

**Supplementary Document 17:**  
**Detailed Social and Gender Assessment**



## SOCIAL AND GENDER ASSESSMENT

### A. Introduction

1. The importance of agriculture to the economy of Uzbekistan has significantly declined since 2000; in 2016, agriculture contributed 18.1% to the country's gross domestic product (GDP),<sup>1</sup> down from 34.4% in 2000. However, agriculture is the second largest employer after services, providing a third of national employment. Uzbekistan also continues to be the major supplier of fresh and processed fruits and vegetables to the neighboring countries, especially Kazakhstan, the Russian Federation, and 80 other countries around the world. Agriculture production also provides vital livelihood opportunities to majority of rural households.

2. The proposed project will finance the establishment of agro-logistics centers (ALCs), initially for horticulture, in two locations—Andijan and Samarkand—taking into account international best practices. Such infrastructure will provide all necessary facilities and services under one roof: storage, auction, food safety certification, customs clearance, quarantine, transport, shipping, expert market advice, trade finance and commercial banking etc. The project will help increase production of agricultural products with higher value-added and thus will directly and indirectly benefit significant number of people dealing with production, marketing, processing, storage and export of the agricultural produce.

3. The ALCs will help expand horticulture export and thus promote better linkages with production, post-harvest processing, and handling following international quality, and safety standards. Increased export and domestic marketing of horticultural products will increase price transmission to small-scale producers, and small- and medium-sized agribusinesses. It will also help increase diversification of the agriculture sector from cotton to horticulture as it has more financial, economic, and less social and environmental concerns than cotton in the medium and long term.

4. The proposed project will help secure better access to markets for farmers, agricultural companies, processing enterprises, owners and operators of cold storage, trading and logistics companies involved for horticulture sector. The project will help increase capacity in industrial processing horticulture products, greenhouses construction, storage and refrigeration.

5. This document is based on the results of a desk review, analyses of secondary data, available literature and previous reports by Food and Agriculture Organization of the United Nations (FAO), USAID and World Bank, ADB and UNDP gender analysis, findings from deep interviews and focus group discussions with commercial farmers, *dehkan* (private) farmers, women-entrepreneurs and vulnerable groups such as unemployed men and women in two provinces of Uzbekistan. This document highlights important gender aspects of rural development and concludes that the potential of rural women's economic status and involvement has not yet been reached. The literature reviews, qualitative surveys and focus-group discussions suggest that the recent and ongoing economic reform processes may have resulted in significant labor shedding that makes livelihood of rural people much more difficult.<sup>2</sup>

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<sup>1</sup> 2016 data. Source: <https://stat.uz/ru/ofitsialnaya-statistika/natsionalnye-scheta/2127-2000struktura-valovogo-vnutrennego-produkta-respubliki-uzbekistan-po-vidam-ekonomicheskoy-deyatelnosti-za-2000-2016gg-2016-yillar-uchun-igtisodiy-faoliyat-turlari-kesimida-o-zbekiston-respublikasining-yalpi-ichki-mahsuloti-hajmi-3>

<sup>2</sup> Cyclical unemployment is associated with an economic recession or a sharp economic slowdown. It occurs due to a fall in the level of national output in the economy causing firms to lay-off workers to reduce costs and protect profits. This is a process known as labour-shedding.

While men and women are seemingly equally affected by unemployment, women appear to face more difficulties than men in finding formal jobs. Most of the women lack basic proper education background, professional skills, and access to information and therefore need a hands-on training in agribusinesses, entrepreneurship, and other activities to be able to compete in the new business environment.

6. With the proposed project, the gender action plan has been formulated such that farmers and *dehkans* especially women will have more opportunities to participate and enhance their entrepreneurship.

## **B. National Poverty Reduction and Social Strategies**

### **1. Employment and Poverty Profile**

7. The State Committee on Statistics reports that for the last decade (2007–2016) real GDP has increased by 2.2 times. Construction (growth by 3.9 times), service sector (2.5 times), agriculture (1.9 times) and manufacturing (1.7 times) have been main contributors to this rapid growth. According to ADB, poverty rate decreased from 27.0% in 2000 to 12.8% in 2015.<sup>3</sup> However, the urban–rural disparity of poverty incidence remains significant, with a poverty rate of 17% for rural households and 11% for urban households in 2015.<sup>4</sup>

8. In 2017, according to the statistical data, out of total population of 33 million, 49.4% resides in rural areas.<sup>5</sup> Growth rate of rural population is twice as much as that in urban areas. Economic growth in 2017 was 5.3%, and agricultural production grew 2% compared to 2016. It should be noted that poverty level by provinces in Uzbekistan cannot be accurately estimated other than through conducting issue-focused household research.

9. Official statistics on employment and unemployment (Table 1) shows that since 2010, economically active population and number of employed people in the economy grew by around 1.7 million people (or 13%–14%), reflecting increase in working-age population. These indicators grew equally for both men and women. It is observed that unemployed men increased by 33% while that for women decreased by 10%.

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<sup>3</sup> <https://www.adb.org/countries/uzbekistan/poverty>

<sup>4</sup> United Nations Development Programme. 2015. *Uzbekistan Millennium Development Goals Report*. Tashkent. <http://ria.ru/world/20150501/1062042920.html>

<sup>5</sup> <https://stat.uz/ru/ofitsialnaya-statistika/natsionalnye-scheta/433-analiticheskie-materialy-ru/2055-demograficheskaya-situatsiya-v-respublike-uzbekistan>

**Table 1. Employment and Unemployment Data for 2010–2016***(Unit: thousand people)*

	2010	2011	2012	2013	2014	2015	2016
Economically active population	12,286.6	12,541.5	12,850.1	13,163.0	13,505.4	13,767.7	14,022.4
women	5,648.5	5,691.3	5,829.5	6,004.8	6,149.6	6,275.5	6,391.1
men	6,638.1	6,850.2	7,020.6	7,158.2	7,355.8	7,492.2	7,631.3
Employed in the economy	11,628.4	11,919.1	12,223.8	12,523.3	12,818.4	13,058.3	13,298.4
women	5,295.1	5,416.6	5,554.1	5,723.7	5,848.1	5,964.3	6,073.6
men	6,333.3	6,502.5	6,669.7	6,799.6	6,970.3	7,094.0	7,224.8
Unemployed	658.2	622.4	626.3	639.7	687.0	709.4	724.0
women	353.4	274.7	275.4	281.1	301.5	311.2	317.5
men	304.8	347.7	350.9	358.6	385.5	398.2	406.5

Source: <https://gender.stat.uz/en/osnovnye-pokazateli-en/trud-en/aktivnoe-naselenie-en/535-chislennost-ekonomicheski-aktivnogo-naseleniya-en>

10. Poverty is higher than the national average in five provinces, namely Karakalpakstan, Jizzakh, Khorezm, Namangan, and Surkhandarya, where population density is sparse. They are located far from big city centers and the local people are mostly employed in agriculture, only a small fraction receives remittances from abroad. Six provinces have poverty rates below the national average, namely Tashkent City, Andijan, Bukhara, Fergana, Samarkand, and Tashkent provinces. Those are high-density urbanized areas, with high informal employment and high number of households receiving remittances from abroad.<sup>6</sup>

11. Massive labour migration of Uzbek citizens to other countries, primarily to Russia and Kazakhstan, has been a response to the lack of employment opportunities in the country. According to the Federal Migration Service of the Russian Federation, in the beginning of 2016 (more recent estimates are not available), more than 1.88 million Uzbek citizens were residing in Russia, of which 81% is working-age population. The total number of Uzbek citizens residing in Russia was down by 15% compared to early 2015, when it reached 2.2 million Uzbek citizens. It is assumed that almost all of 1.8 million working-age Uzbek citizens is labour migrants. Both Russian and Kazakh estimates suggest that that Uzbekistan is the largest source of labour migrants in these countries.

12. According to the data of State Statistic Committee, in 2016, the total number of employable age population and number of employed in rural areas of Uzbekistan were 61% and 46%, respectively. The number of officially unemployed people is stable for the last five years, which did not considerably change, around 5%.

13. However, overall youth unemployment (defined as the share of the labor force ages 15–24 without work but available for and seeking employment) is quite high, about 18% in 2017. Female youth unemployment is always by 2%–3% higher than youth male unemployment, showing that young girls and women face higher challenges in finding job after they get out of secondary school. A considerable share of the youth unemployment is the first-time entrants into the job market. Overall, the professional skills of the unemployed are quite low, and many of the unemployed have no professional education.

