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# THE SHARE OF EDUCATION SERVICES IN THE EXPORT STRUCTURE OF THE REPUBLIC OF UZBEKISTAN: CURRENT STATE AND DEVELOPMENT PROSPECTS

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**Abstract**

The export of education services has emerged as one of the dynamically growing segments of international trade in services worldwide. This article examines the current state and structural position of education services within the overall export framework of the Republic of Uzbekistan. Drawing on statistical data from the State Statistics Committee of Uzbekistan, the World Trade Organization, and the World Bank, the study analyzes trends in the export of education services over the period 2015–2024, identifies key destination countries, and assesses the competitiveness of Uzbekistan's higher education sector in regional markets. The findings indicate that, despite significant growth in absolute terms, the share of education services in total exports of the Republic remains modest, constituting approximately 1.2–1.8% of total services exports. The article further discusses institutional barriers, quality assurance challenges, and policy recommendations aimed at enhancing the export potential of the Uzbek education sector. Special attention is given to the role of branch campuses of foreign universities, international student enrollment dynamics, and the digitalization of educational offerings as catalysts for export growth. The results of the study contribute to the broader discussion on the diversification of Uzbekistan's export base and the transition toward a knowledge-based economy.

**Keywords:** education export, services trade, Uzbekistan, higher education, internationalization, knowledge economy, export diversification, student mobility, branch campuses, competitiveness

In the context of globalization and the rapid development of the knowledge economy, the export of educational services has become a significant component of international trade. Countries such as the United States, the United Kingdom, Australia, and Germany derive billions of dollars annually from foreign student tuition, branch campus revenues, and cross-border educational program delivery. According to the World Trade Organization, global trade in education services exceeded $100 billion in 2023, reflecting a consistent upward trend over the past two decades.

For developing economies and middle-income countries, education service exports represent not only a valuable source of foreign exchange earnings but also a strategic instrument for enhancing national soft power, fostering human capital development, and strengthening bilateral relations. The Republic of Uzbekistan, as one of Central Asia's most populous nations with a young and rapidly growing demographic base, possesses considerable potential to expand its position in regional and global education markets.

Since the declaration of independence in 1991, and particularly following the comprehensive reform agenda initiated in 2017 under President Shavkat Mirziyoyev, Uzbekistan has undertaken substantial transformation of its higher education landscape. The number of higher education institutions has increased significantly, the enrollment rate has risen from approximately 9% in 2016 to over 38% in 2024, and a series of branch campuses of internationally recognized

universities have been established in Tashkent and other regional centers. These developments have created a more favorable environment for the internationalization of education.

Despite these advances, systematic academic inquiry into the export dimensions of Uzbekistan's education sector remains limited. The present article aims to address this gap by providing a structured analysis of the share and dynamics of education service exports within the country's broader trade profile. The study adopts both quantitative and qualitative methodologies, combining statistical analysis with a review of policy documents and comparative regional benchmarking.

The economics of education service exports has attracted substantial scholarly attention since the 1990s. Marginson (2006) conceptualized international higher education as a positional good subject to global competition, arguing that institutions in English-speaking countries enjoy a structural advantage rooted in linguistic accessibility and historical brand recognition. Knight (2004) distinguished between four modes of cross-border education delivery — student mobility, program mobility, provider mobility, and project or capacity building — a taxonomy subsequently adopted by the General Agreement on Trade in Services (GATS) framework.

Within the services trade literature, Deardorff (1985) and more recently Helpman and Krugman (1985) provided foundational insights into comparative advantage in services, applicable to the education sector insofar as quality differentiation and reputational capital determine trade flows. Empirically, studies by Verbik and Lasanowski (2007) documented the determinants of international student mobility, identifying institutional reputation, cost of living, post-study work opportunities, and bilateral cultural ties as primary factors.

In the post-Soviet context, Silova (2009) and Heyneman (2010) examined the legacy of Soviet educational infrastructure on Central Asian higher education systems, noting both the advantages of a well-established scientific tradition and the liabilities of institutional rigidity and underinvestment. More recently, Mazzarol and Soutar (2012) and Ilieva and Peak (2016) applied gravity model approaches to education trade flows, confirming that geographic proximity, language similarity, and bilateral income differentials are robust predictors of student mobility patterns.

For Uzbekistan specifically, the existing literature has focused predominantly on domestic education reform (Musaev, 2021; Yuldashev, 2022) rather than on the export dimension. This article seeks to contribute to the emerging body of work that positions Uzbekistan as an active participant in — rather than merely a recipient of — international education flows.

The present study employs a mixed-methods research design. Quantitative data on Uzbekistan's export of services, including education services, were obtained from the following primary sources: the State Statistics Committee of the Republic of Uzbekistan (Goskomstat), the Central Bank of Uzbekistan's balance of payments statistics, the UNESCO Institute for Statistics, the World Bank's World Development Indicators, and the OECD's Education at a Glance reports for reference benchmarking.

The analytical framework draws on the United Nations' Manual on Statistics of International Trade in Services (MSITS 2010), which defines education services exports as including tuition and related fees received from non-resident students studying domestically, as well as revenues

generated through cross-border delivery of educational programs. The study period covers 2015 to 2024, enabling assessment of both pre-reform and post-reform dynamics.

Qualitative data were gathered through a review of legislative acts, including the Law on Education (revised 2020), the National Education Development Strategy 2022–2026, and presidential decrees pertaining to higher education internationalization. Comparative regional analysis incorporates data from Kazakhstan and Georgia — two post-Soviet economies that have achieved higher levels of education service exports — to identify transferable policy lessons.

