

## UZBEKISTAN

### ETF COUNTRY PLAN 2009

#### Summary

In the planning period 2009-2011, ETF activities will focus on supporting the government of Uzbekistan in the identification of priorities in the area of VET, capacity building of national stakeholders as well as increased opportunities for regional and international peer learning activities. The ETF will support the delivery of EU assistance through the Development and Cooperation Instrument (DCI), based on European Commission requests.

The ETF's role in the area of education and training policy will be complementary and supportive to what the activities of the EU (the Commission, EU Member States, or through DCI financed technical assistance), by other donors and by the government of Uzbekistan.

#### 1. Socio-economic background

- Uzbekistan benefitted from a continuous growth trend from independence, with acceleration from an average 4% per year to 7% in 2005 to reach 9.5% in 2007<sup>1</sup>. Major contributions to the economic success came from the industrial and service sectors and the investments in the areas of metals, gas and cars. Despite positive economic performance and a GDP per capita (PPP) growth of almost 50% as compared to 1991, the country has not yet managed to reduce poverty while social services have been deteriorating especially in rural areas.
- The government has moved slowly towards a market-based economy. The investment climate remains difficult; there is failure to attract foreign investment, a restrictive trade regime, slow reform of agriculture with state-set prices for cotton leading to low productivity. International organisations are calling for further structural changes to support the revival of the economy, in particular there is a need to support the development of the private sector, reduce taxes on private business, improve the efficiency of the banking system and reduce corruption which remains an issue in many sectors of the economy and administration of the country. The Ministry of Finance together with the IMF has embarked on a series of reforms to target the structural problems of the country, and target a 5% reduction in poverty levels by 2010<sup>2</sup>.

The population of Uzbekistan is currently estimated at 26.5 million, of which 36.7% live in urban areas and 63.3% in rural areas<sup>3</sup>. Though the population growth rate is low, the pressure on the school system is still considerable, with close to 40% of the population under 16 years of age. In 2005 an estimated 25.8% of population lived under the national poverty line<sup>4</sup>, with a big gap between urban and rural areas and among regions.

In 2006 the labour force was estimated at 11.6 million (44% in agriculture, 20% in industry and 36% in services) and the female labour force participation rate was 61%. Data on unemployment remains unavailable, as well as the education background of the unemployed population. The country has a high outflow migration especially from rural areas and of highly educated people. In 2005 almost 300,000 people moved abroad either permanently or for

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<sup>1</sup> IMF 2008, World Bank Development Indicators 2007 and Asian Development Outlook ADB 2008

<sup>2</sup> IMF 2008 Poverty Reduction Strategy paper

<sup>3</sup> World Bank Development Indicators 2007

<sup>4</sup> IMF 2008 Poverty Reduction Strategy Paper.

seasonal work opportunities. Remittances are an important component of the inflow of foreign exchange and to provide subsistence for families, which face a lack of job opportunities especially in rural areas.

## 2. Key policy issues and strategies in human resource development

The overarching policies for education and training are laid out in the National Programme for Personnel Training (NPPT) 1997-2009 and in the National Programme on School Education Development 2004-2009. The programmes give a strong priority to the introduction of 12 year compulsory education by 2009 and the related changes in upper secondary education. Their aim is to improve the quality of education and increase access to secondary education and professional education opportunities through the expansion of general education. The programmes cover all subsectors of the education system, from pre-primary to higher education.

According to the NPPT, the VET system will serve 90% of 15 year olds and 651 new colleges will be built to offer school opportunities to all students having completed the nine year general education cycle. VET is seen as a major tool against youth unemployment vis-à-vis the sustained population growth and as one of the drivers of economic development. This policy has brought huge investments in vocational college infrastructure but less at the policy development level, which would make VET programmes and qualifications more responsive to their environment.

The Poverty Reduction Strategy Programme (PRSP) process in the country proceeds from an interim document<sup>5</sup> to a final strategy for enhancing the living standards of the population. In the most recent strategy prepared under the lead of the Ministry of Economy, the need for quality in education and training is recognised. The ministry plans to combine system-wide with local and/or regional development approaches in the new document.

