

# CRAFTSMANSHIP AND SKILLS FOR THE FUTURE

Sectoral Portrait for Uzbekistan

## **DISCLAIMER**

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# 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

After Uzbekistan gained independence, a new era in the development of crafts began, with folk crafts being revived on the basis of market economics. This resulted in privatizations of local industrial enterprises in Uzbekistan, while small state-owned companies were transformed into private artisan businesses and new handicraft enterprises were opened.<sup>1</sup> As a result, due to the restructuring of the sector and various events in the domain of folk crafts and applied arts, handicraft activities witnessed positive development.

In 1997, the Republican Association of Folk Artists “Usto” was established. Furthermore, with the establishment of the Craftsmen’s Association, the goal was to further develop handicrafts in the country by restoring unique and lost crafts, raising awareness on the characteristics of craftsmen’s work. Throughout the existence of the Association, it has seen 40000 craftsmen become its members with numbers continuing to grow.<sup>2</sup>

On October 24-25, 1995, the “1st Republican Fair of People’s Craftsmen and Craftsmen of Uzbekistan” was held in Tashkent in cooperation with the UN Permanent Mission to Uzbekistan. By adopting a decree in 1997 that supports the development of folk arts and crafts<sup>3</sup>, and another decree which founded the aforementioned craftsmen association<sup>4</sup>, there has been gradual development of the national handicrafts sector throughout the years of independence.

It is known that handicraft production has taken place in Uzbekistan since ancient times, with the manufacturing of various handicraft goods contributing to the wellbeing of the country’s people. Nowadays artisan production is aimed at domestic and foreign markets. Both at home and abroad, these products are highly valued for their quality and artistic excellence, while also reflecting the Uzbek national identity and historical traditions.

Overtime the number of craft industry subsectors has increased from 25 to the currently existing 34. Of the 34 crafts subsectors, around 14-16 are related to tourism. Examples of these subsectors include ganch embroidery, hand-woven carpets and fabrics, handicrafts, painting, copper -smithing, pottery, goldsmithing, and embroidery. The remaining subsectors are not popular with tourists, but are still used in everyday life by Uzbeks, with examples being wooden handicrafts or tin products.<sup>5</sup>

Achieving statehood has allowed Uzbekistan to strengthen scientific research regarding national culture and develop the cultural and educational spheres. Moreover, crucial state programs were adopted to restore and expand the traditional crafts industry. An example proving the conceptual and practical accuracy of reforms related to handicrafts is seen in the “Strategy of actions on five priority directions of development of the Republic of Uzbekistan for 2017-2021”. The Strategy states that special attention is given to the expansion of traditional professions, financial support for artisans in the framework of such important tasks as the “modernization of the country, increasing the

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1 Interview with Craftsmen’s Association of the Republic of Uzbekistan

2 Interview with Craftsmen’s Association of the Republic of Uzbekistan

3 People’s Word newspaper. 1997, 31 March (Халқ сўзи. 1997, 31 март.)

4 People’s Word newspaper. 1997, 4 June. (Халқ сўзи. 1997, 4 июнь.)

5 State Committee for Tourism Development

effectiveness of socio-economic reforms, the establishment of small business and entrepreneurship”. This will act as a theoretical basis for the scientific study of historical and cultural heritage, as well as the expansion of Uzbek craftsmen’s ties with the world, thus strengthening their place in the socio-political life of the republic.<sup>6</sup>

## THE CONTEXT OF THE CRAFTSPEOPLE

### The workplace of the craftspeople

Craftsmen act as sole proprietors (ASP). Therefore, it can be concluded that handicraft companies are smaller than other companies in Uzbekistan.<sup>7</sup> Master artisans mainly work in two ways either individually or with the help of apprentices and hired workers, with the latter being more prevalent. It is worth noting that there is a layer of family crafts in Uzbekistan and skills are often passed down on a generational basis. Combined with artisans having their own apprentices, this arrangement has formed the basis of master-apprentice schools.<sup>8</sup> Until recently, there were also closed types of crafts, for example, goldsmithing was taught traditionally only to family members. Even in contemporary times, many artisans practice a certain type of craft that is typical to their family.

Today, the number of artisans who are members of the association (Craftsmen's Association of the Republic of Uzbekistan) is 36,000, of which about 20,000 artisans have established their own craft schools.<sup>9</sup>

Based on interviews with the Chamber of Commerce and Industry of Uzbekistan, the number of companies engaged in handicrafts grew from 12 thousand at the beginning of 2020 to 23 thousand by the end of the same year. Currently, that number has risen to about 39 thousand. There are 34 branches of handicrafts with sectors facing the most growth being crafts (40%), pottery, wood carving and blacksmithing.<sup>10</sup>

### The financial position of the craftspeople

It became clear in the conversations with many artisans, that they started their careers in the early years of Uzbekistan’s independence and initially had enough income. Nevertheless, they do face obstacles to their activities in terms of open access to raw materials, lack of initial funding, insurance premium payments to the extra-budgetary pension fund for retired artisans, lack of market and business freedoms.

