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DEVELOPING PERFORMING ARTS SECTOR IN GEORGIA

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CONTENTS

1. Introduction	4
2. Comparative analysis of selected EU Member States: Estonia, Poland and Slovenia	5
2.1. <i>The management of public institutions</i>	13
2.2. <i>Artistic personnel</i>	15
2.3. <i>Non-public performing arts systems</i>	16
2.4. <i>Working conditions for independent cultural workers</i>	17
2.5. <i>Private funding, sponsorship and donations</i>	19
3. Analysis of Georgian situation	20
3.1. <i>General legislation</i>	20
3.2. <i>Public institutions, financing and functioning model</i>	22
3.3. <i>Minority-language theatres and integration of minorities</i>	28
3.4. <i>Grants for independent projects</i>	31
3.5. <i>Performing arts higher education</i>	34
3.6. <i>Sponsorship</i>	36
4. Summary and recommendations	37
4.1. <i>SWOT-analysis</i>	37
4.2. <i>Recommendations</i>	38
4.3. <i>Additional observations</i>	42
5. Sources	44



1. INTRODUCTION

In the whole Central and East-European region, the system of performing arts was designed, after WWII, according to the Soviet model: a large network of state-run repertory theatres, operas, philharmonics, etc., with permanent venues and permanent companies, and a tight control over the arts school and institutions that were to provide the work force for these institutions. More than two decades after the fall of the Iron Curtain, the institution-directed approach – public performing arts institutions as the main actor in the sector, absorbing the majority of public funds, and a legislative and fiscal framework generally designed for subsidized, permanent institutions – still remains dominant in the region, but is also considered to foster artistic continuity, creativity, and professionalization, and provide a consistent public service. After an initial enthusiasm for market-oriented strategies (that went, sometimes, up to the idea of a general privatization of performing arts institutions), the states in the region settled for supporting and regulating a Keynesian three sector model: a public sector (public institutions, subsidized according to different strategies), an intermediary sector (the so-called civil society; not-for-profit organizations with mixed funding – private sponsorship and public grants or subsidies), and a private one (the creative and cultural industries, for-profit companies).

In all three countries in the region (Estonia, Poland, and Slovenia) that will serve as comparative models in the following analysis, the private sector in the field of performing arts is underdeveloped, while the public one is dominant, with a growing intermediary sector supported by a diversity of public financing programs.

The high level of public (state) involvement in the performing arts is not specific to Eastern Europe, but to the European Union countries in general, following an approach developed after WWII. The aims of the state support for performing arts in Europe are related to: affordability/economic accessibility (classical music, opera, operetta, dance and theatre are the most expensive art forms); artistic diversity (the existence of a large variety of artistic approaches and languages, irrespective of their immediate market success); higher production standards; and higher employability (a socioeconomic factor that takes into consideration the irregular nature of work in performing arts). Additionally, financial support in the form of subsidies guarantees predictability of the artistic offer and professional stability.

Direct financial support – through subsidies and/or grants – is only one of the tools used by European states for creating opportunities of development and accessibility for both creators and participants. Other tools comprise fiscal breaks and deductions (both for producers, investors, sponsors, and for cultural workers), regulating working conditions and frameworks for mobility,



education and training, and spot-on public policies. Throughout the years, European states and the European Commission have worked towards designing cultural policies oriented towards accessibility and inclusion, promotion of cultural diversity, cooperation and mobility, decentralization, and trans-sectorial approaches. Cultural policy per se is oriented towards the development conditions of cultural production and participation, in accordance to public set objectives – including cross-sectorial ones, such as social cohesion, sustainable development, economic growth, employment, training and professional reconversion –, which are aimed at understanding culture not as a consumer of public funds, but as a producer of added value and a factor of economic and social development. It must be mentioned that generally the public policy documents at national and EU level recommend caution in the mechanical enforcement of the strict economic logic to the cultural field, since culture is considered to have value beyond its own realm as part of cross-sectorial dynamics. An approach to culture that became mainstream in Eastern Europe after an initial enthusiasm for liberalization and privatization, which swept the region (including the Russian Federation), also affected this field.

The cultural system – and the performing arts system even more – is, in fact, in a constant process of reshaping along lines taking into consideration, on the one hand, the changes in social practices and technology, and on the other, the balancing between state involvement and private initiative, social needs and market demands.

2. COMPARATIVE ANALYSIS OF SELECTED EU MEMBER STATES: ESTONIA, POLAND AND SLOVENIA

There are different typologies of cultural policies, according to the form of state involvement in culture functioning within post-war Europe and North America, and according to how different types of welfare states (liberal/laissez-faire, conservative, and social-democratic) emphasize the various levels of decommodification (individual and collective freedom from market forces).

Before the fall of the Iron Curtain, Chartrand and McCaughey (1989) proposed four models for the state involvement: the facilitator state, the patron state, the architect state, and the engineer state. The facilitator state model (USA) means little direct state support and the encouragement of private support through tax incentives and grants. The patron state model (UK) implies direct financing, but not in the form of subsidy, with policymakers not involved in the allocation of funds, that being decided by independent bodies on the arm's length principle. The architect state (France) develops by itself the cultural field, without however making it dependent on political ends, while the engineer state (USSR and the Soviet bloc) takes culture as an instrument in the state's hands. The typology of



state involvement is oriented towards the cultural producers, while the welfare state politics model follows the beneficiaries of culture, but none of these typologies are applicable as such in the case of the states of the former Socialist Block. Neither of them fully transitioned from the condition of engineer states with an apparent social-democratic stance, but all passed through the laissez-faire phase within a mixed architect/engineer state model. By our times, these models face the challenge of a declining participation.

According to the survey commissioned by the European Commission's Directorate-General for Education and Culture in 2013¹, the first done after the outbreak of the economic crisis, since 2007, "there has been a general decline in participation in most cultural activities". An important reason for not participating in cultural activity in Southern (Italy, Greece) and Eastern countries (Romania, Hungary, Bulgaria) is identified as being the cost. Northern countries have the highest rate of cultural activity among their citizens, which is correlated to the place of arts in the social culture, the access to artistic practices at early ages (use of arts in education practices), and socio-demographic factors such as education and personal income, but Slovenia and Estonia are among the four European countries (alongside France and Luxembourg) where approximately half of the respondents are actively engaged in one or more artistic activity. At the European level, "age, education, occupation and ability to pay bills are all linked to some degree with participation in cultural activities", according to the 2013 survey, a conclusion that also reflects the participation to performing arts events in Estonia, Slovenia and Poland, with Estonia having higher living standards, a lower level of social inequality and a higher percentage of college-educated (38% compared to 27% in Poland and 29% in Slovenia, within the population aged 25 to 64, the age group most likely to attend to or get involved in live performances). While Estonia and Slovenia have a very high level of participation – over 60% and 50%² –, Poland is, at 35%, below the European average³. Since in 2015 in Estonia there were 1.3 million visits (tickets sold) at performing arts events for a population of 1.2 million, while during the same year, in Slovenia there were 402,449 theatre tickets, 68,478 tickets for puppetry theatre and 81,083 tickets for dance performances, for a population of 2 million inhabitants⁴, the difference between the three countries regards also the frequency of participation.

Decentralization – generally defined as the central government relinquishing direct management of the (cultural) sector and handing over to the lower/local and regional administrative levels the planning, decision-making,

¹ "Special Eurobarometer 399. Cultural access and participation", http://ec.europa.eu/public_opinion/archives/ebs/ebs_399_en.pdf.

² 41.2% for the year 2015, as of the Statistical Office of the Republic of Slovenia (<http://www.stat.si/StatWeb/en/Field/Index/12>).

³ For the year 2011, attending live performances at least once in the last 12 months.

http://ec.europa.eu/eurostat/statistics-explained/index.php/File:Frequency_of_going_to_a_live_performance_in_the_last_12_months,_2011.png.

⁴ Statistical Office of the Republic of Slovenia:

http://pxweb.stat.si/pxweb/Dialog/varval.asp?ma=1012301E&ti=&path=../Database/Demographics/10_culture/05_10123_culture_homes/&lang=1.



legal (within the limits of their mandate) and management powers – took different forms for Poland (as it was for other larger countries in the region), Slovenia (with its pre-1990 self-management system) and for Estonia (which is mostly only geographically and culturally decentralized). The main reason appears to be a question of size – for obvious reasons, small countries tend to be more politically and fiscally centralized, and the level of decentralization also depends on the level of urbanization and economic development.

The academic approach (see Kawashima 2004) discusses the decentralization in the cultural field in terms of cultural (policies deriving from local cultural and socioeconomic differences), political (local decision-making powers) and fiscal terms (allocation of public expenditure), cultural decentralization being potentially independent on the political and fiscal.

In Poland, the decentralization officially ended in 1999, after a long and tormented process that went through various stages and models, in the first phase, mainly ill-equipped, artistically deficient institutions being transferred under the supervision of local authorities. In the end, only three institutions remained under the authority of the Ministry of Culture (The National Theatre in Warsaw, the National Sary Teatr in Krakow, and the Grand Theatre-National Opera in Warsaw) (see *Compendium: Poland*; *EEPAP Report: Poland*, p. 246-247).

One of the ideas that the Polish Ministry of Culture put on the table at the beginning of the 1990s, before administrative decentralization became a EU pre-requisite, was the classification of performing arts institutions, into three groups: some theatres would have got 100% of the state subsidy they were getting at the moment of the classification, others would have got 50-70% of the said subsidy, and the rest of them (institutions under local government) would mostly rely on local funding. This classification would have taken into consideration the artistic potential, the localization (with the State supporting theatres in areas sensitive according to the national policy, such as the Eastern part of Poland, or culturally underprivileged regions), and the social and financial situation of the institution. The aims of the classification were to relieve the burden on the state budget, to engage local authorities into the management and financing of local culture, and to better focus the state-level subsidy on objectives of national cultural policy, such as supporting the classical grand repertory. The Polish Government abandoned the idea after protests in the media and among theatre managers and it is largely considered that the aims of classification were better achieved through decentralization (see *EEPAP Report: Poland*, p. 250).

A number of performing arts institutions in Poland are currently under dual authority – either local and regional or local/regional and national, after the Ministry of Culture and National Heritage signed an agreement, in 2005, on co-financing nationally relevant institutions, a system that is also applied in Slovenia (the theatres in Ptuj, Kranj and Koper are co-subsidized by the Ministry (production costs) and municipalities (salaries, operational costs).



With a population of two million and an area of 20,273 km², Slovenia is smaller but more densely populated and more urban than Estonia, and it has a history of decentralization totally different from Poland or Estonia, actually a somehow reversed process. After the 1974-1990 system of self-management, when cultural decision-making was delegated to self-managing cultural communities, and cultural „services” were provided by politically and administratively independent cultural operators, the role of financing culture and the designing of public policies in the field has partially returned to the central government, which has led to a partially fiscally and politically centralized/totally culturally decentralized system, more typical for small countries, even if local communities are independent self-government bodies (but they still largely depend on transfers from the state budget). In terms of decision-making, the Ministry of Culture is in charge for proposing legislation, coordination of the main strategic document, the National Programme for Culture and assessment of its implementation, the activity of national institutions, establishing procedures and criteria for budget allocations to independent organizations and projects, and financing or co-financing larger (i.e. more expensive) local institutions. Also, the Ministry is in charge of providing support and protecting the cultural needs of ethnic minorities, the Roma community, immigrants, persons with special needs, and the diaspora. It relinquished all his powers in terms of support given to film production, amateur culture and publishing, which is dealt with by two public agencies and one public fund functioning as arm’s length bodies: the Slovenian Film Centre, the Public Fund of the Republic of Slovenia for Cultural Activities (dealing with amateur culture) and the Slovenian Book Agency. The local authorities have full decision-making powers, for instance, in the protection, rehabilitation and exploitation of public heritage, in the administration of libraries and in identifying and supporting local cultural needs (especially amateur culture, community art, cinema programming...); they are also responsible for extending the existing cultural infrastructure.