There has been a growing mismatch between VET supply and developing labour market needs. New and emerging occupations, small business development, the informal labour market and the needs of an impoverished segment of the population have so far not been appropriately reflected in the VET system. Many graduates face unemployment and college capacities are not sufficiently used for retraining and adult learning in general. Improving quality by modernising teaching content and methods can make VET more attractive and contribute to improving its image.

Key VET development concepts such as the involvement of social partners or a more decentralised management of the system have been officially adopted. Many critical issues have been recognised but the policy responses on the whole need to be strengthened, to avoid formal ineffective approaches that don't bring substantial changes. This could be characterised as being the vital missing link whereby the VET infrastructure exists but has yet to wait for its development 'road-map' and requires further capacity building for VET policy development and implementation.

Authorities still retain centralised control over the VET system, as illustrated by the continuing attempts to modernise the so-called classifier, the list of officially recognised occupations for which VET programmes exist. The classifier lacks systematic input from the social partners and remains determined by education policies. Gradually, with ETF support, policy thinking is moving towards the key principles of a national qualification framework in which learning outcomes, employers input and a balanced structure of qualifications levels are being considered.

Social partnership is officially recognised, but so far social partner cooperation structures, although they formally exist, have only just started to work. Representations of social partners are still rather weak due to transition changes in the economy and require capacity building. The Chamber of Commerce and Industry of Uzbekistan, as the main employer, has been

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<sup>5</sup> ([http://siteresources.worldbank.org/INTPRS1/Resources/Uzbekistan\\_I-PRSP\\_final\\_r.pdf](http://siteresources.worldbank.org/INTPRS1/Resources/Uzbekistan_I-PRSP_final_r.pdf))

recently reorganised on the basis of voluntary membership, which has resulted in a much decreased number of associated enterprises. Sectoral Trade Unions have so far showed little interest in getting involved in education and training.

The employment services which are important for linking VET and the labour market will also need to further develop their capacities. The scope and quality of publicly funded labour market (re)training for adults is rather low, and only a fraction of registered unemployed people receive this type of training. Coordination and dissemination of labour market data remains a major issue. The Ministry of Labour and Social Protection lacks the capacity to present the available data for education in a timely and user-friendly manner, which also hinders the development of vocational guidance for better career choices.

There is a clear need to build partnership platforms for communication and collaboration, and gradually change the approach from centrally driven “exact” methodologies to creating an environment which would enable learning and the joint development of feasible ways of cooperation in a common perspective of adapting VET to developmental needs of the region and its people. Better cooperation at central level and vertically in the system, real involvement of social partners and the loosening up of traditional centralistic ties can help to focus not only on quantitative development, but on improving the quality and relevance of VET.

### 3. EU and other donor interventions

The government’s commitment to implementing the NPPT, and the new PRSP, provides a good starting point upon which the donor community can build its actions in a harmonised and aligned way. Both require external support in order to achieve systemic and lasting outcomes.

As regards EU assistance, interventions from the final phase of the Tacis programme continue in the region and the new Development and Cooperation Instrument (DCI) was introduced in Central Asia in 2007.

The Tacis project “Social partnership in education and training in Uzbekistan” (2004-2006) has made a significant contribution to raising the awareness of social partnership and its results were effectively disseminated, having an impact at national level. The process of involving social partners in education and training has just started and will require continuous support. The second phase of this project to be implemented in 2007-2009 aims to develop capacity for designing and implementing vocational education and training policy based on social partnership. The project combines policy development and capacity building in vocational education and training. It involves all levels of the system: national policy making, regional development planning and local vocational colleges. The main objectives are to set up a VET policy task force, to develop a VET policy paper and a strategy for implementation, to build the capacity of social partners and employment services, and to implement pilot curricula.

The EuropeAid Co-operation Office in Uzbekistan is working towards achieving convergence and synergy in the areas of education and training by providing supporting measures to vocational colleges to work more effectively in improving the standards of living in their own communities. This would imply that a more coordinated approach is needed between the national capacity building and regional poverty alleviation projects.

