

The Heritage crafts in Georgia, Comprehensive Research and Development Strategy of the Sector



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Georgian Arts and Culture Center

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*The study was conducted in the frames of the project
“Strengthening Creative Industries in Azerbaijan, Georgia
and Armenia: Heritage Crafts – Common Platform for Development”*

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INTRODUCTION

This document “The Heritage crafts in Georgia, Comprehensive Research and Development Strategy of the Sector” represents the interdisciplinary study of the heritage crafts sector conducted in Georgia in 2012-2013, which covers the reanalysis of problems in the sector and recommendations for improvement of the state policy and legislative framework and for preservation of the crafts traditions, development of the market oriented product and transformation of the sector to the economic platform.

The study was conducted in frames of the project “Strengthening Creative Industries in Azerbaijan, Georgia and Armenia: Heritage Crafts – Common Platform for Development”. The project aimed to create the favorable environment for sustainable development of creative industries in the three countries, namely, the heritage crafts and promotion of cooperation between the participating countries and the EU. It was implemented by the Georgian Arts and Culture Centre (GACC) in collaboration with partner organizations - the Tbilisi Municipality, the European House, the National Tourism Administration, Ecosphere (Azerbaijan) and Arkanel (Armenia). The project was funded by the EU Eastern Partnership Culture Program.

The activities provided in the project included several major areas, namely:

- A. The research part aimed at creation of the heritage crafts database and electronic mapping; identification of existing problems and elaboration of recommendations for improving the state policy and legislative framework.
- B. The educational component aimed at the enhancement of skills of heritage crafts organizations and artisans through trainings carried out by international and local experts in compliance with the demands of the modern market as well as the encouragement of production of market-oriented heritage crafts through the competition “The Best Crafts Products in the South Caucasus”. The

educational component also referred to the sharing and reduction to practice of the European and other international standards of statistics in the culture sphere (UNESCO, EUROSTAT).

- C. The campaign oriented to the public awareness which aimed at the enhancement of the economic potential of the crafts based on the rich traditions and cultural heritage and introduction and establishment of the “cultural economy” concept through international conferences and various media;
- D. Encouragement of cooperation, associations, which implied the creation of the overall network of representatives of the heritage crafts sector of the three countries, its popularization and integration into the European space.

The project aimed at identification of the integrity of culture and economy and promotion of the creative industries. In particular, heritage crafts, as the employment regional development resources meant by itself a multidisciplinary approach and intersectoral collaboration. Consequently, the target group of the project were the representatives of the governmental sector: the ministries of culture, economy, education, relevant parliamentary committees, local authorities, museums, copyright agencies, tourism and statistics departments/agencies, as well as educational institutions: universities and vocational education centers and non-governmental organizations involved in the field of culture, SMEs and individual artisans, including housewives, young people, disabled and displaced persons and rural population.

This document provides for the analysis of the situation and the problems identified within the large-scale survey conducted in Georgian within the framework of a research component and future strategy developed on the basis of international experience, which, in turn, is intended to promote the sustainable development of crafts sector in Georgia.

1. CREATIVE AND CULTURAL INDUSTRIES AND THEIR CONTRIBUTION TO THE ECONOMY

In the today's world the creative and cultural industries represent the most important driving force of the economy. If the twentieth century was a period of industrialization, the modern world has realized anew and pushed the primary importance of an individual, knowledge, creative approach for the innovation and the role of SMEs in economic development.

“In this context, the interface among creativity, culture, economics and technology, as expressed in the ability to create and circulate intellectual capital, has the potential to generate income, jobs and export earnings while at the same time promoting social inclusion, cultural diversity and human development. This is what the emerging creative economy has already begun to do as a leading component of economic growth, employment, trade, innovation and social cohesion in most advanced economies,”¹ – is noted in the UN Report on Creative Economy for 2008².

The growing economic potential of the creative and cultural industries³ was revealed by a number of studies carried out in recent years. Among them, the survey conducted by KEA European Affairs in 2006, under the order of the European Commission “The Economy of

Culture in Europe”⁴, which revealed that the creative economy by 2003 created 2.6 % of the European GDP and employed around 5 million people. The outcomes of this study laid the basis for EU member states to recognize the role of the creative industries. No less important is the study of the significance of the creative industries conducted by the UN in 2008 “The Creative Economy Report”⁵, the survey “Cultural Influence on Creativity”⁶ conducted by KEA European Affairs under the order of the European Commission in 2009. Among recent studies the important information has been provided by the study conducted by Tera Consultant, according to which by 2008 the creative economy created 8.5 million jobs across the EU countries (3.8 % of total labor force) and 4.5 % of the European GDP.⁷

The sector study has also confirmed that most of the creative industries, and 80%⁸ across Europe operate in the form of micro and small enterprises, SMEs and startup companies, which, in turn, are the major innovation locomotives in the Euro zone countries. In Europe 98% enterprises are SME. They create 2/3 of

¹ The creative economy integrates the economic, social and cultural aspects. It has the knowledge-based economy features and its main driving force is the creative and cultural industries. Therefore, the creative industries are the industries. ¹
The Creative Economy 2008, UNCTAD/DTCS/2008/2, p.iii

² The Creative Economy 2008, UNCTAD/DTCS/2008/2, p.4

³ The cultural industries are among those industries which combine the process of creation, production and commercialization of the creative content of the intangible and cultural nature. Typically, the creative content is protected by copyright, which may have a form of product and service. The cultural industries are mainly understood as the publishing business, audio and visual and cinematographic production, as well as crafts and design.

The creative industries incorporate a wider range of activities, including cultural industries, as well as every type of industry that involves a cultural and artistic element and the active engagement of creative initiative. The creative industries together, along with cultural industries include the architecture and advertising.

⁴ The Economy of Culture in Europe, KEA, Study prepared for the European Commission (Directorate-General for Education and Culture), Brussels, October 2006 <http://www.keanet.eu/ecoculture/studynew.pdf>

⁵ The Economy of Culture in Europe, KEA, Study prepared for the European Commission (Directorate-General for Education and Culture), Brussels, October 2006 <http://www.keanet.eu/ecoculture/studynew.pdf>

⁶ The Impact of Culture on Creativity, KEA, Study prepared for the European Commission (Directorate-General for Education and Culture), Brussels, June 2009

http://ec.europa.eu/culture/documents/study_impact_culture_creativity_06_09.pdf

⁷ The core creative industries generated almost €60 billion of value added and represented approximately 8.5 million jobs in 2008, respectively corresponding to 4.5% of European GDP and 3.8% of European workforce. Tera Consultant, Building a Digital Economy The Importance of saving jobs in the EU Creative Industries, March 2010 http://www.teraconsultants.fr/assets/publications/PDF/2010-Mars-Etude_Piratage_TERA_full_report-En.pdf

⁸ The entrepreneurial dimension of the cultural and creative industries, Utrecht School of Arts K2M ltd, Eurokleis S.r.L, For the Education & Culture DG of the EC, November 2011., p. 7

jobs and 60% of the gross added value in the private sector. The regions that are characterized by high levels of creativity are more profitable and stable. They perform an important role in the economic sustainability of the developed countries. The validity of theory, according to which small and medium enterprises perform the important buffer function during the economic downturn, was reaffirmed by the 2008 economic crisis. Moreover, small and medium-sized enterprises represent a more stable source of employment; during the economic downturn, they are less firing employees. In early 2009, a number of large enterprises which reduced the number of employees, was more than twice the number of small and medium-sized enterprises and three times the number of micro businesses which behaved similarly.

Parallel, in light of the researches conducted in the recent years, there has been a declaration of the role of creative industries and development of their promotion strategies at both national and international levels.

The Council of Europe has recognized the contribution of the cultural and creative industries in the achievement of the goals set forth in the Lisbon Strategy (2000-2010) and declared them as the European innovative potential catalyst. In 2002, the European Parliament adopted a resolution (2002/2127 (INI)⁹, which focused on cultural industries and their role in the creation of cultural products and services, economic development, education and employment, both at the national, regional and local levels. The culture is understood as an economic development stimulator or catalyst in the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions (Paris, 2005), as well as in the European Culture Program in the World Globalization Process, where the cultural and creative industries are given the particular importance. The year 2009 was announced in Europe the year for creativity and innovation¹⁰. As a result, today in the majority of European and in general, the western countries the development of the creative industries is an integral part of the national cultural, economic and industrial policy. The role of creative industries is clearly stated in the national policy of the UK, the Netherlands, Denmark, Sweden, Finland, France,

Germany, Italy, Portugal, Lithuania, Czech Republic, Bulgaria, Estonia and Ireland.¹¹ The international experience shows that as a result of the effective implementation of those policies, a number of jobs have been created, many regions have revived, their tourist attractiveness has increased.

In this regard, the leader is the United Kingdom, where the development of creative industries has been put in the strategy of the Department for Culture, Media & Sport since 1997. The London Agency for Development of Creative and Cultural Industries has been established specially for assistance of the micro and small enterprises operating in the creative sector. The special program "Creative Britain" established by the British government aims at strengthening the links between the art and economy. As a result of implementation of the long-term target-oriented strategy, the UK creative industries sector has become one of the fastest growing economic sectors. In 2005, 1.3 million people were employed in this sector and its revenue amounted to 112.5 billion pounds sterling.

The classification of subsectors of creative industries often differ from each other, due to the specifics of countries. However, they are generally considered to be the cinema, performing arts, music, art and antique, architecture, fashion, design, craft, computer games, advertising, publishing, television and radio. Out of them, today the most profitable sectors throughout Europe are the fashion (247,189,494 Euros), design (157,112,932 Euros), radio and TV (155,192,531 Euros)¹².

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<http://www.europarl.europa.eu/oeil/popups/summary.do?id=78496&t=e&l=en>

¹⁰ Unlocking the potential of the cultural and creative Industries, EC Green Paper (April, 2010).

http://ec.europa.eu/culture/our-policy-development/doc/GreenPaper_creative_industries_en.pdf

¹¹ The entrepreneurial dimension of the cultural and creative industries, Utrecht School of Arts K2M Ltd, Eurokleis S.r.L, For the Education & Culture DG of the EC, Number 2011., p. 51

¹² Ibid, p.78

2. HERITAGE CRAFTS AS ECONOMIC RESOURCE: GLOBAL TRENDS AND ECONOMICALLY SUCCESSFUL EXAMPLES WORLDWIDE

A separate field of the cultural industries is the heritage crafts which along with such sectors as music, cinema, architecture, fashion, etc. represents the most important resource of development of various countries and regions and a source of employment and economic growth worldwide.

According to UNESCO, in 2006 the global exports of crafts attained 186.5 billion US dollars¹³.

The heritage crafts play a particular role in the economy of developing countries. According to the above mentioned UNESCO data, out of 186.5 billion, 87 billion, or 47 %, accrue to the developing countries¹⁴. This trend is particularly enhanced by a small dependence of the heritage crafts and folk handicraft on technological innovations, hence, the financial capital, as well as its proximity to local resources and traditional knowledge.

Asia and Europe are the leading export areas of heritage crafts. India's share of heritage crafts products in the world market in 2004 was 1.5 %, with the turnover of 1.2 million US dollars and in 2006 the exports reached 1.9 billion US dollars. In 2007, the annual growth of trade in heritage crafts products made up 10 %. However, after the economic crisis, the share of the heritage crafts products in the world reduced to 2 %¹⁵.

The project OTOP - One Tambon One Product (a tambon is the Thailand administrative unit) which has been underway since 2001 is particularly successful economically. The project goal was to preserve the heritage crafts among the Thailand's rural communities and to increase their income. To attain the project's goal in each village a crafts product was identified, its quality improved, modern market standards were developed, product was branded and the entrepreneurship and business skills of rural population

were developed and the product was marketed in the international market. As a result, the export revenue of 2 million USD for the heritage crafts products in 2002 increased to 102 million USD in 2004¹⁶.

The most impressive are the economic indicators in the UK crafts sector, according to which the economic turnover in this sector reached 10.8 billion pounds in 2012. 169,000 people are employed in the Great Britain's heritage crafts. This number is expected to grow more and to attain 12 % of the employment rate by the year 2022. The sector's share of the overall added value of the UK economy amounts to 4.4 billion¹⁷, which, in turn, proves the great economic potential of this industry.

The positive global trends proved by the above data on the heritage crafts product exports as well as Georgia's potential, which on the one hand is based on the still preserved diversity of the ancient traditions of crafts, and, on the other hand, on the growing interest of tourists in the region, make very promising the development of industries based on the Georgia's cultural heritage and their economic sustainability.

¹³ Friel, M., *Crafts, A hidden heart of creative industries*, *Tafter Journal*; April, 2010. Retrieved on November 15 from <http://www.tafterjournal.it/2010/04/02/crafts-a-hidden-heart-of-creative-industries/>.

¹⁴ Ibid

¹⁵ Vanaja Menon, *Art of Marketing Village Crafts; Challenges in Applying Quantitative Marketing to Resist Recession*, p.1. <http://www.wbiconpro.com/509-Vanaja.pdf>

¹⁶ Creative Industries and Micro & Small Scale Enterprise Development: A contribution to Poverty Alleviation, UNIDO. pp. 31-32,

http://www.unido.org/fileadmin/user_media/Publications/Pub_free/69264_creative_industries.pdf

¹⁷ Mapping Heritage Crafts, the economic contribution of crafts sector in England, October 2012, http://blueprintfiles.s3.amazonaws.com/1353320471-Mapping_Heritage_Craft.pdf

3. TRADITIONAL CRAFTS AS INTANGIBLE CULTURAL HERITAGE

In 2003, the UNESCO Convention for Safeguarding Intangible Cultural Heritage has significantly expanded the previous definition of the “cultural heritage” and along with the monuments and collections extended it to the intangible heritage.

According to the Convention, the intangible cultural heritage is also defined as the oral speech traditions, including language as an instrument for transmission of intangible cultural heritage, performing arts, social practices, rituals and festive events, traditional games, cookery, local knowledge and practices related to the nature and environment, and, finally, the heritage crafts which viability depends on the oral traditions, knowledge and skills.

The intangible cultural heritage is not limited to a single expression as it mostly involves many branches, hence, the UNESCO’s approach is complex and provides for the versatility of this sphere.

The heritage crafts is the most “tangible” among the intangible cultural heritage, since its product is material. However, as far as the crafts and handicraft are connected with the knowledge and skills which are transmitted from generation to generation by the oral tradition, the Convention refers just to the intangible skills and knowledge, and not to any particular sample. Accordingly, the objective of the Convention is not to protect a particular sample, but to preserve the tradition and to safeguard its transmission from generation to generation.

Globalization has posed a great threat to the local crafts traditions as to other fields of the intangible cultural heritage. The handmade crafts products often can not compete with cheap bulk manufactured products, which, in turn, creates the danger of losing some of the traditions. In various regions worldwide many masters are trying to deal with those problems.

Another challenge, which traditional crafts faces globally is the environment issues that has caused

restriction of use of some natural resources and raw materials.

As far as the Convention protects the skills and knowledge, the main mechanism of its protection is the necessity and safeguarding of transmission of the education and training component, the generation to generation.

However, mastering skills is not sufficient to encourage the young people, therefore, UNESCO underlines the economic value of handicraft products and the necessity of their market promotion. Along with the growth of demand for handmade products, there occurs a niche for marketing of the goods which carry the traditions of these of those people, which, in turn, will be the best guarantee for the intangible cultural heritage sustainability.

One more mechanism of traditional crafts promotion and safeguarding is the copyright protection that favors the communities holding those rights and creates the precondition for protection of their products.

Georgia acceded to the UNESCO Convention for Safeguarding Intangible Cultural Heritage in 2007, whereby the Government has recognized the need of protection of intangible heritage and assumed the obligations provides by the Convention, that implies identification, documentation, research, preservation, protection, development, promotion of the intangible cultural heritage, transmission of it to young people by formal and non-formal education means to ensure its sustainability, revival of various aspects of intangible cultural heritage.

On January 24, 2012 under Order N3/28 of the Ministry of Culture and Monument Protection of Georgia was approved the registration card of intangible cultural heritage property and the rule of its filling in.

4. CONDUCTED SURVEY DESCRIPTION AND METHODOLOGY

The present survey represents the first attempt of comprehensive study of the heritage crafts sector in Georgia, that, of course, complicated the task, to the extent that there was no proven methodology and tools relevant to the specifics of the Georgian crafts sector.

The Georgian Arts and Culture Center, when developing the research objectives, content and methodology together with the 16 years experience of organization, based on the researches carried out in various countries, the opinions of local and international experts, invited experts (the sociologist, economist, lawyer). The researches have also taken into consideration the surveys conducted by ArtGen in 2010-2012: 1. Folk art promotion in Georgia; 2. Handicrafts and ethno-cultural tourism market development trends in Georgia.

At the initial stage of the project we set the study design, which main components were the analysis of the historical significance of the sector, the current legal framework, study of sociological aspects and economic indicators, assessment of existing product quality, technological groups and market; problem identification and elaboration of recommendations for sustainable development of the heritage crafts sector.

The working group was established in composition of the employees of the International Art Center:

- Mariam Dvalishvili – art critic
- Anna Shanshianshvili – art critic
- Irina Mania – art critic
- Tamar Kiknadze – Economic geographer
- Malkhaz Gelashvili, Geologist

and invited experts:

- Giorgi Kipiani - lawyer
- Irakli Kakhidze – sociologist
- Nino Evgenidze – economist

The survey was carried out in several phases :

I - Preparatory Phase

- Sector Identification

Since the heritage crafts is not a strictly defined sector as worldwide in general and as in Georgia, in particular, at the first stage of the survey we made the analysis of current definitions and approaches and identified the subject of survey and terms thereof.

With a group of experts we have developed the definition of the term “heritage craft”, classified the Georgian traditional production industries and subsectors, which have based the survey.

• Gathering first-hand information about masters and organizations/sector of heritage crafts

In Georgia, as in many other countries, the statistics does not account the heritage crafts in a separate sector, therefore, it was not possible to obtain preliminary statistical data before the survey.

To outline the sector we have summarized the International Art Center database with other available information bases. In particular, we have acquired the data of heritage crafts masters and enterprises available at the Ministry of Culture, the National Tourism Agency, Tbilisi Municipality, ArtGen Festival, culture departments of municipalities. Based on the integrated database we made the preliminary assessment of the number of people employed in the sector and their geographic distribution and planned the fieldwork.

• Elaboration of non-structured and structured questionnaires

6 different types of non-structured and structured questionnaire were elaborated, which target groups were:

- Masters engaged in the heritage crafts sector who are selling their products;
- Enterprises that produce heritage crafts items with the purpose of subsequent sale of them;
- Persons responsible for facilities selling heritage crafts products;
- Foreign tourists who bought heritage crafts products;
- Georgian customers who bought heritage crafts products;
- Local experts in the field who had the necessary competence to analyze the current situation and future prospects.

Phase II - Data collection, fieldwork

A. Quantitative Study

The fieldwork was aimed on the one hand at the creation of the database of entities, individuals and retail facilities, operating in the heritage crafts sector, and on the other hand, at the identification of their economic characteristics and problems; this was most extensive, time-consuming and difficult part of the study.

Given the fact that the quantitative study aimed at determining the economic opportunities of the sector, one of the top criteria of the selection of respondents was their business activity. However, in order to provide the comprehensive database of the heritage crafts sector, during the fieldwork the group also described those artisans who have knowledge, but currently are not engaged in the sale of artwork, or just produce the items for their own use.

Heritage crafts producer: due to lack of practice of survey of this sector, it was difficult to determine the respondents selection frame; consequently, it was decided to describe as far as possible all approachable artisans and enterprises in the heritage crafts sector who produced articles with the purpose of their subsequent sale.

In case of availability of contact information, the fieldwork was preceded by a preliminary telephone communication, which aimed to establish the validity of a potential respondent, which was defined by two major criteria:

- The connection to the product traditions (traditional technology and design, or at least one of them)
- Sales of products

The major fieldwork was conducted from June 2012 through March 2013. The quantitative data were collected in 40 municipalities and 3 self-governing cities; the analysis of the qualitative features was continued in the summer of 2013 and covered 6 municipalities and 1 self-governing city more.

In overall we contacted 537 units, of which 37 enterprises and 434 individual artisans, where 31 enterprises and 373 artisans were valid for the quantitative study.

Identification of heritage crafts entrepreneurs and determination of a technological group required the competence in the specifics of this sector, whereupon the number of interviewers was limited. The fieldwork was carried out by staff of the International Arts Center,

who participated in the selection of the methodology, had been involved in the heritage crafts development program implemented by the Center for several years and had passed the special training in filling out the questionnaires and in-depth interviews with producers.

The interview was accompanied by the filling and specification of the contact data about the artisans, organizations, and retail outlets and making photos of their works/shops for the database, which, in turn, enabled us to make the comprehensive analysis of the quantitative and qualitative characteristics of the sector based on the impressions and experience obtained during the fieldwork.

Retail outlets: For assessment of the heritage crafts products and its economic potential the study covered heritage crafts retail outlets the owners of which agreed to participate in the survey. A total of 32 different types of retail outlets were questioned.

Consumer: For the proper identification of the value chain the study also involved the consumer's position, who included:

- Foreign tourists
- Local consumers

To study the consumer's position the respondents were selected through random sampling. 100 local consumers and 90 foreign tourists were polled.

B. The qualitative research (in-depth interview)

The in-depth interview tool was a non-structured questionnaire and the respondents were competent experts in the field. The use of this method was aimed on the one hand at the in-depth study of the issue and on the other hand, at the study instrument perfection. The interviews were conducted with 10 local experts in the field of heritage crafts.

Phase III. Data Processing¹⁸

The data were processed in SPSS20.0 format. The statistical analysis of the obtained data was carried out in the following stages:

- Coding of open-ended questions;
- Data file preparation;
- Data entry;
- Database cleaning;
- Database processing and statistical analysis.

¹⁸ The Heritage Crafts in Georgia. The Comprehensive Study of the Sector. Annex 2. Sociological Report on Heritage Crafts Sector Research. I. Kakhidze, 2013, p.5

- **Study of the current regulatory legal framework for the sector¹⁹**

The heritage crafts related international conventions and the current legislative framework of Georgia were studied. Specifically, there was analyzed the laws of Georgia On Cultural Heritage, On Museums, the issues on the permit on the export of cultural property from Georgia, the Tax Code, the use of natural resources and other related issues.

- **Economic data analysis, calculations and prospects²⁰**

The economic study covered the analysis of the economic indicators of heritage crafts in Georgia, the determination of the sector's past and current role in the national economy.

- **Data analysis and recommendations**

The statistical information obtained as a result of the study , as well as the observations and experiences gained during the fieldwork, has enabled to make the analysis of the qualitative and quantitative characteristics of the heritage crafts sector.

Based on the analysis of the problems identified as a result of the study we developed the recommendations to the respective government agencies and NGOs working in this sector. The recommendations include the legal, economic, social, infrastructure, education, environmental and other areas.

¹⁹ The Heritage Crafts in Georgia. The Comprehensive Study of the Sector. Annex 1. Report on Heritage Crafts Sector Legal Framework Research. G. Kipiani, 2013, p.2

²⁰ The Heritage Crafts in Georgia. The Comprehensive Study of the Sector. Annex 3. Report on Heritage Crafts Sector Economic Research. The Economic Policy Studies Center, 2013

5. SCOPE OF RESEARCH AND DEFINITION OF HERITAGE CRAFTS

Subject to the goal of the research the primary objective was to define and identify the “heritage crafts” sector and its subsectors.

The heritage crafts as worldwide in general, as well as in Georgia is a hardly identifiable area to the extent that its production takes place at the informal level and along with the traditional craftsmanship it may cover other related fields. Identification of the heritage crafts at the international level and development of the international definitions thereof is also complicated by the fact that every country has its own specific sector or category of development.

“Heritage crafts” is not covered with the Georgian legal framework, consequently, it is not a separate regulatory area. Its exact definition, characteristic signs are not present in the Georgian legislation, that makes much more difficult to define the scope of the study. Though the Law of Georgia On Culture provides for the “folk crafts and activities” as a component of the “culture sphere”, the folk crafts is not defined as such, and its characteristics or other features are not established as well.^{21,22}

Given the fact that besides the above-mentioned record the Georgian legal framework does not provide for the “heritage crafts” as the folk crafts sphere and that the “heritage crafts” is actually deregulated, the survey also highlighted the necessity for the analysis of those areas, which are most closely related to this field. The qualitatively closest to the “heritage crafts” is the legal framework for “cultural heritage” which limits, characteristics, status and other legal details are set by the law of Georgia On Cultural Heritage, in particular, by its section “Intangible Cultural Heritage”. Of course the “heritage crafts” sector is not limited to the field of cultural heritage only, and it incorporates a wider range of activities.

Furthermore, the detailed information, regulatory principles of the heritage crafts, as well as of the

intangible cultural heritage are provided more or less in the international instruments and documents.²³

Noteworthy is that in this regard different countries and different organizations have developed different definitions. For example in the UK, such organizations as the Crafts Council, Arts Council, National Heritage Training Group and other use their own definitions which help them to determine the target groups more precisely.²⁴

According to UNESCO²⁵, the product is considered as a heritage crafts when it is:

- produced by an artisan using hand or mechanical means;
- produced without restriction in quantity;
- produced using sustainable resources;
- distinguished by aesthetic, artistic, religious and symbolic features.

In Georgia this sector is mainly referred to as the “folk handicraft”, which involves the integrity of traditional crafts, though the major criterion of their identification is their “folk” basis. This, in turn, restricts the scope of this sector and reduces it to the handicraft of a “folk” origin.

In addition to the “folk” basis the important source of the crafts is tangible cultural heritage sites and museum collections, their shapes and ornamental patterns. Thus, for this study as a term defining the sector was selected “heritage crafts”, which in contrast to the “folk handicraft” encloses the areas inspired by the above mentioned heritage. It should also be noted that the term “crafts” mainly involves traditional technologies which are transferred from generation to generation, though the crafts is upgrading along with the technological

²¹ The Heritage Crafts in Georgia. The Comprehensive Study of the Sector. Annex 1. Report on Heritage Crafts Sector Legal Framework Research. G. Kipiani, 2013, p. 4

²² Law of Georgia On Culture, Article 5.
https://matsne.gov.ge/index.php?option=com_idmssearch&view=docView&id=31402&lang=ge

²³ The Heritage Crafts in Georgia. The Comprehensive Study of the Sector. Annex 1. Report on Heritage Crafts Sector Legal Framework Research. G. Kipiani, 2013, p.4

²⁴ Crafts Occupation Standards Board (COSB), Crafts Council, Arts Council, National Heritage Training Group.(Towards a Definition of Heritage crafts Prepared for Creative & Cultural Skills by Hilary Jennings p.16
<http://blueprintfiles.s3.amazonaws.com/1344600067-Towards-a-Definition-of-Heritage-Craft-final-draft.pdf>)

²⁵ http://portal.unesco.org/culture/en/ev.php-URL_ID=35418&URL_DO=DO_TOPIC&URL_SECTION=201.html

progress that implies the technological innovations and causes the changes in the process .

Noteworthy is the fact that the crafts is a “living” sector that is constantly evolving, so when studying this sector this feature should be inevitably taken into consideration. The report “The Heritage Is In Our Hands” on the research carried out in the UK, provides that the recognition of the development of traditional crafts and distinction of principal differences between the “heritage” and “old” is very essential.²⁶

At the same time, in addition to traditional technologies, the most important achievements in the field are the forms developed over the centuries, a unique combination of colors, the range of ornamental patterns and the related functional, artistic or symbolic aspects which requires their involvement in the sector identification.

Subject to the foregoing, for the purpose of this study the appropriate term was determined “the heritage crafts” the major criterion of which is the obligatory availability of traditional techniques, design (shapes, colour combination, ornamental patterns etc.) or at least one of them and handmade (or partially handmade) production.

Heritage crafts

The heritage crafts is a creative process or a process of creation of an imitative product by which the products are created by hand or partially by mechanical means, which is based on the motives of both tangible and intangible cultural heritage and folk traditions.

Heritage handicraft products

Traditional handicrafts products include the products performed with the traditional techniques and/or which implies traditional forms, ornamental patterns and in creation of which an important role is played by the manual labor.

Consequently, according to the developed definition from the field of heritage crafts are excluded the handmade items of modern design performed with the non-traditional techniques as well as the items of traditional design , but produced only by mechanical

means (mass production of souvenirs, etc.). (Note: This kind of product can be included in a separate trend of “folk handicrafts” with different features, techniques and properties; the trend is not covered with the scope of this study).

A further step in the development of heritage crafts definitions was identification of fields/subfields and functional categories spread throughout Georgia. It should be noted that often, technological and functional groups are attributed to one category. (E.g. ceramics, horn), but due to the fact that the product of one of the functional category may be performed by different techniques, it became necessary to separate these two groups – technological and functional, which in turn, is a prerequisite for more accuracy of the data. This separation based the questionnaire for heritage crafts producers.

²⁶ Towards a Definition of Heritage Crafts Prepared for Creative & Cultural Skills by Hilary Jennings p. 15 <http://blueprintfiles.s3.amazonaws.com/1344600067-Towards-a-Definition-of-Heritage-Craft-final-draft.pdf>

Table 1. Heritage crafts technological groups and subgroups spread throughout Georgia

1. The textile arts	5. Woodwork
1.1. Knitting, crochet work, etc.	5.1. Woodwork
1.2. Weaving (carpet, rag, tapestry)	6. Leatherwork
1.3. Felting	6.1. Leatherwork
1.4. Print fabric	7. Paperwork
1.5. Embroidery	7.1. Paperwork
1.6. Sewing	8. Metalwork
2. Pottery	8.1. Stamping
2.1. By throwing	8.2. Casting
2.2. By injection molding	8.3. Jewelry
2.3. By pressing	9. Stone/bone work
3. Glass	9.1. Carving
3.1. Glass	9.2. Painting
4. Enamel	9.3. Glyptic
4.1. Champlevé	10. Mixed
4.2. Cloisonné	11. Other
4.3. Painted enamel	

Table 2. Heritage crafts functional groups and subgroups spread throughout Georgia

Furniture	Ornaments
Religious items	Garments
Habiliment	Souvenirs
Decorative compositions	Tableware
Dolls/toys	Carpet/rag
Weapon	Other
Interior accessories	
Basket/crib	
Musical instruments	

6. SHORT HISTORIC OVERVIEWS OF GEORGIAN TRADITIONAL CRAFTS

Located at the geographic meeting point between Europe and Asia, Georgia has been distinguished by the diversity of crafts traditions throughout the centuries. Every single province in Georgia has its own images, history, culture, traditions, which ensures the ethnographic mosaic of the country and its special

attractiveness. So too, traditional crafts techniques, color combinations and ornamental patterns in ceramic, woodcarving, stonework, metalwork, leatherwork, basket weaving and textiles, which include knitting, carpet weaving, felting, block printing and other techniques, vary from region to region.

6.1. METALWORK

Thanks to the region's rich natural resources and its geographical location, Georgia developed metallurgical traditions which go back to the Early Bronze Age, namely the fourth to third millennium BC, when the Mtkvari-Araxian Culture (c. 3500 – 2400 BC) emerged on the territory of the East Caucasus. Unearthed artifacts from this period already demonstrate the advanced skills both in bronze metallurgy and in working with precious metals. These skills were further developed during the Middle Bronze Age, particularly during the era of the Kurgan culture. Tools and jewelry found at the early Kurgan culture sites of Martkopi and Bedeni show an unusually high level of workmanship.

Alongside these artifacts a 23rd - 22nd century BC golden lion statuette, found in one of the kurgans in the Alazani Valley, is particularly noteworthy; it is the first sculptural image of its kind unearthed in the Transcaucasus area. The later Kurgan period, known for its Trialeti culture, demonstrates the further evolution of pre-Christian culture during 20th - 16th century BC. Rich burial gifts discovered include valued metal items, golden beads, standards, a golden goblet decorated with precious stones, and a famous silver bucket and goblet, the latter of which depicts ceremony scene.

During century BC, known as the late bronze-Early Iron Age, two great cultural centres formed on the territory of eastern and western Georgia, the latter of which, called Colchis, was distinguished for its production of so-called Colchian axe heads. These pieces are adorned with a peculiar style of graphic ornaments that demonstrate both advanced metallurgical skills and artistic values. The middle period of the first millennium BC was notable for the wide use of iron in Colchis. Due to its especially advanced ironwork skills, one of the Georgian tribes – khalibs – were regarded by ancient Greeks as the founders of iron technology.

Between the sixth and third century BC, the western state of Egrisi, the legendary `Colchis` preserved in ancient Greek mythology and literature, and the eastern

state of Kartli, called `Iberia,` flourished. The development of local goldsmithery was made possible, in part, by the regions' rich resources: gold-mines in southern Kartli and gold-bearing rivers in Egrisi. The latter, according to Greek authors, was especially `rich in gold`. These authors reported on the method of collecting gold, a method that is still practiced in the mountainous Svaneti region, from the Egrisian Rivers: using sheepskins as sieves, so that the gold grains would get caught in the fleece. Such a fleece might be the inspiration for the Golden Fleece of Argonauts. Examples of Colchian gold work from the earliest eighth to ninth century BC include temple pendants, richly decorated with granulation and sculpted heads of predators, which have been found at Ureki on the Black Sea coast. These fine metal pieces attest to the high level of skills among craftsmanship.

Gold granulation attained great variety and technical excellence in the fifth and early fourth century. Outstanding examples, discovered in Vani, include exquisitely crafted gold diadems, with braid-patterned holders; diamond-shaped plaques, adorned with repousse images of fighting animals: earrings; arm rings and temple pendants. All suggest the work of a skilled master. The plethora of such objects offers clear evidence of the existence of a distinct and original Colchian goldsmithery style that emphasizes extensive use of the granulation technique in combination with filigree.

Meanwhile at Iberian sites contemporaneous with Vani, the evidence of Achaemenid Persian influence becomes more pronounced, as can be seen in a splendid fourth century BC pectoral discovered amongst the Akhalgori treasure from northwest of Tbilisi. Indeed, perhaps the most extraordinary of the Akhalgori treasures is a pair of pendants designed to hang from a horse's bridle at the temples, crafted in the shape of two horses, with chains and acorn shapes hanging below.

