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**BREAK THE CYCLE OF MIGRATION DEPENDENCE: INVESTMENT
IN HUMAN CAPITAL THROUGH QUALITY EDUCATION IN
UZBEKISTAN**

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**РАЗОРВАТЬ ЦИКЛ МИГРАЦИОННОЙ ЗАВИСИМОСТИ:
ИНВЕСТИЦИИ В ЧЕЛОВЕЧЕСКИЙ КАПИТАЛ ЧЕРЕЗ
КАЧЕСТВЕННОЕ ОБРАЗОВАНИЕ В УЗБЕКИСТАНЕ**

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ABSTRACT

For several decades, Uzbekistan has faced a serious problem as a migration dependence, when a significant proportion of the country's population, in particular young people, are looking for labor opportunities abroad. This dependence on external sources of income greatly impedes economic development and economic diversification in the long term. In this study, the potential for investment in human capital, especially in high-quality education, is seen as a strategy that will break this vicious circle and contribute to the country's sustainable economic growth. The article considers the experience of Finland as a successful example of expanding the ability of the Uzbek labor force and reducing dependence on the migration of low-skilled labor by prioritizing equal access to education, high-quality training of teachers, student-oriented education, and lifelong learning opportunities. In

addition, the study also includes topical studies conducted by local Uzbek scientists.

Keywords: human capital, education, migration dependence, Uzbekistan, Finland, economic development, education reforms, skills gap, student-oriented training, lifelong learning

АННОТАЦИЯ

Вот уже несколько десятков лет Узбекистан сталкивается с такой серьезной проблемой, как миграционная зависимость, когда значительная доля населения страны, в частности молодежь, ищет трудовые возможности за рубежом. Такая зависимость от внешних источников дохода сильно препятствует экономическому развитию и диверсификации экономики в долгосрочной перспективе. В данном исследовании потенциал инвестиций в человеческий капитал, особенно в высококачественное образование, рассматривается как стратегия, которая позволит разорвать этот замкнутый круг и будет способствовать устойчивому экономическому росту страны. В статье рассматривается опыт Финляндии как успешный пример расширения возможности узбекской рабочей силы и снижения зависимости от миграции низкоквалифицированной рабочей силы путем приоритетного обеспечения равного доступа к образованию, качественной подготовки педагогического состава, студентоориентированного обучения, и возможности обучения на протяжении всей жизни (lifelong learning).

Ключевые слова: человеческий капитал, образование, миграционная зависимость, Узбекистан, Финляндия, экономическое развитие, реформы образования, разрыв в навыках (skills gap), студентоориентированное обучение, обучение на протяжении всей жизни

INTRODUCTION

The Republic of Uzbekistan, a state in Central Asia, faces a serious economic problem as migration dependency. According to the International

Organization for Migration (IOM), the number of Uzbek labor migrants working abroad reached approximately 2.1 million. The majority of registered labor migrants from Uzbekistan were in the Russian Federation (62%, 1 million 300 thousand people), followed by Kazakhstan - 223 thousand (11%), the Republic of Turkey - 113.1 thousand (6%), the Republic of Korea - 66.8 thousand (3%) and other countries - 379 thousand people (18%). (Figure 1.) [1]

Low incomes and wages are believed to be the main drivers of migration from the country, forcing many to seek labor migration opportunities abroad.[2] Although remittances from these migrants contribute to the national economy (\$16.9 billion in 2022) [3], this dependence on external sources of income hinders the long-term development and diversification of Uzbekistan's economy. In addition, a significant part of the migrating labor force belongs to the category of low-skilled labor. Most migrant workers abroad were employed in the construction sector (52.7%).[4] This dependence on cheap labor constrains economic growth and innovation in Uzbekistan by limiting the creation of higher-value jobs domestically. This study explores the potential of investing in high-quality education as a strategy to address this problem and empower the Uzbek labor force with the skills and knowledge needed for high-skilled domestic employment, ultimately reducing reliance on low-skilled migrant labor.

