nature of the Constitutional Agreement is not neutral in terms of the right to equality between the religious communities and associations; moreover, its content is also problematic, because it awards such rights and privileges to the Orthodox Church of Georgia that are not directly derived from its historical merits.

References

- Case N1/2/671 - <https://www.constcourt.ge/ge/legal-acts/judgments/1-2-671-ssip-saqartvelos-evangelur-baptisturi-eklesia-aaip-saqartvelos-sicocxlis-sityvis-eklesia-ssip-qristes-eklesia-ssip-saqartvelos-saxarebis-rwmenis-eklesia-aaip-meshvide-dgis-qristian-adventistta-eklesiis-transkavkasiuri-iunioni-ssip-latin-katoliketa.page> (23.02.2019/15:00).
- Recording Notice N1/2/671 - <https://www.constcourt.ge/ge/legal-acts/recording-notices/1-8-671-ssip-saqartvelos-evangelur-baptisturi-eklesia-aaip-saqartvelos-sicocxlis-sityvis-eklesia-ssip-qristes-eklesia-ssip-saqartvelos-saxarebis-rwmenis-eklesia-aaip-meshvide-dgis-qristian-adventistta-eklesiis-transkavkasiuri-iunioni-ssip-latin-katoliketa.page> (23.02.2019 / 15:00).
- Case N1/1/811 - <https://www.constcourt.ge/ge/legal-acts/judgments/1-1-811-ssip-saqartvelos-evangelur-baptisturi-eklesia-ssip-saqartvelos-evangelur-luteruli-eklesia-ssip-sruliad-saqartvelos-muslimta-umaglesi-sasuliero-sammartvelo-ssip-daxsnil-qristianta-sagvto-eklesia-saqartveloshi-da-ssip-saqartvelos-saxarebis-rwmenis-e.page> (23.02.2019 / 15:00).
- The Recording Notice N1/1/811 - <https://www.constcourt.ge/ge/legal-acts/recording-notices/1-3-811-ssip-saqartvelos-evangelur-baptisturi-eklesia-ssip-saqartvelos-evangelur-luteruli-eklesia-ssip-sruliad-saqartvelos-muslimta-umaglesi-sasuliero-sammartvelo-ssip-daxsnil-qristianta-sagvto-eklesia-saqartveloshi-da-ssip-saqartvelos-saxarebis-rwmenis-e.page> (23.02.2019 / 15:00).
- The Constitutional Law of Georgia on the Constitutional Amendments 30/03/2001 <https://matsne.gov.ge/ka/document/view/15226?publication=0> (23.02.2019 / 15:00).
- The Law of Georgia on Normative Acts <https://matsne.gov.ge/ka/document/view/33286?publication=49> (23.02.2019 / 15:00).
- The Constitutional Agreement <https://matsne.gov.ge/ka/document/view/41626?publication=0> (23.02.2019 / 15:00).
- The Constitution of Georgia <https://matsne.gov.ge/ka/document/view/30346?publication=35> (23.02.2019 / 15:00).