SECTOR ASSESSMENT (SUMMARY): EDUCATION (TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING)

A. Sector Road Map

1. Sector Performance, Problems, and Opportunities

1. **Sector context.** Uzbekistan’s skills development system is mainly composed of technical and vocational education and training (TVET) for secondary general education graduates who will become labor market entrants, and the recently evolved professional training for “reskilling” unemployed job seekers. Until 2017, a fixed 3-year TVET program was compulsory and free for Grade 9 general education graduates; and 1,064,028 students (48.1% girls)—87.0% of Grade 9 graduates—were enrolled at 1,423 technical and vocational educational institutions (TVEIs). The education sector reform, initiated in 2017, replaced the previous 12-year compulsory education (9 years of general education plus 3 years of TVET or 3 years at academic lyceums) with 11-year compulsory education (students who finish Grade 9 can continue to Grade 11 or choose to pursue 2 years of TVET, although TVET in general is not compulsory). New enrollment of students at TVEIs was suspended from 2018. The TVET sector reform has been formalized since 2019. TVET is no longer compulsory and the reform aims at transforming TVET into a market-relevant skills development system. Some TVEIs have become general education schools or university campuses. Some 630 TVEIs remain, including (i) 340 professional schools, all under the Ministry of Higher and Secondary Specialized Education (MHSSE), providing a free 2-year program for Grade 9 graduates; (ii) 147 professional colleges, all under the sector line ministries, providing 6- to 24-month programs for Grade 11 graduates; and (iii) 143 technikums (technical colleges), some under the MHSSE and some under sector line ministries, providing 2- or 3-year programs for Grade 11 graduates.  

2. The coronavirus disease (COVID-19) pandemic is having severe socioeconomic consequences for Uzbekistan. The growth rate of real gross domestic product is projected to fall to 0.5% in 2020 from 5.6% in 2019. The number of unemployed people rose sharply from 1.4 million in 2019 to 1.9 million by June 2020, resulting in a rise in the unemployment rate from 9.0% in 2019 to 13.2%; and one out of five youth (aged 16–30) were unemployed. This has led to high demand for social protection assistance. Moreover, labor market interventions are urgently needed, including skills development and employment services, especially for youth and unemployed job seekers.

3. **Sector problems.** Despite the high enrollment in TVET before the reform in 2017, a serious skills mismatch existed. Thirty-five percent of firms reported that employee skills posed a “major” or “very severe” obstacle to growth, and industrial enterprises experienced the most difficulty in finding suitable skills (49% reported a lack of qualified specialists). Micro and small enterprises (MSEs), concentrated in private sector and the biggest contributor to job creation,

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2 For Grade 11 graduates, the TVET will be substantially subsidized by the government, although industry, private sector, or other players can contribute. Partial tuition fees may be charged but not for revenue generating purpose.
4 The MOELR reported a youth unemployment rate of 20.1% in January–June 2020.
suffered directly by losing business because of lack of appropriate skills. A survey of employers showed that 20% of MSEs reported that they were unable to invest, and 23% reported reduced business turnover because of a shortage of skills. The employment of fresh TVET graduates was reported at 40.7% in their area of specialization in academic year 2017/18. Among those employed, 60% were hired below their level of qualifications, as the skills learned at the technical and vocational educational institutions (TVEIs) were not adequate for the expected job performance (footnote 6). The underdeveloped labor market information system and employment service exacerbate the skills mismatch and limit workforce development.

4. Inadequate employment and workforce development services. The public employment service (PES) has operated mainly to serve large-scale enterprises. The PES coverage of MSEs is limited (the PES centers reported that about 20% of job information came from MSEs). Private employment services concentrate on labor migration services, highly paid jobs at profitable enterprises, or employees with professional qualifications not often found in the labor market. Unemployed job seekers’ access to reskilling services has increased but is still limited—only 4% of 626,480 registered unemployed job seekers obtained reskilling services under the State Employment Promotion Fund in 2018, rising to about 5% in 2019. Most of the reskilling training is very short, and is not organized by formal training institutions. In 2019, only 3,900 registered unemployed job seekers (53% women) obtained reskilling services from PTCs under the MOELR. Labor market information is not captured systematically, and PES centers have limited information on jobs and their requirements in the market and are thus constrained in supporting job matching and placement.

