

# **THE PROBLEMS OF THE TRANSITION OF CRAFT ENTERPRISES OF UZBEKISTAN TO A MARKET ECONOMY AT THE END OF THE 20TH - BEGINNING OF THE 21ST CENTURIES (on the example of enterprises of the Ferghana Valley)**

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## **Abstract:**

The article on the example of two enterprises of the Ferghana Valley - the Rishtan plant of art ceramics and the Namangan factory of art products considers the problems of the transition of craft enterprises of Uzbekistan to a market economy in the late XIX - early XX centuries. During this period, these enterprises faced a sharp change in consumer demand, competition from foreign consumer goods, a lack of related raw materials previously supplied from neighboring countries and other negative economic phenomena, which led them to bankruptcy and liquidation.

**Keywords:** state support, organizational problems, lack of raw materials, change in consumer demand, foreign competition

## **Introduction**

The recognition of the socio-economic role of craftsmanship at the international level is evidenced by the creation on June 12, 1964 of the World Craft Council - the World Council of Craftsmen. Special attention was paid to the development of handicraft and socio-economic support of artisans during the years of independence of the Republic of Uzbekistan. On March 31, 1997, Presidential Decree No. 1741 "On Measures of State Support for the Further Development of Folk Arts and Crafts" was issued, on the basis of which the non-state, non-profit, public association "Hunarmand" was created.

Craftsmanship of Uzbekistan is considered in numerous works and monographs, and electronic resources. The works of M. Gavrilov, L.I. Rempel, A.B. Dzhumaev, B.M. Babazhanova, B.S. Safaraliev reflects the principles common to the field of craftsmanship since ancient times, including such as associations in workshops, the presence of a mystical patron of an artisan association, certain rituals of initiation.

In 2021, the book of Muhammad Yahyohon Hukandiy was published, which examines in detail the crafts that existed in the city of Kokand, provides data on the technology of production processes.

The chronological framework of the material is 1991-2021, since it was during this period that the complex processes of overcoming the recession of handicraft took place, caused by the transition to a market system of the economy.

The source is the archival materials of the National Archive of the Republic of Uzbekistan.

The purpose of the material is to cover the economic condition of two craft enterprises of the Ferghana Valley in the specified period.

## **Methods**

The article uses methods of historicity and objectivity.

## **Results and discussion**

Since the beginning of the 90s of the twentieth century, craft as a type of economic activity of Uzbekistan has been in recession for a long period, since the destruction of the management structure in the economy, systemic shortcomings of the planned management principle, loss of ties with neighboring countries that supplied important production components, lack of protectionist policies regarding the import of foreign consumer goods, in particular, from the PRC, and, most importantly, the low purchasing power of the population led handicraft to decline.

The state provided numerous benefits to local industries in order to develop this industry and save jobs. As an example, one can cite, but they could not get the craft structures out of systemic difficulties.

The documents record the difficult situation of the state sphere of handicraft, which, despite financial and organizational support, turned out to be unprofitable in the context of the transition to a market economy. Some crafts, for example, stitching, ceased to exist, others reduced the scale of production.

As an example of the results of denationalization, one can cite the Rishtan plant of art ceramics. The history of this enterprise begins at the beginning of the twentieth century, when, unable to withstand competition with imported factory products, the Kuzagar workshop collapsed - potters producing large ceramic forms, and the production of expensive dishes decreased. In 1918, the first Chinnigaron potters artel was created from the Tavokchi workshops that produce dishes. 70 ceramists of various qualifications worked on it. In 1960, the artel became part of the Rishtan factory of art and ceramic products [7].

From the order of A. Tashboltaev, Chairman of the Rishtan Art Ceramics Plant Joint-Stock Company, dated April 28, 1997, it follows that according to the head of the clay processing workshop, item A. Yermatov, the pace of clay processing has recently dropped sharply, which has caused a reduction in the production of further operations and non-fulfillment of production plans. A decision was announced that due to the difficult working conditions in the clay

processing workshop, workers involved in the preparation of one ton of clay raw materials should be given material remuneration in the amount of 200 soums [8, p. 86].