But even if legally there is a clear separation of powers between the central government and the local authorities, the Ministry is, especially for financial reasons, a more active actor. For instance, Slovenia has three national institutions (in Ljubljana, Maribor, and Nova Gorica), and eight municipal institutions (two puppetry theatres, in Ljubljana and Maribor, two theatres in Ljubljana, and one theatre house each in Celje, Ptuj, Kranj and Koper). Ministry support covers the programme costs (production and exploitation) as well as salaries, running costs and equipment for eight theatres, sharing the costs for three others (the general legal principle is „the founding authority is the financing authority”). The level of subsidy is up to 80% of the budget⁵.

From the geographical standpoint, Estonia has a decentralized performing arts system: in addition to theatres in the capital Tallinn, five county centres out of 14 also have state-subsidized theatres, and all citizens have access to performing arts events within a range of 50 km (which is due to both the

⁵ See Tomaž Toporišič, „Republic of Slovenia”, in The Organisation of Performing Arts in Eastern European Countries. Report, EEPAP, 2013.



small size of the country and the state support for regular touring in rural areas).

Public Estonian performing arts institutions (except for the National Opera, that functions under its own dedicated legal frame) usually operate as foundations founded by the state or with the participation of the state or the local government, the main reason for this form of legal organization being that it allows the performing arts institutions to manage their real estate properties. The law concerning performing arts institutions (Performing Arts Institutions Act, 2003, latest version into effect since 2015) leaves open the possibility of organization into foundations, locally-run or state-run institutions (there are eight public foundations and two municipal theatres). The model of performing arts institutions as state-founded foundations is far from unique to Estonia within the European Union (it is the general model for Italy, too), but it is not common to Poland and Slovenia: in the first case, there is the legal possibility for the state or local government to enter a permanent partnership with a non-profit organization and subsidize it (the situation of the Gdansk Shakespeare Festival), in the second one, it is legally prohibited, mainly because the state offers multiannual subsidies (grants which includes structural costs) for non-public organizations.

Also, contrary to Slovenia or Poland, the subsidy system in Estonia in the field of performing arts is generally based on audience numbers, but the legal provisions have changed over time. In the first stage (prior to 2003), the only criterion additional to the audience numbers was the “artistic and national-cultural value”, assessed by administrative officials of the Ministry of Culture (together with the fact that directors of state foundations were not and are not subject to a management plan and set management objectives, this lead to largely subjective evaluations of theatre functioning).

Until 2014 (when a new National Cultural Strategy was adopted for the years 2014-2020), the main aims of performing arts policy were to keep the audience numbers at least 800,000 tickets per year, to subsidize all performing arts institutions irrespective of their legal status, keep the ticket prices at 1% of the national average salary, and securing 1-1.5% of the budget for performing arts to touring in rural areas (Fundamentals of the Estonian national cultural policy, 1998). This focus on “objective”, quantitative aspects left away the reality that subsidy was calculated in relation to the available fraction of the state budget allocated for this purpose, not to the actual needs of the institutions (no matter how well an institution performed above the audience threshold, the subsidy was limited by the available public money).

The 2003 amendments to the Performing Arts Institutions Act introduced the variables of allocations for renown guest collaborators and other expenses related to salaries and venue maintenance, and introduced a formula for calculating an estimated ticket price (based on the location of the institution, the average income of the spectators as presented by Statistics Estonia, and main target groups).

Currently, subsidies are granted annually, through three-year funding agreements, “on the basis of the number of visitors and the number of new productions or concert programmes ordered by the Ministry of Culture and the costs incurred for the servicing thereof arising from the remuneration of the employees and the management of property”, with special attention given to the “national cultural and regional importance” of municipal and non-public institutions that demand a state subsidy (Performing Arts Institutions Act, 2014). The committee that decides on the subsidy has nine members, representatives of different ministries, performing arts employees, the performing arts administration and representatives of the community (civil society). The current subsidy system is still based on the so-called “reverse calculation”: subsidy depends on the budget pre-allocated to the Ministry of Culture, which is not calculated depending on the performance and needs of performing arts institutions. This method makes the level of subsidy generally constant, even if the audience numbers increases: in 2010, there were 907,243 theatre visits, and the total subsidies divided between 11 public institutions (plus the Estonian National Opera) and 16 non-public organizations amounted to 27,092,773 euro, the average subsidy being 69.89% of the budget of each subsidy recipient. In 2015, there were 1,170,642 visits (an increase in audience numbers of roughly 28%), 10 public institutions (plus the Estonian National Opera) and 16 private organizations to share a total subsidy budget of 31,820,001 euro (an increase of just 14%), representing an average of 64% of their respective budgets (*statistika.teater.ee*).

Estonia is the only one among the three countries, which allows for multiannual subsidy agreements for public institutions – for Poland and Slovenia, the subsidy is annual, while there is a variety of annual and multiannual granting or subsidy schemes for non-public organizations and one-time projects (the reason, in connection to the EU legislation and the national budgeting systems, might be the statute of theatres as public foundations). In Slovenia, the whole cultural system is regulated by a general law, the Act on the Exercising of the Public Interest in the Field of Culture (passed in 2002 and amended a number of times⁶). The Act lists the basic principles for cultural policy decision-making (openness, participation, responsibility, efficiency, coherence) and the main cultural policy objectives (supporting cultural creativity, access to culture, active participation in cultural life, cultural diversity, cultural heritage preservation and development of Slovene cultural identity together with the development of the Common Slovenian Cultural Space, which is the diaspora). It also establishes the main mechanisms for defining cultural policy and financing culture (including the criteria and conditions for the allocation of public funds), the conditions for the founding, administration and financing of public institutions, and it defines the social security rights of the artists.

⁶ The latest amendment in 2013: <https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina?urlurid=20134130>.
The original version:
http://www.arhiv.mk.gov.si/fileadmin/mk.gov.si/pageuploads/min_eng/legislation/ZUJIK.pdf.



The subsidy for public institutions is annual. The procedure (direct call) is part of the Act on the Exercising of Public Interest, and the budget proposed by the representatives of the public institution (and associated to its activity plan) is subject to negotiation with the funding authority. The expenses of the institution are regulated by the Law on Public Finances.

At the level of the year 2015 (and according to the Statistical Office of the Republic of Slovenia), the amount of general subsidies for theatrical institutions was 46,230,976 euro: 39,760,932 from the state budget, 5,846,777 euro from municipal budgets, and 623,267 in co-financing for EU projects. 13,344,698 euro were coming from non-public sources, of which 11,244,164 euro were revenues from basic activity (ticket selling, festival fees), 1,241,637 euro – from other activities (such as rents), 429,694 euro – from sponsors, 130,409 euro – from donations, and 298,794 euro – from international funds and donations. Replicated at the level of each of the previous five years, the statistics give an average of 69% of public subsidy. As in Estonia, in principal, the subsidy is meant to “compensate the performing arts institution for the difference between the actual cost of servicing a visitor and the estimated ticket price” (the Estonian Performing Arts Institutions Act), but Estonia is the only among the three countries to offer a prospective *subsidy per spectator*.

In Poland, where performing arts institutions function according to the Act on Organizing and Running Cultural Activity (1991, latest revision 2011), the subsidy makes roughly 70% of the total budget and it's also decided by the funding authority. Initially, the activities of these institutions were considered commercial and subject to a number of taxes for all their activities; their status was changed later, but are not VAT-exempt.

Neither Estonia, Slovenia or Poland has a legally established formula for calculating ticket prices, which are the exclusive attribute of the manager and may vary dramatically. In Slovenia, the Maribor National Theatre (which is also an opera house) sells its tickets at 32 to 48 euro for an opera gala performance and 24 to 27 euro for a regular opera performance (it also offers season subscriptions), while the Ljubljana Opera and Ballet has regular prices between 10 and 225 euro. The Ljubljana National Theatre (drama) sells tickets for 5 to 8 euro for children performances, 8 to 10 euro for youth performances, 13 to 25 euro for a premiere and 8 to 18 euro for a regular drama performance.

In Estonia, state subsidy is also open to non-public theatres, which are called private, but are not commercial; musical projects and the so-called summer productions – a practice specific to Estonia among the three states analysed here – may be lucrative/for-profit, but there is considered that there are no stable commercial performing arts organizations in the country (see Saro, 2009; ENL, 2015). The ratio between the subsidy available to non-public theatres and the one offered to public institutions favours the public sector: in 2014, 50% of all subsidized theatres were non-public, they gave 27% of the performances and sold 13% of all tickets, but received 8% of the state



subsidies allocated by the Ministry of Culture (Statistics Estonia, quoted in Toome, 2015, p. 22). According to the statistics of the Estonian Theatre Agency (*statistika.teater.ee*), between 12 and 16 non-public performing arts organizations have received subsidy in the period 2010-2015. In fact, the percentage of subsidy within the annual budget of these organizations is comparable to that of public institutions (in 2015, 9 out of 16 received more than 50% subsidy).

In order to make performing arts accessible to theatregoers outside the urban centres, the Estonian Ministry of Culture finances a special program called “Theatre to Rural Areas”, that makes a certain amount of funds available to every county, and performing arts institutions apply for a grant covering cost of transportation and rent in order to perform in the countryside. In fact, besides offering performing arts events to visitors in regions with no permanent theatre, Estonia has a steady touring system, meant to keep audience figures high for small town institutions (touring is less current for theatres in Tallinn), and all state-subsidized theatres agreed on conditions and fees to use each other’s venues within this touring system. The touring practice is considered to at least partially influence the aesthetics of productions (see Karulin, 2009), since a section of the repertory is created in order to satisfy travelling conditions and to be performed in technically deficient venues. An alternative approach within EU to offering theatre or dance events to audiences in rural/small town areas are project-based grant programs that support a variety of artistic endeavours especially created for this context (such as community-based productions, performances created with the specific aim of being presented to these audiences, etc.).

Neither Slovenia nor Poland has a touring system (in the case of Poland, generally, touring, a common practice in the East-European block during the Communist times, is now less encountered within repertory systems in bigger countries, with bigger distances – see also Germany), which was replaced by festivals. (The City of Ljubljana has an extremely large number of performing arts festivals.) In both countries, a large number of public theatres organize their own festival, with presenting their audience with a diversified offer as the main aim, but mobility in culturally deprived areas remains a problem in Poland.

The situation of operas and philharmonics is a special one within all three countries, due to the higher costs they generate and the general condition of an internationalized sector. The Estonian National Opera, for instance, functions according to a specific legal document – the National Opera Act (1998) –, it is a public institution, and it’s the only one deemed “national” (its aims are to “advance Estonian national theatrical and musical culture, promote and introduce it in Estonia and abroad and to make the world’s achievements of musical and theatrical culture accessible in Estonia”). Therefore, the National Opera is not subsidized based on audience numbers, but on the needs advanced by its manager in the annual budget; subsidies for Slovenian opera houses are also larger than for drama theatres.



As we could see, all three states in question invest resources in supporting the public performing arts institutions through subsidies, which represent as a rule more than 50% of all costs – with special provisions for opera houses. The decentralization followed different paths, but it was considered instrumental to the sustainability of an audience-oriented system.

2.1. The management of public institutions

The differences in the legal organization of performing arts institutions in the three countries generate similar differences in the appointment of the directors/managers, with variable approaches of managerial accountability, but the common element is the fixed-term management contract.

