



Uzbekistan

ETF COUNTRY INFORMATION NOTE 2010

Summary

In the planning period 2009 to 2011 the ETF activities cover 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 in the area of VET. ETF will support the delivery of EU assistance through the DCI, based on the EC requests.

The theme of VET system development and provision in LLL perspective is the focus of the ETF activities in Uzbekistan in 2010. ETF will support the government of Uzbekistan in the provision of information, analysis, and policy advice on VET reform and in identifying VET reform priorities. This is done within the framework of the Torino Process and the Education and Business Study. ETF will also organise together with the European Commission some preliminary capacity building workshops on inclusive education in Uzbekistan and will promote the country's participation in regional or international events.

ETF's role in the area of education and training policy is complementary and supportive to what will be done by the EC (directly by the Commission, by EU Member States, or through the DCI financed technical assistance), by other donors and by the Government of Uzbekistan. ETF activities are in line with the goals of the European Education Initiative for Central Asia endorsed by the European Council in June 2007.

1. Socioeconomic Background

Uzbekistan is a low-income landlocked country, but resource rich (gold, copper, natural gas, oil, uranium), with great development potential, and strategically located in the heart of Central Asia. It accounts for one third of the region's population, and an estimated 37% of the Uzbekistan's 27.3 million¹ population lives in urban areas². The country has a very young and rapidly growing population: within the last two decades the population of Uzbekistan has increased by 35%. The pressure on the school system is considerable, with 60% of the population being under 25 years of age³. The life expectancy for women is 75 years and for men 69 years placing Uzbekistan 125th in international comparison.

Since independence in 1991, in contrast with the majority of the CIS countries, Uzbekistan has adopted a "gradual" approach to transition and state-led development aimed at import

¹ World Development Indicators <http://ddp-ext.worldbank.org> 2009

² World Bank, 2010

³ UNESCO, Country Study on Current State of Secondary Special and Professional Education in Uzbekistan, Islohokonsaltsevis Ltd, 2009

substituting industrialization and energy and food self sufficiency. This approach resulted in a less painful economic and social transition than experienced in most countries of the CIS and, in recent years, strong macroeconomic performance. Economic growth has accelerated from around 4% in 1996-2003 to over 7% in 2004-06 and to over 9% in 2007-08, largely driven by external demand⁴.

Notwithstanding the reported high economic growth, there has not been a commensurate reduction in poverty in recent years. National poverty level⁵ dropped by just 3.9 percentage points from 27.5% of the population in 2001 to 23.6% in 2007 with a big gap between urban and rural areas and among regions 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 the 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 in a series of reforms to target the structural problems of the country, and target a 5% reduction in poverty levels by 2010⁶.

The total labour force participation rate in Uzbekistan is 64% (70% for men and 58% for females)⁷. Reliable data on unemployment remains unavailable (UNDP statistics indicate 0.3% for 2007), as well as education background of unemployed population. Despite a significant reduction in agriculture's share of GDP from 37% in 1991 to around 20% in 2008, it is still an important sector of the economy in terms of employment. Agriculture accounts for one third of employment of the total labour force estimated at 11 million. Industry produced 22% of GDP in 2008, construction 6% and services 43%⁸.

The country has a high outflow migration especially from rural areas and of highly educated people. The estimated number of labour migrants to Russia was 1.5 million in 2008⁹. Other big recipients of labour force from Uzbekistan are Kazakhstan and South Korea. Significant increases of remittances and other transfers to Uzbekistan at 8-10% of the GDP in 2005-08 from labour migrants in Russia, Kazakhstan and other countries have contributed to the support of living standards of the Uzbek population, particularly among low income and poor families.

A policy of high public spending in health and education has mitigated the deterioration of human capital in the difficult years. Compared to other low income countries, Uzbekistan's social indicators such as levels of literacy and school enrolment tend to be favourable, reflecting the legacy of Soviet investment in social infrastructure, but also post-independence efforts, particularly in basic education. Net enrolment rates in primary education are 89% for girls and 91% for boys, in secondary education 90% for girls and 93% for boys¹⁰. Education spending currently stands at 9% of GDP and accounts for over a quarter of the total budget – considerably above the OECD average¹¹. Adult literacy rate was estimated to be 96.9% in 2007¹² without big gender differences.

