

# CRAFTSMANSHIP AND SKILLS FOR THE FUTURE

Sectoral Portrait for Kyrgyzstan

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This draft document has been developed through field interviews, desk research and focus groups involving participants working in the craft sector in Kyrgyzstan. The information contained in the document is subject to revision based on further research. The document has not been through the ETF's quality editing process for language or presentation and is provided on open space solely for information purposes.

# PREFACE

The following Sectoral Portrait was developed as part of the ETF project “*Craftmanship and skills for the future - Study on skills development in the craftmanship and design sector in ETF’s partner countries*”. Eight Sectoral Portraits were developed that describe the main trends and developments of the craftmanship sectors in Albania, Armenia, Azerbaijan, Georgia, Kyrgyzstan, Turkey, Ukraine, and Uzbekistan. In particular, the Portraits identify the main trends and drivers of change that influence the skills necessary to work in the crafts sector.

Working Draft

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# INTRODUCTION TO THE CRAFTS AND DESIGN SECTOR

The crafts sector plays an important role in the economy of the Kyrgyz Republic, since it supplies unique goods to the market, creates additional jobs and supports the country's cultural heritage. In the Kyrgyz Republic crafts activities and design were always self-sustaining spheres, which throughout the country's history enabled artisans to express their skills and talent using tools to create their works all the while preserving the cultural heritage by passing it down to younger generations. Most families in Kyrgyz villages teach skills related to the handicraft they practice by passing it down to their children.

The importance of skills in Kyrgyz culture are seen through the various proverbs, which are popular in the country such as: "Forty skills are not enough for a girl", "Your skill will lead you to building a golden house" or "Seventy skills are not enough for men".

The best example of craft skills shown by the Kyrgyz people is the nomadic house Boz Uy (meaning Grey House). It is made of wood and felt, requiring the participation of men and women in its construction. Nowadays, it is used by cattle breeders who live with their livestock at high altitudes during the summer grazing months. It is also frequently used to create additional space during important events and or provide shelter for tourists who want to experience the nomadic lifestyle.

From being regarded as art and a part of cultural heritage, it is now also viewed through the lens of business. Since the early 2000s, the handicraft sectors has grown hand in hand with the tourism sector, employing thousands of skilled men and women throughout the country, earning their living by producing handicraft products. As another testament to the growth of this business sector the number of small and medium-sized businesses employs more than 2000 masters around the country. Another impetus for the sector's development can be attributed to the tourists who purchase souvenirs and the exports of various home décor objects various and national clothes. Moreover, the quality of output by the artisans is highly renowned with 22 masters receiving the UNESCO Award for Excellence<sup>1</sup>, making them leaders in the region of Central Asia.

According to the Law "On crafts sector in Kyrgyz Republic" drafted in 2018 and still in process of approval, the crafts sector will be defined as: an entrepreneurial activity in the manufacturing and sale of goods, performance of work or provision of services that uses manual labor and tools, meeting a certain area's historical requirements for functional features and aesthetic standards<sup>2</sup>. As defined in the draft law, since the crafts sector refers to the manual production of art objects, clothing, and souvenirs, it underlines the importance of protecting, preserving, and recultivating cultural heritage in modern art. If historically skills related to crafts were needed to produce everyday tools and items such clothes or cooking utensils, in contemporary times it is a sector of the economy that employs people who have a certain level of skills and knowledge.

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1 Sixty-fourth session of the Council of the International Bureau of Education, Geneva, 28-30 January 2015: proceedings and decisions, <https://unesdoc.unesco.org/ark:/48223/pf0000264033?posInSet=3&queryId=N-EXPLORE-c494e38a-e68a-40b9-9b50-c87fe94c267f>

2 Law "On crafts activities in Kyrgyz Republic": <http://www.kenesh.kg/ru/draftlaw/597645/show>

# THE CONTEXT OF THE CRAFTSPEOPLE

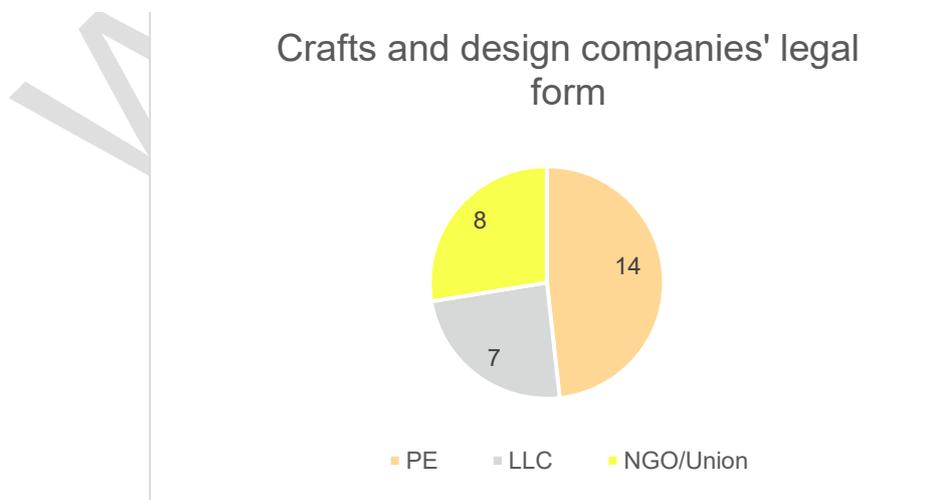
## The workplace of the craftspeople

Under Soviet rule, great attention was given to the development of folk art, preservation of production tools and material cultural heritage. Following the opening of the first art college in the Republic named after Chuikov and a specialized vocational training school named after Chokmorov, young people had the opportunity to study crafts not only in terms of production methods, but also as works of art. The graduates of these schools provided new insights into developing crafts and understanding traditional folk art. After opening the "National Association of Folk Arts and Crafts" a state enterprise founded in 1979, crafts such as carpet and clothing production grew into economic fields.

