From the Myth of the Golden Fleece to the Lesson of the Golden Goose

Controversy over the newly released film adaptation of the *Odyssey* has revived interest in Greek mythology. In Georgia's context, the most relevant myth is likely that of Jason and the Argonauts.

According to the story of the Argonauts and later interpretations, Colchis—modern-day Georgia—was known for unusually advanced knowledge in metallurgy, agriculture, and medicine. In that era, expertise in these three fields could make a society a major power. As Jared Diamond argues in Guns, Germs, and Steel, geographic and biological conditions can shape such advantages. Georgia's location at the center of Eurasia, along with its remarkable climatic diversity—spanning lush subtropical coasts to alpine zones of permanent snow and ice—would have given its population a strong foundation for development.

Yet natural advantages alone were not enough; they had to be transformed into knowledge, technology, and institutions by people. From antiquity to the present, Georgia's models of prosperity have shifted with the rise and fall of surrounding empires. Alliances, religion, and political leadership have all shaped economic development. The search for comparative advantage, guided by visionary leadership, has been—and remains—a decisive ingredient of sustainable growth.

Search of a New Economic Identity

Georgia's history still echoes these ancient advantages. Centuries later, Soviet planners assigned Georgia industries that reflected them: wine and tea plantations, the Rustavi metallurgical plant, and Borjomi mineral water, famed for its healing properties.

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Ambassador Temuri Yakobashvili distinguishes himself as an accomplished leader in government, crisis management, and diplomacy. As the founder of TY Strategies LLC, he extends advisory services globally. A pivotal figure in co-founding the Revival Foundation, aiding Ukraine, and leading the New International Leadership Institute, Yakobashvili held key roles, including Georgia's Ambassador to the U.S. and Deputy Prime Minister. With the rank of Ambassador Extraordinary and Plenipotentiary, he is a Yale World Fellow, trained at Oxford and Harvard. As a co-founder and chair of the Governing Board of the Georgian Foundation for Strategic and International Studies, he actively contributes to global media discussions on regional security. His significant contributions have merited the Presidential Medal of Excellence.


Georgian Dream
HOTEL
Russian Laundry
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These included the Baku–Tbilisi–Ceyhan oil pipeline, commissioned in 2006; the South Caucasus gas pipeline; the EU-supported TRACECA program launched in 1993; the Trans-Caspian Middle Corridor; and the BTK railway connecting Baku, Tbilisi, and Kars.

After the Rose Revolution, governance and market reforms produced rapid growth. The World Bank recorded average annual expansion of about 6.1% in 2004–2012, driven by structural reform, foreign investment, and growth in services. The reforms were imperfect and sometimes harsh, but they established a recognizable model: reduce petty corruption, build functioning public institutions, and connect Georgia to Western markets and rules.

That trajectory began to change after Georgian Dream came to power.

State Capture, Georgian Style

There is extensive academic literature on the effectiveness of businesspeople who enter politics. The phenomenon did not begin with Donald Trump and will likely not end with him. Georgia, however, presents a distinct case: one man, known for his reclusive style and mindset, achieved state capture and now governs as he sees fit. Bidzina Ivanishvili has held formal office only intermittently, yet Georgian Dream, the party he founded, has dominated government since 2012. In December 2024, the United States designated him under its Russia sanctions authority, stating that he had undermined Georgia's democratic and Euro-Atlantic future for Russia's benefit.

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Businesspeople who enter politics usually try to turn their knowledge and experience into a political project, whether credible or not. In Georgia, the reverse appears to be happening: public policy has been reduced to the immediate financial interests of one businessman. In such an environment, discussions of sustainable growth strategies, implementation mechanisms, or coherent policy choices feel out of place.

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Out of habit, many observers inside and outside Georgia tried to make sense of the country's economic trajectory. In reality, signs that the state was becoming another business enterprise were visible but deliberately ignored.

After Russia's invasion of Ukraine and the resulting sanctions, it became increasingly clear that Georgia's "economic model" was benefiting from sanctions evasion, even when doing so contradicted the country's declared and constitutionally enshrined national interests.

The proverb "money has no smell" became an unwritten state policy. The Georgian regime opened its doors to Russian businesses fleeing sanctions.

Transparency International Georgia reported that roughly 29,000 Russian-owned companies were registered by the end of 2022 and that more than 21,000 were created between March 2022 and June 2023, based on the national business register. Later estimates placed the post-invasion total still higher.

Russians seeking to avoid both sanctions and military mobilization brought significant capital. By the end of 2023, approximately 34,000 companies owned by Russian citizens or legal entities were registered in Georgia, while migration-related spending, financial inflows, and transit trade contributed directly to exceptional economic growth and higher government revenues.

Georgia's leading export destination became Kyrgyzstan, one of Central Asia's poorest countries and a member of the Russia-centered Eurasian Economic Union. Kyrgyzstan's own trade with Russia increased by several hundred percent.

Opaque cryptocurrency exchanges also emerged. In May 2026, the United Kingdom sanctioned three cryptocurrency platforms registered in Georgia for allegedly helping Russia bypass international restrictions and finance its war in Ukraine.