⁴ World Bank (2010)

⁵ Defined as percentage of population consuming less than 2,100 kilo-calories per person per day.

⁶ IMF 2008 Poverty Reduction Strategy paper

⁷ World Development Indicators [http:// ddp-ext.worldbank.org](http://ddp-ext.worldbank.org) 2009

⁸ World Bank (2010)

⁹ UNESCO (2010)

¹⁰ UNESCO (2010)

¹¹ World Bank (2010)

¹² UNDP (2009)

2. Key policy issues and strategies in human capital development

A. VET system development and provision in a LLL perspective

The overarching policies in Uzbekistan for education and training were 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 gave a strong priority to the introduction of 12 years of compulsory education and the related changes in upper secondary education. Their aim was to improve quality of education and increase access to secondary education and professional education opportunities through the expansion of general education. The reform also aimed at delaying the entry of young people into the labour market until after 18 years of age and to avoid social problem of large numbers of 15-18 years old leaving school without having obtained a qualification. The programmes covered all subsectors of the education system, from pre-primary to higher education. The programmes are to come to completion in 2010.

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 1999¹³. In accordance with the Law on "Education" (1997), mandatory three-year secondary special and professional education is provided in two types of educational institutions: academic lyceums and vocational colleges¹⁴. College and Lyceum system was implemented with assumption that Lyceum graduates will enter higher education while College graduates will join the world of work. However, both Lyceum and College graduates have equal rights to enter higher education.

The educational reform process was initiated to meet challenges such as raising education and teaching quality, education relevance in terms of national goals (particularly the labour market) and international competitiveness (new skills) and increasing access for poorer students (including those educated in rural and public schools). Nevertheless, the reform is not complete and the educational system has only begun to respond to these new needs.

Education standards are still low. The reform has concentrated on extensive development reaching its natural limits and less attention has been paid to quality and efficiency issues¹⁵. Majority of colleges are considerably small in size, not sufficiently equipped with workshop and workshop staff and are not able to respond flexibly on changing labour market needs. Youth has many options to get training for relevant jobs but those options (private and public) are not well coordinated. Public-private partnership in TVET provision is very limited and need to be reinforced. Despite of Government's demand and availability of certain legal provisions, capacities of community and employers on local level (especially in private sector) are used in very limited scale and are not mobilized¹⁶.

Most popular areas of study in VET are agriculture, manufacturing and healthcare¹⁷. Majority of offered specialities have apparent "male" face and there is still limitation of options for girls which is driven both by traditional choice and availability of new profiles. However, in 2006¹⁸, girls represented 47% of students in professional colleges (and 36% in academic lyceum).

¹³ ETF (2005)

¹⁴ UNDP/State Committee of the Republic of Uzbekistan on Statistics (2005)

¹⁵ UNESCO (2009)

¹⁶ UNESCO (2009)

¹⁷ UNDP/State Committee of the Republic of Uzbekistan on Statistics (2005)

¹⁸ UNDP/State Committee of the Republic of Uzbekistan on Statistics (2005 b)

According to UNESCO analysis of 2009¹⁹ there is general gender equity in the public TVET system but there are education profiles mainly attended by girls (girls represented 81% of enrolled in education and 80% in health and sports) and by boys (agriculture, construction, industry, transport and communication). The training curriculum is not flexible enough to allow students to change profile on a later stage of study. About 10% of the education at secondary special and vocational educational institutions is given by correspondence education.

Social partnership is officially recognised, but so far social partner cooperation structures, although they formally do exist, have only started to work. Representations of social partners are still rather weak due to transition changes in the economy and require capacity building.

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 contents and methods can make VET more attractive and contribute to improving its image.

B. Labour market needs and employability

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 educational level, a fundamental mismatch still exists between the qualification structure of the merging labour market and the supply of knowledge and skills in the education and training system²⁰. 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.

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 colleges' infrastructure but less at the policy development level, which would make VET programmes and qualifications more responsive to its environment. In course of 1998-2008 8-10% of GDP have been spent on education sector development and maintenance annually²¹.

