

UZBEKISTAN

VET GOVERNANCE COUNTRY PROFILE 2021



1. INTRODUCTION

Uzbekistan is home to more than 31 million people and has been creating about 600 000 jobs a year. The country's industrial sector has developed with significant state support and protection from competition, while the economy has become less exposed to foreign trade. The government of Uzbekistan recognises the need to bring more private-sector activity into the economy. Despite robust domestic job growth, Uzbekistan needs to pay more attention to increasing the creation of good jobs and, among other things, accommodating a large number of returning migrant workers into local businesses. In December 2016, a government embarked upon an ambitious economic modernisation programme to reinvigorate equitable growth for all of Uzbekistan's citizens.

An ETF study was conducted in May-November 2020 in Uzbekistan, using an ETF VET Governance Inventory Tool and an assessment methodology to understand VET governance and financing effectiveness. The self-assessment tool involved 21 key

stakeholders, including ministries, government VET advisory bodies, employers, unions, and VET institutions. It focused on 65 key indicators to enable analysis and self-assessment based around seven core VET governance functions: formulation and implementation of overall policy framework, including strategic policy tools; provision of the legal and regulatory framework; management of VET and skills provider networks; alignment and coordination of financial arrangements; management of public-private partnerships (PPPs) for VET and skills development; monitoring, evaluation and review of VET and skills policies, including research and development; management of information systems, including data and statistical provision.¹

This country profile paints a picture of VET governance in Uzbekistan based on the findings of the ETF VET Governance Inventory tool.

¹ Results of the assessment on 65 governance indicators are presented in the VET Governance self-assessment results in Uzbekistan: Assessment Report, 2020 ETF

COUNTRY CONTEXT

Since the early 2000s, Uzbekistan has maintained a high and stable economic growth rate and achieved gradual diversification. Uzbekistan's economy has not only grown rapidly, but it has also proven highly resilient to external shocks. According to official estimates, annual GDP growth averaged 7.3% over the period from 2001-14. Meanwhile, GNI per capita rose from USD 2 020 in 2001 to USD 5 840 in 2014.²

Uzbekistan is facing a major employment challenge – the working-age population has risen by about 50% since 2000, from 14 million to 22 million today. At the same time, Uzbekistan faces high demographic pressure, particularly for the 0 to 7 age group, meaning that the country will have a large youth population for years to come.

Uzbekistan has a fast-growing and young population, which represents both an opportunity and a challenge in creating new jobs due to a rapidly increasing labour force. The public sector will not be able to create the large number of jobs needed to meet the needs of a fast-growing labour force that is projected to continue increasing until 2040.

Private sector development and investment are thus essential to create jobs. This will require, inter alia, an accelerated transition from a state-dominated economy toward a market-based economy, with a dominant private sector. The Government of Uzbekistan is under pressure to deliver tangible results as soon as possible.



2. VET AND SKILLS POLICY

Education in Uzbekistan is understood to be a driver of transformation in the country's society and economy, and the Government of Uzbekistan is committed to improving its education system in the context of its wider reform programme. Given that Uzbekistan's labour market is evolving with the transformation of the economy, the need for a more diverse skills set is increasing.

Education at all levels in Uzbekistan is in a state of change and Uzbekistan is reforming vocational education to render it more flexible and to align it with the labour market. Reforms envisage the optimisation of a network of vocational colleges based on national and regional economic development priorities, labour market forecasts, and technological development and trends.

In accordance with the Decree of the President of the Republic of Uzbekistan on the further improvement of the vocational education system of 6 September 2019, vocational education remains part of the compulsory 11-year education for 9th-grade graduates². The legislation allows students to continue their studies after the 9th grade either in academic high schools or vocational schools, based on the programmes corresponding to ISCED level 3.

A new network of educational institutions at the beginning of the 2020/2021 academic year will include three types of schools relevant for the VET system: 339 'initial vocational schools', 201 'colleges' and 185 'technicums'.

