

# A Letter from Armenia

## From Hovhannes (John) Aslanian

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To the publisher:

I couldn't help but think of you, as I was recently sitting at the outdoor café of my hotel here in Yerevan, Armenia. The sounds and scents of this former Soviet state manifested in the rough, polluting exhausts of a storm of little Ladas and a few BMW's and Mercedes ... a testimonial to the discerning public and the ability of a few to acquire a luxury car. But most interesting and what brought you to mind was a truck, looking pretty much like a truck you would see on the streets of New York, or for that matter, any other city in the U.S. that had a clientele interested in rugs.

Here was this spotlessly clean white van with the name Megerian written, graphically correct, in English and Armenian with rug and carpet visuals on the side. And I thought to myself: Has the economy of this former Soviet republic transformed itself so quickly into a capitalistic, market driven state that the Megerians have a truck and more critically - so astute the marketers in this economy that they understand advertising and promotion?

Being of Armenian extraction and having heard all the little "jabs" and "digs" about the "Rug Merchants", and having been in the advertising business at one time in my life, and now teaching Marketing and Management courses at SUNY and a community College, I was sparked with a whole



*The plant in Armenia has become operational, after many repairs were made by the Megerians.*

spectrum of questions and intrigue by the Megerian truck.

I called my friend Jason Demerjian to ask what he knew of the Megerian operation. Jason is in charge of the Armenian Volunteer Corps, a group he started after having served as a Peace Corpsman himself. And Jason knows a lot of what goes on in Yerevan, and for that matter, the whole country. Over the course of the next few days and weeks, I would see the Megerian truck (or was it trucks?) in various neighborhoods around Yerevan. No, Jason knew nothing about the Megerians or the rug business. But, we could find out.



*The weavers now have access to many more colors than in the past, and there is renewed pride and dignity in their product.*

A few days later, we made a call to the Megerian factory in Yerevan. Unlike the Republic Square area where you will meet Armenians from all over the world as well as your cousin's sister-in-law from your own home town sitting two tables away, the factory was in a part of town where you wouldn't expect to see or meet anyone you knew. I guess you could describe it more as an "industrial" zone. Have you ever been to an "industrial zone" in any Eastern European or former soviet countries??? Even if you haven't, project a little bit. It's not where you'd expect to find IBM or Microsoft.

Well, this one was no different. Except! In the midst of these other factory/plant like buildings stood a tall smoke stack with the name Megerian written vertically and very neatly down its spine. Visible from a distance it was certainly a memorable and clean landmark. A drive into the parking lot was still another surprise, for it was neat, clean, orderly and there were more Megerian trucks parked there.

A walk in the front door revealed an old building interior, but one that was unusually

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clean and orderly; freshly painted in the recent past; had windows and doors with clean unbroken glass and that were operational (some windows were opened...not simply broken). In fact, the place on first impression was totally out of place. It was spotlessly clean and actually smelled clean.

We were escorted to the manager's office where we met the well dressed, well-groomed General Director, Atom Khachatryan. The office tastefully and appropriately decorated and the reception warm, hospitable and gracious. The obligatory Armenian coffee and cakes arrived and after the usual discourse of "Who are you and what are you doing here...???", we started to hear the story of this factory; this operation, and, the Megerians.

We were shown books, magazines and catalogues from a number of countries which featured Megerian carpets. And the vision of hand knotting, knots per inch, unique design, artistic expression, the reputation of Armenians as rug makers were all discussed in a properly chauvinistic idiom.

But this was a big factory! I thought the actual rug making was done by those young ladies with the nimble strong fingers and the dexterity and patience exemplified by the whole concept of "arts and crafts". And weren't all those rugs made in little villages in the "suburbs"???. We were told, in no uncertain terms, that Armenian rugs were unique on several of these important characteristics and the reputation of Armenian weavers, in terms of artistic expression and craftsmanship (craftspersonship?) were indeed extant, intact and operational.

As we were taken on a tour of the "plant" we learned of the unique relationship that the Megerians had fostered in having come to Armenia to make rugs. During Soviet times (70 years) all production facilities were owned and every facet of their operation from procurement of raw materials to finished product were controlled by the state. No, we won't get into the virtues of a free market economy versus communism. But, needless to say, quality, design, variety, creativity, innovation, —virtually all the elements that are germane to any consumer product (much less, a product of supposed artistic merit)—SUFFERED.