<sup>6</sup> World Bank group- Uzbekistan Partnership: Country Program Snapshot, 2015.

**Figure 1. Youth Unemployment in Uzbekistan, Male and Female  
(% labor force ages 15–24)**



Source: World Bank's World Development Indicators, accessed on 25 March 2018.

## 2. Gender Development Profile

14. Uzbekistan has chosen a gradual approach to economic reforms in its bid to maintain social cohesion and stability in transition from centrally planned economy towards market economy. Uzbekistan also pursued state-led industrialization policy, based on import substitution and protection of domestic industries from foreign competition. However, these policies, pursued since the mid-1990s, led to lack of competition, low productivity in all sectors, increase in informality, stagnation of wages and few jobs created. The economy has remained highly resource-dependent. It is obvious that continuous economic growth in excess of 8% since early 2000s has been hoax. Reforms in agriculture led to massive release of excess labor, but those people shed from agriculture could not find jobs in other sectors. These changes have negatively affected the living standards of population, specifically those living in rural areas. Women have been more vulnerable to these changes due to the lack of education and occupational mobility.

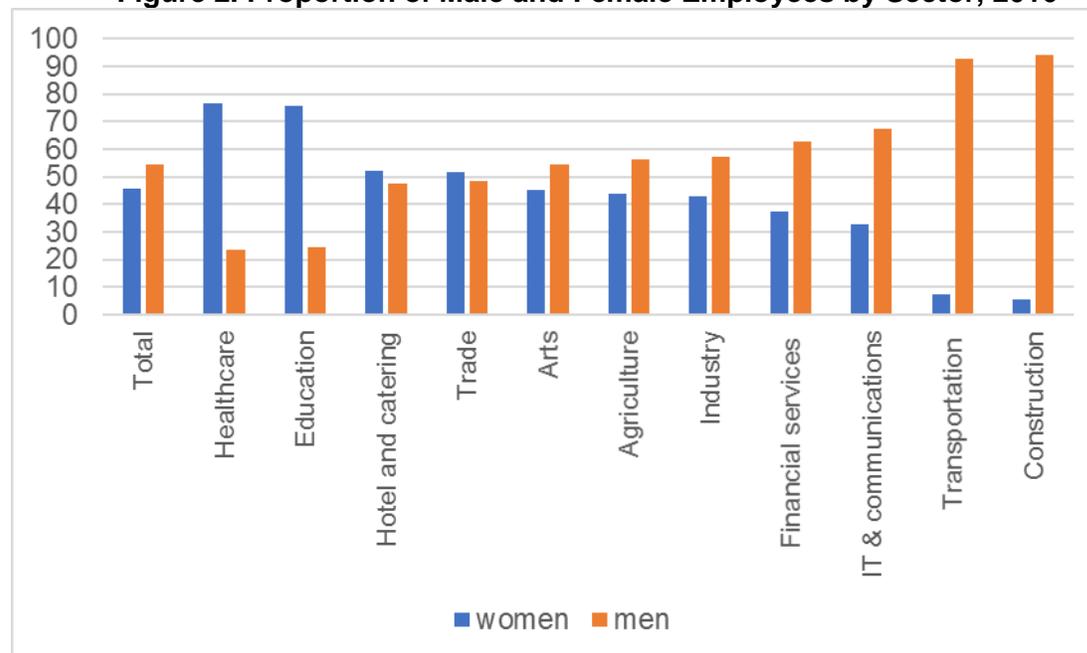
15. About 49% of population live in rural area and depend on agriculture and related activities for their livelihoods. The country's agricultural system has gone through significant structural changes: agriculture's value added has steeply declined from 34.1% in 1995 to 18.6% in 2016.

16. According to the data of ADB Country Partnership Strategy: Uzbekistan 2012–2016, the concomitant with economic growth, absolute poverty in Uzbekistan has declined. Officially, the estimated figures suggest that the incidence of poverty fell from 25.8% in 2005 to 17.7% in 2010 (and further to 16% in 2011), based on consumption-based poverty line threshold. Poverty continued to decline monotonically during the intervening years in both urban and rural areas.

17. In accordance with the assessments of the World Bank, the poverty line in Uzbekistan accounted for 27.5% of the population in 2001, including 30.5% in rural areas and 22.5% in urban. In 2016, the indicator declined to 16.0% as the economy gradually revived. However, the rural poverty rate did not undergo significant changes.

18. The gender assessment of agriculture sector finds out that, one of the key poverty factors in the project area is lack of opportunity for effective and productive employment of women. The formal labor market in Uzbekistan exhibits both vertical and horizontal segregation, with women and men concentrated in distinct fields. Figure 1 shows that in 2016 women were predominantly employed in the healthcare and education sectors, while men dominated construction, transportation, IT and communications, and financial services sectors. Significant wage differentials between men and women in Uzbekistan (according to WEF (2014), wage gap between men and women was 34%)<sup>7</sup> are due to this sectoral (horizontal) segregation, as well as occupational (vertical) differences.

**Figure 2. Proportion of Male and Female Employees by Sector, 2016**



Source: <https://gender.stat.uz/en/osnovnye-pokazateli-en/trud-en/zanyatost-naseleniya-en/723-employed-persons-by-sex-and-economic-activity-in-2016>

19. According to statistical data in 2015, about 46% of women are employed in agriculture sector of Uzbekistan, which is much higher proportion of workforce compared to male employment. The area of application of female labor is limited by a comparatively small number of jobs in the budget sector (mainly in healthcare and education), where women occupy low-paid positions, and in the agricultural sector, where women are either hired for unskilled work in private farms or cultivate family-owned garden plots. Families with more women are under a higher poverty risk. Poverty risk becomes particularly high for families with children of pre-school age. The necessity to take care of children does not allow women to be active in the labor market and forces them to give up looking for a job. In such conditions, women could work on a garden plot and market their agricultural produce. Therefore, the unused labor potential of women has most negative effect on living standards of households in the project area.

20. Agriculture is the second largest sector of the economy in terms of employment and plays an important role in ensuring economic and social stability. About 85% of agricultural

<sup>7</sup> World Economic Forum Global Gender Wage Gap Report, 2014, Geneva, Switzerland.

production is produced by commercial farms, 13% - by *dehkan* farms and 2% by farm enterprises. Horticulture products are grown in all provinces of the country. The largest producers of vegetables are the Andijan, Samarkand, Surkhandarya and Tashkent provinces' farms, which comprise almost 60% of gross harvest vegetables produced in the open land of the country.

21. Horticulture is the driving force of agricultural production and exports. In 2017, about 1.0 million of fruits and vegetables were exported, primarily to Kazakhstan and Russia. It is expected that the volume of exports in 2018 will increase by 30% and reach 1.2 million tons, while its value will exceed \$1.0 billion.<sup>8</sup>

### 3. Brief Information about the Project Areas

22. The project areas of 2 provinces – Andijan and Samarkand – is 21 thousand square km. But Samarkand province accounts for 4/5 of this territory. However, in terms of population Samarkand province is slightly larger, i.e., 2,857.3 thousand people in Andijan versus 3,514.8 thousand people in Samarkand province. Each province has 14 districts and towns/cities (Table 2).

**Table 2. General Information about the Project Area**

	Andijan province	Samarkand province
Area thousands (km <sup>2</sup> )	4.3	16.77
Number of districts and towns	14	14
Total population (thousand)	2,936.5	3,590.10
Rural population, (thousand)	1,391.5	2,201.10
Population density (population per square km)	689.0	217.80
Working age population (thousand)	1,769.3	2,122.60
Share of employed population (%)	71.0	66.00
Share of employed in rural areas (%)	44.0	59.00
Unemployment (%)	5.6	5.60

Source: Provinces of Uzbekistan statistical bulletin, State Committee on Statistics of Uzbekistan, 2017.

23. Two provinces—Andijan and Samarkand—have substantial differences when it comes to composition of labor force by gender (Table 3). While Andijan province has experienced improvement in the share of women in labor force—it has increased from 41.7% in 2010 to 44.6% in 2016, in Samarkand province for the same period this indicator has decreased from 40.2% to 35.4% in 2016. The decrease in the women's share of labor force in Samarkand was in line with declining trend nationwide. But the decline of the indicator in Samarkand has been more rapid, resulting in significant deterioration in employment among women in the province.