Nowadays the crafts and design sector is represented by various legal entities such as Private Entrepreneur (PE), Limited Liability Entity (LLC), Associations and Non-Commercial Organizations. According to the sector's representatives, a majority of those working in crafts and design register as PEs. Single artisans wanting to produce goods with the help of their family, or a small number of workers also work as PEs. Artisans and their employees carry out production manually except for clothes, which require the use of sewing machines. Craftsmen registered as PEs usually have great artistic vision and an education in the field of folk art. Production is organized by the master, while those employed by him are responsible for making the goods. In general, small businesses opt to use manual labour and do not use machinery. Their products are then sold in the domestic market, with tourism playing a role in generating sales. Unfortunately, due to the Covid-19 pandemic, individual entrepreneurs faced difficulties in sustaining production and distributing products due to heavy restrictions of tourism and cancellations of exhibitions and trade fairs.

Small and medium size companies establish LLCs, whose founders and directors are the artisans themselves. These businesses focus on local and international sales and employ 10 or more individuals. LLCs use modern technologies and tools to produce larger quantities of products. Their most important aspect is the experience in international sales, which requires them to be fully registered entities, have certificates indicating the quality of their products and need to perform full accounting obligations. There are very few LLCs operating in crafts, among which: are LLC "Art Group Tumar", LLC Nakta, LLC "Art Group Jarashat".

Figure 1. Division of crafts companies by their legal form



In order to unite artisans, promote and protect their rights and provide training and education seminars; public unions, cooperatives, crafts centres and other forms of non-commercial organizations have actively carried out various activities to that end. The Kyrgyz Republic's "Chamber of Commerce and Industry" is a non-commercial organization, uniting business companies and NGOs. Member companies are separated into fields of activity and enterprises in the field of "Production of promotional gifts and jewellery" are put in the crafts and design sector which relates the most to the activities they carry out.<sup>3</sup> . The CCI has 29 members registered as companies and unions, who produce and promote handicraft products (see Figure 1).

The CCI was the first organization which created the register of companies working in crafts, provided information support, conducted numerous meetings and round tables. Currently, the CCI is undergoing a period of transformation since there was no clear vision on the current state and future developments of the craft's sector promotion in Kyrgyzstan.

## The financial position of the craftspeople

Craftspeople are considered to be part of the middle class, since a majority of them working in the sector own small production units run by them or their families, while making a living on domestic and foreign sales. Representatives of arts and crafts can be regarded as well off due to high demand from foreigners who are willing to pay higher prices for wool, silk and wood crafts. Among locals, traditional and contemporary clothing produced in a traditional manner is popular and used on a daily basis. Dowries are prepared in advance with care and consideration to include traditional items. The financial status of the artisans is not accounted for or represented in statistics, and this will remain the case until the draft law "On crafts sector in Kyrgyz Republic" is issued allowing to factor in the main statistical data regarding the sector.

The crafts sector is highly dependent on other sectors, in particular tourism. Foreign tourists are interested in national craft products, with many tours including silk scarf workshops or making Alakiyiz into their programmes. During the tour tourists have a chance to get familiarized with folk art, all the while having the possibility to purchase unique products from local women. Another way products are sold is through participation in domestic or international festivals and exhibitions, where artisans have the opportunity not only to find prospective buyers for their products but also establish important partnerships with other artisans and potential future customers.

Due to the Covid-19 pandemic, craft sector representatives have found themselves in highly difficult financial situations. According to Zhypara Raimkulov, the chair of a subcommittee in the CCI, *"Handicraft production in Kyrgyzstan is on the verge of bankruptcy, the pandemic has stopped the tourism industry, at the same time, has stopped the sale of artisan products"*. His sentiment reflects the situation on the ground due to the closures of small shops, business owners sending their workers on unpaid vacations, factors which all contributed to the growth of unemployment in the country. Furthermore, Raimkulov adds that there is no consensus among artisans on overcoming the crisis, all small manufacturers work separately, making their products from raw materials of different quality and design. One of the suggestions was that the government should propose measures to ease the situation through cancelation of rent, reduction of taxes and social contributions, arrangement of internet sales. The last measure is worthy of note since the biggest difficulty small craftsmen face is

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<sup>3</sup> Information retrieved from: [http://cci.kg/chlenstvo-v-tpp-kr/chleny-tpp-kr-po-napravlenijam-deyatelnosti/proizvodstvo-suvenirov-i-juvelir\\_izdelij.html](http://cci.kg/chlenstvo-v-tpp-kr/chleny-tpp-kr-po-napravlenijam-deyatelnosti/proizvodstvo-suvenirov-i-juvelir_izdelij.html)

the ability to sell their production in an online space. Hence, due to the pandemic's effect on the habits of consumption during the pandemic, the craftsmen would be able to take advantage of the present demand.<sup>4</sup> A round table organized by Public Fund "Coordination Market Centre Dayry" on the 6<sup>th</sup> of April 2021, gathered crafts and design sector representatives to discuss existing challenges faced by artisans and organizations. It was agreed that the most pressing issue is the need to accept the Law drafted in 2018 "On crafts sector in Kyrgyz Republic". Participants of the round table stated that accepting the Law would provide the needed legal basis for the sector to be formally recognized, allow data collection for use in statistics and most importantly would allow to set up tools that provide support and assistance during difficult periods such as 2020-2021.