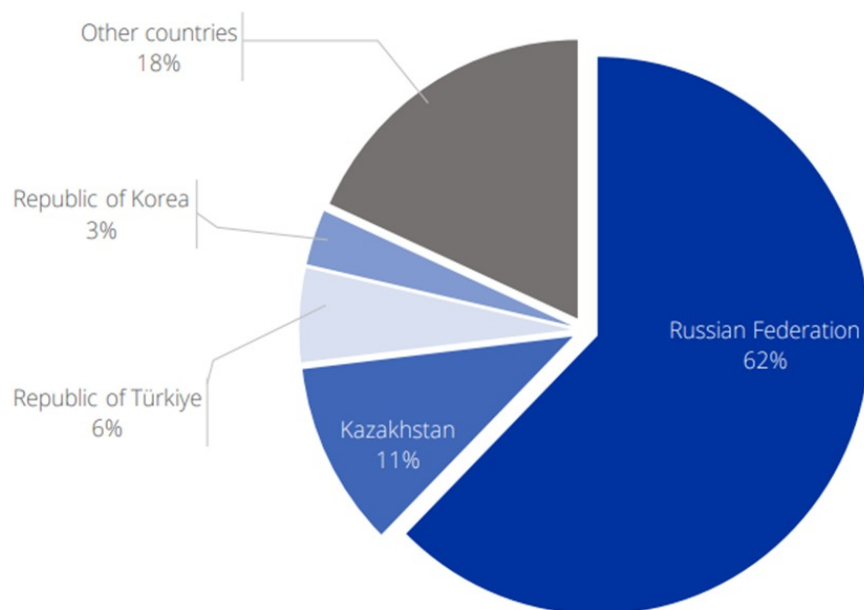


Figure 1: Share of Uzbek labor migrants abroad by country of destination, September 2023 (in percent)

Source: Agency for External Labor Migration of the Republic of Uzbekistan, 2023

THEORETICAL BACKGROUND

The human capital theory put forward by American economist G. Becker forms the basis for understanding how education can solve the problem of Uzbekistan's migration dependency.[5] It emphasizes that an important link in the path of productivity, innovation and economic growth is a well-educated workforce with the necessary skills and knowledge that drive a progressive economy. But it is worth noting the fact that if there is an overemphasis on education, ignoring inequality issues, the country will ultimately fail to achieve sustainable development. For a more holistic perspective, it is worth including additional views such as Romer's theory of endogenous growth and Coleman's theory of social capital.[6] [7] Only a comprehensive approach combining investment in education, stimulating innovation and strengthening social ties will allow Uzbekistan to truly address the problem of migration dependency and achieve sustainable development. In turn, it is worth noting the research conducted by local scholar Mamadalieva H., which will undoubtedly be important in

analyzing this issue. She emphasizes in her research the skills gap in the majority of the country's labor force. For a multifaceted understanding of how Uzbekistan can use investments in education to empower its citizens, stimulate innovation and transition to a highly skilled labor force, which will ultimately make it possible to reduce dependence on migration and achieve sustainable economic development, along with the existing skills gap, it is also worth considering such modern approaches as the learning society theory put forward by UNESCO and the human capabilities approach of Indian economist A. Sen, which is based on the human capabilities of the labor force.

Case: Unlocking the secrets of success in Finnish education

In this study, due to its global leadership in education, highly skilled labor force and low dependence on migration, Finland emerges as a successful model that can serve as an excellent example for Uzbekistan in addressing migration dependency through investment in human capital. The study will look at key areas of the Finnish approach to education that would support borrowing and implementing them in the Uzbek context, such as equity and accessibility, strong teacher training, student-centered learning, and lifelong learning opportunities. Analysis of these aspects aims to develop strategies to improve and empower the country's working-age population, stimulate innovation, and reduce dependence on low-skilled migrant labor.

Uzbekistan can borrow valuable lessons from Finland as a world leader in education. Its consistently high rankings in assessments such as PISA [10] and skilled, adaptable workforce attest to the effectiveness of its education system. This case study examines the main principles of the Finnish approach, which can be adapted to the Uzbek context.

Finland prioritizes equal access to quality education for all students, regardless of their background. The literacy rate in Finland is 100%, which indicates a high level of education. In addition, Finland has targeted programs to

support students from disadvantaged families, ensuring inclusiveness. Finland's enrolment rate for students with disabilities is also higher than the OECD average, ensuring equal opportunities for all. By ensuring equal access to quality education, Finland contributes to a fairer society and makes full use of its human potential. This widens the pool of talent and promotes social mobility. Targeted support programs remove potential barriers to education for disadvantaged groups, and strong inclusive education practices enable all students to succeed. Finland invests heavily in high quality teachers. This is evidenced by the fact that all teachers in Finland have a master's degree, which guarantees in-depth knowledge of the subjects. [11] Teachers' salaries are considered one of the highest in the OECD (Figure 2.), which in turn helps to attract and retain high quality professionals. In addition, for the continuous professional development of teachers, Finland offers nationwide career-long professional development programs. It is investment in teachers that has a powerful contribution to student success. Highly qualified teachers with access to continuous professional development will provide engaging, innovative and effective teaching. Along with this, competitive salaries attract and retain talent in the profession.