In Slovenia, directors are appointed for a renewable period of five years, by the Ministry for Culture or by the local governments, through a public procedure based on public invitation (which means either a public call, the invitation for chosen candidates to apply or both). Expertise in the field of the institution and management abilities are required, but these are not legally specified. Candidates present a proposition of a management plan and artistic development concept, and the council and the expert council of the institution give their opinion on the candidates. The decision-making bodies of a Slovenian public institution, according to the Act on the Exercising of Public Interest, are the director, the council, and the expert council. The council is „made up of representatives of the founder, appointed by the founder from among experts from the area of work of the public institution and experts in financial and legal affairs” – it is, in fact, a management board. The members of the expert council are professionals, from the arts community, the local community, the civil society... One third of the members are elected by the employees, „with at least one being chosen from among the employees and the others, if there is more than one employees’ representative, being chosen from among those carrying out the activity for which the public institution was founded”. The remaining members are proposed by the Chamber of Culture of Slovenia, associations or other organizations from the specific cultural field of the institution, mentioned in its statute. This expert council acts, in fact, as an artistic council with consultative role in planning and programming.

Among the three systems described here, Estonia is the only one with dual directorship – the responsibilities being shared between a manager and an artistic director. In both Slovenia and Poland, the law allows for such a position – of artistic director – but it is not required by law⁷, and there is no legal frame doesn’t allow for dual management. The director is explicitly responsible for the management of the institution (but in Slovenia, he or she shares the financial responsibility with the financial operator of the institution). The directors of Slovenian public cultural institutions have working contracts, signed with the council (again, it acts as a board of

⁷ The Slovenian Act on the Exercising of Public Interest, art. 33: „The founding act may provide that the public institution shall also have assistant directors for specific areas (technical management, financial and legal affairs, etc.) and shall regulate the manner of their appointment, their functions and their competences”.



management), which can be terminated under the same legal conditions as any other working contract (if the director breaches the contract)⁸.

In the Estonian performing arts institutions operating as foundations, the functions of the director are undertaken by the management board of the foundation; the artistic director may be a member of the management board or an outside person. A competition is legally required in the case of directors of public performing arts institutions that are not foundations (such as the two municipal theatres), and the managerial contract cannot exceed five years. As in Slovenia, in Estonia there are no professional limitations for directors.

According to the Polish Act on Organizing and Running Cultural Activity, directors may be appointed via a competition, but the non-compulsory nature of this competition makes it, in fact, an exception. Directors are appointed by the funding authority, with the approval of the Ministry of Culture and following, at least in theory, the recommendations of artists' professional bodies, and since 2011 there is a seven-year cap to the term of office in directorial positions.

In 2012, the regional government of Lower Silesia (its capital is the city of Wroclaw) made a move releasing the theatre managers from their contracts and changing the form of administration of its theatres, in an attempt to put business managers in charge of them. The reason was a desire of the regional government to "make theatre profitable" on the model of private musicals producers, irrespective of the impact it might have had on the affordability of the tickets.

The move triggered a protest movement, under the slogan "Theatre is not a product/ The public is not a client", demanding the preservation of the public service, and not for-profit, nature of performing arts institutions subsidized by the state, and the initiative was dropped. Lately, the legal freedom the funding authority has in naming the managers has led to a number of situations in which these nominations were strongly contested by the professional milieu.

Thus, how managers are appointed, their powers and the organization of the management activity vary from country to country depending on the legal organization of public institutions and on different public policies regarding the principles of free competition, transparency and managerial accountability. While professional expertise in the field is more or less explicitly required, and the appointment through public calls is the general rule only in Slovenia, some form of managerial experience and/or training is legally mandatory for directors in both Slovenia and Poland. None of these three countries has a system of legally mandatory annual evaluations (but in Slovenia the council has the legal responsibility to assess the director),

⁸ The Act on the Exercising of Public Interest, art. 50: „The rights and obligations of the employer in relation to the director of the public institution shall be the responsibility of the council which concludes the contract of employment”.



managers/directors in all three states are subject to a time-limited contract (even if renewable) with targets and objectives set by the funding authority, and the move in Poland is also towards higher degrees of managerial accountability (due to their legal organization as foundations, the supervision and evaluation of directors in public performing arts institutions in Estonia is, as in Slovenia, the attribution of the management board, where the State or local funding authority has its own representatives).

2.2. Artistic personnel

The public performing arts institutions in all three countries discussed here have the permanent company of actors and technicians as the main form of organization. The principle of the permanent company applies to all theatres, operas, philharmonics, and, in Poland, also to contemporary and modern dance institutions (in Slovenia, which has a well-developed contemporary dance scene, all contemporary dance organizations are non-public).

In Slovenia, the activity of the employees in public cultural institutions is regulated by the Act on Public Servants (they are not civil servants but public employees). The level of salaries is uniformly regulated by the Act on Salary System in the Public Sector Act, which has led to a constant raise in the cultural sector, in order to close the gap between these wages and those in other public fields. The standard form of employment is the open-ended (permanent) contract, according to the local labour laws. Fixed-term (temporary) contracts are allowed according to the Act on the Exercising of Public Interest, under certain conditions (extension of activity, for instance). The Act also allows for higher salaries for fixed-term contracts (it is unclear if this provision has ever been implemented). In 2011, 2,520 cultural workers had working contracts (of any kind) in Slovenian performing arts institutions, with a total of 3,758 employees, including technical, administrative and management staff; there were 2,011 permanent contracts for artistic staff, 70 fixed-term contracts and 1,566 project-based contracts.

In Estonia, according to the Performing Arts Institutions Act, the regular form of employment for artists is the fixed-term contract for a period not exceeding five years; the contract is renewable, but cannot exceed a regulated period and number of renewed contracts (in which case the law requires it to be transformed into a permanent one). Since Estonia is one of a handful of European states where artists and technicians have their own trade unions, this allows for the bargaining of collective contracts and minimum wages for the sector. The minimum wage for cultural workers employed in the public sector (and recommended for the non-public one) was set at 942 euro per month starting with 2017, in an effort to raise the wages in the cultural field closer to the national average.

Poland has a specific policy in the case of public performing arts institutions, especially theatres: only graduates of public arts universities or artists who pass a paid exam managed by the Association of Polish Stage Artists (ZASP) may be hired within public institutions. Similar to Slovenia, the wages are



state-regulated according to the payment scheme for public servants and are below the national average (3,000 PLN/750 euro, with a national average in 2016 of 4,000 PLN/1,000 euro; in Slovenia, the pay scheme in the public sector is uniform). The performing arts institutions in Poland have a high number of employees, whose salaries count for 65% of the budget, and the general form of employment is on full-time, open-ended contracts.

A potentially similar percentage of the salaries in the total budget is to be found in Slovenia: in 2015, salaries accounted for 33,658,048 euro of the 58,573,965 euro of total expenditure in performing arts institutions (it includes opera houses).

In Poland and Estonia, the wages in the cultural sector are below the national average, but the difference is kept at around 25%, with the State making efforts to reduce the gap (increasing the minimum wage in culture in Estonia, for instance).

2.3. Non-public performing arts systems

Estonia doesn't have a commercial performing arts system. In Slovenia, the first commercial venue, Špas Theatre, was established in 1997, it was followed by Theatre 55, and it produces light TV-inspired comedies; commercial theatre is marginal among the non-public sector in Slovenia. Among the 150-180 non-public theatre venues and organizations in Poland, only a handful – in Warsaw – are self-sustained for-profit ones, usually associated to film and TV stars (the case of Krystyna Janda's Polonia Theatre, Janda being Andrzej Wajda's preferred leading actress in the 1970s and 1980s).

Estonia, Poland and Slovenia all have project-based public funding programs (at the level of the Ministry of Culture – in Poland and Slovenia –, under the form of cultural endowments – in Estonia –, fed through special taxes on gambling, etc., as well as at local level, and at the level of various other institutions and authorities). All public funding schemes for the non-public cultural activity in these countries, as well as in all other EU states that offer them, are based on a legislation different than the general one of public procurement and on different general principles (peer-reviewing; doesn't allow for profit; projects and programs are not subject to content or results reviewing from the financing bodies, etc.).

Since the first non-public performing arts organizations were legally allowed even before 1990 (Glej Theatre in Ljubljana was established in the 1970s), and independent performances – usually, politically charged – were a highly successful element of the Yugoslav underground of the 1970s and 1980s, Slovenia has a complex and well-developed independent sector. The Slovenian Act on the Exercising of Public Interest in the Field of Culture, which totally reformed, in 2002, the financing of culture, regulates two types of money granting for non-public organizations: public competition (selection of offers) – for cultural projects –, and non-competitive public call (or



invitation; the operator don't compete among themselves, they are granted the money if they meet the criteria, within the limits of the available funds) for applications – for cultural programs (festivals, venues, producers). The non-competitive public calls give access to three-year contracts for the selected independent producers (13 in the field of theatre/dance/puppetry in 2004-2006, 12 in 2007-2009, the latest available data⁹), which also cover structural (operational costs). Another principal funder, the Ljubljana Urban Municipality, applies the same type of grant scheme. The members of the commissions for all these granting schemes are independent experts.

Poland also has a very sustained practice of supporting the non-public sector, through a multiannual grants programme managed by the Ministry of Culture, and local and regional authorities supporting performing arts organizations both through project-based and structural funding, but financial support in the form of subsidy is only available for non-public organizations in Estonia.

2.4. Working conditions for independent cultural workers

All EU countries are welfare/social states, so that even if the so-called „European social model” includes a variety of systems, free education (including higher education), strong labour protection and regulations (such as a minimum wage), universal health care, public unemployment insurance, disability insurance, old age pensions, maternity, small child or family allowances and public housing are common to EU. The welfare/social state involves a transfer of funds on the one hand from the state to the services provided (the public healthcare system, the public education system), and/or directly to individuals, in the form of (disability, unemployment, housing, pension, etc.) benefits. The welfare/social state is funded through redistribution, which means the taxation of individuals and companies either on flat rates or depending on their revenues and the financing of 1) universally accessible health, education etc. systems, 2) the assessed need-based and/or revenue-based or contribution-based benefits for individuals.

This means that talking about the social and work protection of independent cultural workers in countries such as Estonia, Poland, and Slovenia means talking about specific tax provisions, pension supplements and specific access (as exceptions to the general rules of redistribution) to certain benefits, made available to cultural workers on the basis of the state recognizing the social relevance of their exceptional form of work.

Until 2013, in Poland cultural workers benefited from a “50% income tax-free for artists” provision – limited starting with that year to workers earning less than (roughly) 22,000 euro annually (taxable income – after the deduction of social and health contributions), approximately the average annual wage in

⁹ http://www.culture.si/en/Contemporary_Slovene_theatre. Culture.si is a digital agenda and informative site funded by the Slovenian Ministry of Culture.



the country, and changing the qualification conditions. The deduction actually works as a tax allowance – it is subject to the annual tax return, and not deducted at the moment of the tax income payment (*Compendium: Poland*). The system of income taxation is progressive – 18% for an annual income of less than 22,000 euro, 32% for a higher income –, artists usually qualifying for the lower tax. There are no specific provisions for independent cultural workers.

Related (neighbouring) rights, as copyright-type rights not covered by the Berne Convention, are recognized in a smaller number of countries (signatories of the Rome Convention) than the author's rights, and it is notorious the United States situation, where related rights and especially performers' rights for unfixed works are largely unrecognized (the relationship between artists and producers making the object of the Labour Code). All three countries in question recognize these rights (a common element within the EU).