If the first essential step for the development of crafts is accepting the draft Law, then the next step would have to be a wide survey of the crafts and design sector representatives in order to see how many people are employed in this domain.

## CHARACTERISTICS OF THE CRAFTS AND DESIGN SECTOR

### Traditions, heritage and cultural practice

Kyrgyzstan has longstanding traditions and a rich cultural heritage stemming from a history based on nomadism and semi nomadism. The first crafts pieces found within the modern-day Kyrgyzstan date back to the 1<sup>st</sup> century BC (Nemych, 2006). Due to hardships in their everyday life the Kyrgyz people made durable, yet aesthetically pleasing objects to improve the quality of their lives. A systematic study of Kyrgyz material culture, especially in applied art, started when Kyrgyz tribes were incorporated into the Russian Empire in the late 19<sup>th</sup> and early 20<sup>th</sup> centuries. Russian geographers wrote essays, made sketches and took photos which reflected the history, lifestyles and worldviews of the Kyrgyz people (Kerimbekova, 2010). Later, in 1951-1955, 1960-1965 ethnographic expeditions by the Institute of Archaeology, Ethnography and History of Material Culture of the USSR Academy of Science together with the Institute of History of the Kyrgyz Branch of the USSR followed further detailing the lives of people who lived in the country. The latest expeditions that continued building upon the already established knowledge took place in 2000 and 2009. Items that were collected during these expeditions, form the basis of the exhibitions present in history and arts museums. In 1969 the Folk Crafts Association (FCA) "Kiyal" was established, greatly contributing to the development and mastery of new means of commerce for traditional Kyrgyz arts. "Kiyal" is represented in every region of the country, training and employing unions of craftsmen in the production of stone, wood, leather and wool items. Following the collapse of the Soviet Union, regional unions were dissolved in order to accommodate the country's transition towards a market economy.

Artisans use various materials to produce Kyrgyz folk art, with the most common being raw products from cattle such as bones, horns, leather or wool. The objects produced were not too large, making them practical especially when it came to nomads leaving their settlements in search of new ones. Later, when the first Silk Road trade routes expanded into Kyrgyzstan locals came into contact with new materials, which allowed for different metals to be used in jewellery production and design and the availability of fabrics leading to new quilting techniques. The influence of foreign cultures on

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<sup>4</sup> Ibid

Kyrgyz craftwork was seen through the use of new motifs in ornaments. (Nemych, 2006. Kerimbekova, 2010).

Nowadays, under the influence of changes in habits and influx of goods from other countries, the role of craftwork in the life of locals has undergone a transformation. According to interviewed artisans, art products, except for some minor exceptions, are more “standardize”, consequently losing their distinctive nature. These “copied” products are of low or medium quality and tend to have a repetitive style. Nevertheless, great masters continue to produce high quality products with unique designs, although not without worry that someone may replicate their product. Therefore, there is a trend in the craft markets of Kyrgyzstan to sell the highest quality goods directly to foreign markets, going so far as to not put a name tag on these products. For the locals, traditional crafts maintain their importance as they did in ancestral times, with wool carpets (*shyrdak*), wall covers (*tush kiyiez*) and sitting blankets (*jer tosheok*) among many other products being used in almost every household. However, the availability of cheaper goods from other countries are pushing out goods which were previously produced by local craftsmen.

In the country, there is growing demand for clothing from natural materials with traditional ornaments. Young designers are becoming interested in incorporating elements of folk art into modern fashion, resulting in beautiful pieces or décor items. The most well know companies who actively promote modern fashion with folk art elements are Dilbar, Aiperi, Obozova and Chapan Studio. However, high fashion is still hardly accessible to most people. Meanwhile traditional clothes remain popular not only domestically but are also exported into markets abroad.

In 2010, the Kyrgyz Republic nominated Kyrgyz wool carpets (*shyrdak*) for inclusion into the UNESCO List of Intangible Cultural Heritage in urgent need for safeguarding and preservation. Experts on culture and artisan community leaders from all regions of the country, headed by a non-governmental Public Foundation CACSARC, have designated *shyrdak* as the most outstanding folk-art product of the Kyrgyz people. This decision saw support from the Kyrgyz people and other countries alike. Inclusion of *shyrdak* and *ala-kiyiz* to the List of World Cultural Heritage of Humanity in 2012 was an outstanding cultural event, which inspired the citizens of the country to provide moral support to those artisans who contributed to the achievement. This feeling of achievement in regard to preservation of cultural wealth motivated the people to take up an active position in developing and promoting national crafts.

Crafts and design representatives think that cultural policy and state strategy must include measures such as identification, documentation, research, preservation, protection, promotion and transmission to the next generation through formal and informal education to maintain and promote the traditions related to *shyrdak* and *ala-kiyiz*. This would enable the preservation of these two arts, revitalize their position in everyday life and increase their global representation. An expert on cultural heritage stated that:

*“In 2012, we were able to make a great contribution to the inclusion of shyrdak in the list of intangible cultural heritage of UNESCO, as an object in need of urgent protection. Shyrdaks are exposed to the risk of extinction in the future, as the Kyrgyz have moved on to the use of factory carpets. But we should not forget that shyrdak is a truly Kyrgyz phenomenon, a cultural heritage. It is a pity that this legacy is gradually disappearing. It is necessary that the state takes care that this kind of art does not*

disappear. In ancient times, every woman was able make *shyrdak*, taught it to her daughters, but now this skill is being lost, mothers do not pass it children and grandchildren”<sup>5</sup>.

