



Introduction

2003 is the European Year of People with Disabilities. As ILO's Subregional Office in Budapest is implementing a series of activities in this field, we thought that we should systematize some of our experiences. This is why we are presenting our readers with a *Special Issue on Disability* in this edition of the Newsletter.

The first articles in this dossier provide a general overview on policy approaches and strategies to address the needs of people with disabilities. Special reference is made to disability pension reforms, taking stock of the discussions and conclusions of the Tripartite Regional Conference on Restructuring of Disability Pensions, held in Prague in December 2002. Finally, specific experiences in Ukraine and Bosnia and Herzegovina are presented as examples of the application of vocational rehabilitation policies.

The second part of the Newsletter covers, as usual, a broader range of issues related to the major activities implemented by members of our Office's team of experts since November 2002. These relate to tripartite consultation and social dialogue on wage policy, safety and health in agriculture, and the role of trade unions in policy matters related to the international financial institutions.

We hope that our readers will find this innovation useful in our Newsletter – a combination of a thematic approach with an overview of our major activities in the past months. Comments and suggestions are always welcome.

May 2003

Petra Ulshoefer, Director

Special Issue: DISABILITY

2003: European Year of People with Disabilities

2003 is the European Year of People with Disabilities. It is being organized by the European Commission, in collaboration with the European Disability Forum (EDF), an umbrella organization representing more than 37 million disabled people in Europe. Their objective is to drive progress towards achieving equal rights for people with disabilities.

Activities to promote the European Year are decided and organized by the disability community in each country. The European Year will be coordinated in each country by a National Coordinating Body composed of disability experts

from ministries and NGOs. The candidate countries for EU accession have been invited to participate by setting up the same structures as the EU member states.

Approximately 38 million people – one in 10 Europeans of all ages – have a disability. Disabled people face barriers not only in finding and keeping a job, but also in finding accessible transportation, physically accessible buildings and facilities, and access to education and training needed for jobs. In addition, they face barriers in accessing technologies that would help them to become more fully involved both at work and in society at large.

These barriers prevent people with disabilities from playing a full part in society and the workplace. The situation is particularly difficult for those who are doubly affected – namely people with disabilities who are also members of other groups in our society facing barriers, such as the elderly disabled, women with disabilities, and people with disabilities who come from ethnic minorities.

In recent years, the European Union has devoted considerable attention to promoting the rights of people with disabilities. Despite the progress made, a major effort is still needed to change basic attitudes towards people with disabilities. The work of informing and raising the awareness of all citizens in these issues has to be stepped up to achieve a greater understanding of the rights of disabled citizens.

Along with a comprehensive legislative framework, public awareness is needed to back up legislation and to increase understanding and ac-

ceptance of disabled people's needs and rights in society. As a catalyst for social change, the European Year of People with Disabilities can create a "snowball" effect, and in a meaningful way help develop processes and activities that could continue after the Year is formally over.

Making full participation in citizenship a reality will require the involvement of all actors, and the support and cooperation of all partners – national and local governments, business, trade unions, the volunteer sector, persons with disabilities and their families. While governments at all levels can help by providing leadership, expertise and resources, everyone must become involved in order to succeed in opening up opportunities and dismantling barriers for all disabled persons in Europe.

(This article is based in part on the presentation of Wallis Goelen at the Prague Conference on Disability Restructuring, 12–13 December 2002.)

MR

ILO Disability Policies and Experiences in Central and Eastern Europe

At its heart, disability policy in Central and Eastern Europe is about the attempt to overcome the exclusion that persons with disabilities still face. A new consciousness and a change of attitudes is evident in the region, with policies developing from an earlier, protective mode of thinking to bringing people with disabilities into the mainstream of society. This trend is certainly related to the accession process with the European Union, which gives the usual standards of EU countries more visibility and weight.

In spite of all the efforts that have been made, however, most countries in the region still face similar problems. These include the following:

- A lack of an integrated approach to disability policy
- Weak social security systems
- A view that severely disabled persons are not capable of entering the open labour market
- A lack of countrywide vocational rehabilitation structures
- Weak knowledge of modern rehabilitation management
- A disability workforce that is either not working or in sheltered work
- Undeveloped systems for accident prevention
- Assessment and medical evaluation services that tend to shift disabled persons into pension funds.

Even today, it is not unusual in Central and Eastern Europe to use the word "invalid" for persons with disabilities. This language contains a strong implication that "invalids" are "worthless". Efforts to modernize rehabilitation policy should begin with fair and integrative terminology, and addressing the term "invalid" is the first step.

There are four reasons why the ILO is addressing the issue of vocational rehabilitation, training and employment of persons with disabilities:

- The large size of this group (10% of the world population)
- The economic implications of their exclusion from the labour market
- Mounting political pressure worldwide
- The continuing demand of constituents for involvement in setting international standards, providing policy guidance and undertaking technical cooperation.

Many disabled individuals of working age can and want to work. But due to barriers encountered, they find themselves unemployed and dependent upon support.

Some countries in the region have tried to respond to these challenges by adopting two-fold strategies, twinning the traditional welfare approach with non-discrimination measures. They apply a policy mix of non-discrimination legislation, preferential treatment and compensatory measures.

While progress towards equality of opportunity and treatment has been made in the

countries of Central and Eastern Europe, there is still a long way to go. It will be necessary for the international community to strongly encourage and support these countries to implement principles of equal treatment, and to make successful steps in the direction of acceptable standards in disability policy and practice.

GJ

Regional Analysts Take Stock of Disability Pension Reforms

Unlike old-age pension schemes, which underwent substantial change in many CEE countries during the 1990s, the reform of disability pensions has been for the most part incremental. The changes adopted in three countries – the Czech Republic, Estonia and Poland – were recently analysed by national experts as part of the ILO regional social security project, financed by the French government. Their findings are presented in a new book, *Reforming Workers' Protections: Disability Pensions in Transformation*.



Lauri Leppik
Estonian study author

The analyses show that the number of disability pensioners rose in all three countries in the early 1990s, as workers with minor disabilities sought refuge from unemployment in the pension system. Later in the decade, when their economies gained a measure of stability, all three governments set about the task of reforming disability pensions.



Jiří Biscup
Czech study author

These changes had two common goals. The first was to sharpen eligibility standards, addressing perceptions in all three countries that some pensioners were capable of full-time work. The second was to emphasize the replacement of lost earnings as the central function of the schemes. This was achieved by offloading certain social welfare benefits and services.



Miriam Kutrusová
Czech study author

These reforms were followed by reductions in the number of persons granted disability pensions in all three countries. However, they did not improve rates of return to work by persons with disabilities. On the contrary, employment rates dropped sharply during the decade, even in contexts where employment was increasing among non-disabled people. This results in part from work disincentives within the pension systems, but also from a shortage of vocational rehabilita-



Ilene Zeitzer
Analyzed reforms in Netherlands, Sweden and U.K.

tion, negative stereotypes of disability by the general public and employers, and limited legal protection against discrimination.

Together, these barriers constitute an agenda for further reform in those CEE countries that are seeking to integrate people with disabilities as full members of society.