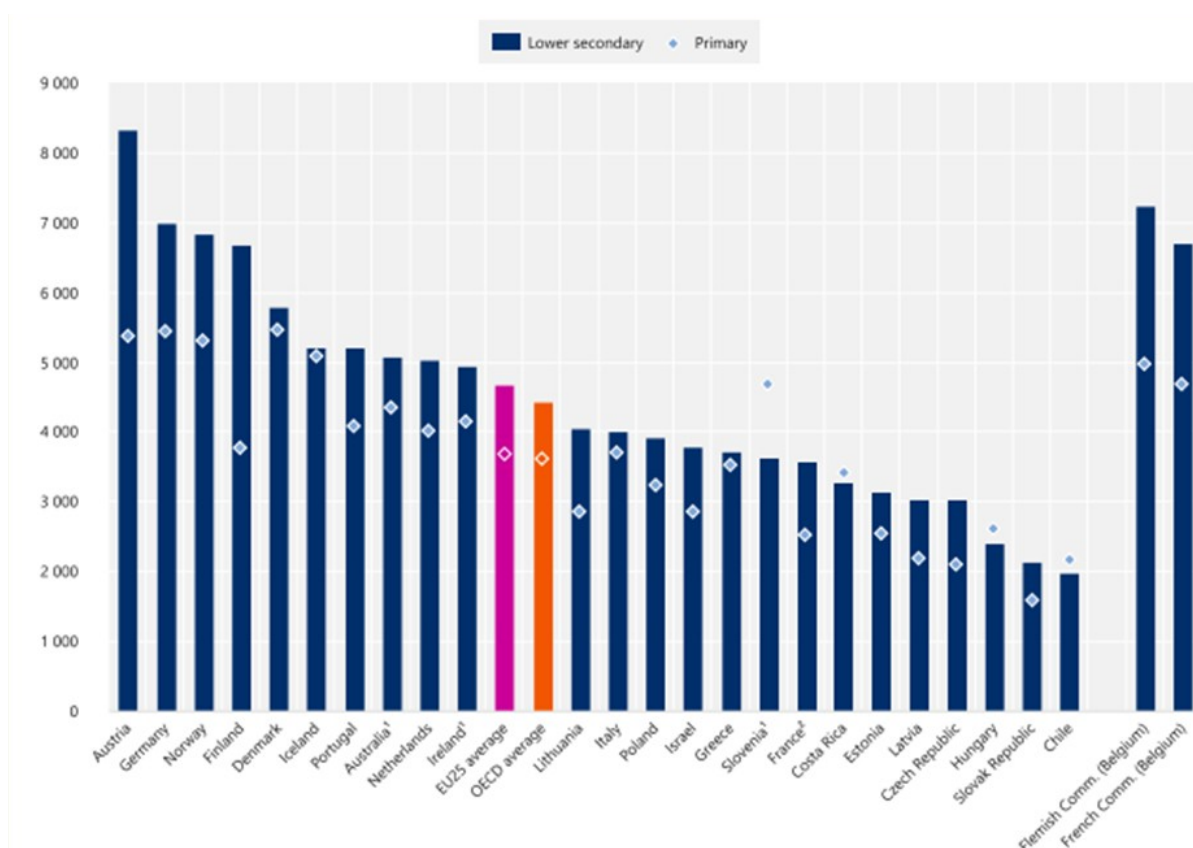


Figure 2: Value of annual teacher salaries per student in public institutions by level of education (2021) *US dollar converted using PPP for private consumption

Source: Education at a Glance. OECD Indicators, 2023

Students' classroom activities develop basic skills through student-centered approaches, otherwise known as student-centered learning approach. Finnish education emphasizes project-based learning, which allows students to engage in applying knowledge in the real world.[12] An important factor in the increased effectiveness of Finnish classes is that Finland has 15 students per full-time equivalent teacher in general secondary education programs (the OECD average is 14 students per teacher) and 18 students per teacher in vocational secondary education programs (the OECD average is 15 students per teacher). Finally, Finnish classes promote critical thinking and communication skills in students through group work and discussions.[12] Finnish methods of student-centered learning, promote skills such as active participation, critical thinking and communication skills, which are essential for employment in the 21st century.