The VET system also includes vocational training centres, multidisciplinary training centres established under the Ministry of Employment and Labour Relations, and private providers of vocational training services.

A policy of decentralisation of the management of VET institutions, with the aim of improving efficiency, has begun. These changes are based on the concept of administrative reform in the Republic of Uzbekistan, adopted by a Presidential Decree of 8 September 2017.

This approach aims to improve the legal and the institutional framework of social and public-private partnerships by ensuring a broad participation of non-governmental, non-profit organisations and business entities in addressing the pressing issues of socio-economic

development (education, healthcare, tourism, etc.). It transfers certain state functions to the private sector, bringing new mechanisms of public oversight on the proper performance of the transferred functions, such as certification, accreditation and licensing procedures.

The vocational education and training reform aims primarily to increase the participation of employers and other social partners, including trade unions, in the policy development process, the sector qualifications councils and similar bodies which are currently being formed.

Until 2018, the Ministry of Higher and Secondary Specialised Education (MoHSSE) was the main government body coordinating the activities of all professional educational institutions. After the completion of the transfer process, the MoHSSE will provide educational guidance and public policy in the field of vocational education, regardless of which department vocational schools, colleges and technical schools fall under.

The introduction of new mechanisms and sources of funding, the development of public-private partnerships, the phased introduction of autonomy for educational institutions and the development of competition: all these changes will intensify the role and responsibilities of college leaders. Achieving greater self-reliance and accountability in colleges requires strong and competent leadership: therefore, developers must adapt the college leadership policy to the

METHODOLOGY

ETF VET Governance Inventory 4.0 is a pioneering tool for assessing the institutions' readiness to advance policy priorities in the VET and skills sector. In 2020, it was implemented in 5 ETF partner countries – Albania, Jordan, Kazakhstan, Moldova, and Uzbekistan. This exercise's key focus is on a set of 65 governance indicators measuring progress in VET overall policy, management, and financing. The key objectives are: to keep abreast of ETF analytical and operational actions carried out in good multi-level VET governance; to provide analytical information and a comprehensive picture of VET governance to complement the findings and policy analysis provided by the ETF Torino process; to implement regular updating and monitoring of VET governance functions & arrangements focusing on VET overall planning, management, and financing, etc.

2 Decree of the President of the Republic of Uzbekistan "On additional measures to further improvement the vocational education system" dated September 6, 2019 No. UP-5812. -5812. <https://lex.uz/ru/docs/4500929>

new environment, thereby addressing the major challenges faced over the past decades.

With set of indicators, ETF VET Governance Inventory Tool assessed the quality of the policy dialogue. A qualitative assessment indicates that the stakeholders' opinions differ from each other. They believe that existing public and regional governance practices provide the flexibility and adaptability for an appropriate multi-level cooperation, as well as a less formal approach to managing VET policymaking and skills development. About 71% of the stakeholders support the opinion that the national policy for vocational education has a long-term perspective. 76% of the stakeholders agree that the national VET and skills policy has been developed involving both state and non-state stakeholders and combines long-term objectives and short-term targets.

About 62% of respondents think that the cooperation between government and non-government organisations, including social

partners such as the National Association of NGOs, professional associations (accountants, pedagogues, different economical or industrial consortiums, etc.), is transparent and effective and the cooperation between national and sub-national (regional, local) public departments and agencies is effective.

Some of the stakeholders expressed a different opinion by selecting different responses to the question: 'Overall, do you think that current public administration practices allow good multi-level cooperation, flexible, agile as well as a less formal way of managing policy processes on VET & skills policies?'. Some replied: 'It allows this partially. Recent changes in the vocational education system allow the creation of flexible mechanisms for multilevel cooperation, but this is still at the initial level' and others: 'Does not fully provide this. I do not consider it reliable and effective enough'³.