Clearly this agenda reaches beyond pension reform alone. Yet pension reform is an essential component needed to promote and reinforce progress on other fronts, and it can serve as an engine for change in vocational rehabilitation, creating incentives for pensioners to use their full remaining potential and, through payment and reimbursement mechanisms, encourage more relevant and cost-effective types of rehabilitation services.

Experience from beyond the region can be useful in devising reforms, since some Western European countries have been pursuing this objective for a longer period in the context of a market economy.

The studies draw on these experiences to offer several recommendations. These include making work financially attractive for pensioners, involving them directly in designing pension reforms, providing individualized support for pensioners who wish to try to resume employment, and casting government in a leading role in hiring people with disabilities.

Disability Pensions in Transformation is available in a limited number of copies upon request from ILO Budapest.

EF

Tripartite Regional Conference on the Restructuring of Disability Pensions

Prague, Czech Republic 12–13 December 2002

Together with the Czech Ministry of Labour and Social Affairs, the ILO, through its Multidisciplinary Team in Budapest, sponsored a regional tripartite conference entitled *The Restructuring of Disability Pension Schemes* in Prague on 12–13 December 2002.

The main purpose of the conference was to give greater visibility to the problems of disability pension restructuring in Central and Eastern Europe, and to encourage policy makers and the social partners to devote attention and resources to their solution. To this end, the conference examined recent reforms of disability pensions in several countries within the CEE region and in Western Europe. It drew on studies recently carried out under the ILO's regional social security project, sponsored by the French government. These studies analyse disability policy changes during the 1990s in the Czech Republic, Estonia and Poland, as well as in the Netherlands, Sweden and the United Kingdom.

The conference gave particular attention to programmes and strategies for encouraging vocational rehabilitation for people on disability pensions, as well as to new evidence of the linkage between disability and occupational stress. In addition, the conference examined new findings concerning disability, pensions, and work by

the OECD and the International Social Security Association. Representatives of the European Commission and the World Bank also made presentations.

The Conference was attended by tripartite delegations from Albania, Bosnia-Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, FYR Macedonia, Moldova, Poland, Romania, Slovakia, Slovenia, Ukraine and Yugoslavia. Ms Elisabeth Lion represented the French Ministry of Social Affairs, Labour and Solidarity, and a representative of the European Commission described the Commission's plans for the European Year of Persons with Disabilities (2003). Representatives of NGOs that focus on disability issues attended and participated actively.

The organizers summarized the main findings of the conference in a set of conclusions that were presented to the plenary by Mr Friedrich Butler, ILO Regional Director for Europe and Central Asia. The conclusions stressed the importance of a multi-disciplinary approach to disability, which includes not only pension policy but also vocational rehabilitation, education and civil rights. ILO-CEET prepared a report summarizing the highlights of the conference. This report and the conclusions of the conference are accessible on the ILO-CEET web page under 'Main Events'.

MR

New Trends in Internet Computer Technology Can Improve Employment Options for People with Disabilities

Give a person a fish, or teach a person to fish? This question has arisen in some form or other in most countries where disability has been discussed as a social phenomenon. Whatever posture society takes toward disabled citizens – from the “law of the jungle” to charity, rehabilitation, integration, or equal rights – this question must be confronted. In most cases, society has realized that it makes more sense to “teach a person to fish” – that is, to strive towards the active participation of all citizens. But it is the practical steps that count. Some countries have introduced comprehensive measures to ensure equal participation, while in others “integration” has remained a political buzzword. To ensure full access, education and employment are of prime importance, and here developments in Internet computer technology (ICT) can open new doors.

Hacker stuff? For decades, “computer science” and “rocket science” were pretty much synonymous for the average person – both were beyond their reach. This is not the case any more. The introduction of the personal computer, the proliferation of mass-oriented operating systems such as Windows, the Internet explosion followed by the dotcom boom – all these events have helped to bring ICT to the desktops of millions. Today’s mainstream personal computers are more powerful than supercomputers of old. ICT has become a commodity, it is definitely not “hacker stuff” anymore.

Accessibility has many faces. Development of technologies enabling people with disabilities to use ICT began with the popularization of personal computers (both Macintosh and PC). The prob-

lem that arose – and still persists – is affordability. While PC hardware prices have dropped considerably and have come within the reach of less well-off people, prices for peripheral devices and commercial software have in general remained high. This had made computer accessibility for persons with disabilities an expensive privilege. The good accessibility functions for disabled persons contained in the Windows operating system are not much of help if the system itself costs an average monthly salary of someone living outside the “wealthy West”.

Inexpensive hardware + free software = empowerment. Yet contrary to popular belief, participation in e-services does not necessarily require expensive ICT. There are successful pilot projects in which used hardware has been deployed to home-based people with disabilities by large enterprises. They upgrade the equipment on regular basis. These computers are equipped with free software (e.g. Linux operating systems, the OpenOffice productivity suite, Mozilla web browsers, Evolution mail/organizers, etc). While perfectly usable, such solutions cost only a small fraction of the cost of a new, Windows-based PC.

To sum up. No “e” replaces real, physical access to society for people with disabilities. ICT solutions can complement, not compensate for, access to the environment. However, new developments in ICT can greatly assist in the struggle of people with disabilities towards full participation in society.

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Paid to Become Disabled?

Harmful working conditions and their potential to cause incapacity to work is an area that deserves special attention from the perspective of disability pensions, not least because such incapacity is largely preventable. But one aspect that is particularly characteristic of the countries of

Central and Eastern Europe – and which does nothing to help prevent risks or protect workers – is the institutionalized classification and certification of hazardous industries and occupations.

These classifications determine if a worker is entitled to compensation, usually in the form of

extra pay, early retirement, shorter working hours, additional holidays, and/or food and beverages, to “counteract” the ill-effect of hazardous working conditions. Such compensation is an explicit admission of poor working conditions, and does nothing to prevent disabilities from arising. It is even likely to *promote* disabilities, where employers and workers have come to expect, accept and depend on compensation.

Compensation for working in dangerous conditions is widespread in Central and Eastern Europe. An ILO survey by the Bureau for Workers’ Activities found that overall, at least some workers received hazard pay in 70% of the workplaces surveyed, and all workers received hazard pay in 16% of the workplaces. (A. Rice and P. Repo. *Health and Safety at the Workplace – Trade Union Experiences in Central and Eastern Europe*. ILO-CEET, 2000.)

There were large variations between countries, with some workers receiving hazard pay in 90% of Ukrainian and Bulgarian workplaces, in 79% of Lithuanian workplaces, and in “only” 26% of Hungarian workplaces. Significantly, the Hungarian Occupational Safety and Health Act of 1993 specifically states that “the employer may not replace compliance with the requirements of healthy and safe working conditions with monetary or other inducements to the employee”. The Lithuanian Law on Labour Protection of 1993, on the other hand, relies on classification of working conditions and openly states that work under harmful and very harmful conditions shall be compensated.