While many artisans continue to operate in the informal economy, their number is declining due to the benefits provided to artisans by the state. If artisans remain in the informal sector, they avoid paying duties (other payments, including the pension fund) during the state registration process. However, they are deprived of many privileges, leaving them in a precarious position. On the other hand, officially registered craftsmen can become members of the Craftsmen's Association and have access

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6 Interview with the State Museum

7 Interview with Chamber of Commerce and Industry of Uzbekistan

8 Interview with Craftsmen's Association of the Republic of Uzbekistan

9 Interview with Craftsmen's Association of the Republic of Uzbekistan

10 Interview with Chamber of commerce and industry of Uzbekistan

to the benefits provided (there are more than 42 benefits, such as income tax exemptions, soft loans, unlimited number of apprentices, etc.).<sup>11</sup>

## CHARACTERISTICS OF THE CRAFTS AND DESIGN SECTOR

### Traditions, heritage and cultural practice

For Uzbeks rituals contain great symbolic importance, by preserving their national identity and passing on historical experience to future generations. Nevertheless, they continue to be re-evaluated considering contemporary trends, with the process stemming from the predominance of tradition. An example of this is seen in the ritual performed when transitioning from apprentice to master. If the apprentice is related to the master, he only needs to have his blessing. In other cases, the master would invite distinguished masters and organize a banquet in the workshop. The apprentice would have to produce an original piece on his own and present it to the masters who had gathered.<sup>12</sup> It is also worth noting that women can also inherit their professions from family members and become apprentices.<sup>13</sup>

Images that relate to various traditions, ceremonies, understandings of the world involving the religious and secular are always interpreted in a symbolic manner within folk crafts.<sup>14</sup>

Uzbek handicrafts that still exist maintain their style of production and technologies involved in the process, yet there is a noticeable change in terms of content and form. While it is true that aesthetic traits of different ethnic groups portraying cultural and historical traditions as well as Islamic traditions are used in decorative folk art, the use of secular and modern motives must not be overlooked.<sup>15</sup>

Textiles, wood carving, metal products, blacksmithing, jewellery, leather goods, ceramics are the main crafts in production today. In Bukhara, the craft of jewellery nowadays operates efficiently, with masters focusing on two goals: reviving forgotten ancient local jewellery traditions and creating jewellery in a modern style.

Craftsmen who manufacture products for markets and exhibitions pay careful attention to demonstrating handicraft traditions in their products. They use only traditional methods of manufacturing and opt for natural materials and dyes. In turn, the demand for such environmentally friendly products is high. Yet sometimes this comes at the cost of forgetting certain artistic traditions related to the produced goods.

In some cases, in order to restore professional traditions, commercial methods as well as international projects that ignore the specifics of the local area are used. However, this leads to the disappearance of unique traditions in handicrafts, common to the country's regions. To counter this issue the production of handicrafts for the market should avoid sharp differences between the original condition

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<sup>11</sup> Interview with Chamber of commerce and industry of Uzbekistan

<sup>12</sup> Interview with State Museum

<sup>13</sup> Interview with State Museum

<sup>14</sup> Interview with State Museum

<sup>15</sup> Interview with State Museum

of the product and the ratio of innovation. This should be done because applied folk art does not aim to reflect novelty or the specific style of an artist, but instead it shows the historical, national and specific characteristics of a particular community.

While effectiveness in production is primarily aimed at meeting the needs of public consumption only international buyers remain the main consumers especially in textiles and ceramics. However, some well-crafted applied art pieces are made for museum collections.

Local artisans from Central Asia (Uzbekistan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan), South Asia (Bangladesh, India, Maldives, Nepal, Pakistan and Sri Lanka), East Asia (China, Japan, Korea) participate in the “UNESCO quality mark” program. In 2006 Janda fabric and oaken rugs produced in Boysun district of Surkhandarya oasis were awarded the UNESCO Quality Mark, while in 2016 Shakhrisabz School of Ceramics was also awarded the Quality Mark and had their products showcased in UNESCO offices located in Bangkok, Beijing, New York, Delhi and Almaty, among other winners.

Overall, it is difficult to say if they are highly rated across the whole population. Nevertheless, those who are involved with crafts or are knowledgeable about the field, hold craftsmen in high regard, even if this section of society is relatively small.

## Organisation of the crafts and design sector

Something that is common to the Uzbek handicraft tradition is that craftsmen specializing in a certain craft, come to form their own social organizations. The basis for these organizations is found in community traditions, which came about to protect know-how relating to craft techniques and production methods of those working in the same craft. These organization also provide support on issues related to asking for assistance from abroad if problems in the production process arise. When needed craftsmen within the association can aid each other in order fulfilment, controlling production and reaching mutual settlements involving legal matters.