<sup>8</sup> <https://www.gazeta.uz/ru/2018/02/26/production/>

**Table 3. Composition of Employment in Project Areas by Gender**  
(Unit: %)

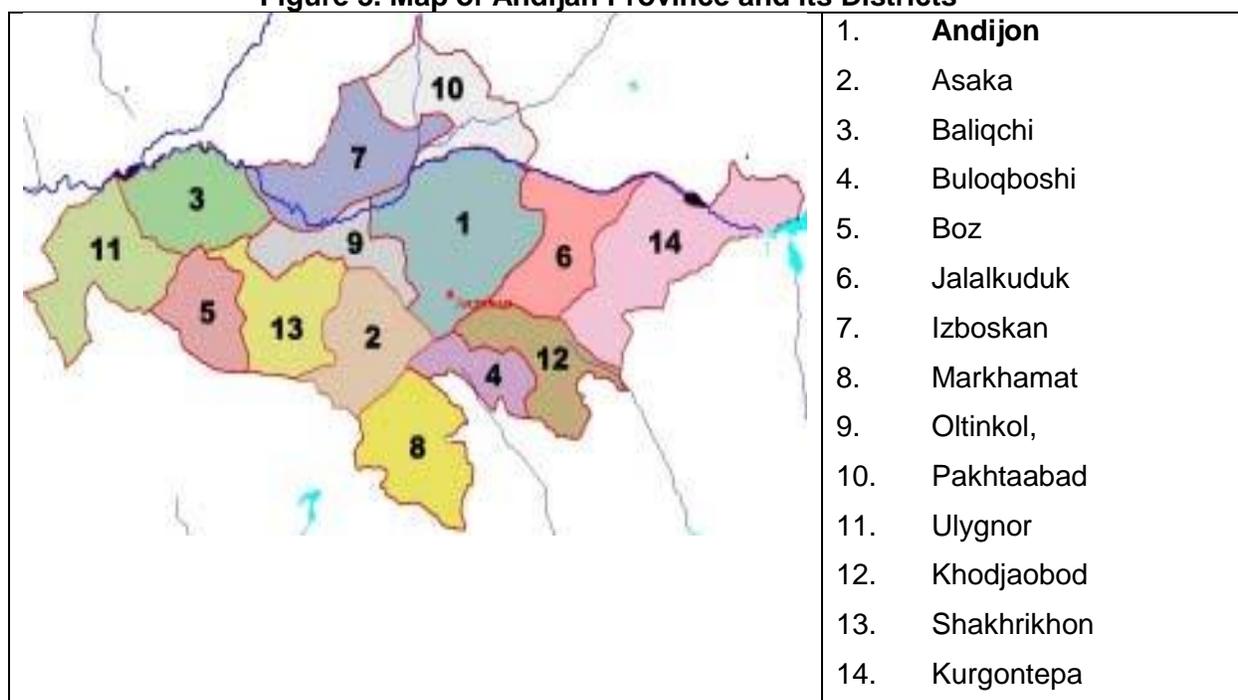
		2010	2011	2012	2013	2014	2015	2016
Uzbekistan	women	41	39.6	40.3	39.1	38.6	38.8	38.6
	men	59	60.4	59.7	60.9	61.4	61.2	61.4
Andijan	women	41.7	48.5	49.6	41.9	42.5	43.4	44.6
	men	58.3	51.5	50.4	58.1	57.5	56.6	55.4
Samarkand	women	40.2	36.1	39	37.4	37.6	36.6	35.4
	men	59.8	63.9	61	62.6	62.4	63.4	64.6

Source: <https://gender.stat.uz/en/osnovnye-pokazateli-en/trud-en/zanyatost-naseleniya-en/545-sootnoshenie-zhenshchin-i-muzhchin-v-obshchej-chislennosti-zanyatykh-v->

### **Andijan Province:**

24. Andijan province is located in the eastern part of Uzbekistan, in the Ferghana Valley, regarded as a jewel of Uzbekistan. It borders with Namangan and Ferghana provinces of Uzbekistan and Jalalabad and Osh provinces of Kyrgyzstan.

**Figure 3. Map of Andijan Province and its Districts**



25. Andijan province is most densely populated province, with an abundant labor resources. Almost 3 million people reside in the province, out of which labor force constitutes 1.4 million. Official estimation of the unemployed is 77.5 thousand people. In the immediate vicinity of the proposed agro-logistics center (Andijan city and Andijan district) there are more than 15.0 thousand unemployed people.

**Table 4. Population of Labor market indicators for Andijan Province, October 2017**  
(Unit: thousand people)

	Population	Labor force	Employed	Unemployed
Andijan province	2,936.5	1,375.2	1,297.7	77.5
Andijan city	425.6	202.7	192.8	9.8
Khonobod city	41.4	19.9	18.8	1.1
Andijan district	240.1	100.3	94.7	5.6
Asaka district	301.9	139.6	131.7	7.9
Baliqchi district	186.0	84.1	79.2	4.9
Boz district	66.8	30.3	28.5	1.8
Buloqboshi district	134.2	61.0	57.5	3.4
Jalakuduq district	176.4	83.3	78.6	4.7
Izboskan district	221.1	107.0	101.1	5.9
Ulugnor district	55.8	29.1	27.3	1.8
Qurgontepa district	202.2	101.1	95.0	6.1
Markhamat district	162.2	73.8	69.4	4.5
Oltinkol district	163.3	79.1	74.3	4.7
Pakhtaobod district	178.6	83.9	78.6	5.3
Khujaobod district	103.7	54.7	51.6	3.1
Shakhrikhon district	277.2	125.5	118.5	7.0

Source: Andijan province *khokimiyat*, Statistics division, 2018.

26. Due to the acute unemployment, many young men and women migrate to other nations (primarily to Russia, Kazakhstan, Turkey, South Korea and Ukraine) in search of jobs. Andijan province *khokimiyat* estimates that almost 200,000 people from Andijan are out of the country. Gender composition of estimated number of migrants shows that almost 15% of out-migrants are women.

**Table 5. Migration Data for Andijan Province**  
(Unit: thousand people)

	Number of out-migrants	Gender	
		Men	Women
<b>Andijan province</b>	<b>197,909</b>	<b>168,709</b>	<b>29,200</b>
Andijan city	10,293	6,829	3,464
Khonobod city	3,918	2,864	1,054
<b>Andijan district</b>	<b>9,813</b>	<b>8,042</b>	<b>1,771</b>
Asaka district	24,864	21,689	3,175
Baliqchi district	20,242	18,281	1,961
Boz district	4,843	4,231	612
Buloqboshi district	11,843	9,942	1,901
Jalakuduq district	8,610	7,956	654
Izboskan district	16,215	13,278	2,937
Ulugnor district	3,267	3,013	254
Qurgontepa district	15,178	12,611	2,567
Markhamat district	11,552	10,346	1,206
Oltinkol district	7,249	5,439	1,810
Pakhtaobod district	21,431	18,337	3,094

	Number of out-migrants	Gender	
		Men	Women
Khujaobod district	7,676	6,559	1,117
Shakhrikhon dostrict	20,915	19,292	1,623

Source: Andijan province *khokimiyat*, Employment Division, 2018.

27. Andijan district, where one of the agro-logistic centers is planned to be built, is predominantly urban or semi-urban district. Its close proximity to Andijan city means that it mainly specializes in producing wheat, cotton, fruits and vegetables. Out of 2031 commercial farms, only 174 farms produce cotton or wheat, but cotton and wheat production accounted for two thirds of the irrigated land. It means that commercial farms that specialize in production of cotton and wheat have average land area of 65.6 ha, while fruits and vegetables producers have average size of 3.2 ha.