Compensation for hazardous work is obviously deeply rooted in the region, but as the experience in Hungary shows, it can be rethought. This is not just a question of reviewing and reforming legislation, but also of changing deeply entrenched attitudes of all concerned. Employers pay extra wages and other benefits – and in some cases, increased insurance premiums that may still not reflect the true cost of ill health and injuries to their employees. Meanwhile, workers see a drop in remuneration if there is no compensation, but they do not look to the longer term, when extra pay now may mean no pay later due to premature death or disability.

Perhaps the only way that compensation for hazardous work can be accepted is after all other means of improving working conditions have been tried and there are residual cases that do not respond to recognized forms of improvement. Both ILO Conventions and EU Directives address a hierarchy of control measures, from elimination of the hazard and engineering controls to the use of personal protective equipment. But nowhere do they address the issue of compensation for hazardous work – because it is contrary to the principle of prevention of occupational accidents and diseases that may cause disabilities.

The candidate countries to the EU and any country that has ratified, or is considering ratifying, ILO Conventions on health and safety at work, would have to transpose these provisions into national law, and thus review any established law and practice on compensation for hazardous work. AR

Occupational Stress, Ill Health and Disability

Occupational stress is fast becoming the disease of the 21st century. Its causes and effects may be more subtle than those associated with occupational accidents and diseases, but its outcome is just as debilitating. Determining the extent of stress-related health problems is not easy, but the figures show that there is great cause for concern.

An ILO study of mental health policies and programmes in Finland, Germany, Poland, the UK and USA shows that the incidence of mental health problems is increasing, with as many as one in ten workers suffering from depression, anxiety, stress or burnout. These lead, in some cases, to unemployment and hospitalization. In

many countries, the study found, early retirement due to mental health difficulties is increasing to the point where they are becoming the most common reason for allocating disability pensions. (P. Gabriel and M.R. Liimatainen, *Mental Health in the Workplace*. ILO, 2000.)

Occupational stress has its roots in a form of work organization that dictates work content and context, working methods and time aspects of work. Intensification of work under pressure to be competitive in world markets is changing working conditions by increasing time pressures, workloads and stress on workers.

Such stressors are likely to have even more impact in the transition countries, where socio-

economic transformations of the past 12 years are coupled with exposure to higher job demands, low job control, longer working hours, and so on. (*Work Stress in the Context of Transition [A Pilot Project for Bulgaria in Three Budget-Funded Sectors]*. Institute for Social and Trade Union Research, CITUB. 2002. Available in English from ILO-CEET.) Indeed, it has been found that only 43% of workers in the EU candidate countries think they will be able to do the same job when they are 60 years old. In other words, work is considered less “sustainable” in Central and Eastern Europe than it is in current EU member countries. (*Working Conditions in Candidate Countries and in the European Union [2001]*. European Foundation for the Improvement of Living and Working Conditions.)

As was concluded in the ILO Conference on Disability Pensions, “the preferred form of support is not pensions but return to work.” This implies some sort of management of stress at the workplace. Primary prevention through organizational interventions to reduce stressors can help prevent

mental health problems from developing in the first place. These are proactive measures that offer the most appropriate solution to work stress.

Most stress management interventions, however, are individually focused on “caring for” or “curing” the stressed worker. The difficulty arises when the rehabilitated worker returns to the workplace and is faced once again with the same stressors, if stress management techniques have been used in isolation, divorced from any preceding process of risk assessment. Tertiary prevention is but another term for “picking up the pieces” – helping employees recover from illness, usually through counselling.

Occupational stress can be managed. The problem remains that management often focuses on a single type of intervention, with multiple strategies rarely offered, least of all primary prevention. But it has to be remembered that if effective stress management policies are not in place, the result will be reliance on sickness and disability benefits.

AR

Vocational Rehabilitation in Ukraine

Today more than 2.5 million Ukrainians suffer from physical impairments. The problems associated with their support, treatment and rehabilitation are increasing, given the continuous growth in their numbers. Since 1986 (the year of the Chernobyl disaster), the number of persons with disabilities in Ukraine grew almost by 1.2 million, including over half a million in the last seven years.

The government of Ukraine has implemented social programmes targeted at persons with disabilities, including a legislative framework to ensure the rights and interests of these persons, expanded activities within existing structures, and the establishment of new institutions, including NGOs that deal with issues related to the challenges faced by persons with disabilities. There is also a focus on developing the capacity to deliver rehabilitation services across the country, and efforts to adapt the environment to the needs of disabled persons.

The International Labour Organization has targeted its assistance to Ukraine in this area on the elaboration of a draft National Programme of Vocational Rehabilitation for Persons with Limited Physical Abilities for 2001–2005. This pro-

gramme would increase the number of employed persons with disabilities from 320,000 to 400,000.

Less than 14.5% of the total number of disabled persons are currently employed, and they account for less than 1.6% of the overall employed population of Ukraine. Only six out of 100 disabled persons whose condition was caused by an industrial injury or occupational disease are employed. Some 900,000 people currently need vocational, social or psychological rehabilitation in Ukraine. Thus the main point of the National Programme is the creation of a network of vocational rehabilitation centres at the national, regional and even local level.

The realization of this programme is to a certain extent promoted through a cooperation agreement among the Ministry of Labour and Social Policy of Ukraine, the ILO, the Centre for Vocational Rehabilitation and Training (in Linz, Austria) and the Enterprise for Professional Promotion (in Heidelberg, Germany). Training visits for chiefs of the Ministry of Labour of Ukraine and specialists who developed the draft National Programme were organized to the above-mentioned centres.

The most significant output of the National Programme is the establishment of an All-Ukrainian Vocational Rehabilitation Centre – the official opening ceremony of which took place in December 2001 with the participation of Leonid Kuchma, President of Ukraine, and Mr Friedrich Buttler, Director for Europe at ILO in Geneva. The government allocated over UAH 30 million (about USD 6 million) to create and operate the Centre.

A contribution by the ILO financed the PCs in the centre's computer training rooms, three special minibuses for disabled, and a car to provide transport services to persons in rehabilitation.

Today about 100 persons with disabilities undergo vocational rehabilitation and training in the Centre under nine professional categories. In a month, this will rise to 140 persons in 12 professional categories. Most professional training is based on modular programmes supplied to the

Centre by an ILO/UNDP project on the Introduction of Modular Programmes of Vocational Training for the Non-Employed Population of Ukraine, financed by the Swiss government.

The government of Ukraine has given the National Centre the task of coordinating the creation of a network of vocational rehabilitation centres at the regional and local levels and to ensure the training of specialists for these centres. This will finance and ensure training for 100 professionals throughout all regional rehabilitation centres.

The results of this cooperation made possible Ukraine's ratification of ILO Convention No 159 on Vocational Rehabilitation and Employment (Disabled Persons). The ratification may occur already this year, and 2003 has been pronounced the "Year of Persons with Disabilities" by the president of Ukraine.

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Job Creation for the War-Disabled in Bosnia and Herzegovina

One of the most serious consequences of the war in BiH is the dramatic number of persons disabled by the war. Typically, war-disabled former soldiers are a highly volatile group, and are disappointed and destabilized by their condition. Most of them had to join army service at a young age, interrupting school, studies or work. They typically have no real work experience or relevant qualifications.