However, from the next order of March 11, 1998, the chairman of the Rishtan Art Ceramics Plant joint-stock company A. Tashboltaev, it can be concluded that the problems at the enterprise were not only not resolved, but also aggravated. In the order, paragraph 3 of the above document reads: "To the head of the supply department B. Tadjibaev, as far as possible, provide the clay processing workshop with filter materials." Clause 4 reads: "At present, there is a lack of filter materials in the clay processing workshop, and therefore the quality of products in the glassware workshop has sharply deteriorated. Therefore, the dishware shop should switch to the production of products using traditional technology. " Paragraph 5 says: "The head of the clay preparation workshop M. Zhuraev should take measures to strengthen labor discipline and ensure the production of high-quality products" [8, p. 86].

In 1998, the situation at the plant was relatively stable: the plant, by order of the Netherlands, exported 850 kettles [8, p. 88].

Until January 1999, the plant was privatized and transformed into a joint-stock company [8, p. 86]. In an order dated January 11, 1999, the chairman of the joint-stock company I. Obidov notes the short supply of a number of components, such as carborundum, chalk, riveting, necessary for the production of products. This was caused by disruptions in communication with suppliers located in the CIS countries. Information on the short supply of raw materials according to the order should be transferred to the statistical authorities [9, p. 128].

Obviously, the transfer of information on the short supply of raw materials to the statistical authorities was undertaken only for pro forma. Both the management and the staff knew that the raw materials would not be delivered, and production would stop indefinitely until the necessary materials were received. Otherwise, the production will have to be stopped. After a year and a half of unsuccessful attempts to revive production, an order of June 28, 2002 followed, which concerned the recovery of the economic activities of the Rishtan Ceramic Plant joint-stock company and the optimization of production by reducing production units. The main production was ordered to be reduced to 40 personnel units, the rest of the workers were sent to small enterprises [9, p. 130].

Consequently, the lack of interaction with related enterprises from neighboring countries that supplied the plant with the necessary components, disruption of plans for the sale of goods, as well as organizational shortcomings over the past decade of the 20th century led the joint-stock company to a sharp decline in production, deterioration in product quality, loss of confidence of workers and employees in the ability of management to improve the situation.

The consequence of these processes was the bankruptcy of the enterprise, the organization of small enterprises at home, the transition of the most enterprising potters to traditional methods of work. The order of October 12, 2005 prescribes in connection with the termination of the activities of the Rishtan Ceramic Plant joint-stock company to pay workers and employees compensation in the amount of the minimum wage. Warning letters are sent to workers and employees with an offer to enter the newly formed private small enterprises [9].

A similar situation led to the bankruptcy of the Namangan art products factory, which had about 950 workers and employees, over 450 home workers [10].

The assortment of products manufactured in 1992 at the enterprise was significant and included skullcaps, jiyak, charsi, drapes, tablecloths, ustun chaishabs, takchayshabs, namoza press, bedspreads, panties, chair cushions, fans, pillows, sheets, shirts, newborn kits, curpachi covers, national curpachi, duvet covers, souvenirs - a total of 48 items. At the Namangan factory of art products, according to the order of January 27, 1992, signed by the director of the factory D.Kh. Akramova ordered workers to establish compensation in the amount of 5 rubles per person per day to compensate for damage from food in public canteens [2, p. 220].

There, by order of February 19, 1992, measures were determined to improve work with homeworkers. Clause 3 of the order ordered the head of the construction workshop I. Alimov to take strict control of homeworkers with factory tambour sewing and embroidery machines. In case of violation of the labor agreement on the use of factory equipment, homeworkers will return the equipment to the factory and administrative penalties will have to be taken against them. Clause 3 provided for the maintenance of equipment available to homeworkers, to allocate the mechanics of the plant a car of the Moskvich brand IZH 2715 [2, p. 220].

At the aforementioned factory, the order of April 29, 1992 "On increasing the wages of workers from March 16, 1992" contains in the appendix a list of goods produced by the factory. There are only 30 items in it - 10 less than in the above [2, p. 220].