The further advancement of the metalwork in eastern Georgia is demonstrated by the first century AD

discoveries in Mtskheta, the ancient capital of Georgia. In addition to the abundance of unearthed golden jewelry, such as gorgeous necklaces, earrings, rings and bracelets adorned with precious stones and engraved gemstones.

The cloisonné incrustation with multicolored stones found in richly decorated objects discovered at Mtskheta is considered as a progenitor of cloisonné enamel, which became very popular in medieval Georgia.

Announcement of Christianity as a state religion in early 4th century marked an important turning point in the development of Georgian Metalwork. It strongly influenced the pictorial language of metalwork, moving it away from three-dimensional sculptural methods, such as volume, modeling and relish for reproducing the naturalistic forms, to a more flattened, stylized aesthetic.

The ecclesiastical objects, such as, crosses, icons, cups and manuscript covers, enable us to trace the development of this branch of art from the eighth to ninth century AD through the early 19th century.

Drawing upon the ancient tradition of metalwork that dates back to the pre-Christian period, medieval Georgian masters further developed the craft, elaborating a peculiar style beginning in the eighth through ninth centuries. Overall, examples of repoussé work echo what was being produced at that time in stone reliefs and wood carvings. Hence, this process of development is part of an organic phenomenon that encompassed all Georgian sculpture.

The Icon of Transfiguration from Zarzma (886 AD), which is the earliest surviving monument of medieval metalwork, clearly demonstrates this new trend in art: the surface of the icon is flat and relatively simple.

By the middle of 11th century, this flat and decorative style begins to become more volumetric. This is reflected in a number of superb artworks of this period, such as the Ishkhani, Breta and Brili processional crosses, and the renowned golden chalice of Bedia (999 AD), which is formed from one sheet of gold and depicts the figures of Christ, the Virgin and the Apostles all worked in repoussé. This liturgical vessel is notable for the orderly and rhythmic organization of the figures, its decorative details and for its classicistic and powerful figural style, the monumental effect of which is symbolic of an authentic indigenous Georgian sensibility. Other fine examples from this period include the plaques from Sagolasheni and Shemokmedi, a splendid processional cross from Martvili and the silver roundel of St. Mamai from Gelati. The plastic

forms of the latter are modeled with great sensitivity and the proportions of the figure are held in careful balance.

A series of surviving large pre-altar crosses, which are covered with repoussé work, can be regarded as a unique feature of Georgian medieval art. Amongst these is the 11th century pre-altar cross from Mestia, which depicts the earliest known cycle of the life of St. George and is distinguished for its refined reproduction of figures, motion and details.

The 12th century marks a tendency toward more decorative forms and away from the volumetric trend typical to the previous centuries. This period is notable for its special focus on ornamental decoration and the wide use of such decorative elements as inlaid precious stones and cloisonné enamel. The stunning variety of stones and medallions in cloisonné enamel as well as ornamental motifs, which demonstrate the skillful execution of a unified artistic effect, is evident in the Khakuli Triptych of the Holy Virgin composed in 12th century.

This relish for decorativeness and ornamental embellishment is clearly seen in the late 12th century Anchi Tryptich of the Savior, executed by Beka Opizari, the famous Georgian goldsmith master who worked during Queen Tamar's reign.

Constant invasions by Muslim neighbors during period after the second half of 13th century, restrained further advancement of Georgian metalwork. However, from the 15th through 18th century, a notable number of smaller works were produced in goldsmiths' workshops throughout the country, with two main centers, one in western Georgia being the court studio of Megrelian Prince Leval Dadiani and the other in Kakheti marked by a distinctive technique of engraving on gold. Amongst the 19th century masters, the works by the goldsmith Pepu Meunargia are worth of special mentioning.

Alongside medieval repoussé work, rich metallurgical traditions were maintained in everyday life of local people. Racha for instance was famous as a center of blacksmithing in Georgia.

Georgians were prominent armorers as well. In the 18th - 19th century Tbilisi the pattern welded arms appreciated in the whole Caucasus, Russia and Europe became very popular. This period was also marked through the extensive use of *Nielo* and *Damascening* (inlaid gold) techniques.

In the 19th-20th century Tbilisi became the center of metalwork. Silver crockery made in Old Tbilisian guilds distinguished with the variety of shapes display the style widespread in the whole Caucasus featuring floral ornaments and figural images. Contrary to the items made elsewhere these Old Tbilisian silver bowls often display local Tbilisian characters.

The rich artistic tradition of medieval repoussé work reinvented itself in the works of Georgian masters during the Soviet time by changing religious subject matter with secular themes inspired by national motives.

6.2. CERAMICS

The traditions of pottery in Georgia go back to the hoary past. Unusual variety of winemaking equipment and wine vessels of ancient times attest to the high skill of Georgian craftsmen. Georgian museums have on display numerous clay vessels of all designations. The most impressive among these is *kvevri*, giant clay vessels in which wine was fermented and stored. Others, such as *chapi*, *kula*, *khelada*, *azarfasha*, *doki*, *sura*, *chinchila*, *deda-khelada*, *marani* a communication vessels of different shapes, *dzhami*, *tasi*, *piala* were used for serving and drinking.

The first examples of earthenware belong to the Neolithic period (7th millennium BC). These are mostly handmade, low temperature fires of pinkish or gray color, simple in shape, which feature engraved geometric ornaments and molded knobs. Similarly to Neolithic earthenware, the pottery dating back to Chalcolithic era (4th-5th millennium BC) is handmade, however new shapes such as bowls and handled jars emerge.

The production of pottery advanced further during Early Bronze Age (3rd Millennium BC), when Mtkvari-Araxian Culture (c. 3500 – 2400 BC) emerged on the territory of the East Caucasus. This period marks the creation of a new type of pottery, namely of the black-smoked ceramics. Handmade (without wheel) black and gray artifacts, varied in forms and rich in relief molded ornaments: spirals, birds and other thematic compositions, speak to the high level of craftsmanship of old masters.

The pottery of middle Bronze Age (3rd – 1st half of 2nd millennium BC), unearthed in great Kurgans on the territory of Georgia are of high artistic value. Giant vessels: *pithoi* and *hydriai* are decorated with projecting ornaments. There are examples of painted ceramics,

where the drawing is applied using brown or black paint on the dark red surface.

The pottery of late Bronze Age (15th-7th c) is made already using potter's wheel. It is predominantly characterized by black or gray color and geometric ornaments. In Colchis (western Georgia) the vessels were adorned with zoomorphic handles, whereas in eastern Georgia the earthenware shows the unusual variety of shapes and zoomorphic motives. Here, in 2nd millennium BC the first examples of glazed ceramics emerge.

The pottery dating back to Antiquity such as giant Colchis *pithoi* are adorned with horizontal lines and vertical relief bands. The smoked ceramic artifacts feature the same zoomorphic motives of contemporaneous bronze artifacts. Western Georgian pottery is marked by the significant influence of Greek pottery traditions, whereas the ceramics of Eastern Georgia maintains the red decoration and the natural color of clay. The widespread shape is one handled jug with trefoil pouring spout, giant painted *pithoi*, where different hunting and battle scenes are depicted between the ornamental bands.

The medieval pottery production in Georgia is characterized by diversity of shapes and glazed ceramics. Here, we often find ornamental patterns incorporating animal, bird and figural images.

The 9th-10th century ceramics are mostly represented by entirely glazed bowls with engraved or painted floral ornaments. The 11th-13th century artifacts are more varied in shapes (bowls, lamps and jugs) with blue, green or light purple glazing covering the inner part of the vessels, featuring crosses, geometric or floral ornaments and zoomorphic and anthropomorphic images. The main hubs of pottery across the country were located in Tbilisi, Dmanisi, Rustavi, Ikalto, Kaspi and Gudarekhi. Medieval Georgian pottery reveals many similarities with the ceramic production of other Caucasian countries and Near East.

Mongol invasions in late 13th century hindered the production of pottery, which has been revitalized only in the 18th century. The latter was predominantly painted. In the 19th-early 20th century the folk ceramic, both glazed and unglazed, achieved further advancement. Up to 50 different centers of pottery acted across the country, amongst these; Bodbiskhevi, Machkhaani, Telavi, Vardisubani, Ruispiri, Kakabeti, Tbilisi, Mtskheta, Gori, Shrosha, Dablagomi, Sairme, Tsalenjikha, Nagomari and others. Amongst these, the traditional ceramic from Gori covered with yellow glaze

and green paint ornaments or whitish lilac combined with green glaze, is worth of special mentioning.

Centers of unglazed ceramics were located in Kakheti (Telavi) and in western Georgia in Shrosha. In Tbilisi several ceramic factories were producing tableware. The high level of craftsmanship, artistic value and richness of decoration were particular for the pottery of this period.

The traditions of 19th century pottery were largely maintained for the beginning of the 20th century. Establishment of studio of ceramics and glass in Tbilisi State Academy of arts in 1959 enhanced advancement of the professional school of ceramics in Georgia.

Throughout 20th century ceramic production were still maintained in Shrosha, Ikalto, and also Mtskheta and Zugdidi, where the factories of ceramics and porcelain were functioning, employing number of skillful master ceramist in their premises.

6.3. CLOISONNE ENAMEL

The collection of Georgian Medieval Cloisonné Enamel is amongst the richest collections in the world. The earliest artifacts of cloisonné date to 8th-9th centuries, however, the cloisonné incrustation with inlayed multicolored stones found in richly decorated objects discovered at Mtskheta (the dagger sheath from Mtskheta, 170-180 AD), is the closest prototype to this technique widely used in Medieval Ages, when similarly to the Byzantine Empire the embellishment of church attributes with this particular technique became very common.

Enamelwork of 8th -9th centuries is characterized by flat and non-volumetric imagery as well as by the use of a distinctive semi-transparent emerald-green background, which can be seen in eighth century Qaudrifolium with the crucifixion and in the ninth century Deesis from Martvili.

The enamels of later period of 11th-12th century are marked by thin partition networks, a surprising boldness of color, dynamism, and a strong emotional emphasis, the latter of which lack the doctrinal strictness of Byzantine images. The stunning variety of stones and medallions in cloisonné enamel as well as ornamental motifs, which demonstrate the skillful execution of a unified artistic effect, is evident in the Khakuli Triptych of the Holy Virgin composed in 12th century. The central icon of the triptych depicting Virgin Mary is deemed the largest specimen of the cloisonné enamel in the world (its dimensions are 116 cm x 95 cm).

Combining a large number (115 items) of medieval enamels from different times (eighth - twelfth centuries) and origins (both Georgia and Byzantine) into a harmonious whole, the Kakhuli Triptych can be regarded as a small “museum” of this branch of art. It compares with the rich treasury of the Venetian enamels, particularly with famous Pala d' Oro.

There are only two examples - icons, both depicting St. George of cloisonné enamel survived from 15th century. Thereafter the tradition of enamel has been lost. It has been recently revitalized in last decade of 20th century. Nowadays it uniquely combines the values of traditional classical forms with contemporary trends, making the offerings more attractive and demanded.

6.4. WOODWORK

Being widely used both in religious and folk architecture and applied arts, woodwork has been amongst the most developed traditional crafts in Georgia.

The 10th-11th century woodcarved church doors from Chukuli and Jakhunderi (Svaneti), Lashes-Vani, Mgvimevi (Imereti) amongst others, which feature figural images and wide variety of ornamental patterns, speak to the refined skills of Georgian medieval masters. Alongside church doors mostly made of walnut, wood carved frames and chancel screens with refined ornaments are preserved from the Middle Ages.

Alongside ecclesiastic objects, woodcarving was widely used in folk architecture and objects of everyday life such as traditional furniture: armchairs, bedsteads, chests, cradles, musical instruments (traditional instruments with strings *chonguri* and *panduri*) and tableware. Embellishment with wood carved ornaments was especially widespread in the highland regions of the country. The variety of woodcarving ornaments mostly feature geometric patterns, astral symbols, stylized anthropomorphic and zoomorphic imagery, which are typical for both furniture design and folk architecture.

Woodworking techniques were essential for domestic architecture in every region of the country, widely applied in *darbazi* type structures, prevalent in Eastern and Southern part of the country, the openwork wooden *Oda*-type houses built on wooden “legs” typical to western lowland of Georgia, or magnificent interior of *machubi* in Svaneti. Amongst these, the decoration of *darbazi* type structures and namely of its central wooden column (*dedabodzi*) is worth of special mentioning. The latter is abundantly decorated with

wood-carved geometric ornamental, astral imagery maintained throughout centuries. The peculiar technique of work in wood is found in some *darbazi* type structures in Akhaltskhikhe, where the walls are covered with inlaid wood panels, speaking to the exquisite mastery of the craftsman.

If the domestic architecture of Svaneti and south-eastern Georgia makes special focus on the decoration of interiors with wood carved ornaments, the *Oda-type* houses in western lowlands emphasised the exterior, and namely the balcony decorated with wide range of openwork ornamental patters, including foliage motives barely found in the eastern part of the country.

The classical type of the openwork wooden *Oda* houses emerged in the 19th century (2nd half). In this period exterior and particularly adornment of the balcony became the main focus for master builders. The Old Tbilisian type of house with openwork balcony clearly demonstrates this tendency. The particular type of a house became predominant soon after in other cities of the country. The old traditions of woodworking reshaped to cope with new tendencies. It seems however, that the imagery applied in openwork ornamentation often incorporates ancient motives going back to the hoary past.

Currently woodworking techniques are widely used to decorate religious objects such as church doors, icons, crosses etc. Meanwhile, the traditions of folk furniture making and wooden architecture are maintained in several regions of the country. Amongst these are Svaneti, Racha and Upper Achara, where this tradition is still kept alive in everyday life.

6.5. STONE CARVING AND GLIPTIC

The tradition of working with precious and semiprecious stones in Georgia originates from the ancient times. It reached its utmost development in 1st century AD Mtskheta - the capital of eastern Georgian Kingdom Iberia, where the art of engraved gems became very popular. This is demonstrated through the rich finds of Mtskheta (Armaziskhevi, Bagineti, Samtavro), Bori, Kldeeti and other 1st to 3rd archeological sites, where the abundance of engraved portraits carved in intaglio or cameo technique are found. Impressive number of gemstones speaks to the fact that these were the local production made in the workshops nearby Mtskheta. Alongside the indisputable influence of antique gems, close ties with gemstones from Eastern Parthia and Asia Minor can be

traced. Several examples of Gems from Egypt are also found here.

Antique gemstone style is still prevalent during the early middle ages, which was replaced by the influence of Sassanid Persian glyptic slightly later. Amongst the medieval gemstones, the gem of Anton Catholocos carved on emerald is worth of special mentioning. The late medieval gemstones often feature inscriptions or trophies.

Apart from gemstones, the stone carving techniques were widespread in medieval art. Church facades, chancel screens or free standing stelae were mostly adorned with stone carved ornaments and figural images.

If the early medieval period was still under the ellinsic influence, stone reliefs of so called transitional period (8th-9th centuries) are marked by the flatness, disproportion and highly stylized rendering of the subject. However, the 10-11th century stone carving features elaborate, delicate forms and proportions, and variety of ornamental motives. The particular tendency is continued in 12-13th centuries as well. The stone reliefs of the following period are distinguished with more primitive folksy style.

The crafts of stone carving has been widely used to decorate gravestones, which became very popular in 19th century, when stone carved gravestone portraits became common in Georgia.

Nowadays stone carving is applied to decorate ecclesiastic architecture and religious objects, whereas the art of gemstone engraving is used to produce both religious items and jewelry.

6.6. TEXTILE

Georgia has been rich in textile techniques for centuries. Different technological and artistic methods were developed over time, including knitting and weaving, felting, needlework, and block printing amongst others.

Craft making was the indispensable part of women work; hence they were skilled in knitting, sewing, embroidery and other textile techniques from the very childhood. Use of natural dyes for coloring wool, silk and other products was very typical.

The origins of felting techniques can be traced back to ancient times. It was especially popular in the highland regions of the country (Tusheti, Khevsureti, Pshavi, Svaneti, Mountainous Racha and Javakheti). Felt products from Tusheti, where the special type of wool

with healing qualities is produced, are famous for their simple, though elaborate ornaments.

Georgian needlework employs dozens of techniques. It was applied to decorate both religious objects and secular costumes and interior utensils. Embroidery, especially with gold and silver, was used to adorn ecclesiastic textiles, liturgical objects and garments. The donator inscriptions on the number of textiles attest to the fact that the majority of textiles were created in monasteries or noble families. High quality of execution and elaborate color combinations make the ecclesiastic embroidery an important achievement of Georgian Medieval art.

Needlework was very important for the adornment of the folk dress and household articles as well (bed covers, table-cloths, curtains, etc.) be it a classical Georgian female costume consisting of a shirt (*perangi*), long trousers (*sheidishi*), long dress with a breast plate (*gulispiri*), a long fabric belt (*sartkeli*) and the head gear consists of a veil (*lechaki*) and a carton ring covered with velvet (*chikhta*), or other costumes typical for the mountainous regions of the country. The most remarkable examples of Georgian national costume are the colorful female and male clothing from Khevsureti, which are usually decorated with extraordinarily stunning embroidery. *Talavari* - the traditional dressing of Khevsurs, sewn of dark blue or black fabric usually decorated with extraordinary stunning embroidery, perfectly reflects the features of Georgian folk art aesthetic. The women dress – *sadiatso* and *koklo*, were usually covered with sophisticated geometric patchwork, embroidery, fine beads, coins and bone buttons, which had their sacred meaning. The colorful embroidery with crosses and astral symbols was the part for the male costume - *samkhedroni* as well. Both males and females in the mountains wore knitted socks *pachichi* or *tati* - socks with the leather sole, or *chitebi* mainly decorated with geometric ornaments.

Textile and rug production has an important place in the Georgian cultural heritage. Precious rugs, kilims and other textiles were manufactured in Georgia from the Neolithic time. This is demonstrated through the finds of Ilto dwellings, dated third millennium BC, where a vertical weaving loom and a comb for weaving were discovered. So too, at the burials in Bedeni (19th c. BC) different types of textiles - felt and rug fragments were found.

There were numerous folk rug weaving centers in Georgia, amongst these in Kakheti, Tusheti, Khevsureti, South Georgia (Akhaltzikhe). The rugs and carpets from eastern highlands are marked by dark, restrained palette, contrary to carpets from Khakheti. The latter marked by oriental influences.

When speaking about textiles, the rich traditions of silk production in Georgia are worth of special mentioning. Its traces go back to 5th century AD. In medieval times Georgian silk was traded on Persian markets. Silk production was further enhanced in 19th-20th centuries, when its export had a significant share in country's economy.

Amongst the widespread types of textiles in 19th century Georgia was the traditional table-cloths executed in the indigo blue dyeing "negative" block printing technique. The imagery of the tablecloth: the zoomorphic (deers, stags, lions, fish, birds) and anthropomorphic images juxtaposed with ornamental patterns often draw on ancient folk imagery with symbolic and sacred meaning maintained for centuries. This type of tablecloth was used only for special occasions.

Marked by the restraint palette and delicate color combinations Georgian textiles are an indispensable part of country's cultural heritage.

7. SOCIOECONOMIC IMPORTANCE OF HERITAGE CRAFTS

The heritage crafts has always been an integral part of the household. On the one hand, it provided the family with clothing, tools, household and other items and, on the other hand, it was the subject of exchange in kind. Along with development of trade relations the crafts products became the main subject of not only local but also international trade. The enterprise development and industrialization had step-by-step replaced the crafts, but the heritage crafts still played as very important role in the Georgian economy of the nineteenth century, when the main burden of production and services in the country and their combinations accrued to the hamqaris (guilds) and their unions.

In the 19th century Tbilisi the guilds were the very significant phenomenon which represented both the social and trade structure. Those guilds had their own regulations based on customs and traditions. Each crafts had its own hamqari (guild). This organization united all the local craftsman irrespective of rank and nationality. Hamqari had its own board, which was headed by the ustabash (the head of masters). Every hamqari had its own flag with the image of coat of arms, the hamkria's symbol. The ustabash was elected by voting. The hamqari had the own charter, which provided for the strict collectiveness. The townsfolk, rich or poor, believed that vocational skills were necessary, and they prenticed their young children to the hamkari's master. The apprenticeship usually lasted 5-6 years. The next stage was journeymanship. Unlike an apprentice a journeyman had the right to chose a master. After passing these stages the apprentice became a master having the right to own stamp. The hamqari charter determined the master and apprentice relationship as well as the rules of maintenance of families of hamkari members.²⁷

From the second half of the XIX century, in Georgia along with the handicraft production, commenced the cloth manufacturing, and then the factory production.

The important role in revival of the heritage crafts and promotion of its economic potential was performed by the Caucasus Handicraft Committee, which was established in 1899 under the Ministry of Agriculture of the Russian Empire. Its objective was to register and to record the preserved centers of folk arts and crafts in the Caucasus by the Russian Empire to identify the

²⁷ I. Grishashvili, Tbilisi Literary Bohemia, Tbilisi, 1927, pp. 38-52

Caucasus' potentiality as a crafts exporter. It is a kind of response to current movements in different countries, the aim of which was to create and to support handmade works of art, highly artistic items of decorative - applied art in contrast with mass (the British Arts and Crafts Movement and the Russian Abramtsevo Colony). The Committee headquarters was in Tbilisi. The organization's goal was to study the centers of folk art (with special emphasis on the carper weaving, as the demand for the handmade old Caucasian carpets in the international market was very high). The Caucasian Handicraft Committee established on the territory of the South Caucasus countries (Armenia, Georgia, Azerbaijan) the various workshops, where new items were created on the basis of the traditional crafts fields. The laboratories of the Caucasian Handicraft Committee, were headed, as in Russia and England, by professional artists who, using traditional forms and old ornamental types, created new designs and sketches. The Committee's activities also provided for the collection of traditional decorative - applied art works, kept with people, which then followed by the founding of the Caucasian Handicraft Committee Museum in Tbilisi (now the Museum of Decorative – Applied and Folk Art). The Committee's interests also covered the revival of such traditional industries in the Caucasus as, for example, the sericulture. In 1887 in Tbilisi Mushtaidi Garden was opened the sericulture station where local silk was produced. Soon after at the same place was founded one of the first world unique Silk Museum, the exhibition cases of which were made in the Caucasian Handicraft Committee workshops. The Committee was particularly active in the revival of carpet weaving - the traditional paintings were collected from different folk carper weaving centers and processed by professional artists (Straume and David Tsitsishvili) for creation of new works. The colored albums of Caucasian carpets sketches were published twice and distributed as samples among the folk artist from various regions. The articles produced by the Caucasian Handicraft Committee actively participated in international exhibitions worldwide, where several art works were awarded gold medals and honorary diplomas (e.g. the Gold Medal of the Paris Exhibition was awarded to the carpet "Miri" as well as the Silver Medal).

In 1926 was founded and in 1930 put into operation the Tbilisi Cloth Factory, which in 1953 was reorganized into the Tbilisi Worsted Cloth Plant.

In XIX century and early XX century, there were reportedly about fifty pottery trade centers in Georgia, where most notable were Bodbiskhevi, Machkhaani, Telavi, Vardisubani, Ruispiri, Nikortsminda, Kakabeti, Tbilisi, Mtskheta, Gori, Shrosha, Dablagomi, Sairme, Tsalenjikha, Nagomari.

During the XX century, the important centers of ceramic production were Shrosha, Ikalto as well as Mtskheta and Tbilisi, where a number of pottery and porcelain factories operated and many ceramists were employed.

By the 1980s the industry was the leading branch of the Georgian economy. Suffice to say that it produced 58-59% of the country's total production and 38-40% of the entire working-age population were employed in this sector. The revenues from the sale of products manufactured by the light industry made out 40-45% of the national budget. There were operating such large, technically advanced factories and plants as Gori and Kutaisi Cotton Factories, Tbilisi worst spinning mill and cloth manufacture, leather processing factories in the cities of Kutaisi and Tbilisi, Tbilisi shoe factories "Isani" and "Narikhala", leather show factory in Kutaisi and many others.

During the Soviet period the light industry in Georgia was mainly oriented to the imported raw materials. After the collapse of the Soviet Union the raw materials supply stopped and the majority of enterprises ceased to operate.²⁸

During the Soviet Union period, in the 70s of XX century under the Ministry of Industry of the Georgian Republic for the development of household industry was created the enterprise "Solani" which united more than 4000 masters working at home as well as specialized enterprises ("workshops") and employed more than 7000 persons in the territory of Georgia. "Solani" produced a variety of products - textiles, metalwork, woodwork, jewelry, both various products of applied functional groups and souvenir. It had the chain stores and exported its products to Russia and other republics of the former Soviet Union. The monthly income of this enterprise was about half a million rubles, of which 80% in kind of the "plan" was paid to the budget and 20% covered expenses.²⁹

²⁸ K. Abashidze. The Role of Light Industry in the Development of Tourist Business in Georgia. The Doctoral Thesis, Georgian Technical University, Tbilisi, 2013, p. 46

²⁹ The in-depth interview with "Solani" General Director Zurab Ugulava.

In 1979 along with the Monument Protection Presidium was established the Folk Handicrafts and Household Industry Enterprise, which was aimed at raising funds for the monuments rehabilitation. The enterprise produced and sold the articles made of textiles (carpets, rugs), wood, metal and almost all heritage crafts technique. In the late of the 80s the annual income of the enterprise amounted to about 20 million rubles of which 30 % were spent on monument rehabilitation, that approximately was equal to annual 6 million rubles. As a result of the successful performance of the monument protection enterprise their number increased to 5 and beside Tbilisi covered entire Georgia (Tskaltubo, Kutaisi, etc.).

The successful production of heritage crafts articles is evidenced by the fact that at that time many public unions, in order to increase their revenues used to open the folk handcraft product enterprises. Such was, for instance, the enterprise at the Theaters Society, the Folk Handicraft Center, Decorative –Applied Art Museum, as well as the workshops of the social groups of disabled persons (deaf-and-dumb society, blind society).³⁰

³⁰ The in-depth interview with the member of Monument Protection Presidium and chief artist of the art enterprise at the Monument Protection Society Zurab Potskhishvili.

8. CURRENT SITUATION IN TRADITIONAL CRAFTS IN GEORGIA

8.1. ORGANISATIONAL STRUCTURE

8.1.1. Governmental and non-governmental bodies

The traditional crafts related issues, with its cultural and economic aspects, are intersected with the activities of various governmental bodies, including:

Governmental Bodies	Traditional Crafts Related Issues
Ministry of Culture and Monument Protection of Georgia <ul style="list-style-type: none"> - Art and Education Department; - Department of Cultural Heritage Protection; - Department of Intangible Cultural Heritage of the National Agency for Cultural Heritage Preservation of Georgia; 	Programs of folk crafts and decorative-applied arts; Preservation of intangible cultural heritage; Granting a status to traditional craftsmen and elaborating promotional programs.
Ministry of Economy and Sustainable Development of Georgia	Integration of traditional crafts branch in economic promotional strategy.
Ministry of Education and Science of Georgia	Integration of traditional crafts in educational (school, high and vocational institutions) programs.
Ministry of Environment and Natural Resources Protection of Georgia	Issues related to raw material mining.
Ministry of Sport and Youth Affairs of Georgia	Integration of traditional crafts in the initiatives, focused on youth employment.
Ministry of Regional Development and Infrastructure of Georgia	Integration of traditional crafts, as a resource for regional development, in local development strategy and its further implementation.
Ministry of Finance of Georgia	Taxation issues related to traditional crafts field.
Ministry of Foreign Affairs of Georgia	Integration of traditional crafts components in the country branding strategy on the international level.
Georgian National Tourism Administration	Increase a tourism potential of traditional crafts, include traditional crafts topic in tourist routes.
Ministry of Energy of Georgia and Licence Agency	Issues related to acquiring and licensing materials/raw materials.
National Statistics office of Georgia "Saqstati"	Collection of traditional crafts data; Keeping a record of statistics related to cultural field.
National Intellectual Property Center of Georgia "Saqpatenti"	Regulation of the issue of copyright protection of the traditional crafts products.

Georgian Chamber of Commerce and Industry	Support and export traditional crafts, as a stimulating tool for employment and economic development.
Parliament Committee of Georgia: Committee of Education, Science and Culture	Initiating legislative amendments related to traditional crafts.
Tbilisi City Hall	Integration of traditional crafts in the city development plan.
Local Government Bodies	Mobilization of local cultural resources, their integration in development strategies and their further implementation.
Patriarchate of Georgia	Popularization of traditional crafts and its implementation in parish schools.
High Educational Institutions: Tbilisi State Academy of Arts	Integration of intangible cultural heritage and traditional crafts in the educational process.
The Folklore State Centre of Georgia	Research and development of traditional crafts resources.
Museums and Scientific Institutions: <ul style="list-style-type: none"> - Museum of folk and applied arts; - Georgian National Museum; - Local History Museum; - George Chubinashvili National Research Centre for Georgian Art History and Heritage Preservation. 	Research of traditional crafts resources, their integration in the interpretation of museum collections and educational programs.

8.1.2. Governmental and non-governmental initiatives

Several governmental and non-governmental initiatives have been implemented in the field of traditional crafts for the past ten years.

In particular, an important project was the display of Georgian traditional crafts products on Strasburg Christmas Fair in 2012 by the Ministry of Culture and Monuments Protection of Georgia. Besides, the Ministry of Culture Monuments Protection of Georgia has published two volumes of the catalogue “Souvenirs from Georgia” and has presented traditional crafts products on various international festivals.

Special place on the annual tourist fairs, organised by Economic Office of Tbilisi City Hall and National Tourism Administration, was assigned to presentation of the products of traditional craftsmen from all the regions of Georgia. Traditional craftsmen have also participated in the festivals, organised by local municipalities.

Traditional crafts plays an important role in the activities of “the Folklore State Centre of Georgia”. The centre has been functioning as a chamber of national folk works since 1936, as a House of National Folk Works (1937-1980), as a Republic Scientific-Methodist Centre for National Folk Works and Cultural-Educational Works (1980-2004), as the Folklore State Centre since 2005, and has been implementing various projects and organising exhibitions;

Since 2011, an art studio “Lurji Sufra” (Blue tablecloth) has been opened on the basis of Tbilisi State Academy of Arts, which is focused on revival of the production of “Blue tablecloth”.

George Chitaia Ethnographic Museum of Georgian National Museum has been organising traditional crafts educational programs and summer schools.

At the same time, non-governmental and private sectors have been actively involved in the development of traditional crafts field for the past twenty years, including Non-commercial Legal Entity “Georgian Arts and Culture Centre” (GACC), which will implement many programs focused on the development of national

folk crafts and local and international marketing. The program will cover educational, as well as exhibition and marketing oriented activities.

“The Art Gene festival” is distinguished, which is held every year since 2003. The festival provides popularization of national arts, including traditional craftsmen. In 2006, the “Art Gene” group published catalogue “Georgian Traditional Craftsmen”.

The initiatives of “Textile Group” may also be noted, which has been working for years on development of textile in Tusheti, Kakheti and Samtskhe-Javakheti

territories. On the basis of the “Textile Group” initiatives, textile products have been presented on Santa-Fe National Art Exhibition-Fair several times.

Also, during this period, certain international organisations have expressed increasing interest in supporting and financing small communities, local non-governmental organisations, or other private initiatives in this field. Besides, traditional crafts sector is considered in the aspect of establishing and functioning of “social enterprise”, which covers various social groups, including the activities of incapable persons.

8.2. LEGAL FRAMEWORK

8.2.1. Industry Identification Matters³¹

The basic legislative act available in the Georgian legal space in view of safeguarding of cultural heritage is a Georgian law on the Cultural Heritage. Those technical matters, legal regulations and mechanisms, which relate to the traditional craftsmanship sphere (to be established to meet the goals declared in the Conventions), must be specified in details in the abovementioned law.

Although, neither “Traditional craftsmanship” nor “Cultural Industry” is specified, explained or regulated in the law. Notwithstanding that legislative vacuum, attention must be paid to the regulations related to “the Intangible Cultural Heritage”. A legal definition of “the Intangible Cultural Heritage” is determined in this law:

Georgian Law on the Cultural Heritage, Article 3(k):

Intangible Cultural Heritage – oral traditions and forms of expression, including a language, as a carrier of tangible cultural heritage, performing arts, traditions and rules, customs, knowledge and skills related to the traditional arts, as well as instruments, things, artifacts and cultural areas related thereto, which are recognized by the society, groups and individuals as a part of their cultural heritage.

According to the law, a state authority which is responsible for the identification, documentation (audio, video, written), maintenance and safeguarding, shall be

³¹ Traditional craftsmanship in Georgia, Complex sector study. Attachment 1. Study Report of the Traditional craftsmanship Sector’s Legal Basis. Kipiani, pg. 2. 2013

the Ministry of Culture and Monuments Protection of Georgia. The law also states that “for the purposes of recording and identifying the intangible cultural heritage objects, a list and a register of the intangible cultural heritage objects shall be established.

To date, the intangible cultural heritage regulations are limited to those general provisions specified in the Georgian law on Cultural Heritage and the provisions cannot actually regulate the said area.

As for the intangible cultural heritage, the law states in details various legal mechanisms, procedures, legal regulations, legal consequences, provisions for the use or safeguarding of cultural heritage and responsibilities in the event of infringement thereon. This legal system is often incomplete and imperfect and requires refinement, detailing and explanation, but nevertheless, it still forms an integrated regulatory space. On the legal level, the intangible cultural heritage is completely disregarded and practically unregulated.

Interaction of the tangible cultural heritage with the traditional craftsmanship, even the matters of making copies of any single object of the heritage etc., are not stipulated in the law.

Order #3/28 dated January 24, 2012 of Minister of Culture and Monuments Protection of Georgia on the Approval of the List of Intangible Cultural Heritage and Form of Register, the abovementioned by-law defines the rules of granting a status to, defining a category and registering of an intangible cultural heritage. By this document, all necessary registration or register forms are approved, in particular: “a form of the list of intangible cultural heritage objects”, “ a form of the state register of intangible cultural heritage”, “a registration card of an object/monument of intangible cultural heritage”, “forms of registration documentation of an intangible monument”. Furthermore, the order defines a rule of filling of those documents, specifies the

boxes to be filled out for a single object name plating and description, all other procedures related to that process.