The ILO has cooperated since January 2000 with both a medical rehabilitation centre in BiH, and with a vocational rehabilitation centre in Germany in the implementation of a vocational rehabilitation project in BiH. The project is funded by the German government. The purpose of the project is:

1. The vocational rehabilitation of 120 war-disabled persons from BiH, and their placement in decent employment

2. The establishment of vocational rehabilitation training capacities and functions at the medical rehabilitation centre in BiH. Thus, the centre will be capable of training persons with disabilities, future trainers, supervisors and managers to operate, maintain and manage this institution. The Centre is intended to become a nucleus, example and coordinator for the development of a nationwide network of rehabilitation capacities.

The project will support the development of capacity to manage and deliver rehabilitation services, and to introduce a cost-effective approach for dealing with disabilities.

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Bosnia and Herzegovina

Social Insurance Activities in Albania

In collaboration with Albanian Social Insurance Institute (SII), the ILO organized two activities in Tirana in late February 2003 – a conference entitled "Challenges to the Pensions Sys-

tem in Albania and Region" on 25 February, and a seminar called "Technical Training for Compliance with ILO Convention 102" on 26–27 February.

Both were organized as a response to an official letter of Mr N. Hasa, Director General of SII, sent to the Director of ILO-CEET in November 2001. In his letter, Mr Hasa expressed the desire of Albania to ratify ILO Convention No 102 regarding minimum standards on social security, and also to benefit from ILO expertise regarding possibilities for reforming the existing system of social security in Albania.

The seminar represents an official effort of the ILO to assist SII in the ratification exercise, while the conference offered the valuable experience of two Eastern European approaches to the reform of social security schemes. The activities involved a panel of international experts, including Ms E. Fultz and Mr M. Ruck (ILO Budapest), Ms U. Kulke and Ms K. Pal (ILO Geneva), and Mr E. Flores (ILO Turin). Also in attendance was Mr V. Tchernega from the Council of Europe.

The opening session included Ms V. Leskaj, Minister of Labour and Social Affairs; Mr E. Sherifi, Member of Parliament; as well as the Chairman of the Labour and Social Affairs Committee, the Deputy Minister of Labour and Social Affairs, and the General Directors of the Social Insurance Institute, National Employment Services, Administration of Social Services, Health Care Insurance Institute, and other government agencies. More than 100 Albanian specialists participated in the activities – 60 at the seminar and 40 at the conference.

SII considered both activities very successful. The first conference provided the Albanian tripartite constituency with pertinent information on recent experience and policy results from neighbouring countries addressing similar issues. Through the dissemination and analysis of

the findings and implications of the new studies of pension reform in Central and Eastern Europe, the conference empowered the government's social partners in their role as participants in pension reform. The "Technical Training for Compliance with ILO Convention 102" made the participants aware of the reporting obligations within the framework of ratification of the ILO Convention 102. The participants were also informed about the legal and statistical conditions to prove compliance with the requirements laid down in ILO Convention 102.

The government will now draft new legislation to bring social security legislation and practice into conformity with ILO Convention 102 and the European Code of Social Security. SII will prepare a new "zero report" enabling the ILO to evaluate recent changes in social security law and its compatibility with Convention 102. Following completion of this report and its analysis by the ILO, another seminar will be organized in Albania focusing on the ILO assessment of the report and on the issue of maintaining migrant workers' pension rights through bilateral agreements. If this meeting shows that Albania is in compliance, the process of ratifying ILO Convention 102 will begin.

The SII and the Ministry of Labour are looking forward to further strengthening their collaboration with the ILO. Discussions have been held between SII and ILO experts on forthcoming possibilities for this collaboration, and a list of proposals has been drawn up. The ILO will examine the proposals, set priorities and try to fulfil these needs in Albania.

Alfred Topi
National Correspondent, Albania

FIMITIC

The International Federation of Persons with Physical Disability, FIMITIC, was founded in 1953 as a non-governmental human rights umbrella federation for national organizations of people with physical disabilities. Non-profit, politically independent and religiously neutral, FIMITIC has its headquarters in Bonn, Germany, and has representative national organizations throughout Europe. Its main aims are to ensure equal opportunities and full participation in society by persons with physical disabilities, based on principles and structures laid down in the United Nations' Standard Rules.

Supported by networks and actively cooperating with national organizations, FIMITIC tries to connect persons with physical disabilities around the world; to strengthen the capacity of national member organizations to represent the interests of physically disabled people; to facilitate exchange of experiences and opinions through the organization of conferences and meetings; and to develop approaches for dealing with relevant authorities and institutions in matters of a supra-national nature, aimed at furthering the rights and opportunities of persons with physical disabilities. In this context, disabled women should be given particular attention and support in light of the multiple problems they face. FIMITIC was represented at the Tripartite Regional Conference on the Restructuring of Disability Pensions (Prague, 12–13 December 2002) by its President, Ms Marija-Lidija Stiglic.

Promoting Social Dialogue: Tripartite Consultation and International Labour Standards (Convention No 144)

Turin, Italy
14–15 November 2002.

In Central and Eastern Europe, only Bosnia and Herzegovina, Croatia, FYR Macedonia, Serbia-Montenegro and Slovenia have not yet ratified Convention No 144, one of the eight priority conventions of the ILO. A workshop on promoting the ratification the Convention in these countries was organized jointly by ILO Budapest, IFP/DIALOGUE (Geneva) and the Social Dialogue Programme of the ILO International Training Centre in Turin, on 14–15 November 2002.

The overall objective of the workshop was twofold. The first aim was to enable the tripartite delegations from the five countries to become more familiar with the International Labour Standards framework and the ratification process. Second, an effort was made to outline and “demystify” the scope and objectives of Convention No 144 by defining concrete steps needed to overcome obstacles to its ratification.

The workshop was structured around presentations and group work. From the ILO, presentations were made by Mr Ghellab (ILO Budapest), Ms Olney (IFP/DIALOGUE, Geneva) and Ms Bertino (Turin Centre). There were also two country experts – Ms Czugler Ivany from Hun-

gary and Ms Carla from Italy. In the group exercises, participants were asked to reflect on the advantages of ratifying and applying Convention No 144, and to outline strategies for their own countries to move forward the process of its ratification and implementation.

The participants identified a number of advantages to initiating the ratification of the Convention – particularly the fact that it offers the social partners a forum to voice their concerns and empowers them to exert influence on the process of ratifying ILO Conventions. It also allows them to be properly informed about the ILO’s International Labour Standards and ILO matters in general. The debate enabled the participants to discuss how to remove obstacles to the ratification and implementation of Convention No 144 in their respective countries.

The workshop was evaluated very positively by the participants. It emerged from the discussion that the prospect for ratifying Convention No 144 appears relatively high in most of these countries. Follow-up action at the national level has been proposed to the participating countries by the organizers of the workshop, to assist them in moving forward the process of ratification and implementation of Convention No 144.

