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July 2020

Uzbekistan Torino Process Report Summary 2018-20

A. Country and VET overview

A landlocked country in Central Asia, Uzbekistan has the third largest population (34 million) and the fifth largest landmass in the countries of the former Soviet Union. Half its population lives in urban areas; 40% are aged under 16 and more than 60% are under 25. It has an adult literacy rate of 100%.

President Shavkat Mirziyoyev, elected in 2016 in the first change of leadership since independence in 1991, has launched an ambitious programme of economic modernisation and liberalisation. A national strategy programme 2017-2021 prioritises improving construction, supporting and reforming the rule of law, economic development, social improvement, and ensuring religious and ethnic harmony alongside a constructive foreign policy.

GDP increased by 5.6% in 2019 and is expected to grow by 6% in 2021. Direct foreign investment at USD 4.2 billion is up by a factor of 3.7 since 2018. Poverty levels dropped from 17.7% to 11.4% between 2010-2018. Such has been Uzbekistan's recent economic development in 2019 it received an international credit rating and successfully placed a USD 1 billion bond on the international financial market.

Between 2013-2017 the share of the population with a higher education edged up from 15.5% to 16.2%.

The Ministry of Higher and Secondary Education governs secondary vocational training, managed through local boards that include trustees from a wide range of state, public and private interests. Education spending accounts for 5-6% of GDP.

A new approved National Qualifications Framework is under development.

Education, including the VET system, is undergoing extensive reforms designed to expand access. From autumn 2020 mandatory three-year vocational courses for 9th grade graduates have been replaced by two-year courses (to level 3, ISCED) with broader choice to support greater flexibility and labour market relevance. Pathways to further education (ISCED levels 4 and 5) are offered.

The reform is likely to lead to reduced student numbers and VET institution rationalisation. Currently there are 143 academic lyceums (85,000 students) and 1,433 professional colleges (just over 1 million students). There are also 41 training centres for adult education and special needs, as well as private sector providers in this field.

Under the UN's 2030 "Transforming our world" programme, Uzbekistan is committed to ensuring inclusive, equitable, quality education, including lifelong learning.

A national development roadmap 2017-2020, commits to improving employment opportunities for young people and ensuring quality in education.

Educational reforms take into account the growing importance of SME's, which account for 56.5% of value added in the economy. The service sector is fast developing with 47% of the workforce employed in that sector and responsible for 80% of all newly created jobs. Industry accounts for 29% of jobs. Lower tax rates and economic liberalization is expected to boost growth in horticulture, food production, tourism, textiles and the chemical industry.

Uzbekistan has high economic migration, with around 2.4 million mostly younger (16-30) workers leaving to work abroad, mostly in Russia and Kazakhstan. The figure accounts for around 12.7% of the country's total labour force. In 2019 remittances totaled USD 5.1 billion (10% of GDP).

Taking advantage of the skills of returning migrants is part of government economic and education policy.

B. Economic and labour market environment

Uzbekistan has a growing labour force that now totals just over 19 million, representing 58.9% of the population. Between 2014 and 2019

unemployment almost doubled to 9%. In 2019 the labour force grew by 2.4%. Of the total labour force 53.5% are urban based, the rest rural. Job creation is lagging behind rapid population growth. Between 2014 and 2019 unemployment almost doubled to 9%, although tax reductions in recent years have boosted official employment numbers. However, nearly 8 million people still work in the informal sector (including migrant workers) and every year three times the number of college and high school graduates enter the job market (600,000) than new jobs are created. Youth unemployment is almost double (15%) that of the adult rate.

Understanding the relevance of VET to labour market requirements is hampered by "limited and contradictory" data, according to a World Bank report of 2017. VET staff and students believe the system matched the labour market - view is not shared by employers, with soft skills among the major elements deemed missing in VET graduates. A Ministry of Employment and Labour Relations survey in 2019 identified key challenges that included: low competitiveness of graduates, lack of labour market links, and a mismatch between training and labour market needs. Industry is the sector that suffers most from a lack of sufficiently well trained VET graduates.