3 Findings of the self-assessment on policy framework indicators are available in VET Governance self-assessment results in Uzbekistan: Assessment Report, 2020 ETF

3. INSTITUTIONAL ARRANGEMENTS AND LEGAL FRAMEWORK

The central regulatory body of the education system is the Cabinet of Ministers of the Republic of Uzbekistan. There is no single responsible body for the VET sector. In Uzbekistan, several ministries and state bodies play a dominant role in the management, financing and provision of VET.

Under the overall coordination of the Cabinet of Ministers, three ministries are responsible for the public education system: the Ministry of Pre-school Education (MPE), the Ministry of Public Education (MoPE) and the Ministry of Higher and Secondary Specialised Education (MoHSSE).

Secondary specialised vocational education is a key subsector of Uzbekistan's education system and remains large even after the most recent reforms. Its network of vocational institutions includes almost 10 times more schools than the non-vocational stream provided in academic high schools, and it enrolls 9 out of every 10 secondary specialised vocational education students.

Until 2018, vocational education was an independent part of the continuing education system (specialised secondary education) after the compulsory 9-year primary stage. It was also part of compulsory education and lasted 3 additional years from the 10th to the 12th grade.

The education legislation covers both formal and informal systems. The formal education system comprises a variety of institutions: vocational schools, colleges, technical schools, universities, and advanced training institutions. Lifelong education includes non-formal and informal learning in all its diversity. The aim is to align adult education with international lifelong learning best practices, with vocational colleges becoming the training provider.

The legal reform of adult learning opens up new opportunities for everyone to obtain qualifications not only in formal education, but also in other forms of training and education. Thus vocational technical education has an opportunity to transform according to the demand of international labour market developments.

Parallel to the new legislative approach, Uzbekistan's National Qualifications Framework has been developed and was approved on 15 May 2020. On the basis of the NQF, sectoral qualifications framework (SQF), national professional standards (NPS) will be developed. Consequently, VET curricula will be revised based on the NQF, ORC and NPS. The whole process will be implemented with the participation of stakeholders, including representatives from ministries, employers, educational institutions, etc.



The Government of Uzbekistan is now working on the implementation of the national qualifications system. The process of implementing the main components of such a system continues at sectoral level and at the level of the relevant sector ministries.

In accordance with Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No 394 of 13 May 2019 on measures to improve the system of professional training of qualified staff in demand in the labour market, the Republican Council for the Development of Professional Qualifications should be established under the Ministry of Employment and Labour Relations of the Republic of Uzbekistan.

The organisation of the activities of the National Council is at an early stage, and mechanisms for the effective functioning of its activities are still under development. The process of implementing the main components of the reform continue at sectoral level and at the level of the relevant sectoral ministries, such as the Ministries of Agriculture, Tourism, Health, Education, and so on. This includes the establishment of Sectoral Skills Councils, the development of sectoral qualifications frameworks, occupational standards, assessment centres, etc., with VET stakeholders participating in accordance with the requirements of the labour market.

At the national level, the Ministry of Higher and Secondary Specialised Education of the Republic of Uzbekistan (MoHSSE) is the authorised state body for the implementation of the unified state policy in the field of higher and secondary specialised vocational education. Under the leadership of the MoHSSE, the Institute of Pedagogical Innovation, Retraining and Advanced Training of Leading and Pedagogical Personnel of Professional Education develops methodological approaches and teaching material to be used by the teachers in the VET system.

At the regional level, there are territorial departments for the development and coordination of vocational education for the Republic of Karakalpakstan, the regions, and the city of Tashkent within the Ministry of Higher and Secondary Specialised Education of the Republic of Uzbekistan.

At the local level, Boards of Trustees, including representatives from ministries, departments, local government bodies, non-governmental non-profit organisations – acting in accordance with legislation and the charter – facilitate cooperation in vocational education.

Employers and professional associations are responsible for ensuring close interaction

between the labour market and VET institutions and participation in the process by qualified specialists, taking into account the requirements and trends of the internal and external labour markets.