**Table 6. Number of Commercial and *Dehkan* Farms and their Specialization in Andijan District**

	Number	Land area (ha)	Number of employed
Agricultural enterprises	97	945	1,152
Commercial farms	2,031	17,410	31,734
Out of which:			
<b>- Crop production:</b>	<b>1,875</b>	<b>15,660</b>	<b>31,320</b>
Cotton-wheat	170	11,413	22,826
Vegetables - wheat	4	93	186
vegetables-goats	120	371	742
Fruits-grapes	20	73	146
Fruits	1,321	3,098	6,196
Grapes	184	389	778
Seedlings	56	223	446
<b>- Livestock:</b>	<b>156</b>	<b>1,750</b>	<b>414</b>
Cattle	41	893	90
Sheep	11	240	24
Poultry	16	125	32
Fish	13	30	39
Beekeeping	1	3	5
Rabbit	2	4	8
Others	72	455	216
<i>Dehkan</i> farmers	42,654	3,935	51,185

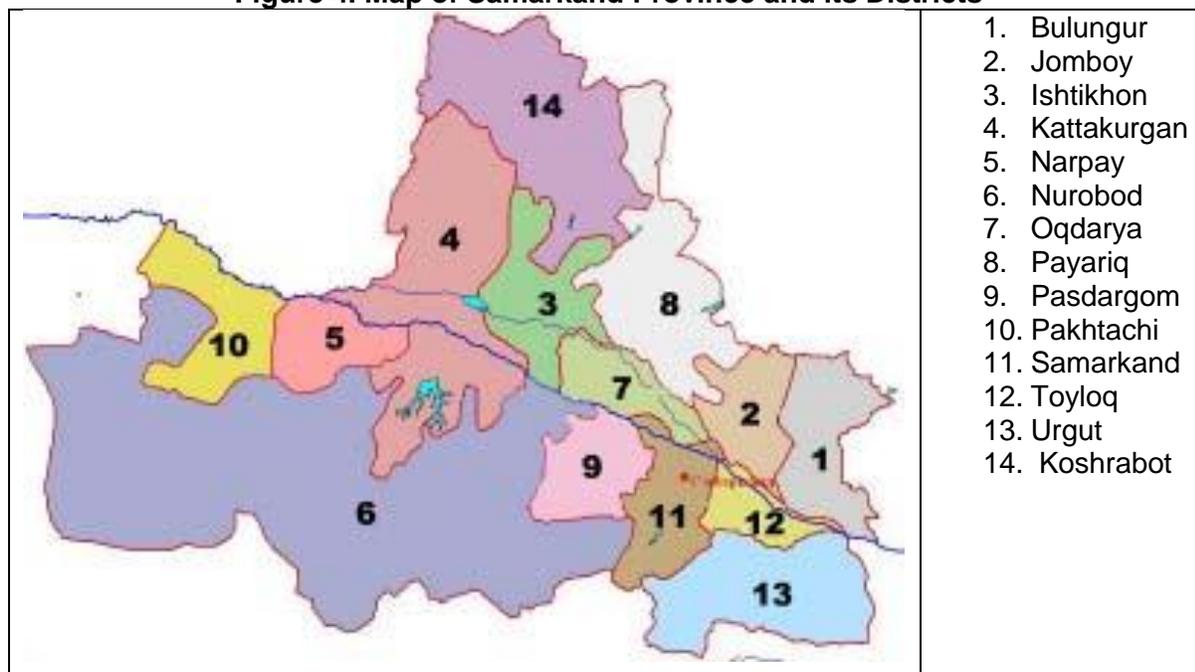
Source: Andijan District Statistics Division, 2017.

28. Production of agricultural products in Andijan district by types of farming enterprises reveals interesting facts: Almost all of wheat and all cotton is produced by commercial farmers, while majority of fruits and vegetables, and almost 95% of meat and dairy products are produced by *dehkan* farmers.

### Samarkand Province:

29. Samarkand province is located in the central part of Uzbekistan, in the Zarafshan valley. It borders with the Djizzak province in northeast, Tajikistan in the east, the Kashkadarya province in the south and the Navoi province in the west and northwest.

**Figure 4. Map of Samarkand Province and its Districts**



30. Samarkand province is the largest in terms of population and one of the largest in terms of area. At the end of 2017, almost 3.6 million people lived in the province, out of which 1.44 million people were employed. Samarkand provincial *khokimiyat* does not publish the number of unemployed but does publish a number of people registered as searching for employment. This indicator is much broader than the number of unemployed, but still provides a good indication of people that need to be employed. At the end of December 2017, 342,000 people were registered as searching for employment, 181,000 of which reside in Samarkand city. In Jomboy district, where 18,000 people were registered as searching for jobs.

**Table 7. Population of Labor Market Indicators for Samarkand Province, December 2017**

	Population	Working age population	Employed	Number of people registered as searching for employment
Total for Samarkand province	3,590.3	2,041.5	1,440.5	342
Samarkand city	519.8	368.8	295.6	181
Kattakurgon city	84.8	59.6	44.8	1
Oqdaryo district	147.0	90.0	54.0	3
Bulungur district	172.2	81.1	59.8	15
Jomboy district	155.9	81.8	60.9	18

	Population	Working age population	Employed	Number of people registered as searching for employment
Ishtikhon district	232.9	110.8	76.4	10
Kattakurgon district	252.2	131.7	97.3	31
Qoshrobot district	120.8	62.9	41.8	7
Payariq district	229.8	127.6	86.7	13
Pastdarg'om district	325.8	169.2	109.8	15
Pakhtachi district	134.4	83.7	58.8	7
Samarkand district	232.8	175.6	110.1	8
Narpay district	198.2	106.3	74.2	2
Nurobod	138.8	69.6	50.7	
Tayloq district	184.3	98.4	64.0	24
Urgut district	460.6	224.4	155.6	7

Source: Samarkand province *khokimiyat*, Statistics Division, 2018.

31. Jomboy district, where one of the agro-logistics centers is planned to be built, is situated in close proximity to Samarkand city. The district also borders with Bulungur, Tayloq, Samarkand, Oqdaryo and Payariq districts. There are around 2,000 commercial farmers in the district and nearly two thirds of them produce wheat. The rest are producers of fruits, vegetables and livestock.

**Table 8. Types of Farmers in Jomboy District in 2017**

Indicators	Number
Existing commercial farms	2,000
<i>Of which</i> farms producing wheat	1,276
Vegetables – goods	67
Fruits - grapes	475
Livestock	122
Others	60

Source: Passport of Jomboy District, 2017.

32. Table 9 shows production areas and volumes of main agricultural products. In Jomboy district, wheat is produced in more than half of the agricultural land. However, there is a tendency for areas under wheat to decrease and areas for fruits and vegetables to increase. As a result, production of fruits and vegetables, as well as potato and grapes, is increasing. It is also interesting that commercial farms dominate *dehkan* farms in production of wheat and vegetables only, while bulk of production of other crops, meat and dairy products is produced by smallholder *dehkan* farmers.

**Table 9. Production of Main Agricultural Products in Jomboy District in 2014–2016**

Indicators	Area (ha)			Amount produced (thousand tons)		
	2014	2015	2016	2014	2015	2016
Total agricultural land	31,693	31,616	27,145	n.a	n.a	n.a
<i>Of which in commercial farms</i>	25,219	24,836	22,298	n.a	n.a	n.a
Wheat	16,257	14,968	14,384	86.9	89.0	88.6
<i>Of which in commercial farms</i>	14,715	13,232	12,670	75.2	76.2	75.8
Potato	826	826	882	32.8	35.5	37.8
<i>Of which in commercial farms</i>	245	245	300	7.2	8.0	8.2

Indicators	Area (ha)			Amount produced (thousand tons)		
	2014	2015	2016	2014	2015	2016
Vegetables	4,450	4,455	5,261	146.8	159.0	184.1
<i>Of which in commercial farms</i>	3,050	3,050	3,856	81.7	87.7	108.6
Fruits	2,648	3,739	3,817	36.1	40.0	50.0
<i>Of which in commercial farms</i>	1,370	2,061	2,061	16.8	19.0	26.2
Grapes	433	433	348	5.2	6.3	7.0
<i>Of which in commercial farms</i>	202	202	117	1.4	2.2	2.3
Meat	n.a	n.a	n.a	6.0	6.2	7.2
<i>Of which in commercial farms</i>	n.a	n.a	n.a	0.14	0.14	0.15
Milk	n.a	n.a	n.a	61.2	66.4	72.1
<i>Of which in commercial farms</i>	n.a	n.a	n.a	1.6	1.7	1.7

n.a = not applicable.

Source: Jomboy District Statistic Office, 2017

#### 4. National Strategies to Reduce Poverty and Improve Social Safety Net

33. Uzbekistan has not yet adopted a unified methodology for estimating a national poverty line. Based on the World Bank estimates, the country's low-income population accounted for 27.5% of the total population of 29.0 million in 2001. This was reduced to 17.7% in 2010 and to 14.1% in 2015 due to robust economic growth during 2000–2015, as gross domestic product (GDP) averaged 8% per annum and GDP per-capita increased from \$558 in 2000 to \$2,036 in 2015. Of Uzbekistan's population of 33 million, almost half (49%) lived in rural areas. The rural poverty in 2015 was significantly higher (17.0%) compared to the urban poverty (11.0%).

