





### **UZBEKISTAN**

#### **ETF COUNTRY ANALYSIS 2005**

#### **Summary**

Uzbekistan is a low-income rural country that has struggled to build up a viable economy since independence. The economy has developed in different directions, with some areas competing at an international level and a simultaneous rise in the importance of the informal sector. Demographic trends have put the education and training system and labour market under pressure.

Uzbekistan has tried to create a new qualifications structure to provide better opportunities for its young population. In spite of attempts to modernise, however, the system has not been able to adapt to the realities of a changing labour market. Thus it appears that the present system neither serves sufficiently the highly developed end of the economy nor prepares graduates for the informal economy. A strong focus on the formal education system means that nonformal training for adults is limited and not at the level required to be part of initiatives to reduce poverty.

Nevertheless, Uzbekistan is the transition country that has invested by far the most in upper secondary vocational education in particular and education in general, and a potentially solid foundation for reform has been created. Furthermore, the authorities have increasingly engaged in dialogue to



improve the quality and relevance of education and training and also to address poverty reduction. The ETF proposes that donors assist Uzbekistan in reviewing the framework of national qualifications to adapt better to the labour market, support the development of training as an integral part of poverty reduction strategies, and finally support the development of non-academic higher education through support to teacher and trainer training.

# 1. Current situation and trends in human resources and labour market development in Uzbekistan<sup>1</sup>

#### **Background**

Uzbekistan is a low-income rural country whose per capita gross national income was US\$420 in 2003<sup>2</sup>. The share of the population living in rural areas increased from 52.7% in 1990 to 63.5% in 2003. At the time of independence in 1991, Uzbekistan was fully integrated into the Soviet economy. The country has struggled to ensure a smooth transition period, and poverty has become a real problem. According to official statistics, the country's GDP contracted following independence, but within a few years the economy started achieving positive growth rates. Official GDP growth rates were 4.2% in 2002 and 4.4% in 2003. These rates may be inflated, however; according to the US Department of State, real GDP growth in 2003 was only about 0.3%. International organisations are calling for further structural changes to support the revival of the economy<sup>3</sup>.

The structure of economic output has changed since 1990, when the weight distribution of the three main industrial sub-sectors was even. Now services are the most important sector with 44.2% of economic output, while industry makes up only about 22.6%. Agriculture has retained the same relative importance at one-third of economic output.

The economy has seen some interesting developments with important consequences for the education and training system. Whenever a part of the modern Uzbek economy has competed on the global market, such as car manufacturing, cotton or tourism, the informal sector has also emerged. Within the main sectors, a certain polarisation has taken place between the high and the low ends of the economy.

Large-scale cotton farming remains dominant in agriculture. However, Uzbekistan has seen some diversification towards grain, vegetables and fruit, while silk also remains important. Agriculture has experienced a polarisation, with the increasing privatisation of farms leading to the emergence of numerous small farms with plots of land not larger than gardens<sup>4</sup>. Large mechanised farms therefore exist side by side with homestead farming practices. Fruit and vegetables are typically produced on the small garden plots<sup>5</sup>.

Uzbekistan is rich in natural resources, especially gold, natural gas, oil and reserves of copper, lead, zinc, tungsten and uranium. Large-scale manufacturing industries that have survived or been established include car manufacturing, light and chemical industries, mechanical engineering and metal industries, food processing and machine building. Large industries within these sectors coexist with small-scale, low-technology industries producing exclusively for the local market. Although services have increased their overall share of economic output, these, in addition to emerging fields like information and communications technology (ICT) and financial services, relate to a large extent to public services – such as healthcare and social services – and extensive small-scale trade.

The informal sector constitutes to a large extent the low end of the economy, characterised by underemployment, subsistence farming and self-employment.

<sup>&</sup>lt;sup>1</sup> The availability of reliable data in Uzbekistan is low, whether concerning economic development, the labour market or the education and training system. Figures given here, therefore, are primarily used to give an indication of the situation, and the ETF does not claim that the data are accurate or reliable.

<sup>&</sup>lt;sup>2</sup> GNI (Atlas method) went from US\$600 in 1990, via US\$650 in 1999, to US\$460 in 2002 and US\$420 in 2003; see http://devdata.worldbank.org. According to US government analysts, per capita GDP was approximately US\$350 in 2001, US\$310 in 2002, US\$350 in 2003 and expected to fall to about US\$250 in 2004; see http://www.state.gov.