The private sector in Uzbekistan is gradually developing as a provider of vocational training in certain areas, to improve workers' skills, and is expected to take on more responsibilities in the VET system. The Law on Public-Private Partnerships, adopted in 2019, is the basis for the development of public-private partnerships in the VET system.

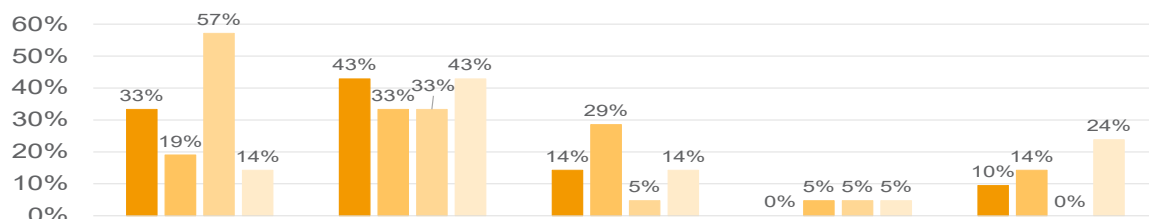
The main objective is to create the conditions for an effective interaction between public and private partners to bring about the sustainable social and economic development of Uzbekistan and attract private investment into the economy by harnessing the resources of public and private partners. This law will launch PPP-based cooperation, which should become a successful step in developing a new practice of interaction between government, society and the business community in infrastructure projects (hospitals, schools, etc).

The role of the private sector is to assist VET institutions in curriculum development, including training through company participation in curriculum reviews, student assessments, the widespread use of hands-on exercises, and assistance in career guidance decisions.

On 31 December 2020 the Cabinet of Ministers issued a decree on Qualifications and Skills Development. This established 33 Skills Sector Councils. These councils are responsible for contributing to the TVET programmes in their skill area(s). They are also responsible for setting their own qualifications frameworks and mapping these to the national framework set by the Ministry of Labour's National Qualifications Council. Under the terms of the 2020 decree the Ministry of Employment and SSCs plan to develop 957 new TVET qualifications across the skills sector in 2021. The same decree established the Labour Market Research Institute.

The self-assessment shows that 57% of the stakeholders are of the opinion that the legal framework supports lifelong learning (LLL), not only the initial VET. In accordance basic principles in the field of education is LLL. Regarding the involvement of VET stakeholders in the process of updating legislation, 62% of the stakeholders believe that it is common practice in Uzbekistan to involve VET stakeholders in the updating of regulations and standards.

FIGURE 1: National VET and Skills Council Indicators



- (I.2) SSCs composition represents key sectoral VET & Skills stakeholders.
- (I.3) The SCs meet on regular and effective manner in the course of the year and they have proper resources to deploy mandate.
- (I.4) SCs sectors are the most appropriate ones to contribute on VET & Skills and economic development.
- (I.5) SCs have sub-committees to address specific issues in different VET & Skills policy areas.

Only 38% of stakeholders agree with the statement that the National Council (NC) for VET exists and that, overall, outcomes meet stakeholder expectations; 19% support the opinion that the NC composition represents key VET & skills stakeholders at national level, and 33% of respondents disagree with this statement. As some of them state: 'It is difficult to say that the results of this advice really meet stakeholder expectations'. Only 43% of them agree that 'The NC composition represents key VET & skills stakeholders at national level'⁴.

Without a very close cooperation between ministries, future employers and other

stakeholders in the VET system, VET schools cannot prepare skilled workers to be absorbed by the labour market. 57% of participants in the survey state that there is effective cooperation between the different ministries involved in shaping and financing VET & skills policies and 48% think that there are inter-ministerial cooperation mechanisms (e.g. governmental committees, thematic sub-committees etc.) to support VET & skills policy dialogue and coordination.