Additionally, it is determined that filing operations shall be a responsibility of Ministry of Culture and Monuments Protection of Georgia and an intangible cultural heritage object shall be given a status by Minister of Culture and Monuments Protection of Georgia.

The provision also defines that “the regulations defined by the Georgian law for a monument shall apply to the intangible cultural heritage monuments, however, no regulations, procedures or legal mechanisms are defined by that law for the intangible cultural heritage.

A rule of registration of the intangible cultural heritage actually duplicates the procedures of registry of the cultural heritage and is not distinguished by any significant features. Similar to the basic law, this rule does not stipulate for the specificity inherent to the intangible cultural heritage thus making it an ill-conceived rule formulated hurriedly, for the purposes of solving a single local task.

8.2.2. Georgian Law on Museums³²

The law regulates a field of the state museums, “the basic goals of this law is the regulation of legal relations of the Georgian museum activities and safeguarding of the Georgian museum fund” (Article 2(1)), but since a basic characteristic of traditional craftsmanship is reliance on the cultural heritage, both this law as well as the museum field have rather a significant effect on the traditional industries.

It should be noted that the law on museums is out-dated and inconsistent with the Georgian law on Cultural Heritage, also, in view of the legal technique, its complete re-elaboration, adjustment, alignment with the legal space is desired meaning that it must be rephrased.

One of the drawbacks in the law is that the regulations given therein are vague and unclear; therefore, they are differently construed and understood causing many complications.

³² Traditional craftsmanship in Georgia, Complex sector study. Attachment 1. Study Report of the Traditional craftsmanship Sector’s Legal Basis. Kipiani, pg. 2. 2013.

8.2.3. Law of Georgia on Exportation of cultural values from Georgia and Importation of Cultural Values to Georgia

From the legal point of view, the Georgian law on Exportation from and Importation to Georgia of the Cultural Valuables is also incomplete according to which the customs authorities are obliged to request “a permit of exporting the cultural valuables from Georgia” in case of ethnographic tangibles, which is absolutely unclear, since there is no relevant definition in the Georgian legal space. However, it is also defined that “the law does not apply to the modern souvenir items as well as the cultural items of serial and mass production”, which is also a very conditional definition and relies upon subjective judgments.³³

8.2.4. Legal forms of the entrepreneurship and taxation in crafts sector

Among the legal problems in the traditional craftsmanship area, problems related to the entrepreneurial statuses. According to the Law of Georgia on Enterprises, any entrepreneurial activity must be registered by an appropriate procedure.³⁴ However, the same law defines some exclusions, according to which no art, scientific, medical, architectural, advocacy or notary, audit, consultancy (including tax consultancy), agricultural or forest economic activities of the physical persons is considered to be the entrepreneurial activity;³⁵ According to that statement, the art activity, i.e. any creative activities in result of which a single work is created, is not considered to be an entrepreneurial activity; therefore, it is not required to register it, to do accounting thereof and to have cash register³⁶.

However, to date, in the list under this paragraph, no traditional craftsmanship is considered. According to

³³ Law of Georgia on Exportation from and Importation to Georgia of Cultural Valuables, Art. 4.

³⁴ “Entrepreneurial activity includes the legally repeated activity, which is carried out to gain profits, independently and in an organized way. Law of Georgia on Entrepreneurs, Article 1, paragraph 2.

³⁵ “Law of Georgia on Entrepreneurs”, Article 1(3).

³⁶ Traditional craftsmanship in Georgia Complex Sector Study. Attachment 1. Study Report of the Legal Basis of Traditional craftsmanship Sector. Kipiani, pg. 2, 2013.

the current tax code, the legal forms of traditional craftsmanship as an economic activity do not differ from other activities. In particular, for legal entities, it is: limited liability company – LLC; joint liability company – JLC; limited liability partnership – LLP; cooperative society. Integration of traditional craftsmanship is also possible in the legal entity activities, provided that it “...is auxiliary and serves a common goal, does not change a nature of a non-commercial legal entity. Distribution of profits gained in result of such an activity between the members of the union as well as the contributors of the foundation is allowed”³⁷.

In case of physical persons, they are registered as: individual physical persons and tax payer physical persons. Both enterprises and physical persons use usual taxation regulations. It should also be said, that in the Georgian tax code enacted in 2011, exceptional taxation regulations are reduced to the minimum³⁸. Although, there are two business statuses, which enjoy certain allowances, in particular:

1. A physical person with a microbusiness status is exempt from the income tax. The status is given to a person, who hires no additional laborers and whose annual aggregate income is up to 30.000 GEL. Furthermore, if a person is occupied by any of the listed activities (pullover and similar production; top-clothes production, except model shows and demonstrations; underwear production, headdress production, other clothes and accessories production; various wood item production, wooden clothes and headdress hanger production; wooden domestic and kitchen appliances production; economic and household porcelain and faience item production; economic and household tableware and inventory production; musical instrument production; accordion and similar playing instrument production, including mouth harmonicas; wind instrument production; brooms and brushes production;; footwear and leather goods repairing; ...;) he/she/it is exempt from

³⁷Georgian Civil Code. Article 30.

³⁸Traditional craftsmanship in Georgia. Complex Sector Study. Attachment 3. Report of the Traditional craftsmanship Sector’s Economic Study. Economic Policy Study Center, 2013

the upper limit of the established 30.000 GEL³⁹. However, in this case, a status owner needs to provide for the retail delivery of goods to end users. Therefore, exemption from paying the upper limit applies only to those craftsmen, which do not cooperate with shops, saloons or other brokers. Relationship of such status owners with sales agents is also complicated by the circumstances where the latter is unable to deduct the sums issued to a micro-entrepreneur from the common income; therefore, they have to pay higher income taxes.

The persons granted such a status, are exempt from the liability of having a control cash register and shall only submit annual tax returns⁴⁰.

Georgian Tax Code

Article 106. Costs not deducted from total income:

f) For the goods purchased from or services provided by a physical person with a status of micro-business

2. Those entrepreneurs, granted a status of micro-business, are subject to taxation with a preferential rate, in particular 5% of turnover, or, in some cases, 3% of turnover. Such a status applies to those entrepreneur physical persons, whose annual income exceeds 100.000 GEL and a balance of its inventory holdings exceeds 150.000 GEL.

Almost the only specialized allowance for the cultural heritage area on the legislative level refers to the VAT exemption with no right of set-off, which applies but not limited to “the implementation of restoration, rehabilitation, projection and survey operations for the cultural heritage monuments of the national or/and cult-religious importance included in the world heritage list upon agreement of a person with Ministry of Culture and Monuments Protection of Georgia;”⁴¹ however, the abovementioned allowance mainly applies to the tangible heritage monuments and actually does not apply to the intangible cultural

³⁹Government Resolution #415, December 29, 2010

⁴⁰Georgian Tax Code, Article 84.

⁴¹Georgian Tax Code, Article 168.

heritage. It would be appropriate to make corrections to the list so that this Article applies to the intangible heritage monuments. Though, for that, the problems related to the register of intangible cultural heritage must be solved.

Therefore, similarly to other cultural industries, in view of the entrepreneurial activities, the traditional craftsmanship is in the equalized conditions with other industries and enjoys no allowances. Such a condition impedes the development of those activities into the profitable activity, since due to its specificity, generally, mobilization of funding for the cultural industries is much more difficult than for other traditional industries not only in Georgia, but also in the West. The results of this reality are caused by the characteristics of the small and medium entrepreneurs of the industry, due to which they are considered to be “high risk” enterprises.⁴² Majority of those characteristics pertain also to the Georgian traditional craftsmanship companies. In particular:

- The main motivation of majority of enterprises for their founders is an opportunity to express while both the income and profit of these enterprises usually are of the secondary importance;
- Relatively small commercial ambitions and lack of foresight of commercial growth; majority of these businesses are of a project nature thus limiting the formation of “Corporate Vision”;
- Enterprises rely upon an individual talent and such a reliance makes difficult to transform small businesses to medium or large enterprises;
- Financial operators face difficulties in evaluating the business assets such as copyrights, licenses; furthermore, less attention is paid to the intangible assets such as creativity, innovation, talent, originality, which are the main assets of the creative industries;
- Difficulty in assessing the demand for the creative industry products;
- High importance of the state funding for the sector stability.

⁴²KEA, Promoting Investment in the Cultural and Creative Sector: Financing Needs, Trends and Opportunities. 2010.p. 18-19

In the existing situation, in the main European countries, a scheme of the creative industry funding is shown on Figure 1 ⁴³ . Majority of the abovementioned funding sources in Georgia, die to various problems, for the traditional craftsmanship business, as for all cultural industries, is inaccessible for the time being.

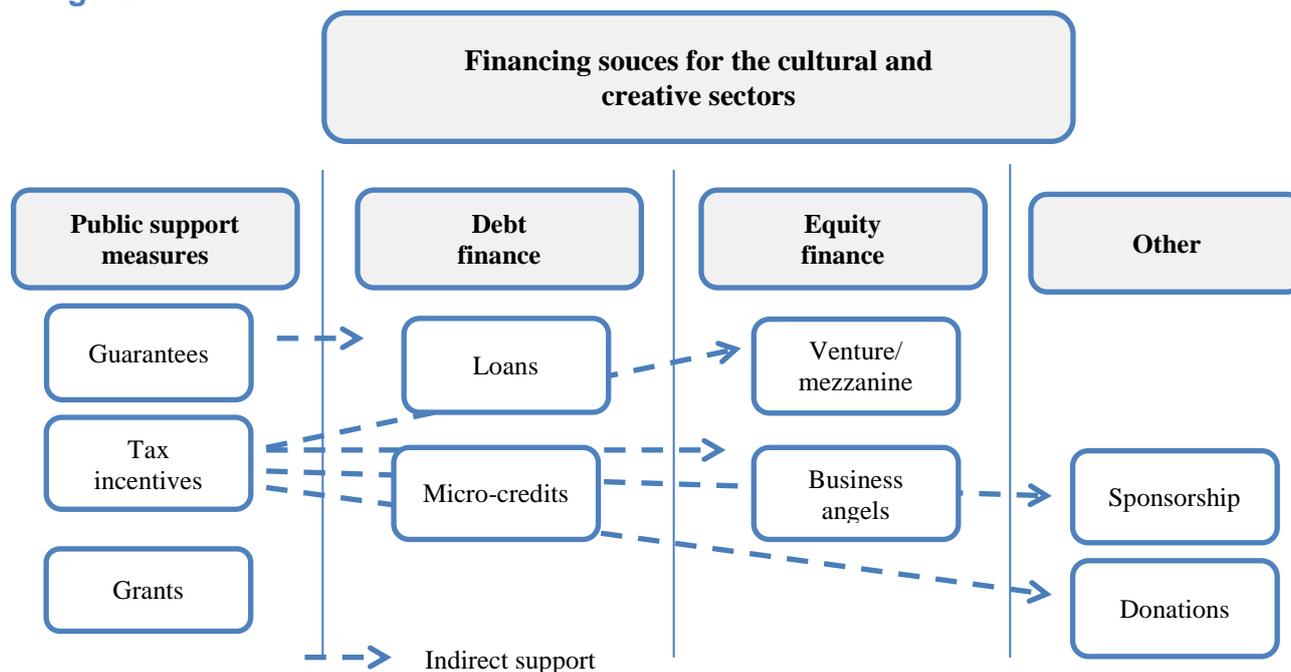
In the European countries, different systems of mobilizing additional funds for the culture field through indirect support to the culture, i.e. tax allowances, though, there is a general trend of establishing tax limits for the contributions as well as sponsorship in the field of culture. Recently, France and Italy got interested in such a trend – the countries, in which such measures have never played a significant role ⁴⁴ . To date, in Georgia, the abovementioned mechanisms do not work, since the legislative base does not stipulates for any special taxation regulations for funding the cultural industries, a law on charity is still in the process of approval. Therefore, a motivation of sponsorship in the area is only conditioned by social responsibility as well as marketing goals of the private companies.

For the representatives of traditional craftsmanship area, it is also difficult to obtain credits. On the one hand, as was mentioned above, the area is not perceived by credit institutions as stable profitable businesses while on the other hand, there are no state programs for issuing warranties, which play a significant role in different European countries. In this view, an interesting initiative was a preferential credit program of the Tbilisi city hall for the social entrepreneurship. However, as a rule, representatives of the culture field face difficulties in using the intersectoral schemes, which requires improving their awareness of similar schemes on the one hand and developing of special schemes on the other hand.

⁴³ KEA, Promoting Investment in the Cultural and Creative Sector: Financing Needs, Trends and Opportunities. 2010.p. 29

⁴⁴ European parliament, Financing the Arts and Culture in the EU, Brussels, 2006

Figure 1



In Georgia, in the state financing of culture, a relatively significant role is played by grants mainly issued by the Ministry of Culture and Monuments Protection of Georgia, as well as tenders (Ministry of Culture and Monuments Safeguarding, National Agency for Cultural Heritage Preservation of Georgia, Cultural Development Department of Tbilisi City Hall), though, in this funding, a share of the intangible cultural heritage and in particular, the traditional craftsmanship is very small. One more source of funding is the international donor organizations, however, as regards culture, their financing stably decreases, furthermore, it should be noted that the grants are usually issued for projects and not for enterprises, which is supposedly less effective in view of the business development. Declaration of the development of culture in general and traditional craftsmanship in particular in the Georgian priority trends, may be efficacious for this trend too.

8.2.5. Georgian Law on Copyrights and Neighbouring Rights⁴⁵

For the purposes of regulation of the traditional craftsmanship area, the Law on Copyrights and Neighboring Rights is also important, according to which the copyright applies to the scientific, literature and arts works, which are the results of the intellectual creative activity, notwithstanding its purpose, quality, genre, content, form and way of expression.⁴⁶ The right of use and property rights are connected to the copyright, which is quite an important and significant factor for the development of traditional craftsmanship and cultural industries. Therefore, operation of the traditional craftsmanship or cultural industries is closely related to both the copyrights and neighboring rights, although, it must be noted that no copyright is registered on the completely traditional work, since it is a public property. In this case, a place of origin is usually registered, which may be an additional way of branding of the traditional craftsmanship products

⁴⁵ Traditional craftsmanship in Georgia. Complex Sector Study. Attachment 1. Study Report of the Legal Basis of the Sector. Kipiani, pg. 2, 2013.

⁴⁶ Law of Georgia on Copyrights and Neighboring Rights

characteristic to a specific region. However, no criteria as to when the copyrights are granted to the traditional craftsmanship items are defined.

8.2.6. Regulations for the utilization of natural resources⁴⁷

For the purposes of regulation of the traditional craftsmanship area, the Law on Copyrights and Neighboring Rights is also important, according to which the copyright applies to the scientific, literature and arts works, which are the results of the intellectual creative activity, notwithstanding its purpose, quality, genre, content, form and way of expression.⁴⁸ The right of use and property rights are connected to the copyright, which is quite an important and significant factor for the development of traditional craftsmanship and cultural industries. Therefore, operation of the traditional craftsmanship or cultural industries is closely related to both the copyrights and neighboring rights, although, it must be noted that no copyright is registered on the completely traditional work, since it is a public property. In this case, a place of origin is usually registered, which may be an additional way of branding of the traditional craftsmanship products characteristic to a specific region. However, no criteria as to when the copyrights are granted to the traditional craftsmanship items are defined.

8.2.7. State Policy Assessment in the Field of Traditional crafts⁴⁹

A document specifying the state policy in the area of intangible cultural heritage as well as traditional craftsmanship, which would determine state's attitude towards traditional craftsmanship (availability of which is defined by the Paris Convention, 2013 as one of the state liabilities), unfortunately, is not currently available. Therefore, unavailability of the state policy is also added to the legal vacuum created in this field.

⁴⁷ Traditional craftsmanship in Georgia. Complex Sector Study. Attachment 1. Study Report of the Legal Basis of the Sector. Kipiani, pg. 2, 2013

⁴⁸ Law of Georgia on Copyrights and Neighboring Rights

⁴⁹ Traditional craftsmanship in Georgia. Complex Sector Study. Attachment 1. Study Report of the Legal Basis of the Sector. Kipiani, pg. 2, 2013.

Actually, the criteria of identification, assessment and record of intangible cultural heritage is unclear, the characteristics required for granting a status of "Monument" are unclear. No legal mechanisms and regulations exist. Therefore, the legal consequences of granting even a status of "Monument" to an object of intangible cultural heritage or/and its plate naming. Therefore, the legal consequences of granting even a status of "Monument" to or plate naming of an object of intangible cultural heritage are unknown.

As a matter of fact, a pre-planned work schedule for studying or recording of an intangible cultural heritage, as well as a group or specialist at the Ministry assigned the task is not defined for the time being⁵⁰.

In view of the state financing, in the Georgian Law on the State Budget for the Year 2013, the intangible cultural heritage is referred to in a few words.

Law of Georgia on the State Budget of the year 2013, 8.3

Safeguarding of the cultural heritage and refinement of the museum system (program code 33 04)

Recording of tangible and intangible cultural heritage, movable and immovable cultural valuables;

These records are very general, furthermore, no funds allocated for recording/plate naming of tangible and

⁵⁰In 2013, by the initiative of the National Agency for Monuments Safeguarding of Georgia and the Culture and Management Laboratory and Team of Experts an intangible cultural heritage bill was drawn. A member of the task team was an employee of the International Arts Center and a co-author of the abovementioned study, Mrs. Ana Shanshiashvili and it promoted integrating the recommendations developed in result of the study with that bill. Considering a differing specificity of the tangible and intangible cultural heritage safeguarding mechanisms (where the first one mainly concentrates on the preventive measures, while in the other one, the main protective mechanism includes educational incentives and other promoting measures) the bill stipulates for the amendments to the Law on Cultural Heritage and the separation of the Law on Intangible cultural heritage. For the time being, a release version of the law is being under discussion with different governmental structures.

intangible cultural heritage, no quantity or ratio thereof are marked off in it. Therefore, it is absolutely unclear what financing will be allocated for recording of the intangible cultural heritage; it is quite possible that a subsidy under this program will be used for recording of only tangible heritage, or will be spent for financing of other articles of this program, where intangible cultural heritage is not presented even nominally.

A list in the Cultural Heritage Safeguarding program defined in Article 8.3.2 of the same law (code 33 04 02) is mainly oriented to the tangible heritage, while the intangible monuments are an integral part of the Georgian cultural heritage.

Safeguarding of Cultural Heritage (program code 33 04 02)

Safeguarding and rehabilitation of the Georgian architectural complexes (historical settlements and cities) and single models of the cultural heritage;

Improvement of the tangible and technical basis of museums and museum-preserves, technical support and provision of appropriate conditions for their functioning;

Diagnosing of the museum collections, exhibit restoration, recording, stocktaking and plate naming;

Establishment of an effective mechanism for controlling the conditions, preventive conservation and risk alert of the cultural heritage monuments;

Completion of the cultural heritage data base to create a uniform information system/space;

Conservation-restoration of the cultural heritage monuments/complexes to maintain them for the future generations and for the creation of the environment attractive for tourism;

Cooperation with the cultural heritage safeguarding organizations and fulfillment of the UNESCO liabilities;

Monitoring and studying of the Georgian cultural heritage monuments outside Georgia and planning and implementation of the cooperative measures jointly with the relevant states.

8.3. HUMAN RESOURCES

8.3.1. Labor Resources

One of the purposes of the research was to evaluate the human resources involved in the heritage crafts. As noted in the description of the methodology, the field work was preceded by a preliminary evaluation of the

Program financing in the field of culture other than those records mentioned above, is of the general nature and consolidates all industries of this field. For the safeguarding, popularization, promotion of the intangible cultural heritage and for the development-encouragement of the traditional craftsmanship industry, no program funding is defined in the budget.

Limitations in the sources of traditional craftsmanship financing are also conditioned by unavailability of the law on charity and of the special taxation regulations for the culture financing, which actually blocks any funds flow from the business sector to the field of culture, including traditional craftsmanship.

Another normative act in the Georgian legislative space, where “traditional craftsmanship” is mentioned, is a state strategy 2010-2017 for the regional development of Georgia approved by Resolution #172 of the Government of Georgia dated June 25, 2010 on the approval of the state strategy for the regional development of Georgia and on the establishment of the governmental commission for the regional development of Georgia, where “Folk Trade”, as a segment of the cultural tourism, is considered to be a strategic trend and is recognized as the state liabilities for its promotion.

State Strategy 2010-2017 for the regional development of Georgia, Article 5.2.

5.2. Promoting the tourism development.

3. Relevant mechanisms must be elaborated for the tourism sector diversification and the domestic tourism development, which will promote the development of various tourism types in the country, including:

- Cultural tourism (history, architecture, arts, folk trade, religious tours);

Notwithstanding this record, so far, no actions or state activity in promoting, supporting or developing the folk trade have been stated.

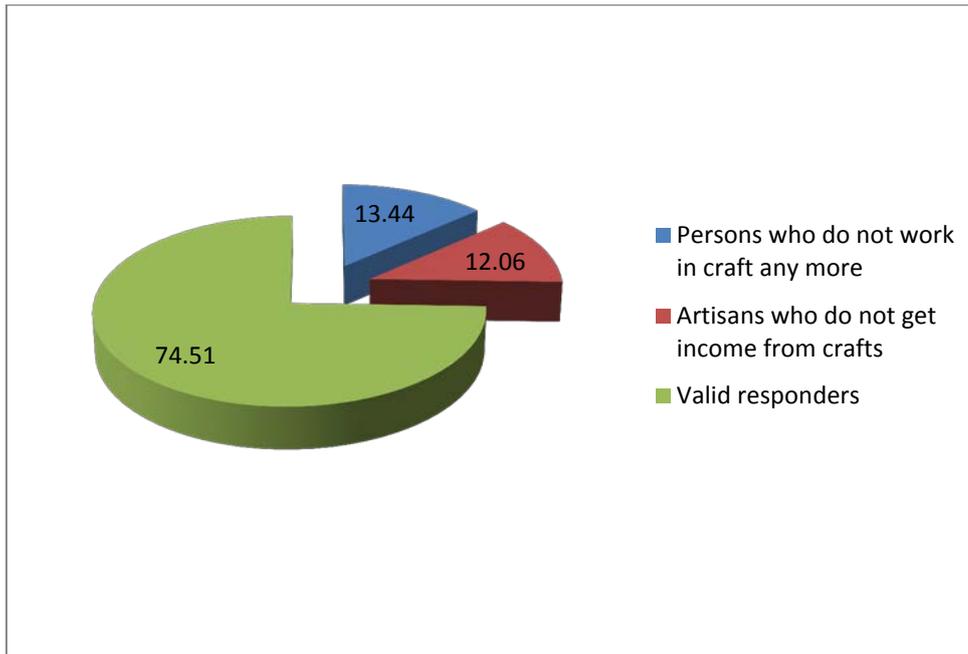
sector and creation of the initial database which included 1178 individuals and 37 enterprises. We could contact with 43% of individuals and 85 % of enterprises. In the course of the study the two trends have been revealed:

As the existing databases were compiled by different organizations in different time periods and for different purposes, the consolidated database covered a wide range of artisans, where some of them went beyond the framework developed for this study. In particular, they did not meet the adopted definition of the “heritage crafts” or did not engage in an entrepreneurial activity. Another part of the invalid contacts were those units,

who had stopped their activities in the heritage crafts and were not going to resume it in the near future. Total invalid contacts made up 13.44 % of the total contacts. (See Fig. 2)

The preliminary database of enterprises turned out to be relatively accurate, the invalid contacts in this category made up only 6.6%.

Figure 2. Distribution of contacts by validity



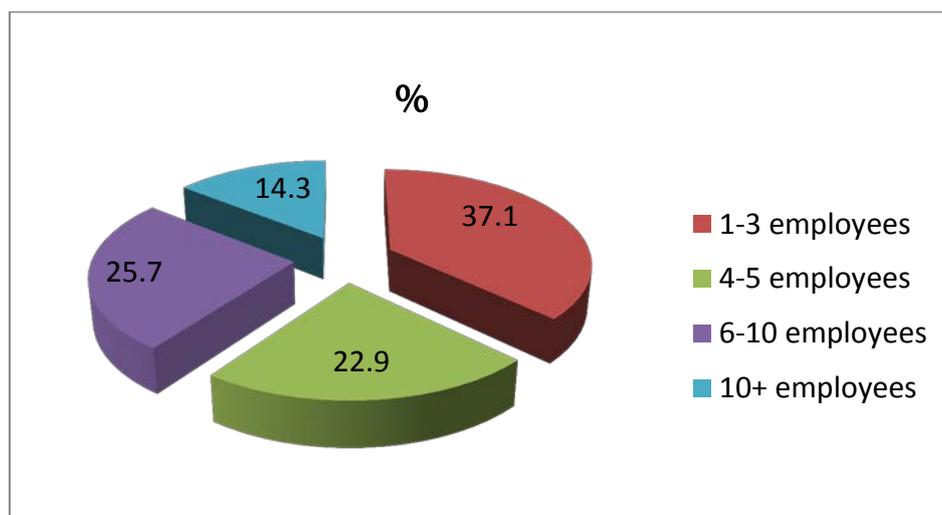
The second trend was to discover new “names”. In the course of the field work we additionally interviewed the local population to find the persons not registered in the database. Roughly speaking, by such a way we have found out 10% of individual artisans and 5% of enterprises.

It should also be noted that before the field work, due to the absence of the verified database we failed to determine a sampling framework whereby we cannot consider the conducted survey as a representative one. However, the survey covered all regions of Georgia and 44.6% of the primary base which allows us to assume that the trends identified in the survey are valid for the multiple which has gone beyond the survey. This assumption is backed by the picture obtained as a result of qualitative research conducted in 2013.

The heritage crafts in Georgia, proceeding from its specifics and the sectorial and organizational structure, does not represent a big “employer”. Most of the interviewed artisans (84 %) are working alone, without any assistants, and only 16 % use the paid labor. 76.7% of “individual employers” employ less than three people, and only 23% employ more than three.

The enterprises engaged in the sector are mainly small. In the majority of them (85.7%) the number of employees is only 6-10, and 14.3 % employ 10- 15 people. (See Fig. 3)

Unfortunately, during the research we have not focused on the works created by the employees of enterprises and individual entrepreneurs that does not allow us to determine their qualifications.

Figure 3 Distribution of crafts enterprises by the number of employees

Thus, based on the above data, we can say that the number of individual artisans of heritage crafts in Georgia is estimated at around 960, while the number of enterprises – up to 40. The total number of their employees is about 540, therefore, about total 1,500 people are involved in the creation of heritage crafts products.

As we can see, despite the rich traditions and great potential of the sector the total number of employees in the heritage crafts makes up only 0.07 % of the total number of labor resources of Georgia. However, noteworthy is the fact that we could not estimate the number of employees in the sectors “serving” the heritage crafts. The reasons for what the heritage crafts presents such a low profile in the national economy will be discussed in more detail in the following sections.

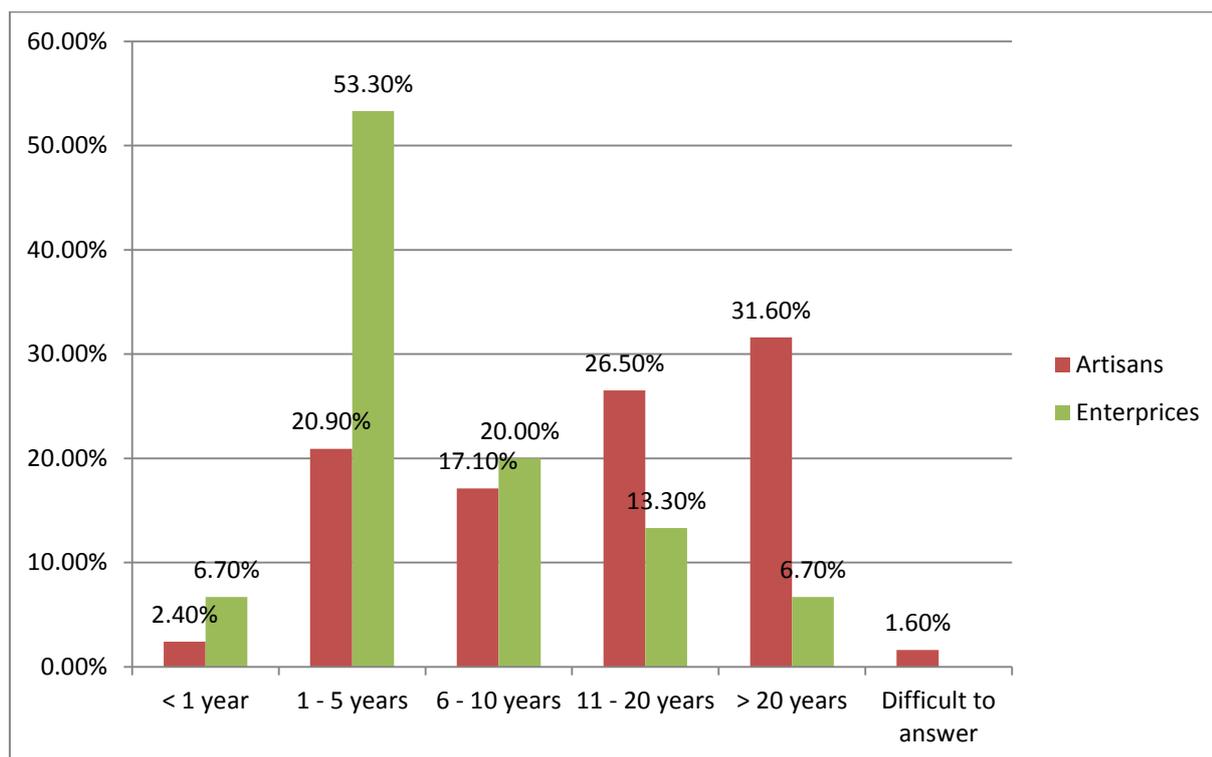
Due to the lack of statistical data for the previous period we cannot judge on the employment dynamics. During the in-depth interview with Zurab Ugulava, the former general director of the heritage crafts enterprise “Solani” existed in the Soviet period, it was noted that in the 80s of the past century the number of people employed by only this enterprise was 7000, that is almost 4.5 times higher than the number of people employed in the sector today. This data is noteworthy, though it does not represent the actual comparable value, as it is impossible to estimate the true share of the

heritage crafts in the items produced by “Solani” by the definitions on which the present study is based. At the same time, the Soviet economy, depending on its management model did not objectively reflect nor met the current demand. Consequently, the certain sectors were developed artificially, through state subsidies that make it impossible to determine the trends of sector development outside the system.

In this respect, it is interesting to analyze the individuals involved in the heritage crafts by years. The research has shown that before 2006 the interest in this sector was reducing, but in the last 5 years the percentage share of the artisans involved in the heritage crafts attained to 23.3 % or by 5.2 % higher than in the previous period. The enterprises have revealed the constant growth trend, though in 2007-2012 this increase was particularly considerable and made 53.3 %.

We can assume that this peak to a certain extent is connected with the sharp increase in the unemployment rate (from 13.3 % - to 16.9 %) in 2008-2009 (Table 3), because this sector traditionally has been a supplementary source of income and often the most affordable method of self-employment due to small startup costs. During this period, 67.8% of the artisans involved in the heritage crafts accounts for the economically most active (26-55 years) age group.

Figure 4. Distribution of artisans and crafts enterprises by the experience



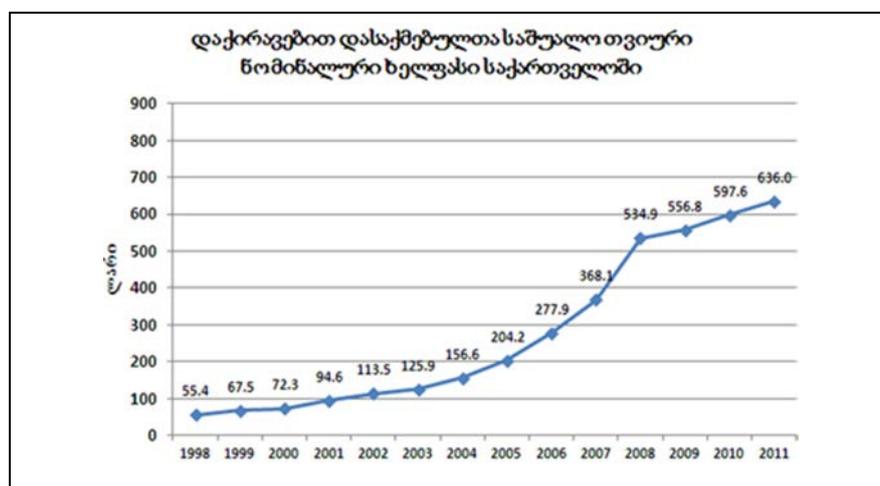
Also we can assume that a certain impact on the increase in the “newbies” in the heritage crafts was because of the increased demand for such products, which was due to, on the one hand, the growth of average monthly nominal wage of employees in Georgia and, consequently, some increase in the purchasing power of the population (Fig. 5), and on the other hand, the sharp increase in the number of foreign tourists who are one of the main users of crafts products. (Table 3)

As for the enterprises, the additional incentive for the nearly 40% growth was a wide range of reforms aimed at facilitation of legislation as a result of which the size of the informal sector in Georgia has significantly reduced in the last few years. The share of unregistered production from 32% in 2004 dropped to 22 % in 2010. All of these reforms were aimed at the promotion of economic growth, the creation of a legal framework, which should encourage the legal business.⁵¹

⁵¹ The Heritage Crafts in Georgia. The Comprehensive Study of the Sector. Annex 3. Report on Heritage Crafts Sector Economic Research. The Economic Policy Studies Center, 2013

Table 1. Employment data⁵²

	2005	2006	2007	2008	2009	2010	2011	2012
Labor force, thousand	2023.9	2021.8	1965.3	1917.8	1991.8	1944.9	1959.3	2029.1
Employed, thousand	1744.6	1747.3	1704.3	1601.9	1656.1	1628.1	1664.2	1724.0
Unemployed, thousand	279.3	274.5	261.0	315.8	335.6	316.9	295.1	305.1
level of unemployment, thousand	13.8	13.6	13.3	16.5	16.9	16.3	15.1	15.