34. The main strategic document that guides reforms in all spheres of economy, including agriculture, is the Action Strategy of the Republic of Uzbekistan for 2017–2021 (Action Strategy for short). The Government of Uzbekistan has set specific goals for improving labour efficiency and income generation through development of intensive agriculture, improved infrastructure and the development of agro-processing. More efficient labour use is expected to lower production costs, thereby enhancing competitiveness in local and export markets.

35. With regards to agriculture, the Action Strategy proposes to improve access to markets for farmers, agro-processing enterprises, owners and operators of cold storage facilities, and trading and logistics service suppliers in the horticulture value chain. This will in turn promote long-term economic and environmental sustainability and enhance profitability for farmers and agribusiness enterprises.

36. The socio-economic reform processes in rural areas have encountered difficulties, and rural women's employment and farming development are still influenced by gender stereotypes on women's role in a patriarchal society. The features of rural women's employment (low level of employment and economic activity, high unemployment rate, and occupation of low-paid jobs) are related to women's lack of professional education. Women and *dehkans* (farmers) are confronted with limited leadership and gender awareness.

37. At the same time, the existing policies in Uzbekistan and reflected in local legislation suggest that the intention of the Government is mostly focused on overall welfare improvement and, therefore, the concept of poverty is not considered as a total concept and there is no clear definition of the term poverty in the local legal system. Instead, many policy documents devoted to social protection use the term of "low income family." There are allowances for childcare in "low income families."

38. The normative definition of the “low income family” is taken from the “Methodological instructions for allowances to families with children before 16 years old” issued by the Ministry of Labor and the Ministry of Finance and registered by the Ministry of Justice in 1999. According to this instruction, the family applicant for allowances for childcare, must apply in writing to the Mahalla Committee (local administration unit). The status of “low income family” must be defined by the decision of special commission under the Mahalla Committee.

39. The main indicator used for measurement is the minimal wage amount. The line of “low income” is measured as having income at 1.5 times the amount of minimal wage per capita in the given family or below. The term “family” is defined as parents, children and grandparents if they live in the same household. The definition of income is given as the total amount of revenues for the last 12-month obtained by all family members from all kinds of economic activities and subsidies.

40. The amount of minimal wage is regularly reconsidered and announced through the President’s decree. The most recent Decree of President devoted to increase the minimal wage was issued in November 2017. From 1 December 2017, the minimum monthly wage amount is set at SUM172,240 (while the minimum monthly amount for pensioners is SUM336,880).

41. In agriculture, main priority is defined as enhancement of labor efficiency in Uzbekistan’s rural areas, sustainable income generation based on both agrarian development and the enhancement of the infrastructure and industries that process agricultural products. It is recognized that an increase in labor efficiency in the agrarian sector decreases the prime costs of products, which in turn makes foodstuff more affordable for low-income populations, while an increase in employment can serve as a source of income and can enhance population welfare.

42. It is envisaged to significantly increase the share of fruit-and-vegetable processing industries in the total volume of production from 13.3% in 2012 to 20% in 2021. In order to achieve the projected parameters, the following were identified as the key objectives of the agrarian policy:

- (i) The further implementation of measures designed to improve the structure of the cultivated area;
- (ii) The increase in the area dedicated to producing vegetables, fruits, berries, and melons around large and medium cities, where the populations have high purchasing power;
- (iii) The provision of stimulus to the development and introduction of new selected varieties of crops and breeds of animals, in addition to improved agrarian technologies and cultivation methods, in order to increase the productivity of crops and livestock;
- (iv) The improvement of the system of cooperation between the government and farmers;
- (v) The formation of economic mechanisms created to stimulate the organization and development of cooperation between farmers, agro-enterprises, marketing firms and other infrastructure organizations that provide services within the field of agro-entrepreneurship. These services may include the stocking, processing and transportation of fruit-and-vegetable and meat-and-dairy products; and
- (vi) The improvement of the access of agricultural producers to necessary infrastructure and credit resources; and

- (vii) The development and adoption of a special target program designed to support the personal subsidiary plots and *dehkan* entities in rural areas.

43. The Government targeted annual growth in the agriculture sector of 5 per cent in 2017-2021, and for this growth to be sustained into the future. A specific aim is to diversify away from wheat and cotton production towards higher-value intensive crops. *Dehkan* farmers have a prominent place in plans to intensify production systems. To complement these efforts, it is also planned to increase the involvement of Uzbek industries in processing horticultural, meat and dairy products.

44. There are opportunities for rural growth in both export and domestic markets. The growth of horticultural exports is already well documented<sup>25</sup> and is strongly backed by private and public investment.

45. **Compliances with Core Labor Standards.** The normative legislative base is established and regulated on the basis of Constitution of Uzbekistan, the Labor Code of the Republic of Uzbekistan, and other 16 codes. In cooperation with International Labor Organization (ILO), the Republic of Uzbekistan has ratified 13 ILO conventions, including forced labor, discrimination in employment, minimum age for admission to employment and immediate action for the elimination of the worst forms of child labor, human trafficking and others. The project due diligence focuses on four main pillars: (i) freedom of association and the right to collective bargaining; (ii) elimination all forms of forced or compulsory labor; (iii) effective abolition of child labor; and (iv) elimination of discrimination in respect of employment and occupation.

46. On 25 September 2014, in addition to the basic legislation, the law №ZRU-376 "On social partnership" was adopted. The purpose of this Act is to regulate the relations in the field of social partnership and operate regarding the main principles: (i) obeying the law; (ii) equal rights; (iii) openness and transparency; (iv) availability; (v) independence; (vi) objectivity; (vii) mutual respect and consideration for the interests and responsibilities; (viii) mutual respect and consideration for the interests and responsibilities; and (ix) voluntary commitments of responsibilities. The notable example of collective bargaining is activity of Fergana province *dehkan* and farmers, Council of Farmers, Association of Women Entrepreneurs, Women Committee and local authorities.

47. During field visits and FGDs (as documented Section C) with farmers and *dehkans*, there were no revealed cases of forced or compulsory labor. But violations of labour legislation in terms of work hours and employing temporary labour without formal contracts. The child labor is forbidden by main laws and adopted international conventions and there were no cases of using children's labor in horticulture sector.

48. During FGDs and interviews, there were no cases of women discrimination in employment or occupation. However, it is recommended to cover issues of gender stereotypes in the chosen profession of young girls. Vast majority of *dehkans* participants were teachers or nurses and employed mostly at seasonal works in agriculture sector. As a result, there is the vertical segregation in the agriculture sector labor market. Absolute majority of management positions in the Ministry of Agriculture and its local branches as well as in the Rural Restructuring Agency are occupied by men.

## C. Findings of Four Focus Group Discussions

### 1. Focus Group Discussion No. 1: Commercial Farmers

49. This section presents the results of fieldwork conducted in January-February 2018 in Andijan and Samarkand provinces. FGDs with 4 different groups (commercial farmers, *dehkan* farmers, women-entrepreneurs, and unemployed people) have been conducted and analyzed. The analysis has revealed important socio-economic issues that need to be resolved in the horticulture sector. Rural women's status and involvement in decision-making in agribusiness is extremely low. The interviews and qualitative data based on FGDs demonstrate that the reform processes in rural areas face significant hurdles and challenges and gender stereotypes related to women's role in a patriarchal society are widespread. The specific features of rural women's employment (low labor participation rate, high unemployment, occupation of low paid positions) are in many respects related to women's lack of professional education. Based on these findings, the paper makes some recommendations on how to increase the participation of women in agribusiness development.

50. The objectives of the discussions included (i) identifying the level of rural population including women's involvement in SME farming activities, decision-making at local levels, and gender aspects of rural development in Uzbekistan and (ii) developing recommendations for measures to increase women's involvement in agribusiness SME development. The questionnaire was developed with an aim to reveal the main issues farmers, entrepreneurs and local administrations face: (a) availability of jobs in horticulture; (b) horticulture production operations and labor/gender issues, (c) specific issues faced by women in horticulture; and (d) women entrepreneurs in horticulture.

51. Women working in agriculture, including female entrepreneurs, represent an important economic resource. In many ways, the issues faced by women in agricultural business are similar to those encountered by entrepreneurs operating small-scale enterprises in rural areas. For instance, female farmers generally do not hold legal titles to land and lack access to other productive resources, such as credit and microfinance.