YG

Promoting Social Dialogue on Wage Policy and a Wage Guarantee Fund in Romania

Bucharest, Romania
23–24 January 2003

A tripartite seminar was organized in Bucharest on 23–24 January 2003, with two main objectives. First, delegates discussed policy options for the establishment of a wage guarantee fund (WGF) in Romania in light of EU legislation and ILO standards related to the protection of workers’ rights in case of insolvency of the

employer. Second, the seminar reviewed the current system of wage regulation in Romania, and discussed ways of improving policies based on collective bargaining and social partnership between the tripartite partners.

The seminar was organized by the ILO Sub-Regional Office in Budapest and the Romanian Ministry of Labour and Social Solidarity, in cooperation with the Belgian Federal Service for Employment and Labour.

Experts from the ILO, the European Commission, France, Belgium and Slovenia took part in the seminar as resource persons, and shared their experiences regarding the question of WGFs on the one hand and wage regulation and social dialogue on the other. From the Romanian side, officials from four ministries (Labour, Justice, Finance and Industry) took part in the seminar, along with representatives of national confederations and branch associations of trade unions and employers.

Discussion on the establishment of a WGF evolved around the question of the requirements of EU Directive No 80/987/EEC on the approximation of the laws of the member states relating to the protection of employees in the event of the insolvency of their employer. As a candidate country, Romania is required to transpose this requirement into national law. Meanwhile, the advantages of ratifying ILO Convention No 173 on Protection of Workers' Claims in case of employer insolvency were also thoroughly discussed by the participants.

The WGF experiences of Belgium and Slovenia, which were discussed thoroughly during the seminar, offered a good opportunity for the Romanian constituents to see how legislation on WGF can be shaped and how such an institution operates in practice.

The following issues were addressed by experts from the ILO, EC, Belgium and Slovenia: the legal framework establishing a fund, financing, coverage of the fund (e.g. the enterprises and workers to be covered), and the administration of the fund. The Romanian constituents were presented a number of options for establishing a WGF. They addressed many questions to the foreign experts on the various aspects of WGFs – legal, financial, administrative and practical questions were all explored. They were thus able to weigh the advantages and drawbacks of different systems, and those of Belgium and Slovenia in particular.

Regarding the topic of wage policies and tripartite cooperation, an assessment was made of the experience of wage regulations over the last 12 years. The main question addressed was how Romania compares with other candidate countries and current EU member states. It emerged from the discussion that a somewhat excessive regulation has been developed over the last 12 years in Romania, not leaving enough space for the social partners to develop autonomous social dialogue and collective bargaining on wage issues.

Another problem raised was the disconnection between the dynamics of real wages and labour productivity growth. Finally, the problem of low wages in Romania (where the monthly average wage is €150) in comparison to the average wage in the first round future member states (€345 without Cyprus, according to the ETUC) was also raised by trade union representatives and government officials.

In this regard, the experiences of wage regulation in the EU was presented by Professor Michel Sollogoub of Paris-Sorbonne University, while Youcef Ghellab of ILO Budapest discussed policies in candidate countries. The latter discussion stressed the importance of less state intervention, with the exception of the area of minimum wage fixing, and that of promoting more autonomous social and collective bargaining between the social partners. This can help address the challenges of ensuring a better link between real wages and labour productivity on the one hand, and achieving higher wage levels on the other.

The seminar was very successful overall, and showed how diverse organizations such as the ILO, the European Commission, and the Federal Service of Labour and Employment of Belgium can cooperate together in helping a candidate country to transpose the EU *acquis communautaire*, as required by the enlargement process.

YG

Moldova Looks to Social Dialogue to Help Implement Convention No 184

A series of seminars was held in Moldova in January 2003 to develop an action plan to help implement the provisions of ILO Convention No 184 on safety and health in agriculture, which Moldova ratified in September 2002. The semi-

nars were part of a project by ILO-CEET and the ILO's sectoral activities department, aimed at strengthening the constituents' capacity to develop and implement safety management systems in agriculture through social dialogue.

Agriculture provides about 28% of GDP in Moldova, and employs about 40% of the total workforce. However, rural poverty is on the increase and the negative economic impact of agricultural accidents and resulting disability is important. These seminars provided an opportunity for the constituents to familiarize themselves with the provisions of Convention No 184, and to identify the most important needs and solutions for implementation. The Convention should help Moldova reduce occupational accidents and work-related diseases in the agricultural sector.

New agricultural employers' association

A preparatory seminar for employers in the agricultural sector was held to discuss their role in social dialogue in reference to the Convention, and their input into the subsequent tripartite seminar. Discussions highlighted several problems confronting employers in the agricultural sector in Moldova. These include difficulties in insuring employees ("only healthy workers can be insured"), the very different costs of medical examinations ("from 30 to 300 lei for the same examination"), and the situation of subsistence farmers who have no access to information and a lack of knowledge regarding legislative requirements.

The highlight of the seminar was an agreement to establish an agricultural employers' association, which is sorely needed for social dialogue in the sector. A general assembly of employers in the agricultural and food industry of Moldova has since been held – on 27 March – for founding the new employers' organization as follow-up to the seminar.

Workers discuss effective trade union representation

The workers' preparatory seminar was facilitated by the International Union of Food, Agricultural and Allied Workers' Associations (IUF). Using the IUF campaign guide "How to Ratify and Use ILO Convention 184 on Safety & Health in Agriculture", the meeting looked at what areas should be included in a national programme on occupational health and safety in agriculture, and what organization is need-

ed to ensure effective trade union representation at the national policy level. Further discussions centred on dialogue at the workplace, with the right to elect union safety representatives, the role of joint union-management health and safety committees at work, and training for such representatives.

Action plan developed by tripartite seminar

The tripartite seminar was opened by Mr Sergiu Sainciuc, First Deputy Minister of Labour and Social Protection; Mr Leonid Cerescu, President of the National Confederation of Employers of Moldova; and Mr Petru Chiriac, President of the Confederation of Trade Unions of Moldova. The 24 participants, representing the tripartite constituents in equal numbers, were taken through a number of steps in group work to arrive at an action plan to help implement the provisions of Convention No 184.

A series of ten recommendations was developed on which to base future action. These reflected the need to revise legislation, mainly to bring the rights of agricultural workers in line with other sectors. It was also acknowledged that standards will not be implemented if employers and workers are not informed and trained. Education and training will therefore be a priority, including for subsistence farmers. Social dialogue will be ensured through the establishment of a tripartite national council for occupational safety and health, with a sub-committee on agriculture.

The seminar was much appreciated as a means for identifying obstacles and proposing solutions to actually implementing the provisions of Convention No 184, and in organizing a vision for cooperation among the social partners. It was especially appreciated that a new employers' association for the agricultural sector was established to take part in social dialogue. A tripartite committee made up of representatives from the seminar will inform the social partners and concerned ministries of the recommendations, and define in detail over the next six months the main actions necessary to implement the seminar recommendations.

AR

The Role of Trade Unions and the International Financial Institutions

Joint ICFTU/ILO seminar Budapest, Hungary 11–12 November 2002

Since the beginning of the 1990s, the International Financial Institutions (IFIs) have played a key role in the transition countries, providing advice and sometimes conditioned assistance to the countries of Central and Europe (CEE) and to Commonwealth of Independent States (CIS). Structural adjustment programmes, known in the region as “shock therapy”, were inspired by the IFIs, and have substantially contributed to the shaping of the transition process in most countries.