Figure 5. Average monthly nominal wage of employees in Georgia⁵³Table 2. Dynamics of number of foreign tourists by years⁵³

Years	2005	2006	2007	2008	2009	2010	2011	2012
Number of tourists	559,753	763,231	1,051,749	1,290,108	1,500,049	2,031,717	2,822,363	4,389,256

⁵² http://www.geostat.ge/?action=page&p_id=145&lang=geo

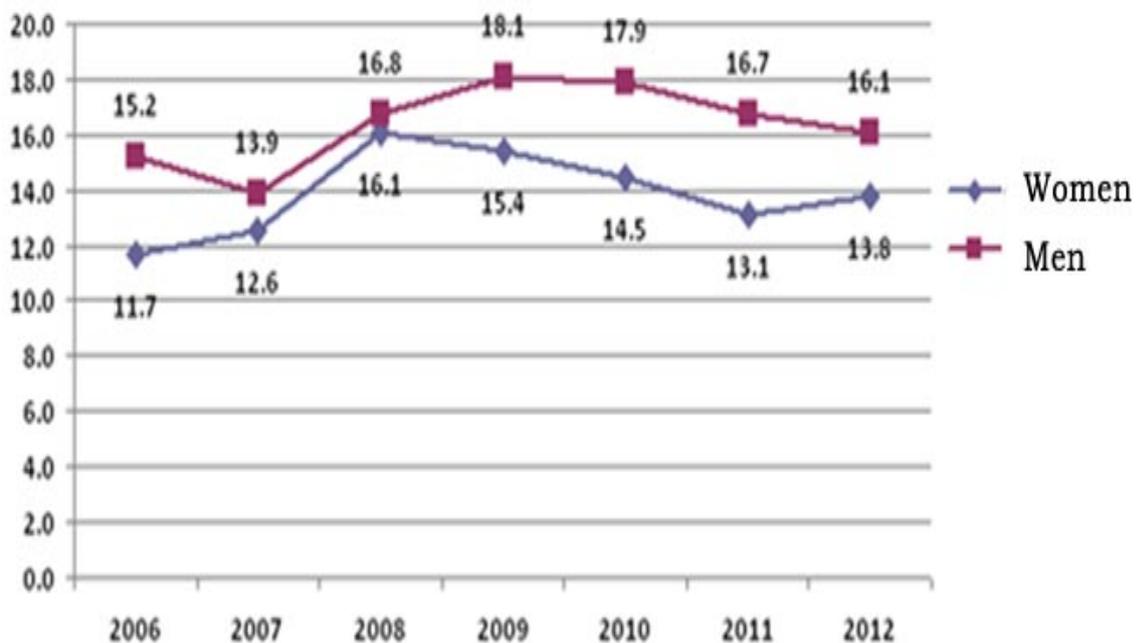
⁵³ <http://gnta.ge/stats/portal/>

8.3.2. Gender-age, national and social structure

The analysis of research results has shown that the percentage of women in the heritage craft is higher than the national average. They make up 62.3 % of the employed in the sector while the share of women in the entire population is 52.3 %. Unlike developing countries, such imbalance is not caused by a high unemployment rate among women, because according to the Georgian National Statistical Office data, the unemployment rate is lower in women than in men. However, such distribution can be also explained nor by the specifics of the sector, because the Georgian heritage crafts are quite diverse and include traditional

fields of employment of both women and men. However, the low income of the heritage crafts, of course, reduces the men's interest in this sphere and causes prevalence of women, because in Georgia, as a rule, women are involved in the small activities generating Women's and men's employment picture is different by technological groups. As we can see in Figures 8 and 9, the textile is clearly defined as the "women's sphere", while woodwork and metalwork as the "men's fields". In the ceramics and enamel the distribution of genders is more or less equal.

Figure 6. Level of unemployment by gender⁵⁴



⁵⁴ http://www.geostat.ge/?action=page&p_id=148&lang=geo

Figure 7. Percent of self-employed persons in labour force by gender ⁵⁵

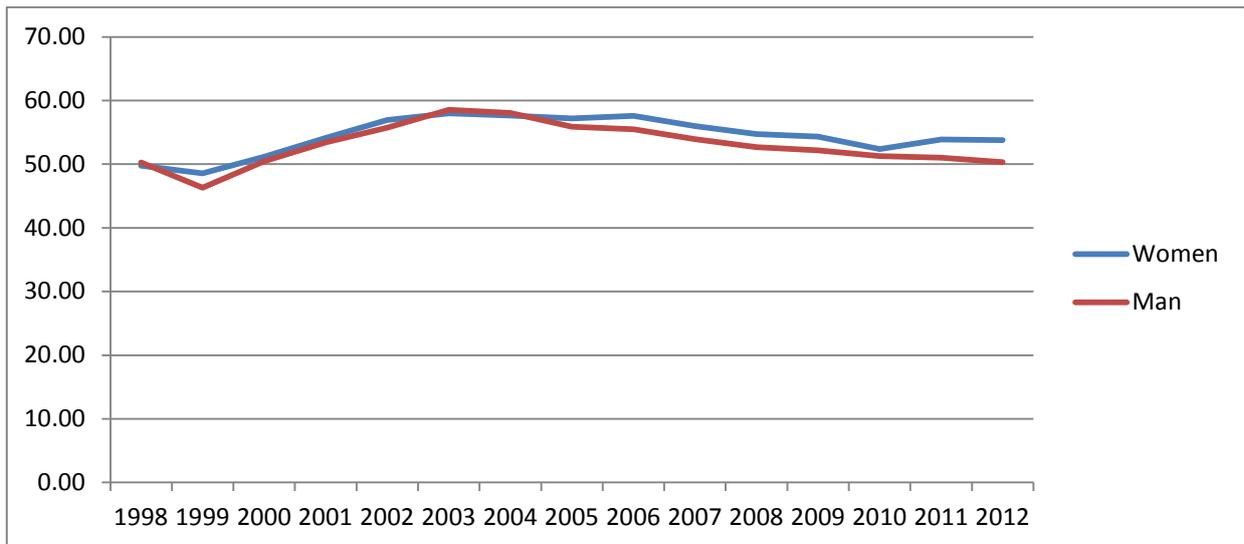
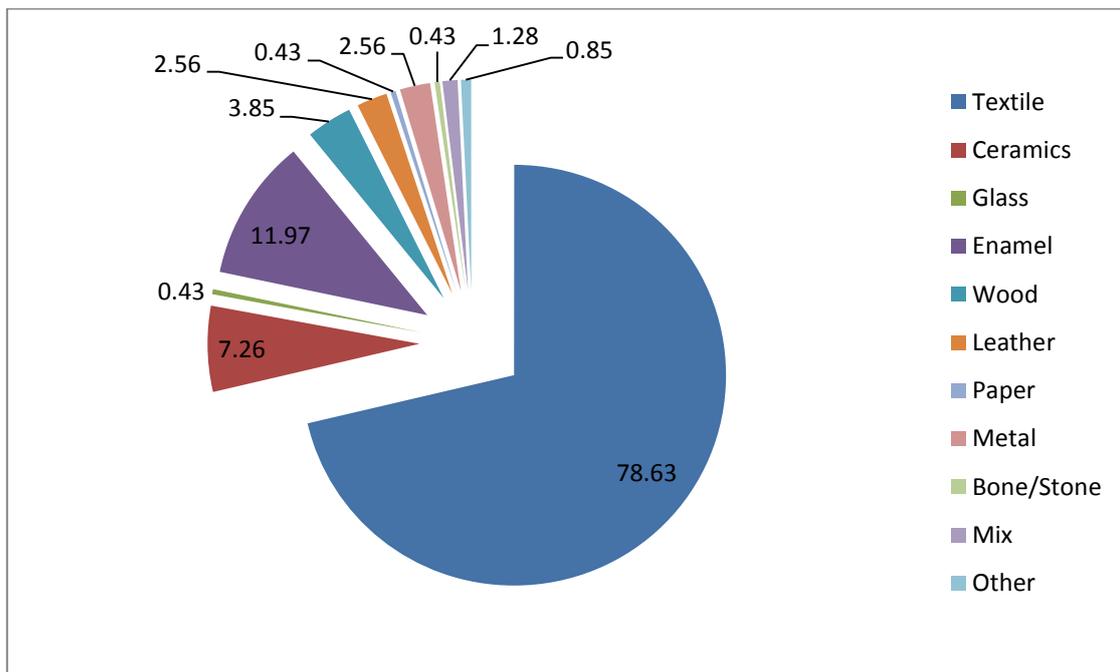
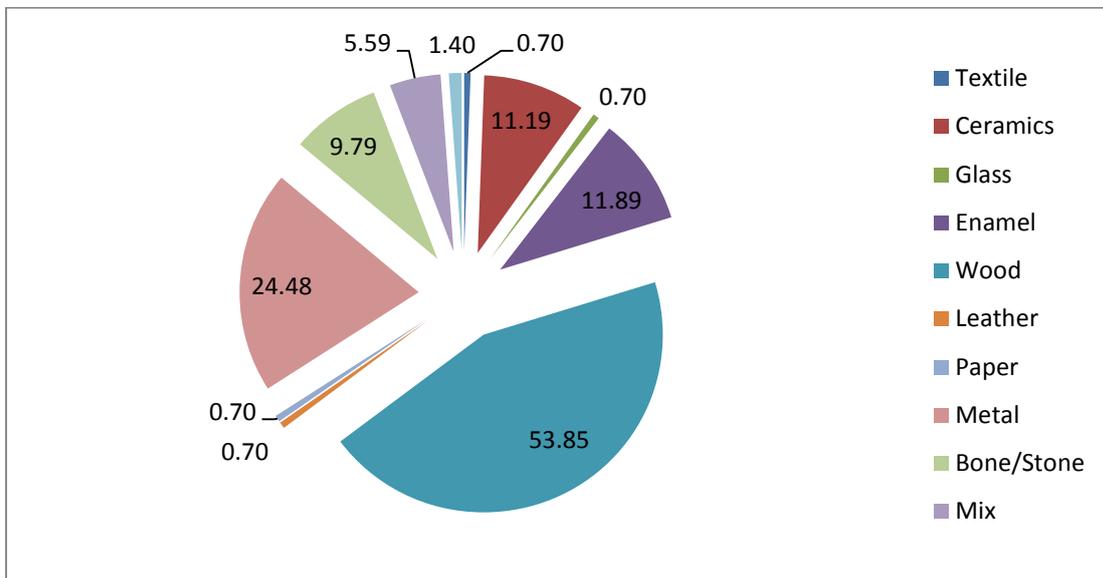


Figure 8. Employment for women by technological groups



⁵⁵ http://www.geostat.ge/?action=page&p_id=148&lang=geo

Figure 9. Employment of men by technological groups



8.3.3. Age structure

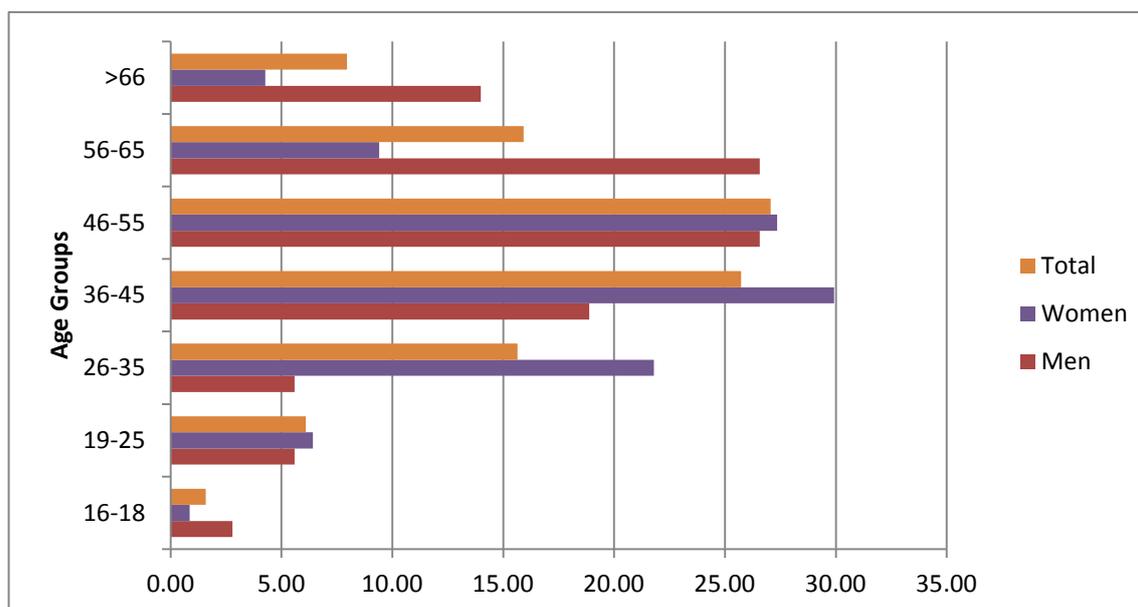
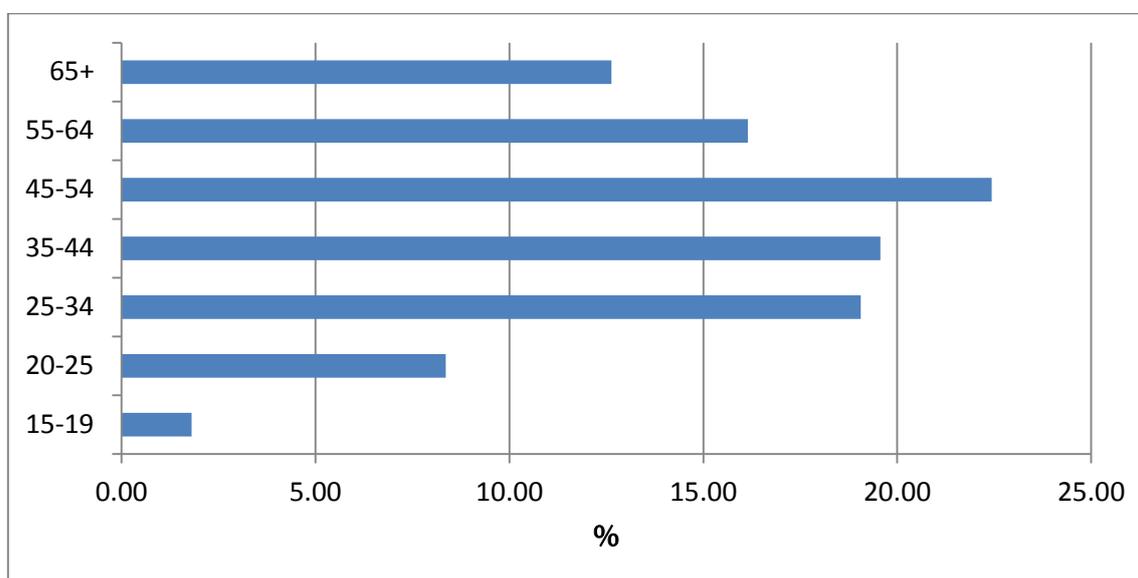
The age structure of the heritage crafts is basically the same as the structure of the economically active population of Georgia, although there are a number of different trends. The heritage crafts masters are most active in the age groups of 36-45 years (25.9 %) and 45-55 years (26.7 %), that in total by 10.79% exceeds the share of these age groups in the economically active population. In the age groups under 35 and over 56 years is observed a slight “lag” behind the average Georgian indexes, by 5.9 % and by 5 %, respectively. If we rely on these trends, it can be said that the heritage crafts are rather important for the employment of representatives of the most active age, while young people’s interest in this sphere is relatively small.

It should be also noted that the share of representatives of the age groups of 56-65 and over 66 years is also high in men, 26.24 % and 14.18 % respectively, while only 9.44% and 4.29% of women fall in those age

groups. This fact should be caused by the increased need in the self-employment among men over 56.

8.3.4. Ethnical structure

Based on the survey results, the ethnical structure of the heritage crafts artisans is quite homogenous. 97.8 % of respondents are Georgians, 0.8 % - Russians, 0.8 % - Armenians and 0.27 % - Ossetians. It should be noted that the interviewed Armenian artisans clearly expressed the use of their traditional techniques (stone carving, woodwork) and design. The unified database also included Azeri artisans, though by the preliminary contacts there have been revealed that they do not fall in the framework developed for this study. It is likely that a part of valid artisans of national minorities has remained beyond the survey. Therefore, in a future survey in order to clarify the ethnical structure it would be desirable to identify additional sources for representative of national minorities.

Figure 10. Age structure of artisans**Figure 11 Labour force of Georgia by Age Groups****8.3.5. Social structure**

During the survey, the social status of respondents was omitted. Although it was difficult to make any evaluation due to the lack of statistical data, but by the observations of the field working group several trends can be identified:

- Housewives, the unemployed and pensioners aiming self-employment are often getting involved in the heritage crafts.
- The heritage crafts play a certain role in the employment of people with disabilities, ISPs and other vulnerable groups. They are mainly involved in heritage crafts through NGOs working with these groups

8.3.6. Key findings and problems

The potential of the heritage crafts is not fully utilized in Georgia. Currently, approximately 1500 individuals are employed in the field, that is only 0.07 % of the economically active population.

The heritage crafts is notable for the prevalence of women that is largely due to the low income generated in this field and the active role of women in self-employment in Georgia.

Low interest of young people in this sector is clearly identified that results in the “aging” of a number of heritage crafts industries (especially in the men employment), hampers transition of knowledge from generation to generation and endangers traditional techniques.

The ethnical structure of the heritage crafts is mainly homogenous, with 97.8 % of Georgians, though the ethnical structure requires updating.

The nongovernmental organizations pay special attention to the heritage crafts in Georgia as the chance for employment of people with disabilities, internally displaced persons and other vulnerable groups.

8.4. REGIONAL DISTRIBUTION

One of the problems of development of small and medium businesses in Georgia is their uneven geographical distribution - 45 % of registered companies are located in Tbilisi. This trend is also observed in the heritage crafts, but not so strongly. Based on the survey, the geographic distribution of the sector can be described as follows:

A large part of individual artisans, about 26 %, lives in Tbilisi, although Tbilisi has the average percentage of artisans in the population. This rate is high in Racha - Lechkhumi, Kvemo Svaneti, and Guria, as well as in Mtskheta-Mtianeti, Adjara and Samtskhe - Javakheti. The main “attraction” areas of the heritage crafts in Georgia are the mountainous regions that is primarily due to the strength of the highland traditions.

As for enterprises, their number is very small and it is difficult to generalize them. Just about 26 % of the surveyed enterprises are located in Tbilisi, and others are almost equally distributed to other parts of the country.

Although the heritage crafts as a supplementary source of income and self-employment should be particularly “attractive” for the rural population, the analysis of

interviews of artisans has shown that only 28% of them do not reside in urban areas, while 46.8 % of the total population are village residents. This, among other reasons, is largely due to a lack of distribution channels (see Section 8.8.6), that makes it difficult for the rural population to get their products to market and thus prevents them from engaging in such business.

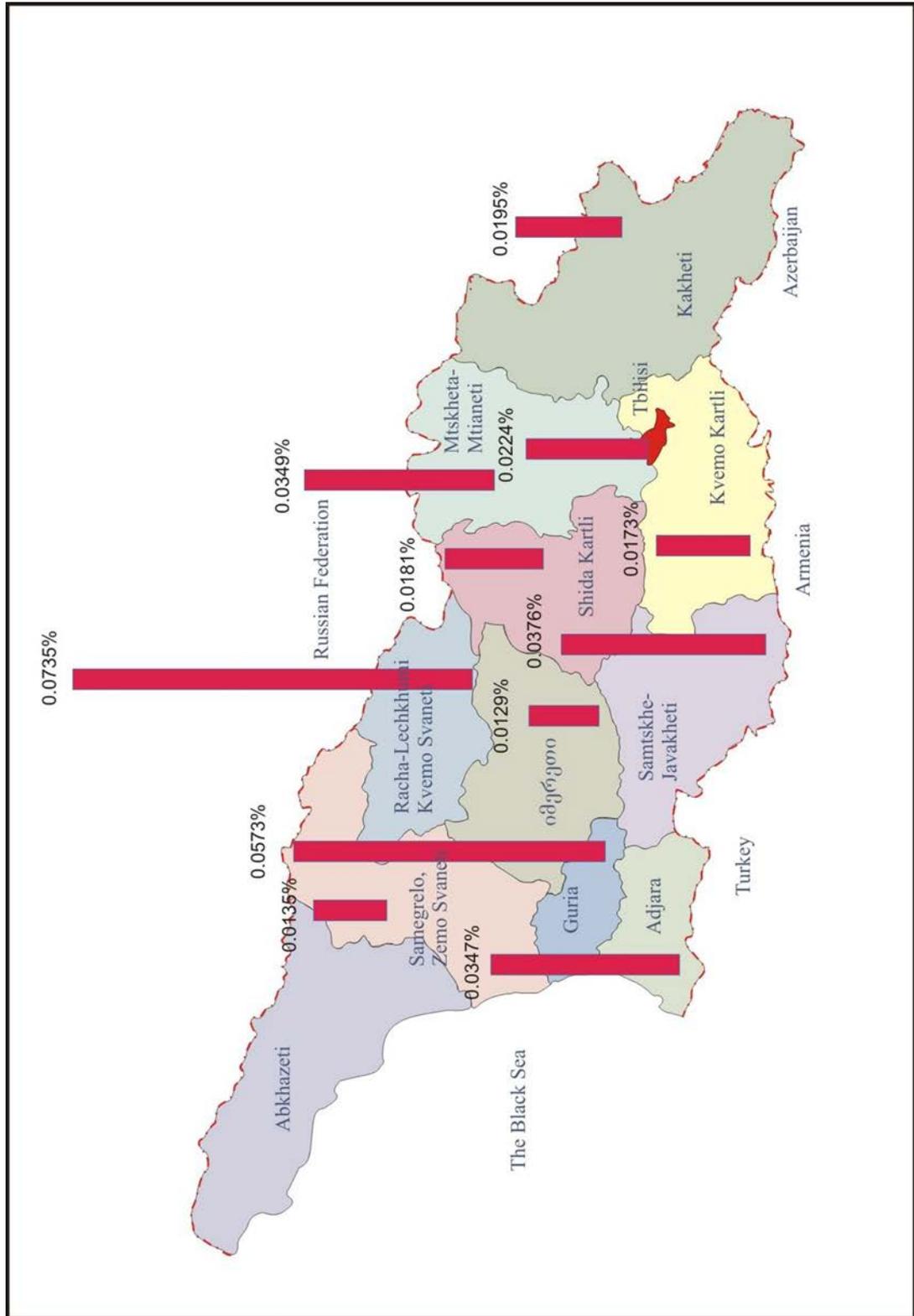
In the geographical distribution of the heritage crafts we can also note preservation of the historically typical crafts for the Georgian regions. For example, in mountainous areas: Svaneti, Adjara, Racha the woodwork still dominates, in Imereti ceramics is widespread etc.

8.4.1. Key findings and problems

The regional development of heritage crafts is comparatively equal, although by the share of heritage crafts artisans in the population noteworthy are Racha-Lechkhumi, Kvemo Svaneti and Guria, and Mtskheta-Mtianeti, Adjara and Samtskhe-Javakheti. It is clear that the main “attraction” areas of heritage crafts in Georgia are the mountainous regions.

Due to the underdeveloped infrastructure, the heritage crafts cannot perform its role in the development of regions and, in particular, of rural areas, whereby it concentrates in urban areas (72 % of producers).

Figure 12. Percentage of artisans in total population by regions



8.5. PRODUCERS STRUCTURE BY ENTERPRENEURIAL STATUS

The survey has confirmed the expectation that most of those people who are involved in the heritage crafts are individual producers. At that, 65.8 % of them are not registered with the tax base, 19.6% are registered as individual entrepreneurs, and 14.6% as self-employed individuals. Such low rate of registered masters, above all, is explained by the problematic relations of artisans with the tax authorities. On the one hand, they do not have adequate knowledge of the necessity of registration, existing statuses, reporting system, that, in many cases, rises a fear and distrust of registration in them. On the other hand, the tax registration and reporting procedures for artisans living in the regions are more complicated due to the absence of tax offices in their villages and less access to the Internet. The work in focus groups has also revealed that even the artisans who are registered and produce annual tax returns, fail to fully understand the benefits of the existing statuses and the details of accounting and reporting.

It should be noted that a significantly great percentage of registered artisans are in Tbilisi. 47.2 % of registered artisans live here. The registration rate of artisans living in Tbilisi is also higher - 49.5 %. Outside the capital city the situation changes dramatically. Only 26.7 % of interviewed artisans are registered.

As already mentioned, the number of legal entities engaged in the heritage crafts in Georgia is quite small. The initial database contained 37 contacts, where 31 were interviewed. According to their status, the majority of legal entities - 38.7% are registered as a non-profit (non-entrepreneurial) legal entity. This is due to the fact that the heritage crafts have become a kind of activities carried out by NGOs working on the problems of people with disabilities and internally displaced persons. Out of those entities 35.5% are limited liability companies and 25.8 % in fact, have no status, but are attributed to legal entities by “external evidence”. Those are workshops at the monasteries, hobby groups at art schools, etc.

8.5.1. Key findings and problems

The major part of the sphere is actually not accountable, making it difficult to produce economic statistics as well as to make the economic plan and forecast of development of the sector. The reason of this may be the following:

- Less awareness of the necessity/forms of the tax statuses and tax registration;
- The tax code which is vague and difficult to comprehend, that even causes fear of relationship with the tax authority.

Additional transportation costs and time of contacts with tax authorities for artisans living in regions, in particular in villages.

8.6. INDUSTRIAL STRUCTURE

As noted above, the present survey was conducted according to previously identified 10 technology groups and 22 techniques. The study showed that all of them are currently “alive” in Georgia, although there are significant differences in their distribution. If one techniques are widespread, and have been actively transmitted from generation to generation, such as felting, others are very rare and are endangered, e.g. silk

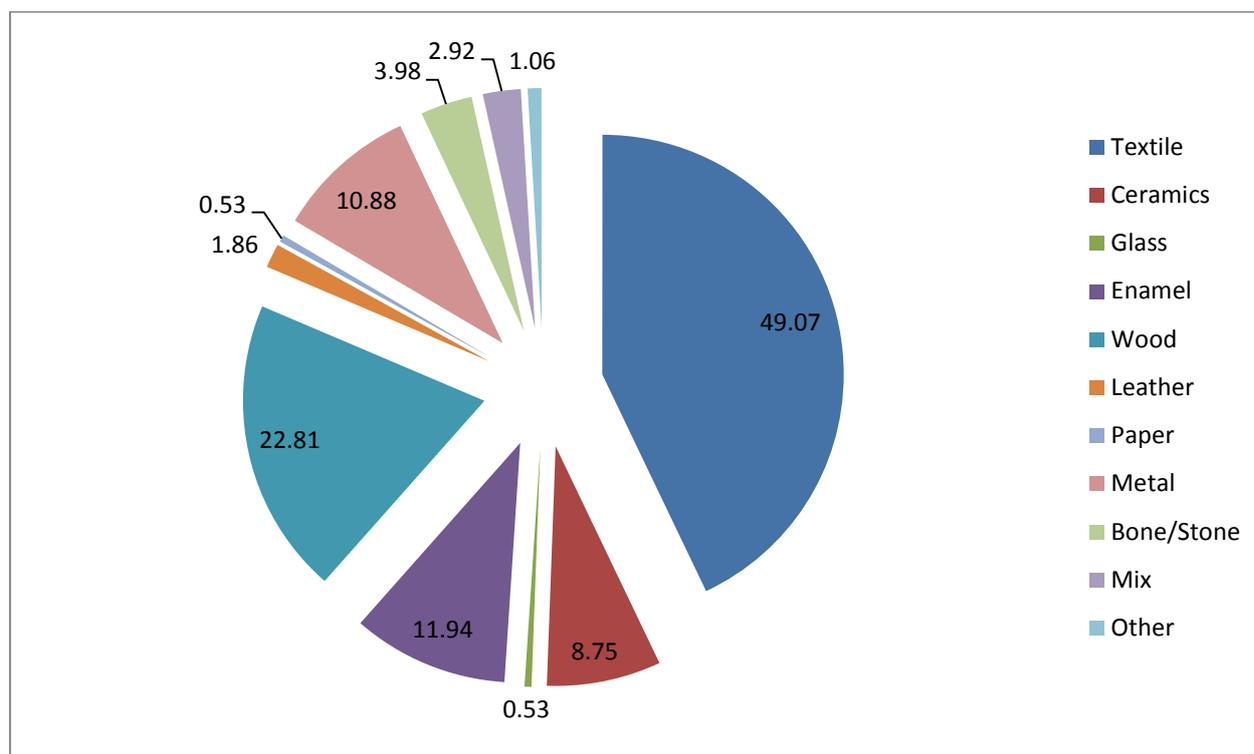
8.6.1. Textile

The textile is the most common technology group in Georgia. It is the most diverse in terms of subsections of textile processing, of which the most common is felting, weaving, embroidery, printed fabric, crochet work and knitting and sewing. Each of them, in turn, includes a variety of techniques (e.g. weaving: carpet, rug, tapestry and many others).

49.07 % of interviewed artisans work with textiles. As already mentioned, this technology group is characterized by the employment of mainly women (99.06%). In terms of geographical distribution the textiles is one of the most evenly distributed. However, a particularly high proportion of the textile artisans were revealed in Tbilisi (43.03 %). Also a significant part of them are in Samegrelo-emo Svaneti (8.61%), Mtskheta-tianeti (8.61%) and Kakheti (8.61%). The Kakheti percentage is likely to be higher because the data of artisans interviewed in Alvani municipality (which is the traditional center of rugs, cotton and knitting, etc.) have not been used in the statistical analysis.

Percentage of textiles is also large among the enterprises. Overall, 67% of surveyed enterprises produce textile, but it is noteworthy that only four of the 20 enterprises are limited liability companies. Others are non-profit (non-entrepreneurial) legal entities or the monastery workshops.

Figure 13. Distribution of artisans by technological groups*



weaving (see Fig. 13).

*Note: Some artisans work by more than one technology

Table 3. Percentage of textile artisans in surveyed artisans in the region

Region	%	Region	%
Tbilisi	43.03	Samegrelo-Zemo (upper) Svaneti	8.61
Kvemo (lower) Kartli	5.64	Adjara	6.82
Samtskhe-Javakheti	6.53	Shida (inner) Kartli	6.82
Imereti	2.67	Mtskheta-Mtianeti	8.61
Guria	1.78	Kakheti	8.61
Racha-Lechkhumi, Kvemo (lower) Svaneti	0.88		

In terms of products, in this group are mainly produced clothing, accessories, interior details (carpets, rugs, decorations), toys, total about 456 items. In terms of price, compared with the overall average, the products tend to a less price. Almost 80% of the product categories are cheaper than GEL

50, and the prices of only 3% of items are higher than GEL 500.

Even though we have no similar data from previous years, we clearly observe the trend of growth of some technologies and decline of others. To date the best example is the high percentage of felting technique.

Table 14. Distribution of textile products by the price

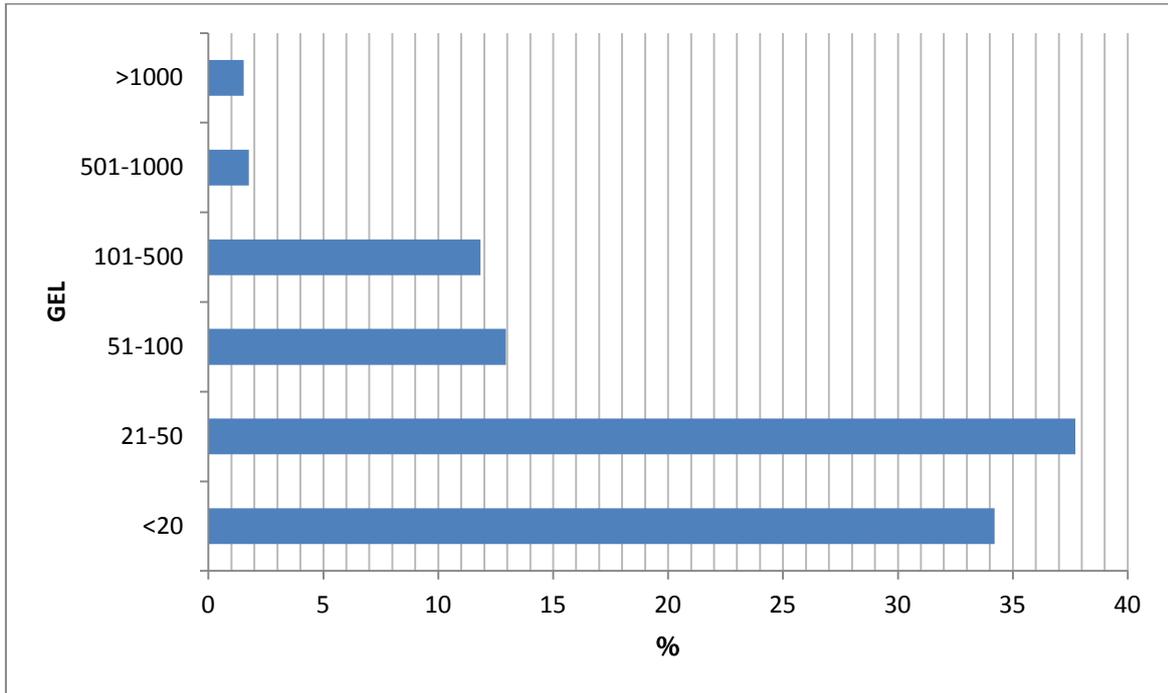
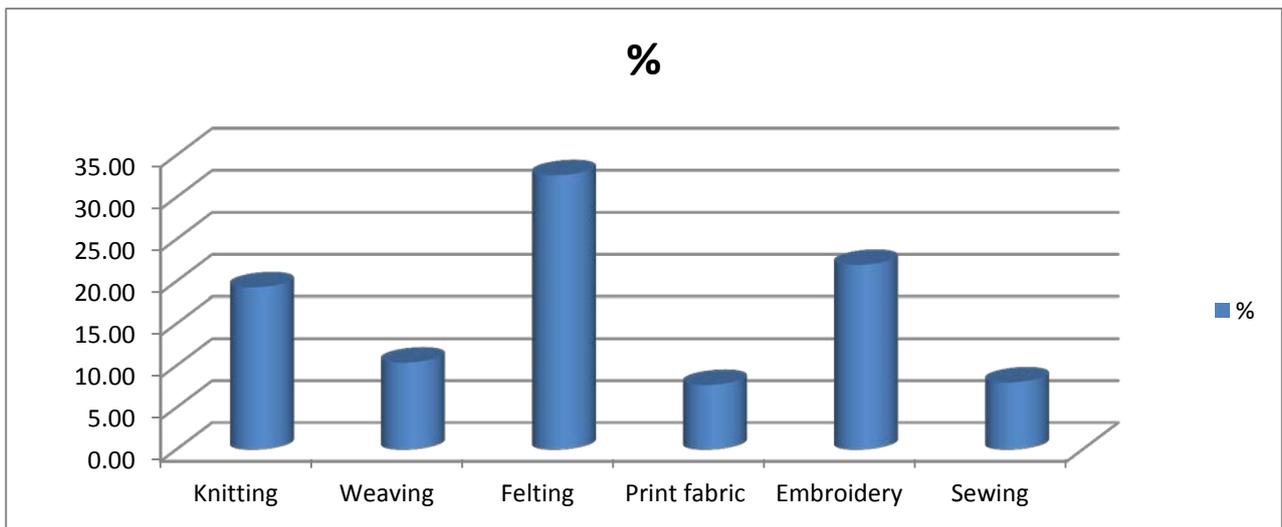


Figure 15. Distribution of textile artisans by the technique



8.6.2. Felting

During the last 5-7 years we have observed the particular popularity of felting, that may be caused by various factors. On the one hand, they are vast resources available in the Internet, simplicity and less labor inputs of felting techniques compared with other industries and, on the other hand, the inclusion of felting in the women's employment oriented programs in recent years. Consequently, many "newbies" are working in the felting technique: 42% of respondents have engaged in the heritage crafts for five or less years.