In September 2025, the Tbilisi City Court sentenced a currency exchange office owner to 11 years in prison after finding him guilty of laundering nearly $700 million between 2022 and 2024. With Georgia's state budget at roughly $12 billion, the scale of this single "exchange" far exceeded what the economy could plausibly absorb unnoticed.

One might assume these were short-term cash grabs and that the government would still invest in, or join, major infrastructure and regional projects.

Instead, the current government missed the TRIPP project—the Trump Route for International Peace and Prosperity—which bypasses Georgian territory entirely. For the first time in decades, a major East–West route in the South Caucasus is being designed around a pathway that does not require Georgian territory.

The strategic Anaklia deep-sea port, which could significantly strengthen Georgia's connectivity, create jobs, and generate income, was stalled, offered to Chinese investors, and most recently nationalized outright, with no clear indication of when it will be built or how it will be financed.

The AI Revolution and Georgia's Stagnation

Today, few reputable economists or political scientists avoid discussing artificial intelligence and its impact on statecraft, especially the economy. Governments worldwide are racing to regulate AI, build the necessary infrastructure, and train the workforce it requires. It is widely recognized that, unlike in earlier stages of human evolution or previous industrial revolutions, people will increasingly compete not with organic forces—nature, animals, or other humans—but with silicon.

A naïve observer might reasonably ask whether Georgia's government is investing in new technologies and building its economy around the next industrial revolution.

In Georgia, however, such philosophical and practical questions are absent from political, economic, and public discourse. The legal basis for regulating AI does not exist, even in embryonic form. The idea of a modern Batumi Tech University, developed with leading Western technology schools, has been abandoned, and its building has been turned into a casino. The newly announced "educational reform" sharply limits the institutions where AI-related expertise could even theoretically be taught or developed. Georgia's drift away from the EU, the United States, and Western institutions more broadly is further weakening ties with communities working on AI adoption and regulation.

While other countries are integrating AI across governance and economic activity, the Georgian government's only visible use of it appears to be CCTV data collection, social media monitoring, and using such systems to intimidate political opponents, independent media, civil society, and dissent more broadly. The relevant software system was allegedly procured in Russia.

Existing Georgian tech talent is largely being diverted into surveillance systems, illegal call centers, opaque online betting and gambling platforms, and the cryptocurrency exchanges mentioned above.

Other countries are moving quickly. EU candidate states are aligning their laws with EU legislation; Albania has even appointed an AI cabinet minister. Kazakhstan has created a dedicated ministry for digital transformation and leads much of Eurasia in AI infrastructure, adoption, and legislation. Ukraine has turned to AI for public services and defense. By contrast, Georgia's Digital Governance Agency operates under the Ministry of Justice, and its public website shows no substantial activities or services. Discussions of a 20MW data center have circulated for four years, but no visible progress has followed.

Meanwhile, neighboring Armenia hosts Oracle's R&D office and has opened its first AI factory in collaboration with Nvidia. Azerbaijan has adopted a national Artificial Intelligence Strategy for 2025–2028, and its Agency for Innovation and Digital Development (İRİA) recently signed a memorandum with the international start-up Polygraf AI, founded by an ethnic Azerbaijani, to establish a regional AI center of excellence serving the Caucasus, Central Asia, and the Middle East.

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How to Use a Golden Goose

With its location, access to major trade routes, biodiversity, talented population, and inexpensive electricity, Georgia should be leading AI-related innovation and attracting significant investment and talent. That is not happening because the country lacks advantages, but because it lacks state policy, institutional support, and basic focus.

Together, these factors should be Georgia's Golden Goose—laying "golden eggs" of prosperity and development. Instead, these opportunities are being consumed for short-term financial gain, with no comprehensive vision, strategy, or plan beyond monopolizing politics, business, and opportunity while remaining in power for as long as possible.

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Even recognizing this dire reality, it is hard to see what could trigger a major shift in the current government's approach. Anyone who expects the existing "digital community" to drive change should look at Belarus, where a far larger and wealthier tech community has achieved little under the current political conditions.

At the same time, rigid systems have an inherent weakness: they are fragile and vulnerable to unexpected “black swan” events. The recent scandal involving Russian tourists who insulted a Georgian wedding party and sparked physical altercations revealed previously hidden but growing resentment toward the government’s policy of encouraging as many Russian visitors as possible. Such ruptures do not easily heal. The next scandal could prove fatal for the entire system if the political opposition can move beyond condemning the regime and highlighting its failures to offer a viable alternative with capable leadership.

The alternative is grim. In Aesop’s fable, a farmer owns a magical goose that lays one golden egg each day. Driven by greed and impatience, he kills the goose in hopes of seizing all the gold at once—only to lose his steady source of wealth forever.

Ivanishvili’s Georgia resembles that farmer. By killing the goose, Ivanishvili may lose his riches or his place in history; but the far greater loser will be Georgia itself, along with its current and future generations ■