Slovenia has progressive rates for the personal income tax (16% to 50%), and a special system for self-employed cultural workers, with special provisions for them within the Income Tax Act. The Ministry of Culture defines as self-employed those artists who independently perform a specialized occupation in the field of culture as a sole or main occupation and do not employ other workers. The Ministry only registers artists fulfilling certain conditions, namely those with a compulsory pension scheme, disability and compulsory health insurance, and a monthly payment of social security contributions. In 2007, the register was counting 1,506 self-employed artists in all fields in Slovenia.¹⁰

Until 2013, the self-employed artists had a tax break covering 25% of „normed costs” (average of his costs; accounts do not need to be officially audited) and several allowances (for instance: for dependent children, children with special needs and other dependent family members, age allowance...). Since 2013, the law allows a deduction of 70% of „normed costs”, and cancelled all allowances, which generated an income loss. The 2013 amendments to the Act on Exercising Public Interest included the possibility for the Ministry of Culture to take over the accountancy for self-employed cultural workers whose income do not exceed 14,679 euro per year, and „pocket money” for the self-employed, a special small grant scheme based on public invitation.

According to the Creative Persons and Artistic Associations Act (passed in 2004), which recognizes performing as a liberal profession, the artistic associations recognized by the Estonian Ministry of Culture grant financial support, in the amount of the minimum wage, for performing artists in the condition of unemployment for at least one month. The support may be granted, by a designated commission, for a period of six months, the artists

¹⁰ <https://www.eurofound.europa.eu/observatories/eurwork/articles/economically-dependent-workers-in-slovenia>.



may apply again only after two years, and the funds for these allowances are covered by the Ministry of Culture.

None of the three countries concerned has a fully developed social and health protection scheme dedicated to cultural workers that recognize the unique nature of artistic activity, but all of them offer, in various forms and degrees, tax breaks and/or deductions, specific types of contracts (especially the preference for fixed-terms working contracts in Estonia) and minimal insurance plans that don't place additional burden on those concerned.

2.5. Private funding, sponsorship and donations

In Poland, the Income Tax Act (1993, amended in 2003) allows for deductions of up to 10% on donations made by legal persons for “public good purposes”, and up to 6% of income in the case of individuals. Additionally, individuals may deduct 1% of their income tax as donation for a chosen public organization (the donation is paid through the tax revenue offices). In Slovenia, the (Personal) Income Tax Act offers the option to redirect 0.5% of tax for causes of public interest (culture included), while the Corporate Income Tax Act introduced in 2013 a 0.3% deduction for sponsorship and donations, with a special deduction for supporting culture, of 0.2% of taxable income, with the possibility of averaging over a three-year period. There is no data on the general level of sponsorship in the country. Both in Poland and Slovenia, the beneficiary of the donations (a form of redirecting a certain percent of the due income tax) may be any registered non-profit organization (NGO), while in Estonia an income tax deduction not exceeding 3% of total payments subject to social tax (except fringe benefits), or 10% of the profit of companies, and 5% of individuals' taxable income is available only for registered NGOs given a special status by the Ministry of Finance. In Estonia, it is considered that the lack of awareness and the lack of criteria for granting the required specific status to the NGOs are preventing the use of this fiscal tool for financing culture (see *Compendium: Estonia*).

Generally, since public institutions are also eligible for corporate sponsorship (but cannot be the recipients of income tax deductions or fiscal credits), on the long term, they have attracted most of the private support for cultural activity, both in Poland and in Slovenia. In the performing arts sector, this support went towards organization of festivals or specific high-profile productions.

The universal practice of corporate sponsorship is based on mainly supporting large-scale events and/or high-visibility projects (in some cases, new, original ones, which could single out the sponsor and strengthen its market profile), and in Poland, only 7% of total sponsorship funds are directed to culture.

In other words, all three countries have taken measures for encouraging sponsorship and donations, through a variety of tax mechanism (deductions,

tax breaks, redirecting a percentage of the due income tax), but this hasn't necessary lead to a consistent contribution for culture, irrespective of the economic development of each country. The decision to make relevant investment in culture remains incidental, related to specific brand policies, and impossible to be taken into consideration as a factor for cultural growth.

3. ANALYSIS OF GEORGIAN SITUATION

3.1. General legislation

Georgia lacks a specific legislation regarding the financing of culture or the statute of creative/cultural workers, despite the existence, since the year 1998, of a Law on Culture¹¹. A general law, this normative act states a number of principles, which lay the ground for the development of the cultural field, including for non-public operators, but has not been accompanied by a subsequent legislation. For instance, it mentions the role of the state in supporting charity and sponsorship¹² but Georgia does not have a sponsorship law. It allows the creation of cultural endowments¹³ but they don't exist. It also states that the minimum wage for cultural/creative workers shall be higher than the average in the public sector¹⁴ but statistics show they are, at least in the field of performing arts field, lower (the minimum salary is around 300 GEL in performing arts institutions, while the average in the public sector was 825.6 GEL in 2015¹⁵). The Law on Professional Theatres, which replaced, in 2013, the previous Law on Public Theatres, only regulates public institutions and it makes it so that it only establishes general provisions.

On the other hand, devising specific tools for supporting culture, especially according to a public policy strategy, is seriously hindered by the Georgian fiscal system and by the contradictions of how Georgian citizens and cultural administrators related to the State itself. Currently, Georgia has a flat-rate personal income (20%; for bank interests, dividends and royalties, it is 5%) and corporate profit (15%) tax, a VAT of 18% and no social security, health insurance taxes or unemployment benefits. Basically, Georgia has a total of six taxes, all very low: income tax, profit tax, VAT, an up to 1% (of the registered value) property tax, an import tax that may be 0%, 5% or 12%, and an excise tax that only applies for certain goods (alcohol, tobacco, oil, gas, automobiles, mobile communication services). Additionally, it has special provisions allowing for accelerated depreciation on capital assets and

¹¹ The difference between creative and cultural workers is made in the framework of this law.

¹² Art. 29 (3) of the Law on Culture: „The State shall facilitate charity and sponsorship by natural and legal persons in the field of culture by establishing tax and other benefits determined under the legislation of Georgia”.

¹³ Art. 29 (5): „The State shall facilitate the creation of culture development funds for the financing of cultural programmes, according to the legislation of Georgia”.

¹⁴ Art. 31 (4): „The minimum salary of workers of culture shall exceed the average amount of salary of workers of organizations financed from the state budget in Georgia”.

¹⁵ http://www.geostat.ge/index.php?action=page&p_id=149&lang=eng.



other corporate facilities, such as the tax incentives for companies operating in the Free Industrial Zones (FIZs: Poti, Kutaisi, and Tbilisi) and a special customs regime for exporting companies. Medical care, exports and education (not cultural goods and services) are VAT-exempt; registration for VAT is required for transactions over 100,000 GEL/36,000 euro per year¹⁶.

With a taxation system so generous for corporations, no social security and an entirely subsidy-dependent public health system, the Georgian government is heavily relying on the personal income tax (any personal deductible is negligible) for its state budget and is understandably reluctant at the idea of more/other tax incentives/breaks/deductions (something at the core of the principle of promoting sponsorship, for instance, or supporting employment in the independent cultural sector). Because it proved so successful with foreign investment and with the EU partners, the government is also not very eager to change the system by adding taxes and, since the sources for the national budget are so limited, it is not very willing to redirect some of them (as a certain percentage of the excise tax) for culture (at least one of these two measures are needed in order to have cultural endowments or cinema funds¹⁷). Not to mention that increasing/adding taxes in general (except for excise and local taxes) requires, according to the Economic Liberty Act of 2011, a national referendum. More so, it appears that the general public opinion and the cultural administrators expects a lot from the government but deeply mistrust it, and while demanding a high financial involvement from it, they resent its control, decision-making powers and taxing attributions.

Since there are no private pensions systems either, which results in everybody receiving a flat pension the equivalent of 60 euro per month when they retire (the pensions are non-contributory; the retirement age is 65 for men and 60 for women, but retirement at reaching the age limit is not compulsory – people keep working long after)¹⁸, having or not having a working contract is not making much of a difference in terms of rights and access to social security. In other words, Georgia is a highly deregulated, non-interventionist state with a laissez-faire, market-based liberal economy, where, paradoxically, the government still (as it is to be proven further) heavily subsidizes performing arts institutions and where cultural administrators combine the expectation of high subsidy with the rejection of state control and assessment.

¹⁶ For more on the Georgian taxation, see the PriceWaterhouseCoopers report: http://www.pwc.com/ge/en/assets/pdf/ge_pocket_tax_book_2011_.pdf. This taxation system is in place since 2011.

¹⁷ Currently, the National Center for Cinematography (the National Film Center) is subsidized by the government, which puts the support for film production under the Law on Public Procurement and the principles of annual budgeting.

¹⁸ There is a project of pension reform involving a public-private saving scheme for contributory pensions (<https://idfi.ge/en/analysis-of-pension-system-reform>), which might also require a referendum. At the level of the year 2017, it was still under public debate.

3.2. Public institutions, financing and functioning model

The general form of organization of public performing arts institutions – drama theatres, puppetry theatres, operas, orchestras, ballet, music and folk-dance ensembles and centres – in Georgia is LEPL (legal entity under public law), which is the local legal framework for most public institutions, services and agencies, including colleges and universities. The government, the autonomous republics (Adjara and Abkhazia, the latter under no effective Georgian control) and other government bodies allowed by law (such as the ministries) are all entitled to fund LEPLs, including through administrative acts. LEPLs are fundamentally not-for-profit (the Law on LEPLs, in force since 1999, basically prohibits „entrepreneurial activities”, allowed for legal entities under *private* law; the Law on Professional Theatres, passed in 2013, applies the general principles of the legal entities under public law to theatrical activities) and are run by a „Head” with full managerial and financial responsibility. The law allows for supervisory bodies (which are not the equivalent of management boards) to be established, but it they are not compulsory, and the state control is exercised by authorities established through dedicated normative acts. Basically, the funder/ funding authority is also the controller, and according to the Ministry of Culture and Monument Protection, it checks the activities of theatres regularly, based on quarterly financial and artistic reports made by the directors, with additional control by the Unit of Internal Audit and Monitoring of the Ministry.

The supervising authority, usually (since 2017) the Ministry of Culture, appoints directly the artistic director of the theatrical LEPLs, usually for an initial period of four years, based on professional expertise. According to the representatives of the Georgian Ministry of Culture and Monument Protection, „artistic director can be a stage director, actor or other notable person in arts, who has a proper experience”; the experience needed is not always formalized in terms of the required studies, even if in general they are needed. The artistic director brings his or her own (executive) director, who performs the management tasks, but doesn't have the final legal responsibility for that (artistic directors concentrate all the power, artistic, financial, etc., directly in their hands). The direct appointment of directors, by decree, was reintroduced after a short period, in 2004-2005, of competition-based appointments, which lead to the replacement of all previous leaders of the theatres.¹⁹ There is so formal contracting between the artistic director, the director-manager and the financing authority, the rights and obligations of the directors being based on the Statute of each LEPL²⁰ (regardless of the

¹⁹ See Levan Khetaguri, „Georgia”, in *The Organisation of Performing Arts in Eastern European Countries*. Report, EEPAP, 2013.

²⁰ In the logic of hierarchy of normative and administrative acts, the Statutes are more detailed than the Law on Professional Theatres and there are the ones taking into consideration the specifics of different institutions, it is to be inferred that the directors have stated their specific duties (a puppetry theatre is different from an opera) at the level of the Statute.



specifics of Georgian legislation, this largely prevents any form of individual liability).