It was believed that these programmes, based on neo-liberal assumptions, would help accelerate the transition to a market economy, create preconditions for a successful accession to the EU, and contribute to a pattern of integration of CEE countries into the global economy that would favor national economic and social development. After more than a decade of experience with these policies, there is a growing concern, particularly among trade unions, about their overall impact and their potential to deliver sustained economic growth and prosperity in the region.

It is recognized that the adjustment policies have resulted in macroeconomic stabilization in many countries in the region. However, the anticipated economic growth did not follow. Out of 27 transition countries in CEE and the CIS, only five were able to achieve higher GDP in 2000 than in 1990. And even in those countries where growth was achieved, employment was stagnant. The adverse implication of the IFI-driven policies have been felt in the social sphere as well – particularly through wage policies, labour law and social security reforms.

With regard to all these aspects, there has been recently growing appreciation within the trade union movement about the need to influence policy debate surrounding strategies promoted by the IFIs. First, unions need to better understand the impact of the policies promoted by the IFIs. Second, they must be able to express the concerns of their members and promote policy proposals in line with the long-term interests of their members. Although these are challenges

that each trade union has to face at the national level, by their very nature the IFI programs require a common strategy and coordinated action at the international level as well.

In order to assess the overall impact of the IFI policies during transition, a sub-regional trade union seminar was held in Budapest on 11–12 November 2002, entitled “The Role of Trade Unions and the International Financial Institutions”. The seminar was jointly organized by the International Confederation of Free Trade Unions (ICFTU) and the ILO Bureau of Workers’ Activities (ACTRAV).

The seminar participants were trade union leaders and experts from 22 trade union confederations affiliated to the ICFTU from CEE and the CIS. The objectives of the seminar were:

- To assess the impact of the implementation of IFI-driven transition reform policies in CEE and the CIS, not only on economic growth but also on social development and the consolidation of democratic institutions
- To discuss possible policy proposals aimed at a socially balanced and economically sustainable development model, and to strengthen the capacity of trade unions to engage in social dialogue both at the national and international levels
- To assess the patterns of exchanges between the trade union movement at its different levels and the IFIs, and to search for ways and means to improve these exchanges.

The first day of the seminar concentrated on the overall impact of the IFIs’ policies on the transition process. Professor J. Harrod from the Institute of Social Science in the Hague analysed the IFIs’ policies and policy making within the perspective of the global political economy. P. Bakvis, Director of the ICFTU Washington Office, made a critical assessment of the role of the IFIs in the first decade of transition. D. Dimitrova, Senior Specialist for Workers’ Activities at ILO-CEET, analysed the economic and social implications of the policies driven by the IFIs in Central and Eastern Europe from the perspective of the ILO Decent Work agenda. K. Lorant of the SAPRI Program presented the point of view of civil society on the impact of IFI policies in Hungary.

In a separate session, special attention was paid to experiences and lessons from the privatization

reforms in CEE and the CIS. V. Matousek, Senior Advisor from the Czech trade union federation ČMKOS, presented the Czech model of privatization from the perspective of trade unions. A. Leather, Assistant Director General from the PSI, provided an assessment of the effects of privatization of public services in transition countries. The role of the European Bank for Reconstruction and Development (EBRD) in the transition process, including its policies on privatization, was discussed in the presentation of the representative of PSI / Bankwatch Network, a Hungary-based NGO.

During the second day of the seminar, presentations and discussions continued with an assessment of the direct and indirect impact of the IFIs on major aspects of social policies, plus concrete policy proposals that trade unions can put forward in order to achieve a better balance between economic and social goals. In her address, P. Ulshoefer, Director of the ILO Budapest Office, stressed the important role played by trade unions in building the social dimension of transition, as well as the need to institutionalize social dialogue on economic and social policies at the country level. I. Neikov, Director of the Balkan Institute for Labour and Social Policy, reflected on the direction and methods of influence of the World Bank on labour legislation reforms and social dialogue. S. Cazes, Senior Employment and

Labour Market Specialist at ILO-CEET, presented the results of a recent study on labour market "flexicurity" conducted in selected CEE countries, providing strong arguments in favor of finding a balance between flexibility for employers and security for workers. E. Fultz, Senior Specialist in Social Security at ILO-CEET, provided a critical assessment of the pension privatization conducted in some CEE countries, and presented viable alternative policy options based on reforms of the PAYG systems that were chosen by other transition countries. Last but not least, the prospect for improved dialogue with the IFIs at the national and international level was examined by P. Bakvis of the ICFTU.

The seminar was conducted in an atmosphere of open-minded, lively and action-oriented discussion. It was broadly accepted by the participants that trade unions in the region must continue to assess critically the impact of neo-liberal policies, while strengthening their capacity to develop and actively promote alternative policy proposals at the various levels of social dialogue. At the end of the seminar, the participants adopted conclusions, in which they highlighted the most important elements of the deliberations held during the seminar, including the various dimensions of future action.

DD/ES

CONCLUSIONS

1. Trade union participants from fifteen countries in the CEEC-NIS region took part in a two-day conference on trade union action vis-à-vis the international financial institutions (IFIs), organized jointly by the Central and Eastern European Trade Union Council (CEETUC) of the ICFTU and the ILO. The participants shared analyses of the role played by the IFIs in the economic restructuring of the region since 1989, and concluded that many of the policies applied by the IFIs have had a detrimental effect on their countries, and in particular on the workers. They further agreed on proposals for trade union action aimed at influencing the IFIs to change those policies that are detrimental to the interests of workers and our societies, so that future IFI policies in the region would contribute to putting in place the conditions for sustainable, employment-creating growth.
2. In analysing the policies of the IFIs over the past decade, the participants observed that the policies of privatization and economic liberalization, which the IFIs put forward as policies that would ensure rapid growth after a short adjustment period, have in fact resulted in economic stagnation in the great majority of countries in the region. In all but a few countries, the level of production has not recovered to the levels of a decade ago. Unemployment is rampant, and declining real wages have contributed to creating levels of inequality that are among the highest in the world. Although many factors have contributed to the general worsening of the economic and social situation of countries in the region, it is clear that the policies of the IFIs are one of the main causes. Trade unions have been supportive of the objective of creating a viable market economy and of reforms that would lead to that end, including the privatization of many state-owned enterprises, particularly in the industrial sector. However, they did so on the condition that the interests of the workers and the population in general would be protected. Trade unions warned at the beginning of the transition process that policies of rapid privatization and liberalization would result in escalating unemployment and poverty if they were not accompanied by adequate regulatory institutions, safeguards against abuse, and social protection systems. In most countries, trade union proposals were dismissed by governments, as they were by the IFIs.