52. Commercial farmers producing, storing and processing horticulture products, listed the following issues as challenges during FGDs and deep interviews:

- (i) Too much regulation of the agriculture production process by local and central authorities, lack of autonomy in choosing crops
- (ii) Lack of agricultural extension services
- (iii) Lack of collateral to receive bank credits
- (iv) Lack of business plan development skills
- (v) Lack of storage facilities

53. Commercial farmers have repeatedly complained that local *khokimiyats* interfere with their day-to-day decision-making process. As a result of these interferences, farmers often have to grow crops that district and provincial *khokimiyats* prescribe them to grow. Farmers have little choice and have to obey the prescription, otherwise they risk of losing their land.

“I have to do what *khokimiyat* says. Last year I have to cultivate cabbages in 1 ha of irrigated land. *Khokimiyat* promised that buyers will come and take away the harvest themselves. But when the harvest season arrived, nobody came. Last summer price of cabbage was 200 sums per kg, which even does not cover transportation costs of taking cabbage to the bazaar. I have stored cabbage in my

house, I still have tons of cabbage. Could you please help me get rid of it?" *Quote from a commercial farmer in Andijan district, Andijan province.*

"Farmers cannot be trusted with decisions like what crops to cultivate what crops not to cultivate. Imagine if farmers are given that freedom. This year the price of potato is really high. If farmers can decide what to grow, all of them will grow potato next year, and potato prices will be lower, but prices of all other crops will skyrocket. We cannot trust the farmers yet". *Quote from an employee of the Andijan provincial khokimiyat.*

54. Average size of farms in Andijan and Samarkand is around 20 ha–25 ha of land. But the average in this case can disguise important differences in size between farmers growing cotton and wheat (Andijan district) and wheat (Jomboy district) for the State order. Those farmers that grow crops for state order not only have much larger land size, but also are under much greater scrutiny in terms of what to grow and where to sell. Those farmers that exclusively grow fruits or vegetables can grow cash crops and sell their produce to the market.

55. Fruits and vegetables farmers would like to rather grow vegetables based on contract with an export or even local producer thereby alleviating the risk of low sales when the crop is ripe. Farmers named beans (kidney beans, mash, peas) as the most profitable crops, because, unlike fresh fruit or vegetable, they are not perishable that can be exported or locally sold when the price is high. They also named onions and carrots and generally melons and gourds in this list. Among FGD participants, there was not a single farmer who exports his/her products to external markets.

56. In terms of division of labor in commercial farms, men usually do the work that require masculine power such as irrigation, spraying pesticides, while women do ploughing, sorting the crops, etc. Farmers believe with increased level agricultural mechanization the roles played by men and women in agriculture will drastically change.

57. Some farmers have storage facilities such as fridges to store agricultural produce. However, the storage capacity is limited. Existing storage capacity cannot store tomatoes and cucumbers but only turnips, carrots, etc.; that's, not-easily perishable crops. Thus, there is high demand for it and this is why, nearly all farmers welcomed the idea of building storage facilities within Logistics Centre.

58. Especially, there is a need to store perishable produce such as tomato and cucumber. Current storage facilities are limited and do not allow to store perishable commodities. Farmers are interested in getting trainings in agricultural technologies, namely in growing vegetables or raising cattle. Farmers acknowledge that because they don't know modern farming techniques, they might be foregoing millions of Uzbek soums in revenues. Farmers are interested in the exchange of experience with farmers from countries with advanced agriculture such as Israel and European nations. Farmers also wished to have agricultural equipment from advanced nations.

59. The employment in commercial farms for employees is rarely official, especially for women. A farmer said they rarely hire women officially, and when they do so, women are usually paid in cash through their cash accounts. The number is limited up to 5 for most farmers. Other arrangements of payment to women such as allocating land for their own produce, or payment with crops is also possible—it all depends on the agreement they make before making an employment contract. More frequently, they hire unemployed women in the

village seasonally who are paid in cash. There are teams of unemployed women (called *mardikors* in Uzbek) and the team leader provides farmers with such workers. The remuneration for seasonal women is about 15–20k soum a day, while the same for men is usually 10k soum higher.

60. Farmers use commercial credit for animal / poultry. A farmer got a credit from Xalq bank in the amount of 100 million to purchase 23 units of young cattle from Toyloq district of Samarkand province. The farmer paid back the credit in a year and a half. Other two farmers took credit for growing potatoes in the amount of 10 m. soum and 42 m. soum, at 9% and 12% p.a. Both paid back the loan within a year. While farmers generally do not report any problems in getting a loan, they claim the collateral requirement is a big issue. Without collateral requirement, 90% of the farmers would apply for credit approval. Peculiarly, the loans by type are divided by banks: horticulture loans are provided by National Bank of Uzbekistan, poultry by Microcredit Bank, etc.

61. Farmers in Jomboy district of Samarkand province would like to grow less wheat if Agro-Logistics Center is to be built. They realize that by specializing in growing vegetables and fruits will give them better economies of scale, and allow to implement advanced farming techniques to increase productivity and yields. In Andijan district of Andijan province, where both cotton and wheat are grown, farmers give preference to cotton, even if other crops could be grown within a year after wheat.

## 2. Focus Group Discussion No. 2: *Dehkan* Horticulture Farm Operations

62. From ancient times, *dehkan* farmers<sup>9</sup> and *dehkan* farms<sup>10</sup> are considered as locomotives of agriculture development in Uzbekistan. A family having a *dehkan* plot or *tomorka*<sup>11</sup> can provide food security not only for the family, but these also contribute to enriching the horticulture production of the domestic market. Especially in the last years of the development of small businesses, new opportunities appeared to export the organic fruits and vegetables to foreign markets, which in turn contribute to the household income in rural areas, increase employment rate of the local population and enriching the domestic and foreign markets with fruit and vegetables varieties. Despite the positive developments in the operation of *dehkan* farms, there are some problems in this field.

63. Advantages and disadvantages in operating of *dehkan* horticulture farms operations. The vast majority of *dehkan* farms highlighted the importance of plots share incomes in their livelihoods. Although the profit from selling the horticulture products has seasonal character, people try to conduct most of the social events as wedding parties and gatherings with friends and relatives during the gaining of profit.

64. In addition, *dehkan* farmers emphasized that income from their land plots is not enough to sustain adequate living standards. *Dehkan* farmers sell their products to local markets and they receive the prevailing market price. Many of them would rent storage facilities and get higher profits if those facilities available nearby. Most of the land plots are too small to reap benefits of economies of scale, making farming in *dehkan* farms rather subsistence farming.

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<sup>9</sup> Peasant, farmer in Uzbekistan means an owner of a *dehkan* plot.

<sup>10</sup> In Uzbekistan, a *dehkan* farm is a family-based small-scale enterprise that produces and markets agricultural products using labor of family members on a household land plot (*tomorka*) transferred to the head of family for lifelong inheritable ownership, registered or not registered officially as a legal entity.

<sup>11</sup> Household and/or garden plot used for agricultural activities.



*Dehkan* farmer's 400 square meter greenhouse of lemon plantation in Teraktagi village, near proposed ALC in Andijan.

65. *Dehkan* farmers also face high transportation costs to deliver their products to local markets and therefore agree to sell the fruits and vegetables at low prices from their home in spite of going to the market, which increases expenditures and the product's cost. This is especially noticeable for those *dehkans* that are located far from the central bazaar in foothill areas.

66. All family members are involved in horticulture business at *dekhan* plots. As women and men participants highlighted the "easy" work at *dehkans'* plots are done by women and "heavy" jobs by men. As FGDs participants mentioned, there are some traditional kind of jobs like pruning and budding the trees ("heavy" job), which are done by men, all other work as weeding the garden, watering, collecting the harvest ("easy" job) is done on a daily basis by women and children.

67. Women participants of FGDs pointed out that there are traditional foundations in the division of labor in garden's work. For example, women do not participate in the cutting of trees and grafting seedlings. These are the men's duties. However, all small daily duties as weeding, plucking weeds, watering and collection harvest are performed by women. Usually, the women's working day begins at 5:00 am in the morning and ends late in the evening at summer time. Besides caring for the cattle and milking cows, women are busy with cooking food, baking bread, taking care for children and husband's relatives, doing laundry and cleaning the house. There are interruptions in the supply of electricity, gas and drinking water in most areas.

68. As a result of the FGDs, it was revealed that the local population is aware that the plots of land are an additional source and opportunity for employment, increasing of the welfare of each family, and poverty reduction, especially in remote rural areas. However, small land size, lack of knowledge about modern farming technologies, lack of access to agricultural extension services, traditional norms and stereotypes about women's role hamper business development in target districts.