Since the obligations assumed by artistic directors are only the general ones included in the LEPLs' statutes, the role of the artistic reports made by directors for the Ministry of Culture appears to be strictly informative: directors public theatres don't have specific objectives to reach and their mandate is not subject to performance/management assessments, which makes the appointment, the extension of the initial appointment and the dismissal of the artistic director highly subjective (and potentially political) decisions. Additionally, the lack of a system of objectives, performance and management standards makes difficult the implementing of public policies in the field. The management of public theatres is even more a question of personal leadership because, according to the Ministry of Culture, in most of the state theatres, the artistic council – a non-mandatory body supporting theatre activities – is not functioning. The artistic council can be created on the decision of the artistic director and/or the artistic staff, and is mainly formed of actors, directors, choreographers and the representatives of the artistic staff.

Public theatres have recently been required to manage all their financial operations through State Treasury accounts, a measure that was not very well received by the theatre directors. Previously, theatres were allowed to open accounts at private banks and somehow juggle between different budgetary chapters in accordance to their needs, sorting their balance at the end of the year. At the same time, this didn't allow for a real state control over state subsidy, and the government imposed keeping the accounts with the Treasury (a practice common for public institutions in EU countries) in order to enhance fiscal discipline, taken into consideration that the subsidy makes over 70% of the budget for public theatres. It is unclear how much has this measure increased the bureaucracy and represents a real burden for the theatres and how much the resistance to it is the effect of the general mistrust in the government.

Georgia has entered a process of legal decentralization that culminated with a Local Self-Government Code (on the organization of municipalities and their relationship with the state government), adopted in 2014, with some provisions entering into force in 2017. According to the Ministry of Culture, it was this law that had the counter-effect of recentralizing the system of public theatres: many regional theatres (the Kutaisi drama theatre and its puppetry theatre among them), which had been funded by the Ministry (a practice common to the Soviet administrative system), but subsidized (mainly) by the local authorities, were retaken under the supervision of the Ministry and subsidized from the state budget (the criterion being „the funder is the financer”). According to the director of the Kutaisi Drama Theatre, this resulted in a decrease in funding (from 1.4 million GEL/502,000 EUR to 950,000 GEL/340,000 EUR). The situation was the same for the puppetry theatre in Kutaisi (a decrease from 260,000 GEL/93,000 EUR to 250,000 GEL/89,000 EUR). The references the representatives of both theatres made



to the funding cuts are part of their general dissatisfaction with the measure of recentralization. According to the Ministry of Culture, the funding situation varies from institution to institution, and the budget didn't decrease everywhere, but the lack of inter-institutional communication gave the measure an arbitrary appearance. Apparently, there was no official communication between the authorities and the regional/local theatres regarding this measure and it also subjectively affected their perspectives of development.

Unlike the theatres in Tbilisi, regional and local theatres have a larger percentage of their budget coming from public money; for Kutaisi, it was 90% of the 2016 budget and around 85% of the 2017 budget of the drama theatre. The ticket prices follow the same pattern: between 8 GEL/ 2.9 euro and 16 GEL/5.7 euro in Tbilisi, between 3 GEL/1 euro (at the balcony) and 7 GEL/2.5 euro (for the opening night), with standard tickets at 5 GEL/1.8 euro, in Kutaisi.

Facing the impossibility to reduce their costs related to utilities, the maintenance of infrastructure and production²¹ (a smaller potential audience means more premieres and shorter runs; Kutaisi Drama theatre had 27 productions running in the repertory in 2017 and 8 premieres yearly; a large number of yearly premieres can also be found in Tbilisi), such local theatres can only reduce their artistic costs. The lowest monthly wage for an actor in Kutaisi is 375 GEL/134 euro, compared to 500 GEL/179 euro for a young actor in Tbilisi, with a maximum of 1,200 GEL/430 euro compared to 1,900 GEL/680 euro. In Batumi, the limits are 650 GEL/233 euro to 1,100 GEL/394 euro (the theatre here hasn't employed young actors for a while, possibly because their venue has been under rehabilitation). At least for some theatres, there are various systems for complementing the fixed salaries: the Batumi drama theatre offers the actors a bonus of 60% of their salary, every three months, while the Marjanishvili Theatre in Tbilisi offers a 15 GEL (5 Euro) bonus per actor for every performance over six performances per month.

One of the peculiarities (or at least specifics) of Georgian (drama) theatres is that they have extremely large permanent companies of actors: around 60 in Kutaisi, 42 in Batumi, 65 at the Kote Marjanishvili State Drama Theatre in Tbilisi, for instance. In comparison, the Mladinsko Theatre in Ljubljana, one of the high-profile performing arts institutions in Slovenia, has a company of 23 actors, and the Slovenian National Theatre, the biggest in the country, 47. The Estonian Drama Theatre in Tallinn (which plays the role of a national theatre) has 39 actors listed on their website as members of the permanent company – and it's the biggest company of actors in the country.

There are two apparent reasons for these large companies in Georgia: one is related to the legislation, the other – to the production practices. There is

²¹ For big stage, big scale productions, costs seem to go around similar figures in order to achieve expected standards: the cost for the most acclaimed recent production in Kutaisi, 40.000 GEL/14.300 euro, is the same as a regular big stage production in Marjanishvili Theatre.



legally very little diversity in the possibilities of contracting actors other than working contracts “for life” (since no type of contract offers social protection or health insurance, and because of the flat income tax), theatres outside Tbilisi also feel a pressure of not being able to attract actors even with permanent contracts, and mobility of actors is very limited (including by the road and trains infrastructure). Also, since there is no viable alternative theatre system able to financially sustain actors on longer terms, employment in public theatres appears to be the standard practice for professionals choosing to remain in the field of theatre, with only a small percentage opting for independent work.

Big permanent companies of artists are common for music/folk dance centres, too, as it the case for the Batumi, which has 200 artists employed on salaries significantly below the national average (or the average in the public sector), of 200 to 400 GEL/71-143 EUR per month (they give 50 performances per year). The reason is the large number of musical genres that it covers, from folk to jazz, pop and a cappella (but the most expensive is the folk-dance company, which also has bigger production costs and performs at special occasions and in national and international festivals or competitions). Such centres, which have a strong community dimensions, are highly invested in artistic education for children. Traditional dance classes are also a constant source of revenue for these institutions, but their institutional development is hindered by the lack of available funds.

The ongoing real-life economic and demographic centralization affects all performing arts institutions outside Tbilisi, which already hosts almost one third of the population of the country (officially; unofficially, it might be even more). The Georgian capital basically doubled its population in 60 years, while one quarter of the population of the country emigrated after 1990. Depopulation affects all cities except for Tbilisi, including the legislative capital Kutaisi (the third largest city, which now has around 150,000 inhabitants, compared to 1.1 million in Tbilisi), in what looks as a vicious circle: lack of investment and opportunities drives the young generations away, while the internal mobility to Tbilisi makes investing in other cities less appealing. All performing arts institutions, especially theatres, outside Tbilisi are directly affected: on the one hand, they have less access to funds for their infrastructural needs (technical equipment, building renovation), on the other hand, actors are not interested in moving out from Tbilisi (the situation is slightly better in the Adjara Autonomous Republic, since it has its own Arts University in Batumi). The Kutaisi Puppetry Theatre, for instance, forms its own actors, that only have access to this form of vocational training, while the local drama theatre has an agreement with the Tbilisi Shota Rustaveli Theatre and Film State University to organize a so-called „target group” every seven years, a special class taught by a Kutaisi theatre director where the 16 students commit to coming to Kutaisi after graduation.

In terms of production practices there are two aspects – on the one hand, the large number of yearly premieres (the same actors can be involved in a limited number of new rehearsals), on the other hand, the aesthetics of the



theatre productions. Georgian theatres classical venues, with large Italian stages and equally big auditoriums, which usually invite for big-scale performances, and the dominating aesthetics is classical realism (including in historical plays). It adds to that the deficient technical equipment of theatres (both in Tbilisi and outside of it) and the lack of access to and know-how in new technologies. Many a time, the result is heavy productions that are difficult or very expensive to tour, even if touring is the easiest, most accessible of extending the life of a production and recouping the costs.

Even with the constant renewal of the repertory (with new premieres) and the reduce cost of the tickets, the occupancy rate at the Marjanishvili Theatre, for instance, is at 60%, with 450 performances per year, while at the Kutaisi Drama Theatre is below 50%. A one-year long audience development programme in Batumi, co-organized with British partners, resulted in an increase in audience figures, but audience development doesn't appear to be a national priority and its specifics are not widely known²². A common phenomenon in emerging countries, the fall in audience participation is often considered, by political decision-makers, as mainly a marketing issue, but the examples of the important, very visible Tbilisi Marjanishvili Theatre should prove that audience participation is not exclusively a question of marketing. Except for the Batumi programme, it doesn't appear to be any other initiative towards reaching other audiences. Raising awareness (which is related to audience development) is a priority for the government, according to the National Strategy on Culture 2025, but not specifically for performing arts, and the state doesn't see its own subsidized institutions as the first agents in the struggle to reach a larger public. The geographical distribution of theatres and their rooting in a specific context also doesn't help: Tbilisi has less than one third of the population but more than 50% of public theatres are in the Capital, local and regional institutions are meant to serve the community but depend financially and in terms of decision-making on the government in Tbilisi.

The question of efficiency can equally be raised. The Slovenian National Theatre in Ljubljana, which has four stages, has 12 premieres scheduled for the 2017-2018 season, one of which is for young audiences and another one – experimental new drama. The Marjanishvili Theatre had 18 premieres in 2016 and, according to the manager of the institution²³, Ekaterina Mazmishvili, this is the normal pace. At an occupancy rate of 60%, the functioning model is overproduction and under-exploitation, including in the case of an institution that is part of international networks of exchanges and cooperation and tours nationally. Except for a youth programme and specific socially oriented projects developed by other organizations (usually, international ones or financed by international donors), even this theatre is not interested in seeing its mission in terms other than continuing an aesthetic tradition (it must be noted that the programs and projects

²² The director of the Marjanishvili Theatre, for instance, considers that the performance itself is developing its own audience.

²³ <https://www.culturepartnership.eu/en/article/ekaterina-mazmishvili>.



mentioned involve only presenting performances to the selected audience, which confirms the production-oriented approach).

Also, no public drama theatre has educational programs and the theatrical offer for youth is generally limited to puppetry theatre (which is for the under-14). Puppetry theatres are the only ones with a steady practice of touring locally and regionally (outside the framework of festivals; besides, there have been no animation/puppetry theatre festivals in Georgia since 1996 and there is no public policy of networking and exchanging, even when theatres have the same supervising authority).

Over-production means producing more than one can sell and it is a weakness in any economy, even a special one, as the performing arts are. With a 60% occupancy rate, a short life of performances (according to the websites of several theatres, only a little fraction of the 12-18 premieres live enough to see a second or a third season), little touring or local festivals, theatres may be considered inefficient in using public resources, financial, logistical and human ones. Theatres do not appear to use these resources in trying to increase the occupancy rate, matching the repertory choices with audience expectancy, or exploiting the existing shows, including through touring. According to the National Statistics Office of Georgia, in 2016, there were 601,800 tickets sold for 4,679 performances (an increase in audience and a decrease in the number of representations from the previous year), which gives an average of 129 spectators per performance, a slight improvement from 2015 (117)²⁴. But at 16,000 seats per total, with an average of 326 seats per theatre (there are 49 performing arts institutions registered by the Statistics Office), the yearly average occupancy rate is below 50%.