## Organisation of the crafts and design sector

Following the collapse of the Soviet Union, artisans were given freedom of operation. The state did not implement limits or support regarding artisan operation, leaving them to adjust to the new market system on their own. If under the previous government artisans worked from home in order to supply their own family and relatives with handicraft products, or in the state organization of “Kiyal”, then under the independent government artisans were given freedom of operation and the possibility to transform into businesses. However, this process proved challenging since decades of independence drove public attention to commerce and entrepreneurship as a way to make a living during times of unemployment and desperation. Nevertheless, artisans have made great strides in coping with the situation. Through the use of their skills, they launched small workshops, which overtime grew into enterprises, while others decided to remain small to preserve the authenticity and quality of products.

As mentioned in section 1.2.1, crafts organizations are mainly represented in two legal forms, PE and LLC. Artisans who have not established their own company tend to unite into unions, usually called cooperatives. The decision to establish a cooperative depends on a few factors:

1. The production process is complex and group work is needed to complete orders by customers. For example, production of *shyrdak* is performed through several steps: felt production (3-4 persons needed), drawing patterns and cutting the felt (2-3 persons needed), connecting and stitching the parts (2-3 persons needed).
2. Location plays a role due to *shyrdak* producers in Bishkek struggling to unite, while in villages it is easier and allows the production of more *shyrdaks*.
3. Due to the Covid-19 pandemic and the number of people involved in the production process, someone needs to be responsible for promoting the products. This is especially important now, since the interrelation of crafts and tourism, requires that workers compensate the decreased sales to tourists by relying on exports to foreign markets.

Currently there are 20 crafts cooperatives in Issyk-Kul, Naryn, Osh and Batken regions of the country registered in the Ministry of Justice.<sup>6</sup> There are no cooperatives registered in Bishkek city, showing the regional nature of cooperatives. Usually, they work in cooperation with other crafts organizations, which specialize on scarfs, small souvenir or other products. Such business relations benefit both sides, leaving the promotional work and marketing to the smaller counterpart.

The challenges to cooperatives became most obvious in 2020-2021, with some of the most glaring issues being the promotion of goods, establishment of trade relations with other organizations, learning new skills in design. In some case the development of local organizations is catalysed when unions receive support from international donor organizations or take part in specialized projects. A great example is the joint effort of local craftswomen who received support from the Japan International Cooperation Agency (JICA) and were successfully able to unite those who lived in the villages.

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5 Retrieved from: <https://knews.kg/2016/03/19/v-kyrgyzstane-izdali-knigu-o-shyrdakah/>

6 Retrieved from: <https://www.osoo.kg/search/>

As a result of the One Village One Product (OVOP) movement and JICA's collaboration, the OVOP Association was established on June 24, 2011. The project aims at integrating community development, increasing the incomes of local people through developing locally based products, developing human resources, marketing of products and quality control. The efforts of the project are disseminated nationwide with the current number of members within the Association reaching 250 groups (more than 2300 people). The members of OVOP specialize within certain niches such as felt production, jam making, beekeeping and food processing, with OVOP products being promoted under the trademark "Issyk-Kul Brand".

The production of OVOP is a leader within the local market for felt accessories and toys. In 2018 it also became the biggest exporter of felt items, having exported 23 798 pcs<sup>7</sup>. Crafts products may be tested at the Centre for Standardization and Metrology at the Ministry of Economy. Companies exporting craft products abroad need to have a Certificate of Conformity from the state agency in case they transport products to member countries of the Eurasian Trade Union. If products are exported to other countries, then they need to send a sample to the importing country. However, products sold on the internal market are mostly uncertified.

### "Quality Mark" program

The UNESCO Quality Seal for Handicrafts aims to encourage artisans to manufacture products in innovative ways using traditional skills, patterns and themes to ensure the continuity and sustainability of diverse cultural traditions and skills.

The Quality Seal Program was initiated in 2001 by the Regional Asia-Pacific Office of UNESCO in Bangkok in cooperation with AHPADA, the Association for the Promotion of Crafts in Southeast Asia<sup>8</sup>. In 2004, the program was expanded to Central Asia (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan) and South Asia (Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka). Since 2006, the UNESCO Office in Beijing has been successfully implementing the Quality Seal program in East Asia (China, Japan, Mongolia, North and South Korea). Since 2004, UNESCO's partner in implementing the program in Central Asia is the Association of Organizations Supporting the Development of Crafts in Central Asia (CACSA). In 2007, Iran joined the implementation of the Central Asia project. Since last year, the "Quality Mark" program has been implemented under the auspices of the World Crafts Council (WCC). The Quality Mark is a key BPC program to support crafts and craft producers.