However, only 29% of the stakeholder state that VET providers and stakeholders believe there is effective cooperation between the different ministries involved in VET & skills policies. Some of the respondents think that there is a need to increase the level of interaction between the relevant ministries in the field of VET. (See Figure 1.)

⁴ Results of the self-assessment on institutional and legislative framework indicators are available in VET Governance self-assessment results in Uzbekistan: Assessment Report, 2020 ETF

4. FINANCING ARRANGEMENTS

The budgetary financing of the VET sector in Uzbekistan is divided into three levels: national, regional and local budgets. The budget-setting process for VET & skills development is driven by dialogue between key ministries.

The parameters for financing vocational educational institutions for the planning period are calculated based on actual expenses for previous periods with adjustments for changes in the price level, forecasts of student population movements, changes in the infrastructure of institutions and implemented target programmes.

Regional and local authorities (educational departments, local administrations) responsible for education calculate the projected number of students in secondary vocational schools for the next year. They also estimate the cost

of providing educational services and predict the costs of maintaining secondary vocational education institutions.

According to the Ministry of Finance, expenditure forecasts for inclusion in draft budgets are presented in June-July. In early September, the Ministry of Finance prepares the draft State Budget and submits it to the Cabinet of Ministers for approval.

The Cabinet of Ministers considers the draft budget and introduces amendments within one month, and then submits the draft budget to the Accounts Chamber. After the conclusions of the Accounts Chamber, by 20 October, the final draft budget is sent to the Oliy Majlis (the Uzbekistan Parliament). The committees of the Legislative Chamber of the Oliy Majlis review the draft



budget and submit their recommendations for the approval of the final budget, which is reported in November-December of each year.

The 2020 budget introduces a new practice to bring increased transparency in accordance with generally accepted practice and budget data, strengthening parliamentary and public control over the allocation and expenditure of budget funds.

The Public-Private Partnership Law, adopted in 2019, is the basis for the development of public-private partnerships in the VET system. It provides a guarantee for private businesses and encourages the private sector to become more involved in training, and provides the possibility of increasing non-government financing of training.

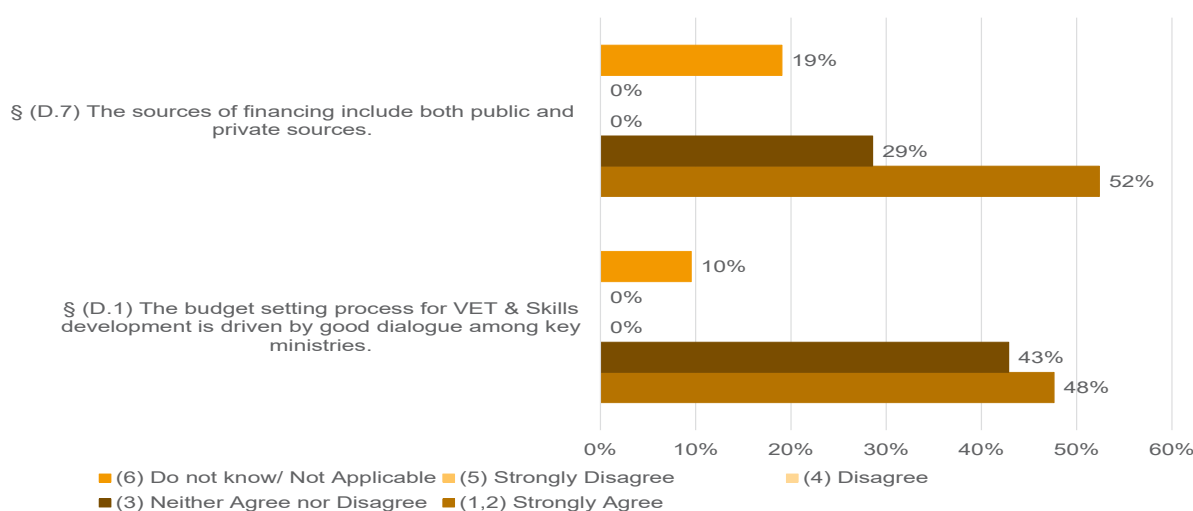
At the same time, the private partner has the right to: receive from the public partner necessary and accessible information for the implementation of the public-private partnership project; make proposals to amend the terms of the public-private partnership agreement; claim compensation for losses under a public-private partnership project that arose through the fault of the public partner.