The situation in Georgia is unique, this focus on producing is not to be found either in the analysed countries nor in Romania, Hungary or Germany (the only Western country with a repertory system). Both the Schaubuehne and the Maxim Gorky Theatre in Berlin have six premieres in 2017-2018. The Katona Jozsef Theatre in Budapest has nine premieres the same season, for three stages, and the biggest theatre in Hungary, the National in Budapest, has 11 premieres, one short of the number of premieres in Kutaisi, a city several times smaller and with less stages. At 18 premieres a year, the Marjanishvili Theatre almost matches the number of „new” shows presented in a French project-based theatre, but while the project-based system (where a show is presented in a succession of fixed number of performances, over a limited period of time, and then moves to another theatre for another series of performances) works on an intensive form of exploitation, the repertory system has an extensive exploitation – shows are presented in alternation over several seasons. If shows constantly fail to live over more than one or two seasons, the general occupancy rate and the number of representations are low (these are the most important factors), and/or they constantly fail to return a relevant fraction of the production costs through ticket revenue, then this is a failure of the repertory system per se.

²⁴ http://www.geostat.ge/index.php?action=page&p_id=209&lang=eng.



It may be that Georgian public theatres are suffering from a vicious circle: they traditionally employ large companies of actors, initially produce more in order to “use” them, the audience gets accustomed to always have something new and only comes for premieres, there is no money for touring/inviting shows (because the budget is stressed between the large company and the new premieres and there aren't other funds), so the theatre needs to keep producing, which also means keeping the large company of actors, underpaying them, and having little resources, including human ones, left for development in other directions, including catering for the audience. It might be that there are other reasons, including cultural ones, but it appears that this focus on production with not enough exploitation is not an efficient use of public subsidy and doesn't necessarily allow theatre to fulfil their social mission. A public theatre should never be judged on quantitative production factors alone. Not to mention, that a better exploitation of the repertory would lead to better payment of artists involved, might lead to an increase in quality (longer rehearsing time, for instance; more premieres mean by default less stage time), and especially for the unemployed ones (directors, set designers, musicians, etc.) it would offer them better working conditions.

Many theatres have been or are in need of rehabilitation and refurbishment. Some of these works were accomplished through sponsorship, for others there are plans for public investment²⁵. The situation is, on the other hand, dire for theatres outside Tbilisi and Batumi and for puppetry theatres, which are traditionally less visible and under-financed.

3.3. Minority-language theatres and integration of minorities

Georgia is the most ethnically diverse country in the Caucasus, with mostly historical minorities spread throughout the country, and there are few EU countries with a similar profile (over 10 to 15% minorities, more than two minority ethnic groups), Slovakia, Hungary, Bulgaria, and Romania having the largest number of relevant in size historical minorities, while Estonia and Latvia have predominantly one large minority, Russians. All these states support public theatres in the languages of some of these minorities (with the notable exception of the Roma group; professional theatres exist along the lines of 1) the size of the minority, 2) the relevance of a specific theatrical tradition for the ethnic group and for the historical development of the country²⁶), have government departments and agencies dealing with supporting the preservation of minority culture, offer education in the

²⁵ The Tbilisi Vaso Abashidze Musical Comedy and Drama Professional State Theater, for instance, made a public call under the provision of the Law on Public Procurement for the refurbishment of the stage and hall (<http://procurement.gov.ge/Market-research/music-drama.aspx?lang=en-US>).

²⁶ Which explains the non-existence of Roma theatres in any of the mentioned countries – theatre is not considered as part of a Roma tradition and culture –, while Romania and Poland, for instance, have state-subsidized Jewish theatres, even if the Jewish minority is extremely small in both countries, especially in Poland.



language of most recognized minorities (again, with the exception of Roma), and largely support, both legally and financially, both the minority cultures and cultural ethnic exchanges and collaboration.

In recent years, the Georgian government has paid more and more attention to the issue of its ethnic minorities, with several theatres in minority languages being reopened and subsidized by the State, and an effort to improve the education in minority languages.

At the same time, all minority-language theatres in Georgia – the Petros Adamyan Tbilisi State Armenian Theatre, the Tbilisi State Azeri Drama Theatre (which has a non-functional venue and performs on stages in other theatres) and the A. S. Griboedov Academic Russian Drama Theatre – appear to be in Tbilisi, a traditionally diverse and multiethnic city, which, however, has a population of 84.2% Georgian ethnics and a Kurdish minority (sometimes registered as Yezidis in Georgian statistics, based on them overwhelmingly belonging to this religious group) larger than the Azeri one at the level of the year 2014.²⁷ The largest minority in Georgia (around 6.5%), Azeris are mainly living in rural areas such as Kvemo (Lower) Kartli (41.7% of the local population), Kakheti, Shida Kartli (the northern part of this region is the disputed territory of South Ossetia and is not under effective Georgian administration) and Mtskheta-Mtianeti, while the largest concentration of Armenians (over 50% of the local population) is in the Samtskhe-Javakheti region and in Tbilisi (almost 8%); in predominantly Armenian and Azeri small towns and rural areas, the use of Georgian language keeps being problematic. Armenians had a historical presence in Tbilisi of great cultural impact, and Azeris are also a historically important minority in the Georgian capital, but despite the existence of these minority-language theatres, acting is taught at university in Georgian alone, which puts a pressure on the training of the actors in terms of the use of, for instance, vocal techniques.

Also, due to the conflicts and following „separation” of the regions of Abkhazia and South Ossetia (in two waves, 1990-1993 and 2008), Georgia has a large group of internally displaced persons (IDPs), which is mainly formed of Georgian ethnics (the Abkhaz and Ossetians are the largest ethnic groups in the two regions, but the displacement is considered to be the effect of ethnic cleansing and attacks predominantly on the Georgian population). The fact that Georgia hasn't managed yet to find a definitive and effective solution in 25 years for mostly Georgian-speaking, Georgian ethnics IDPs seems to be due to their originally large number (7% of the population), the lack of political will and specific assessment of the enduring nature of the de facto Russian occupation in the two regions (the condition of the IDPs not being considered a permanent one), but the recent governments seem more determined to deal with the issue.

²⁷ <https://icres.files.wordpress.com/2014/05/policy-analysis-of-civil-integration-of-ethnic-minorities-in-georgia.pdf>.



For the time being, there are some independent projects dealing with the IDPs issue, with mostly international money²⁸, and the Georgian action plan in the field of culture enlist 20 cultural projects for minorities over two years (2017-2018) with a total budget (373,000 GEL/126,000 EUR) equivalent of less than the film festival in Batumi receives from the Batumi City Hall for two editions. At the same time, the budget for these projects is more than twice the budget of the Azeri Theatre in Tbilisi in 2016 (160,000 GEL)²⁹

There are two reasons why States subsidize minority-language professional theatres – to support cultural expressions of minorities (including in the use of language) and to foster a better knowledge of minority cultures from the part of the majority. From this point of view, it may appear that Georgia doesn't offer many opportunities for actual internal inter-ethnic cultural exchanges and collaborations. According to the Georgian Culture Strategy, the State intends to “support cultural establishments and organizations in providing special programmes and materials (e.g. audio-books, books with Braille font, sign-interpretation, subtitles, on-line and digital applications, etc.) for people with disabilities”. In fact, in the field of theatre, since the State is the main actor on this scene, it should include such integration objectives within the common practice of its own subsidized institutions: subtitling performances (mainly from minority languages to Georgian, but also subtitles in Georgian for Georgian-speaking performances, for persons with hearing disabilities) is a very accessible tool to extend the reach of performances and linguistic integration.

Again, it's indeed in the hands of the government to „support and encourage cultural institutions, organizations and the businesses, including on the legislative level, in order to provide people with disabilities, socially vulnerable groups, refugees, IDPs, residents of occupied territories with the availability of special services (e.g. lower price tickets, free entrance, informational meetings, etc.) and employment opportunities”, especially by setting compulsory management objectives for state institutions to apply diversity principles in employing people. But non-participation in cultural activities is never a mere question of ticket prices; it is also (and predominantly, in a country with cheap entrance tickets such as Georgia) a question of interest and feeling represented. It is to the State to determine how much are issues relevant for minority groups (ethnic minorities, elderly people, people with disabilities, IDPs, etc.) are dealt with in public cultural institutions and accessible to the concerned community, with, as much as possible, their involvement³⁰. For the time being, many socio-cultural projects involving IDPs and other vulnerable groups have been made by local and international NGOs and they failed to enter the mainstream and generate more impact.

²⁸ An example of such project in the context of „Creative Europe”, here: <https://www.culturepartnership.eu/en/article/levan-khetaguri-choros>.

²⁹ <https://report.az/en/art/tbilisi-state-azerbaijan-drama-theater-in-bad-condition-review/>

³⁰ For instance, in the case of a performance about internal displacement such as *I'll Return*, staged at the Marjanishvili Theatre in 2012 by a director from Baku.



Since a lot of IDPs still live in settlements far outside the cities and large ethnic minority groups are in areas with no constant cultural offer, sometimes with issues in speaking Georgian, due to ethnic isolation, another problem is the access. The Culture Strategy mentions the development of Community Centres as one of the initiatives of the Public Service Development Agency, and these centres should also be taken into consideration as potential venues for performing arts related events.

3.4. Grants for independent projects

As in a number of EU countries (Bulgaria, Romania) and countries in the Eastern Partnership, and unlike in other EU states (Estonia, Poland), in Georgia, no public structural funds (rent, equipment, salaries for regular activity) are available for non-public cultural operators. There is no specific legislation for the financing of cultural projects and/or programs and no independent body (such as a cultural endowment) for this. Different state and local bodies – the national Ministry of Culture, the Ministry of Culture of the autonomous republics (in fact, only Adjara), the various city halls – establish their own procedures for this. It appears that the legal understanding of cultural public grants is as public procurement of cultural goods and services, the general procedural framework being a simplified procedure allowed by the Law on Public Procurement (the consolidated version dating from December 2016)³¹. The controlling body including for cultural grants is hence the Agency for Public Procurement.

This legal framework prevents any future potential attempts to offer infrastructural support (since the state is only acquiring goods and services). It also highly limits the recognition of the specifics of cultural and artistic work and involves certain conundrums. For instance, in order to prove that it is the only one providing the good or service and qualify for a simplified procurement procedure, a theatre producer might have to apply for a license issued by the National Intellectual Property Centre, registering the directorial concept/scenario of the performance. The license, which is basically automatically granted, gives the director the right for his/her future performance to be recognized as his/hers and nobody else's – and makes the project eligible for a simplified procedure³². An indication that it is not an exceptional measure taken only by one funding authority is the annual report of the National Intellectual Property Centre³³, which lists, for 2015, one play deposited *versus* 23 scenarios, plus five synopses³⁴.

The state Ministry of Culture has one open call for applications per year, on 15 different cultural fields, for a total sum of 1.6 million GEL/573,000 euro, which represents 1% of the budget of the Ministry. LEPLs are also eligible for

³¹ Art. 10¹, (3) a): a simplified procedure is allowed when „the supply of goods, performance of works, or rendering of services is an exclusive right of only one person and there is no reasonable alternative to substitute a procurement object”.

³² The situation is standard in Batumi.

³³ <http://www.sakpatenti.gov.ge/en/publications/>.

³⁴ The number of certified literary works was 33.



these grants, and the members of the commissions are appointed by decree by the minister, the cultural field not being technically involved in the proposition of experts. The Adjara Ministry of Education, Culture and Tourism in Batumi has a similar yearly call (as it is the norm for all state bodies), for a budget of 100,000 GEL/36,000 euro and four to five winning projects (from 38 applications yearly). For theatre/performing arts, the structure of budgets is six parts production costs to one-part fees. Mobility funds are also available (usually for festival participation).