The products have experienced a significant diversification: the traditional products such as Svan hats, cloaks, weaving, woolen rugs today hold only a small share of production (22% of authors produce traditional design items), a major part are modern garments and accessories: scarves, baby shoes, felt toys, flowers, decorations (necklaces, hair pins, etc.), which have similar, standard design.

The felting technique has simplified much due to the use of starch for stability of products (previously they used to make a long-term felting for its stability), and also combination of felt with other fabrics.

The diversification of production, as well as the use of modern technologies in the technique is a positive phenomenon, though in case of the felting the combination of less skilled artisans, use of new products and simplified techniques in most cases has significantly deteriorated the general quality of felt products.

Despite the mass production of felt products, the traditional technologies have still been preserved nationwide, e.g. Svan hats in Svaneti, cloak felting technology in Samegrelo as well as felting of cloaks, hats, rugs and horse blankets in Stephantsminda, Pankisi

Gorge and Alvani.

The main material is still wool both of a local origin and imported (merinos). However, as already mentioned for the felt "base" is often used various types of fabric, on which wool is felted.

It should be noted that the exchange of international experience in this field has dealt only with the material (merinos, chemical dyes) but not with the equipment. All interviewers stated that none of them used mechanical devices in the felting process, though, for example in Nepal they widely use simple hand presses, which along with the high quality significantly reduce labor input.

A significant part in the felt products is held by toys that are also largely similar to each other, although there are exceptions, which are characterized by a high quality and originality of toy design.

8.6.3. Embroidery

Out of textile technology subsections, the second place in terms of the abundance is held by embroidery. We can say that the embroidery like felting has not experienced radical changes. The functional groups of products of this subsection are still clothes, accessories (hats, bracelets, headpieces, etc.), ecclesiastic and household things (tablecloths, napkins). There can be found functional innovations as well (e.g. cellphone holders), but the real product diversification is not been observed.

Though 85% of interviewed artisans work according to the traditional design, it should be noted that the typical features of each region of Georgia have been actually lost in the embroidery. The Pshav-Khevsureti typical cross pattern embroidery prevails and, consequently,



Ketevan Khatiashvili
Felt toys
Tbilisi, tel...:597675863



Jara Nujharadze

Svanetian hats master

Address: Jhibiani, Ushguli, Mestia Municipality

Tel: + 995 790955991

Jara Nujharadze is Svanetian felted hats master and lives in village Ushguli, Svaneti. She learnt making hats from her mother. Craftsman used to create traditional Svanetian hats from the childhood for her family members.

“High quality hats were used to drink water, this was the symbol of Makvshi power. White hats were used for the feasts, black ones for funerals and grey for everyday life.”



Lia and Gulnaz Kotilaidze

Felt masters

Address: village Ialiskuri, Telavi Municipality

Tel: +995 558 18 40 56; 558 16 2945

Lia and Gulnaz Kotilaidze live in Ialiskuri village. For 13 years they have already worked on felt. At first Lia began wool processing. Gulnazi is self-educated artist and as she mentions, now she is painting with wool. Sister Kotilaidze make felt decorative compositions, rugs, interior decorations, bedcovers, scarfs,.

different patterns of other regions are not represented. Men's hats, kerchiefs, handbags, purses, bracelets, headpieces are decorated with Khevsur ornaments. Despite the popularity, the diversity common for the Khevsur garments such as combination of embroidery, applique small beads added with the different embroidery techniques, is replaced in the modern products with the cross pattern embroidery that significantly weakens their design



Marina Ichtrauli, Slippers maker

Akhmeta municipality, Village Lower Alvani

Tel.: +995 555464472

As mentioned above, the artisans mainly use the cross-pattern embroidery, satin-stitch embroidery; the bullion embroidery are relatively rare. The bullion embroidery technique is mainly used for decoration of religious objects, rarely jewelry or accessories.

For the embroidered products available in the market the standard functional categories and their forms are also common, for example the typical design of

handbags, wallets and other items is less traditional, but at the same time fails to satisfy the contemporary market demand (e.g. handbag size, shape, clip, hanger etc.).

As well as the felt products, the embroidery products are often of low quality, which is reflected in the garishness of colors. On the one hand, it is due to the palette of imported crochet yarn, which differs from the restrained colors produced from the traditional natural dyes, and on the other hand, due to the increased size of stitches aimed at the labor savings, which also draws down the level of products.

Because of the limited choice of penelope used as the embroidery base, the black background almost invariably dominates, which is traditional, but in the old works they also used various tints of blue, claret-colored, brownish colors in the background, which we rarely see in a modern production. All this to some extent results in standardization of products.

Because of the highly time-consuming activity, the high-quality embroidery is quite expensive. An unaware buyer is not able to appraise their hard work, which ultimately creates a problem of sale of those products.

8.6.4. Knitting

19 % of the artisans working in textile are engaged in the knitting. Most of the production are made with knitting needle and about 20 % - with crochet. Out of functional groups accessories (hats, scarves, stockings, gaiters) are mainly presented in the market. Among the knitted products dominate the products of mixed design (48%), traditional design - 38 %, while only 14% are of modern design. The prevalence of mixed design products is likely the result of the recent demand for modern knitted hats and scarfs. Traditional patterns - stockings, gaiters are still available in their original form, but in the case of stockings they are now made with more vivid colors customized to the taste of foreign users. The material used is mainly wool yarn, though there are also cotton and synthetic yarn..

Due to lack of filaments of domestic origin, the artisans mainly use the imported filaments for knitting that further increases the cost of the final product.

Only single masters span thread from wool throughout the country.



Mariam Zhuzhunadze

(Maro Bebo, grandma Maro)

Weaver

Address: Muskhi village, Akhaltsikhe Municipality

Tel: +995 599 32 14 32; +995 790284877

In the village Muskhi lives famous craftsman Maro Zhuzhunadze (Maro bebo), who is keeping up old tradition of carpet weaving.



Maro Bebo is from Aspindza region. Wool and fiber are the part of her life. Craftsman was born in peasant family, graduated school and wanted to become a nurse, but did not get to collage.

“In the village I worked as a milk products accountant. In 1995 I had married and lived for 40 years with my husband. I learned weaving from my aunts, at first they asked me to process the raw wool, later I learned weaving too. Whilst the war, the clothes was sewed only from wool, after the war was over they were produced in fabrics and more wool was left in the villages and mother has decided to weave the carpets. At that time I was at school, after school I used to sit at weaving machine till even at 3 o'clock at night. At first mother used to weave the central part of the carpet and I used to make edges. Now when I look at the old carpets, I still differ which part is mine. Afterwards I have being weaving all of my life. When my baby was born the cradle was tied to my feet and in this way I used to weave.”

There is a school in Grandma Maro's workshop, where the youth from village learn weaving of carpets. “I wish my workshop will exist after my death, it is my only intention.”

Grandma Maro is the real treasure of that region, who has particular contribution in saving and developing the Georgian tradition.





ART-Studio “Pesvebi”

Director: Nino Bakhutashvili

Address: 9 Dzma street# 18, Dedoplistskaro Municipality

Tel: +995 555 561494

e-mail: ninobaxuta@mail.ru

Art-Studio “Pesvebi” was founded in 2005 year in Dedoplistskaro. The studio used historical and ethnographical sources. From the very beginning, the studios main purpose was to restore and develop traditional Kizikian handicraft and involve local women in activities. In short period of time all participants learned rug and tapestry weaving techniques, making accessories from felt. Nino Bakhutashvili directs the working and educational process, she creates the design and determines the studios mainstream.

“Pesvebi” has the experience of using natural stain for dyeing. They used ethnographical material and renovated dyeing traditional methods, which was practically lost.

At the studio are created the rugs, loom-woven bags. Design of the works, its’ ornament, color and the color combination are traditional Georgian.

At the same time the collection adapted with contemporary new approaches is created. The works’ colors are very light and design suits the everyday life.

Visitors can watch the creative process how they dye fiber or weave.



8.6.5. Printed fabric

Today the printed fabric is presented in Georgia with a less traditional batik. Batik became popular in Georgia in the 90s, along with silk printing. As in many other fields, a relatively large percentage of respondents (more than 50%) live in Tbilisi. 81% of the product is of mixed design and only 3.8% artisans believe that they work in the traditional design. Today the cold and hot batik technologies are spread.

The fabrics printed with the traditional wooden molds are rare. In this regard noteworthy is the activity of the Tbilisi Academy of Fine Arts, which has initiated the restoration of the technology of printed fabric and, namely, making of the traditional blue tablecloth and creation of a workshop that produces printed blue tablecloths with traditional negative technique.

There are also blue tablecloths printed on the computer, which in addition to full mechanization of the technique are notable for artificial fabric and low quality of prints.

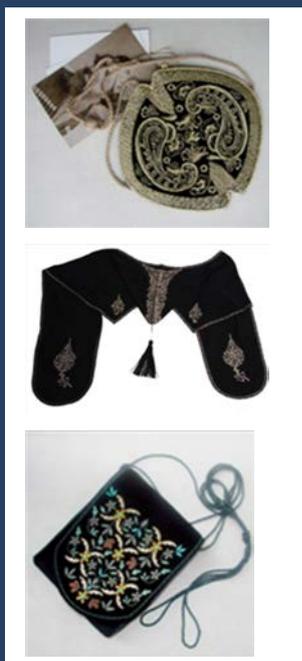
The printed fabric products are presented with scarves, wall panels, interior accessories, blue tablecloth. An interesting practice is a connection to the modern fashion industry, in particular producing fabric for creation of modern clothes. Although such connections are just an exception but it can be considered as one of the promising trends not only for printed fabric but for other crafts as well. At the same time, it should be noted that the printed fabric products insufficiently use the opportunities of its functional diversity.

8.6.6. Sewing

Although sewing is the most common activity at the household level, it holds a small place in the heritage crafts. In the textile group, sewing together with the printed fabric is least common. Only 8% of the respondents are engaged in sewing. This category includes sewing of traditional garment and such products, in which the other techniques do not play the leading role, for example, quilts (patchwork), sewn toys/dolls and accessories, where embroidery is not leading. Quilt products are much popular among artisans. The product quality and design in sewing rather varies, from a fairly low level of products to the highly artistic works. The various fabrics are used, but mostly imported ones.

8.6.7. Dyeing

The dyeing with natural dyes (mulberry) is not separated as a technique in the survey, as the poll shows that some masters know the technology of dyeing a raw material with natural dyes but practice it only in order to create a product just for personal use and not for the realization of the raw material independently. As a rule the felting, weaving masters and relatively rarely knitters dye raw material only for own use and sell the finished products. However, many times during the interviews it was noted that natural dyeing is a very time- and labor-consuming work and that in case of acceptable price they would be glad to buy naturally dyed raw material.



“Samoseli Pirveli”

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e-mail: annaninua@hotmail.com

“Samoseli Pirveli” offers to customers Georgian traditional clothes created according to new contemporary requirements. Company is oriented on making to make national clothes (both for women and men) and accessories, such as weaponry for Chokha, belts, purses, hand-bags, traditional high boots, shoes and etc.

8.6.8. Ceramics

8.75% of the surveyed masters are engaged in the ceramics, where the share of women and men is about equal. Despite the absence of statistical data, we can say that ceramics trade has been significantly reduced after the Soviet period, as ceramic factories stopped to operate in Tbilisi, Mtskheta, Ikalto, Zugdidi.

At present, the ceramics is developed in Tbilisi, where approx. 12 % of surveyed masters are engaged in ceramics. At the same time 46 % of surveyed ceramists live in the capital. There are many ceramists in Imereti - 19% and 14 % (the survey has not fully covered Shrosha district, so, most likely, these figures are even higher). Also in Mtskheta – Mtianeti (the town of Mtskheta) - 17 % and 11 % respectively. In Kakheti (Telavi, Ikalto) as well as in other regions the ceramic production is relatively “degraded Basically, there are casted products or products made on the potter’s wheel, rarely there are products made with a press or by hand.

We shall separately mention “kvevri” production technology. It should be noted that until recently, there were just a few “kvevri” producers in Georgia and the industry was actually endangered. However, during the in-depth interview with the founder of organization Living Roots, Mrs. Anna Tabagari, who has been working in Georgia’s wine tourism promotion and recognition of “kvevri” wine, it was noted that granting the status of the world’s intangible cultural heritage to “the Georgian ancient traditional kvevri winemaking method” by UNESCO in 2013, and the current “kvevri wine” promotion campaign has already produced results for survival of this part of the Georgian intangible cultural heritage. Today, the demand for “kvevri wine” has increased not only domestically, but abroad. So we may believe that this craft will be preserved in future as well. If this trend continues, this practice can be used as a successful example of the promotional campaign for survival of the endangered crafts.

The distinctive feature of this technological group is a high percentage of people with special education. The number of masters who have acquired the knowledge of this industry in vocational and higher schools among the respondents, exceeds 80 % while in general this indicator for heritage crafts is only 32%.

This fact results in a relatively high degree of ceramic products, however, this potential is not fully utilized in the production function and design diversification.

The pottery is mainly utensils of traditional shapes and purpose, where wine vessels traditionally dominate.

There are also small souvenirs (magnets, jugs, etc.), relatively small home accessories and other items. However, it should be noted that only 14 % of masters consider their production to be of traditional design and 86% - of the mixed design.

In the ceramics, as compared with other industries, we see the difference in the product quality and design between the capital and the regions. In regions most common are unglazed ceramics (Kakheti, Shrosha), mostly of low- and medium quality. Traditional forms (wine vessels, clay pans, “kvevris”, “thones” (baking ovens)) prevail.

Gori is distinguished in this regard, where the typical glazed ceramics still is preserved though in single pieces. Gori ceramics artisans produce wine vessels, wine cellars of various traditional anthropomorphic and zoomorphic forms.

Tbilisi-based products are mainly of medium and high quality, mostly glazed. The traditional forms also dominate in Tbilisi as well, but in recent years there have been observed the trend for diversification and attempts to take into consideration the trends of the international market. We can also see the production of modern tableware (coffee and tea sets, etc.).

According to the production type the ceramics may be divided into several major groups:

- the folk pottery which repeats the traditional forms, although there are differences among them in terms of quality and design standards (Gori ceramics, Shrosha and Kakhetian unglazed ceramics)
- the ceramics based on the museum items or on motives inspired by them (copies of black-glazed ceramics, ceramic souvenirs decorated with the Colchis axes and bronze plate and belt ornaments and belts, etc.)
- modern pottery with traditional ornaments
- low quality “kitsch” souvenirs
- high quality and functional souvenirs

We have revealed 80 items of ceramics among the interviewed masters. 80% of them are the products with value less than 50 GEL. Therefore, compared with the general picture, the share of product of high value (more than 50 GEL) in ceramics is quite big.

The used materials are mainly local clay. It should be noted that designers encounter problems in obtaining raw materials. The clay mining, processing and sale from the existing queries is not being legal, hence, the legal ways to purchase the clay are very limited. The

majority ceramists have to obtain the material illegally, that, in turn, creates a big problem for the further development of the sector.

During the survey it was also revealed that there is a real potential for ceramics development and increase in the enterprises in the near future. This, along with other

indicators, will be greatly determined by the increasing exports of Georgian alcoholic beverages (wine, chacha), as ceramic vessels are often used for gift wines. Another important contribution to the development of the ceramic industry may be the use of local ceramic tiles in the rehabilitation of monuments of cultural heritage.

Figure 16. Distribution of surveyed ceramist by regions

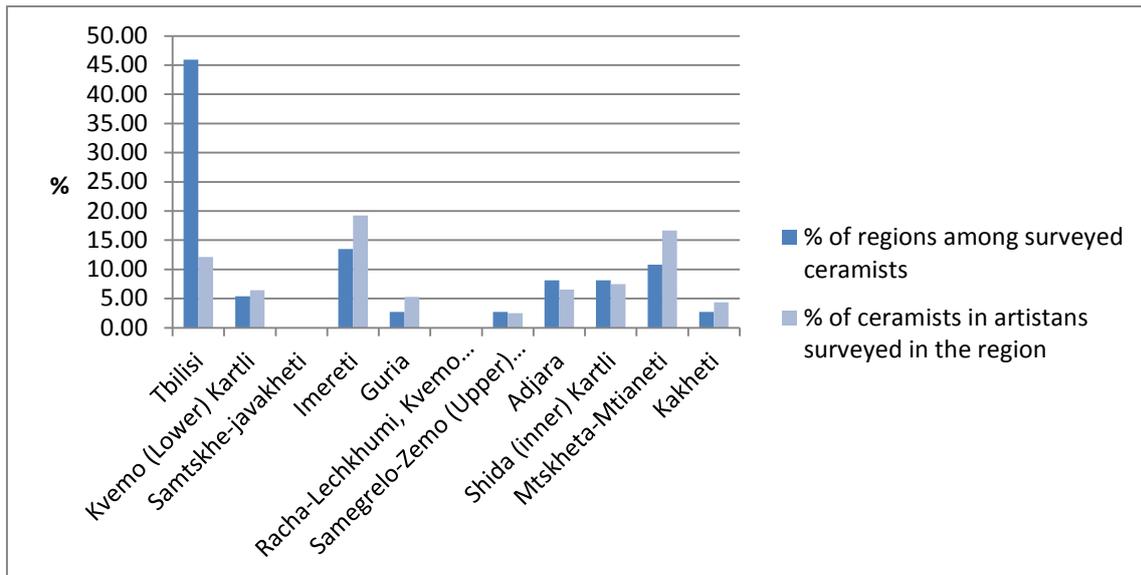


Figure 17. Distribution of ceramists by the ways of acquired the knowledge of craftsmanship

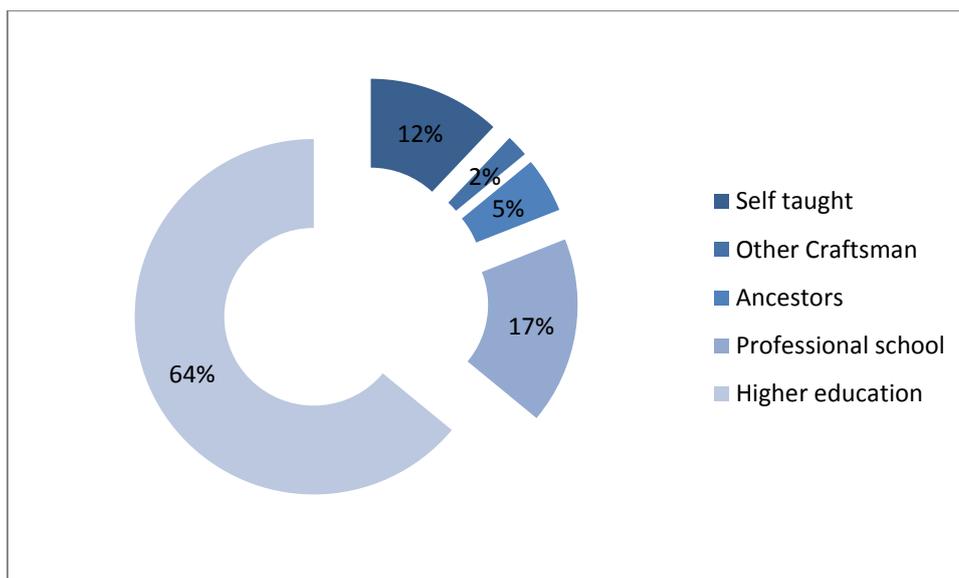


Table 4. Price-range of ceramic products

Price	% in ceramic production	% in whole crafts production
<20	44.58	32.9%
21-50	37.35	28.9%
51-100	8.43	13.0%
101-500	7.23	16.4%
501-1000	2.41	4.0%
>1000		4.6%

Giorgi Tatulashvili

Ceramist

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In XIX and the beginning of XX century, in Georgia Gori glazed ceramics was very famous, especially known for its diversity of style. Yellow and purple glazed ceramics with original green floral ornaments was also peculiar for Gori.

Successor of these traditions is Giorgi Tatulashvili, who lives in Gori. He learned the handicraft from his ancestors, father and grandfather, who also worked on folk ceramics. Grandfather's wooden kiln from XIX century still remains in Giorgi's house. Years ago, his house used to be a gathering place for the local society. As the family was famous for their works the honorable guests were always brought there by their hosts.

The master's works include bowls, jugs, jars for Matsoni, vessels for wine, Samqvevra and other utensils. Giorgi is especially praised for his white glazed vessels with blue floral ornaments.



8.6.9. Enamel

As it has been mentioned, the enamel technology was recovered in Georgia in the late twentieth century and has gained significant popularity among the craft masters in the last decade. 70% of the masters in the field have the experience less than 10 years and 32% of them have learned the enamel work from other masters. This fact just has led to the enamel distribution and product peculiarities.

In terms of geographical distribution we see the strong concentration of enamel in cities (44 % of the interviewed masters live in Tbilisi, and 91 % of the masters live in urban areas), that is quite reasonable for a relative “new” sector. In this technology group are separated 3 techniques: embedded, cloisonne and painted enamel. Out of 46 respondents 43 work in the cloisonne enamel, 9 - in painted enamel and only 2 masters – in embedded enamel (Note: Some of masters are working in 2 or 3 techniques).

In the terms of functionality, we see in the products the predominance of jewelry, a relatively small number of compositions. Total up to 120 items have been found. The enamel production is characterized by an

abundance of mixed designs - 62.2 % of masters attribute their works to this category. This fact likely has contributed substantially to the particular popularity of enamel in Georgia.

Depending on its functional purpose, applied materials (gold, silver, copper, enamel) and the labor-intensive technology, the value of the enamel products is higher than average rates (see Table 7).

Thus, we can say that the average price for enamel production is quite high, about 280 GEL.

In recent years the popularity of the enamel products has been generated due to great demand for them among local and foreign consumers, as well as due to the inclusion of the enamel art in the special employment-oriented training courses. However, at the same time, all this has created a quality problem, which may be neglected by the ignorant consumers. In addition, the enamel artisans are not skilled in the goldsmith techniques, therefore, they order shapes for their products, or purchase ready-made shapes, that may lead to the standardization of enamel products .

Table 5. Price-range of ceramic products

Price	% in ceramic production	% in whole crafts production
<20	23.58	32.9%
21-50	22.64	28.9%
51-100	18.87	13.0%
101-500	23.58	16.4%
501-1000	4.72	4.0%
>1000	6.60	4.6%

8.6.10. Woodwork

The survey has shown that the woodwork is still one of important industries. 22.81 % of artisans are woodworkers. This industry is quite different from other sectors of the heritage craft by its geographical distribution and gender-age structure.

First of all, noteworthy is a high proportion of the rural population - 38 % in the woodwork while the overall average share of rural population in the heritage craft is only 28%. The share of Tbilisi residents is relatively small (13.95 %) of the surveyed woodworkers, as well

as the share of woodworkers among the Tbilisi artisans (9.5%). However, the share of woodworkers among craft artisans in Racha - Lechkhumi reaches 64.71%. 12.8 % of the surveyed woodworkers accounts for this region, however, this figure is likely to increase after the complete analysis of Lechkhumi data. A significant number of woodworkers accounts for Imereti and Samtskhe – Javakheti as well (see Table).

As expected, the woodwork is characterized by a high percentage of men - 89.5 %, while the average share of men in the heritage craft is only 37.7%. In terms of the

age the largest number accounts for the age group of 46-55 - 25.58 %. The share of young people, under 35 years old, is relatively little - 20.93 %. If along with the age structure we consider the particularly high number

of the masters with a big “length of work” and a very small share of newcomers, it can be said that the we see a real trend of aging.

Figure 18. Distribution of surveyed artisnas by the regions

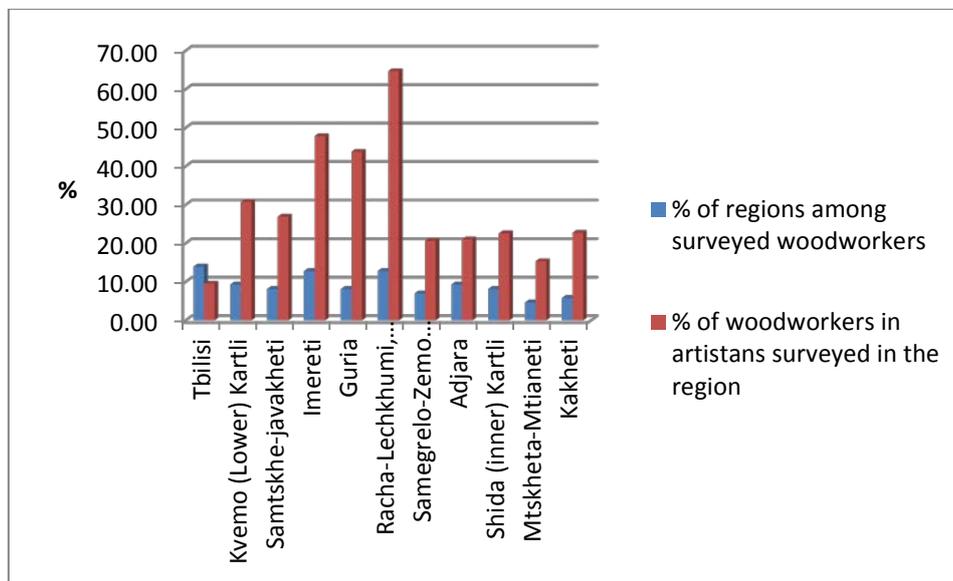
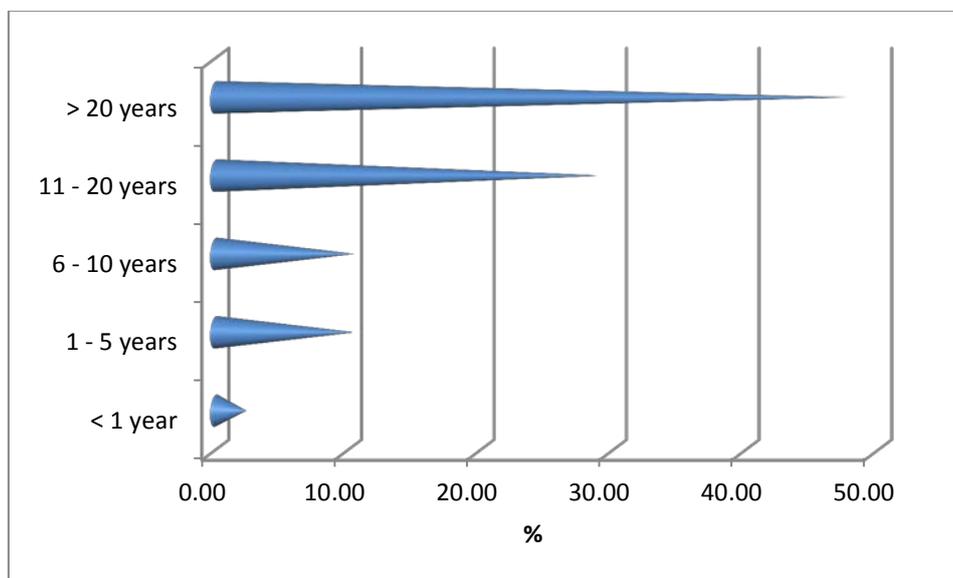


Figure 19. Woorworkers by expericane



Also worth mentioning is the fact that, as the statistics shows, a particularly high proportion of woodworkers accounts for those who have got knowledge by the “informal education” (self-taught, acquired from other masters and inherited: a total of 62 %). This is likely due to the characteristics of woodwork products, such as

high percentage (46.51 %) of the traditional design and minor share (8.14%) of the modern design.

According to the functionality, the main products are furniture, household utensils, religious items, the share of jewelry and decorative items is small.

The particular share accounts for the woodwork of religious purpose, e.g. church doors, iconostases, analogions, icons, crosses and other.

Most notable is production of the traditional furniture, which mainly consists of sofas, chairs, ottomans, davenport, three-legged chairs, low table sets, chests and more.

A small part of this technology group is represented by a traditional wooden architecture that includes construction of carved balconies, houses and, in general, knowledge of traditional folk wooden architecture (Racha, Samegrelo, etc.). It should be noted that these objects of the intangible cultural heritage are hardly identifiable, because today along with the decline in the demand for such objects, the majority of masters work no longer in this direction though they possess necessary skills. Accordingly, many of those masters are not included in the present survey where the validity was determined by the product or business activity, as they are currently involved only in carpentry.

A separate group in the wood products is constituted by traditional musical instruments, the majority of which are made of wood: chonguri, phanduri, salamuri. Their main customers are folk ensembles, and sometimes foreign tourists. In this regard, we shall mention also the wooden miniature instruments of souvenir nature which have emerged in the market recently.

In terms of price, the number of products costing below 50 GEL is lower than average. Particularly high proportion accounts for expensive items, with the value

more than 1000 GEL, that is the peculiarity of functional categories of products of this technological group, a significant share of which is held by the furniture.

The basic detected problems in the woodwork are related to raw materials. As felling is the strictly controlled sphere, the masters often are lacking a possibility to have a required whole-section timber. The survey also revealed that the main reason why traditional wooden wine presses (khorgos) are no longer produced in Racha is that their production requires solid nut wood. Therefore, this tradition is endangered.

Two more endangered directions have been identified in the woodwork, although in this case due to the obsolescence of their function. Those are production of cradles and boats. The village particularly notable for production of cradles is Maradidi (Khelvachauri municipality) where three masters engaged in the cradle production were interviewed. However, it is known that in the second half of the XX century the production of cradles was the source of income for the whole village. We can say that not only cradle production technique but also a source of income for the village and its uniqueness are endangered.

Separately is worthy to note the technology of “chichilaki” production, which is mostly common in Guria. The popularity of “chichilaki” (the Georgian national New Year item) for the New Year holiday is an important prerequisite of preserving this tradition, however, there are not so many masters of “chichilaki”.

Table 6. Price-range of wood products

Price	% in wood production	% in whole crafts production
<20	26.98	32.9%
21-50	20.63	28.9%
51-100	14.29	13.0%
101-500	20.63	16.4%
5001-1000	5.82	4.0%
>1000	11.64	4.6%



Maradidi Village

Khelvachauri Municipality, Adjara Region

Maradidi is the small village at Khelvachauri municipality, left bank of river Chorokhi, Adjara region. In this village old craftsmanship traditions. Maradidi village, in particular, is famous for having the ancient tradition of cradle making almost in every family man was making it. Nowadays the cradle is not in use and slowly the craftsmen leave this work.

Akmed Didmanidze- +995 555626177 “Once I saw my father making the cradle, I got interested and asked him to teach me”- says the master.

Kemal Bedinadze- +995 0790416893;”I make cradles for almost 30 years. It is forbidden to throw away or burn the cradle according to the tradition. Cradle making craftsmanship comes from forefather and I taught it to my sons to keep this tradition”.

Alik Didmanidze - +995 558171629 “My cousin taught me to make cradles and since then I never stopped making as this is the work I love most of all”- says the woodworker.

The beautiful nature of Maradidi village will impress everyone and the guests will be able to see cradle making studios.



Zaza Gatenashvili

Woodcarver

Address: Tserovani village, settlement of refugees, 14 str, Flat 8, Mtskheta-Mtianeti Municipality

Tel: +995 593650894

Zaza Gatenashvili lives in refugee settlement in Tserovani village and works on the Georgian Traditional furniture, wood boxes and different household utensils. His works have the traditional ornaments and forms and at the same time are distinguished for their peculiar originality.

“I inherited craftsmanship skills from my father, who was teaching woodcarving at school”- says the master-“For ten years I continued my studies with other master in his workshop, where I deepened my knowledge. My works are inspired by traditional ornaments and the artifacts from the museum collections. I used to work with the help of the catalogues, but now I make the compositions and create the work independently as all the details became very familiar to me.”

All the works of Zaza Gatenashvili are exclusive for their high level of craftsmanship, simplicity and primitiveness. imdenad gamjdari maqvs qarTuli ornamentebi, rom yovelgvარი Canaxatis gareSe vmuSaob.