The regular implementation of the "Quality Mark for Handicraft Products in West and Central Asia" project makes a great contribution to the intensive promotion of artisan products to the international handicraft market, while mutually enriching national cultures of West and Central Asia and developing their mutual understanding along with intercultural dialogue. The programs intends to cover following objectives:

#### **Objective 1. Establish strict quality standards for handicrafts**

The WCC Quality Seal program seeks to create a reliable mechanism for the quality control of handicrafts and establish strict quality standards. This gives consumers confidence that by purchasing handicrafts marked with the WCC Quality Seal, they are purchasing high quality products that

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<sup>7</sup> Retrieved from: <https://export.gov.kg/en/for-importers/exporters/odno-selo-odin-produkt1>

<sup>8</sup> Retrieved from: <http://en.unesco.kz/unesco-award-of-excellence-2012>

correspond to traditional culture and are produced in accordance with social and environmental standards.

### **Objective 2. Support for innovation**

While contributing to the preservation and continuity of traditional skills and knowledge, the WCC Quality Seal also promotes the development of innovative approaches in the manufacturing of handicrafts, so that the manufactured handicraft products, without losing their value and significance, remain competitive in modern life.

### **Objective 3. Provision of training and support services**

The WCC Quality Seal aims to build the capacity of artisans and train them in workshops to improve the design and marketing of their products, expand their markets and protect their copyrights.

### **Objective 4. Provide marketing opportunities to ensure the sustainability of the craft industry**

The handicraft sector is of increasing importance for local economic development and poverty alleviation. By expanding marketing opportunities, the Seal for Quality promotes stable incomes in the handicraft sector through the development of a network of handicraft producers and consumers taking advantage of wide market opportunities, as well as through exhibitions and trade fairs.

The Quality Mark certificate is awarded to manually produced handicrafts from natural materials. Such products can be utilitarian, aesthetic, artistic, creative, decorative, functional, traditional, reflect cultural identity, have religious or social symbols, and be socially significant.<sup>9</sup>

## **A market for the craftspeople**

The market for craftspeople in Kyrgyzstan is comprised of local shops, fairs, exhibitions, export partners and digital tools. All of these dimensions allow artisans to sell their handmade products and support handicrafts activities in the country. According to Tumar LLC on the question of sales distribution, 50% belong to direct sales at the salon, 20% of sales are performed at exhibitions and fairs and 30% are direct orders from local and foreign partners, who in turn resell these products. Smaller crafts entities conduct 60% of sales in local markets and ships with the main customers being foreign tourists. The other share of sales for these entities are exhibitions and direct orders from wholesale partners. PEs are the most vulnerable legal entity, especially during the pandemic, because they were mostly dependent on internal market sales, tourists, various fairs and exhibitions. The sales of artisan PEs have dropped 80% within 2020-2021, while in the same period LLCs lost 30-50% sales. This led to companies taking action and transforming their production by making products more standardized, developing new products and conducting market research on changes in customers' demands.

It is noted that Kazakhstan is a large market for Kyrgyz artisans' products, with 80% of handicrafts in the country being produced in Kyrgyzstan. Due to the excellent work of masters, Kyrgyzstan is often called the "country of artisans". Local masters who produce exceptional products try to avoid local markets and sell internationally, because they are afraid other masters might copy their works and populate the market with low quality products, which is widely noticed and mentioned by sector representatives.

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<sup>9</sup> Retrieved from: <https://www.cacsarc.org/2016/08/29/wcc/>

As direct sales decreased and international travel stopped due to COVID-19, artisans have been searching for new ways to sell their production by looking into online sales or adjusting their goods to the needs of the local market. However, the lack of knowledge in marketing, product development and promotion, and language barriers were cited as the main challenges for artisans trying to maintain their businesses.

## Employment in crafts and design

Employment opportunities in Kyrgyzstan are quite scarce across most sectors. Due to the high unemployment rate, an estimated 2 million have left the country to find employment abroad. When looking for work, some people in Kyrgyzstan turn to unofficial and official sources for employment. The use of unofficial channels such as relatives, friends, or former colleagues, is proven to be more effective in terms of finding decent work opportunities. If a person look for employment through official channels, it is done through job websites and State Agency for Employment. In the case of the latter, the State Agency is provided with data on unemployment rates and lists of people who are searching for job from the Ministry of Social Protection. It then arranges meeting with companies and potential employees. The Agency also accept applications from both sides and performs education activities. In general, its performance is considered inefficient, which leads to people turning towards unofficial channels in the first place. Unfortunately, the Agency does not address specific needs of crafts and design spheres in finding employees.

The website employment.kg offers opportunities for companies to announce job vacancies whereas people who are looking for work may browse through job offers and apply directly to the chosen company. During the job search there is a chance to filter search criteria according to key words, location, scope of activity and type of employment. After an investigation it was found that the “Design, art and culture” section only had 29 vacant positions which included designer in a textile company (2), landscape designer (2), graphic designer (23) and other (2).

According to business sector representatives, finding qualified craftsmen is very difficult. Art Group Tumar announces vacancies on employment.kg. After accepting newcomers, comprehensive training is organized to teach them basics of design, colour choice, types of stiches and other specific skills. Oftentimes commercial crafts organizations are approached by art school graduates, but they only have about 20% of sector specific knowledge and receive the other 80% during in house training. While graduates of faculties related to art and design may be good in some aspects of art and design, they have little practical knowledge regarding traditional folk art.

Similarly, women who come from rural backgrounds and were taught traditional folk art by their mothers and grandmothers understand different types of felt production and weaving and know how to use some technologies related to their production. Nevertheless, they may face difficulties where theoretical skills are involved for example when dealing with colour selection or skills related to drawing. According to the representatives of companies, people who would like to work in their enterprise approach them and have great desire to work in crafts production, which for the employer is the most important criteria for accepting and training a potential employee.