<sup>&</sup>lt;sup>3</sup> 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, and so on. US Department of State, Background Note: Uzbekistan, February 2005.

<sup>&</sup>lt;sup>4</sup> Information provided by Tahlil, an Uzbek NGO working in the social sector.

<sup>&</sup>lt;sup>5</sup> US Department of State, Background Note: Uzbekistan, February 2005.

#### Demographic trends<sup>6</sup>

The total population increased from 20.6 million in 1990 to 25.7 million in 2003. The population growth rate has gone down from 2.8% in 1985 via 1.8% in 1995 to 1.2% in 2000, where it has remained since then. Pressure on the school system is still considerable, with close to 40% of the population being under 16 years of age.

#### Labour force

The total population of working age (16–54 years for women and 16–59 years for men) was 13.8 million at the beginning of 2003. The formal labour force participation rate was above 72%. Demographic pressure on the labour market means that there are an estimated 400,000 new entrants to the labour market every year and a need to create approximately 220,000–250,000 new job places, according to the Ministry of Labour.

#### **Employment and unemployment**

Formal employment amounted to 10 million people at the beginning of 2003, corresponding to an employment rate of about 72%. Registered unemployment is very low at less than 1%. However, figures on the labour force, employment and unemployment must be considered very cautiously. Formal employment is not a guarantee against poverty, nor is it an expression of the number of people who engage in income-generating activities in Uzbekistan, given the growth of the informal sector. Finally, the very low figures for registered unemployment are most of all an indication of the difficulty of registering with the employment offices and the lack of incentives for doing so.

The composition of the labour force according to economic sectors has changed since independence. In 1993 agriculture was the biggest employer, involving 45% of the employed population. 21% worked in industry and construction and 34% in services. By 2001 this had changed to 35% in agriculture, 20% in industry and construction and 45% in services. The decrease in employment in agriculture has been caused by the privatisation process in farms, which has left many people without a job. Underemployment is particularly high in homestead farming activities and services such as small-scale trade<sup>7</sup>.

#### **Poverty**

Initially, after independence, poverty was not considered an issue; this is reflected in the fact that Uzbekistan embarked upon the development of a poverty reduction strategy later than both Kyrgyzstan and Tajikistan. However, Uzbekistan is increasingly engaging in dialogue on poverty reduction. The first regular household surveys to assess the prevalence of poverty started in 2000, while in 2004 Uzbekistan began the development of a poverty reduction strategy of which a draft was finalised in February 2005<sup>8</sup>. The draft strategy actually states that employment is not a guarantee against poverty. Half of the families living under the poverty line have a head of the family who is employed. This is typically the case for people working in the civil service, agriculture and the informal sector. According to the draft strategy, the poverty level was 27.5% in 2001 and 26.2% in 2003.

The highest poverty levels are found in families in which the head of the family has only primary, basic or general secondary education (with over 30% poverty incidence at each of these levels of education), whereas poverty levels are lowest in cases where the head of the family has secondary vocational education (at 18%) or higher education (at 17%).

The slight decrease registered in incidences of poverty hides large regional differences. In fact, the decrease owes much to a large reduction in poverty in the Southern region and a further, but smaller,

<sup>&</sup>lt;sup>6</sup> Information provided by the Asian Development Bank.

<sup>&</sup>lt;sup>7</sup> US Department of State, Background Note: Uzbekistan, February 2005.

<sup>&</sup>lt;sup>8</sup> The draft poverty reduction strategy paper of February 2005 is not publicly available, but the ETF has received information on its contents from the NGO Tahlil.

reduction in the Northern region. Incidences of poverty have increased in all other regions, however, mainly in Mirzachul, where the increase has been from 21% to 37%. An estimated 70% of the poor live in rural Uzbekistan. Rural development initiatives will be important to reduce poverty in Uzbekistan.

Regardless of the actual poverty, underemployment and unemployment levels, it is clear that the informal sector and poverty reduction are real problems to which the education and training system will have to be able to respond in terms of the types of knowledge, skills and attitudes it delivers.

#### **Migration**

Migration is another area where little consensus exists. According to official estimates from the Ministry of Labour, about 100,000 Uzbek citizens work abroad. The US Department of State, on the other hand, says that more realistic estimates range from 3 million to 5 million citizens outside Uzbekistan.