8.6.11. Metalwork

The metalwork according to the artisans involved, makes up 10.88 % of the total heritage crafts. As expected, 85.4 % of masters engaged in the metalwork are men. The age structure mainly coincides with the general picture of the heritage crafts where the 36-45 and 46-55 age groups (31.7 % and 24.4 % of respondents) prevail. Compared to the age structure of men engaged in the crafts, the sector's significant part is constituted of young people, and only 24.1 % of the group are above 55, while this figure for men in general is 40.6 %. Nevertheless, 48.9 % of respondents have been working for more than 20 years. Neither of them has the length of work less than 6 years. This clearly indicates the development of the metalwork in Georgia since the late 90-ies.

According to the regions, the metalwork is most widespread in Racha – Lechkhumi and Samtskhe - Javakheti, that indicates the high share of metalworkers among those who are involved in the heritage crafts (see Fig. 20).

Racha-Lechkhumi also tops the number of those engaged in the metalwork per capita (0.0078 %) and 6

times exceeds the Tbilisi number (0.0012 %). Of the metalwork centers most noteworthy is the village Gebi (Oni Region). Their products are mostly for agricultural consumption and do not constitute a part of the gift market, however, as the operating center of forging it is very important in terms of the intangible cultural heritage.

The percentage of transfer of knowledge in metalwork coincides with the main trends of the heritage crafts. The highest percentage is made by self-taught artists (26.83 %), though the total number of those who have studied in educational institutions is also high (43.9%).

In terms of technique 68 % of respondents master the forging, 39 % - jewelry and 10% - casting. However, the products are not distinguished by great diversity. Mostly jewelry, arms (daggers, knives), ecclesiastical items are represented. In fact, there are no household items, with the exception of metal furniture. By design 46% of metalworkers attribute their products to traditional, 43% - to the mixed and only 11% - to the modern design. In terms of the price the metal items are of high value. The items with the value less than 50 GEL make 33.33 % of total products, while this rate for the crafts in average is 61.8 %.

Figure 20. Distribution of metalwork producers by the regions

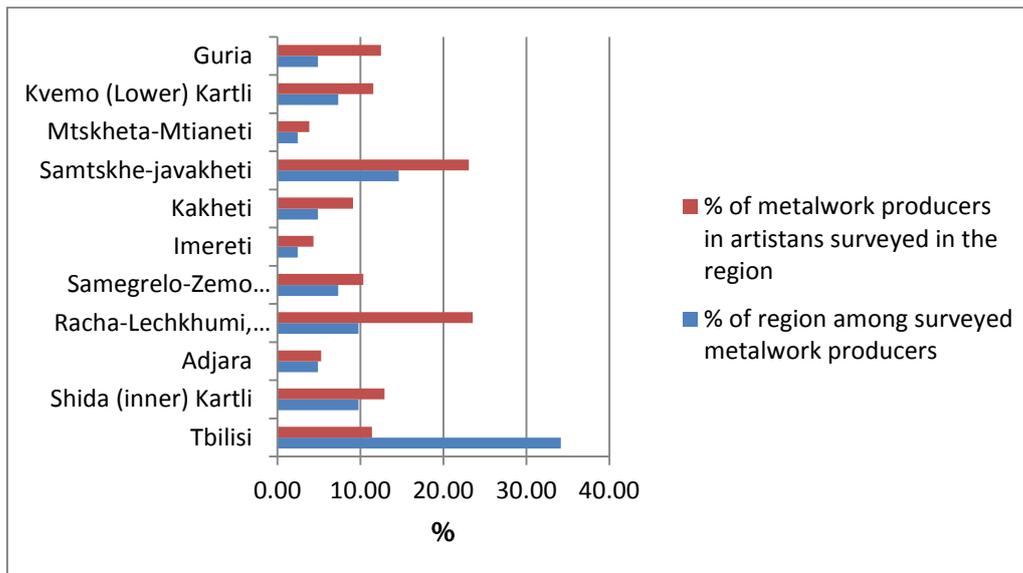


Table 7. Price-range of metalwork products

Price	% in metalwork production	% in whole crafts production
<20	16.13 %	32.9%
21-50	17.20%	28.9%
51-100	15.05%	13.0%
101-500	31.18%	16.4%
501-1000	9.68%	4.0%
>1000	10.75%	4.6%

Metalwork products may be divided into several main groups:

- Armory, which is quite popular among the youth. This mainly includes forging and artistic treatment of knives, swords, daggers. Some of masters are only forgers, in this case the decoration of their products is performed by other masters.
- Agrarian items, which are based on the folk crafts traditions preserved in the villages. In this regard, the most noteworthy is the village of forgers - Gebi.
- Jewelry, for the decoration of which the masters use filigree (open work), niello, rarely there are masters working in granulation technique so far.
- Museum copies, which constitute an important part of heritage crafts. Those are basically the patterns of the pre-Christian metal processing, which are stored in the collections of various museums. These products are also characterized by different levels of quality. If some works are performed with high quality and, therefore, are characterized by high price, the low quality products are made of cheap materials (beads, imitation jewelry).
- Kitsch nickel silver decorative souvenirs, weapons, bowls, horns, and more.
- Stamping, which mainly is used for ecclesiastical items, icons, church doors and other. The field uses the medieval samples of

iconography and ornamental decorations. The same technology is applied for decorative compositions, which often continue the traditions of compositions created on the national motives in the Soviet era.

Among problems of this technological group we may name the exports of precious metals from the country that prevents the export of works of jewelers

8.6.12. Stone/bone processing

The stonework holds 3.98 % in the heritage crafts sector, that is particularly low for the country of the rich traditions in this line. However, it should be noted that like the woodwork, the stonework has been widely used in the ecclesiastic architecture. Thus, the labor of stone masters is often donative and cannot be considered a business activity, that, as has been noted, is one of the most important criterion of our study. Also, with regard to this technological group it should be noted that the most important part of the stone carving is held by the sculpture, which was not included in the present study as a fine art (with some exceptions, when small plastic samples are based on the obvious "folk" characters).

In the carving of semiprecious stones we may mention the lapidary which is present in kind of cameos inserted in precious metals and intaglios decorations and miniature liturgical items, small icons and tabernacles.

In the treatment of semiprecious stones we can distinguish the art jade carving in Tqibuli region, where the artisans decorate the jadeite with silver and gold marquetry and create original artworks. It should be noted that in spite of the quite big resources of jadeite in this region, in conditions of the absence of the

mining industry there, the masters face great problems in terms of obtaining the material.

In this sector noteworthy is the making of stone “ketsi”. During the survey we found in Guria two masters who continue to produce stoneware, that, in turn, indicates that this craft is endangered.

Giorgi Jakobashvili

Gemstone master

Address: Nutsbidze Plateau, 3rd microdistrict, 1 block, Building 10, Flat #8, Tbilisi

Tel: +995 593338157

The tradition of working with precious and semiprecious stones in Georgia originates from the ancient times.

Among the contemporary gemstone masters Giorgi Jakobashvili has the particular place. The master works with precious and semi-precious stones, engraving compositions mostly on religious themes. He makes icons, small chests, bells with engraved biblical scenes, crosses and cameos.

“ I work with stone since I was 17. At first I studied plastic art and then got interested in glyptic”- says the master “I mainly work with religious items. Traditional theme is the most essential in my works. However, I think I am creatively independent master and have my own attitude and vision on each of my work”.

The works of Mr. Jakobashvili are distinguished for their special artistic value and high level of the craftsmanship. Each of the master’s work is the piece of art.

8.6.13. Glass, leather and paper processing

∂Glass, leather, and paper processing is very poorly represented in the today heritage crafts. Only 0.53 % , 1.86 % and 0.53 % of the interviewed masters, accordingly, are working in this sector. Therefore, the absolute number of interviewed masters is very small (respectively 2, 7 and 2) , that is why we provide the observations without quantitative indicators.

Glass processing suffers a significant crisis, which is primarily due to the disintegration of the infrastructural system of this sector and technological difficulties. The process requires a high temperature, and the items used to be made not in the individual workshops, but in the

furnaces of the glass factories. Now, the number of glass enterprises is small, the masters are lacking the possibility to access to the furnaces and therefore cannot create their artwork. Some efforts to revive the sector are made at the training base of the Tbilisi Academy of Fine Arts, but in overall this does not change the general picture of the glass .development.

Leather processing. Although the leather processing and its subsequent use is conducted countrywide (the footwear, bags), the use of traditional technologies and designs is quite rare.

In this line more frequent are decoration of accessories - bar pins, handbags and wallets.

Other sectors of the heritage craft such as wickerwork, paper and horn processing hold a small part. From horn are usually made such traditional items as drinking horns, which are popular drinking and souvenir products.

The wickerwork mainly include baskets, hanapers, pottles, decorative vases, etc. The important centers of wickerwork may be found in Kartli, Imereti, Guria and Adjara. It is produced for both domestic consumption and for the purpose of subsequent sale. But it should be noted, however, that this branch has a significant potential in case of the appropriate business approach and marketing conditions.

8.6.14. Key findings and problems

1. Nowadays, in Georgia all main technological groups of the heritage crafts typical for the country operate.
2. Textile is the most popular among the heritage craft sectors, it accounts for 49.07 % of the interviewed masters. The distribution of other sectors is as follows: ceramics - 8.75%, glass - 0.53%, enamel - 11.94 %, woodwork - 22.81%, leather processing - 1.86, paper processing - 0.53%, metal processing - 10.88%, stone/bone carving - 3.98%, mixed - 2.92%, other - 1.06%.
3. The sectors are significantly different by the gender structure. High percentage of men is present in metalwork (85.4 %) and woodwork (85.5%), while women dominate in textiles (99.06%).
4. The masters aging trend is observed in the woodwork where masters under 35 make up only 20.93% and the share of newcomers are also small.
5. The endangered traditions have been revealed: making cradles, boats, stone “ketsi” (pans), silk farming and weaving, linen fabric production, hand weaving. In this regard, only a few masters exist. Such sectors as making “kvevri”, wine presses need support. In the textile relatively poor are represented the low embroidery, cannetille embroidery.
6. The successful examples of restoration of some heritage crafts have been revealed: clothes, enamel, batik.
7. In some sectors, particularly in embroidery, ceramics, there have been revealed the evidence of effacement of typical features of regional authenticity, that makes the market of heritage craft products uniform.
8. A significant problem of the sectors based on the local natural resources is the availability of raw material mainly caused by the infrastructure failure , and/or , on the one hand, by the improper operation of the extractive industries (e.g. jadeite) and on the other hand, by established limitations (e.g. wood cutting).

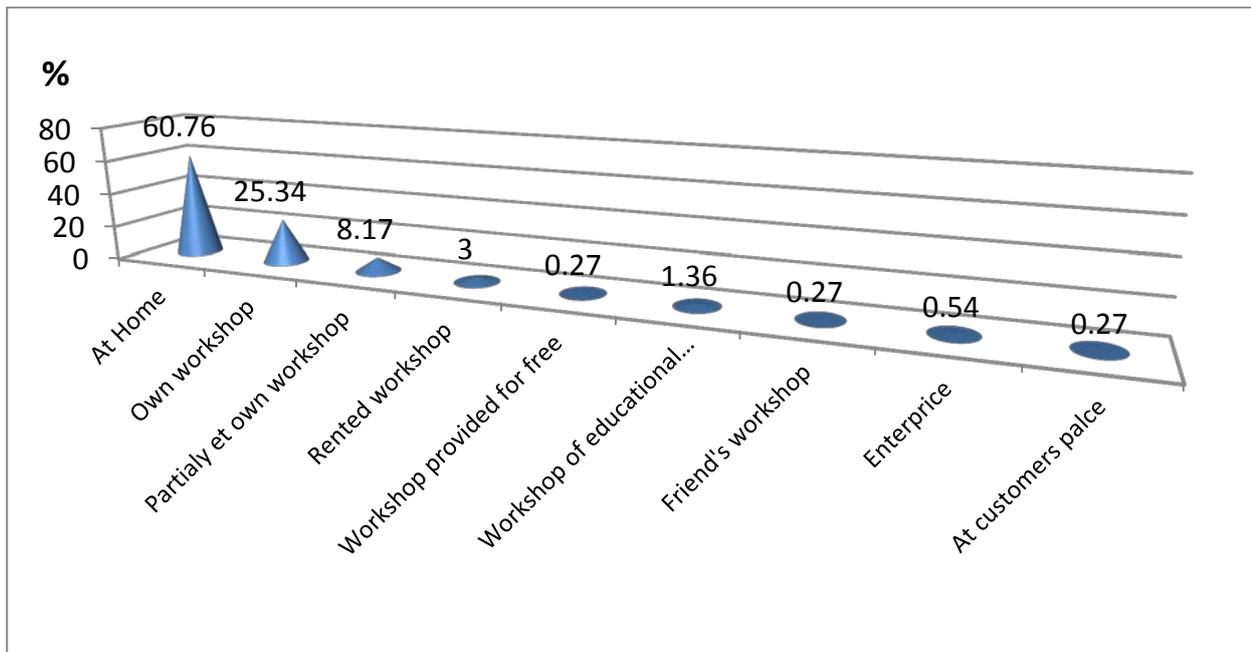
8.7. WORKSHOPS AND EQUIPMENT

Almost all sectors of the heritage crafts require well-equipped workshops. According to technological groups, the working conditions and, accordingly, technical requirements of the workshops vary. For example, as the survey has shown, ceramic, glass, metal, wood masters require a separate work space, while some enamel masters work at home without a special workshop. Least of all the problem of a workshop is worthy for textile subsector (embroidery, knitting). As noted above, the textile technology group is composed mainly of housewives who work at home parallel with the family affairs. As for the workshops for rugs, or other similar large-sized production, they mainly operate under the educational schools, vocational schools or other private or trade organizations (e.g. the Patriarchy parish school).

Accordingly, the workshops on the territory of Georgian may be classified as follows:

- A studio in the master's apartment or house;
- Shared private studio where several masters of one sector works;
- School-workshops under the public institutions, state universities (Tbilisi State Academy of Fine Arts), municipal art schools. To this category may be attributed workshops at the Patriarchy's parish schools.
- Workshops supported by various NGOs and donor organizations;
- Workshops of various organizations and enterprises.

Figure 21. Types of workshops



The survey results showed that the majority of artisans - 60.76 % work at home. 33.51% percent of the artists have their own studios. Noteworthy is that only 3% rent space for workshops.

Shops diverse by technology and infrastructure. If one part of them (rather small) are properly equipped, the other part in spite of a great potential, needs a significant infrastructure support: equipment upgrading, optimal utilization of space, proper arrangement of the interior.

The development of heritage crafts is also prevented by the problem of underemployment of tools and equipment that is largely due to lack of money, but also

due to the miscomprehension of the importance of technological innovation. Masters often are not informed about the technological innovations that minimize the defective product and make labor less intense. In some cases, access to these technologies is complicated.

A significant problem for the heritage craft workshops is the lack of public spaces allocated for workshops. For example, absence of such workshops in the historical part of the towns and villages, at the local museums and other institutions countrywide, that, in turn, would increase their tourism potential, and on the other hand, would be an important prerequisite for the economic

sustainability of heritage crafts centers, and, at the same time, for the preservation of traditional knowledge and skills.

However, it should be noted that there are successful examples in this direction, particularly in the workshops, which are now involved in the tourist routes and represent an alternative source of income for the heritage craft masters and organizations. Similar

successful examples are many in the international practice, therefore managing workshops infrastructure and connecting them with tourist routes (like arrangement of wine cellars and their inclusion in the so-called “Wine Routes”) may significantly increase the income of heritage craft masters and organizations through demonstration of traditional hospitality and heritage craft technology to visitors and through promotion of their products on site.

8.8. PRODUCT, DISTRIBUTION, MARKET, CONSUMERS, SALES

The heritage crafts market survey was carried out in several directions. We have studied the products, their categories, quality, price distribution and sales channels and consumers.

Also with the purpose of establishing sales channels, at the preparatory stage was established the typology of trade facilities and developed a questionnaire for them, which was the main tool of the survey.

In order to assess the demand for heritage craft we conducted a poll of local consumers and foreign tourists. At the same time, the questions regarding the quantity, place and main channels of sales were included in the questionnaires for artisans and enterprises.

8.8.1. Products

The analysis of the products and the range of products at trade facilities showed that the heritage crafts in the market today are represented with about 500 types of products that can be grouped in the following major functional categories:

Accessories, jewelry, pottery, interior accessories, religious items, furniture, dolls/toys, musical instruments, weapons, clothing, decorative compositions, carpets/rugs, souvenirs and other.

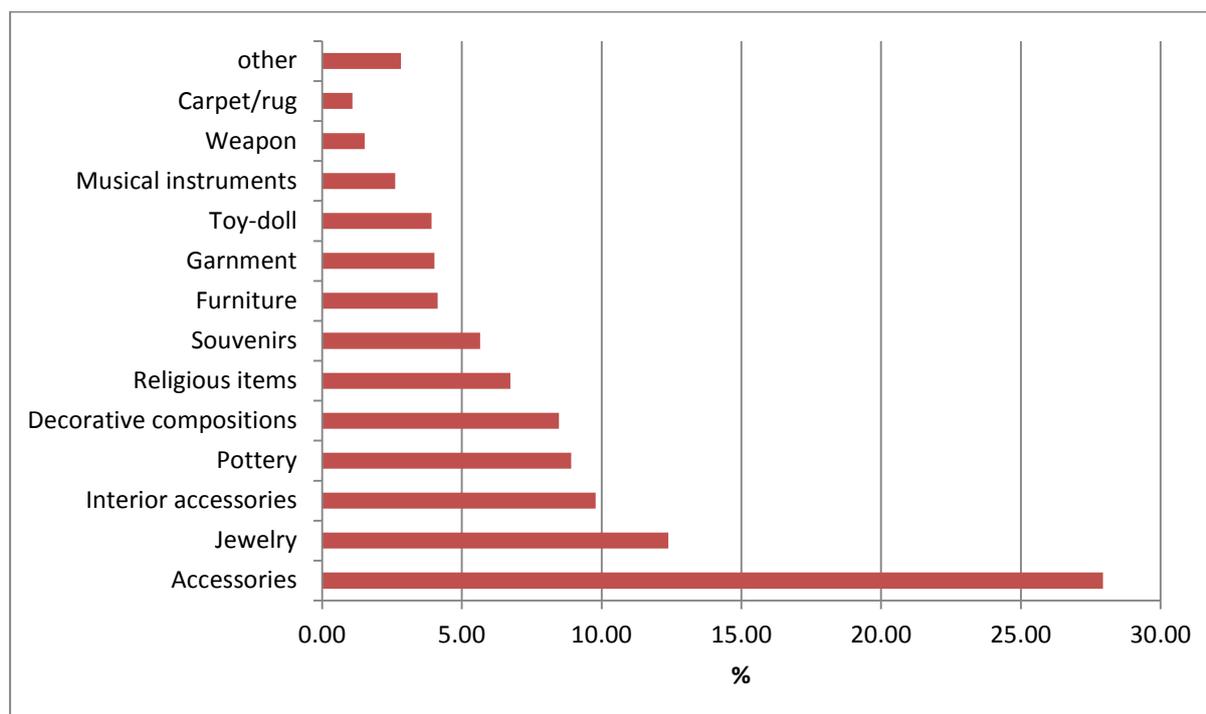
The biggest category of the interviewed masters - 27.93 % produce accessories, jewelry holds the second place (12.4 %), less than 5% produce carpet/rags, weapons, musical instruments, toys, clothing and furniture. Other categories are placed in the section of 5-10 %.

Among the products the artwork of mixed design dominates - 47.3 % of the surveyed masters; 36 % of masters attribute the design of their artworks to traditional, and only 16.7 % - to contemporary one, but at trade facilities the emphasis is made on the traditional design. The study of the range of products at the facilities showed that more than 60% of production of traditional design works are represented at 53% of the surveyed stores, of mixed design - only at 28.1 % of facilities, and of modern design – only at 9.4 %.

In terms of technology in both cases, the traditional techniques lead: 77.6 % of surveyed masters and 81.3 % of trade facilities (more than 60 % of the product), that evidences the conformity between the products and demand in the local market. However, on the other hand, 43.5% of foreign tourists and 55.7 % of local customers name jewelry and enamel as the best pieces of heritage crafts, in most of which dominates the mixed design (in case of enamel even 62.2 %). It is caused by a beneficial combination of, on the one hand, the high demand for jewelry in the modern life (the major part of enamel product accounts for the enamel jewelry which are especially popular after the revival of this sector) of both local and foreign consumers, and, on the other hand, more regard to contemporary trends in this category of products. At the same time, a few respondents considered as the priority of product the innovation (local 5.4 %, foreigners 3.2 %), diversity (both 0.5 %) and exclusivity (local 0.5%), i.e., the factors which are very important for today's buyer and make one of the important motive of a purchase.

Most noteworthy is the trend of "souvenirization" in the heritage craft products, whereby more emphasis is placed on their decorative, "gift" function and less on its application aspect that, in turn, restricts the user's choice. The producers do not take into account the different requirements of domestic and foreign buyers: unlike foreign tourists a local buyer less buys souvenirs for own consumption and less worries about transportation problems, but for him it is more important the product's functionality, innovation, conformity with the rules of modern human life. However, successful examples (e.g. enamel jewelry) clearly indicate that if these requirements are met, the Georgian heritage craft products can gain great popularity in local customers as well. It should also be noted that the products focused only to foreign tourists will result in the seasonality of sales and unstable income of the producer and intermediate.

Given the above it can be said that the further development of Georgian heritage crafts should maintain close ties with the traditions, but in line of introduction of innovative approaches, diversification of the design with regards to the modern tastes and functions. It is also important to diversify the products for local users.

Figure 22. Distribution of crafts production by functional groups

8.8.2. Quality

Significant differences have been revealed in the quality of Georgian heritage crafts products. In the absence of exporters, wholesale buyers, agents and certification system the masters actually bypass those links which should render the quality control of the heritage crafts products. More or less this function is assumed to the trade facilities, though most of them do not paid much attention to the quality control.

It is logical that within such system the quality of heritage crafts products is quite unsteady. Quite a significant part of artisans does not feel the need to protect the quality standard, as it is evidenced by the fact that the local customers (32.1 %) and foreign tourists (8.8 %) named the low quality one of the most important problems in our survey.

8.8.3. Price

Prices of the heritage crafts vary and include all categories of products ranging from cheap souvenirs and to exclusive expensive items. However, with regard to the specifics of the industry and consumer the

percentage of low-cost category products prevails. This category includes souvenirs (often cheap and of very poor quality) and the relatively inexpensive part of the largest functional category – accessories. The cost of 32.9 % of the produced items is below 20 GEL, and of 28.9% - from 20 - to 50 GEL.

This indicates that the prices set by the heritage craft producers based on the quality, design, awareness, popularity and other characteristics are too high for customers, even though a part of the products is sold at the producer's price by direct sales channels, and a part – with the increment of only one link – trade facilities (from 30 – to 50%).

It is clear that the cost of the Georgian heritage craft products can not compete with the cost of developing countries, where the labor cost is very low. However, at the same time, by cooperation of artisans working in related sectors it is possible to reduce raw material costs.

In the current situation the branding of the Georgian heritage crafts, enhancement of its popularity and prestige in the society is very important, that will increase the value of the heritage crafts.

Table 8. Price-ranges of crafts production

Price in GEL	% in crafts production
<20	32.9%
21-50	28.9%
51-100	13.0%
101-500	16.4%
501-1000	4.0%
>1000	4.6%

8.8.4. Packaging and Presentation

To date, the majority of Georgia's heritage craft products usually does not have the retail packaging and the accompanying information according to the international standards.

The main function of the accompanying information:

- (a) to inform the customer about the production place, material and use of an item;
- (b) to provide information about a product's cultural context, history and the people who have produced it;
- (c) to define the shape and color of the product;

According to the applicable international standard the accompanying information must include the following:

- (a) the product's function, historical - cultural context description;
- (b) the product's material/size characteristics (paints, hallmarks of precious metals: gold, silver, etc.);
- (c) the information of the use (washing, drying and ironing instructions);

- (d) the product safety label information: health and safety (toys, paints, chemicals ...); fire risk;
- (e) the author/organization name, contact information, and country of origin.

Through the accompanying information the production cost increases, as for the customer its cultural value and traditional functional and symbolic meaning becomes clear.

The packaging is an important part of the product branding, which is also ignored by many craftsmen. However, 15% of local consumers and 11.5% of foreign tourists consider the packaging as the main drawback of the Georgian heritage craft products.

No least important is the problem of presentation - exhibition, which is a prerequisite of successful marketing. The miscomprehension of this aspect damages the image of not only individual masters, but also trade facilities, souvenir shops, especially in the case where in addition to the lack of quality control the presentation is very poor and chaotic.



Istoriali

7, Niko Nikoladze str., Tbilisi

Tel. +995322931335

The brand “Istoriali” offers customers wide choice of unique old Georgian jewelry and miniature sculpture copies, table cloth accessories, ceramics and heritage crafts. Every copy from the collection has packing and information about the originals’ history.

8.8.5. Consumers

To study the consumer’s views we questioned local consumers and foreign tourists. As the primary objective of the research was to study heritage crafts resources and producers, in order to save the survey resources, the customer survey was conducted on a small scale and limited to major trends. During the survey were interviewed 101 local consumers and 150 foreign tourists. Indeed, the respondents were not prequalified but the field group conducted the interviews in different regions of Georgia, at the heritage craft trade facilities and festivals and fairs, where the customers interested in this field were present.

As expected, the majority of heritage craft consumers are women, their share of local customers is 73.3 % and in tourists - 62.9 % . By the age groups the most active in both cases are representatives of 26-35 and 46-55 age groups

For us it is very strange a very small percentage - 13.9 % of local consumers. Unfortunately, no survey was conducted among the consumers about their attitudes to heritage crafts, so it is hard to explain the picture by the available data.

According to the general trend a foreign tourist spends more money for the heritage craft items than a local consumer. For example, the items with the cost under 50 GEL are bought by 48.5%, of the Georgians and only 22.7% of foreigners.

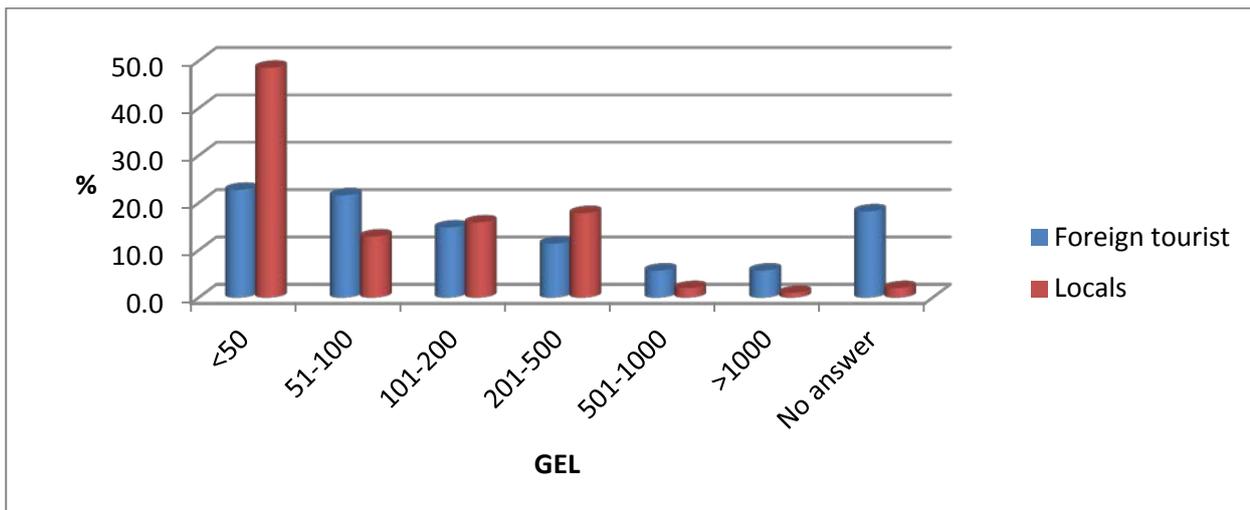
Although the study included only individual consumers, the interview of masters has revealed that there are also corporate clients in the today’s crafts market. Although only 13.7 % of masters sell their products to this category of consumers, the corporate consumers cooperate more with enterprises and trade facilities. Their share increases accordingly - 28.61% for enterprises and 37.5% - for trade facilities but in all cases, the products sold to corporate buyers, typically attains to 20%.

The survey also analyzed the demand for different types of products. The survey showed that the most popular among both the local consumers (32.6%) and foreign tourists (32.4%) is jewelry. Much behind the jewelry are souvenirs, respectively 19% and 18.9%. The demand for furniture is very small (in the category a major buyer is corporate clients (mainly catering facilities where the interview were not conducted), and weapons.

Table 9. customers byAge groups

Age group	Local customers %	Foreign tourists %
<18	6.9	4.5
19-25	20.8	10.1
26-35	25.7	22.5
36-45	13.9	20.2
46-55	23.8	22.5
56<	8.9	9.0

Figure 23. Amounts spent of crafts product by locals and foreign tourists



For the demand - supply analysis the percentage of functional groups produced by artisans and the demand thereof were compared. Although the data do not provide a clear picture without the quantitative terms for sales and production in each product group, but it is worth noting an important difference between the groups in jewelry and accessories. If the first case the jewelry sector involves only 13.59 % of masters, while the consumer's demand for jewelry is much higher - 32 %, in case of accessories, the picture is reversed: the

accessories percentage produced by artisans is 27.95 %, that is significantly higher than the current demand, which is only 8.5%.

The deficiencies in the supply - demand have been also revealed during the interviews of trade facilities. 28 % of them said that last year they had the deficit of certain products of the heritage crafts that in turn, indicates a lack of coordination between producers and in case of some products – on the low performance.

Table 10. Structure of sales of artisnas, enterprices and marketing poits by customers' types

% of sales	Local customers			Foreign tourists			Corporative clients		
	Artisan	Enterpric e	Marketing point	Artisan	Enterpric e	Marketing point	Artisan	Enterpric e	Marketin g point
	%			%			%		
0	11.2	20.0	9.36	34.4	45.7	9.38	86.4	71.39	62.5
up to 20%	10.93	20.0	34.38	12.8	8.6	25.84	8.27	11.43	34.38
up to 40%	18.67	17.1	9.38	10.4	8.6	5.84	1.87	8.57	3.13
up to 60%	18.13	11.4	21.88	24.53	25.7	4.16	1.33	5.71	
up to 80%	10.93	11.4	12.50	13.87	8.6	2.50	0.8		
100%	30.13	20.0	8.93	4	2.9	4.16	1.33	2.9	

Table 11. Destribution of producers and customers by functional groups

Production	Artisans %	Local customers%	Foreign tourists %
Accessories	27.95	8.1%	8.6%
Jewelry	13.59	32.6%	32.4%
Weapons	1.54	2.7%	2.7%
Musical instruments	2.69	4.3%	4.3%
Crockery	8.21	7.1%	7.0%
Toys/dolls	4.10	7.6%	7.5%
Garment	4.10	10.9%	10.8%
Religious items	5.13	3.8%	3.8%
Furniture	2.95	1.6%	1.6%
Souvenirs	11.54	19.0%	18.9%
No answer		2.2%	2.2%

8.8.6. Distribution

The survey clearly showed the absence of distribution mechanisms in the heritage crafts. The masters themselves supply their products to trade facilities, that requires additional time and transportation costs and limits the distribution area. This is especially difficult for the residents of the regions who are very far from the main market - Tbilisi. Consequently, the turnover of heritage craft products in the territory of Georgia is rather limited. Only 30% of the artisans living outside the capital supply their products to the capital and only 17 % of Tbilisi artisans sell their works in regions.

8.8.7. Sales Channels

Heritage craft products are sold either by a direct way as the master - end-user, as well as through intermediaries. During the survey the following sales channels were identified:

Direct: (1) by order; (2) a workshop; (3) the open market ; (4) festival, holiday; (5) Internet sales.

Indirect / through intermediaries: various trade facilities

The study showed that 57.6 % artisans realize more than 60% of their works by any channel. At the same time 81.3 % of masters use only three or less channels, that indicates that the masters fail to diversify the sales channels in the current commercialization system. Moreover, when asked what ways do they use to sell their artworks, the direct sales channels were named 271 times, and indirect - only 184 . Out of direct channels the leading place is held by orders (69.8 % of artisans) and sales from workshops (40.4% of artisans) (however, we can suggest that sometimes the artisans mean the sales from workshops as the sales by order). In addition, 21.9 % of artisans sell 80% of their works from the workshops. The fact that 78 % of artisans live outside the capital, once again points the distribution problems mentioned above.

The separate segment is open fairs (standing), exhibition / sales, festivals and public holidays, although these channels were named only by 11 % of interviewed masters. Among the open fairs noteworthy is the so called “Dry Bridge” (Tbilisi), the spot in the vicinity of the Academy of Sciences (Tbilisi), Svetitskhoveli surrounding area (Mtskheta), Shrosha fair oriented to ceramics and wickerwork (Imereti).

Internet sales are particularly low: only 0.8 % of surveyed masters use this channel, while in the UK this figure is 35.3 %⁵⁶.

Among the indirect channels we have identified only different types of trade facilities. No wholesale dealers, brokers or other similar links have been named.

The 5 main groups were identified in trade facilities of shop type:

- (1) Souvenir shops –the facilities, which offer to the customers the products of low and medium cost and quality.
- (2) Salone tupe shops - characterized by a relatively high -quality products that are designed not only for tourists but also for local consumers;
- (3) Gallery shops - the shops at the art galleries, which offer to their customers the higher artistic products of mainly mixed and modern design. To the same category are attributed the Art-Café-Saloons.
- (4) Museum shops
- (5) Mixed shops (which sell craft products among other products).
- (6) Ecclesiastic shops

We have interviewed 32 shops during the survey. See the % share.

However, it should be noted that actually the share of museum shops is significantly lower as during the survey we have interviewed about 90 % of such facilities and only 70% of other types . The low % of ecclesiastic shops also requires explanation. Despite the fact that there are a lot of these types of facilities in Georgia, they are mostly trading in imported goods, and rarely – in the Georgian heritage craft products. Beyond any doubt is the highest percentage of souvenir stores among the trade facilities. Most surveyed masters - 33 % sell their products through this type of shops.