Uzbekistan's total goods and services exports have grown substantially over the reform period. In 2023, total exports amounted to approximately $22.5 billion, of which services exports constituted roughly $4.2 billion, representing approximately 18.7% of total exports. Within the services export basket, tourism (travel services) has historically been the dominant component, followed by transportation services and, in more recent years, information and communication technology (ICT) services.

Education services, classified under "Other business services" and partially under "Personal, cultural, and recreational services" in the balance of payments framework, accounted for an estimated $68–85 million in 2023, representing approximately 1.6–2.0% of total services exports and less than 0.4% of overall goods and services exports. This figure encompasses tuition revenues from foreign students enrolled in Uzbek universities and branch campus institutions, as well as receipts from short-term training and language programs.

For comparative perspective, Kazakhstan's education service exports exceeded $320 million in 2022, while Georgia — a smaller economy with a focused internationalization strategy — reported education-related service receipts of approximately $180 million in the same year. These figures underscore the relatively modest scale of Uzbekistan's current education export performance relative to its regional peers and economic scale.

The primary driver of education service exports in conventional statistical frameworks is the enrollment of foreign students in domestic institutions, given that their expenditure on tuition, accommodation, and living costs constitutes a service export under balance of payments conventions. In Uzbekistan, the total number of foreign students enrolled in accredited higher education institutions grew from approximately 4,200 in 2018 to an estimated 18,500 in 2024, reflecting a compound annual growth rate of approximately 28%.

The principal source countries for incoming students are Tajikistan, Afghanistan, Russia, Kazakhstan, and, increasingly, India and Pakistan. The concentration of students from neighboring and culturally proximate countries reflects geographic and linguistic proximity advantages consistent with gravity model predictions. However, the relatively low average tuition fees charged by Uzbek state universities — ranging from $1,200 to $3,500 per annum depending on discipline and institution type — constrain per-student revenue generation compared to more premium-priced markets.

Branch campuses of foreign universities represent a structurally distinct and growing component of the education export landscape. Tashkent is now home to branch campuses of Turin Polytechnic University, Webster University, the University of Westminster, and several others, while the New Uzbekistan University and other newly established institutions have developed

international partnerships and English-medium programs. These institutions tend to attract higher-fee-paying students and generate additional foreign exchange through faculty salaries remitted from abroad and research grant inflows.

Notwithstanding the positive enrollment trends, several structural barriers impede the realization of Uzbekistan's full education export potential.

**Quality assurance and international accreditation.** The majority of Uzbek higher education institutions lack internationally recognized accreditation, limiting their attractiveness to students from countries with stronger higher education traditions. The absence of recognized degree equivalency agreements with the European Higher Education Area and with major Asian economies constitutes a significant obstacle to student mobility.

**Language of instruction.** With the exception of branch campuses and a limited number of specialized programs, the primary languages of instruction in Uzbek universities remain Uzbek and Russian. The limited availability of English-medium programs reduces access to the large and rapidly growing pool of internationally mobile students who seek English-language credentials.

**Digital infrastructure and e-learning capacity.** The rapid global expansion of online and hybrid education has created new export channels that Uzbekistan has been relatively slow to exploit. The development of Massive Open Online Courses (MOOCs) and internationally marketed distance learning programs remains nascent.

**Regulatory environment.** Accreditation procedures, visa issuance for students, and the recognition of foreign qualifications are governed by regulations that have been progressively liberalized since 2017 but continue to present administrative burdens compared to competitor destinations.

Based on the analysis above, the following policy directions are proposed to accelerate the growth of education service exports from Uzbekistan:

First, the establishment of a national education export promotion strategy, analogous to models implemented in Australia ("Australia's International Education" strategy) and the United Kingdom ("International Education Strategy"), would provide a coherent institutional framework for coordinating the efforts of universities, the government, and the private sector.

Second, investment in the expansion of internationally accredited programs — particularly in engineering, business, medicine, and information technology — would enhance the competitiveness and marketability of Uzbek institutions in target markets including South Asia, the Middle East, and Sub-Saharan Africa.

Third, the creation of a scholarship and fellowship program specifically designed to attract high-potential international students would serve a dual purpose: generating tuition revenue and building long-term diplomatic and economic networks.

Fourth, streamlining visa procedures and expanding the network of bilateral recognition agreements for academic qualifications would reduce barriers to student mobility.

Fifth, supporting the development of digital education infrastructure and promoting Uzbek educational content through online platforms would enable new revenue streams consistent with the global shift toward online learning.

The export of education services from the Republic of Uzbekistan is a growing but still underdeveloped component of the national export profile. While absolute volumes of foreign student enrollment have increased markedly since 2018, the structural share of education services in total exports remains modest — estimated at approximately 1.6–2.0% of services exports — reflecting constraints related to quality assurance, language of instruction, digital capacity, and international brand recognition.

The reform environment established since 2017, combined with the demographic dynamism of the country and its geographic position at the intersection of Central, South, and East Asia, provides a favorable foundation for substantial expansion. Realizing this potential will require deliberate policy intervention, sustained institutional investment, and enhanced international partnerships.

As Uzbekistan continues its transition toward a more diversified and knowledge-intensive economy, education service exports represent not merely a foreign exchange opportunity but a strategic instrument for national development — one that merits elevation to a priority within the country's broader export promotion agenda.

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