3. We welcome the fact that, in their most recent analyses, the IFIs now acknowledge that, if the suggestions of trade unions in the region had been applied, many of the negative consequences of the past decade of transition could have been avoided or reduced. The institutions state that they recognize that improved regulatory agencies should have been put in place, some services should not have been privatized, trade unions should be negotiated with before privatization, and social protection systems must be strengthened. Unfortunately, much of the damage that occurred during the last decade will have long-term costs. Also, these new policy statements by the IFIs acknowledging unions' concerns are often not followed by country-level staff of the IFIs, who frequently continue to practice their "business as usual". However, our organizations believe that the experience of the past decade, where trade union strategies did not have a major impact on IFI policies in most countries, shows that we have to develop a more effective joint strategy within the CEETUC so as to avoid a repetition in the future of the socially disastrous policies of the past decade.
4. First and foremost, we believe that the IFIs must recognize the role of strong trade unions as part of the democratic forces that, by controlling abuses and redistributing part of wealth, are a vital part of a modern well-functioning market economy. Social dialogue is a key mechanism in this process. For example, the social partners can play a crucial role in assessing the impact of structural reforms. We are particularly concerned that the IFIs are often in direct opposition to the social partnership model promoted by the European Union. Unions must be directly engaged in the reform process as full social partners, and the IFIs should insist that the Core Labour Standards and national labour laws be abided by in any programme that they fund. Any involvement of the World Bank in labour law reforms must ensure that the reforms are in strict conformity with the Core Labour Standards and with ILO conventions ratified by the country.
5. Trade unions should be negotiated with before new privatization or sector restructuring is undertaken. Also, the IFIs must end their demands that, in order to receive financial support, a particular service must be privatized. The IFIs should be just as willing to invest in improved public provision of services as they are to finance privatization. In addition, they should ensure that projects are designed and implemented in full transparency, so the trade unions and other civil society organizations can express their comments and recommendations. In future lending programmes, the IFIs must put a priority on strengthening social protection systems, so that the needs of vulnerable groups are met, and put an end to demands that state-run unemployment and old age pension schemes be scaled down.
6. The trade unions of CEE countries and the NIS resolve to work together on a regular basis through the CEETUC to monitor the activities of the IFIs and to formulate recommendations on IFI policies in the region. They will work closely with Global Unions and their Washington Office, which is in regular contact with the IMF and World Bank, to exchange information about the policies and practices of these institutions. They also propose to develop and maintain contacts with non-governmental organizations in the region, which carry out research and monitoring of IFI activities, as well as continuing cooperation with the ILO, which has provided valuable assistance in analyzing IFI policies affecting labour and proposing alternatives.
7. The participants in the conference on "The Role of Trade Unions and the IFIs" propose that the CEETUC be mandated to open, in cooperation with the ETUC, a formal dialogue with the European Bank for Reconstruction and Development (EBRD) with the aim of getting this institution to take trade union concerns into account. They encourage national trade union confederations to use all opportunities for contact and exchange with the IFIs, such as consultations undertaken by the IFIs in the country (e.g. IMF Article IV Consultations, World Bank CAS, PRSPs) to confront the IFIs' anti-worker policies and to put forward trade union concerns and policy alternatives, using the instruments developed by the ICFTU and Global Unions for these purposes. Where appropriate, they will work jointly with other trade union organizations and civil society organizations to present a unified position to the IFIs on the national as well as regional levels. Recognizing that it is through trade union solidarity and collective action that we will have a real influence on IFI policies in the region, we propose that during regular CEETUC meetings, we periodically have discussions on IFI policies in the region in order to update our strategies and plan for coordinated actions aimed at changing IFI policies and practices in our region.
8. Finally, the trade unions in the CEE-NIS region express their solidarity with highly indebted developing countries in their demands for obtaining more generous debt relief from the IFIs. We also join our voice with those who have pressed the IFIs to participate fully in the work of the World Commission on Globalization.

Budapest
12 November 2002

Employers' Activities

ROMANIA

Survey on Branch Organizations of Employers in Romania

On behalf of ILO-CEET/ACT/EMP, Professor Mihai Manoliu conducted exhaustive research on the branch organizations of employers in Romania. It was the first time such research was performed. Of the 101 associations contacted, only 38 said they were involved in social dialogue and in tripartite accession negotiations with the EU.

The outcome was discussed with representatives of branch organizations during a workshop on 4 July 2002 in Bucharest. The main conclusion of the workshop was that the branch organizations would like to have stronger and united confederations that are interested in the issues of the branch organizations.

Workshop on Social Dialogue in Romania

On 18 September 2002, ILO-CEET/ACT/EMP organized a special workshop for employers' organizations at the branch level. The aim of the workshop was to reflect on the functioning of social dialogue in Romania.

After a fruitful discussion, following conclusions were made:

1. At the branch and territorial levels, a fruitful dialogue has existed for several years with trade unions, in the framework of tripartite commissions in the ministries.
2. However, the branch organizations complain that they are not involved, consulted or informed when it comes to social dialogue at the national level (i.e. the activities of the CES).
3. The government (and parliament) seldom take into account the opinions of the social partners, especially the employers, in the CES.
4. The collective contract signed every year is not respected.
5. Employers complain of a lack of support from European employers' organizations, while the trade unions receive support from their European colleagues.
6. Much effort is needed to improve the functioning of the CES. The role of the presidency was also heavily criticized.

Seminar on Pension Reform

In cooperation with the Federation of Belgian Enterprises, ILO-CEET organized an important seminar on pension reform on 24 October.

Ms Elaine Fultz, Senior Specialist at ILO-CEET, presented the main conclusions of the research she is conducting in the countries of Central Europe, while Ms Bernadette Adnet, advisor to the Social Department of the FEB, introduced the Belgian Public System of Pensions.

Mr Gabriel Delporte, Secretary General of the Belgian Confederation of the Construction Industry, then presented the Second Pillar Pension System for his sector.

The participants came to the following conclusions:

1. The seminar was held "just in time", as the government had just announced its plan for reform of the pension system. However, the employers' side had not yet received a copy of the plan.
2. A new system, especially one that takes into account plans for privatization, cannot be set up in a hurry (as seen in the case of other countries in Central Europe). It should be well-prepared and planned.
3. Experiences from abroad and from colleagues are most welcome. To this end, the seminar underlined the experiences of the road transport and construction industries.
4. A new system must also consider very seriously the problem of management and control, as well the transparency in reporting.

Seminar on "Making and Keeping Members"

On 10–11 December 2002, ILO-CEET/ACT/EMP organized a special seminar in Bucharest on "Making and Keeping Members" for the staff of the Romanian industry organizations.

The seminar was animated by Mr Van Vooren, director of the Direct Marketing Institute and author of the ACT/EMP-brochure on the same subject, as well as by Mr Van Nevel, a direct marketing expert and company executive.

The seminar was very well evaluated by the participants, who are now invited to implement suggestions they learned during the presentations and the exercises.

BOSNIA AND HERZEGOVINA

New State-level Employers' Confederation

On 11 July 2002, at the invitation of ILO-CEET/ACT/EMP, the presidents of the Employers' Confederations of the two entities of Bosnia and Herzegovina met each other at the UNDP office in Sarajevo. The aim of the meeting was to reach an agreement between the organizations to set up an employers' confederation at the level of the state of Bosnia and Herzegovina.

A draft agreement was prepared by ILO-CEET/ACT/EMP, and served as the basis for discussion during the meeting. After the presidents of both organizations had given their remarks, an agreement was reached to establish the Employers' Confederation at the level of the State of BiH.