#### Human resources development (HRD) trends

Uzbekistan has a legacy of almost complete enrolment in primary and basic education from Soviet times. Though the availability of trustworthy data is problematic, it appears that the education system has been able to maintain high enrolment and completion rates for primary and basic education with only small decreases in poor rural areas.

Within the Soviet education system, there was a strong emphasis on vocational education at secondary school level. Even before the effects of the new education system, which started implementation in 1998, could have any influence, the share of vocational school graduates in secondary education was as high as 58% in 1999. This number will increase even further in the future and stands in stark contrast to, for example, Tajikistan, where less than 20% of enrolment in secondary education is in vocational schools.

Information on the number of students who do not complete upper secondary education is difficult to obtain. However, an increase is expected to have occurred in recent years in the number of poor young people in rural areas who do not complete upper secondary education<sup>9</sup>.

Provision of training for adults to improve their situation on the labour market is marginal, and the Ministry of Labour can only fund training for about 3,000 adults annually. There are some opportunities for training for adults within some rural or local development projects. However, there are very limited possibilities for young dropouts to obtain any qualifications at a later stage in life, just as there are few options for adults to upgrade their skills or to get new skills in fields where there may be better employment opportunities.

Uzbekistan is experiencing a growing discrepancy between the qualifications structure designed for the education and training system and the realities of the labour market. The focus on the high end of the labour market leaves many graduates unprepared for the type of employment and livelihood they will have to face. Furthermore, the system has not yet been in a position to move away from the old approach of providing a narrow set of skills for specific jobs and therefore also fails to satisfy the needs of the high end of the labour market, which demands technologically up-to-date practical skills combined with attitudes supporting problem solving, analysis, teamwork, service-mindedness, and so on. In order to prepare graduates for an insecure and rapidly changing labour market, the education and training system needs to be flexible and support the development of broad, adaptable sets of skills. Furthermore, attempts to diversify the qualifications obtained by students by requiring them to take several specialisations may have an adverse effect and result in graduates becoming no more than semi-skilled workers.

#### Summary

Uzbekistan is a low-income rural country that has experienced major changes in the composition of its economy and in the nature of the employment opportunities available to its people. The economy has

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<sup>&</sup>lt;sup>9</sup> Information provided by Tahlil.

experienced a polarisation as a result of, on the one hand, industries and services competing internationally, and on the other, a growing informal sector.

Demographic trends put high pressure on both the education and training system and the labour market, which is increasingly unable to absorb new young entrants. Underemployment and poverty, particularly in rural areas and with strong regional disparities, have become realities that Uzbek society has had to face, and a growing appreciation of the situation has become evident through the initial dialogue on poverty reduction with international institutions.

Uzbekistan has responded to the changes in its economy and social situation through the establishment of a new qualifications structure giving priority to the introduction of 12 years of compulsory education, together with the provision of vocational qualifications for the vast majority of young people. The new structure aims to create a vast pool of skilled workers and middle-level technicians to serve a modern, advanced economy and to ensure the availability of higher technicians through four-year bachelor's degrees at university.

In spite of the fact that Uzbekistan has emphasised the development of compulsory upper secondary education with a strong emphasis on vocational education, the education and training system has not been able to address the needs of an increasingly diverse labour market. Young people do not obtain a relevant blend of knowledge, skills and attitudes to face the current reality of the labour market.

### 2. Contribution of HRD to socioeconomic development

#### **Policies**

The overarching policies for education and training are laid out in the National Programme for Personnel Training (NPPT) of 1997. The NPPT has been one of the most important government initiatives, with a major national investment programme fully supported by the president. This programme gives strong priority to the introduction of 12 years of compulsory education and the related changes in upper secondary education. Its aim is to delay the entry of young people into the labour market until after 18 years of age and to avoid the social problem of large numbers of 15–18-year-olds leaving school without having obtained a qualification, without being able to find a place in the labour market and without access to higher levels of education.

Uzbekistan has now embarked on the process of developing a poverty reduction strategy. The draft strategy of February 2005 emphasises skills development as a means for improving the quality and competitiveness of the workforce. It also mentions that upgrading, retraining and initial training of adults should be carried out by the existing network of professional colleges.

#### Reform

Primary and basic education reform (grades 1–9) focuses on modernising the structure, content and processes of education by providing learning materials and textbooks, combating dropout of poor students, strengthening in-service training for teachers and school directors, and improving education financing, budgeting and management.