### 3. Focus Group Discussion No. 3: Unemployed People

69. The unemployed people face insurmountable obstacles in daily life. The unemployed are mainly engaged in informal casual labor or seasonal agricultural work. As a result, the unemployed persons do not have labor and pension book and they face difficulties in proving that they have enough work experience to be eligible for pensions. Therefore, such people have to live without their own incomes at pensionable age and become dependent on their children and relatives.

70. When looking at the unemployed group (i.e. those who are not successful in entering the labor market despite actively searching for a job), again rural women of young age particularly struggle most. Most of private businesses discriminate women on the basis of their age – entrepreneurs often (unofficially) refuse to hire women after 50. Therefore, rural women are much less active in searching for job in local job markets.

71. In terms of employment, youth employment is the most difficult one. Local authorities try to provide employment for them. Commercial banks extend low-interest loans for agricultural purposes. Young unemployed people are also mobilized to for community works (obodonlashtirish) within mahalla. Youth can choose to work for farmers or migrate to other countries. 60% of them migrate to Russia to seek employment, although this trend is now declining due to increasing employment opportunities locally. They are also becoming active in getting credit (at subsidized interest rate) from commercial banks for farming, cattle and poultry.

72. Another group that faces informal discrimination is women of reproductive age. Business owners expecting that women in their reproductive age to be absent from work when they become mothers by using maternity leave of up to 9 months and sick leave whenever the children are sick. Such expectations of absence from work are not put on young men who in their reproductive age also potentially become fathers. The example of discrimination of young women after they get married is given by a female-entrepreneur from Samarkand province, who said that she hires 10–12 unmarried female workers for her sewing small business. When asked what happens to the workers when they get married she bluntly stated that as soon as they get married, the workers are asked to leave since later when they become pregnant it would be difficult to fire them. There is lack of women involved in decision making at the family level regarding allocation of *dehkan* and farm income. Majority of people who attended FGDs stated that husbands and their parents make the main decisions. In the female headed households, which could be in case of death or divorce with husband, mostly children are involved in the income allocation process, especially sons because they are considered as heads of households. There were 5%–7% of women who said that they could decide themselves how to allocate income or solve other family issues.

73. Unemployed women are may be registered with the local labor department. However, women do not trust local authorities because they never seem to be able to provide good jobs to job seekers. When there are jobs for women, they are often not of good quality. For example, women in Nazar village in Jomboy district can work in nearby-located textile factory (a joint venture with England) that produces jeans. Within the last year, the Mahalla leaders cooperated with the factory to provide employment to 50 women; however, half of them already quitted the job due to low salary, long work hours and late payments of wages.

74. Due to the lack of jobs in rural areas, young people migrate to predominantly Russia and Kazakhstan. Often migration becomes the only means of livelihoods for rural people, separating families for long periods of time.

“Unemployed people have low level of self-confidence and hope for future. For example, A. T, 55 years old male from Jomboy district says that he is a discouraged worker and thinks the life is over. The only hope comes from his son of school age. A.T. lost his job when cotton ginning factory for which he had worked for more than 25 years closed down few years ago. When asked what it means for him to have a job, he answered that it means the inner peace. He also added that employment will end family quarrels. He has never registered with local employment service as there is no trust at all. He is willing to take any job, but due to his age employers are not hiring him. He also said over recent years job market has not improved and for him personally living has become harder. He is willing to go through a retraining and professional development in a different area, but he has not heard such programs exist”. *Notes taken from one of the FDGs.*

#### 4. Focus Group Discussion No. 4: Women Entrepreneurs in Horticulture

75. Although, official statistic shows that female farmers constitute only 3% of the total number, there is a great potential for increasing the number of female farmers in rural areas. According to interviews and FDGs, women faced not only specific cultural issues as lack of supporting family members and general obligations in their homes but also with lack of education, necessary business skills and low level of gender awareness knowledge.

76. In spite of the existing barriers, women play a key role as unofficial entrepreneurs in horticulture sector. Women entrepreneurs are the key players of horticulture value chain. They actively participated in the beginning of planting seeds, daily caring for plants, harvesting and selling the production. According to the interviews with female *dehkans*, they are trying to make benefit to the household budget through realizing and processing fruits and vegetables from their own garden.

77. In addition, all participants of FDGs were interested in gaining new knowledge and skills for opening and leading their own business. About 70% of women said that they would like to launch mini-workshop of agriculture product processing, drying, and shops opening. All women would like to learn the possibility to obtain credit and have a chance to participate in training regarding legal normative and financial documentation and developing business plan. They would like to be familiar with new tendency in market and to find the ways of exporting their products. All female *dehkans* and farms participants of interviews and FDGs highlighted that in order to implement their future plans it is necessary to educate the whole population especially men and women, to change their norms and stereotypes on the role of women at the family level and society level as well.

78. Women-entrepreneurs on average face higher barriers in business as other entrepreneurs do not trust them to the same degree as male entrepreneurs. But women-entrepreneurs think they are more reliable and trustworthy as business partners than their male counterparts. Women-entrepreneurs have to overcome many other obstacles too. Two of the biggest obstacles are a lack of capital and a lack of technical know-how. Other obstacles are minor.

79. When asked to rank constraints to doing business, women entrepreneurs ranked them in the following way: [Rank obstacles in order of importance: 1 = Greatest constraint, 2 = second greatest, 3 = third]. The greatest constraints are reported to be (1) the lack of access to capital/credit, (2) the lack of skilled workers in the local job market, and (3) too much interference by local officials, namely tax officers. The second greatest constraints reported are that (1) the entrepreneur cannot afford to hire wage labor, (2) the lack of modern machinery, and (3) the lack of energy (electricity).

## **Annexes to this Supplementary Document**

### **Annex 1 - Summary Poverty Reduction and Social Strategy (SPRSS)**

*[See separate file as a linked document to the RRP]*

### **Annex 2 - Gender Action Plan (GAP)**

*[See separate file as a linked document to the RRP]*

### **Annex 3 - Due Diligence on Compliance with Core Labor Standards**

#### **A. Introduction**

1. This document was developed in accordance with guidelines of ADB Core Labor Standards Handbook (2006) and on the basis of legal documents, literature review, results of fieldwork during FGDs with men and women farmers and *dekhans*, local entrepreneurs, semi-structured interviews with representatives of local authorities/*khokimiyats*, Women committees, NGOs in Tashkent, Samarkand, Fergana, Surkhandarya and Khorezm provinces.

2. After gaining its independence in 1991, Uzbekistan was committed to building a secular, openly democratic and law-governed country, with a socially-oriented market economy state based on its own "Uzbek model" of progress. It was determined that by maintaining and further strengthening its national identity along with a deep commitment to universal values. Public policy and the State law of the Republic of Uzbekistan are underpinned by the protection of human rights and interests. Wide-ranging efforts are being carried out to put these legal safeguards into effect.

3. The normative legislative base is established and regulated on the basis of Constitution of Uzbekistan, the Labor Code of the Republic of Uzbekistan and other 16 codes. In cooperation with International Labor Organization (ILO) the Republic of Uzbekistan has ratified 13 ILO conventions, including forced labor, discrimination in employment, minimum age for admission to employment and immediate action for the elimination of the worst forms of child labor and others.

4. The following accounts review compliances with four core labor standards, namely: (i) freedom of association and the right to collective bargaining; (ii) elimination of all forms of forced or compulsory labor; (iii) effective abolition of child labor; and (iv) elimination of discrimination in respect of employment and occupation.

#### **B. Freedom of Association and the Right to Collective Bargaining**

5. In 25 September 2014, in addition to the basic legislation, the law №ZRU-376 "On social partnership" was adopted. The purpose of this Act is to regulate the relations in the field of social partnership.

6. This document recognizes social partnership as the interaction of state bodies with non-profit organizations and other institutions of civil society in the development and implementation of programs for socio-economic development of the country, including provincial programs, as well as legal acts and other decisions affecting the rights and legal interests of citizens. Subjects of social partnership are the state bodies, NGOs and other civil

society institutions.<sup>12</sup> Article 4 identifies the main principles of social partnership: (i) obeying the law; (ii) equal rights; (iii) openness and transparency; (iv) availability; (v) independence; (vi) objectivity; (vii) mutual respect and consideration for the interests and responsibilities; (ix) mutual respect; (x) consideration for the interests and responsibilities; and (xi) voluntary commitments of responsibilities. The social partnership mechanisms play a key role in implementing the ILO Conventions in Uzbekistan.

