ALTERNATIVE SCENARIOS FOR ENSURING EMPLOYMENT IN THE HANDICRAFT SECTOR OF NAVOI REGION

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Abstract

This thesis examines alternative scenarios for ensuring employment through the development of the handicraft sector in Navoi region, Uzbekistan. It explores the potential of traditional crafts to create jobs, increase household incomes, support entrepreneurship, and promote the efficient use of local economic resources. Three development scenarios are proposed: an institutional support scenario, a digital market expansion scenario, and an integrated regional development scenario. The article identifies the main economic, organizational, and technological factors influencing employment in handicrafts and presents indicators for evaluating the effectiveness of each scenario. The findings provide a conceptual basis for developing region-specific policies aimed at expanding employment opportunities and strengthening the contribution of handicrafts to sustainable regional development.

Keywords: handicrafts, employment, Navoi region, alternative scenarios, small business, entrepreneurship, regional development, digital marketing, self-employment, economic sustainability.

1. Introduction

Employment generation is one of the major priorities of regional economic development. Expanding access to productive work, increasing household incomes, and creating sustainable sources of employment are essential for improving living standards and reducing economic vulnerability. In this context, the development of small businesses, family enterprises, and traditional handicrafts represents an important opportunity to diversify regional employment.

The handicraft sector has particular significance because it combines traditional knowledge, creative skills, locally available resources, and entrepreneurial initiative. Unlike some capital-intensive industries, many handicraft activities can be organized through small workshops, home-based production, and family businesses. This makes the sector potentially accessible to different groups of the population, including women, young people, rural residents, and individuals seeking self-employment.

Navoi region possesses economic and cultural resources that can support the development of handicrafts. The region's urban and rural communities, entrepreneurial potential, and opportunities for cooperation with tourism and trade create conditions for expanding craft-based economic activities. However, the extent to which these opportunities translate into sustainable employment depends on access to finance, vocational training, production facilities, digital technologies, and reliable markets.

A single development strategy may not be equally effective for all districts and population groups. Therefore, the use of alternative development scenarios is important for identifying different pathways to employment creation and assessing their potential advantages, limitations, and implementation requirements.

The purpose of this article is to develop and analyze alternative scenarios for ensuring employment through the development of handicrafts in Navoi region and to identify practical measures for improving their economic and social effectiveness.

2. Literature Review and Research Methodology

Employment in small-scale production and traditional crafts can be examined through the theories of entrepreneurship, human capital development, regional specialization, and sustainable economic growth.

From the perspective of human capital theory, professional knowledge and practical skills increase workers' productivity and improve their employment opportunities. In the handicraft sector, the transfer

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of traditional skills must be combined with contemporary competencies in design, business management, marketing, and digital commerce.

Regional development approaches emphasize the importance of utilizing local resources and building economic activities around the distinctive characteristics of individual territories. Handicrafts can contribute to this process by transforming local materials and cultural knowledge into marketable products.

The development of handicrafts is also connected with the Sustainable Development Goals, particularly Goal 8, which promotes decent work and economic growth, and Goal 9, which supports resilient infrastructure, inclusive industrialization, and innovation.

The study uses systems analysis, comparative analysis, scenario planning, and economic generalization. The scenarios presented in this article are analytical policy options rather than statistically estimated forecasts. Their actual employment effects would need to be assessed using district-level data on handicraft enterprises, employment, production, sales, household incomes, and access to markets.

The methodological approach includes four stages:

1. Identifying the main factors affecting employment in handicrafts.
2. Developing alternative mechanisms for expanding handicraft-based economic activities.
3. Comparing the expected benefits, implementation requirements, and potential risks of each scenario.
4. Establishing indicators for monitoring and evaluating employment outcomes.

3. The Role of Handicrafts in Employment Generation in Navoi Region

Handicrafts can support employment through several interconnected mechanisms.

First, the sector creates opportunities for self-employment and small-scale entrepreneurship. Individuals with relevant practical skills can establish workshops or participate in home-based production, depending on the nature of the craft and applicable requirements.

Second, handicrafts can support the diversification of rural and urban household incomes. Family enterprises can combine craft production with other economic activities, reducing dependence on a single source of income.

Third, the sector creates indirect employment in the supply of raw materials, packaging, transportation, retail, tourism, and online commerce. Consequently, the economic impact of handicrafts extends beyond the number of people directly engaged in production.

Fourth, handicraft enterprises can preserve traditional knowledge and develop distinctive regional products. This can create opportunities to reach customers interested in locally produced goods, cultural heritage, and handmade products.

In Navoi region, employment policies should consider differences between districts in terms of population characteristics, existing craft skills, infrastructure, access to commercial centers, and potential demand. Programs should therefore be based on local assessments rather than assuming that the same craft activities or support measures will be equally suitable everywhere.

4. Alternative Scenarios for Ensuring Employment in the Handicraft Sector

Three alternative scenarios can be considered for developing handicrafts and expanding employment in Navoi region.

4.1. Scenario One: Institutional Support and Traditional Craft Development

The first scenario focuses on strengthening the institutional and organizational foundations of handicraft production.

Its main objective is to expand employment by improving access to vocational training, financial resources, production facilities, and business support services.

This scenario is particularly relevant for individuals who possess practical skills but lack the financial or organizational capacity to establish independent businesses.

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Its main advantage is that it strengthens the basic conditions for employment creation. However, the long-term effectiveness of this scenario depends on whether newly established and supported enterprises can secure sufficient demand for their products.