The private partner is obliged to: comply with the requirements of legislation and agreements on public-private partnerships; bear the responsibility stipulated by the legislation and the public-private partnership agreement. A private partner is not entitled to transfer any land transferred to it on the basis of a public-private partnership to other legal entities and individuals.

According to 48% of the stakeholders, the budget-setting process for VET & skills development is driven by a good dialogue between the key ministries.

The VET inventory for financial arrangements (including budgeting, mobilisation & allocation processes) shows that expenses relating to formal VET in Uzbekistan are financed from both public and private sources (52% of stakeholders). 29% of the stakeholder neither agree nor disagree with this statement and the rest (19%) do not know/could not determine exactly the answer. Government (public) sources include the state budget, off-budget special funds and funds of enterprises in which the Government has a share (100% state-owned companies and mixed companies with a state-owned stake). (See Figure 2.)

FIGURE 2: Financial arrangements (including budgeting, mobilization & allocation processes): selection of indicators



5. QUALITY ASSURANCE AND MONITORING FUNCTIONS

The monitoring of Uzbekistan's education system remains broadly distributed, which poses a significant challenge to any effort to measure and improve quality. In total, six ministries, along with the National Statistics Committee (NSC), collect education data at different times over the year.

The State Inspectorate for Supervision and Quality of Education (SISQE) under the Cabinet of Ministers of the Republic of Uzbekistan is a

government body responsible for developing criteria for the quality control and performance evaluation of educational institutions.

Since May 2018, SISQE has been tasked with improving Uzbekistan's student assessments, which has included aligning them with international best practices, introducing standardised national assessments, and the country's participation in international large-scale

student assessments such as the Programme for International Student Assessment (PISA). While capacity needs to be strengthened to manage these tasks, this represents a positive development for the quality improvement agenda in Uzbekistan.

SISQE is also responsible for licensing private providers.

Improving the efficiency of VET providers is one of the main challenges facing the VET system. In accordance with large-scale reforms aimed at improving the management system and modernising government, including state statistics bodies, some progress has been achieved.

Currently, the collaboration between the professional education system and stakeholders is based primarily on the following mechanisms: students' practical assignments; participation in the development of curricula and employers' involvement in final qualification exams; and the strong affiliation between professional educational institutions and companies.

In September 2019, sectoral ministries, to which professional educational institutions are attached, commenced a study of the current situation in vocational colleges in order to carry out a review of skills policy, management issues and modernisation and to equip them with the necessary components and spare parts.