5. Limited quality and relevance of skills development. The previous TVET system focused on the acquisition of knowledge rather than competencies. Compared with academic study, practical training has been limited in the time spent and workplace exposure. Trainers, who are divided into theory “teachers” and practical “masters,” lack workplace experience. Every 3 years, teachers undergo 144 hours of compulsory training to be reaccredited. However, such training did not take into account teachers’ needs and it was often too theoretical. Equipment is largely outdated and does not meet industry standards. The assessment and certification process is not anchored on the measurement of competencies. The government-led placement arrangements between TVEIs and employers are not demand-driven. TVEIs are not responsive in organizing training to meet market needs, as they are only allowed to deviate a maximum of 15% from the curriculum content. Career guidance is limited. Little focus is given to soft skills such as communications, teamwork, and self-motivation which, as reported by employers, are critical. Entrepreneurship development is insufficient to meet the demands of students who wish to be self-employed or start a business. All these issues have been restricted also because of lack of effective collaboration or interaction between TVET and industry. The TVET monitoring system, covered under the MHSSE, is fragmented, does not contain enough functions for various levels

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6 The employers survey (2018) was supported by ADB. 2016, Technical Assistance to the Republic of Uzbekistan for Skills Strategies for Industrial Modernization and Inclusive Growth. Manila (TA 9256-UZB).

7 MHSSE, 2018.


9 Resolution of Cabinet of Ministers No. 1066 dated 31 December 2018 in its Appendix 2 approved the Regulation about State Fund for Assistance to Employment of Population. The State Employment Promotion Fund is administered by the MOELR. One of its mandates is “financing of expenses related to the organization of the provision of high-quality vocational training services, retraining and social protection of the unemployed people, primarily youth, women and persons with disabilities.”

10 It is mainly organized through informal work-based apprenticeships in crafts and service trades, and the training fees are funded by the State Employment Promotion Fund.

11 The World Bank is supporting the MOELR to establish a labor market information system (para. 13 and the table).
of monitoring, and rarely supports evidence-based decision-making. The PTCs, just transformed from TVEIs to reskill unemployed job seekers, confront the same problems even if they have initiated market-responsive training and involving industry professionals in teaching and assessment.

6. As a direct result of the COVID-19 pandemic, demand for distance learning has soared. Education authorities have used television and radio to disseminate learning materials, but such channels are one-way. To improve interactivity, internet-based processes are needed. However, only 45% of the population can access 3-gigabyte internet, compared with an average of 79% in lower middle-income countries; and the monthly payment for 1-gigabyte mobile-broadband and postpaid computer-based internet is four times as high as the average for lower middle-income countries.\(^{12}\) However, a quick sample survey of the TVEIs and PTCs reveals that (i) about 70% of colleges have internet connections; (ii) teachers in 76% of colleges regularly use digital tools during their lessons, and students in 47% of colleges regularly use digital tools to complete their assignments; and (iii) about 95% of teachers and 80% of students use a smartphone.\(^{13}\) This provides a reasonable foundation for providing e-learning for skills development in the country. Some training programs have been developed with e-learning materials, but they are unsystematic. No e-learning platform is yet in place to support an interactive learning process for different users (students and trainees, teachers, and officials).

7. **Weak sector management and governance.** The MOELR coordinates skills development for employability. However, it lacks evidence-based planning because of limited capacity in labor market data collection, analysis, research, and reporting. The National Scientific Center of Employment and Labor Relations initiated the labor force survey in 2018, but it is largely focused on obtaining unemployment data. Major functions, such as skills gap estimation to inform planning of training, do not exist. Ongoing practices in industry collaboration by some training institutions are case-specific, and no systematic arrangements are in place to guide the plans and requirements for skills development. Further, outdated occupational classifications and lack of occupational competency standards in most trades cannot provide the reference for the planning of the needed skills to meet the current requirements of different industries. Although a national qualifications framework was published in May 2020,\(^{14}\) it is not based on sector qualifications frameworks, and thus risks inconsistency with industries’ current and future skills needs. The MHSSE, which is in charge of developing and endorsing curriculum and teaching and learning materials as well as in-service TVET teachers’ development, lacks channels through which to understand and incorporate industry needs. The country has very few trade associations, and sector skills councils (SSCs) are being established but are not functioning yet.

8. **Gender inequality.** In 2019, Uzbekistan ranked 64th among 162 countries in the Gender Inequality Index, mainly because of relatively good scores for women’s health, participation in education, and economic activity. Nevertheless, gender inequality is evident in labor market outcomes. Female participation in the labor market is 53.4%, in contrast with 78.0% for men.\(^{15}\) Compared with the unemployment rate for men (7.7%) and women (11.6%) in 2018 (when the

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\(^{13}\) The quick sample survey (2020) was supported by ADB. 2019. *Technical Assistance to the Republic of Uzbekistan for Preparing the Skills Development for a Modern Economy Project.* Manila (TA 9727-UZB).