According to the National Statistical Committee, the informal sector of the economy in Kyrgyzstan makes up 23 to 24% of the GDP share<sup>10</sup>. Independent evaluation conducted by

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<sup>10</sup> Social -Economic state of Kyrgyz Republic. January- March 2021. Monthly publication of NSC of KR.

PricewaterhouseCoppers LLP, which is sponsored by EBRD, showed that 37% of the GDP belongs to the shadow economy. During the research only the sector of entrepreneurship was included. As the reasons for a large shadow economy, high taxes and difficulties in employment were named. Therefore, practises such as double accounting when registering employees, paying wages in “envelopes”, unreported employment are commonly mentioned in the crafts sector. Unfortunately, there are no statistics regarding employment in crafts and design sector, which makes it difficult to comprehend the situation of employment in crafts and design.

The social welfare system provides a pension and basic medical care to those who are officially employed. However, sometimes the inclusion into the social welfare system encourages people to participate in irregular practises. The reason for this are very low pensions, which max out at 60 USD while medical insurance covers only basic consultations in public hospitals. Moreover, according to a female owner of a crafts studio, several female workers in the village requested for unregistered employment, because they may lose their child allowance (max. 10 USD per child) if they become officially employed. Cases like this also occur in other sectors.

## Current and emerging skills demand in the sector

Skills related to crafts and design continue to be based on traditional knowledge and heritage. However, with the passing of time, the tastes of customers change, leading to transformations of crafts production and design. This can be seen in embroidery, wood carving where using modern technology provides new opportunities in terms of design, simplification of the production process and the ability to produce more goods in a shorter time frame. These changes, nonetheless, are seen more frequently in organizations, who practise specialized production bigger quantities.

The production of regional crafts is multidimensional, with local masters producing most of the goods, even if the quality is not of the highest standard. These masters lack the ability to understand what their strongest sides are and what products they can produce the best. Furthermore, there is a lack of literature that would set out guidelines for masters in all craft areas. The sector representatives mention, that there should be standards developed and the term “quality” should be defined, because otherwise this leads to mass production without any quality control.

Education opportunities in crafts and design are presented by formal education institutions such as art schools and colleges, along with various private training courses, which aim to educate those who are interested in tradition crafts. In the 1930s and art school named after Chuikov was opened with its main faculties devoted to fine art. In 1961 the Faculty of Design was launched with the aim of addressing the lack of specialists and “promote the ideas of the Communist Party for the people and the aesthetic education of Soviet people”.<sup>11</sup> Shortly after the launch of the Faculty of Design, its main directions were outlined: graphic design, industrial design, arts and crafts (including artistic leather processing, artistic textiles, artistic ceramics) and pictorial arts. The training is carried out by highly qualified teachers, including many honoured workers of culture and art.

Due to the high importance given to the preservation of traditional crafts by the Soviet Republic of Kyrgyzstan, the state enterprise “Kiyal” was launched by a decree "On Measures for the Further Development of Folk Arts" issued on October 28, 1968, by the Council of Ministers of the Kyrgyz Soviet Republic. Its goal was to ensure an increase in the production of folk-art products, increase the

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11 Retrieved from: <http://kg.hu.kg/index.php/uchebnyj-plan>

variety of crafts produced while improving the quality of existing ones. Therefore, “Kiyal” is rightfully considered the forge of folk craftsmen, being a true flagship for the revival of folk crafts and protection of Kyrgyz cultural heritage.

Thousands of craftsmen throughout Kyrgyzstan, who at one point studied or worked in "Kyyal", have opened and run their own small enterprises manufacturing folk art products. After the launch of production at “Kiyal”, there was a need for professionals who are trained to produce crafts and design goods. A vocational school named after Suimonkul Chokmorov opened its doors in 1979 to future masters of folk art. Nowadays, Vocational school No. 10 is one of the leading vocational schools offering 2 year courses for the following majors: manufacturer of national crafts products and souvenirs, jeweller, manufacturer and designer of national products and clothing, manufacturer of national wood products, artistic leather goods manufacturer. Colleges also offer different types of courses which allow students to specialize in the wanted fields. During research, these two educational institutions were mainly mentioned as specifically crafts oriented schools.

After independence the higher education sector became more commercialized, meaning that popular faculties were given more attention and support from the government. Moreover, to attract as many students as possible, universities and institutes opened new faculties of art and design, with 12 higher education institutions having such a faculty at the present moment.

The main higher education institution for arts is the National Academy of Arts in Kyrgyzstan. It was designed as a higher art institution as well as a creative and research institution. Its multi-level structure includes a number of elements, which aim to create an educational, methodological and scientific base, that would train masters of art and art critics, allowing to guarantee the development and survival of artistic culture. While original faculties remain its core components, supplementary faculties such as Industrial Design, Art Research and Costume Design were introduced. The Academy’s aim is the development of art in Kyrgyzstan, by enabling young professionals to continue their studies after vocational schools or previous art courses.

A professor at an art school mentions that “there is an interest in studying art and design remain among applicants but less time dedicated to preparation for entrance exams and an overall drop in talents may affect quality”. Periodically contests take place which allow students of art and design faculties to display their works. Currently, students of the aforementioned vocational school have been nominated for first places along with students from National Academy of Art.