Project-based learning helps students to apply knowledge in practice. Relatively small class sizes enable educators to provide individualized support and encourage active participation.

One of the successes of Finland's education system is that the country encourages a culture of lifelong learning. The country's education system has a wide range of vocational training programs offering specializations that can meet a variety of skill needs. There are also flexible learning options such as online courses and evening classes, which in turn make learning universally accessible. [11] It is worth noting the fact that Finland shows a high participation rate of adults aged 25-64 (25.2% of the population) in continuing education programs, which is higher than the EU average (11.9% of the population). (Figure 3.)

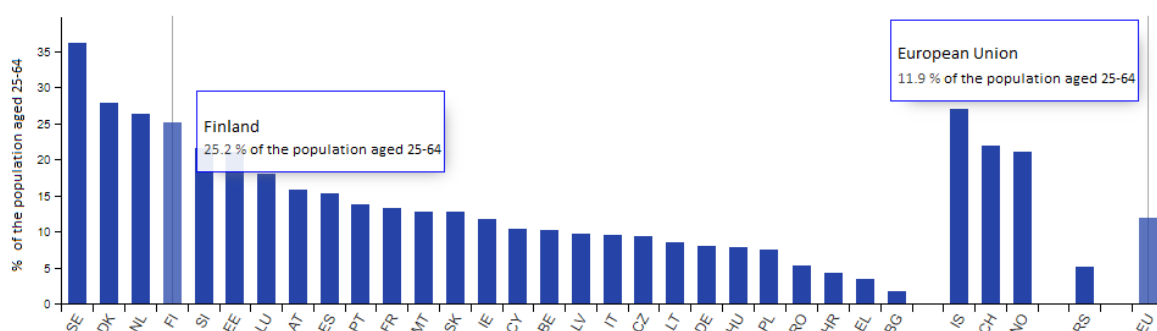


Figure 3: Participation rate in education and training of the population aged 25-64 years (previous 4 weeks), 2022.

Source: Eurostat, 2023, www.ec.europa.eu

Finland allows people to adapt and improve their skills throughout their careers, developing lifelong learning, which in turn enables them to remain competitive in an ever-evolving labor market. A variety of vocational training programs develop students' job-specific skills, and flexible training options make them universally accessible to the country's working adult generation as well. Importantly, the high level of adult participation is indicative of a strong national culture of lifelong learning.

Adaptation of Finnish practices to the conditions of Uzbekistan: Challenges and Opportunities.

Although the Finnish approach to education is exemplary, in order to implement it in Uzbekistan, it is worth keeping in mind the contextual differences that need to be overcome for successful implementation of this approach. One of the first obstacles is resource constraints, as current expenditures on education in Uzbekistan lag behind those in Finland. (Figure 4.)

