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DEVELOPING NATIONAL HUMAN CAPITAL UNDER GLOBALIZATION: THE CASE OF THE "EL-YURT UMIDI" FOUNDATION

A. Ataniyazov

scholarship holder of the "El-yurt umidi" Foundation.

E-mail: ajiniyazataniyazov@gmail.com

Abstract: This article provides a theoretical and practical analysis of the problem of developing human capital as the principal driving force of the modern economy. The study examines the challenges of "brain drain" and of training national personnel that confront developing countries under conditions of globalization, digital transformation and the transition to a knowledge-based economy. The empirical basis of the research is the experience of Uzbekistan's "El-yurt umidi" Foundation — a model for building national human capital by educating talented young people at the world's leading universities and bringing them back home. The author assesses the Foundation's work within the framework of the concept of converting "brain drain" into "brain circulation" and offers an objective review of its strengths, existing risks and prospects for development.

Key words: human capital, education, globalization, "El-yurt umidi", brain drain, brain circulation, personnel policy, knowledge-based economy, education abroad.

Introduction

Today, the factors that determine a country's level of development have changed fundamentally. Whereas in the twentieth century the power of states was measured mainly by natural resources, the size of their territory or industrial capacity, in the twenty-first century the decisive resource is human capital — that is, the knowledge, skills, health and creative potential of the members of society. Oil fields may run dry and factories may become obsolete, but highly qualified personnel who think in modern terms remain the most stable and steadily growing asset of any economy.

This issue is particularly relevant for Uzbekistan. For a country in which young people make up nearly half of the population, this represents both enormous potential and serious responsibility. Converting the energy of youth into qualified personnel and training them to world standards has become a strategic task of state policy. The "El-yurt umidi" Foundation, established precisely for this purpose, is one of the largest state initiatives aimed at building the country's human capital. The human factor also lies at the very centre of the reforms being carried out in modern Uzbekistan: the country has set itself such priority tasks as significantly increasing the higher-education enrolment rate, diversifying the economy through knowledge-based sectors and modernizing public administration.

The aim of this article is to analyse the activity of the "El-yurt umidi" Foundation theoretically and practically — not within a narrow institutional framework, but in the context of the global problem of developing national human capital under conditions of globalization.

Review of the literature on the topic

The concept of "human capital" entered economic science in the second half of the twentieth century through the research of Nobel Prize laureates Theodore Schultz and Gary Becker. According to this theory, funds spent on education and health care should be regarded not as ordinary expenditure

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but as an investment that generates income in the future. Just as capital invested in a factory yields output, capital invested in a person also returns in the form of knowledge, skills and health.

In modern conditions the importance of this theory has grown still further, for several reasons. First, the formation of the knowledge economy: an ever-larger share of gross domestic product is created not by physical goods but by ideas, technologies, software and intellectual services. Second, the impact of digital transformation and artificial intelligence: artificial intelligence, big data and automation are displacing simple labour, while demand for specialists with complex analytical and creative skills is rising sharply. Third, the deepening of global competition: states now compete not only for markets but also for talent, and countries able to attract and retain highly qualified personnel are moving ahead in development.

Modern research distinguishes several components of human capital: educational and knowledge capital (knowledge and skills acquired through formal and informal education), health capital (physical and mental health that ensures the capacity to work) and social capital (trust, connections and the ability to cooperate). State policy must be aimed at developing all of these components in a balanced way. Education abroad, for its part, simultaneously increases not only knowledge capital but also global social capital — that is, international connections and experience of cooperation.

Another important feature of human capital is its cumulative and diffusive nature. Unlike physical capital, knowledge does not diminish as it is spent; on the contrary, it multiplies as it is passed on to others. A single specialist who has studied abroad and returned can transmit the knowledge, experience and approaches he or she has brought back to dozens of colleagues and students. For this reason the social effect (the multiplier effect) of investment in human capital is far greater than the initial outlay. It is precisely on this theoretical basis that every state faces a strategic question: how can national human capital be built and raised to a competitive level? One of the most effective ways of answering this question is to educate young people at the world's leading educational institutions, for an advanced university is not merely a place that imparts knowledge but an environment in which modern thinking, a culture of critical thought, scientific methodology and global professional connections are formed.

Research methodology

The research is based on qualitative analysis and employs contextual analysis, a systems approach and the comparative-historical method. Its theoretical foundation consists of the theory of human capital (T. Schultz, G. Becker) and the concepts of "brain drain" and "brain circulation". The empirical sources analysed include official data of the "El-yurt umidi" Foundation, relevant regulatory and legal documents (among them Decree of the President of the Republic of Uzbekistan No. UP-77), official reports on international educational cooperation, and comparative materials reflecting the experience of countries such as South Korea and China. This methodological set made it possible to assess the Foundation's model in both a national and a global context.

