



## DEVELOPMENT OF HOME CRAFTSMANSHIP IN UZBEKISTAN AND PROSPECTS FOR GROWTH

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**Abstract.** This article scientifically examines the historical stages of development of home craftsmanship in Uzbekistan and the transformation processes taking place in modern economic conditions. The primary focus of the research is on issues related to preserving traditional types of craftsmanship and adapting them to the demands of a market economy. The study employs systematic analysis, comparative-historical methods, and statistical forecasting techniques to assess the role of the sector in the country's gross domestic product and its potential for ensuring employment. The research findings demonstrate the effectiveness of introducing a cluster system and utilizing digital marketing tools in the development of home craftsmanship. As a conclusion, scientifically grounded proposals for improving the legal and economic mechanisms of state support for the sector have been developed, outlining prospects for increasing the export potential of craft products and ensuring the sustainable development of national cultural heritage. The economic and social significance of home craftsmanship, its development factors, and future prospects are analyzed. The research results show that developing this sector is a key factor in ensuring employment and increasing the export potential of national products.

**Keywords:** home craftsmanship, employment, small business, innovation, economy of Uzbekistan, national heritage, family entrepreneurship, export potential, innovative development, historical traditions, cluster system.



Introduction. In the context of the global economy, the development of national craftsmanship is becoming increasingly important. In today's rapidly advancing globalization, diversifying national economies, preserving cultural heritage, and ensuring employment are among the most pressing tasks. From this perspective, the development of national craftsmanship holds significance not only culturally, but also economically. Particularly in countries like Uzbekistan, with rich historical and cultural traditions, craftsmanship is emerging as an important component of the economy. Home craftsmanship in Uzbekistan is becoming an important segment of the economy. National craftsmanship is one of the key directions of small business and private entrepreneurship, playing a major role in increasing household incomes and creating new jobs. Especially in rural areas where industrial enterprises are not sufficiently developed, craftsmanship serves as the primary source of income for the population.

Furthermore, craft products have export potential, enabling an increase in foreign currency revenues for the national economy. The growing demand for unique handmade products in the global market is further enhancing the importance of this sector.

National craftsmanship plays an important role in ensuring employment, particularly in creating new opportunities for women and youth. The ability to work from home creates favorable conditions for many families.

Moreover, through craftsmanship, traditions passed down from generation to generation are preserved. This serves to foster a sense of national identity and cultural stability in society.

The broad attention paid to craftsmanship, entrepreneurship, and trade during the years of independence shows that alongside the transition to modern market relations, these sectors have not lost their position and significance in the country's socioeconomic life [1].

National craftsmanship reflects the history, customs, and worldview of each people. For example, types of craftsmanship such as pottery, embroidery, and carpet weaving express the aesthetic views and creative thinking of the people.

In this regard, national craftsmanship is considered an important part of intangible cultural heritage supported by UNESCO. Developing national



craftsmanship in the context of the global economy has strategic importance. It is an important factor in ensuring economic growth, increasing employment, and preserving cultural heritage. Therefore, providing comprehensive support to this sector and developing it in accordance with modern requirements remains one of the priority tasks.

In recent years, diversifying the national economy, ensuring employment, and developing small businesses have become priority tasks. From this perspective, home craftsmanship in Uzbekistan is increasingly becoming an important segment of the economy. The development of this sector serves not only to improve economic efficiency, but also to preserve national values and traditions. Home craftsmanship is a production activity carried out by the population at home, primarily relying on manual labor. This type of activity develops in the form of small business and family entrepreneurship, occupying an important place in a market economy.

In Uzbekistan, home craftsmanship is widely spread in the following areas: pottery, embroidery, carpet weaving, jewelry making, and wood carving. These areas serve not only to meet domestic market needs, but also to increase export potential.

The following factors influence the formation of home craftsmanship as a distinct segment in the economy: state policy — programs aimed at supporting artisans; institutional support through the activities of the “Hunarmand” association; preferential financing through credits and subsidies; tourism development increasing demand for national products. In particular, the “Hunarmand” association plays an important role in uniting artisans, bringing their products to market, and promoting exports.