Along with the former institutions dedicated to art and design, there are several organizations and masters who offer practical training of various skills such as welding, wood works or felt production. These training sessions are popular among young people or those who would like to change profession. Courses on patchwork (*kurak*) are very popular giving the skills necessary for graduates to start their own course on making patchwork crafts. The Public Fund of Kiyiz Duino organizes a month-long training course on making traditional embroidered skirts called “*beldemchi*” as a way to raise awareness on process regarding making traditional clothes, especially among young woman and resurrect some of forgotten traditional crafts.

According to Tumar and Nakta LLC, together with basic education in crafts, young people need knowledge of technological innovations, creative thinking and economic management skills. It is essential to focus on the following skills:

1. Design according to traditional heritage, adopted to international markets.

2. Colour selection, analysis of trends and customer taste.
3. Development of standards and scaling production.
4. Product promotion and marketing at a national and international level.

The key to success in the sector is based on great products. Local schools teach more traditional techniques, for certain niche markets. These products are not easy to sell since they are usually expensive and rare. It is observed that artisans who have studied in universities or vocational schools have deeper knowledge of crafts technology, design and appear to be more adaptive to market demands in comparison to those who have mastered techniques, by having them passed down by their parents or grandparents. State educational institutions struggle in supporting students and adopting to modern changes and tendencies of the market. Overall, in order to be successful, education in crafts needs to adjust to social changes and demands so that new graduates can master skills that embrace cultural heritage all the while addressing the needs of the market.

## THE NATIONAL APPROACH TO CRAFTS AND DESIGN

### Laws and policies for the crafts and design sector

Handicraft activity, until recently, it was not a leading priority of the state, since issues related to crafts development and control of the sector were not reflected in governmental programs, employment strategies and socio-economic development. Adoption of the law “On crafts activity in Kyrgyz Republic” in 2020 enables the sector to receive state support and find itself state programs relating to the country’s strategic development. The purpose of the adopting the law is to establish a legal basis for organizing the activities of artisans in the Kyrgyz Republic, reviving the traditions of handicraft activities, meeting the needs for goods, increasing employment and protect the rights of artisans. As a deputy of the Kyrgyz Republic<sup>12</sup>, Altybaeva notes that the development of handicrafts in the Kyrgyz Republic will be of great socio-economic importance, since, due to the role it plays as a social institution, handicrafts strengthen civil society through self-activity and self-employment, contribute to the formation of the middle class, reduce the unemployment rate and social tension, while in general having a positive impact on social development processes.

Since the legal recognition and provision of benefits to subjects in handicrafts as well as the creation of market infrastructure for these subjects, the establishment of this legislation could provide an increase in social stability and boost market development of enterprises present in the crafts and design sector. The Law envisions the main directives regarding work in the crafts sector:

Supporting marketing activities nationwide and most importantly directing efforts on promoting Kyrgyzstan as a centre of crafts activities in the Central Asian region.

Regions should become centres for handicraft activities/enterprises and play an important role in the development of handicrafts. This is because the labour force is located in the rural areas of the country and these areas have preserved and practise traditional crafts. This target fully reflects the

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<sup>12</sup> Law “On crafts activities in Kyrgyz Republic”, <http://kenesh.kg/ru/article/show/5928/kirgiz-respublikasindagi-kol-onorchuluk-ishter-zhonundo-kirgiz-respublikasinin-miyzam-dolbooru-2019-zhildin-15-oktyabrinan-tartip-koomduk-talkuuga-koyulat>

goals and objectives regarding the development of regions laid down in the National development Strategy of the Kyrgyz Republic for 2018-2040.

Create favourable conditions for doing business in the field of craft activities and attract investments, focus on simplifying the taxation procedures and improve the investment climate.

Develop handicrafts based on the country's diversity of spiritual culture, unique traditions, customs and crafts.

It is intended that legislative consolidation of craft activities in the Kyrgyz republic will increase the efficiency of state authorities and local governments activities in the formation of small business enterprises.

To draw attention to handicrafts in Kyrgyzstan, the Ministry of Culture started the Oimo festival in 2006 with support from the Handicrafts Council of Kyrgyzstan, CACSARC and other organizations. The festival's name translated from Kyrgyz means "pattern" due to the belief that cultural heritage is encoded in these intricate curves. The event was intended to portray Kyrgyzstan an international and cultural actor around the globe. The festival has been arranged in villages and the town of Cholpon-Ata in the Issyk-Kul region. Over the years that the festival has been held, participants from different countries have come to Kyrgyzstan. Craftsmen contributed greatly to the preservation of the arts and crafts and tried to combine culture, economy and ecology. In 2006, 100 masters took part in the festival, in 2011 the number rose threefold, and included representatives from Uzbekistan, Kazakhstan, Turkmenistan, Tajikistan, Russia, India and Turkey. Events in the crafts sector attract global attention and new customers, while round tables, conferences, meetings and other activities allow to voice existing concerns and challenges in the sector. The Central Asian Association for the Support of Arts - CACSARC, Public Association "Women's Forum Kurak", Crafts Council of Kyrgyzstan, Public Fund "Coordination Market Center Dayry" and other organizations periodically organize meetings and public discussions. Some of the issues raised with only some successful resolution include:

1. Introduction of a legal basis for the crafts and design sector (draft law at the stage of approval).
2. Creation of a crafts chamber, which includes designer guilds, jewellers and embroiderers (not addressed).
3. Assistance to artisans in online sales (not addressed).
4. Issues regarding raw material (wool) availability and quality control (not addressed).
5. Quality control of felt, since the market is supplied with artificial Chinese felt, affecting the quality of products (not addressed).
6. Improving the quality of vocational education in arts and crafts (not addressed).
7. Providing support for new graduates looking for employment and support with additional training if needed (not addressed).
8. Establishment of a network of souvenir shops around the rural areas of Kyrgyzstan, along touristic routes (not addressed).
9. Inclusion of handicraft activities into touristic packages (partially).