With the introduction of the new qualifications structure foreseen in the NPPT, HRD trends are set to change fundamentally. First of all, the NPPT aims to increase the education attainment level to at least 12 years for the whole population (compulsory education increased from 9 to 12 years). Secondly, it aims to steer 90% of all young people through three years of vocational education in professional colleges and to provide graduates with both complete upper secondary education qualifying for higher education, and vocational qualifications at the level of skilled workers and middle-level technicians. The remaining 10% of the most academically able students attend academic lycea. The transfer towards the new system is still ongoing, but in the school year 2003/04 over 65% of ninth-grade graduates continued

education in the new professional colleges. A maximum of 20% of all students are expected to access higher education institutions<sup>10</sup>.

The new qualifications structure has also led to changes at the post-secondary level wherein a four-year bachelor's degree at university level has become the only option, followed by a two-year master's degree. Enrolment in higher education has gone up from 222,000 students in 2002 to 258,000 in 2004. New intake in 2004 was above 50,000 students but is still far from the planned figure 11. According to Tahlil, informal payments to access higher education and to pass exams have resulted in a lower influx of students into higher education than expected. In 2002, 30% of all new bachelor level students enrolled in "education" programmes.

The introduction of three additional years of compulsory education (grades 10–12) brought about an urgent need to put in place a school network that would ensure access for 115,000 students, and accommodate over 1 million students in 178 academic lycea and 1,689 professional colleges by 2010. Therefore, initial reform focused first and foremost on a large school-building programme and on the procurement of equipment. At the same time, the Centre for Secondary Specialised Vocational Education (the Centre) was created within the Ministry of Higher and Specialised Secondary Education to take charge of the development of upper secondary vocational education.

In terms of content, emphasis was placed on defining a new educational standard prescribing the share and nature of general education, vocational theory and practical training to ensure that the professional colleges provide a combination which at the same time potentially provides access to higher education and to the labour market by introducing each student to two to five vocational specialisations. A specific aspect of the Uzbek system is that the general education component of upper secondary vocational education is obligatory and identical for all students and does not allow for differentiation according to ability and interest.

Though curricula have been reviewed and adapted to the new educational standard, the essence of the general education and vocational education and training (VET) components has remained largely unchanged since Soviet times. General and vocational education are delivered as two separate, non-related educational paths; the vocational theory and practical training spheres lack links between each other, and work-based training possibilities have disappeared. Furthermore, the present education programmes have not been based on an analysis of the vocational qualifications required in the labour market or the different levels of complexity of these qualifications. This means that the system provides knowledge and skills that do not match employment opportunities and employers' expectations or prepare students to create their own employment. With the weight of general education in the curricula and the attempt to provide students with multiple vocational qualifications within a three-year period, it is unlikely that the system is capable of educating skilled workers and middle-level technicians. In fact, it is more likely that the system actually produces semi-skilled workers and thus fails in its main aim. Nevertheless, there is now growing attention paid to the need to improve the quality and relevance of vocational education, and the Centre has increasingly engaged in policy dialogue with its partners.

Higher education reform saw the introduction of a four-year bachelor's degree and two-year master's degree with the aim of moving towards internationally recognised degree levels. Measures to increase the autonomy of higher education institutions are under way, as are new approaches to quality assurance. Reform efforts in higher education are being undermined by widespread corruption that allows some students to gain access or pass individual exams or degree programmes without fulfilling the requirements for doing so.

#### **Public contribution**

Uzbekistan is the transition country that has put education and training reform highest on its reform agenda. This has been supported by national and international investment.

The initial strong focus on infrastructure and access with only limited attention to quality and relevance of vocational education has been a weakness in terms of improving the employability of graduates. The attention given to formal education also means that hardly anything has happened in Uzbekistan in

<sup>10</sup> The policy is that 10% of young people attending academic lycea and a maximum of 10% of the best academic achievers from professional colleges should go on to higher education. This equals an intake of approximately 120,000, which has not yet been achieved.

<sup>11</sup> Information on higher education provided by the Tempus Office in Tashkent.

order to improve the employability/self-employment potential of adults through training, and training in relation to rural development and poverty reduction initiatives remains scattered.

However, the growing awareness of and interest in engaging in policy dialogue both on the content of vocational education and on poverty reduction present opportunities upon which to base further support for reform. Furthermore, the existence of a large network of modern and at least partly well-equipped schools provides an opportunity without comparison in Central Asia for reform of content and a redefined role for professional colleges in training for poverty reduction.

