



International  
Labour  
Office



**8<sup>th</sup>**

# EUROPEAN REGIONAL MEETING

**Towards decent work  
outcomes:**

**A review of ILO work  
for 2005–08**

**Report of the Director-General  
Volume II**

## **Towards decent work outcomes: A review of ILO work for 2005–08**

The Report of the Director-General to the Eighth European Regional Meeting consists of two volumes. Volume I is entitled *Delivering decent work in Europe and Central Asia* and is divided into two parts. Part 1 provides an overview of recent world of work trends in the region. Part 2 contains seven background thematic chapters. Volume II is entitled *Towards decent work outcomes: A review of ILO work for 2005–08*.

Eighth European Regional Meeting  
Lisbon, February 2009

# **Towards decent work outcomes: A review of ILO work for 2005–08**

**Report of the Director-General**

**Volume II**

INTERNATIONAL LABOUR OFFICE

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## Abbreviations

ALMP	active labour market policies and programmes
CIARIS	Learning and Resources Centre on Social Inclusion
CIS	Commonwealth of Independent States
CREP	Country Review of Employment Policy
CSR	corporate social responsibility
DWCP	Decent Work Country Programme
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EIIP	employment-intensive investment programme
ERM	European Regional Meeting
EU	European Union
EUROSTAT	Statistical Office of the European Communities
ICFTU	International Confederation of Free Trade Unions
IOE	International Organisation of Employers
IOM	International Organization for Migration
IPEC	International Programme on the Elimination of Child Labour
ISCO	International Standard Classification of Occupations
ITC–ILO	International Training Centre of the ILO
MDG	Millennium Development Goal
OECD	Organization for Economic Co-operation and Development
OSCE	Organization for Security and Co-operation in Europe
OSH	occupational safety and health
RBSA	Regular Budget Supplementary Account
SIYB	Start and Improve Your Business
SME	small and medium-sized enterprise
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNFIP	United Nations Fund for International Partnerships
UNFPA	United Nations Population Fund
UNMIK	United Nations Mission in Kosovo
UNHSF	United Nations Human Security Fund
USDOL	United States Department of Labor
WIND	Work Improvement in Neighbourhood Development



## ***Introduction***

The ILO European Regional Meeting is the only regional institutional space where the Member States of the EU, countries covered by the Stability Pact for the Reconstruction of South-East Europe, the Commonwealth of Independent States and the Council of Europe come together, to address in a tripartite manner, issues of common concern in the world of work. Europe, East and West, and Central Asia, in all its diversity, is bound by geography, history and shared ILO values. Governments, employers' and workers' organizations throughout the region agree to work together through dialogue and cooperation to promote a common future of democracy, economic prosperity and social justice. [Seventh European Regional Meeting, Budapest, 2005, Conclusions, paragraph 4.]

This Report draws together the main elements of the ILO's contribution to the attainment by constituents of the goals of the Decent Work Agenda in the region over the past four years. While this is an ILO report, it is important to recognize that the outcomes that it describes are the result of joint work between the ILO's constituents and the Office.

### ***Towards results-based reporting***

An important aspect of this Report is the emphasis placed on moving away from describing activities towards focusing more fully on reporting the outcomes of those activities. This is in keeping with the overall direction taken by the ILO, which in recent years has been integrating results-based management approaches as a means of improving the effectiveness and accountability of its work.

One of the main expressions of this approach has been the introduction of Decent Work Country Programmes (DWCPs), in which a limited number of priorities and structured outcomes are jointly established by the ILO and constituents for cooperation with the country concerned. While DWCPs are designed to provide more information on the outcomes of the ILO's work, their recent formal introduction in the region (in 2006) means that their contribution to outcomes reporting is only limited over the period covered by the present Report. As a consequence, this Report is not entirely outcomes-based, but represents a first step towards that goal.

The effectiveness of the ILO's work is, in many cases, difficult to measure. This occurs for various reasons:

- The effects of the ILO's work are not always immediately visible, particularly when dealing with cultural changes that may need more time to materialize.
- Results are a combination of several factors, not only the ILO's contribution. These can depend, for instance, on the political situation of the country or on economic developments.
- In the first cycle of DWCP design and implementation, sharp indicators were not always established in the logical frameworks. Strategic programming through DWCPs is still a learning process both for the ILO and the constituents.
- The social partners do not always use a strict programming system with established objectives and targets to plan and monitor their actions.

The expansion and refinement of DWCPs should help more effectively to identify outcomes at the country level in the future. The design of the new cycle of DWCPs is based on formal evaluation exercises with the constituents (for example in Albania, Republic of Moldova and Ukraine) and on the recommendations of the headquarters-based quality assessment group, which is led by the Regional Office for Europe and Central Asia and composed of relevant technical and support units, the Bureau for Employers' Activities and the Bureau for Workers' Activities.