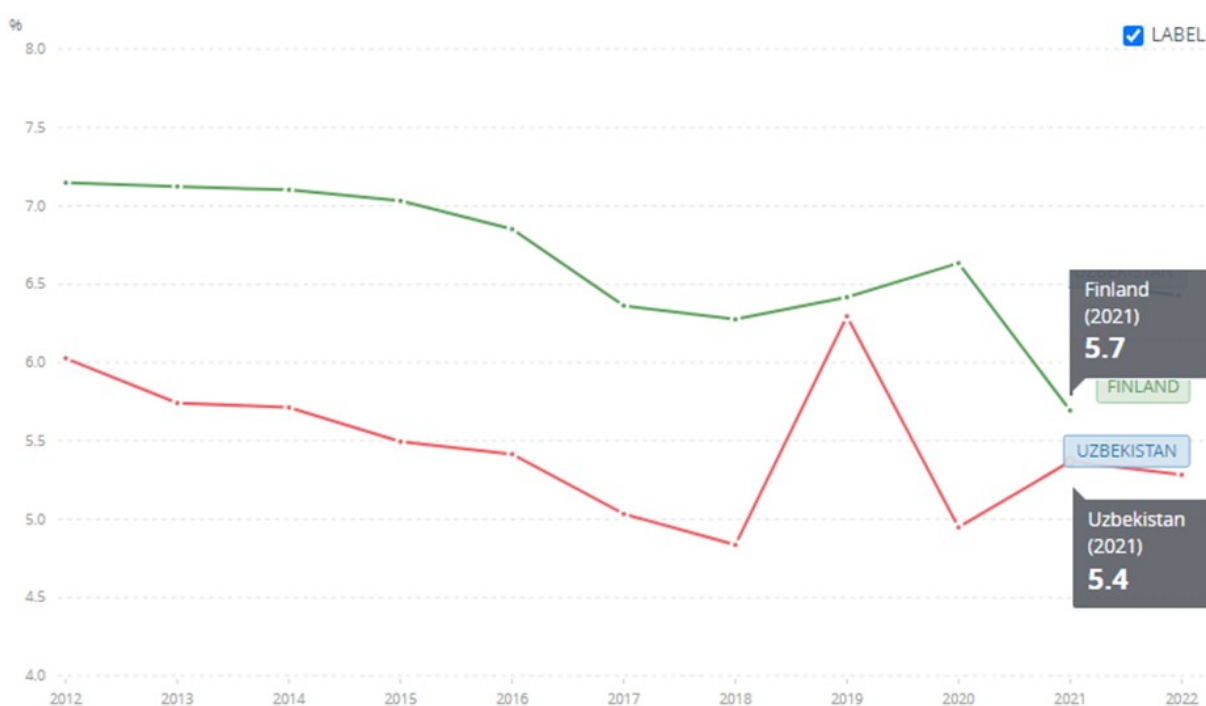


Figure 4: Public expenditure on education, total (% of GDP)

Source: World Bank, 2023, www.worldbank.org

This gap can be bridged by exploring innovative solutions such as public-private partnerships (PPPs) and attracting international grants to the education system. Another important factor is the culture of citizens' mindset, while they tend to resist the transition from traditional methods of education to student-centered learning because they are used to the existing system. By conducting community consultations involving educators, parents, and community leaders, consensus can be reached. In addition, pilot programs in selected schools can demonstrate the effectiveness of student-centered learning approaches.

Moreover, local scholar Mamadalieva H. has found in her research that the skills of the Uzbek labor force are lagging far behind the needs of employers. [14] This trend is particularly noticeable in STEM fields, which in turn points to the urgent need to adapt Finnish vocational and project-based learning programs to address the identified gaps. By selecting vocational training programs through partnerships with companies and industry sector leaders, maximum relevance to current and future labour market needs can be achieved.

A special point is that the teacher-to-student ratio in Uzbekistan is increasing year after year. According to the World Bank, in 2018, the ratio in elementary school was 1 to 22. [15] Despite efforts by the national government to reduce the ratio, there are concerns about the quality and capacity of teachers, not only in terms of their subject knowledge, but also in terms of their pedagogical skills and competencies, particularly to deliver competency-based curricula and lessons that are comparable to those of Finland. To address this gap, the Government of Uzbekistan should develop and implement comprehensive programs for Uzbek teachers, focusing on pedagogy, assessment of student knowledge, and integration of innovative technologies into the teaching process, which is a feature of the Finnish education system.

Uzbekistan's young and growing population can be a great asset to the country if young people have access to quality education. The country's population has doubled since 1980 and is approaching 36 million (35.65 million according to World Bank data for 2022), providing an opportunity for a period of high and sustained growth that will increase prosperity and reduce poverty and inequality. However, as the working-age population ages, the labor force is projected to shrink by 2048 (Figure 5), with an inevitable change in the age dependency ratio, with the percentage of older people rising and the percentage of young dependents declining (Figure 6).