In terms of geographical distribution, the highest concentration of shops is in Tbilisi, which houses 60% of the surveyed facilities, then comes Batumi, Mtkheta and Gori.

⁵⁶ Crafts in an Age of Change, p.26

Figure 24. Use of direct channels of sales

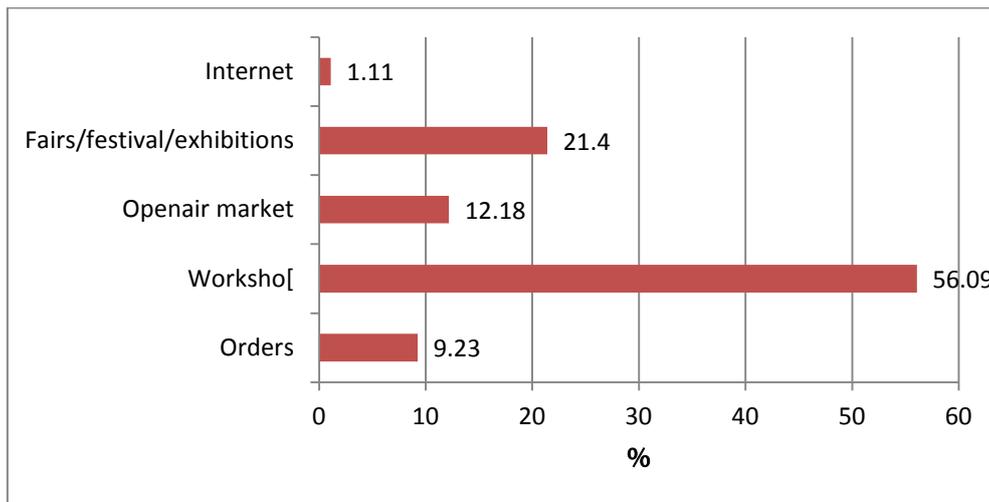


Figure 25. Tipology of marketing points

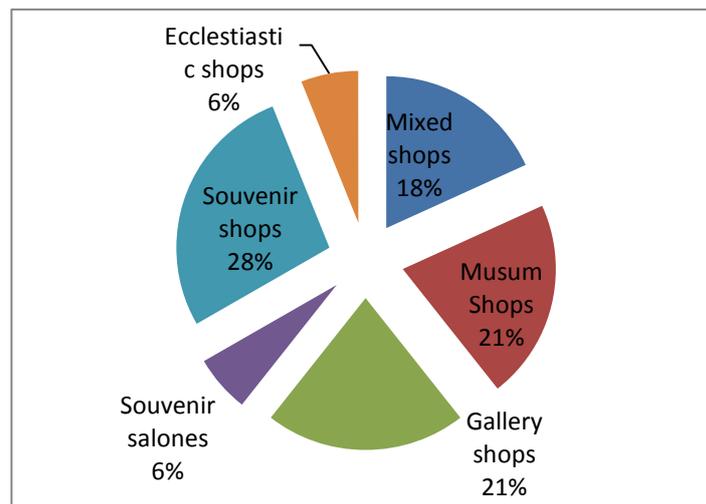
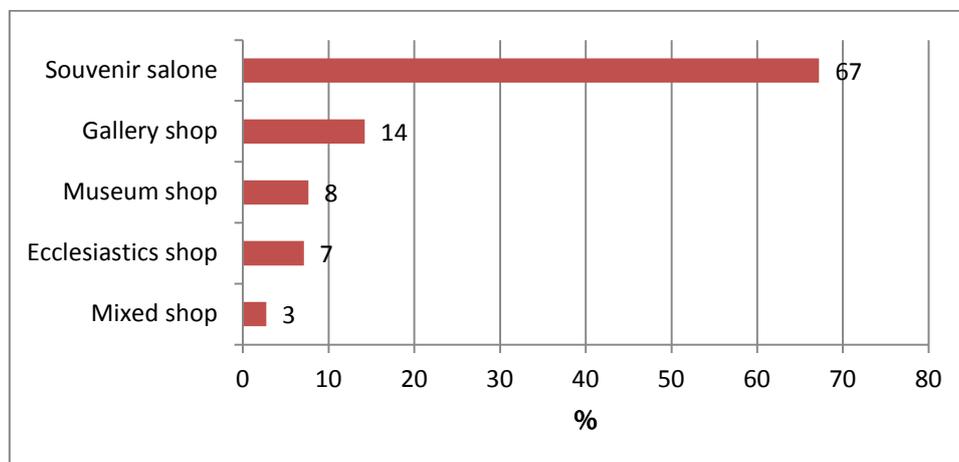


Figure 26. Use of non-direct channels of sales



8.8.8. Export

It is practically impossible to separate the heritage craft products in the Georgian exports while the artworks is clearly described in the commodity codes. For example:

9701	Pictures, drawings and pastels, made by hand
9702	Original engravings, prints and lithograph plates
9703	Original statues and statuettes made of any material

The categories of possible products of the heritage crafts do not distinguish between the hand-made and manufactured items. Moreover, it is impossible to separate the heritage crafts from the modern needlework. For example⁵⁷:

6001	Pile fabric, knitted or manufactured
6002	Other fabric, knitted or manufactured
6004	Fabric, knitted or manufactured, with a width more than 30 cm

Some information about the exports has been obtained during the survey . Only 5.8% of the interviewed artisans mentioned that they sell their works abroad. Approximately 50% of their works are presented in international markets, which currently are not of regular character in Georgia and are usually carried out from time to time by various organizations working in the area. We can mention as a successful practice the participation of the Georgian textile group at the Santa Fe Fair in 2007, where the direct sales amounted to 12,000 USD, while the orders amounted to 3000 USD⁵⁸. However, successful participation in exhibitions and fairs greatly depends on the systematic character and regular policy.

Relatively stable exports is carried out by the artisans who sell their works abroad through the expat relatives. Those masters sell 60%-100 % their works for export. This once again indicates that currently it is quite possible to search the export market for the Georgian heritage craft products, however, this requires adequate

promotion and encouragement of commercial activities in this direction.

8.8.9. Key findings and problems

1. There is no distribution chain of the heritage craft products in Georgia that significantly limits their circulation over the territory.

2. Today about 500 items are presented in the heritage crafts market . The biggest category of interviewed masters (27.93 %) produce accessories, jewelry holds the second place (12.4 %).

3. Traditional technologies dominate in production - 77.6 % interviewed masters and mixed design - 47.3% masters.

4. The design and relationship to traditions are considered as the main worth of the Georgian heritage crafts by 22.7 % and 37.3 % of local customers respectively, and 30% and 27.3 % of foreign tourists.

5. The majority of products are lacking innovation, are not adapted to the contemporary life.

6. The products are largely focused on foreign buyers, that limits the consumer's criteria and results in the seasonality of sales.

7. No quality control mechanism is available for the heritage crafts that results in the significant differences in product quality.

8. In the consumer's opinion the high cost of production is one of the important problems of the heritage crafts.

9. The main customers in the domestic market are women (73.3 % of local consumers and 62.9% of foreign tourists) and the representatives of 26-35 and 46-55 age groups.

10. 81.3 % of masters use three or less sales channels, at that the direct sales channels are mostly used, that on the one hand is caused by the absence of the distribution network, and on the other hand, by the need for the tax status for cooperation with trade facilities.

11. The heritage crafts cannot be separated in the Georgian exports due to the impossibility of delimitation of the commodity codes. Though 5.8% of the masters note that they realize their artworks through the exports, this is an unstable and irregular process.

⁵⁷ National Statistics Agency of Georgia, http://geostat.ge/?action=page&p_id=136&lang=geo

⁵⁸ Baseline Survey to Evaluate Folk Art Development in Georgia. Art Gene. 2010. p. 11

8.9. INCOME

As it is stated above, traditional crafts is not reflected in official statistics. Thus, the only source of incomes and sales in this field for the research was the questionnaire analysis.

Annual income of the polled traditional craftsmen generally ranges from 100 GEL to 5000 GEL. Annual income of the biggest category of the craftsmen (31.9%) is approximately 101-500 GEL, which is less than subsistence minimum of 2011 of 65% of men in Georgia (annual 1893 GEL)⁵⁹ and almost 90% of artisans income is less than the average salary in Georgia in 2011 (7632 GEL). Average annual income for the crafts amounts to 2820 GEL, while in the United States of America (USA) in 2001 the average income of traditional craftsmen after expenses amounted to 50000 USD, which exceeds average income of the country by 26%.⁶⁰

In addition to already discussed legislative, market, distribution and other issues, the reason for the above-mentioned situation is also caused by the fact, that neither the state nor the society of Georgia considers traditional crafts as one of the branches of economics and a business, which has a potential. Dominant perception of traditional crafts is approximately the following – a part of the cultural heritage of Georgia, which requires protection and preservation; the branch, which also provides a source of small extra income; secondary and a hobby-like activity; certain source of income for a housewife; Such approach is dominant not only in the society, but within the field itself. For example, only 2.1% of the polled craftsmen use accountant services, which clearly indicates that this field lacks business approach. While in 2001, the turnover of traditional crafts in the USA was 13.8 billion USD and it was in one line with such fields, as shoe manufacturing - \$41.6 billion, magazines – \$31.9 billion, taxi business -

\$3.7 billion, airline tickets – \$29.5 billion, tobacco - \$2.4 billion.⁶¹

Even in this situation, it was presumed that there would be difference among the income of the craftsmen of various approaches. Due to the fact, that the conducted research did not cover the component of craftsmen approach analysis, registration in the revenue service was taken as a distinguishing feature, which we think to some extent indicates a serious attitude of an individual towards his/her entrepreneurial activity. Annual income of various groups of craftsmen is given on the Figure N26. The Figure shows that the lowest indicator is in textile field, where 80.1% of the craftsmen are not registered. In this group, less than 5000 GEL is determined for 93.3% of the craftsmen, while for registered craftsmen this value is - 78.7%, and for registered male craftsmen – 68.2%.

If the percentage distribution of the income from traditional crafts, given on the Figure, is considered as basic tendency, then it can be stated that annual turnover of the craftsmen, employed in traditional crafts, is about – 2.7 million GEL.

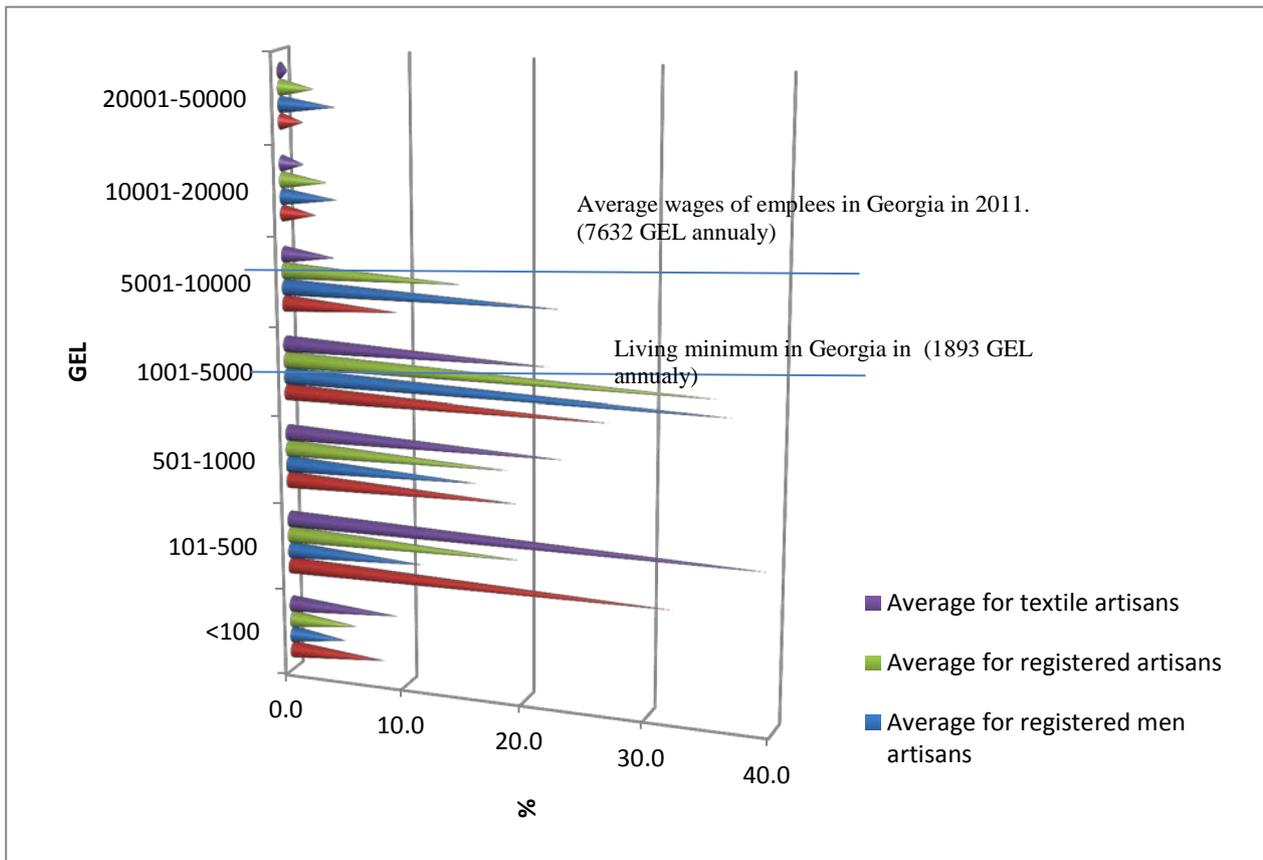
Although, it should be noted that in similar opinion polls, the tendency of income reduction is always stated by the respondents. For comparison purposes, average income was also calculated with the other method. Namely, the cost of products, produced during one year, was calculated. As the traditional crafts products are not produced in large batches, and as a rule they are produced by craftsmen according to the sales, with the most pessimistic forecast it was considered that a craftsman sells 60% of his/her products. In this way, the received average income amounts to approximately 7300 GEL, while total turnover of traditional craftsmen is – 12 million GEL.

⁵⁹ National Statistics Office of Georgia.

⁶⁰ A report on traditional Crafts and Economic Development in Michigan. 2006. p.19
<http://www.craftworksmichigan.org/craftworksreport.pdf>

⁶¹ A report on traditional Crafts and Economic Development in Michigan. 2006. p.19
<http://www.craftworksmichigan.org/craftworksreport.pdf>

Figure 27. Annual income of artisans of different categories



It should be noted, that only a small number of craftsmen keep accounting of sales and expenses, which makes it difficult to determine the value of their real income and net profit. Respectively, the data given for clarification of the volume of the sector need to be further verified and compared to various information sources.

In any case, it is clear that nowadays the average income level in traditional crafts is very low; however, the situation may have been even worse taking into consideration present condition of this field, the attitude of the society, no support from the state and lack of business approaches.

It is difficult to talk about the income of legal persons due to several reasons. Among the entities polled in

this category, very low per cent (35.5%) was registered as LLC, other organisations were Non-commercial Legal Entities or unregistered entities, which are not in fact commercial organisations with their essence and work in traditional crafts for the purpose of employment of their beneficiaries and within the scope of current programs. Besides, total number of the detected organisations was very low, which does not constitute the basis for generalizing the received results. For example, it can be stated that annual turnover of successful detected enterprises exceeds half million GEL.

8.10. EDUCATIONAL BASE AND INSTITUTIONS

Historically, industry has developed on the basis of apprenticeship (“meisterchaft”) institute. Respectively, nowadays educational activity, formal and informal teaching on every educational level have special importance with the view of development of art industry. Belfast conference of 2005 was related to this issue, where educational and teaching problems were discussed. Also, the conference emphasized the importance of art direction for all educational areas and the necessity of involvement of art industry specific skills in the educational system. Besides, it should be noted that the first and foremost way to protect and preserve intangible cultural heritage and respectively, the traditional crafts, is through the provision of an educational process and transition from generation to generation.

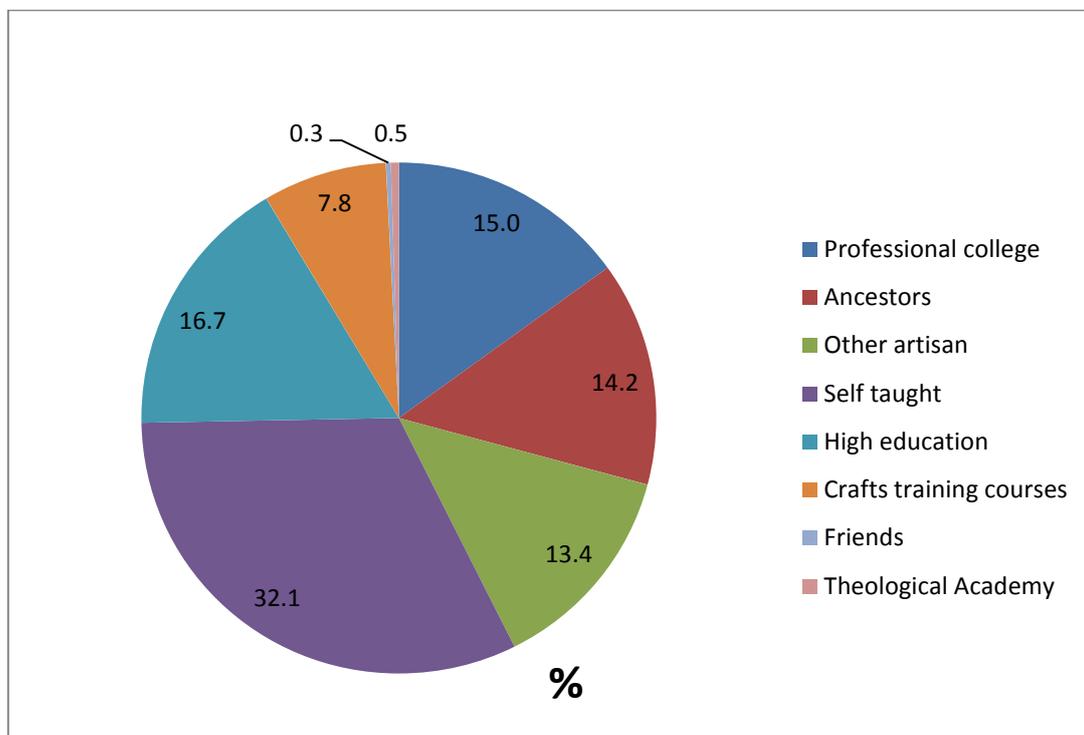
At present, traditional crafts is taught in Georgia in various formal or informal ways. However, independent acquiring of knowledge in this field plays a significant

role as well. The analysis of the conducted research shows, that most of the craftsmen (32.1%) up to present-day, have been involved in traditional crafts in this way. On the one hand vocational and higher educational institutions (respectively 15% and 16.8%) and on the other hand hereditariness (14.2%) and acquiring knowledge from the other craftsmen (13.4%) have played approximately equal role in the transition of knowledge in this field.

It is notable that these tendencies are presumably changed nowadays. Most of the polled craftsmen – 31.3% - are involved in teaching process. However most of them (30.8%) teach at vocational institutions, 20.5% teach to their students, and only 12% teach their family members and relatives.

At present, traditional crafts teaching institutions include: higher educational institutions, vocational institutions, school-studios under the state institutions, studios under municipal art schools and patriarchate parish schools, also various professional re-qualification courses, focused on employment. In fact, pre-school and secondary educational institutions are not involved in the above-mentioned chain.

Figure 28. Distribution of polled craftsmen according to the channels of acquired knowledge



The design faculty at state universities (for example, Tbilisi State Academy of Arts) includes the following directions:

- artistic ceramics;
- artistic glass;
- textile design;
- fashion design;
- industrial design;
- wood artistic processing and furniture design;
- jewellery and metal decorative plastic;
- “Blue Tablecloth” research laboratory.

Respectively, besides modern technologies and design, teaching of traditional technologies and design is also included in the learning process.

Although, professional knowledge acquired at higher educational institutions differs from orally transmitted folk tradition, the closer connection to which will only enrich the graduate professionals of design courses.

As the research demonstrated, **municipal art-schools**, which are located throughout the country, play an important role with regard to teaching of traditional crafts. Besides fine arts, textile, wood-cutting, metal plastic, ceramics, enamel teaching courses are included in their programs. It is notable, that these courses are mainly intended for teenage youth. Craftsmen are also involved in school educational programs, however unfortunately, in certain cases, more valuable human resources existing in the regions are not considered in the teachers’ selection process, which is the result of uncoordinated actions between educational and cultural circles.

Art-studios existing under patriarchate parish schools and monasteries in Tbilisi, as well as in regions (“Fokani”, Sno enamel studios, Akhaltsikhe ecclesiastical institution, embroidery, Mokhevian felt and many other art-studios under the nunnery of Vardzia), play a significant role with regard to teaching and disseminating traditional crafts. Obviously, main direction of the above-stated educational centers is to develop ecclesiastical art and to continue their traditions (gold and silk twine embroidery, blacksmith’s icons, wooden ecclesiastical objects, enamel icons, crosses and etc.), although national pieces of art made with embroidery, enamel and felt can also be found.

Professional re-qualification courses and non-governmental initiatives focused on employment are especially notable, as a result of which several “freshmen” craftsmen were involved in this field. Felt and enamel technological groups are especially rich in

this regard. These graduates are characterized with relatively massive nature of art-works and low quality, although there are certain exceptions as well. Also there is a notable tendency that only a few number of graduates continues work further in this field. There are also certain successful cases, when the quality and design of the products is refined and traditional crafts becomes the source of income for living.

Separately should be noted the necessity of public awareness in the field of traditional crafts, which is also closely connected to education. The research demonstrated that low quality of traditional crafts products is often caused by lack of awareness of the society, the example of which is a huge amount of low-quality felt products on the market, dyed with chemical paints.

Japan precedent can be regarded as a successful example of solving this problem, namely in Kyoto, where teaching of traditional crafts has been integrated on every level of secondary school education since 2002. 60 schools and many well-known craftsmen of sericulture and ceramics were involved in this program⁶². Much more precedents in the international practice indicate the necessity of integration of traditional crafts, as intangible cultural heritage and at the same time the field with employment potential, in the educational system.

⁶² www.web-japan.org/trends01/article/030221sci_r.html

Community Union “Nukriani” Studios

Nukriani village, Sighnaghi Municipality

House of culture, 1st floor

Tel: +995 77 202 111



“Nukriani” studios are placed in the village Nukriani. Studios were established in 2003–2005 years. Few women from Nukriani had master classes of sewing techniques in Tbilisi and World Vision organization gifted “Caucasian House” with 6 sewing machines. After the community union was founded the projects main target was education for the youths and older people.

In community were based studios for quilt, weaving, embroidery and felt. At first the socially unprotected women have begun to learn handicraft, then qualify it and work on it. In the studios tare made quilt bedspreads, felt compositions, accessories and etc. The works are distinguished for their high level of the craftsmanship and quality.

Ghebi, Oni municipality, Racha Region,

Blacksmiths Village

Ghebi is the old village of highland Racha. From the middle Bronze ages this place was famous for metal treatment tradition and local copper recourse were convenient for that. The part of the traditional Georgian bronze belts, from pre-Christian era, were excavated in the village Ghebi. For ages forging was the most traditional work of the village and the majority of the men were involved in this craftsmanship. Nowadays only in several families is preserved the tradition.

Chichiko Iobjanidze Tel: +995 599 96 88 56 / +995 790 968856

Chichiko Iobjanidze was born in 1921 and spent his life in the village. He inherited this craftsmanship from his father, who left him the old forge and the workshop where the master works constantly.

“My boys were also interested in blacksmith’s work and helped me from the early childhood. Though two of them left the village, while the one stayed with me. My son is very well trained blacksmith and helps me in the workshop. There is always much to do in the forge.

Rezo Gobejishvili Tel: +995 0790712519

Rezo Gobejishvili started blacksmith’s work from the age of 25. His grandfather was a blacksmith, who was nicknamed as Mchedela (meaning “Blacksmith”). Craftsman makes axes, hoes, hourse-shoes and ploughs.

Anzor Gavashelishvili is another blacksmith of the village. He makes all the items necessary for the agriculture.

“I have inherited craftsmanship skills from my grandfather. Ghebi used to be a big village with the 800 families. These 800 families required 800 yokes for the bulls, which means that the forging was a vital craftsmanship in the area. Now when the village is deserted the requirement on the blacksmith’s work reduced. This tradition should be preserved and this is the main reason I still continue to work in this field” – says the master.



9. ROOT PROBLEMS OF HERITAGE CRAFTS IN GEORGIA

9.1. ORGANIZATIONAL STRUCTURE

Whereas heritage craft is recognized in view of activity of many governmental and non-governmental sectors of culture, economy, education and environment protection (see p. 49), the key problem in this direction is a non-coordinated approach. For example, integration of heritage craft in the economic incentives policy, rise of the heritage tourism potential, as well as integration of the heritage craft as a regional development resource in local development strategies is unintelligible for us.

In this light it should be noted that staff shortage (as well as the budget allocated in this direction) in Intangible Culture Department of National Agency for Cultural Heritage Preservation of Georgia, on its turn, bars implementation of huge events.

Non-coordinated approach can be also seen at the level of local governments. Notwithstanding this fact that cultural agencies of the municipalities have information on craftsmen residing in regions their databases are still incomplete. We frequently face ignorance of employees of the cultural agencies in view of technological groups and specific nature of traditional fields.

Please also note that the general nature of the heritage craft and maintenance of the general culture statistics at the governmental level temporalizes analysis of the ongoing changes in the sector.

We also face problems at the non-governmental level in terms of the organizational structure. Despite certain private initiatives, the events of cooperation between heritage craft organizations and individuals are very rare. This, in its turn, provokes inefficient spending of money and labour. There are no similar unions or associations to coordinate certain initiatives and protect interests of the sector. 85% of the pollees

(craftsmen) were in favor of creating a similar association.

9.2. LEGAL GROUNDS

From the legal point of view, the primary problem of traditional craftsmanship industry is a matter of its identification. A precise definition of the traditional craftsmanship and its characteristics are not found in the Georgian legislation, therefore, in the Georgian legislative space, separation of the regulatory space of this area is actually impossible.

There is no state policy in the Country in the fields of intangible cultural heritage as well as traditional craftsmanship, which would determine the state attitude towards the traditional craftsmanship.

Currently, the sector of traditional craftsmanship is regulated by Law on Cultural Heritage of Georgia, in which the intangible heritage is included only as a general record while its specificity, which absolutely differs from the mechanisms of safeguarding of the tangible cultural heritage, is not taken into account.

Both a form of the accounting card of intangible cultural heritage and the criteria for granting a status of monument are developed based on the tangible heritage specificity and fail to meet the characteristics of the intangible cultural heritage.

Another normative act in the Georgian legislative space, where “traditional craftsmanship” is specified, is a state strategy 2010-2017 for the regional development of Georgia approved by Resolution #172 of the Government of Georgia dated June 25, 2010 on the approval of the state strategy for the regional development of Georgia and on the establishment of the governmental commission for the regional development of Georgia, where “Folk Trade”, as a segment of the cultural tourism, is considered to be a strategic trend, although, so far, no actions or state

activities to encourage, support or develop the folk trade have been specified.

The Georgian Law on Museums is incomplete and contradicts with the Georgian Law on Cultural Heritage. One of the drawbacks of the law is ambiguity and incomprehensibility of the regulations contained therein, causing different interpretation and many difficulties related thereto.

according to which the customs authorities are obliged to request “a permit of exporting the cultural valuables from Georgia” in case of ethnographic tangibles, which is absolutely unclear, since there is no relevant definition in the Georgian legal space. However, it is also defined that “the law does not apply to the modern souvenir items as well as the cultural items of serial and mass production”, which is also a very conditional definition and relies upon subjective judgments.⁶³

It is not clear whether the Georgian Law on Entrepreneurs defines the traditional craftsmanship as an entrepreneurial activity. Since according to Article 1(3), no art, scientific, medical, architectural, advocacy or notary, audit, consultancy (including tax consultancy), agricultural or forest economic activities of the physical persons is considered to be the entrepreneurial activity⁶⁴; According to that statement, the art activity, i.e. any creative activities in result of which a single work is created, is not considered to be an entrepreneurial activity; therefore, it is not required to register it, to do accounting thereof and to have cash register.

The traditional craftsmanship in Georgia enjoys no special taxation status. The existing preferential regulations – “micro entrepreneur” fails to meet the specifics of traditional craftsmanship and often, instead of the exemption from the income tax liabilities, it prevents the craftsmen from having relations with the product sales agents.

Considering that the traditional craftsmanship is often a secondary activity for the craftsmen and since the

⁶³Law of Georgia on Exportation from and Importation to Georgia of Cultural Valuables, Article 4.

⁶⁴“ Law of Georgia on Entrepreneurs”, Article 1(3).

artistic persons are far from the business, relationship with tax authorities is difficult for them; therefore, additional consultancy services are required.

The VAT exemption with no right of set-off, which applies but not limited to “the implementation of restoration, rehabilitation, projection and survey operations for the cultural heritage monuments of the national or/and cult-religious importance included in the world heritage list, as stipulated in the Georgian Tax Code, Article 168, actually does not apply to the traditional craftsmanship.

There are no mechanisms of mobilizing funds in the culture area such as special taxation regulations for contributions and financing.

Due to its law integration with the business sphere, for the traditional craftsmanship sector, no credit funding is accessible on the one hand and no intersectoral funding sources are accessible on the other hand.

In the field of culture, no specialized state foundations issuing grants exist. This activity is a prerogative of the Ministry as well as the Agency, which restricts the sources of grant funds, reduces to a certain degree a number and effectiveness of the implemented projects.

The criteria for protecting copyrights and granting such rights to the traditional craftsmanship models for the purposes of registration thereof are not thorough.

For many industries of the traditional craftsmanship, a significant problem is the matters related to the use of natural resources. For the traditional craftsmanship field, no allowances are established for the use of natural resources often preventing craftsmen from getting raw tangibles and jeopardizing the existence of a number of industries.

In the state financing, the intangible cultural heritage is not stipulated for at all or is defined very ambiguously.

9.3. HUMAN RESOURCES

The heritage craft potential is not fully utilized in Georgia. Currently approximately 1500 individuals

are employed in this sector that totals only 0.07% of the economically active population;

The key problem is low interest of young people that causes “ageing” of several fields of the heritage craft (especially male employment sectors), prevents transfer of best practices from generation to generation and poses a risk of losing traditional techniques.

9.4. REGIONAL DISTRIBUTION

The heritage craft fails to play its role in development of regions, namely, rural settlements due to substandard infrastructure as indicated by the concentration in the urban zone (72% of manufacturers).

The shortfall of the heritage craft initiatives and incentive programs is evident in the Georgian regions.

9.5. PRODUCERS STRUCTURE BY ENTREPRENEURIAL STATUS

The huge part of the sector cannot be actually recorded that complicates maintaining of the economic statistics and generating economic plans and forecasts for this sector’s development. Thus, the following may serve as motives therefor: a. lack of perception in view of tax statuses and the necessity/forms of registration; b. ambiguous and difficult to understand Tax Code that ignites fear when communicating with the tax authority, and such relations with the tax authority are exaggerated by additional transport costs and time wasting for regional population, especially craftsmen residing in villages.

9.6. PROBLEMS BY TECHNOLOGICAL GROUPS

9.6.1. Textile

The textile group (which as it was stated several times is the largest category) faces quality-related problems. First of all, it refers to the recent widely spread felt where starch is often used for felting (earlier this was gained by felting) and often combination of the felt with artificial tissues of poor quality.

Utilization of new products and simplified equipments by less skilled staff, principally, negatively affected and significantly impaired the quality of the felt products.

One can see weakening and removal of the Georgian regional diversities in the embroidery production group where dominates Pshav-Khevsureti cross stitch patterns. The embroidery products available on the market are of standard functional categories and have typical forms that is less traditional, although it even does not meet the requirements in the current pipeline.

Like in felt production, here we also often face bad quality products that are expressed by excessive blending of colors. It is due to the color palette of the imported embroidery threads, on the one hand, that differs from soft colors made by traditional natural paints and increases of stitch size for the purposes of labour-saving, on the other hand, that downgrades the quality of products.

Use of definite chemical colors and man-made fiber can be also seen in knitted products that sharply deteriorates the quality thereof.

The key problem is deficit of products produced for handmade threads and traditional natural paints.

Following shutdown of the factories after the 90s the loom sewing team has been sharply impaired and, today 10.5% of the surveyed craftsmen in the textile sector are engaged in loom sewing.

Traditionally, the Georgian people were engaged in loom sewing using cotton, wool, silk and flax tissues. Unfortunately, only individual cases have been registered as of today that, in the context of multi-diversity and accessibility of the mill-finished fabric, is provoked by low demand on handmade tissues.

The tradition of silk husbandry is practically at the vanishing point that is evidenced from V century in Georgia.

One seldom can see painted tissues that are replaced with tissues produced using computer printing which besides full mechanization of the equipment have imprints of poor quality and artificial tissue. Furthermore, the painted tissue products are, functionally, of very small range.

9.6.2. Ceramics

Among the ceramic problems one should mention “strangulation” of ceramic products in Mtskheta-Mtianeti – (Mtskheta) 17% and 11%; Kakheti (Telavi, Ikalto).

In view of quality, there is a difference between Tbilisi and regions. Mainly, the products produced in Tbilisi are of higher quality, and in regions we face “slapdash” souvenir products of poor quality.

The key problem for the ceramics team is obtaining of raw materials. One cannot lawfully obtain, process and sell clay from the existing pits. Accordingly, the lawful ways for clay purchase are very limited. Most of ceramic craftsmen have to obtain material illegally that, in its turn, causes problems for further development of this sector

9.6.3. Enamel

In view of geography, enamel is highly concentrated in cities (44% of the surveyed craftsmen live in Tbilisi and 91% - in urban zone).

The popularity of the enamel products sharply lowered the quality of the products in recent years.