One problem that troubles the development of crafts is either the lack of raw materials or their cost. Therefore, to alleviate this issue the Uzbekpaksanoat Association regularly supplies silkworms and silk fibre to artisans on behalf of the “Hunarmand Association”.<sup>16</sup>

Furthermore, artisans who practice woodcarving are allotted parcels of land on which they can plant trees. To monitor the operations related to this practise, regional commissions coordinate the development and support of handicrafts in the regions. Their tasks include allocating land and buildings to artisans, giving them assistance in overcoming problems that hinder the production of handicrafts; implementing new craft projects; connecting production and engineering infrastructure facilities and assisting in the sale and export of handicraft products.<sup>17</sup>

In order to join the Craftsmen Association there needs to be an application addressed to the Chairman of the Association. The application will be considered within 3 working days and the author of the application will be notified. The status of admission to the Association is confirmed by a special

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<sup>16</sup> Interview with Ministry of Culture

<sup>17</sup> Interview with Ministry of Culture

certificate that is issued after paying the prescribed membership fees. Upon admission to the association, the annual membership fee is paid in the amount of 1 to 6 times the minimum wage.<sup>18</sup>

The Craftsmen's Association has its own regional departments and divisions. Until 2006, the association had 16 branches, but now there are 13 departments and 124 branches in the country. The Association provides all possible assistance and support to artisans and protects the rights of artisans.

The number of artisans who are members benefiting from the Craftsmen's Association is growing in all regions of the country. In 2018, the number of artisans registered with the Association of Craftsmen increased by 16,087 to 28,002. The reasons for this are that from December 1, 2017, members of the association<sup>19</sup>:

1. Exempted from fixed tax on production and sale of handicrafts.
2. Recipients of old-age pensions and benefits are exempt from paying insurance premiums to the extra-budgetary Pension Fund.
3. The right to freely dispose of foreign currency from the export of handicrafts and to withdraw foreign currency in cash from bank accounts.
4. A mechanism for allocating large amounts of soft loans has been introduced.

The Craftsmen Association is a member of the World's Craftsmen Association . This has led to Uzbek artisans expanding their ties with other countries and gaining a spot in the socio-political life of the republic. Moreover, their position was consolidated by the privilege on the export of handicrafts to foreign countries, handicrafts in 24 directions were exempted from the examination fee.<sup>20</sup>

The Arts Council under the Craftsmen's Association examines the product made by the artisan and concludes whether he will be admitted into the Association. The main task of the council is to provide an expert opinion on the products of handicrafts and folk arts, to determine their artistic level, to assess their value and to determine the price on the basis of applications.<sup>21</sup>

The artistic process and quality control in handicrafts can be positively addressed with the support of the Republican Association of Craftsmen - the main coordinating body of folk crafts in Uzbekistan.

A number of foundations and associations have been established to provide comprehensive support to folk crafts. Establishment of the International Charitable Fund "Golden Heritage" (1996), the establishment of the Scientific and Production Centre "Musavvir", the Republican Special Creative and Production Associations "Ustazoda" and "Usto", the annual competition "Tashabbus", the contest and the organization of the nomination "Best Craftsman" are of special interest for the development of national crafts. Due to the activities of these structures, crafts such as the production of floral prints, lacquer miniature paintings, carpet weaving were revived.

The internet network "Young Craftsmen Portal" was created in cooperation with the Chamber of Commerce and Industry of the Republic of Uzbekistan, the Craftsmen's Association and the Youth Union of Uzbekistan to further develop crafts and support young artisans, disseminate best practices and develop social cooperation. The portal focuses on educating the younger generation on the basis

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18 Interview with Academy of Arts of Uzbekistan

19 <http://uzor.uz/uz/yangiliklar/hunarmandchilikni-yanada-rivojlantirish-va-hunarmandlarni-har-tomonlama-qollab-quvvatlash-chora-tadbirlari>

20 Interview with Craftsmen's Association of the Republic of Uzbekistan

21 Interview with the State Museum

of national traditions, popularizing national handicrafts and creating opportunities for young artisans to realize their talents and abilities.

## A market for the craftspeople

Many regions throughout the country such as Bukhara, Samarkand, Khiva, Shahrizabz, Margilan, Kokand, Rishtan, Asaka, Chust and Tashkent produce handicrafts which are then sold to local customers and tourists, making up the main sources of income. However, the impact of the COVID-19 pandemic is noticeable, due to the sharp decline in sales and revenue. In areas that have no permanent customers, the craftsmen only produce handicrafts when they receive an order.<sup>22</sup>

Although the number of members in the Craftsmen Association decreased by 7776 in 2017, the amount of production and sales went up. The volume of production by artisans who were members of the Craftsmen Association in 2010 amounted to UZS 59.012.842 rising in 2016 to UZS 159.927.151 and going up once again in 2018 to UZS 215.000.000. The amount of production increased 1.3 times from 2016 to 2018.

During the period of 2011-2016, the production of handicrafts related to gypsum increased by 166.8%, in wood carving by 156.1%, in stone carving by 780%, in wood production by 203,5% and by 200% for metal and tin products.

The Craftsmen's Association together with the Tourism Committee, launched the website "hunar.uz". It has 60162 registered members in the system and 989 artisans working in tourism<sup>23</sup>. The most active artisans receive support from the Committee each year through the promotion and sale of their products and aid when participating in international exhibitions.