7. Article 5 determines the following areas of social partnership: (i) social protection, (ii) support and increase of social activity of the population; and (iii) providing employment, the development of small business and private entrepreneurship and farming.

8. During field survey and FGDs the close cooperation of local authorities, Women Committee and Council of Farmers and other organizations who participated in development of horticulture sector was revealed. The notable example of collective bargaining is activity of Fergana province *dehkan* and farmers, Council of Farmers, Association of Women Entrepreneurs and local authorities. As a result, *dehkans* and farmers of Fergana province were able to collect fruits and vegetables in time and sell their harvest at domestic and international markets. During implementation of horticulture sector development all mentioned organizations support each other with information and consultation in organization of transportation and opening of small markets for selling *dehkans'* and farmers' fruits and vegetables.

### **C. Elimination of All Forms of Forced or Compulsory Labor**

9. The Constitution of the Republic of Uzbekistan laid the foundation for equal rights of men and women, the principles of protection of motherhood and childhood, and most importantly, proclaimed a ban on discrimination against a person based on gender, age, ethnicity, social status and religion. The constitutional provisions do not contain labor discrimination, gender asymmetry, each citizen in Uzbekistan have the same rights on civil and political as well as socio-economic and cultural context. As stated in Article 13 of the Constitution, democracy in the Republic of Uzbekistan is based on universal human principles pursuant to which the human being and human life, freedom, honor, dignity and other inalienable rights constitute the highest value.

10. The Labor Code of the Republic of Uzbekistan regulates employment of nationals and foreign citizens in Uzbekistan. Labor relations are regulated by collective agreements and individual employment contracts. Employment contracts must meet the standards prescribed by Uzbek law. Written employment contracts are compulsory and are usually valid for an unlimited period. Fixed-term contracts, either for five years or less, or for the duration of a project, are possible under certain conditions. The national legislation of the Republic of Uzbekistan (Constitution, Labor Code, Law on Employment) prohibits the use of forced labor.

11. Article 7 of the Labor Code stipulates that forced labor, namely compulsion to perform a work under the threat of some form of punishment (including as a means of labor discipline) is prohibited. The Labor Code (article 7, part 2) provides a list of exceptions to this rule. A work is not considered as forced labor if it is required: (i) on the basis of legislation on compulsory or alternative military service; (ii) in cases of emergency; and (iii) as a consequence of a conviction in a court of law and in other relevant cases provided by law.

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<sup>12</sup> <http://www.ilo.org/>

12. Uzbekistan Government adopted fundamental Conventions concerning Forced or Compulsory Labor (No.29) and the Abolition of Forced Labor (No.105). The comprehensive measures were taken to implement these Conventions. The necessary legal and institutional framework to prevent forced labor was established and being constantly improved. These state provisions are in full compliance with the ILO Conventions on forced labor. The national legislation of Uzbekistan established punishment for use of forced labor (articles 51 and 491 of the Administrative Code, articles 135, 138, 148 of the Criminal Code).

13. The labor relations are covered by a general agreement between the Government, trade unions and employers, as well as other 86 sectorial and 14 territorial agreements. The working conditions at enterprises and organizations are regulated by more than 93 thousand collective agreements, which cover today 96% of all legal entities employing trade unions members.

14. All collective agreements contain provisions on observance of labor rights, including protection from forced labor in accordance with the ILO Convention No. 105. The collective agreements also specifically provide that workers called upon to participate in agricultural works are paid for the work they perform and, at the same time, continue receiving the average wage for their usual job.

15. The Council of Farmers of Uzbekistan provides an extensive outreach to farmers to increase their awareness of compliance with national labor legislation and international labor norms. During men and women farmers FGDs which were conducted in the framework of different ADB, FAO and ICARDA projects from 2013 to 2016, local population and *dehkans* have confirmed that they receive equal payment for the equal job, without any discrimination by gender and age from local farmers and entrepreneurs. The employers' association and civil society institutions are also involved in activities aimed at reinforcing labor standards and their application in practice.

#### **D. Effective Abolition of Child Labor**

16. In 1992, Uzbekistan ratified the ILO Rights of Children Convention which is one of the first officially adopted international documents. The country has adopted the Guarantees of Child's Rights. In all documents related to the child's interests, the issues of securing the children's rights have been set at the level of international standards.

17. The Government of Uzbekistan adopted the National action plan to implement the ILO Conventions on forced labor. Uzbekistan regularly submits implementation reports to the ILO. An Interagency Working Group for reporting on ratified ILO Conventions and a Coordination Council on child labor and other related issues was established. It operates to prevent use of forced and child labor in Uzbekistan. The control over observance of national legislation and international norms on forced labor is also exercised by State Labour Inspection of the Ministry of Labor and Social Protection of the Republic of Uzbekistan.

18. Since 2011, the Trade Unions Federation of Uzbekistan has been conducting regular awareness raising campaign and training activities about the prevention of child labor and forced labor for farmers, education institutions, local authorities and communities. These kinds of trainings are carried out throughout the country. In addition, in the framework of social partnership the Trade Unions Federation and Chamber of Commerce and Industry of Uzbekistan regularly bring to the attention of the Government their proposals and recommendations on improving the labor conditions.

19. According to Article 77, the Labor Code, Republic of Uzbekistan, recruitment is allowed from the age of sixteen. Under the "Education Law" of the Republic of Uzbekistan, a system has been established for education that specifies 12-year education for all children which precludes existence of underage children in the labor market. It has to be noted that in 2008 Uzbekistan ratified Convention 182 of the International Labor Organization (ILO) on prohibition of urgent actions to eliminate the worst forms of child labor and ILO Convention 138 on the minimal age for employment which is successfully implemented and practiced.

20. In accordance with Article 241, the labor Code, Republic of Uzbekistan, it is forbidden to use the labor of youth below eighteen years old in work with unfavorable working conditions, underground and other work that may harm the health, put at risk their safety or morals of this category of laborers.

21. During FGDs with men and women farmers and *dehkans* of the rural areas and semi-structured interviews with local authorities, child labor issues in the horticulture sector were not revealed. As in other developing countries, in Uzbekistan parents teach children how to grow plants and save environment from their childhood. Majority of rural people stressed that children help their parents to collect fruits in their households by their own wish and aim to help and respect the old people. People also noted that from ancient times the institute of family was very strong in rural areas and each family has its own traditions and customs as well as *makhalla* community. Therefore, all people take care of each child's upbringing.

#### **E. Elimination of Discrimination in Respect of Employment and Occupation**

22. According to Article 6 of Labor Code of Uzbekistan the discrimination in labor relations is prohibited. All citizens have equal opportunities to possess and exercise labor rights. The imposition of any restrictions or the granting of privileges in labor relations based on gender, age, race, nationality, language, social origin, property or official status, attitude to religion, convictions, membership of public associations or other circumstances related to employees' qualifications and the results of their work is unacceptable and constitutes discrimination. A person who considers that he has been subjected to discrimination at work may apply to the court for the elimination of discrimination and compensation for material and moral damage caused to him/her.

23. The Republic of Uzbekistan from the first days of its independence paying great attention to enhancing the role and advancement of women in Uzbekistan. Uzbekistan Constitution contains provisions designed to protect women's rights. Article 18 prohibits all forms of discrimination based on gender, national, religious and other grounds. Article 46 of the Basic Law reads: "Women and men have equal rights." Article 117 provides women the right to elect and be elected to representative bodies.

24. Republic of Uzbekistan joined the UN Convention "On the Elimination of All Forms of Discrimination against Women" (18 December 1979) and a number of other international instruments, including the International Labour Organization Convention number 103 of March 10, 1952 "On maternity protection" (May 6, 1993), number 111 of 1958 "On discrimination in employment and occupation" (30 August 1997), and has committed itself to carrying out a policy of non-discrimination against women. To this end it was strengthened legislation (Constitution of the Republic of Uzbekistan, the Family Code, the Labour Code, etc.), establishing the legal protection of the rights of women and to enhance its status in society.

25. During FGDs and interviews, there were no cases of women discrimination in employment or occupation. However, it is recommended to cover issues of gender stereotypes during choosing of profession by young girls. Vast majority of *dehkans* participants were teachers or nurses and employed mostly at seasonal works in agriculture sector. As a result, there is the vertical segregation in the agriculture sector labor market.