In addition to national investment, strong donor interest in supporting the implementation of the NPPT is a major opportunity for the upper secondary education system in particular. However, there is a risk that donors, after years of support, will decide to withdraw from vocational education and training prior to having achieved essential reform that brings the education and training system closer to the labour market.

#### **Private contribution**

Private education and training in Uzbekistan plays an insignificant role in formal education. Some non-formal training takes place through NGOs, but the extent of this has not been quantified.

In upper secondary vocational education, the old links between vocational schools and industry have disappeared and, with the exception of some isolated cases, the system has not been able to attract the involvement of companies in the definition of qualifications needs.

#### Summary

Uzbekistan's education and training system needs to serve a young and growing population and an adult population that no longer has relevant skills. However, it continues to do so within the logic of a supply-driven system, a legacy from Soviet times that the country has not yet been able to leave behind, in spite of the availability of a new infrastructure. The implication is that the Uzbek education and training system produces graduates with few skills adapted to the labour market, neither at the higher nor the lower ends of the economy and neither for waged employment nor for self-employment. The system provides hardly any services to enable adults to train and retrain to improve their chances on the labour market. While intending to ensure the availability of skilled workers and middle-level technicians through the introduction of professional colleges, the education and training system appears to have achieved exactly the opposite by abolishing post-secondary vocational/non-university higher education and producing graduates at a lower level than intended.

# 3. Current EU interventions in education and training in Uzbekistan

#### **Vocational education**

A two-year Tacis project on social partnership in VET, with a budget of €1 million, started in mid-2004. The project aims to re-establish partnerships between employers and professional colleges in selected pilot schools, to build the capacity within the central authorities to coach partnership building, and to inform the national reform strategy on partnership building between employers and professional colleges. A previous project on VET reform (€1.5 million) assisted three pilot colleges in the development of new curricula in six trades, with procurement of related equipment and teaching material and some policy components. The ETF has also provided support to Uzbekistan through a number of small-scale pilot initiatives. Two of the ongoing ETF projects address key issues for Uzbekistan. One provides an introduction to the concept of national qualification frameworks, while the other is a study on the links between skills development and poverty reduction.

#### **Higher education**

The Tempus programme has been active in Uzbekistan since 1994. It provided €12.8 million until 2003, with an additional €1.7 million planned in 2004. Tempus has supported curriculum development in a broad range of fields as well as the improvement of university management and individual mobility. Tempus priorities in 2004–2005 include curriculum development in selected engineering fields, economics, European law and ICT; university management; and institution building for teacher training and retraining in upper secondary vocational education.

#### **Poverty reduction**

A Tacis project on training for employment came to an end in December 2004. This project was implemented in two regions (Qashqadaryo and Surxondaryo) and was aimed at improving the capacity of employment services in providing counselling and guidance to adults and at developing training opportunities for adults in professional colleges.

#### Focus and gaps

The EU's focus has been on higher education through the Tempus programme. The approach is bottom-up and, as such, has primarily benefited individual faculties and individual institutions. Capacity building on the part of the Ministry of Higher and Specialised Secondary Education to further develop and improve higher education is not included. Support for VET has been limited to two small projects, the first of which took place during a period in which the Centre was fully concentrated on putting infrastructure in place. Nevertheless, the two Tacis projects are an essential part of a process of increasing dialogue with the Uzbek authorities on reform of VET.

# 4. Significant investments by other donors in the field of HRD

The education sector in Uzbekistan has received a very high level of attention from international donors, especially for primary and basic education and upper secondary vocational education. Such attention from the international donor community is partly due to the strategically important position of Uzbekistan in a geopolitically sensitive region.

#### Primary and basic education

The Asian Development Bank (ADB) has provided support to primary and basic education through a number of projects supporting comprehensive education sector reform and in particular the provision of textbooks. The World Bank is presently planning its first project supporting basic education, which is expected to be approved towards the end of 2005.

#### Vocational education and training

A US\$57 million Asian Development Bank (ADB) loan project came to an end in 2004 (not fully disbursed). Emphasis was on the provision of equipment for 45 colleges. During 2004, the project engaged in intensive policy dialogue with the Uzbek authorities and developed a draft implementation plan for strategic reform of the VET system. A US\$59 million loan from the Japan International Cooperation Agency (JICA) provided equipment to 50 agricultural professional colleges, and an additional loan of US\$8 million provided equipment to seven colleges in different trades. The project had hardly any 'soft' component. A loan from EXIM Bank Korea provided US\$35 million to buy school technology and equipment for 200 professional colleges to support the implementation of the general education component of the programmes. Some teacher and school director training took place in Korea.