There are traditional national and international exhibitions and festivals, which the craftsmen look forward to. The reason is that during these events artisans can sell their products all the while meeting new people from home and abroad and exchanging their experience.<sup>24</sup>

The main sources of income for artisans are local and foreign buyers and exhibitors, soft loans, as well as various grants. For example, exports of products in 2018 amounted to USD 12.1 million, while in 2019 it reached USD 15.2 million. Broken down by type of sales 45% comes from tourism, 25% from exhibitions, 25% from contracts and 5% from online sales. In 2019, there were a total of UZS 150 million loan projects, with a total of 11,205 artisans receiving soft loans.<sup>25</sup>

The "Craft and Art" LLC was established as a part of the Craftsmen's Association. During the pandemic it played an important role in providing 300 artisans with assistance by selling their products in the domestic market, with the total worth of sales equalling UZS 780 million. The LLC also worked together with the government of Uzbekistan and businesses, which throughout the year were provided with UZS 250 million worth of handicrafts.<sup>26</sup>

The importance of online spaces as a supplement to physical marketplaces is also worth mentioning. Within this domain, Uzbek craftsmen have a plethora of websites to choose from. One example of

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22 Interview with Craftsmen's Association of the Republic of Uzbekistan

23 "Hunarmand" association <https://hunar.uz/?&lang=en>

24 Interview with State Committee for Tourism Development

25 Interview with Craftsmen's Association of the Republic of Uzbekistan

26 Interview with Craftsmen's Association of the Republic of Uzbekistan

such a website is “uzcrafts.com.” owned by the “Craft and Art” LLC. This online store creates a space that facilitates the process of purchasing popular and antique products from Uzbek craftsmen for domestic and foreign buyers, at the same time leading to the promotion of their crafts<sup>27</sup>. Another website owned by “Craft and Art” “uzcraft.shopsettings.com<sup>28</sup>” also specializes in this field, allowing crafters to sell their production worldwide. An interesting case backed by the Chamber of Commerce and Industry of the Republic of Uzbekistan and multiple NGOs is “www.youngcrafters.uz<sup>29</sup>”. It is an online vendor which supports the crafts of young and talented craftsmen brought up by the “master-apprentice” tradition, by showcasing and selling their products. It needs to be emphasized that in pursuit of reaching foreign markets, all three websites maintain social media profiles (Facebook, Instagram, Vkontakte) and have the option to use their websites in English, with the latter two featuring the possibility to use other languages such as Uzbekistani and Russian. Moreover, Uzbek Craft and Art stores opened on eBay and Etsy allowing 112 artisans to use these platforms independently.<sup>30</sup>

Cooperating with the Association, led to handicraft stores opening shops in China, Malaysia, Latvia, and Greece.<sup>31</sup>

Before the pandemic the Association took initiative and held annual international festivals such as Silk and Spices” in Bukhara, “Atlas Holiday” in Margilan, the Republican Calligraphy Festival “Craftsmen of the Independent Country” “World of Wisdoms” and “Golden Hand Craftsman”. The participation of artisans in these international fairs has delivered noticeable positive developments in their skills.<sup>32</sup>

## Employment in crafts and design

A person engaged in handicrafts is self-employed and has to pass state registration and can then become a member of a craft association. In this case, the employment departments do not act as craftsmen employment services.<sup>33</sup>

Masters who are members of a formal artisan association may look for a job for additional work in employment agencies. When there is demand for specialists in galleries, museums or similar fields, vacancies are announced on the Ministry of Employment webpage “ish.mehnat.uz”. This is how employment agencies can recruit specialists.<sup>34</sup>

In 2018-2019, there was a plan to allocate billions of soms from the State Fund for Employment to train young people in the “Master-Apprentice” curriculum<sup>35</sup>. To implement the plan the president signed a decree, calling for establishment of museums-workshops, information and resource centres, Master-Apprentice” schools, centres for the development of handicrafts in the districts, “Historical East; Bazaar-style stalls, special places for folk artists, caravanserais”. These centres which date back to ancient times, feature on the first floor a workshop and shop with the second floor having a modern

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27 <https://uzcrafts.com/about-us/>

28 <https://uzcraft.shopsettings.com/>

29 <http://www.youngcrafters.uz/en/pages/60/o-portale>

30 Interview with Craftsmen’s Association of the Republic of Uzbekistan

31 Interview with Craftsmen’s Association of the Republic of Uzbekistan

32 Interview with State Museum

33 Interview with State Employment Center

34 Interview with State Employment Center

35 Decree of the President of the Republic of Uzbekistan dated November 17, 2017 No PF-5242 “Measures for further development of handicrafts and comprehensive support of artisans” (Ўзбекистон Республикаси Президентининг 2017 йил 17 ноябрдаги «Хунармандчиликни янада ривожлантириш ва хунармандларни ҳар томонлама қўллаб-қувватлаш чора-тадбирлари ПФ-5242-сонли Фармони)

accommodation. Also, according to the approved targeted programs for the development of handicrafts in 2018-2019, 3,015 projects worth UZS 146.6 billion, including UZS 86.8 billion of loans from commercial banks, created more than 9,000 new jobs, mostly in rural areas in which they were implemented.

Due to the development of handicrafts, a total of 124,585 jobs have been created in the country so far, and a total of 45,005 new jobs are forecasted by 2020. As of July 27, 2020, 18,175 new jobs were created for member artisans, 17,512 for apprentices, a total of 35,687 new jobs, or 79% of the annual plan.

While craftsmen who want to work formally are registered by the state and receive an individual activity certificate, they are also enrolled into the Craftsmen Association, with many artisans refusing to join the Craftsmen Association because they do not want to pay taxes<sup>36</sup>. Therefore, it is important to carry out promotional work in the makhallas (neighbourhoods) on issues related to paying taxes and payments into the pension fund which will bring benefits in the future.