The employment services which are important for linking VET and labour market would also need to further develop their capacities. The scope and quality of publicly funded labour market (re)training of adults are rather low, and only a fraction of registered unemployed receives 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.

The current VET curriculum was developed mainly by educators with no real involvement in the labour market and industries. The capacities of existing vocational subjects teaching staff is also an issue because many of them have just finished higher education or even the same college and have no real working experience²². The output of the national TVET system has not international analogue and that creates difficulties in findings relevant jobs and recognition abroad.

¹⁹ UNESCO (2009)

²⁰ ETF (2005)

²¹ UNESCO (2009)

²² UNESCO (2009)

C. Enterprises and HCD: education and business partnerships

Each professional college has a Board of Trustees with participation of employers but the level of industry involvement is limited only by assistance in arrangement of the practical training places for some students. Colleges do not offer any service for businesses yet. Experience of elder teachers in many case is outdated and based on technologies of the past. That happens due to the weak link of higher education and colleges to industry and businesses²³.

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 side of social partners and remains determined by education policies. Sectoral Trade Unions have so far showed little interest to be involved in education and training. 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 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 the central level and vertically in the system, real involvement of social partners and loosening up 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 EU is committed to enhance its partnership with Central Asian countries as set out in the "EU and Central Asia: Strategy for a New Partnership", including European Education Initiative covering all levels of education and training, approved by the European Council in June 2007. The overall priorities for Central Asia in DCI are now to promote stability, strengthen governance and transparency, reduce poverty and promote closer cooperation both within Central Asia and with the EU.

The main EU action in the field of VET has been the EU funded Vocational Education and Training (VET) interventions - Social Partnership in Education and Training 1 & 2 - aimed at developing Uzbek capacity at national, regional and local levels in designing and implementing VET strategy for involving stakeholders and in particular social partners, and for improving the link of VET to the needs of employers, youth and adults. The programmes made a contribution to raising awareness of social partnership and in particular the second phase aimed to develop capacity for designing and implementing vocational education and training policy based on social partnership. The project combined policy development and capacity building in Vocational Education and Training (VET) and involved all levels of the system: national policy making level, regional level of development planning and local vocational college level. The main objectives were to set up a VET policy task force, to develop a VET policy paper and a strategy for implementation, to build capacity of social partners and employment services, and to implement pilot curricula.

New EU financed programmes on "Inclusive Education", "Management Training Programme – Capacity Building for SME Management in Uzbekistan" and the "Centre for European Studies" are likely to be initiated in 2010.

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 (DCI) and also through the Erasmus Mundus programme and its External Cooperation Window.

In order to implement NPPT large public finance resources as well as donor assistance funds were attracted to TVET system in Uzbekistan. In a course of 2000-2008 some 8-10% of GDP

²³ UNESCO (2009)

was allocated to education sector each year and nearly half of those expenditures was directed to the development of TVET. The largest donor contributions were attracted from the Asian Development Bank, Korean Government, and Government of Japan.

The 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 to the 12 year of general education, while specifically on secondary education the ADB has 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.

In August 2007 the Government of Uzbekistan approved Welfare Improvement strategy 2008-2010 which was developed by special Governmental Interagency committee with assistance of ADB, World Bank and UNDP. The Strategy sets objectives and indicators of national economy and social sector development but includes also provisions for TVET development in a close coordination with the labour market situation.

ETF has been working in the country to support the preparation and implementation of TACIS projects in the area of VET, with successful experiences of support to the EC implemented projects. Within the DCI, ETF supported the European Commission in the identification of "Management Training" and "Inclusive Education" projects in 2009. Uzbekistan was involved in the ETF Training for Enterprise Development project 2002-2005. Involvement in other specific ETF multi-country projects such as National Qualifications Framework and School Development for lifelong learning in Central Asia has been discontinuous. The discontinuous working relationship has had the result of only partially achieving the expected results and limited impact on the policy agenda of the country.

The experience and consultation with national stakeholders during 2009 have called for a renewed approach in the cooperation with the country, with a higher involvement of national authorities and more focus on policy and capacity building opportunities. ETF is recognized as a centre of expertise in the area of VET and the country acknowledge 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 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 strategy of interventions

The ETF's intervention in Uzbekistan in 2010 focuses on the following ETF core themes:

- Theme A: Vocational education and training system development and provision;
- Theme C: Enterprises and human capital development: education and business partnership.