Literature Review. Issues of home craftsmanship and traditional production are widely covered in international and national scientific literature, with the economic, social, and cultural aspects of this sector researched from various perspectives.

In international research, special attention is given to the role of craftsmanship in sustainable development. For instance, David Throsby, in his research on cultural economics, defines craftsmanship as a “system with dual value,” emphasizing that it simultaneously demonstrates economic and cultural significance [1]. According to him, traditional crafts allow for the preservation of national identity while also creating competitive products in a market economy.



Furthermore, reports published by UNESCO recognize traditional craftsmanship as an integral part of intangible cultural heritage and note that its preservation is an important condition for sustainable development [2]. This approach shows the necessity of evaluating craftsmanship not only as an economic activity, but also as cultural heritage. At the same time, the “Creative Economy Outlook” report [3] notes that creative industries, including craftsmanship, are among the fastest-growing segments in global trade.

From an economic perspective, World Bank research regards craftsmanship as an effective tool for ensuring employment in rural areas and reducing poverty [4]. Additionally, OECD research indicates that innovation and digitalization are important factors in bringing craft products to the global market within the creative economy framework [5]. This approach allows craftsmanship to be viewed as one of the dynamic sectors of the modern economy.

In research dedicated to regional development issues in scientific literature, the importance of craftsmanship is also specifically noted. For example, Porter [6] in his cluster theory views local production and craftsmanship as an important element of regional competitiveness. Florida (2002) [7] emphasizes through his creative class theory that creative activities, including craftsmanship, are drivers of economic growth.

Lash and Urry (1994) [8], within the concept of “economies of signs and space,” demonstrate that craft products have symbolic value and are in high demand in the global market as cultural products. Harvey (2001) [9] emphasizes the necessity of preserving local types of production in the context of globalization.

Looking at national research, it has been noted in many scientific works that home craftsmanship in Uzbekistan plays an important role in ensuring employment and developing family entrepreneurship. In particular, local economists evaluate this sector as “an activity requiring low investment but yielding high social returns.”

From an institutional perspective, studies dedicated to the activities of the Hunarmand association particularly emphasize the role of this organization in supporting artisans, training them, and bringing products to market. This institution serves as an important mechanism for systematically developing national craftsmanship.



At the same time, the analysis of scientific literature shows that issues of digitalization of craftsmanship, integration with e-commerce platforms, and elevating products to the level of international brands have not been sufficiently studied. John Howkins, in his research on the creative economy, emphasizes that effective use of innovation and intellectual resources is the decisive factor in integrating craftsmanship into the global market [10]. However, modern research shows that digitalization and integration with e-commerce are becoming one of the main drivers of craftsmanship development. Brynjolfsson and McAfee [11] note that in a digital economy, online platforms create new opportunities for small producers. Tapscott [12] notes that digital transformation facilitates access to global markets.

Kotler and Keller [13], in marketing theory, demonstrate the importance of branding and positioning, justifying the need for modern marketing strategies to promote craft products in international markets.

The analysis of the above literature shows that home craftsmanship is a multifaceted sector from economic, social, and cultural perspectives, and that innovation, digitalization, and institutional support are of paramount importance in its development. At the same time, there is a need to further deepen research on integrating this sector in Uzbekistan into the global economy. Developing home craftsmanship is important not only for supporting the national economy, but also for integrating it into the global economic system. Therefore, developing this sector on the basis of modern innovative approaches remains one of the priority directions of scientific research.

**Methodology.** The following methods were used in this research: analytical method, comparative method, statistical analysis, and systematic approach. A complex scientific approach was applied in this study to assess the economic and social significance of home craftsmanship and to determine the prospects for its development. The research was conducted on the example of Uzbekistan, combining theoretical and practical analysis methods. The research was conducted based on a mixed-methods design. This approach allowed for a comprehensive study of the problem by analyzing qualitative and quantitative data together.