It is also worth noting that through various activities such as fairs and exhibitions hosted at home or abroad, that are organized or participated in by the Craftsmen Association, there are noticeable positive effects on expanding employment.<sup>37</sup>

Currently, the number of registered artisans is 38,928, of which 16,586 are female artisans.<sup>38</sup> A number of women's non-governmental organizations have been established in Uzbekistan. Today, there are more than forty different organizations on women's issues in the country. Their work is also focused on improving the organization of women's labour in the national handicrafts, legal protection and other aspects of the issue. In this regard, the Women's Committee of Uzbekistan, the Association of Women Entrepreneurs and their regional branches, the Women's Resource Centre in Tashkent, Mehr Nuri and other organizations have included in their program's national crafts such as gold embroidery, embroidery, sewing, weaving, design. Certain work has been done on the development of fashion and carpet weaving. Moreover, the "State Program for large-scale organization of hand-woven carpets and fabrics in order to increase women's employment in 2020-2025", allows for grants to initiate the development of handicrafts and national fabrics, while giving support to increased participation of women in the labour market.

It is necessary to provide women weavers with free knitting machines at the expense of the fund and to establish awards for women craftsmen who train 50 apprentices a year. These measures will help ensure the development of the sector.

## Current and emerging skills demand in the sector

Uzbekistan is famous for its national handicrafts with schools of pottery, wood carving, silk weaving giving new life to traditions<sup>39</sup>. The National Institute of Art and Design was established in 1997, on the basis of which the Faculty of Applied Arts operates, meaning that a prospective apprentice can choose to specialize in one of the three areas of education, which include applied arts, sculpture and design<sup>40</sup>.

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36 Interview with State Employment Center

37 Interview with Uzbekistan's Academy of Arts

38 <https://handicraftman.uz/2021-yilda-hunarmandchilik-sohasi-rivojlanishini-baholashning-asosiy-indikatorlari-1-chorak-korsatgichlar/?lang=uz-kr>

39 Interview with Uzbekistan's Academy of Arts

40 <http://mrtdi.uz/institut/fakultetlar/amaliy-sanat/>

The role of vocational education is of particular importance in providing the developing areas of handicrafts with qualified young workers. Interview data shows that outside of the practical skills that artisans have, theoretical knowledge ranks as being the second most important skill.<sup>41</sup> Therefore, to preserve and develop traditional trades, 12 educational institutions will be transformed into national craft colleges, which will train specialists in 76 areas and 140 specialties.

To adjust to the changing needs of the labour market, there are new creative laboratories in higher education institutions, which will bring about a positive impact. Because of the attention to fine and applied arts, design and museology at the National Institute of Art and Design, named after Kamoliddin Behzod, there is a new generation of artists, which fresh ideas in regard to the entire field of art. This will allow Uzbeks to have a new lens through which researchers and artists can analyse different types of artworks. Nevertheless, improvements still need to be made in terms of creative workshops due to the outdated equipment and technical base, which affects the quality of education for apprentices. Moreover, more internships need to be available in sectors of applied arts. Currently, the lack of special training programs for masters of traditional handicrafts leads to a high prevalence of using only theoretical knowledge and copying the works of others.<sup>42</sup>

Since 2000, a completely new system of vocational education has been introduced with 340 vocational training schools, 147 colleges and 143 technical schools. In addition, within the system of vocational education there are centres for vocational training under the Ministry of Labour, as well as other professional training providers who train and retrain specialists based on the principle of "lifelong learning".<sup>43</sup>

In the formal labour market, artisans employ other artisans on the master-apprentice principle. Craftsmen's Association in cooperation with the Employment Promotion Centres organize training courses in handicrafts and folk arts in 43 districts (cities) on areas that specialize in handicrafts (except Tashkent). The Ministry of Employment and Labour Relations also received a list of craftsmen who will be trained in the areas of handicrafts in the training courses organized in vocational training centres. The Ministry of Employment and Labour Relations and the Ministry of Higher and Secondary Special Education have decided to re-specialize the vocational training centres under the Ministry of Employment and Labour Relations, develop and approve model curricula and programs for training in vocational education institutions, which would prepare a new generation of young craftsmen.<sup>44</sup>

When talking about the work of masters it is important to provide practical assistance that would create the necessary conditions for learning skills related to the master's handicraft. It is also important that artisans have the needed competences to cooperate with non-governmental, non-profit organizations that provide various services, support them, protect their rights and interests such as the Republican Chamber of Commerce and Industry, the Association of Craftsmen, the Association of Women Entrepreneurs. Furthermore, craftsmen must have extensive access to information systems, be creative and willing to take initiative.

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41 Interview with Academy of Arts

42 Interview with Uzbekistan Academy of Arts

43 [https://openspace.etf.europa.eu/sites/default/files/2020-11/TRPreport\\_2020\\_Uzbekistan\\_UZ.pdf](https://openspace.etf.europa.eu/sites/default/files/2020-11/TRPreport_2020_Uzbekistan_UZ.pdf)

44 Interview with State Employment Center

The historical tradition of “Teacher-Apprentice” is the process of training individuals in necessary or advanced, skills, knowledge, abilities and competencies, which contribute to work experience. This tradition is based on certain rules and agreements requiring that:

- The individual works on the basis of a humane approach.
- His work involves creativity, research and risk.
- That he is given freedom, is flexible in his approach and feels comfortable doing the work.