4.2. Scenario Two: Digitalization and Market Expansion

The second scenario emphasizes the use of digital technologies to expand access to customers and increase the commercial viability of handicraft production.

Under this approach, employment growth is pursued by connecting local producers with domestic and international markets through online platforms and digital marketing.

Digitalization can reduce geographical barriers between producers and consumers. A small workshop may reach customers outside its immediate district without establishing a physical retail outlet in every target market.

However, this scenario also presents challenges. Digital sales require reliable internet access, appropriate product presentation, consistent quality, secure payment arrangements, and effective delivery services. Producers may also face difficulties competing with established brands and mass-produced alternatives.

Therefore, digital market expansion should be accompanied by practical business training and support for product differentiation.

4.3. Scenario Three: Integrated Regional Development

The third scenario combines institutional support, professional training, digitalization, tourism, and regional cooperation into a coordinated development model.

Its central objective is to create a more comprehensive handicraft ecosystem in which production, skills development, marketing, and employment support reinforce one another.

The main measures include:

- Identifying promising handicraft specializations in individual districts through market and resource assessments.
- Developing regional craft brands based on product quality, cultural identity, and local production characteristics.
- Connecting artisans with tourism operators, cultural institutions, retailers, and exhibition organizers.
- Establishing cooperative networks for purchasing raw materials and accessing shared equipment.
- Integrating handicraft training into vocational education and entrepreneurship programs.
- Expanding digital sales while maintaining opportunities for direct sales at local markets and exhibitions.
- Monitoring employment outcomes and adjusting support measures according to observed performance.

The integrated scenario may offer broader opportunities because it addresses several constraints simultaneously. For example, vocational training is more likely to generate sustainable employment when graduates also have access to financing, production facilities, and sales channels.

Nevertheless, this approach requires stronger coordination among regional authorities, educational institutions, financial organizations, private businesses, and handicraft associations. It may also require more complex planning and monitoring than the other scenarios.

5. Comparative Analysis of the Alternative Scenarios

The three scenarios differ in their main mechanisms, implementation requirements, and potential employment effects.

The comparison shows that each scenario addresses a different set of constraints. Institutional support is relevant where the main barriers are insufficient skills, finance, and production capacity. Digital expansion is more appropriate where producers have marketable products but limited access to customers. Integrated development seeks to combine these approaches and address multiple barriers simultaneously.

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The scenarios should not necessarily be treated as mutually exclusive alternatives. Regional decision-makers may implement them sequentially or combine selected measures according to local conditions and available resources.

6. Indicators for Evaluating Employment Outcomes

The effectiveness of handicraft development policies should be evaluated using measurable indicators. These indicators should distinguish between temporary participation in training programs and the creation of sustainable economic opportunities.

These indicators can be measured at baseline and at regular intervals during implementation. Results should be disaggregated by district, craft specialization, gender, age group, and type of enterprise where data are available.

This indicator should be interpreted alongside job quality, income stability, and enterprise survival rather than used as the sole measure of success.

7. Policy Recommendations

Based on the proposed scenarios, several recommendations can be formulated for expanding handicraft-based employment in Navoi region.

First, regional authorities should conduct a district-level assessment of existing craft enterprises, available skills, potential raw materials, infrastructure, and market demand. This would provide an evidence base for selecting suitable interventions.

Second, vocational training should be linked directly to employment opportunities. Training programs should include practical production experience, entrepreneurship, product design, financial literacy, and marketing.

Third, financing mechanisms should be adapted to the needs of small producers. Depending on eligibility and applicable regulations, support may include microcredit, equipment leasing, business advisory services, or targeted entrepreneurship programs.

Fourth, digital skills should become an integral part of handicraft development. Artisans need practical assistance with online promotion, product presentation, customer communication, pricing, and delivery arrangements.

Fifth, regional branding should be developed around authentic and distinctive products. Branding efforts should emphasize quality, craftsmanship, and cultural identity while avoiding unsupported claims about origin or production methods.

Sixth, partnerships between artisans and tourism businesses should be encouraged where market demand supports them. Craft demonstrations, workshops, exhibitions, and direct sales can create complementary sources of income.

Finally, support programs should be evaluated regularly. Measures that demonstrate stronger employment and income outcomes can be expanded, while ineffective or poorly targeted interventions should be revised.

8. Conclusion

The development of handicrafts offers a potential pathway for expanding employment and diversifying household incomes in Navoi region. By combining practical skills, local resources, entrepreneurial activity, and access to markets, the sector can contribute to regional economic development and the preservation of cultural heritage.

This article proposes three alternative scenarios: institutional support and traditional craft development, digitalization and market expansion, and integrated regional development. Each scenario addresses different constraints and requires different organizational and financial conditions.

The institutional support scenario focuses on strengthening production capacity and professional skills. The digital expansion scenario seeks to connect artisans with wider markets. The integrated scenario combines these mechanisms with regional specialization, tourism, cooperation, and continuous performance monitoring.

The most suitable policy mix should be determined by district-level evidence, available resources, market demand, and the needs of potential participants. Rather than relying solely on the number of

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people trained or businesses registered, regional programs should prioritize sustained employment, stable income, enterprise survival, and productivity.

In conclusion, a coordinated and evidence-based approach to handicraft development can strengthen employment opportunities in Navoi region. Its long-term effectiveness will depend on combining skills development, accessible financing, modern marketing, institutional cooperation, and systematic evaluation of economic and social outcomes.

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