\(^{14}\) Cabinet of Ministers Resolution No. 287 approved the National Qualifications Framework and the Regulation on the Development of the System of Professional Qualifications and Skills.

national unemployment rate was 9.3%\textsuperscript{,16} the disparity in the unemployment rate between men and women was even larger in the first half of 2020—women’s unemployment rate reached 17.4%, much higher than the national employment rate (13.2%). The concentration of women’s jobs in service sectors partly accounted for this gap. The education and health sectors, which are lower paid in the country, have greater shares of women, while in other sectors the share of men is higher, with the largest disparity in construction and information and communication technology (ICT). This is also reflected in the education streams. Girls prefer pedagogy and health studies and are underrepresented in industry-related areas. Barriers preventing girls’ participation in TVET include the lack of safe and sustainable access to clean water and sanitation facilities, especially in rural areas. The relatively low level of women’s economic activity and high rate of women’s unemployment have driven the government to take special actions. However, little attention is given to attract women to higher skills training in sectors with better salary prospects.

9. **Lack of access to skills development by persons with disabilities.** It was estimated that about 162,000 persons with disabilities (PWD) would be able to work if they are provided with appropriate facilities and support.\textsuperscript{,17} Nevertheless, in 2019, only 135 PWD obtained short-term reskilling organized by the PES, 33 of whom were trained in PTCs. To respond to the job challenges of PWD, the MOELR introduced incentives for PWD employment, including reserving quotas for workplaces and providing subsidies for companies that hire PWD. A subsidy is also available to support work-based training for PWD. However, regular TVEIs and PTCs do not provide relevant infrastructure facilities to ensure access for PWD (e.g., no elevators or toilets suitable for wheelchair users). TVET teachers have no special training on inclusive education pedagogy, and women was even larger in the first half of 2020—women’s unemployment rate reached 17.4%, much higher than the national employment rate (13.2%). The concentration of women’s jobs in service sectors partly accounted for this gap. The education and health sectors, which are lower paid in the country, have greater shares of women, while in other sectors the share of men is higher, with the largest disparity in construction and information and communication technology (ICT). This is also reflected in the education streams. Girls prefer pedagogy and health studies and are underrepresented in industry-related areas. Barriers preventing girls’ participation in TVET include the lack of safe and sustainable access to clean water and sanitation facilities, especially in rural areas. The relatively low level of women’s economic activity and high rate of women’s unemployment have driven the government to take special actions. However, little attention is given to attract women to higher skills training in sectors with better salary prospects.

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10. **Opportunities.** Besides the TVET sector reform, the government has been taking actions to accelerate the development of economic sectors with higher growth, employment, and export potential. It is creating an enabling environment for ICT business, such as the “IT Park.” Construction sector enhancement has been stimulated by beneficial government policies and measures, such as the simplification of civil works permission procedures and the launch of a mortgage development program. The government established a greenhouse-focused special economic zone (Bukhara Agro) and has a large program for horticulture storage, logistics, and processing. The government’s strategic development plan of Textile Sector Development Concept aims to process all the cotton yarns produced domestically, and triple the textiles and garment output and exports by 2025. These sector plans are expected to drive up the demand for skilled workers significantly.

2. **Government’s Sector Strategy**

11. The government is implementing the Strategy of Actions for Further Development of Uzbekistan, 2017–2021.\textsuperscript{,18} It is linked to the Sustainable Development Goals (SDGs), especially SDG 4 (quality education), SDG 8 (decent work and economic growth), and SDG 10 (reduced inequalities); and is directing the education sector reform.

12. **Education Sector Plan and skills development strategies.** The Education Sector Plan, 2019–2023 stresses the need to match skills development with employers’ demands through partnership between TVET and industries.\textsuperscript{,19} The MOELR is required to implement employment

\textsuperscript{16} State Committee of the Republic of Uzbekistan on Statistics, 2019.
\textsuperscript{17} MOELR and the Ministry of Health estimates (2018).
programs to ensure the employment of higher and secondary specialized educational graduates, and organize training for workforce development in line with market needs.\textsuperscript{20} The TVET reform is aimed at developing market-relevant skills, with significant changes in institutional arrangements.\textsuperscript{21} The MOELR is developing professional skills requirements for SSCs, as well as guidelines for the formation and implementation of sector qualifications frameworks and professional standards (footnote 14). The MOELR is also required to increase short-term training and enhance the State Employment Promotion Fund by mobilizing the Anti-Crisis Fund to benefit such training as well as people’s access to job and business development, especially for PWD.\textsuperscript{22} All these strategies lead to building a competent and adaptive workforce to support the competitiveness of industries and the diversification and resilience of the economy.