At the same time, this is an independent entrepreneurial activity produces good and services within the existing laws and benefits the people. This concept of entrepreneurship has been widely used in business during the years of independence.

Certification and regulation of apprentices to artisans was launched in September 2018, before which the number of apprentices attached to master craftsmen reached 5,600. After the introduction of a procedure which led to the issuing of certificates to apprentices, a total of 73,253 apprentices (13 times more) were involved in handicrafts. As of July 27, 2020, the number of apprentices had reached 17,512. The branches of the Craftsmen's Association and the Entrepreneurship Support Centres of the Chamber of Commerce and Industry, provide services to apprentices in the preparation of business plans and access to credit for independent craft activities.

On January 1, 2019, the online database “National Catalog of Masters of Applied Arts” was launched. To date, 338 artisans are included in the National Catalog of Master of Applied Arts. In cooperation with the State Committee for Tourism Development, the “Register of artisans working in the field of tourism” has been launched online. To date, a total of 1,391 applications have been received for admission to the register, of which 799 are included in the register.<sup>45</sup>

The rapid growth of tourism before the pandemic had a positive impact on the number of artisans in some industries. Moreover, this led to the growing interest of young people which wanted to carry out apprenticeships with famous artisans, thus emphasizing the media's role in popularizing their work. The launch of handicraft sites, the establishment of online shops in each region helped artisans in remote areas bring their products to international markets, leading to a positive impact on skill development. In April and May of 2020, seminars and trainings were organized in all regions of the country on ways to carry out sales online, the convenience of online trading and training to operate on the world's largest e-commerce platforms. In addition, the products of artisans were accepted for display and sale in online websites of the Association of Craftsmen and its regional offices. The Association has widely promoted traditional Uzbek handicrafts through a total of 102 events of various levels in the country, including 11 festivals, 48 exhibitions, 15 trade fairs and 12 other public events.<sup>46</sup>

As a result of observations, that came from interaction with master craftsmen, it was clear that they needed additional scientific knowledge regarding their field. For example, there are sometimes lack of clear ideas on why certain patterns in handicrafts are used, the meaning behind their symbolism or which schools of tradition they belong to. Overall, their knowledge has gaps in regard to the available scientific literature relating to their field<sup>47</sup>. One of the reasons for this could be the lack of publications in the Uzbek language regarding the history of folk crafts and the works of other great masters. In

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<sup>45</sup> Interview with Craftsmen's Association of the Republic of Uzbekistan

<sup>46</sup> Interview with State Museum

<sup>47</sup> Continuers of centuries-old traditions (People's Masters of Independent Uzbekistan). –T., 2016; Crafts and applied arts of Uzbekistan. 2-volume encyclopedia. –T., 2016-2017

recent years, only a few publications on this subject have seen the light of day in the Uzbek language, but their conclusions are based mainly on those first published in the twentieth century in Russian. Moreover, scientific and theoretical issues of handicrafts are not covered by these popular publications. Another issue is the undeveloped interest in reading upon the topic by local consumers, leading to a lack of market signals to masters to encourage innovation, , which limits their creative potential and creates uniformity in work. Therefore, there is a need to identify measures such as the publication of literature under the leadership of the Republican Association of Craftsmen, the organization of training seminars, trainings, advanced training courses and improved master classes for masters.

## THE NATIONAL APPROACH TO CRAFTS AND DESIGN

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

In accordance with the Decree of the President of the Republic of Uzbekistan dated April 1, 2008№3983 "On additional measures to stimulate the development of folk arts and crafts", individual labour activity in the production of folk arts and crafts at home. Individuals who are members of the Craftsmen's Association make monthly payments to the extra budgetary Pension Fund in the amount equal to the minimum wage.

In accordance with the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan №245 of April 26, 2017, 24 types of handicrafts were exempted from the examination fee.<sup>48</sup>

In order to systematically address the problems in the development of handicrafts, to fully preserve and foster the rich cultural heritage and historical traditions of the Uzbek people, to support handicrafts on a large scale and encourage the population to engage in handicrafts, especially youth, women and low-income families in November 2017 Uzbekistan's President signed a decree "On measures to provide comprehensive support to artisans". This will allocate land and buildings, connect engineering and communication networks, provide soft loans, sell, and export handicrafts, as well as further improve the activities of the Republican Association of Craftsmen.<sup>49</sup> In the same month due to the emphasis on handicrafts, especially the development of folk and applied arts a decree was signed in the same month "On further development of handicrafts".<sup>50</sup>

Furthermore, the "Comprehensive program of projects to be implemented in the Republic of Uzbekistan through the development of handicrafts in 2018-2019" was approved. Commercial banks provided UZS 1 billion to carry out 12,402 handicraft projects and 46.4 thousand new jobs were created. The possibility to engage in family businesses has opened more opportunities for people engaged in handicrafts, improved the quality of applied arts, increasing the population's income.<sup>51</sup>