Furthermore, most of the enamel craftsmen use ordered or ready casting forms for the products that provokes cloning of enamel products

9.6.4. Woodwork

Wood processing team covers a very low share of young people, only 20.93% accrues to up to 35-year old craftsmen.

One should mention that traditional carpentry is also disappearing as most of the craftsmen (coupled with the present-day reduced demand do not work in this direction, though they have appropriate skills.

The main problems in wood processing are related to obtaining of raw materials. Whereas wood cutting is a strictly controlled field and very often craftsmen cannot obtain a whole timber fit for them. Thus, that is why no traditional wood wine presses (pots) are currently made in Racha for production which a solid hazel wood was used.

Technique of producing cradles and boats are also nearing extinction.

9.6.5. Metalwork

The metalwork is not very diverse. It is mainly presented by jewelry, weapons (dagger, knives), and churchware. One cannot practically see family items, save for metal furniture – museum copies that are the main part of the contemporary traditional craft.

The cupronickel decorative souvenirs, weapons, bowls, wine horns, etc. are of poor quality.

Among the problems of this process group, one can mention export of precious metals from the country that impedes export of fine jewelry.

9.6.6. Stone/bone

Among the problems of the stone carving team is the problem of raw materials. For example, despite agate resources in Tkibuli, craftsmen face serious problems in terms of obtaining material due to non-existence of the raw obtaining industry.

One should mention production of stone ketsi (frying pan). During the survey two such craftsmen were revealed in Guria Region carrying on a tradition of stone ketsi making that, in its turn, points to a real risk of vanishing of such craft.

9.6.7. Glass, paper, leather

Today such sectors are poorly presented in the Georgian heritage craft.

Glass undergoes a significant crisis that, first of all, is due to disruption of infrastructure and processing complexity. Whereas it requires high temperature, thus, it cannot be produced in individual shops but only in furnaces of glass factories. Today the volume of glassware is very low. Due to violation of such liaisons, craftsmen cannot use furnaces and, thus, produce the glassware.

Leather working. Despite leather working and further use thereof within the country (shoes, bags are made), traditional techniques and designs are used very rarely.

Wickered products are of monotonous function and design.

9.7. WORKSHOPS AND EQUIPMENT

The most part of the workshops located on the territory of Georgia needs infrastructural support – refurbishing of equipments, optimal development of areas and appropriate refreshing and decoration of the interior.

The problem of inappropriate use of devices and equipments keeps down development of the heritage craft that is, mainly, due to lack of funds and inappropriate understanding and perception of technological innovations. Very often craftsmen are not aware of the technological innovations that will minimize the defected products and labour-saving.

The key problem is lack of public areas for the heritage craft workshops, for example, non-existence

of such areas near the local history museums and other institutions, in the historic part of cities or villages on a national scale that, in its turn, would have increased tourism potential.

9.8. PRODUCT, DISTRIBUTION, MARKET, CUSTOMERS, SALES

Most of the products available on the Georgian heritage craft market incur a deficit of complying with innovative and the present-day reality.

The heritage craft has no appropriate mechanism for the quality control that provokes significant differences in quality of products.

The products are mainly oriented on a foreign customer that limits categories of consumer and provokes seasonal sales.

High production cost of products is also within the main problems of the heritage craft.

The Georgian heritage craft has no distribution network that significantly limits the flow of products.

Today, the products of the Georgian heritage craft, as a rule, have no retail packages and information sheet accompanying the products made in line with the international standards.

Not least important is presentation and displaying which is one of the main marketing preconditions. We face wrong perception of this aspect not only when speaking with certain craftsmen, but also when visiting stores, especially gifts and souvenir shops

where besides lack of the quality control we face completely random, chaotic display of products.

Sales channels are limited: 81.3% of craftsmen refer to 3 or less channels. Furthermore, direct sales channels are more used that is provoked by non-availability of the distribution network, on the one hand, and the necessity of the tax status for cooperation with trade facilities, on the other hand.

It is impossible to separate the heritage craft from the Georgian export as there are no separate commodity codes exactly for the heritage craft.

There is no target program for the heritage craft export development. True that 5.8% of the interrupted.

9.9. EDUCATIONAL SYSTEM

One of the major problems in this field is the loosen contacts between heritage craftsmen and professional communities, including institutions of higher education institutions.

One should note employment of craftsmen in school curricula, although in some cases availability of more worthy HR existing in regions is not considered when selecting pedagogues that, in its turn, serves as a result of the non-coordinated activities between educational and cultural circles.

Please note that availability of the heritage craft handbooks oriented on preservation of cultural heritage are involved in the national curriculum

10. RECOMMENATIONS

10.1. ORGANISATIONAL STRUCTURE

Governmental Interagency Cooperation and General Strategy

To develop the heritage craft sector, first, it is necessary to declare this sector, as a constituent part of the cultural industry, on the one hand, and the meaning of intangible cultural heritage in the cultural policy of the country, on the other hand, that will further serve as a precondition for implementing different initiatives oriented on development of the sector. The role of creative industries is clearly recognized in national policies in the UK, Netherlands, Denmark, Sweden, Finland, France and Germany but also in Italy, Portugal, Lithuania, Czech Republic, Bulgaria, Estonia and Ireland.⁶⁵ International experience shows that effective implementation generated many jobs, re-energized many regions and increased their tourism attractiveness. Target-oriented implementation of the long-term strategy had a positive impact on the creative industry sector of the Great Britain and made it one of the most rapidly growing economic sectors. Even by 2005, 1.3 mln were employed in this sector and its income was £112,5 billion.

System approach is necessary for development of the heritage craft that, first of all, means availability of interagency cooperation and the common policy. It covers close cooperation of such governmental structures as the Ministry of Culture and Monuments Protection and National Agency for Cultural Heritage Preservation of Georgia, Ministry of Economy and Sustainable Development and Tourism National Administration, as well as Ministries of Education and Science, Environmental Protection, Regional development and Infrastructure, Finances, Sport and Youth Affairs and Parliamentary Committees,

⁶⁵ The entrepreneurial dimension of the cultural and creative industries, Utrecht School of Arts K2M ltd, Eurokleis S.r.L, For the Education & Culture DG of the EC, November 2011., p. 51

Georgian Chamber of Commerce and Industry, National Statistics Service and other related state agencies.

Accordingly, like developed countries, effecting a policy supporting the Georgian heritage craft in cultural, economic and regional development, educational, social, environmental and other strategies serves as a precondition for transforming the sector into cultural, economic and social development platform.

Cooperation between the ministries and close relation between the different governmental levels – central and local governments are necessary to implement the heritage craft supporting policy.

To effect the aforesaid, it is desirable to create Experts Working Group in cooperation of the Ministry of Culture and Monuments Protection and the Ministry of Economy and Sustainable Development of Georgia in order to develop a state strategy for development of the heritage craft in Georgia in line with the requirements of international practice and provisions of the Convention.

At the national level, it is necessary to strengthen sustainability for the main elements of the heritage craft and, in general, intangible cultural heritage that is expressed in increase of human resources and financing of this sector.

Simultaneously with the general strategy oriented on the development of the sector and under the developed action plan, it is necessary to develop and implement a particular program which will ensure solving of the problems detected in different fields, for example, awarding a status to the heritage craft and development of incentive strategies, as well as educational, popularization and other activities.

It is advisable to confer a prerogative of such programs and issue of the state grants to any LEPL working over the subject 'heritage craft' to ensure better motivation and coordination of such activities.

Improvement of maintaining the heritage craft and, in general, cultural statistics, based on the trends and needs of the heritage craft sector.

it is necessary to integrate the international standards for the heritage craft statistics in the existing system and ensure regular publication thereof in order to define priorities; at the same time it is necessary to conduct target-oriented researches to evaluate ratios and dynamics of the sector from time to time and define the Georgian business segment.

In particular, the following particular events are required for maintaining the heritage craft statistics:

✓ Different countries regularly publish statistics of cultural and creative industries (e.g. Australia, China, Czech Republic, France, Germany, India, New Zealand, Thailand, the Great Britain). Accordingly, it is advisable for Georgia to share any recognizable statistical model and introduce such practice. The heritage craft is a significant part of the sector and is urgently identified in the International Classification (ISIC and ISCO).

✓ Based on the classifications of **ISIC NIACE**, **SAKSTAT** should develop and ensure regular gathering of information regarding maintaining the heritage craft, even if very limited, e.g. jewelry making.

✓ **SAKSTAT** should urgently highlight the crafts-related matters and the share thereof in integrated researches of the domestic market. It requires some changes to the already existing questionnaires and does not require adding questions to the research.

✓ In case of non-availability of resources required for gathering additional statistics related to the heritage craft sector by **SAKSTAT**, it is necessary to ensure existence of technically equipped civil public organizations conducting survey of the sector. This will bring the statistics of the craft sector into conformity with the **SAKSTAT** methods;

✓ **SAKSTAT** should consider the research of "Involvement in Cultural Life" conducted in every 2-3 years according to the EU model and cover a wider range of cultural activities. Besides the information on

attendance of concerts, exhibitions, performances the research should provide for information on use, possession and purchase of cultural products (patterns of art, craft, books);⁶⁶

Establishment of the cultural industry funding foundations will significantly beef up the heritage craft and, in general, institutional base of the cultural industries. There 3 types of such foundations operating in Europe in this field.⁶⁷.

- Independent and public foundations the importance and number of which is irrevocably growing. Such foundations award individual grants, grant projects, in-kind contributions. Their support covers the particular cultural branches: mainly, (60%) they finance national projects.
- Corporate foundations are established by companies and totally depend on the founder's financing. They, as a rule, have different goals, fields of interest and guidelines.
- The state-funded foundations receive ordinary state subsidies. True that many state-funded foundations operating in Europe have been transformed into private ones, but they still enjoy a huge financial support of the state, although they have the opportunity of awarding tax allowances, private contributions, etc.

In case of Georgia, it is advisable to ensure availability of an independent foundation with the government financing which will be able, at one and the same time, to attract additional funds from other sources. Thus, it will be able to raise the funds available for financing the culture and ensure coordination and monitoring of the cultural financing.

Establishment of the Georgian Heritage Craft Association and Sector-Related Trade Unions

Establishment of the Georgian Heritage Craft Association is necessary for strengthening of the non-

⁶⁶ Simon Ellis, South Caucasus Heritage Craft, Report dedicated to the first regional meeting in Tbilisi and recommendations (29.11.1012-1.12.2012)

⁶⁷ European parliament, Financing the Arts and Culture in the EU, Brussels, 2006. p 38

governmental sector of the heritage craft. Within the framework of this survey, 85% of the respondent private enterprises and organizations expressed a wish of creating such association.

In the international practice we trace many examples when the heritage crafts associations, craft unions and other types of unions efficiently operate and play a key role in the sectoral development. With this respect, the most rich is the Great Britain where are created such organizations as the Heritage Crafts Association⁶⁸, Crafts Council⁶⁹ and many shops established under the sectoral and regional principle⁷⁰, which jointly struggle for the sectoral development.

It is necessary to create a Georgian Heritage Craft Association so as to ensure the organization work target-oriented and effectively for further development of the sector and carry out such activities as:

- Coordination of sectoral initiatives;
- Facilitating cooperation of the craftsmen, organizations and intermediary echelons (material providers, distributors, buyers);
- Facilitating development of the craft products and improvement of the business skills in the sector;
- Development of the sectoral development strategies and further advocating thereof;
- Promotion of the heritage craftsmen and products;
- Facilitating marketing and export of the heritage craft products;
- Professional advice (in terms of development, branding of products, attraction of funds, legal, economic and other affairs)
- Implementation of target-oriented researches;

⁶⁸ Heritage Crafts Association, www.heritagecrafts.org.uk

⁶⁹ Crafts Council, <http://www.craftscouncil.org.uk/>

⁷⁰ British Artist Blacksmiths Association, www.baba.org.uk; British Ceramics Biennial, www.britishceramicsbiennial.com; British Violin Making Association, www.bvma.org.uk; Craft Guilds, www.craftanddesign.net/guilds

To ensure efficient operation of the Georgian Heritage Craft Association it is advisable to create regional coordination units that may be established in nongovernmental and community organizations operating in the Georgian regions.

To improve the sectoral commercial base it is advisable to create a *Heritage Crafts Trade Center* working for development of the products and local and international markets.

10.2. LEGAL GROUNDS

The traditional craftsmanship as an intangible cultural heritage

In the Georgian legislative space, the primary issue is a matter of identification of the traditional craftsmanship field. Since the traditional craftsmanship is considered as an intangible cultural heritage, the regulation of this field closely relates to the legislative base of intangible cultural heritage preservation.

Georgia joined the Convention of Intangible Cultural Heritage Safeguarding, 2007, where the state recognized the need of safeguarding of the intangible heritage and assume the liabilities stipulated for by that Convention. Although, currently in Georgia, both the cultural heritage and traditional craftsmanship fields are regulated only by a general statement without considering the specifics of intangible cultural heritage, which requires urgent legislative amendments. There are two basic models of legislative regulation of the intangible cultural heritage in the international practices: 1. When this field is regulated by an independent law on the safeguarding of intangible cultural heritage (e.g. China, Latvia, Armenia, Moldova etc.); 2. When the matters related to the safeguarding of intangible cultural heritage are integrated with the cultural heritage law (e.g. Bulgaria, Algeria, Belorussia, Kazakhstan, Vietnam etc.).

We believe that in the case of Georgia, it would be desirable to apply the first model and to separately formulate a law on safeguarding of intangible cultural

heritage⁷¹. The law must state and explain the terms such as “traditional craftsmanship” etc., which would create a ground for strict field definition. Furthermore, the law must define the technical matters related to the trade field, legal regulations and mechanisms (to be established for meeting the goals declared in the Convention).

A status of the “intangible cultural heritage under threat” must be elaborated, which should be a precondition for the implementation of special programs aiming at the maintenance thereof.

Furthermore, an accounting card form and the criteria for granting a status of monument should be improved to be adapted based on the specifics of the intangible cultural heritage.

Initiation of the “living human treasures” program and granting statuses to the craftsmen

⁷¹In 2013, by the initiative of the National Agency for Monuments Safeguarding of Georgia and the Culture and Management Laboratory and Team of Experts an intangible cultural heritage bill was drawn. A member of the task team was an employee of the International Arts Center and a co-author of the abovementioned study, Mrs. Ana Shanshiashvili and it promoted integrating the recommendations developed in result of the study with that bill. Considering a differing specificity of the tangible and intangible cultural heritage safeguarding mechanisms (where the first one mainly concentrates on the preventive measures, while in the other one, the main protective mechanism includes educational incentives and other promoting measures) the bill stipulates for the amendments to the Law on Cultural Heritage and the separation of the Law on Intangible cultural heritage. For the time being, a release version of the law is being under discussion with different governmental structures.

To promote, popularize and improve the role of the traditional craftsmanship masters, Georgia, as a signatory to the Convention, must join the UNESCO initiative “Living Human Treasures”, which was founded by the initiative of Vietnam and operates since 1993.⁷² After 14 years, it was joined by 6 countries: Philippines, Thailand, Romania, France, Czech Republic and Bulgaria. The program stipulates that one of the most effective ways to achieve the sustainable safeguarding of the intangible cultural heritage would be to guarantee that the bearers of that heritage continue to further develop their knowledge and skills and transmit them to younger generations.

The living treasures are considered to be those bearers of the intangible cultural heritage, distinguished for their top-quality mastery of knowledge or performance, which is a precondition for transmitting and the further viability of this tradition. Some states recognized them as special bearers of the living immaterial cultural heritage traditions. The goal of drawing such lists is the maintenance of the knowledge and skills and the promotion of transmitting thereof, which the living bearers possess. As required by the program, the said states must establish the state mechanisms of safeguarding on a legislative level.

In compliance with the UNESCO living human treasures concept, each state establishes a name of this status, in France, it is called “Master of Art”, in Czech Republic – “Bearer of Popular Craft Tradition”, in Korea – “National Living Treasure” etc.

In parallel to the social status improvement, the main essence of this title is to promote transmitting the intangible cultural heritage traditions. Therefore, a status of “living human treasures” is also a mechanism of the financial support, which is defined by each

⁷²**Guidelines for the Establishment of National “Living Human Treasures” Systems,** <http://www.unesco.org/new/fileadmin/MULTIMEDIA/FIELD/Apiia/pdf/00031-EN.pdf>

state whether it be a one-time premium, scholarship or some tax allowances.⁷³

Initiation of the abovementioned program on a legislative level (integration of the intangible cultural heritage with the law) in Georgia, on the one hand, will be a significant assistance to the honored craftsmen and on the other hand, will be an important precondition of transmitting and encouraging the traditions to younger generations.

The allowances related to the use of natural resources

A possibility of use of the natural resources by the craftsmen working in the field of traditional craftsmanship with certain allowances and with no special permits should be offered. As per Article 7 of the Georgian Law on the Dues payable for the use of natural resources, such an allowance is established for the scientific and cultural-educational activity related to the production of natural resources;

Legislative matters related to the duplication of the objects of intangible monuments

The matters of duplication of the objects of tangible monuments must be defined both in the law of cultural heritage and the law of the Georgian museums;

Amendments to the Georgian Law on Exporting from and Importing to Georgia of the Cultural Treasures

Amendments must be made to the Georgian Law on Exporting from and Importing to Georgia of the Cultural Treasures, in which a precise definition of “the Ethnographic Material” should be elaborated, exportation of which from the country requires special permits and of “the Souvenirs”, exportation of which from the country requires no special permits.

Promoting the entrepreneurial activity of the traditional craftsmanship

As we have already mentioned, an entrepreneurial status of the traditional craftsmanship is not clearly defined in the Georgian legislation, as in accordance

with the Law on Entrepreneurs, arts activities are not recognized as entrepreneurial. First of all, a term “the Arts Activity” must be adjusted and the activities must be strictly defined in the law, however, considering that one of the goals of this study is to demonstrate the economic capacity of the traditional craftsmanship and the sector being one of the mostly perspective Georgian economic industries, we think inadvisable to include the traditional craftsmanship in the list. Programs of encouragement of the traditional craftsmanship and of promotion of the business would better be developed.

To promote the entrepreneurial activity of the field, it is desirable that the wording of the allowance - VAT exemption with no right of set-off specified in the Georgian Tax Code, which applies but is not limited to “the implementation of restoration, rehabilitation, projection and survey operations for the cultural heritage monuments of the national or/and cultural-religious importance included in the world heritage list upon agreement of a person with Ministry of Culture and Monuments Protection of Georgia;”⁷⁴ is amended so that the list includes those activities related to the studying, restoration and practicing of the intangible cultural heritage monuments, which are in danger.

Furthermore, the recent UN initiative should be shared, which refers to the establishment of VAT allowance regulations in the fields of labor-intensive creative servicing and production, including arts, cultural heritage etc.⁷⁵

A system of allowances for the traditional craftsmanship should be developed in the Tax Code on the basis of the example of the allowances established for tourism (exemption from tax income liabilities⁷⁶).

Furthermore, a list specified in Resolution #415 dated December 29, 2010 of the Government of Georgia must be amended and refined according to the

⁷³Guidelines for the Establishment of National “Living Human Treasures” Systems, <http://www.unesco.org/new/fileadmin/MULTIMEDIA/FIELD/Apiia/pdf/00031-EN.pdf>. pg.9

⁷⁴Georgian Tax Code, Article 168

⁷⁵Utrecht School of the Arts with K2M ltd and Eurokleis S.r.l., The entrepreneurial dimension of the cultural and creative industries. 2011 p.120

⁷⁶Tax Code, Article 99.

specifics of those functional and technological groups characteristic to Georgia⁷⁷, which defines those activities exempted from the upper limit of the established 30.000 GEL⁷⁸.

For the traditional craftsmanship and in general for the arts sector, modification of the method of definition of the annual supply turnover, which is subject to VAT taxation, may be appropriate. Currently, a scheme of selling of the art works at the arts galleries is as follows: the so-called Task Agreement is signed by the arts galleries and the authors, where the author/owner is referred to as the Trustee and the arts gallery is referred to as the Trustor. According to that agreement, the ownership right on the object to be sold remains unchanged and the Gallery acts only as the Seller and his/her/its income is a reimbursement of the services provided by him/her/it. Notwithstanding, at selling, a full settlement of accounts against the purchaser is a responsibility of the gallery and a total cost of the object is formally recorded in the gallery's incomes. Afterwards, according to the provisions of the agreement concluded with the owner, the gallery settles accounts with him/her/it based in the agreed interest rate (usually, 70% of the selling price). It should be noted that the abovementioned settlement of accounts is subject to taxation, in the event the author/owner is a physical person and is not registered as an entrepreneurial entity, he/she/it is subject to taxation by the gallery with an income tax – 20%, while if the author/owner is a registered

⁷⁷“Pullover and similar production; top-clothes production, except model shows and demonstrations; underwear production, headdress production, other clothes and accessories production; various wood item production, wooden clothes and headdress hanger production; wooden domestic and kitchen appliances production; economic and household porcelain and faience item production; economic and household tableware and inventory production; musical instrument production; accordion and similar playing instrument production, including mouth harmonicas; wind instrument production; brooms and brushes production;; footwear and leather goods repairing; ...;

⁷⁸Resolution #415, December 29 2010 of the Government of Georgia.

entrepreneurial entity, he/she/it makes taxation of the received income.

The income of the gallery from the abovementioned supply actually consists of the remained portion of total selling price (usually 30%) and this amount shall be subject to the full taxation as required, including the income tax. The gallery's financial turnover will only include its income, as a reimbursement of the services provided by it.

It is important that when determining the annual VAT turnover, a total sum is taken into account and not only the sum, which is an income of the gallery. Respectively, the supply, which is subject to VAT, also includes the sum (70%), which was received by the author/owner and which has already been fully taxed.

It is advisable that when calculating the annual supply, which is subject to VAT taxation, only a part of the gallery income is taken into account, 30% of the total selling price, which actually reflects a financial turnover of the gallery.

In addition to the direct allowances, the systems of encouraging the mobilization of finances in the different creative industries approved in the West should be introduced in the Georgian legislation, meaning special taxation regulations for contribution and financing. E.g. in Belgium, for the promotion of investments into the cinematography industry, income tax allowances were established in the amount of 150% of the invested sum (max. 750000 Euro), in the Netherlands, 13% tax allowances are established for the private persons' investments to the culture or cultural enterprise financing foundations, in Ireland, there are two schemes of allowances: SCS and BES – for those who make investments in certain Irish companies etc.⁷⁹

To attract the lottery funds for the culture financing, it would be desirable to define a percentage of income to be contributed to the culture financing by the Georgian law on lotteries, gambling and winning games arrangement. The abovementioned source of

⁷⁹KEA. Promoting Investment in the Cultural and Creative Sector: Financing Needs, Trends and Opportunities. 2010. p.47

culture funding is becoming more and more popular in the European countries. E.g. in 2000, in Denmark, a financing amount received from the lottery made up 16.77% of the state financing, in the Great Britain – 37.62% and in Finland - 71.38%.⁸⁰

10.3. PRODUCT DEVELOPMENT

As stated above, most of the products available on the Georgian heritage crafts market incur a deficit of complying with innovative and the present-day reality.

The international practice shows that permanent development of the product in line with the consumer demands is necessary for successful marketing of the heritage crafts products.

Development of the products mainly provides for diversification of different components of the products, in particular:

✓ **Functional diversification** that covers diversification of both functional categories by shifting the emphasis from the “souvenir” to the function, as well as introduction of new functions fit to the present-day style and integration of the respective details of function into the existing categories (e.g. in case of a bag, lining, handle, inside pocket, fastening). The marketing studies show that not retail, but “collective”, “in sets” development of the product significantly pushes up sales. Functional diversification may be implemented within the scope of a single functional category by multiplying category (typology) of products (e.g. knives: a set of kitchen knives, stationery knives, sheath knives, travel penknives, etc.), as well as through creating a new line of products under a certain logo (e.g. table accessories, museum copies, etc.).

✓ **Technological diversification** that means use of new tools, materials, improvement of technical feasibility, technological process, that, in its turn, will increase productivity, save time and money and, in some cases, reduce the rejected products and improve the quality. Although when modifying the

technological process, the principle of using new technologies shall be considered. This principle should not come into conflict with the “handmade” concept and should not be regarded as a very serious interference with the traditional manufacturing process.

✓ **Design diversification** that means attraction, survival and new combination of forgotten traditional forms, ornaments, color patterns and materials, as well as innovative combination of traditional forms, ornaments, color patterns and materials.

✓ **Size diversification** that provides for consumer categories and sizes in compliance with the established standards (shoes, clothes, jewelry, accessories, tablecloths, pillow cases, etc.).

✓ **Price diversification** that means identification of the product’s price according to different consumer categories and introduction of more choices into the price categories. With this regard the most important is defining potential consumer categories, their motivation and price expectation and, only thereafter, defining the selling price of the product and analyzing the reasonability thereof considering the production cost (direct and indirect costs) and income. It is necessary to define competitive prices to comply with the product’s quality and design.

Diversification of this element will create more opportunities for branding the crafts products available on the Georgian market, as well as for marketing on the local and international markets.

Quality

This research shows that no proper mechanism is operating in the heritage craft that causes significant differences in quality of the products.

It is crucial to develop quality standards (to be considered by trade facilities) in coordination with the Georgian Heritage Crafts Association. The similar practice we see, for example, in the Great Britain, where the Crafts Council developed the quality

⁸⁰European parliament, Financing the Arts and Culture in the EU, Brussels, 2006. p 88

control standards facilitating development and marketing of products.⁸¹

To improve the quality of the product it is necessary to define the elements defining the final quality of the product:

- **Quality of the used material** that covers strength, structure of the material and removal of materials harmful to health, as well as replacement of the synthetic materials with the natural ones.
- **Performance quality** that means quality of the handmade craft.
- **Final processing quality** that covers quality of final processing of the item such as quality of finishing the surface, edges, functional elements (fastenings, lining, etc.).

10.4. PACKAGING AND PRESENTATION

Today most of the heritage craft products in Georgia as a rule, have neither retail packaging nor the information sheet accompanying the products made in line with the international standards. A special packaging makes the product attractive, ensures safe transportation and pushes up sales.

It is crucial to create the following for development of the heritage craft:

- ✓ **Transport packages** ensure protection from physical damage, water and damp proofing, dust and mud prevention.
- ✓ **Retail package** that promotes presentation of the products and is a crucial part of branding. When creating a retail package one should consider the package design and expediency of costs. Upon request of the environment protection organizations, the following packaging materials enjoy popularity on the present-day international market: such secondary raw materials as paper, cardboard, or any other material.

The key part of the product development is **creating an information accompanying the heritage craft product** that furnishes a consumer with information

on cultural context, history and manufacturer of the product, as well as the place of origin, material and instructions for use. The essence of the accompanying information especially increases when an intermediary element is involved between the manufacturer and the consumer that often causes loss of the very important information on the product. The contemporary buyer is increasingly interested in how the product is made, who is the manufacturer, in what conditions and what additional social and environmental load the product bears.

Based on the contemporary standards the information sheet accompanying the heritage craft product should cover the following:

- (a) **Description and characteristics of functions, historical and cultural context of the product;**
- (b) **Material/size characteristics of the product;** (paints, precious metals for plating: gold and silver, etc.)
- (c) **Instructions for use** (washing, drying and iron instructions);
- (d) **Information-bearing label** on safety of the product: health and safety (toys, paints, chemicals...); fire-risk,
- (e) **Author's/organization's name, contact information and country of origin.**

The properly presented information on historic and cultural context, material and manufacturer significantly increases the value of the product in the eyes of consumers.

Not least important is presentation and displaying which is one of the main marketing preconditions. We face wrong perception of this aspect not only when speaking with certain craftsmen, but also when visiting stores, especially gifts and souvenir shops. With respect to presentation and displaying, it is crucial to present the heritage product as "**collection**" that, as based upon marketing researches, serves as a substantial precondition for best sales.⁸²

⁸¹ <http://www.craftcouncil.nl.ca/membership/standards-info/>

⁸² Lyn Nelson, GACC artisan Competition, Tbilisi, Georgia, June 2013, pp. 7

10.5. WORKSHOPS AND EQUIPMENT ✓

✓ Issue of small grants for infrastructural organization of workshops on the territory of Georgia that covers refreshment of equipment, optimal utilization of area, appropriate renovation-maintenance of the interior. We come across with successful examples of such practices, in particular, workshops currently operating in the effective tour itineraries and representing a source of income for the heritage craftsmen and organizations both in Georgian and international practices that indicate to the fact that proper operation of the workshop infrastructure and their (as well as arrangement of wineries and involvement of the so called wine road) connectivity to the tour itineraries may significantly boost incomes of the heritage craftsmen and organizations through hospitality of tourist groups and demonstration of the traditional technological process in view of local marketing of their products.

✓ Allocation of public areas for the heritage craft shops near the local history museums and other institutions, in the historic part of cities or villages on a national scale that, in its turn, would have increased tourism potential, on the one hand, and would have served as crucial precondition for maintenance of economic sustainability of the heritage craft centers and, simultaneously, would have preserved the traditional knowledge and skills, on the other hand.

✓ Development of auxiliary infrastructure, for example, establishment of natural paints workshops working over only sales of paints and providing textile production with materials.

10.6. DISTRIBUTION ✓

The research showed that the Georgian heritage craft has no distribution network that significantly limits the flow of products on the territory. The following should be crucial for problem solving:

✓ Coordination of manufacturers according to the regional principle that will reduce transport/distribution cost share per each manufacturer.

Coordination of the existing sales facilities according to the regional principle and creation of sharable distribution channels.

10.7. MARKET DEVELOPMENT, SALES

The research showed that sales channels are currently limited: 81.3% of craftsmen refer to 3 or less channels. To solve this problem, it is necessary to diversify the sales channels providing for implementation of such events as:

Establishment of sales facilities in regions. Creation of the heritage craft sales facilities in regions, especially in tourist centers that, in its turn, may be established:

Under the regional museums,

Near the historic monuments,

In private workshops,

Close to tourist information centers,

Near the houses of culture.

Coordination of the existing comfort items with selling shops and involvement of the heritage craft product for sale thereof.

Facilitation of the Internet sales creating the opportunity for international sales. The crucial step in this regard was Georgia's joining the paypal system in 2013. The next stage was involvement of the heritage crafts producers in such Internet stores such as etsey.com, novica.com, globalgirlfriend.com, etc. , as well as creation of the Georgian portal for the heritage crafts samples. With this regard, it is crucial to regulate prices for small parcels from Georgia.

Facilitation of export providing for contracts with the so called "buyers" participation of the heritage craft manufacturers from Georgia in international exhibitions and trade fairs that will simultaneously promote export, branding and cultural heritage of the country.

10.8. POPULARISATION AND BRANDING

To develop the heritage craft sector, it is crucial to carry out different events oriented on promotion of the field for the general public both within the country and internationally.

Local events:

- ✓ Promotion of the worthy heritage craftsmen through exhibitions, festivals, programs, articles published in printed media and social networks;
- ✓ Promotion of the risk-bearing craft traditions through popular special educational programs.
- ✓ Raising consumer's public awareness on quality of the heritage craft products, use of natural materials, traditional designs and importance of technologies through different media facilities;

International events:

- ✓ Participation in international trade fairs and exhibitions (Messe Frankfurt, Fiera Milano, Santa Fe Folk Art Festival, etc.) will contribute to promotion of branding and cultural heritage.
- ✓ Involvement of the heritage craft component when organizing the Georgian cultural days in different countries.

10.9. EDUCATIONAL SYSTEM

Trainings and Capacity Building

To strengthen the sector, it is crucial to ensure capacity building of individuals and organizations related to the crafts sector in the following aspects:

- ✓ Business planning and management
- ✓ Requirements of the contemporary market, functional categories, design trends, packaging, pricing and presentation
- ✓ Participation in fairs/expositions
- ✓ Branding and marketing
- ✓ Attraction of funds

Educational system

Historically, the heritage craft industry has been developed based on the institute of apprenticeship. Accordingly, today, in view of development of the creative industries, careful attention is paid to the educational activity, at all levels of formal and informal education. 2005-year Belfast Conference considering the problems of education and training touched exactly upon this matter. This conference singled out the essence of creative industries for all fields of education and identified the necessity of involvement of the required skills in the educational system for creative industries.

To promote the craft traditions and transmit them from generation to generation, it is crucial to ensure integration thereof in the educational system on school level and levels of higher and professional education. In particular:

Education in schools

Integration of study of applied and decorative arts and fields of the Georgian heritage craft at home economy classes. Japan precedent can be regarded as the successful example of this model where education of the heritage craft are intergrated at all levels in secondary schools in Kyoto.

- Involvement of the topic dedicated to applied and decorative arts and fields of the Georgian heritage craft in the general course of history of the Georgian arts in the secondary schools.

It is crucial to develop guidelines for the education of the cultural heritage and the heritage craft and integration of the existing cultural heritage into the education-related handbooks.⁸³

Institutes of higher education

Study of creative industries, intangible cultural heritage bearing the name "Culture for Economic development" in institutions of higher vocational colleges.

⁸³ კულტურული მემკვიდრეობის ძეგლებისა და ისტორიული ქალაქების დაცვა (Preservation of Cultural heritage Sites and Historical Towns), published by ICOMOS Georgia. 2014

- Planning of summer practices in the field/workshops of the heritage craft, in particular: fine art experts, expeditions of ethnographers in regions, for the purpose of describing the craftsmen and the heritage craft techniques ;
 - Practical classes for students of the Design Faculty in institutes of higher education (e.g. Tbilisi State Academy of Arts) provided by the heritage craftsmen that will ensure convergence of the young designers to traditions, on the one hand, and introduction of novelties in the traditional products, on the other hand. We come across with the successful examples of such practice in the projects implemented in India and Columbia.⁸⁴

Vocational schools

- Simultaneously with study of techniques of applied and decorative arts, the principles of small business management should be involved in the educational program.
- It is crucial to develop guidelines for the five stages of cultural education and ensure retraining of teachers.

⁸⁴ Designers Meet Artisans, A Practical Guide, published jointly by the Crafts Revival Trust, Atresanfas de Columbia, S.A and UNESCO, 2005



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