BULGARIA

Workshop about the PR Function of an Employers' Organization

On 16 October 2002, ILO-CEET/ACT/EMP organized a special workshop in Bourgas for the members of the Bulgarian Industrial Association (BIA) on "The PR Function of an Employers' Organization".

The workshop started with a presentation on the experience of three members of BIA. It was followed by a lecture by Mr Standaert, Senior Specialist for Employers' Activities at ILO-CEET, on the PR function of an employers' organization. This was followed by a presentation of Dr Georgi Kalaglarski of the University of Varna about the Bulgarian media.

The afternoon session was a practical case session, with the exercise of drafting a press statement and a camera test.

Workshop on Occupational Safety and Health

On 11–12 February 2003, the Bulgarian Industrial Association (BIA) organized a Workshop on Occupational Safety and Health in Sofia, with the support of ILO-CEET. The workshop was chaired by Mr Bojidar Danev, President of BIA.

Ms Annie Rice gave a presentation on ILO Conventions and EU directives on occupational health and safety, stressing the obligations of the employers. During the workshop, the case of PREVEMED was presented. PREVEMED is an

external OSH service set up by the Belgian Confederation of the Construction Industry.

The workshop concluded with a decision by BIA to work out a feasibility study for a similar service for its members.

CROATIA

Representativeness of Employers' Organizations

At the request of the Minister of Labour and Social Affairs of Croatia, Mr Giuseppe Casale, deputy director of IPF/Social Dialogue, and Mr Jean-Marie Standaert, Senior Specialist for Employers' Activities, held a meeting in Zagreb on 18 February with the social partners and the Ministry of Labour and Social Affairs on the definition of criteria concerning the representativeness of employers' organizations. The meeting was chaired by Ms Vera Babic, assistant minister.

As a result of the meeting, Messrs Casale and Standaert submitted a proposal that will allow the Ministry and the social partners to define such criteria.

Workshop on Payroll Management Services

On 5 March 2003, the Croatia Employers' Association (HUP) organized a workshop with the support of ILO-CEET/ACT/EMP on payroll management services.

The secretary general of the Belgian Union of Social Secretariats, Mr Reynders, presented the history and the regulations of the Social Secretariats set up by employers' organizations in Belgium.

This was followed by the presentation of a concrete case – that of Securex, which has developed similar services in France and Italy. The workshop concluded with considerations for the realization of a business plan for a similar service in Croatia by HUP/CEA.

LITHUANIA

Seminar on Pension Reform for Lithuanian Employers

On 3 October 2002, ILO-CEET organized a Seminar for the Employers' Organizations of Lithuania on Pension Reform, in cooperation with the Federation of Belgian Enterprises and with the logistic support of Lithuanian employers represented by LPK.

Ms Elaine Fultz, Senior Specialist at ILO-CEET, presented the main outcome of the research she is conducting in the countries of Central Europe.

Ms Bernadette Adnet, Advisor at the Social Department of the FEB, introduced the public pension system in Belgium, while Mr Gabriel Delporte, Secretary General of the Belgian Confederation of the Construction Industry, introduced the specific second pillar pension system for his sector.

The following conclusions were reached at the seminar:

1. It is important for a new system to be based on experiences in other countries. This experience can enable Lithuania to avoid pitfalls seen in some countries of Central Europe in the early phase of privatizing their pension schemes.
2. The new system should clearly define the beneficiaries.
3. In negotiations, it is important to know the "transition financing costs" – that is, the costs of building up reserves under the new capitalized system while continuing to meet benefit obligations under the existing, public, pay-as-you-go system. Who will cover these costs?
4. Also important are the "administrative costs" of the new private funds, specially the management fees of the selected fund managers – which have turned out to be high in other countries. Experience shows that, if unregulated, these costs can rise to the point where they impair the profitability of the pension schemes.
5. The involvement of the employers' organizations in the management of private fund systems is important. Employers can help keep administrative costs down and can help ensure efficient fund management on behalf of workers.
6. An efficient and transparent system of control and monitoring is also important (preferably with the regulatory authorities spelled out in law).

MOLDOVA

Seminar on the Development of the Employers' Association CNPM

On 4 December 2002, the Moldovan employers' association CNPM, with support of ILO-CEET/ACT/EMP, organized an important seminar for its members on the development of CNPM and its relations with the media. The aim was to improve and strengthen the presentation of the employers' views and their positions in the media.

Ms Mirna Cieniewicz, officer of the Croatian employers' association HUP, made a presentation on how HUP became a representative organization.

Mr J.M. Standaert, Senior Specialist for Employers' Activities, made a presentation on the PR function of employers' organizations.

CNPM is still suffering from the fact that membership fees are not yet fiscally deductible in Moldova, even though the ILO European Regional Conference of 1995 recommended this measure specifically to the governments.

MONTENEGRO

Conference on Montenegrin Transition

On 20 November 2002, the Union of Employers of Montenegro (UPCG), organized an important Conference on the Transition Process for Montenegro, with the support of ILO-CEET/AC/EMP. UPCG invited several experts, such as university professors, to present their proposals for essential reforms in Montenegro.

During the discussion, several speakers asked for special actions and initiatives against the "grey economy".

At the end of the conference, Mr Ivan Mitrovic, the President of UPCG, presented his organization's programme for essential reforms in Montenegro. This was afterwards presented to the press and officially sent to the government.

UPCG is insisting on more transparency in Montenegrin society, and that it be involved in the institutions of social dialogue. It is also pushing for a significant reduction of bureaucracy in Montenegro.

SLOVAKIA

Employers' Views on the Reform of the New Labour Code

On 22 October 2002, Mr J.M. Standaert, Senior Specialist for Employers' Activities, participated in a conference organized by the Employers' Confederation of Slovakia, AZZZ. The Conference was chaired by Mr Pavlu, Vice President of AZZZ, with the presence of the Minister of Labour, Mr Kanik, who declared his full support on the reform of the labour code.

Mr Standaert insisted that the new Labour Code should be realistic and coherent, taking into account that Slovakia will soon join the EU and that important discussions are now ongoing in some im-

portant member states regarding a revision of some issues of the labour code, aiming at more flexibility.

UKRAINE

Seminar on the “Place and Role of Employers’ Organizations in Regulations on Industrial Relations”

On 16 January 2003, Mr J.M. Standaert, Senior Specialist for Employers’ Activities, participated in a Seminar on the Place and Role of Employers’ Organizations in Regulations on Industrial Relations. The opening address was given by Mr Olexiy Miroshnicenko, president of the new Federation of Employers of Ukraine.

FUTURE MEMBER STATES OF THE EUROPEAN UNION

Sixth Round Table of Industrial and Employers’ Federations in Europe

On 27–28 January 2003, the Employers’ Confederation of Estonia (ETTK) and the Danish Employers’ Confederation (DA) organized in Tallinn the Sixth Round Table of the Industrial and Employers’ Federations in Europe.

Mr J.M. Standaert, Senior Specialist for Employers’ Activities, was invited to make the keynote address on geographical mobility.

JMS

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