Low average wages (USD 245/month) and lack of opportunities are key factors in the country's massive labour migration. Educational migration is also increasing, mainly to other former Soviet countries. In response, the Uzbek government is planning to double higher professional education uptake over the next decade; currently only around 9% of students go onto higher vocational studies. There are also plans to increase training offered to returning labour migrants to take advantage of the skills they have gained and encouragement them to invest earnings in creating businesses and employment opportunities at home.

Uzbekistan is at an early stage of developing its digital economy and companies are increasingly aware of the need for digital skills. The Digital Uzbekistan 2030 scheme is designed to help manage the digital transition; it includes a 2019 ICT project "One Million Uzbek Coders". The government's reorganisation of VET from the academic year 2020/21 is closely allied to this digital strategy - 340 vocational schools, 147 colleges and 143 technical schools are involved in the reform.

Labour market surveys and encouraging business and social partnerships with VET remains rudimentary, but since January 2018 a new national methodology for labour market matching has been adopted. Measures to encourage entrepreneurship are also being introduced; around 3%

(13,700) of annual VET employed graduates (457,000) set up their own businesses. Free courses in entrepreneurship have been offered since August 2017, resulting in the creation of 2,466 new jobs.

A new National Qualifications Framework is designed to meet the needs of the developing 21st century economy. National professional standards are being developed based on best foreign practice and experience. Encouraging involvement of stakeholders in VET is central to the process.

C. Social environment and individual demand for VET

Entry to VET institutions takes place after the 9th grade; reforms due to be introduced from the 2020/21 academic year have reduced from three to two years the length of vocational studies. In 2019 there were 1,117 secondary vocational institutions in Uzbekistan, including 92 academic lyceums and 1,025 professional colleges offering training in six areas in 242 professions. Student numbers have been dropping in recent years in anticipation of the introduction of VET reforms; however positive changes are expected in the future due to the reorganization, which is intended to make VET more relevant to the labour market.

The most popular vocational courses are in industry and technology. Girls account for just under half the total number of vocational students; in teaching and medical schools they are in the majority.

Uzbekistan was the first former Soviet country to approve a law on the social protection of people with disabilities, including guarantees on access to education and employment. Specialised vocational schools have been established in Tashkent, Samarkand and Namangan regions. In 2019 nearly 20,000 students were enrolled at such vocational schools.

Expanding access to labour market relevant VET is at the core of the system reforms and are set within a framework of emphasising lifelong learning that will include adults and retuning migrants, vulnerable and marginalized groups. In line with the reforms, flexible and short-term VET courses are offered to around 30,000 unemployed young people each year in 50 specialties (including accounting, management, handicraft, welding etc) offered at 217 regional VET centres. International donors, such as the Korean international cooperation agency, are involved in supporting such provision.

Earlier rounds of the Torino Process in Uzbekistan identified a lack of mechanisms for recognising prior learning; this is now being remedied through the introduction of assessment and qualification mechanisms, including identifying core competencies within the new NQF system.

The VET reforms and college rationalisation also aim to ensure vocational schools are easily accessed by users (by placing them in population centres, for example) and to improve the employment prospects of VET graduates. Between 2014 and 2019 only 45%-50% of graduates have found jobs in their field of specialization. Better stakeholder partnerships, skills matching, and recognition of the value of soft skills are needed to improve the situation. For example, a World Bank report of 2016 found that ICT-related professions accounted for just 1.5% of total employment - almost certainly reflecting a serious mismatch between the supply and demand for skilled ICT workers. Although the government pays much attention to education, the lack of VET system relevance to labour market needs remains a key challenge. Vocational guidance is also much in need of reform, leading to direct involvement in the process by representatives of private businesses. For example, German building materials company, KNAUF, has developed and implemented a "Find your vocation" scheme. It is clear that financial resources devoted to VET could be better directed to improve the system's labour market relevance.