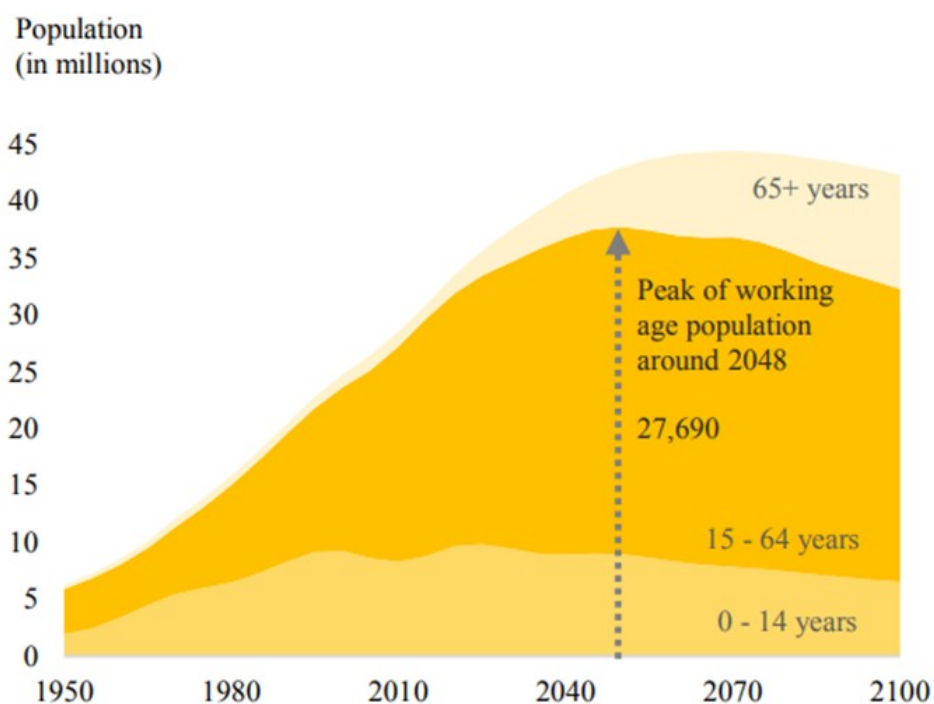


Figure 5: Population growth, 1950-2100.

Source: <https://www.unicef.org>

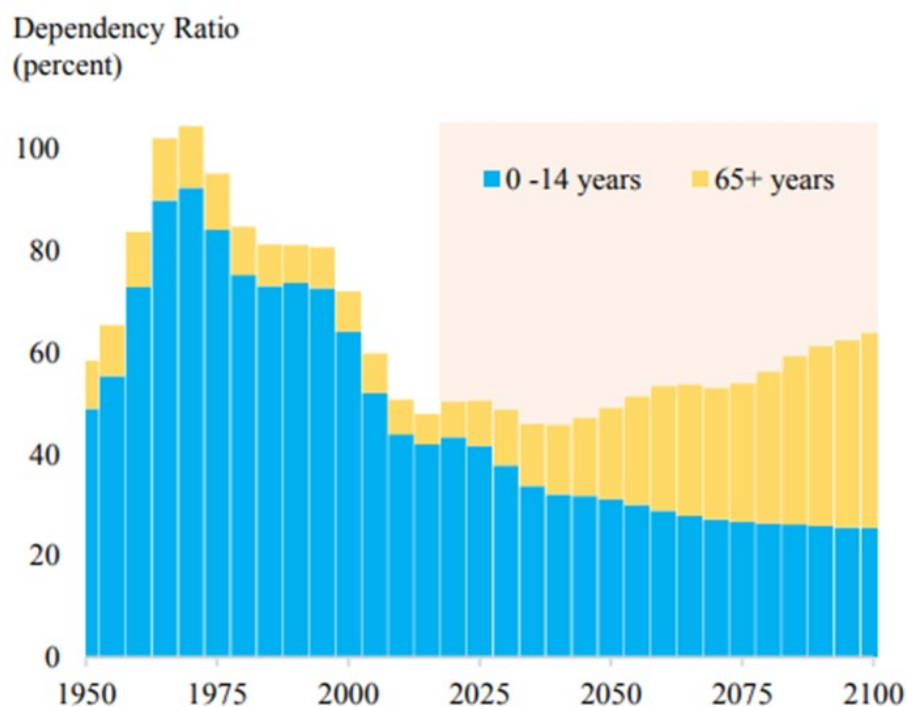


Figure 6: Total dependency ratio, 1950-2100.

Source: <https://www.unicef.org>

This change is increasing the burden on the economically active population. Only by investing in education to increase productivity can a country continue to grow its economy and improve its quality of life, as investment in human capital is the foundation for a more productive, innovative, inclusive and stable society.

Conclusion: Investing in Uzbekistan's Skilled Future

Uzbekistan can use human capital development through high-quality education to address its dependence on migration. Inspired by Finland's success, this study suggests adapting four key strategies: ensuring equitable access, investing in strong teacher training with ongoing support, promoting student-centered learning, to develop essential 21st century skills, and fostering a culture of lifelong learning. Taking into account the specificities of Uzbekistan, the study addresses potential challenges such as limited resources and cultural resistance, proposing solutions such as public-private partnerships, community participation,

and adapting professional learning programs. Implementing these strategic adaptations together will allow Uzbekistan to empower its workforce, foster innovation, and move toward a skilled population, ultimately leading to reduced dependence on migration and sustainable economic development.

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