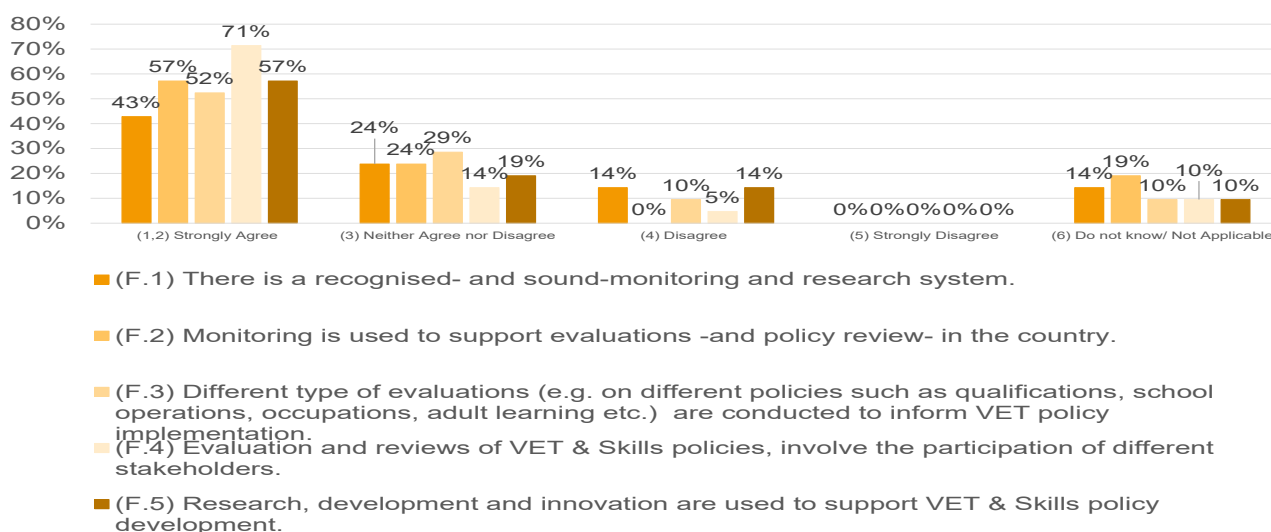
According to the majority of the stakeholders, the supply and composition of the VET provider network supports access to VET (67%) although only 48% of the stakeholders state that the existing network of VET providers is optimal and able to provide the necessary conditions for those who wish to obtain vocational education.

According to the majority of the stakeholders (81%), VET schools are accountable for the decisions they make. The opinions of the stakeholders differ on the quality of management and quality assurance in education. Only 48% support the statement that 'A quality assurance policy is in place across both in the system and for providers', and 38% agree with the statement that 'Quality – internal and external – is measured to support the performance of VET providers'; 33% of the stakeholders find it difficult to answer.

It should be noted that 43% of the stakeholders confirmed that the VET system has a recognised and sound monitoring and review process. About 57% agree with the statement that monitoring is used in the assessment and policy review process in the country. More than half of the stakeholders (52%) state that there are different types of evaluations conducted to inform VET policy implementation. Currently, VET legislation needs to be improved to provide mechanisms for the recognition of qualifications acquired outside formal education.

Most of the stakeholders (71%) agree that the evaluation and review of VET & skills policies involve the participation of different stakeholders. Over 57% agree that research and innovation help the VET system adapt to change and lay the foundations for the future of VET and the development of skills from a lifelong learning perspective; the role of research and innovation is essential for the country in laying the foundations for future vocational education and is essential in adapting to any change. However, the responses suggest there is still scope to improve the monitoring and evaluation system. (See Figure 3.)

FIGURE 3: Monitoring, Evaluation and Review of VET & Skills policies: selection of indicators





6. POLICY POINTERS FOR MOVING FORWARD

- Consistent reforms are being implemented by the government. Further consultation with key national stakeholders is, however, needed to improve the overall architecture of the VET system, its governance and funding, qualifications, quality assurance, and links with the labour market. In particular, the roles of the private sector and industries need to be developed.
- The vocational education and training reform aims primarily to increase stakeholder (employers and other social partners, including trade unions) participation in the policy development process. Stimulating the development of public-private partnerships, increasing the role of non-governmental, public organizations and local self-government bodies;
- Developing national criteria for the success and funding of VET institutions based in part on the indicators for these criteria. In this case, VET institutions that are dynamic and innovative could be encouraged;
- Ensuring the autonomy of institutions. This (a) reinforces local ownership; (b) helps to take into account local priorities, values and needs through enhanced parent and community involvement; and (c) empowers teachers to develop personal responsibility to students and their parents;
- Introducing a transparent funding system focused on the result of an educational institution; Implementing an EMIS – education management information system - which can be a very open tool for the governance of the system.

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