B. Major Development Partners: Strategic Foci and Key Activities

13. The United Nations Development Programme is promoting youth employment through active labor market policies, entrepreneurship development, and business start-ups, particularly among university and college graduates, young women, returning migrants, and other vulnerable groups. The United Nations Educational, Scientific and Cultural Organization (UNESCO) prioritizes policy advice, teacher training, competency-based curriculum development, quality assurance, gender equality, and improving learning outcomes by using ICT and pursuing lifelong learning. The European Union, in collaboration with UNESCO, is supporting agriculture skills development to enhance living standards in rural areas by preparing people with relevant skills for sustainable, diversified, and modernized agriculture. The Korea International Cooperation Agency established three PTCs with training on machinery engineering, automotive production and repair, electrical engineering, and ICT; and is planning two additional PTCs. The Swiss Agency for Development and Cooperation supported the curricula and training materials for hydro melioration and water supply, housing and communal services, automotive production, and entrepreneurship development. The British Council supports strengthening links between TVET and industry; and equipping youth with skills in tourism, agriculture, energy and mining, and construction. Its Skills for Tourism Project supported the development of a work competency framework, and created an SSC in tourism and hospitality. German development cooperation through Deutsche Gesellschaft für Internationale Zusammenarbeit is supporting the skills development in selected food processing areas through the development of occupational standards and curricula, the implementation of dual training, and the reform of assessment processes. Further support for the textile industry is planned. German development cooperation through KfW is preparing support for TVET under an approved grant of €16 million, and has started consultations with the Asian Development Bank (ADB) on potential collaboration. The World Bank is implementing a project for strengthening social protection system with a subcomponent on developing the labor market information system (footnote 11).

<table>
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<tr>
<th>Development Partner</th>
<th>Project Name</th>
<th>Duration</th>
<th>Amount ($ million)</th>
</tr>
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<td>UNDP</td>
<td>Promoting Youth Employment in Uzbekistan</td>
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<td>European Union\textsuperscript{a}</td>
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<td>Skills for Tourism</td>
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<td>UNESCO</td>
<td>Teacher ICT Competency Improvement Project</td>
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\textsuperscript{20} Presidential Decree No. 5052 and Cabinet of Ministers Resolution No. 87.

\textsuperscript{21} Presidential Decree No. 5812.

\textsuperscript{22} Presidential Resolution No. 4804.
### Development Partner | Project Name | Duration | Amount ($ million)
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Uzbekistan TVET Policy Review Initiative | 2018 | N/A
Professional Education and Training in Central Asia—Fostering Systemic Approaches in the Food Processing Sector | 2019–2022 | N/A
World Bank | Strengthening the Social Protection System Project | 2019–2023 | 50.0

* Implemented by UNESCO.


## C. Institutional Arrangements and Processes for Development Coordination

14. To transform the TVET system into one that responds to the current and future skills needs of employers, the project will support strengthening the functioning of SSCs. Close collaboration with employers will be pursued in developing curricula, implementing training, and assessing students and trainees. TVET institutions will be supported to build and maintain successful partnerships with companies in the targeted trades. Cooperation with relevant civil society organizations such as the Chamber of Commerce and Industry, Youth Council, and regional associations of women entrepreneurs will help reach vulnerable people and enhance their access to skills, jobs, and entrepreneurship development. For the strategic level coordination and monitoring of project implementation, a project steering committee will be established with representatives from key entities such as sector line ministries, trade associations and/or SSCs, and the State Inspection for Supervision of Quality in Education.

## D. ADB Experience and Assistance Program

15. ADB has long-standing experience in skills development. It has supported (i) boosting market-responsive TVET with elevated standards, (ii) exploring employment-linked partnership with the private sector, (iii) using ICT in education, (iv) building institutional capacity in planning and monitoring, and (v) economically empowering women and the disadvantaged. Lessons learned from previous support in the sector and other projects in the country indicate that (i) industry collaboration is needed for the full process of skills development, (ii) continuous tracking of graduates’ performance is needed, (iii) the development of e-learning requires long-term and compatible intervention, and (iv) the government’s procurement capacity needs solid improvement. This experience will assist ADB to support improving sector performance.23

16. The project is included in ADB’s country operations business plan, 2020–2022 as a firm 2020 program.24 It mainly supports four of seven operational priorities under ADB’s Strategy 2030: (i) addressing remaining poverty and reducing inequalities; (ii) accelerating progress in gender equality; (iii) tracking climate change, building climate and disaster resilience, and enhancing environmental sustainability; and (iv) strengthening governance and institutional capacity. The project will complement ADB’s other support in the country, such as for (i) the approved COVID-19 Active Response and Expenditure Support Program, by ensuring the government’s expenditure in the social sector; and (ii) the planned Small and Medium-Sized Enterprises Development Program by assisting linking the enterprises with needed skills.

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Causes the project will address

Causes the other development partner will address

**Legend:**
- LMIS = labor market information system
- MSEs = micro and small enterprises
- NSCELP = National Scientific Center for Employment and Labor Protection
- PES = public employment service
- PWD = persons with disabilities
- TVET = technical and vocational education and training