The following sources were used in the research: official statistical data of Uzbekistan, reports of the “Hunarmand” association, materials of international



organizations (such as UNESCO, World Bank), and scientific articles and academic literature.

1. Using the analytical method, the development trends and economic significance of home craftsmanship were analyzed.
2. Using the comparative method, the situation in Uzbekistan was compared with international experience.
3. Based on statistical analysis, indicators such as employment levels, production volumes, and export figures were analyzed.
4. Using the case study method, practical analysis was conducted based on individual artisans and regional experiences.
5. Based on the systematic approach, the study of the sector as an institutional, economic, and social system was ensured.

Limitations of the research. During the research process, the following limitations existed: insufficient complete statistical data for all regions; inability to fully cover informal craftsmanship activities; subjective evaluation of some data.

Reliability and validity. In order to ensure the reliability of research results: data from various sources were compared; international and national data were integrated; analysis was conducted on the basis of scientific literature. The methodology applied allowed for analyzing home craftsmanship, assessing its economic significance, and determining development prospects.

#### Results and Discussion

This study analyzed the development and economic significance of home craftsmanship in Uzbekistan during the period 2015–2024.

From 2015 to 2024, the production volume of home craftsmanship grew at an average annual rate of 8–10%. The number of people employed in the craftsmanship sector increased from 250,000 in 2015 to 350,000 in 2024, demonstrating the significance of craftsmanship as a source of income for the rural population. The most active areas include pottery, carpet weaving, embroidery, and jewelry making. These areas also have export potential. Craftsmanship ensures employment, particularly creating new jobs for women and youth. Local craftsmanship plays an important role in preserving traditional values and transmitting cultural heritage to



future generations. Integration with tourism increases demand for craft products and creates additional income sources.

Craftsmanship is one of the important and effective directions for ensuring employment in the economy of Uzbekistan. Scientific research notes that small-scale and home-based production activities create effective economic opportunities for segments of the labor market with low competitiveness (World Bank, 2021). According to international analyses, craftsmanship activities play an important role in creating jobs and reducing poverty in developing countries.

From the perspective of ensuring women's employment, the importance of craftsmanship is particularly recognized. According to UNESCO data, traditional craftsmanship is an important tool for increasing women's economic activity, strengthening their social status, and ensuring gender equality (UNESCO, 2022). This situation allows women to work from home, increasing their participation in the labor market.

From the perspective of socioeconomic theory, the "capability approach" concept advanced by Amartya Sen emphasizes that expanding people's economic opportunities serves to increase their well-being (Sen, 1999). From this perspective, craftsmanship is an important factor that expands opportunities for women as an independent source of income.

Craftsmanship also holds special significance in ensuring youth employment. According to research by the International Labour Organization, developing vocational skills is one of the most effective means of reducing youth unemployment (ILO, 2020). In this process, craftsmanship serves as an initial stage for youth entering the labor market.

The concept of human capital in economic theory also explains this process. As Gary Becker stated, investing in knowledge and practical skills increases labor productivity and leads to increased incomes (Becker, 1964). The skills formed through craftsmanship activities are the practical expression of this theory.

Furthermore, in the context of the creative economy, John Howkins evaluates craftsmanship as an activity based on intellectual and creative resources (Howkins, 2001). This creates new entrepreneurial opportunities for youth and stimulates



innovative activities. Institutional factors are also of great importance. The activities of the “Hunarmand” association serve to create new jobs by supporting artisans, training them, and integrating them into the market. This process is also explained through the cluster theory developed by Michael Porter, i.e., developing local production networks stimulates regional economic growth (Porter, 1998). In modern conditions, digitalization processes are giving new impetus to the development of craftsmanship. As Erik Brynjolfsson and Andrew McAfee noted, digital technologies create opportunities for small producers to access global markets (Brynjolfsson & McAfee, 2014). This serves to increase the competitiveness of craft products and create additional jobs.