The overall priorities for the DCI in Central Asia are to promote stability, strengthen governance and transparency, reduce poverty and promote closer cooperation both within Central Asia and with the EU. In May 2007 the EU Council adopted a Strategy for a New Partnership with Central Asia, which defines a strengthened EU approach in strategic cooperation areas, including a planned European Education Initiative covering all levels of education and training.

In higher education, the EU has provided support through the Tempus programme and will continue to do so within the new Development and Cooperation Instrument and also through the Erasmus Mundus programme and its External Cooperation Window.

Insofar as other donors are concerned, the Asian Development Bank (ADB) is involved in the basic education sub-sector in the country with various projects, including the Education Sector Development Project which directly, among other objectives, supports the reform of the 12 year general education, while specifically on secondary education the ADB implemented the “Senior

Secondary Education project” between 2002 and 2007. The project provided equipment to 42 vocational colleges and three academic lycea, assisted in teacher and trainer training, and in developing instructional materials. The Japan Bank for International Co-operation implemented a loan project of US\$ 60 million (2002-2004) to provide equipment for 50 agricultural colleges, related instructors training and capacity building. The GTZ, the Swiss Development Agency and the Institute for International Co-operation of the German Adult Education Association (IIZ/DVV) have recently implemented successful projects with pilot vocational colleges in different sectors (<http://www.gtz.de/en/weltweit/europa-kaukasus-zentralasien/13309.htm>), which have been able to attract the interest of employers in working together with colleges.

### **European Training Foundation**

The ETF has been working in the country to support the preparation and implementation of Tacis projects in the area of VET, with successful experience in supporting EU projects.

Involvement in specific ETF activities has been discontinuous, especially in the national qualifications framework project where the country actively participated in some activities, only to drop out later on. The discontinuous working relationship has led to the partial achievement of the expected results and limited impact on the policy agenda of the country.

The experience and consultation with national stakeholders have called for a renewed approach to cooperation with the country, with a higher involvement of national authorities and more focus on policy and capacity building opportunities. The ETF is recognised as a centre of expertise in the area of VET and the country acknowledges the positive contribution of potential cooperation and projects with the ETF in the areas of VET and human capital.

The country with its extraordinary focus on VET remains a very interesting cooperation partner for the ETF, and efforts are being made to improve the dialogue and involvement of the country in regional and international activities in the area of VET.

## **4. ETF intervention strategy in the mid-term perspective 2009-11**

The ETF's 2009 work programme focuses on supporting the government of Uzbekistan in the identification of priorities for the VET system, as well as the provision of information, analysis, and policy advice on human capital development and stakeholder capacity building. The ETF will promote the involvement of the country in regional peer learning activities as well as international capacity building initiatives, through ETF projects and the European Central Asia Education Initiative. In particular the ETF will disseminate the results achieved through regional programmes such as the national qualifications framework and skills development for poverty reduction projects and will expose stakeholders from Uzbekistan to findings from the new regional project on school development, so that Uzbekistan may be able to join project activities as of 2010.

The mid-term objective for the ETF would be to contribute to the programming and evaluation of human capital development aspects of DCI support in Uzbekistan and to assist with VET reform in the country by implementing projects at local level while providing support to policy design and implementation. Drawing on a network of key stakeholders, ETF activities will provide inputs—in the form of policy analyses and information support—to human capital development aims linked with economic and social development objectives (i.e., raising the competitiveness of enterprises and improving employability).

The ETF will continue to support the design and delivery of EU assistance in Uzbekistan through the DCI, based on Commission requests.

The ETF will also coordinate activities in all areas of the mid-term strategy with other donors operating in the same area and assist in the use of donor project experience.

### **Expected outcomes**

By the end of 2011, ETF activities in Uzbekistan will have resulted in the following:

- Improved relevance of human capital development components in EU-funded interventions;

- Enriched education and training policy debates;
- Stakeholder capacity increased for both the definition and the implementation of education and training reform;
- Support provided to the delivery of EU assistance through DCI as requested;
- ETF consultations and advice provided to the Commission and for the design and implementation of technical assistance in the education sector;
- contribution to a more effective use of EU and other donor interventions to support human capital development.