ETF Core Theme A: VET system development and provision in a LLL perspective

Function 3: Provision of evidence-based analysis on country and cross-country reforms to support informed decision-making on partner country policy responses

The theme of VET system development and provision in LLL perspective is the priority of the ETF in Uzbekistan in 2010. ETF will focus in supporting the government of Uzbekistan in the provision of information, analysis, and policy advice on VET reform and in identifying VET reform priorities.

The analysis is undertaken within the "Torino process" which aims to provide a concise, documented analysis of vocational education and training reform in ETF partner countries, including the identification of key policy trends, challenges, constraints as well as good practice and opportunities. A variety of stakeholders (policy-makers, practitioners and researchers, from both public and private sector) will be consulted at different stages of the process to collect data, discuss the findings of the review exercise and formulate recommendations. Information types and sources will be as diversified as possible. The "Torino Process" will build on various and complementary, quantitative and qualitative evidence, such as statistical data and indicators, good practice, qualitative assessments, and existing national and international studies and reports, drawn from different stakeholders.

Short, shared country reports will be produced, as will regional and cross-country analyses of progress in vocational education and training policy. In the mid to long-term (2013 and beyond) the "Torino Process" should become a guided self assessment exercise for monitoring VET policies. It should eventually foster a reinforced, country-led "policy learning approach", whereby countries are able to learn from initiatives being implemented elsewhere.

ETF will also promote the involvement of the country in multi-country and international peer learning and capacity building activities and events within the process, under other ETF projects and the European Central Asia Education Initiative.

Function 1: Support the EC in the design and deployment of external assistance to the partner countries in the framework of EU external policies and assistance programmes

- As a follow-up of the ETF support to the EC for the identification of "Inclusive Education" project, preparatory capacity building activities on inclusive education considering VET will be organised together with the European Commission.
- If needed, further develop the results of the mapping exercise on donor interventions in the country.

ETF Core Theme C: Enterprises and HCD: Education and Business Partnership

Function 3: Provision of evidence-based analysis on country and cross-country reforms to support informed decision-making on partner country policy responses

In addition to the general review of the "Torino Process" in 2010, an in-depth review on cooperation between education and business will be prepared as a first study under the "Torino Process". It will map policies, mechanisms and processes developed in partner countries including Uzbekistan which support or constrain cooperation between education (professionally-oriented higher education and VET) and the economic world.

5. ETF activities in Uzbekistan in 2010

ETF Interventions in Uzbekistan in 2010						
Title of ETF intervention	Themes & Functions	Expected results	Activities being undertaken	Outputs	Timetable	Duration
Support the EU external policy instrument programming cycle	Theme A Function 1	Relevant advice upon request by AIDCO	As a follow-up of the ETF support to the EC for the identification and formulation of "Inclusive Education" (and "Management Training") project, eventual preparatory activities on inclusive education considering VET If needed, further develop the results of the mapping exercise on donor interventions in the country.	(Eventually) Workshop on Inclusive Education	2010	2010
Torino process	Theme A Function 2 (and 3)	1. High quality analysis and recommendations for VET reform and priorities in Uzbekistan 2. Enhanced cooperation between ETF and the relevant stakeholders in Uzbekistan	Data and information collection Consultation of national stakeholders Torino Process Report Drafting Discussion workshop in Uzbekistan Dissemination workshop in Uzbekistan	Uzbekistan Torino Process Country Report	March-May: Country report drafting April: Discussion workshop June/July: Dissemination workshop Sept.: Final country report	2010
Education & business cooperation study	Theme C Function 2 (and 3)	1. High quality analysis of business and education cooperation in Uzbekistan 2. Enhanced cooperation between ETF and the relevant stakeholders in Uzbekistan	Data and information collection Consultation of national stakeholders International Meeting Turin Report Drafting Discussion workshop in Uzbekistan (with Torino Process) Dissemination workshop in Uzbekistan (with Torino Process)	Uzbekistan Business and Education Country Report	March-May: Country report drafting April: Discussion workshop June/July: Dissemination workshop Sept.: Final country report	2010

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