## The economics of crafts

Time consuming activities, expensive raw materials make the work of artisans valued lower than it should be. The state tends to pay attention to sectors which are more profitable, where the highest

taxes are derived to support the country economy. The absence of statistics on crafts and design are also due to the prevalence of the shadow economy. Considering that the majority of artisans perform their activities under the status of PEs, there is a very high level of underreported numbers among PEs. Crafts and design is highly important for the state since it performs several functions:

1. Represents the cultural heritage and folk art, with preservation and popularization being highly important in times globalization.
2. Additional income for the state budget.
3. Support to women, especially in the villages. About 90% of crafts presented by women.
4. Creation of jobs in the villages and small cities, preventing labour migration.

## Drivers of change in the crafts and design sector

Kalpak day has been celebrated since 2011 under the initiative of film director Yrysbek Jabirov. In 2016 the Parliament Kyrgyzstan has supported this initiative and officially announced March 5<sup>th</sup> as Kalpak Day. If previously kalpak, a national men's hat, has been used at celebrations or funerals, after the announcement of Kalpak Day it has been widely used, creating more demand for new designs of the hat. Therefore, the popularization of traditional hats and clothes is a great way of preserving heritage.

The availability of various equipment and tools from abroad made it possible for crafts representatives to develop their work process to become more productive and technologically advanced.

There are currently ongoing projects on modernization of post services, with Russia and Kazakhstan recently becoming more accessible. There are also projects on introducing electronic commerce, which is an essential tool in light of latest changes and breakdown of the tourism sector. There is also a slow shift from traditional ornaments towards more universally understood ones.

In general, there is clear differentiation between professional crafts master and amateur producers of handicraft products since only professional craftsmen would be able to establish production using modern technologies. Amateur handicraft producers would probably not afford such equipment and technologies, showing clear distinction between these two groups. Overall, these factors might lead to a drop in the number of people employed in crafts.

It is also worth mentioning the possibilities for growth of the Kyrgyz crafts sector. Events such as the aforementioned Oimo festival has grown in size and attracts representatives from different countries within the Central Asian region as well as global players such as India and Russia. Therefore, Kyrgyzstan should continue capitalizing on such events, especially considering the fact that earlier Oimo festivals led to development of infrastructure and increased tourist numbers. Moreover, Kyrgyzstan should seek to leverage its position as a member of the EEU and utilize the ability to access a free market which includes Russia, Kazakhstan, Belarus and Armenia with a population of 184.3 million people and a GDP bordering USD 2 trillion.<sup>13</sup>

Another aspect, which is important to address for Kyrgyzstan are factors related to climate change. The country is already experiencing phenomena related to droughts and unpredictable variations in

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<sup>13</sup> <http://www.eaeunion.org/?lang=en#about>

seasonal weather.<sup>14</sup> While tackling these issues requires the input of the global community, Kyrgyzstan should also contribute to these efforts. To that end it is already possible to observe steps in the right direction with craftsmen attempting to incorporate ecological considerations into their cultural and economic work relating to crafts. However, these steps could be further developed and used as steppingstones for changes in other industries related to the crafts sector..

Working Draft

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<sup>14</sup> <https://www.kg.undp.org/content/kyrgyzstan/en/home/climate-and-disaster-resilience/portfolio.html>

# ANNEX 1. LIST OF STATISTICS

Below is an indicative list of statistical data that could be identified. If no data is available on the crafts sector specifically, data on the cultural sector as a whole could be valuable to help contextualise other information collected on the crafts sector.

Category	Data that can be collected (if existing)
<b>Economics</b>	<p>Sector share of the GDP; Sector share of a country's trade; Sector share of investment; Sector share of the R&amp;D; Sector share of the innovative firms; Share of companies operating in the crafts sector;</p> <p><i>See if any data exist on individual sub-sectors (e.g., pottery, woodwork etc.).</i></p>
<b>Employment</b>	<p>Share of crafts employment as part of total employment; Share of the self-employed in the crafts sector; Share of formal/informal employment within the sector. Share of people working on a full-time basis in the crafts sector; Share of the craftspeople who are single job holders (i.e. crafts is their main economic activity); Average salary of the craftspeople; Data on unemployment of craftspeople; Share of women and men in crafts employment; Labour productivity.</p> <p><i>See if any data exist on individual sub-sectors (e.g., pottery, woodwork etc.).</i></p>
<b>Education</b>	<p>Number of education programmes offered in crafts and design related fields; Share of tertiary students in the crafts-related fields of education; Number of yearly graduates from crafts and design schools / share of total graduates; Literacy rate within a country; Early school leaving rate within a country.</p>
<b>Financial aspects of companies</b>	<p>Number of grants awarded for the craftsmen and people; Share of financial support awarded to craftspeople and crafts companies as part of national / private funding schemes. Amount of foreign investment / donor contributions (e.g. EU, UN, etc.)</p>
<b>Digitalisation</b>	Share of population having digital access / skills.
<b>Additional aspects</b>	<p>COVID-19: Any data that relates to the COVID-19 and its impact on the economics and labour market (specifically the crafts sector)</p>

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