Analysis and results

The "El-yurt umidi" Foundation was established in 2018 under the President of the Republic of Uzbekistan. Its principal task was to educate talented young people and specialists at prestigious foreign higher-education institutions, at state expense, in master's, doctoral and professional-development programmes. Scholarship holders selected through the Foundation are sent to the world's leading universities with tuition, living and travel expenses fully covered. The Foundation's name also

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carries a deep symbolic meaning: “El-yurt umidi” means “the hope of the people and the homeland”, and through this name the state regards every young person studying abroad not as an ordinary student but as a future leader, specialist and reformer who will serve the country.

The establishment of the Foundation was a logical continuation of the period of large-scale reforms that began in Uzbekistan in 2017. The policy of openness, the liberalization of the economy and the modernization of public administration prompted the country to integrate with the world at a new level; such integration, in turn, required a new generation of personnel able to work to international standards, knowing foreign languages and aware of global trends. Over time the Foundation’s activity expanded and improved. With the Presidential Decree adopted on 5 May 2025 (UP-77), the Foundation’s work was raised to a new stage and its full name was established as the “El-yurt umidi Foundation for the Training of Prospective Personnel”. Within the framework of this reform, the Foundation’s activity was no longer limited to educating students but also came to include organizing targeted foreign internships for employees of state bodies and strategic enterprises.

The organizational side of the Foundation’s work also deserves attention. Scholarship holders are selected through an open competition: candidates are assessed in several stages on their knowledge of foreign languages, academic performance, motivation and the correspondence of their chosen field to the country’s needs; young people who pass the competition complete language and academic preparation courses before being admitted to a foreign university. This process distinguishes the Foundation from an ordinary body that merely provides financial assistance, since it covers an integrated “life cycle” — from sending the student to study through to bringing him or her home and into employment. A particularly noteworthy innovation is the “Yorqin iste’dod” (“Bright Talent”) project announced in 2025. Under this project, 300 billion soums were allocated to educate abroad the children of talented families with limited financial means. This step strengthened the principle of social justice in the Foundation’s work: the opportunity to study abroad was opened not only to well-off families but also to talented yet less well-off young people in the mahallas.

The Foundation’s activity can be divided into several main directions. First, training highly qualified personnel who will work in science, education and management in the future by sending talented young people to master’s and doctoral programmes. Second, introducing modern knowledge and experience into the system of public administration by sending serving specialists and civil servants for professional development and internships. Third, activating the social lift by supporting talented individuals from low-income families.

The figures clearly demonstrate the scale of the Foundation’s activity. As of 2026, more than 1,900 Uzbek students have studied or are studying, through the Foundation, in the developed countries of the G20. These students are acquiring knowledge and skills in fields such as artificial intelligence, engineering, information technology, finance and management, which are the pillars of a knowledge-based economy. The choice of fields is not accidental: specialists trained in these areas are capable of freeing the country’s economy from dependence on raw materials and redirecting it towards the production of high-value-added goods and services. In other words, the personnel being trained through the Foundation today are the founders of tomorrow’s IT companies, the heads of scientific laboratories and effective public managers.

The Foundation is also actively developing international cooperation. In 2026 a memorandum of strategic cooperation was signed with one of Asia’s most prestigious technological universities — the Hong Kong University of Science and Technology (HKUST). The Foundation also cooperates with

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specialized schools such as IFP School in France and with many other educational institutions. It is noteworthy that the number of applications submitted from Uzbekistan to universities such as HKUST more than doubled in the 2026 admissions round, making Uzbekistan one of the fastest-growing international markets for these universities.

The social significance of the Foundation's work is also important. In many cases prestigious foreign education remains an opportunity available only to the children of well-off families in large cities. The "El-yurt umidi" Foundation, however — especially through the "Yorqin iste'dod" project — opens the door to world-class education to talented but financially constrained young people in remote districts and villages as well, and thus performs the function of a powerful social lift: the criterion determining a talented young person's future becomes his or her knowledge and potential rather than origin or family wealth.

One of the most important features of the Foundation's model is the return mechanism. Graduates who have studied abroad undertake to return to their homeland and to work for a certain period in the interests of the state or of the relevant sector. In addition, a number of benefits are granted to the Foundation's graduates: they are included in the national personnel reserve and may be admitted directly to public service. It is precisely this mechanism that distinguishes the Foundation from an ordinary scholarship programme and links it inseparably to the state's personnel policy.