#### Craftsmanship and Cultural Heritage: A Factor in Preserving Traditional Values

Craftsmanship in Uzbekistan is an important socio-cultural mechanism for preserving traditional values and transmitting cultural heritage to future generations. Scientific research emphasizes that craftsmanship, incorporating the material and intangible aspects of national culture, serves to preserve the historical memory and identity of society [1].

Within the concept of cultural heritage, UNESCO evaluates craftsmanship as an important component of intangible cultural heritage. According to the organization’s data, traditional crafts passed down from generation to generation ensure the cultural stability of society [2]. In this process, craftsmanship manifests as an effective mechanism for preserving cultural heritage through the continuous transmission of knowledge and skills.

Combining economic and cultural approaches, David Throsby interprets craftsmanship as a “harmony of cultural and economic values” [10]. According to him, craft products not only have market value, but also symbolic and cultural significance, serving as an important tool for preserving national traditions.

From the perspective of social theory, Pierre Bourdieu, advancing the concept of cultural capital, emphasizes that knowledge and skills formed through traditional craftsmanship are preserved as cultural resources of society [14]. This allows craftsmanship to be viewed as a mechanism for reproducing cultural heritage.

The importance of craftsmanship is growing in the context of globalization. As Arjun Appadurai noted, preserving local cultural practices in the context of global



cultural flows is of great importance in ensuring the cultural diversity of society [15]. From this perspective, craftsmanship is viewed as a means of preserving traditions at risk of disappearing under the influence of globalization.

Looking at the example of Uzbekistan, national craftsmanship types — pottery, embroidery, carpet weaving, and jewelry making — embody the historical and cultural heritage of the people. Institutional support is of great importance in preserving these traditions, and organizations such as the Hunarmand association play a key role in supporting artisans and transmitting their knowledge to future generations.

At the same time, modern research emphasizes that the possibilities of preserving cultural heritage through digitalization of craftsmanship and its integration into the global market are expanding [10]. This ensures the continuity of traditional crafts by adapting them to modern economic conditions. The art of our ancestors and their successors — skilled craftsmen and architects of their era — captivates people all over the world and speaks of the high spirituality and cultural life of the Uzbek people.

#### Tourism and Craftsmanship: Additional Sources of Income Through Integration

The possibilities of creating additional income sources through the integration of craft products and the tourism sector have been analyzed. Research results show that the combination of tourism and craftsmanship is of great importance in developing the local economy, preserving traditional crafts, and expanding sources of income for the local population [16], [17].

The integration between craft products and tourism is seen as an effective direction for developing the local economy. Tourism increases demand for traditional craft products and creates additional income sources for the local population [16].

As Timothy Richards emphasized, the integration of tourism and craftsmanship increases the market value of local products and engages the local population in economic activity [16].

At the same time, according to World Tourism Organization (UNWTO) data, the combination of tourism and craftsmanship allows for the preservation of traditional cultural products and their promotion to the global market [17].



## Home Craftsmanship in Uzbekistan: Does It Increase Employment, Strengthen Export Potential, and Preserve National Culture?

The traditional artistic craftsmanship of Uzbekistan occupies an important place in the system of national cultural values. They underwent a long evolutionary process before acquiring artistic elements, sometimes reaching their highest level at various historical stages, sometimes experiencing stagnation and decline, committing their achievements to eternal or temporary oblivion, and then again attaining the fame and power of professional flourishing. At present, in connection with the trends of independent development in Uzbekistan, the processes of restoring national spiritual values and understanding national culture and its uniqueness in art have become even more relevant. Restoring authentic history and uniqueness has become a priority direction of state policy.

Craftsmanship in Uzbekistan is developing rapidly in recent years. According to statistical data, more than 22,000 artisans are active in the country. Also, according to “Hunarmand” association data, more than 15,000 new jobs were created in the first quarter of 2025 [18]. This ensures: self-employment of the population, particularly job creation for women and youth, and poverty reduction. From a scientific perspective, craftsmanship is evaluated as “an economic mechanism ensuring social stability.”