GTZ has provided a grant of about €3 million for a technical assistance project (1999–2005) that has created new programmes in three areas in eight colleges. Although the project has been able to make substantial changes in approach and content, limited impact has been seen outside the pilot schools. The IIZ/DVV, a German adult education association, provides support to the development of six-month courses in seven colleges. SDC Switzerland is supporting an ongoing four-year project aimed at creating partnerships between employers and professional colleges. The project is quite similar to the ongoing EU project on social partnership in VET.

#### Focus and gaps

The focus has been on both basic education and upper secondary vocational education. In the latter area, the larger projects have centred on the provision of equipment to new colleges. This focus has left a gap in many donor projects in terms of engaging in dialogue on reform of content and quality. The focus has also been on the formal education system, and the lack of support for developing a public and/or private training offering to support poverty reduction is an important gap.

# 5. Main challenges for HRD and labour market-related reform and modernisation processes

Certainly, all levels of the education and training system could benefit from external support for the system's continued modernisation processes. In order to complement the fact that the ADB provides much support to primary and basic education (as will the World Bank, in the future), the ETF suggests that donors also continue to support the development of upper secondary vocational education and applied/non-academic higher education. With the establishment of a new infrastructure, Uzbekistan has a potentially solid foundation for improving the content of and approaches to vocational education and training.

## Development of knowledge, skills and attitudes to serve the population and the Uzbek labour market

In spite of changes within the education and training system and the fact that Uzbekistan has invested much more than other transition countries, especially at the upper secondary education level, a fundamental mismatch still exists between the qualification structure of the emerging labour market and the supply of knowledge and skills in the education and training system. The mismatch exists at all levels of the economy. In areas of the economy characterised by rapid technological development and areas that require new knowledge, skills and attitudes, such as the developing service industries, the education and training system has remained supply-oriented without fundamentally adapting itself. Furthermore, the attempt being made to diversify the qualifications obtained by students by requiring that they be introduced to several specialisations may have the adverse effect and result in graduates really having the qualifications of semi-skilled workers. At the other end of the economy, vocational education does not help graduates prepare themselves for self-employment or other income-generating activities.

Thus, the system fails both as a precursor of economic development through the provision of skilled workers and middle-level technicians to the modern economy, and as a provider of knowledge, skills and attitudes to young people and adults in order to create a foundation for the development of self-employment and basic income-generating activities.

The challenge will be to ensure that the system responds to the different levels of qualifications in the labour market, matching these with education and training opportunities at corresponding levels of basic vocational training, secondary and post-secondary vocational education and higher technical education to ensure that the Uzbek economy has a balanced blend of skilled workers, technicians and middle managers. The introduction of a national qualification framework is potentially a tool to reach this end. The professional colleges are well placed to take up the challenge to expand beyond the delivery of a single level of vocational education.

## Improving the contribution of vocational education and training to the reduction of poverty

The draft poverty reduction strategy addresses the issue of education and training for poverty reduction. Improving the contribution of skills development to economic prosperity and social cohesion poses tremendous challenges for reform of the vocational education and training system. The conditions necessary for education in general to contribute to poverty reduction in Uzbekistan, and the potential contribution of vocational education and training (including formal and non-formal skills development) to this endeavour, should become a focus of reform policy design and implementation.

The aim is to develop comprehensive skills leading to gainful economic activities linked to the rural and urban formal and informal economy, as part of local and rural development strategies.

Skills development for poverty reduction can be built in the form of training and career pathways, recognising previous experience and enabling links with formal education and training. It would target the poor, particularly young people, women, dropouts from formal education and 'informal' microentrepreneurs. Civil society organisations, decentralised governments and private businesses, and also target sectors such as agriculture and rural development, housing, health and social protection, and public sector management, would be the key partners in skills development for reducing poverty.

#### Availability of teachers and trainers to implement reform

With the introduction of compulsory upper secondary education, the Uzbek system lacked teachers and trainers in quantity and quality. The implication is that the reform scheme, even if reviewed in terms of content and approach, could hardly be implemented. An increase in the intake to teacher training courses, from 9,000 to 17,000 students, is planned for 2005. The total number of teachers needed in upper secondary vocational education is forecast to be 167,000 in 2010. Sixty-four universities have introduced courses to help support the expansion, but the capacity of the universities to meet the anticipated demand is also limited both in quantity and quality.