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48 Interview with Craftsmen's Association of the Republic of Uzbekistan

49 Interview with Ministry of Culture

50 State Committee for Tourism development

51 State Committee for Tourism development

Particular attention is paid to the creation of new jobs through the development of handicrafts. To that end skills related to handicrafts are taught to the unemployed, especially the youth, based on master-apprentice traditions by directing young apprentices to artisans. Today, over 5,000 Usta-Shogird schools employ more than 23,000 young people. In cooperation with the Craftsmen's Association, the "Register of Craftsmen in the Tourism Sector" has been launched online and special benefits have been introduced for artisans included in the register. To date, 799 artisans have been identified and registered in the tourism industry.<sup>52</sup>

In order to increase the targeting and efficiency of benefits for artisans, members who have been part of the Craftsmen's Association since December 1, 2017, are completely exempt from fixed taxes on the production and sale of handicraft products (goods, works, services). Those receiving old-age pensions and benefits are exempt from paying insurance premiums to the extra-budgetary Pension Fund. Craftsmen registered and operating in rural areas are required to pay 50% of the insurance premiums to the extra-budgetary Pension Fund for the first two years of their activity.<sup>53</sup>

Moreover, full exemption from fixed taxes on the production and sale of handicraft products (goods, works, services) and the right of artisans to freely dispose of foreign currency from the export of their products, including the withdrawal of foreign currency in cash from bank accounts and the sale of handicrafts at exhibitions, festivals, fairs abroad without concluding export contracts and other benefits for craftsmen in the local budget for the placement of outdoor advertising means a significant contribution to the rapid growth of artisans is happening.<sup>54</sup>

The creation of a comprehensive system of measures aimed at supporting national crafts is in the works. The main task is to provide practical assistance in creating a network of specialized shops for the sale of finished products, create the conditions necessary for young people to learn the skills of masters in folk arts. Moreover, artisan entrepreneurs will be given the right to set prices for their products independently based on supply and demand in the consumer market. With another focus on regional factors the program in question is aimed at creating a common market in which the handicrafts of the country could operate. These tasks include filling the local markets with products produced in the region, employment of a certain part of the working population, development of social infrastructure. Also, as part of this system, there is an envisaged provision of local raw materials, tools and small mechanization to local artisans who produce high-quality works of art at home, in the organization of exhibitions and auctions.<sup>55</sup>

## The economics of crafts

The main factor determining the role and importance of handicrafts in the economy of Uzbekistan is the state instituting effective policy regarding the sector. This is due to the state's power in creating necessary legal frameworks, promoting the development of handicrafts through organizational and economic incentives, promoting the growth of employment and incomes of the population while

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52 State Committee for Tourism development

53 Interview with Ministry of Culture

54 Interview with Ministry of Culture

55 Interview with Ministry of Culture

keeping in mind the stability of the country's economy.<sup>56</sup> The industry also has a role to play in preparing products for foreign markets<sup>57</sup>.

There are no references and reports that account for the distribution and importance of handicrafts, meaning that key information relating to handicrafts in the economy of Uzbekistan cannot be determined.

**TABLE 1. PROJECTS TO BE IMPLEMENTED IN THE REPUBLIC OF UZBEKISTAN IN 2018-2019 FOR THE DEVELOPMENT OF HANDICRAFTS (MILLION SUMS)**

Name of regions	The project	Project cost	Annual production capacity	Source of funding		Organized number of jobs to be created, person
				Own amount	commercial banks credits	
<b>The Republic of Karakalpakstan</b>	173	5 979,0	8 3802	1 477,0	4 502,0	348
<b>Andijan region</b>	314	12 419,5	77 952 7	3044,5	93750	1 155
<b>Bukhara Region</b>	292	6 797,2	19 586:5	841,2	5 956,0	532
<b>Jizzakh region</b>	143	3 849,5	4 947:4	688,0	3161,5	344
<b>Kashkadarya region</b>	203	6 741,5	12 060:2	1 315,0	5 426,5	550
<b>Navoi region</b>	132	5 177,0	10 112,2	1 029:0	4 148:0	316
<b>Namangan region</b>	247	5 363,5	47 231:0	2 260,5	3 103:0	611
<b>Samarkand region</b>	279	11 269,5	20 317:2	3 520,0	7 749,5	958
<b>Surkhandarya region</b>	155	5 165:0	7 832:0	1 461,0	3 704:0	481
<b>Syrdarya region</b>	121	2 907:0	9 600:9	924,0	1 983:0	264
<b>Tashkent region</b>	224	7 028,2	21 635,6	1 506,2	5 522,0	739
<b>Fergana region</b>	304	12 423,5	55 444:8	4 622,5	7 801:0	603
<b>Khorezm region</b>	185	10984,4	18 786 7	4 663,0	6 321 4	450
<b>Tashkent city</b>	243	9 344,4	30 837:0	3 081,4	6 263,0	667
<b>Total across the country</b>		449,2	344 724,3	30433,3	75 015,9	

Appendix 2 to the Decree of the President of the Republic of Uzbekistan dated November 17, 2017 No. PF-5242 (Ўзбекистон Республикаси Президентининг 2017 йил 17 ноябрдаги ПФ-5242-сон Фармониغا 2-илова)

In 2018-2019, a total of USD 18 million of exports in handicrafts were made.<sup>58</sup>

In 2020, UZS 516.3 billion will be allocated to the development of handicrafts. A consolidated program of 14,675 projects worth UZS 1 billion has been formed. As of July 21, 2020, UZS 349.1 billion worth

56 Interview with Ministry of Culture

57 Interview with Ministry of Culture

58 State Committee for Tourism development

of loans were allocated to a total of 11,185 projects. At the same time, a total of 3,714 women received UZS 193.8 billion. Similarly, a total of 3,050 young people received UZS 88.1 billion<sup>59</sup>.