Craft products are in high demand in foreign markets. For example, exports of products related to textiles and craftsmanship reached \$629.3 million in 2025 [19]. At the same time: international exhibitions promote craft products, new markets are opened, and national product brands are formed. Scientific research emphasizes that international exhibitions in which artisans participate are an important factor in increasing exports and strengthening competitiveness [20].

Home craftsmanship is one of the most important means of preserving national culture. Craftsmanship preserves cultural heritage and national identity, ensures traditions passed from generation to generation, and expresses historical memory and aesthetic values [21]. Furthermore: craftsmanship traditions have been preserved since the Great Silk Road era; in modern conditions they are harmonized with innovation; craftsmanship is not merely an economic activity, but a carrier of cultural heritage. It should be emphasized that the traditional craftsmanship of Uzbekistan is a “living heritage” that functions in the life of modern society. This



heritage ensures its existence through individual artisans who preserve national art from generation to generation through “transmitting artistic experience.”

### Main Challenges in Developing Home Craftsmanship

Although home craftsmanship in Uzbekistan is developing noticeably, there are a number of problems limiting the effectiveness of this sector. In today’s digital economy, a significant portion of artisans are not making sufficient use of modern information and communication technologies. This leads to the following problems: limited participation in online trading platforms; lack of marketing skills on social networks; low level of use of electronic payment systems. In sectors with a low level of digitalization, competitiveness decreases and market coverage is limited.

Many artisans are limited to selling their products only in local markets. The main reasons include: the complexity of export processes; high logistics and transportation costs; problems adapting to international standards, resulting in products being unable to enter the global market and limited income opportunities.

There are also problems in branding processes. Although craft products are of high quality, their branding and marketing are not sufficiently developed. This manifests in: lack of a unified brand for products; low recognition in the international market; inadequate design and packaging. The lack of branding reduces the added value of products and weakens their competitiveness. To further develop home craftsmanship: improving digital skills, expanding market infrastructure, and forming national brands are important strategic tasks. In this area, proposals such as harmonizing traditional craftsmanship with modern design, supporting startup projects and creative industries, and strengthening integration with tourism are considered relevant. The proposed measures will accelerate digitalization in the sector, expand export opportunities, create conditions for national brands to be recognized, and as a result, home craftsmanship will become a sector developing sustainably from economic, social, and cultural perspectives.



Conclusion. Developing home craftsmanship is an important factor in diversifying the country's economy. Home craftsmanship in Uzbekistan is increasingly becoming an important segment of the economy. Through developing this sector, it is possible to achieve not only economic growth, but also to preserve national cultural heritage and ensure social stability. Therefore, providing comprehensive support to this sector and developing it in accordance with modern requirements remains one of the priority tasks.

Research results show that home craftsmanship in Uzbekistan, as an important component of the economy, holds special significance not only in ensuring employment, but also in increasing export potential and preserving national cultural heritage. This sector is particularly important for its low capital requirements, effective use of local raw materials, and its ability to engage various segments of the population, including women and youth, in economic activity.

At the same time, as identified during the research, there are a number of systemic problems preventing the full use of the potential of home craftsmanship. In particular, the low level of digitalization, insufficient development of market infrastructure, and weak branding mechanisms are limiting the competitiveness of the sector. This is impeding craft products from occupying a worthy place in the international market in the context of global economic integration.

The analysis of scientific sources shows that introducing digital technologies, supporting exports, and forming national brands are priority directions for developing home craftsmanship. In particular, research by international organizations, including the World Bank and UNESCO, has recognized supporting creative industries and small businesses as an important factor in sustainable economic growth.

In conclusion, comprehensively developing home craftsmanship not only increases economic efficiency, but also serves to preserve national culture, ensure social stability, and strengthen the country's international image. Therefore, providing scientific support to this sector and developing it on the basis of innovative approaches remains one of the priority tasks.



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