At the level of the year 2017, the Batumi City Hall was allocating 250,000 GEL/90,000 euro in total in grants for cultural projects, with a maximum of 10,000 GEL/3,600 euro per project. Applications can be made on a monthly basis, throughout the year, until the funds are exhausted (according to representatives of the city hall, this usually happens in September), and LEPLs are not eligible. The City Hall doesn't establish a set of priorities following a longer-term cultural public policy in granting the funds, even if, taken into consideration the local specifics, it appears to openly focus on supporting innovation (a very broad concept) and heritage (the same as the Adjara Ministry of Culture). Another practice, not legally formalized, seems to be the granting of money for only one project per cultural operator. This criterion appears to have precedence in selection over the cultural value/quality of the project and/or its necessity (in terms of public policy), and affects the sustainability of the local independent scene, taking into consideration the low level of the grants and the fact that they only include project costs, not also structural costs³⁵. Also, the procedure of fund allocation might put a pressure on cultural operators to schedule their events according to the money availability and might limit the cultural offer.

The funds are granted by a commission of seven members, appointed by the mayor and representing the city hall, the local council, the Adjara Ministry of Culture and the independent cultural sector. Since there are no specific legal provisions for cultural financing (the funds are granted on the basis of the Law on Public Procurement), the appointment of the commission follows the provisions of the legislation governing the activity of the local authorities. Consequently, the allocation of cultural grants doesn't follow the arm's length principle (it is not independent and it is not necessarily composed of experts but of administrative representatives). The system appears to be similar for the Tbilisi City Hall, at a different order of magnitude: Tbilisi supported 45 theatre-related events (projects) in 2016³⁶.

Additionally, the Batumi City Hall offers direct, non-competitive yearly grants. At the level of the year 2017, it granted 350,000 GEL/125,000 euro to four larger-scale events – festivals (on one man/woman-shows, animation movies, classical music and film), ranging from 20,000 GEL/7,200 euro for the theatre event to 200,000 GEL/72,000 euro for the international film festival. The

³⁵ Limiting the eligibility for public grants to a certain number of projects per cultural operator is a common practice in EU countries, but restricting this eligibility to one project can be considered excessive.

³⁶ http://www.tbilisi.gov.ge/img/original/2017/3/13/meria_angarishi_2017_ENG_PRINT.pdf



selection for these priority projects was made by the city hall and its cultural department.

According to cultural operators, the technical conditions for the financial management of grants are extremely convenient: operators may receive 50% of the money in advance, and the reimbursement procedure is around one week long (within EU countries, this procedure is legally 30 days after receiving of the full financial documentation). An independent cultural operator in Batumi (the Experimental Theatre Everywhere) can make up to three projects (performances) per year, with a yearly budget of 52.000 GEL/18.600 euro, out of which less than 10% comes from ticket selling (between 5 and 10 GEL/1.8 to 3.6 euro per ticket). Most of this revenue comes from children theatre (an alternative for the children public puppetry theatre). The annual gross income for an actor performing in this theatre is 2,500 GEL/896 euro, with 4-5,000 GEL/1,430-1,790 euro for the directors-managers of the company. This specific Batumi independent theatre has the advantage of not having to pay for the venue, which it shares with a ballet school and use it on a barter agreement. The access to a venue that doesn't require significant costs and the production of a number of children performance, more lucrative than adult drama, together with the reduced cost of living compared to Tbilisi, explain the fact that this particular independent theatre is not focused on one-actor performances (the most spread genre of independent production) and also allows them to develop performances dealing with social and political themes (but not socially-engaged: their audience is mainly students, corporate employees and highly educated persons in general).

The Movement Theatre in Tbilisi, on the other hand, functions, more like an interdisciplinary arts venue, which at the same time produces performances (combining genres, from theatre to martial arts and circus), hosts events (jazz concerts, for instance), and provides services (including in the field of advertising). This appears to be a common model for private/independent organizations for surviving on a free market with very little interest – or financing sources – for the community, educational or social role of arts and culture or their accessibility for the underprivileged.

Financing independent cultural projects and programmes exclusively through public procurement procedures is contrary to EU principles, and so it is leaving the decision on grant allocations in the hands of predominantly administrative employees or public servants (the European principle for this decision-making is peer-reviewing: the artists can only be „judged”/assessed by their own peers). The requirement for copyright registration for „directorial approach” goes beyond the limits and the scope of the existing Georgian legislation by itself. The lack of a specific legislation or legal provisions regarding financing of culture and the fact that it is applied the same law as for acquiring regular services makes this financing not unitary (each authority understands and applies it in its own way), unpredictable, and too dependent on politics instead of policies.



The systems of independent performing arts (as not-for-profit project- or programme-based companies and venues initiated by non-public operators that are in charge of all managerial and artistic decisions) in democratic contexts are usually phenomena that develop from within the sector, even if public and fiscal policies supporting such initiatives help decisively in their development. There are two sets of factors that generate their appearance in post-communist societies: an already existing tradition of independence from public decision-making (such as in Slovenia) or the need for a development of an alternative market for an increased number of arts university graduates facing reduced prospects of employment in public theatres, film or commercial work (a combination of the two factors works in Poland). Artistic needs – of developing creative languages alternative to the ones practiced on public scenes, tackling other subjects or other modes of production – play a certain role, but in the absence of the two main factors, the long term boosting of an independent scene is less sustained (the more conservative public theatre mainstream has the tendency to absorb the alternative creative languages and adapt to the new modes of production experimented by independent artists).

Georgia doesn't have a tradition in non-public performing arts, the number of graduates of arts universities is controlled, there is little exposure to alternative artistic language (since the only international theatre festival, in Tbilisi, has a programme of mainly mainstream productions), and the state doesn't offer any structural support for the non-public sector. Also, the main city has a large offer in terms of public institutions and the declining number of spectators is a national phenomenon. That explains why the development of an independent/private sector is extremely slow.

3.5. Performing arts higher education

While music college education seems to be geographically more balanced, theatre university education is basically available only in Tbilisi and Batumi. The specific Georgian system makes that arts universities are under the joint supervision of the Ministry of Education and the Ministry of Culture and Monument Protection. Alongside the funding per student (university vouchers) that they receive through the Ministry of Education, these universities benefit from a subsidy from the Ministry of Culture, which allows them not to increase the number of students in order to cover their costs. The Shota Rustaveli Theatre and Film State University in Tbilisi was even able to reduce the number of their students in line with the decrease of employment opportunities in public institutions/with their estimation of the labour market, and still preserve their teaching personnel (they now train a number of 22 acting students per year, in two groups, and five stage directing students every two years; the total number of students is 900 to 1,000). The university partially inherited a Soviet practice of providing trained artists for the existing public labour market, which explains the existence of a pantomime specialty (every four years; there is one pantomime public theatre in Tbilisi) or the partnership with specific theatres interested in renewing their companies. The admission system for acting follows the gender balancing



principle (50% women, 50% men), and there is no general training system: each “master” (the professor coordinating a group or a year) devise his or her own teaching system, along the lines of passing on an artistic tradition (a basic definition for practice-based vocational formation).

Within the Rustaveli University, non-artistic specialties, such as theatre studies, cinema studies, arts management (which appears to form more likely film producers), are administratively disconnected from artistic training: they are grouped within one faculty, distinct from the theatre/drama faculty and the film and TV faculty. Also, there is a tendency towards rather narrow specializations: for instance, folk/traditional choreography (instead of choreography per se) or TV directing distinct from film directing. There is no form of university training for technical professions, and set design is only taught at a different university, the Apolon Kutateladze State Academy of Arts. This leads to the conclusion that performing arts are not taught in an integrated mode, where students of different specialties are able to collaborate and to be involved in the exchanging processes of collective work, and also developing a common body of knowledge. Also, the training for very narrow specialties impends, on the one hand, on the employability/working prospects of the graduates, and, on the other hand, on the development of the artistic scene (for instance, the underdevelopment of the dance scene might be connected to choreography being taught only in certain of its subgenres – folk and ballet). It is apparent that the Theatre and Film University lacks personnel for expanding their courses and specialties and the money to train professors (the falling of the centralized Soviet system, in which Moscow provided for know-how and „training for trainers”, without a total reshuffling of the university functioning, left Georgia with huge issues in professionalization).

The situation is slightly better with music training. The Tbilisi Vano Sarajishvili State Conservatoire has 500 students for all years and levels of study and a large number of graduates (especially in academic/classical music) benefiting from the globalization of the labour market (they emigrate). A renewed interest in jazz has led to the founding of bands that usually play in bars and restaurants. A large part of the system is based on one-to-one teaching methods. The non-contributory pension system, which doesn't allow for the retiree to live on retirement benefits, has led to professors teaching way past their retirement age and to the difficulty to bring young people to faculties.

According to the representatives of the Theatre and Film University, a large number of graduates in acting find a career in TV³⁷ (i.e. soap-opera series), which, correlated with the controlled admission figures, adds to the explanation of the slow development of independent theatre initiatives.

³⁷ There are 24 distinct Georgian television channels.

3.6. Sponsorship

The absence of a specific law on sponsorship doesn't actually make sponsorship non-existent in Georgia, corporations getting involved in usually supporting big-scale events, in line, if they are foreign companies, with their international sponsorship policies (for instance, Japan Tobacco International is a sponsor of the Tbilisi International Theatre Festival). Restaurants, hotels, other companies in the hospitality industry and transportation companies are the main categories of sponsors for cultural events, especially festivals.

The main Maecenas for cultural (and performing arts) institutions is the Cartu Foundation, the only one heavily invested in supporting infrastructural work, which paid for the renovation all main theatre venues in Tbilisi and, recently, the drama theatre in Batumi. Cartu Foundation belongs to Bidzina (Boris) Ivanishvili, a former prime minister of the country, in 2012-2013, who made his fortune in Russia during the wild years of political privatizations and is the founder of the Georgian Dream coalition currently governing in Georgia. The former prime minister Irakli Gharibashvili (2013-2015) was the director general of the Cartu Foundation, and in general the connections between charity and politics are so closed that they are difficult to deny. In many cases, it appears that the Cartu Foundation is offering a type of investment the state is no longer able to make or is not supported to make, and the mixture of Maecenas activity and governmental involvement might look troubling in any place unfamiliar with the paradoxes of changing regimes and emerging economies.

In fact, a law on sponsorship wouldn't necessarily have the purpose of offering fiscal incentives for companies and persons, but it must offer a very much needed legal framework and regulated relationship between the two parties in a sponsorship contract, which could avoid potential conflicts of interest or unclear expectations from either party.

4. SUMMARY AND RECOMMENDATIONS

4.1. SWOT-analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • A subsidized system of performing arts institutions; • A repertorial system with permanent venues and permanent ensembles; • A professional body of artistic and technical personnel; • A potentially good network of performing arts venues; • Affordable ticket prices. • Available funds for the independent sector at all levels of authority (local, regional, state). 	<ul style="list-style-type: none"> • Lack of performance-oriented, objective-based management of public theatres; • Over-centralization of the performing arts infrastructure and programs; • Untargeted subsidy and lack of management accountability; • Over-production; • Oversize of the permanent companies; • Lack of interest in developing educational projects (arts in education, life-long learning); • Lack of interest in audience development.
Opportunities	Threats
<ul style="list-style-type: none"> • International collaboration, touring and co-production potential; • Access (in partnership) to European project-based funding; • Engagement of performing arts in other sectors (social, educational); • Potential for expanding and diversifying the existing audience. 	<ul style="list-style-type: none"> • Lack of a specific legislation regarding the financing of independent culture; • Lack of legal and fiscal tools for supporting alternative production modes; • Lack of a law on sponsorship; • Generally deficient legislation; • Limited engagement and resources of local/regional authorities in supporting performing arts.