The old Soviet factory brought in the wool from its sources in the field; cleaned it; spun it and administered all the requisite cleaning, carding, spinning, dyeing, etc., processes. Atom Khachatryan told us that during the Soviet period, they had a choice of 12 colors/hues that they could use. And now that the Megerians were running the operation, they had 58 colors on the palette, and newly available within in a relatively short time frame.

He also went on to tell us that after Armenia declared its independence from the Soviet Union (actually the first of the 14 autonomous republics of the USSR to do so), the markets

for rugs throughout the rest of the USSR evaporated. So, for a period of years, the "business" saw a steady decline, and with no income, and the usual preventive maintenance procedures at the plant were non-existent. Over time, the plant disintegrated and the workers dismissed. When the Megerians took over, repair of the physical plant was a major priority. It seems that everything had to be repaired or replaced in order to make it operational.



*One of the noticeable signs of change can be seen in trucks with advertising and promotion.*

So, the obvious question arises. Why would a successful operation – the Megerian family – with operational facilities and sources – and resources - in virtually all of the rug producing world, want to take over such an operation? Why would anyone want to take on an old Soviet style operation; an old inefficient Soviet factory with all its attendant social, political, mechanical and economic headaches...an inventory of archaic machinery; a coterie of weavers and workers whose creativity and initiative had been badly compromised and stifled by a corrupt and inefficient system...a marketplace of questionable value...a political system making an attempt to move from communism and its "operational style and values" to a free market economy?? In effect, a lot of why questions and a lot of answers that wouldn't make sense to many from the West, or for that matter, anywhere else in the world.

With the demise of the Soviet system and the rush to free market economic principles, one of the many requirements imposed by the state required that the new owners of this operation must assume a certain degree of responsibility for the historic legacy of the predecessor operation. In effect, the employees of this operation hadn't been paid their wages for three or four years and one of the caveats of that deal was that they – the Megerians – if they were to buy into this physical plant and operation – must take on the responsibility of

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*A scouring room in Yerevan*

paying these long past due wages and benefits. Aside from Malden Mills in Lawrence, Massachusetts, I haven't read of too many operations – anywhere in the world – where the owners of the plant have been particularly generous, humane or compassionate as it relates to workers salaries and benefits. The Megerians did! (and proudly did it!) Can we think of this as post-Soviet social security reform?

As we continued our tour we were introduced to the design team and how they were now using CAD (Computer Aided Design) in laying out new executions. Again, the comment was made that they were working with many more colors now than they had in the past, and the use of the computer had given them even more design capabilities. The patterns were being laid out in graphic detail and along with the new array of colored wools are now distributed to 20 villages, where the actual carpets are woven incorporating and capturing the uniqueness of their respective geographical locale.

The Megerians have established a reputation among the people in these villages for paying good wages— knots per inch/meters and a pay rate for production of meters/day that is considered by their workers to be fair, even generous. The

result is a happy work force, a growing work force, an effective management team, a caring owner, an end product that captures the dignity and pride of a proud and dignified people. Is this Nation Building 101 ?

We passed by the cafeteria. There was a clean and orderly food service operation for the employees. No, they weren't serving shish kebab and baklava, but it did smell good, not like some company cafeterias you've visited. The faces were smiling; the employees appeared to be exuding genuine pride and contentment; and the place was neat and pleasant. We finished our tour with an invitation to lunch. Jason Demerjian had another appointment, so we couldn't stay. On the way back to Demerjian's office our discussion focused on the "promise" of the new ownership and management team; their dedication to the long run; the incorporation of new technology and innovation in an honored and old craft.

We passed the smokestack on the way out, and I couldn't help but ask myself if there was something prophetic about that

symbol— vertical; pointing up, like a church steeple. Was this emblematic of centralized planning, going up in smoke? A venting off of the "ashes" of communism? Or, was it a symbol of one of the rites of passage, a welcome back to the real world? A place where you stand up for what you believe and do it with dignity and compassion? I know my answer.

A few days later, sitting at the same table at the café at the hotel, I saw another of the Megerian truck fleet. I raised a toast to the Megerians and (not only) their trucks. And, I'm proud of them for what they are doing for their distant "cousins."

*From Armenia: Hovhannes (John) Aslanian*

*John Aslanian, his ex-wife and two daughters regularly visit and volunteer in Armenia. They are very old friends of the publisher, Leslie Stroh, and his family.*

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