This requires support for the higher education system to change the approach to pre- and in-service teacher and trainer training in order to ensure the availability of teachers and trainers who can actually support reform. A new Institute for Training and Retraining of Personnel in Senior Secondary and Vocational Education (the Institute) has been created but has limited capacity. There are 39 teacher training institutions, of which 38 are within higher education institutions. It will be a challenge to move the academically biased approach to higher education in general, and in this case to teacher and trainer education and training, to a more applied approach that establishes close partnerships with professional colleges and employers in order to achieve an understanding of the real classroom situation in the colleges, and that keeps up to date with technological and work organisation developments in the labour market and across the economy. Currently there is an absence of modern teaching standards and a lack of consistency within teacher education standards. It is a challenge for the in-service training system to retrain teachers from other fields to teach in other subjects where there is more demand.

### Levers in HRD and related labour market policies through which sustainable system reform can be triggered

Development of knowledge, skills and attitudes to serve the population and the Uzbek labour market

The sector-wide approach provides a perfect framework within which to provide further support to all levels of skills development in Uzbekistan. This could be done within a two-step approach. Firstly, preparatory work could be undertaken through a technical assistance project to enhance institutional capacity in the Centre to ensure that the three basic requirements are in place to begin a sector policy support programme, i.e. a sector policy, a related expenditure framework, and donor coordination. Such

support would include the design of a national qualification framework as the foundation for continued reform of the vocational education and training system.

Secondly, once the basic requirements are in place, donor support could concentrate on sector-wide and sector-deep implementation of reform, with special focus on:

- involving social partners at all levels of the education and training system;
- developing new and revised curricula in line with the national qualification framework and associated assessment and certification procedures;
- developing education and training material;
- developing education management, quality assurance and monitoring mechanisms;
- developing a financial management system.

Within the logic of a sector policy support programme, the Ministry of Higher and Specialised Secondary Education could benefit from policy advice and capacity building through international and local technical assistance, engagement in international dialogue and financial support for sector-wide and sector-deep implementation. However, the concrete measures would have to be defined as part of the preparatory measures, and the extent of intervention would depend on the possibility of engaging other donors in a sector-wide approach.

#### Supporting skills development for poverty reduction

The potential for poverty reduction at the low end of the economy lies, among other factors, in developing and utilising existing human resources more efficiently and in setting appropriate conditions for the development of skills in support of public and private initiatives at a local level.

The ETF therefore suggests that donors support national, regional and local governments, possibly also NGOs, in those aspects of reforming education and training that will enable schools, teachers and trainers to open up and reach out to groups and individuals affected by poverty and develop their skills in a way that will reduce poverty. Local partnerships and training networks will be targeted at skills development geared towards poverty alleviation, aiming also at skills for the informal economy, and at a level of skill and competence that would also make it possible for people to move out of the low-skill informal sector where most of the poor seek their livelihoods.

This would also enhance the capacities of key stakeholders for designing and implementing HRD measures coherently integrated into poverty reduction strategies and policies, and would help to disseminate good practice among policy makers and donors on skills development for poverty reduction.

This and the preceding lever will allow for regional and local approaches or programmes. National qualification frameworks also make sense when they are compatible between countries, and migration flows in Central Asia constitute a strong case in favour of such approaches. At the same time, skills development in support of employment, social inclusion and poverty reduction is often most needed in cross-border areas and cannot be effectively implemented only on a country-by-country basis.

#### Availability of teachers and trainers to implement reform

In order to improve pre-service teacher education, capacity building and support for a review of current university teacher education and the subsequent design of new teacher education would be required. In order to improve in-service teacher and trainer training, it is necessary to improve the capacity not only to develop new approaches, but also to manage and plan the system. The adequacy and quality of inservice training varies; teacher trainers often lack modern teaching methods themselves, and this is a problem just as apparent as the lack of access to materials and other resources in the 39 teacher training institutions.

This problem could be addressed through institutional capacity building as part of the above-mentioned preparatory measure for a sector policy support programme. Teacher and trainer training could

subsequently be supported within the sector policy support programme, supplemented by people-to-people measures that allow individual faculties and institutions to broaden their perspective through international dialogue and cooperation.

### **HOW TO CONTACT US**

Further information can be found on the ETF website: www.etf.eu.int

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