Special mention should be made of the projects announced by the American Counterpart Consortium (1990), such as "Cultural Acquaintance Tourism and Crafts Development" and "Assistance to Craftsmen", "UN, UNESCO - Uzbekistan Program for the Restoration and Development of Arts and Crafts". They held fairs, invited local experts to teach local craftsmen how to use traditional technologies, natural dyes, and develop joint projects with famous craft centres. In recent years, involvement came from the Swiss Bureau for Cooperation and Development, the UNESCO Office in Uzbekistan and the National Commission.

In 2021, the Turkish International Cooperation and Development Agency (TICA) allocated \$ 150,000 in grant projects to restore 10 species of extinct ancient handicrafts at the Nurillaboy complex in Khiva. In addition, \$ 150,000 in foreign grants will be used to weave wool carpets, a disappearing type of handicraft in Ellikkala district of Khorezm region.<sup>60</sup>

Exhibitions, festivals and fairs in foreign countries, entrepreneurs can sell handicrafts without concluding export contracts. The importance of developing national handicrafts in the country can be seen in the organization of frequent exhibitions and trade fairs domestically and abroad, in which Uzbek artisans participate and sign contracts to sell their products. Proof of this is the fact that handicrafts are sold directly through workshops located near historical cities and architectural monuments visited by tourists. Even more recently, the demand for handicrafts in the domestic market has been growing, which means that the demand has increased by 30% in the last 8 years. However, it is necessary to expand the export of national handicrafts, to ensure the access of national products to world markets<sup>61</sup>.

However, Uzbekistan has to tackle a number of issues to facilitate the export of handicrafts:

1. Artisans' lack knowledge about the export of products.
2. A system which would facilitate the export of handicrafts.
3. While it is possible to sell small quantities of handicrafts through PayPal, Uzbekistan is not a member of this payment system.

Solving the aforementioned problems will open possibilities for artisans to export their products to foreign markets.

## Drivers of change in the crafts and design sector

The current age of globalization requires innovative craftsmanship, which focuses on new methods of production and maintaining certain quality standards, while at the same integrating national traditions that reflect the culture and values of the country. Examples of such craftsmanship can include the production of designer furniture using wood carving, manufacturing of modern clothes through traditional methods of production, integrating new patterns and designs in hand woven carpets from natural wool. To move towards this type of craftsmanship there is a need to implement a set of

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59 <https://handicraftman.uz/hunarmandchilik-rivojiga-qaratilayotgan-jetibor-tufayli-aholi-ayniqsa-yoshlar-ayollar-va-kam-taminlangan-oilalar-bandligini-taminlashda-mazkur-soha-ham-muhim-orin-tutmoqda/?lang=uz-kr>

60 Interview with the Craftsmen's Association of the Republic of Uzbekistan

61 Tursunov B. Development of handicrafts and improvement of business management in local areas // Economy and innovative technologies. № 3, 2016.- B.4. (Tursunov B. Маҳаллий ҳудудларда ҳунармандчиликни ривожлантириш ва тадбиркорлик фаолияти бошқарувини такомиллаштириш // Иқтисодиёт ва инновацион технологиялар. № 3, 2016.- Б.4.)

targeted measures to stimulate the introduction and support these activities, while attracting investment and encouraging their activity.<sup>62</sup>

It is important to note that over the last 5-10 years, young people's interest in crafts changed for the better especially in the use of information technology. This is particularly clear in the case of various video training courses are gaining popularity<sup>63</sup>. Moreover, In the last several years, Uzbek artisans had the opportunity to participate in fairs and exhibitions abroad, the largest of which, was in Santa Fe, USA. By participating in such events artisans can see significant growth in skills such as packaging, thus making their products more attractive to customers and complementing the quality of their patterns and decorations.<sup>64</sup>

Crafts have a uniquely complex structure and depending on the field of activity they can be divided into areas such as traditional, artistic and modern crafts. In Uzbekistan, the craft industry needs more innovation. Nevertheless, there exist modern handicrafts, which build on existing traditions of the sector, through scientific and technical achievements. Practicing these trades requires skilled knowledge and it is appropriate to consider and legitimize these new trades as modern crafts.<sup>65</sup>

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62 Interview with State Museum

63 Interview with Academy of Arts

64 Interview with Academy of Arts Uzbekistan

65 Interview with Ministry of Culture

# 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 apprentices 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>	<p>Share of population having digital access / skills.</p>

**Additional aspects**

COVID-19:

Any data that relates to the COVID-19 and its impact on the economics and labour market (specifically the crafts sector)

Working Draft

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