D. Internal operation and efficiency of VET

Teaching in VET institutions in Uzbekistan remains largely traditional; class sizes of a maximum of 26 are allowed in lyceums; in professional colleges, 30. Professional vocational schools generally begin with theory and concentrate on practice in later years. Day release to local enterprises tends to take place in final years of professional VET studies, with a total of 14.4% of study time devoted to practice. In centres established with Korean backing, more attention is devoted to practical training.

Both VET organisation and training levels of staff are failing to match labour market demands, and VET colleges lack the autonomy to make sufficient adjustments to local needs and conditions (they are free to adjust their curriculum only by up to 10% to reflect local conditions). Workshop equipment is often outdated and industrial practice ill suited to contemporary needs. Many graduates require additional training once they find jobs.

The government, assisted by donor organisations, is taking steps to improve vocational teaching and learning. A national education sector plan 2019-23 aims to modernise the system and introduce information technology tools to improve staff training. Online tools will also be used to improve staff skills. Donors that include UNESCO, the EU, the British Council and various other European and world bodies are involved in supporting VET reform and improved pedagogical training. A pilot project in competence-based teaching and learning has been successfully tested in tourism colleges with plans to extend it to construction, agriculture, textiles and IT.

The introduction of the new 2-year VET programme has prompted a decline of around 46% (18,000) in the number of teachers and technical specialists in the system. Around 93% of vocational teachers have higher education degrees; senior teachers must have a Masters. The average age of teachers - 36 - reflects the fact that many come straight from university and have little or no working experience in companies. Moreover, professional development courses are standardized and do not take into account any relevant local factors. Low status and salaries contribute to difficulties recruiting teachers with relevant up to date specialist and industrial experience. There is growing awareness of the need for deep reform in teacher recruitment; in July 2019 a Presidential decree on management reform for higher and secondary specialist education was adopted. There are plans to significantly increase the number of qualified teachers by 2030, including through boosting international cooperation and introducing mandatory refresher courses every three years.

VET education standards are ensured through overall control of the Cabinet of Ministers, but it is recognised that current standards, training programmes and content delivery are insufficiently effective in meeting labour market demands. In 2017 just 54.2% of VET graduates found jobs; 60% of them were employed below their skill level and just over half found work related to their specialty (59% men; 51% women). The current law governing education fails to determine quality output. New standards are needed to meet 21st century demands. Currently quality control exists, but not quality assurance.

E. Governance and financing of VET

The state has always played a major role in the management, financing and provision of VET in Uzbekistan and quantitative expansion, rather

than qualitative progress has long been the key focus. State subsidies have effectively ensured little incentive to improve and reform. Over time, this has meant that relevance of VET to the labour market has weakened. There is a marked lack of dialogue between education institutions and employers. VET graduates often need top-up training when they start work. Shifting to a more decentralised system could increase autonomy and motivate vocational schools to work more closely with employers. Greater flexibility in the use of resources and recruitment and remuneration of staff could greatly increase VET system relevance and efficiency. The active involvement of relevant ministries, major employers and vocational schools - along with the introduction of public-private partnerships - could also help reduce the financial burden on the state. Models of such cooperation already exist: Uzbekistan Temir Yullari, a large enterprise, has close links with a number of colleges and offers internships to students.

Reforms are now in progress, including the abolition of the centre for professional education (which was in charge of state standards) and the introduction of the new 2-year system of post general education VET. A new network of professional education institutions, with effective management and new sources of funding, is being created. There will be a greater role for sector ministries in developing curricula and defining key competencies. More attention will be given to practical training. There will also be a greater role for a mixture of government agencies, industry, large employers and other stakeholders in the management of VET. Industry councils to advise on labour market needs are already being formed and there will be more scope for colleges to earn income and for companies to be involved in the funding of VET provision, via tax incentives.

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