Thus, for the period from January to April 1992, the factory stopped producing 10 products from the assortment. The minutes of the meeting of August 29, 1992 with the agenda "On consideration of the report of the head of the dzhiyak production workshop H. Khakimova" states that in the context of the transition to a market economy due to an increase in the cost of production, the rise in the cost of raw materials, the difficulty with the sale of manufactured goods, the products of the dzhiyak production workshop are stored in stock. It is necessary to switch to the production of products in demand by the population. It was decided to offer the workers of the zhiak workshop to go into unpaid release for 4 months [2, p. 221].

By order of November 28, 1992, signed by the director of the factory D.Kh. Akramova established that the construction site in the village of Paramon, due to the rise in the cost of transport costs, the remoteness of the settlement, the appeal of the state farm management about the rent for the premises used, a decrease in the demand of trade enterprises for manufactured products and due to an increase in wholesale prices is unprofitable. By the same order, the construction shop in the village of Paramon was closed [2, p. 224].

In 1994, the factory of art products already appears under the name of the joint-stock company "Shohi-Suzana." In December 1995, it was established: "Due to a sharp decrease in demand for construction products, a large supply of finished products at the central warehouse (more than 1 million sum), as well as the liquidation of the woodworking site (from 1.10.cg) and the zhiyak site (from 1.07.cg). A. Madiyarov, the head of the planning department, to reduce the production forecast for 1996 for the production of stitched products by 90%, leaving 10% of the planned. Exclude the release of products from wood. Exclude the release of manual work "[3, p. 3].

By order of March 29, 1996, the Shokhi Suzana joint-stock company, signed by Chairman of the Board A. Umarov, was resumed

the activities of a team of woodworkers, as well as the introduction of artistic and design services, repair, adjustment and installation of embroidery machines. Employees engaged in these types of services were paid 40% of the proceeds [1, p. 33].

By the Decree of the Cabinet of Ministers of the Republic of Uzbekistan dated August 18, 1997 [5], the Shokhi Suzana enterprise was included in the list of joint-stock companies of the Namangan region, which were included in the structure of the territorial production and trade joint-stock companies Mahalliy Sanoat. According to the list of products from 2001, the range of products manufactured by the joint-stock company has significantly increased - up to 58 items. A weaving workshop for the production of coarse calico, gauze, mattress fabric and waffle towels was opened, as well as a gold sewing workshop, a workshop for the production of knitted fabric [4, p. 13].

According to the "State Register of Certified Quality Systems" in 2021, the Shokhi Suzana Joint-Stock Company, stationed in Namangan at 3 Samarkand Street, was issued a license. However, we did not find the enterprise at this address, the phone number indicated in the directory is also incorrect [6].

## **Conclusion**

Thus, both enterprises - the Rishtan Ceramic Plant and the Namangan Art Products Factory - went the same way of involution: first, a relatively stable position based on planned principles of work organization, then a decline in production, a transition to self-accounting, privatization, bankruptcy.

Although these processes were constantly monitored and monitored by state bodies that provided them with all possible support, as confirmed by the above documents, however, in the harsh conditions of a market economy, the functioning of these enterprises was objectively impossible. They were replaced by small businesses, family businesses, individual owners. whose economic activity turned out to be better adapted to the conditions of a runny economy.

## **References**

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2. Namangan Regional State Archive, fund 716, inventory 1, case 461, sheets 220, 221, 224.
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4. Namangan Regional State Archive, fund 716, inventory 1, case 538, sheet 13.
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7. Usmanov R. Rishtan ceramics // <https://ru.ferganatourism.uz/goncharnoyedelo/album/rustam-usmanov>. - Date of 08.03.2024.

8. Ferghana Regional State Archive, fund 126, inventory 2, case 17, sheets 86, 88.
9. Ferghana Regional State Archive, fund 126, inventory 2, case 23, sheets 128, 130.
10. Shakhobidinov Salokhiddin, an embroiderer, lives on Samarkandskaya street 9, dead end 3, house 14 of the city of Namangan.