The Georgian economic and social model tends to reject redistribution and community responsibility, at the same time leaving the (central) government in charge for supplementing the deficiencies of a systems where those who are not active on the free market are not part of social exchanges.

Countries find difficult to design cultural systems – especially performing arts systems – less dependent on various forms of direct state support even when they are economically more developed and with more dynamic



markets; and when the state withdraws its direct support, it puts in place an alternative network of fiscal tools (tax incentives, tax breaks, etc.) in order to correct the general mechanisms for the specifics of the economy of the arts.³⁸ Georgia has currently little room for manoeuvre in this area, because of its fiscal framework, but at the same time the government cannot act as a sort of public sponsor with little expectations in return for the subsidy it offers and a cultural actor itself, in what appears to be a paradoxical mixture of paternalism and free market liberalism.

The Culture Strategy 2025, adopted in 2016, includes a number of reforms to be undertaken, and the government is deeply aware of both the problems in cultural education, in management and in the actual limited interest of cultural actors and administrators in addressing their audience issues. The implementation of this strategy will definitely help in reforming the cultural landscape, even if the government should be even more aware that more accessibility to and participation from as diverse as possible local audiences are as an important public policy target as the international exposure of Georgian culture.

The action plan adopted by the Georgian government and based on the Culture Strategy includes a series of measures to be taken in order, for instance, to restructure and improve the management system of public institutions, but at least for the time being, this only regards the reorganization of LEPLs in order to reduce their number (mergers) and a plan to annually increase the LEPLs' own revenues. The main audience development tool appears to be the organization of festivals, and the state central authorities are still the main actors in generating, organizing and supporting projects for socially marginalized audiences and participants, even if the government has a vast network of public LEPLs under its supervision, which could take over such social and educational missions.

4.2. Recommendations

The possible measures to be taken in order to reform the sector are inherently limited by the Georgian fiscal framework, and the reluctance of cultural actors and administrators. Usually, the State interventions within the cultural sector heavily rely on a scheme of fiscal incentives, deductions, etc. that are difficult or impossible to apply in Georgia, where the national budget depends on the flat income/profit tax and the VAT. On the other hand, within the cultural system, the demand for reform doesn't always match the reforming intentions of the public authority (the tension being between more independence and more compliance with the needs of public interest).

³⁸ For an analysis of these specifics, including concepts such as productivity gap and cost disease, see Ruth Towse (ed), *A Handbook of Cultural Economics*, second edition, Edward Elgar Publishing, 2006, and the original work of Baumol and Bowen (for instance, William J. Baumol and William G. Bowen, *Performing Arts – The Economic Dilemma*, MIT Press, 1968).



Some possible measures to be taken on the medium term, additionally or in support of those included in the Culture Strategy 2025 and necessarily involving legislative changes, would be:

1. A rethinking of the functioning and management system of public performing arts institutions, in terms of management accountability, sharing of responsibility and objective-oriented activity, encoded in a dedicated legislation.

For the time being, it is unclear, what a “successful”, culturally and financially efficient institution means for the supervising body, if it’s the number of productions, the number of spectators, the revenues, the international collaborations, the touring, the praise of professional reviewers. The supervising authority should ask for multiannual management plans, should set objectives to fulfil and non-subjective performance standards, including in the field of education and social awareness, and should independently assess this performance.

The roles of the manager and artistic director should be distinct, and the person in charge of the management of the institution should have management experience or training. Performing arts institutions should have at least marketing and educational dedicated departments.

Less present in theatres in Estonia, Poland or Slovenia, educational departments are embedded in all public performing arts institutions in Germany (theatre pedagogy) and UK; also, educational and audience development-related programmes are run in French public theatres by the so-called „Public Relations” or „Service aux spectateurs” departments.³⁹ These programmes are addressed to adults and children alike (adapted to each of the two groups) and are intended at making actual or potential spectators more familiar with performing arts, the work of artists and how theatre functions. They may include: visiting the backstage and the workshops, post-performance artists’ talks, lectures and debates, various workshops for youth or theatrical play time for families, collaborations with schools, etc. Except for Germany, where theatre pedagogy is a dedicated university specialization, the training of personnel in educational departments is not necessarily made as such in universities, but is subject to post-graduation formation (as animator or mediator, as it is called in France). The audience development project organized in Batumi with the help of British specialists, who also trained the local staff, is a good starting point for training personnel in order to better communicate with the audience, and make theatre more relevant for the community.

³⁹ For the programmes these departments develop, see, for example:
<https://www.schaubuehne.de/en/pages/theaterpaedagogik-loslegen.html>;
<https://www.nationaltheatre.org.uk/learning>; <http://www.colline.fr/fr/page/les-ateliers-tout-public>;
<https://www.nanterre-amandiers.com/ateliers/>.

2. More fair and predictable pay system for employees in public institutions, also, if possible, legally encoded in terms of principles.

Currently, the level of salaries is negotiated by each director according to his or her own negotiating abilities and other subjective criteria, which ends up with artists and technicians performing the same type and amount of work, in the same type of institution of similar size, subsidized by the same authority, but in different institutions in the same city or in another city, for very different salaries. This situation leads to unfair disparities and it affects institutions with less negotiating power, especially outside Tbilisi and the Adjara Republic. The government should devise an evaluation system and a salary scale, with a minimum and a maximum, and also assess the efficiency, including the financial one, of the permanent companies, and the needs of each institution on this matter.

3. Certain reforms of the higher education system, including in order to support the measures, proposed in the Culture Strategy 2025, of increasing arts and cultural education.

Performing arts higher education is more efficient if taught in an integrated manner, Georgia needs to prioritize the training of trainers for professions and specialties according to the local and international development of the field, it should introduce the system of visiting professors. While some training specialties are not necessarily the object of university education (pantomime acting or folk choreography, as opposed to acting and choreography, are a matter of professional post-college training), others – such as artistic pedagogy are needed in order to implement the desired public policies.

4. Effective decentralization, in terms of financing, strategy and community involvement.

The decentralization process, through the Law on Self-Government, has ended, until now, with part of the performing arts institutions retaken into the administration of the Ministry of Culture and Monument Protection. The government should look into legal possibilities to share the decision-making with the local and regional authorities (since the decentralized structure is based on transfers from the state budget anyway), which are more able to cater for the needs of both the local and regional institutions and the community.

5. A comprehensive law on sponsorship, which could take into consideration the priorities in supporting various fields through this form of private contribution, and regulate the existing sponsorship relations. Again, due to the Georgian fiscal structure, such a law could only offer tax credits, breaks or deductions on the profit/income tax, which would impact on the state budget, and would require a large political approval.

While currently Georgia benefits from the involvement of EU organizations and international donors especially in developing educational and social



programs (for the underprivileged, the children and adults with disabilities, for the elderly, for IDPs – internally displaced persons, who had to quit their homes in Abkhazia or South Ossetia –, inmates etc.), this is necessarily temporary. The economic development of the country and the increase in local capital must be accompanied by a support for corporate responsibility and community awareness. This offer additional rationale to the observations included in the description of sponsorship activity in Georgia. The lack of support for private funding is less stringent now because of the presence of international donors, but they will inevitably leave at some point, and Georgia needs to put in place necessary tools in advance, such as incentivizing sponsorship and establishment of a cultural endowment.

6. A system of financing project- and programme-based activity less dependent on the political and administrative decision-making (applying the arm's length principle), and a unitary legislation regarding the financing of non-public culture, mobility and special projects/programs, distinct from public procurement legislation (for EU models, see the chapter on "Non-public performing arts systems", page 16 of this report). The founding of a cultural endowment (which would make the subject of a specific law and specific multi-annual, non-subsidy-based financial provisions) with the possibility of multiannual funding would help in making cultural grants more competitive.

The arm's length principle is fundamental for separating powers between the executive, the legislative and the judiciary, and in the field of culture it assumes the political power relinquishing any direct involvement in allocation decision-making, to experts transparently appointed for their expertise rather than their political or institutional affiliations (they are also not civil servants). It also assumes that money is granted on principles of transparency, free competition and peer evaluation, and a dedicated law stating these principles and demanding to all public authorities to obey to the same money granting processes would make the financing more predictable and fairer. Also, it must be taken into consideration that granting money for artistic activity based solely on a law on public procurement is an artificial manner of equating arts with general goods and services and is not efficient (because it makes all structural costs ineligible) in supporting the development of an alternative sector, able to reduce the burden on the state as producer.

The reality that public procurement provisions, even in a simplified form, are applied to certain contracts that are the subject of author's and neighbouring rights will also be problematic for international collaborations, as long as it is demanded for the rights holder to prove his or her capacity (according to international legislation⁴⁰ and even the Georgian Law on Intellectual Propriety, recognition of author's rights and neighbouring rights is not conditioned by any certification or registration, professional training or affiliation of the rights holder, or his/her previous experience).

⁴⁰ See the analysis of the World Intellectual Property Organization (WIPO): http://www.wipo.int/edocs/pubdocs/en/wipo_pub_909_2016.pdf.



Some of the priorities of the public policy in the field of culture in general could then make the object of specific calls for applications or direct externalization/outsourcing or partnerships, also in order to boost the development of an alternative sector and make the community and the cultural operators partners in the implementation of public policies.

7. Prioritizing the support for puppetry and youth theatres, as the main already available tool of cultural education, including in professionalization, diversification of their programs and developing of a national touring system.

The Puppetry Theatre in Kutaisi toured in the country with money provided by members of the Parliament for the company to perform in each of their constituencies. Normally, in EU states, this would qualify for disguised political campaign and wouldn't be compatible with the activity of a public institution (or the Parliament, for that matter). Instead, the state should be the one setting the basic conditions for national touring and exchanges (by either legislative or administrative provisions), since the network of puppetry theatres already exists and so does their potential audience. Puppetry theatres are the most suited to collaborate with educators in cultural education programs, and they also have an unexplored, so far, potential for internationalization.

4.3. Additional observations

1. On the condition of artists

Georgia is not a social state, and even if it might look as if its process of integration towards the European Union will eventually lead to the implementation of certain social protection schemes, this appears to be a very slow process. Since the concept of redistribution and social support for the members of the community is not very present or well received publicly in Georgia, it would appear as excessive to ask for a special social protection scheme for cultural workers when no other workers have any social protection. Such special protection schemes do exist in the EU (the most complex and protective is the French one for workers in the performing arts), but they exist in a context of general protection, they are based on heavy taxation and large redistribution and they are mainly aimed at workers who are not employed on open-end contracts in public institutions.

Georgia has an undeveloped non-public cultural sector and a limited number of independent cultural workers compared to those employed in the public or private/commercial system (TV, for actors), which means that any such scheme (based on taxation) would affect producers more than it would help workers. One might say that the problem is not that cultural workers are not socially protected, but that nobody is.

On the longer term, the Ministry of Culture and Monument Protection should observe and follow the changes in both the general social protection system



and the cultural system (which will hopefully become less state-managed) and propose/include schemes/provisions dedicated to cultural workers, following the pace of national social reform.

2. On extending knowledge about Georgian performing arts

Even with the increased interest in presenting Georgian performing arts in international contexts and organizing showcases for international guests, Georgia lacks visibility on the European stage, mainly because of information and discourse on its art. In order to make Georgia part of a larger conversation about performing arts, the theoretical and descriptive dimension of the arts should also to be supported and developed. Writing about arts makes them more easily known in their contexts, and the lack of available publications, in international languages, about the past and present of Georgian performing arts, etc. is affecting the potential of internationalization.

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