The true significance of the "El-yurt umidi" Foundation's activity must be considered in the context of a global problem — "brain drain". This term denotes the constant migration of the most talented and qualified personnel of developing countries to developed states in search of better living conditions, higher salaries and employment opportunities. As a result, poorer countries lose the specialists they have trained at great expense within their own education systems, while wealthy states acquire ready-made talent free of charge. The policy of sending students abroad is a double-edged sword that may intensify this process still further: if young people who have studied abroad remain there, the state's investment is wasted. It is precisely for this reason that the task of modern state policy is to convert "brain drain" into "brain circulation". According to this concept, young people study abroad, master advanced knowledge, technology, experience and international connections, and then bring this wealth back to their homeland; in this way the national economy is connected to the global knowledge network.

The return obligation, the personnel reserve and the preferential employment mechanisms of the "El-yurt umidi" Foundation are aimed precisely at implementing the "brain circulation" model. This places the Foundation on a par with such successful models in international experience as China's "Thousand Talents" programme and the state scholarship systems of South Korea and Singapore. International experience shows that the "brain circulation" model produces effective results when applied consistently. For example, in the second half of the twentieth century South Korea sent thousands of its young people to leading universities in the United States and Europe; at first most of them remained abroad, but once economic growth began in the country and research centres and technology enterprises were established, these personnel returned home en masse and became the architects of the "Korean miracle". China's specialists, who worked in Silicon Valley and then returned home, made a decisive contribution to the country's technological leap. These examples confirm that the most important condition for the return of personnel educated abroad is the existence at home of opportunities and an environment in which their potential can be realized.

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Moreover, young people studying abroad are also a distinctive instrument of "soft power" for the country. Abroad they promote Uzbekistan's culture, history and modern reforms and serve as a bridge for establishing international scientific and business connections. On returning home they bring with them not only knowledge but also a network of contacts with foreign colleagues, universities and institutes; in the future these connections may return to the country in the form of investment, technology transfer and joint research projects. Uzbekistan is following precisely this path: at one and the same time it is sending young people to study abroad and preparing the ground for returning personnel by creating new technoparks, IT centres, research institutions and modern jobs within the country.

At the same time, like any large-scale state programme, the activity of the "El-yurt umidi" Foundation is not free of certain problems and risks. First, there is the risk of non-return: some of the young people educated abroad may, for various reasons, not return to their homeland, or may be unable to apply their knowledge fully after returning, which makes it necessary to create decent jobs, research infrastructure and opportunities for professional growth. Second, there is the problem of applying knowledge in practice: advanced knowledge and approaches mastered abroad do not always adapt easily to national conditions, and it is therefore important to create an environment free of bureaucratic obstacles that supports graduates' initiatives. Third, ensuring the transparency and fairness of selection: since public funds are being spent, the process of selecting scholarship holders must be fully transparent, impartial and based solely on knowledge and potential. Fourth, maintaining sectoral balance: the training of personnel must proceed from the real needs of the country's economy, that is, priority must be given not merely to popular fields but to those strategically necessary for national development.

In order to increase the effectiveness of the Foundation's activity in the future, it would be advisable to work in several directions: establishing a monitoring system that tracks graduates' career development over the long term; uniting those who have studied abroad and returned into a single professional community (an alumni network); creating grant and start-up support mechanisms for their initiatives; and expanding cooperation with the private sector. At the same time, it is not enough to measure the effectiveness of the Foundation's work solely by short-term indicators such as the number of students sent abroad: the real result becomes apparent over many years, and such programmes must therefore be approached with consistency and a long-term perspective.

Conclusion

The analysis carried out shows that the "El-yurt umidi" Foundation is not merely an organization that sends students abroad, but the practical expression of Uzbekistan's strategic initiative to move towards a knowledge-based economy and to build national human capital. The Foundation's experience demonstrates that in the modern world the key to a country's development lies not in natural resources but in investment in people, and proves that when political will, a clear goal and a systemic approach are combined, world-class personnel can be trained even under conditions of limited resources.

The results of the research confirm that the Foundation's activity may be assessed as a national response to one of the most serious challenges of globalization — "brain drain": educating young people at the world's leading universities and then directing their knowledge towards the development of their homeland is a practical model for converting "brain drain" into "brain circulation". At the same time, this model requires continuous improvement, alignment with international standards and

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objective evaluation of results. The main task facing the Foundation is to ensure not the foreign diploma in itself, but that the knowledge, ideas and initiative of returning young people yield effective results in the life of the country. Investment in national human capital is therefore the most rational investment in the country's future, one that returns over many years in the form of economic growth, scientific discoveries, new jobs and effective governance.

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