### ***Continuity and follow-up***

With a view to focusing on the continuity of the ILO's work and its responsiveness to the wishes expressed by constituents in the region, close reference is made throughout the Report to the conclusions adopted by the Seventh European Regional Meeting, held in Budapest in February 2005. It should be noted that given the rapidly changing implementation environment, the conclusions are something of a "moving target" and ILO work has had to respond and adjust to new demands since the previous European Regional Meeting (ERM).

The Report consists of three main parts: a first chapter covering the role and structure of the European regional programme, including the implementation of DWCPs; a second chapter reviewing the ILO's work and its related outcomes; and a third section consisting of an appendix containing supplementary information. The first chapter describes the strategy for ILO assistance in the region, as well as the structure and responsibilities of the offices in Europe and Central Asia. The second chapter is divided into three sections. The first section addresses the four areas that were a particular focus of the previous ERM discussion: youth employment, balancing flexibility and security, managing migration, and security in old age. The second section addresses other focus areas of ILO work reported under the ILO's four strategic objectives. The third section provides final remarks on the future role of the ILO in the Europe region, within the new context set out by both the UN reform and the Declaration on Social Justice for a Fair Globalization. Lastly, the appendix contains a series of statistical tables, including information on donor funding, ratification of Conventions and DWCP priorities.

## 1. *The ILO's role in Europe and Central Asia*

Many elements of a common vision for Europe and Central Asia are shared by ILO constituents across the region. These include growth and competitiveness, more and better jobs and social cohesion, equality and fairness, and respect for fundamental principles and rights at work. ILO cooperation with member countries of the EU, the CIS and the Stability Pact, and with the European Commission should serve to reinforce social and economic policies that offer new combinations of opportunity and protection, individual and collective responsibility, in key transitions of work and life. [Seventh European Regional Meeting, Budapest, 2005, Conclusions, paragraph 5.]

The ILO's cooperation with constituents in Europe and Central Asia is channelled through its field structure of offices and national coordinators, under the leadership of the Regional Office based at ILO headquarters in Geneva. The Regional Office's role is to develop the political framework in which the office acts and to set goals and strategies, operating in the context of Eastern and South-Eastern European and Central Asian countries on the one hand, and at the European Union (EU) level on the other. The conclusions of the Seventh European Regional Meeting determined the ILO's strategy of work and the outcomes to be achieved for the period 2005–09 in both of the subregions of Europe and Central Asia.

The two EU enlargements in May 2004 and January 2007 have refocused ILO policy advice and technical assistance to South-Eastern and Eastern Europe and Central Asia. These countries' priorities are shaped by their prospects of joining the EU or participating in the European Neighbourhood Policy. For the Western Balkan countries and Turkey, the ILO is providing assistance to improve their institutional and policy framework in support of their possible future EU accession. The countries covered by the European Neighbourhood Policy are requesting assistance to gradually adapt their national institutions and policies to EU standards. Support has also been requested by other countries of the Commonwealth of Independent States (CIS) to improve their employment and social policies in order to strengthen the democratization process of their societies and to further develop their national economies. The overarching objective of ILO assistance to all these countries is to firmly anchor decent work as a national goal and to contribute to its implementation through DWCPs. DWCPs have thus become the main tool of ILO cooperation at the country level. DWCP priorities and outcomes have been set in close collaboration with the tripartite national constituency to support national development strategies and the development programmes of other international and regional organizations, primarily the UN and the EU. Regular budget and extra-budgetary resources have been allocated for their implementation.

The main priorities of DWCPs and other programmes of cooperation concluded in the region have evolved around addressing the important employment challenge faced by all countries of the region, particularly the high unemployment of young people and their inactivity for reasons other than lack of education. The ILO has promoted good labour market governance through the capacity building of labour market institutions and through more efficient labour market and social policies designed, implemented and evaluated in close collaboration with governments and the social partners. Special attention has been paid to better targeting of vulnerable groups with suitable labour market policies in order to foster their labour market inclusion. The eradication of child labour through better

access to education, and the integration of youth and parents of working children into the labour market have also remained priority issues.

Decent pensions and benefits help to prevent people from falling into poverty and at the same time avoid creating a benefit trap for jobseekers, allowing them to take up new jobs and maintain the fiscal sustainability of the systems. With this in mind, the ILO has been engaged in reviews of social security systems and policy advice to improve the systems' ability to provide decent pensions and benefits to retired persons and those unable to work. Through the elaboration of occupational safety and health (OSH) profiles and assistance to formulate OSH programmes based on the profiles, ILO work has also contributed towards improving national OSH systems.

Addressing migration, which has had positive and negative impacts in sending and receiving countries as well as on migrants and their families, has been another important issue. While employers in receiving countries benefit from migrants' work, those in sending countries may face shortages of skilled labour due to migration. Some of the main areas of ILO support in this area have been the protection of the rights of migrant workers by helping governments to develop effective legislation, institutions and policies, particularly against forced labour and the trafficking of women and children, and the integration of migrant workers in the host country. Assistance was also provided to policy-makers endeavouring to prevent migration and encourage the return of migrant workers through stronger job creation and the productive use of remittances in the country of origin.

The promotion of the ratification of the core ILO Conventions, as well as other up to date Conventions in the field of social dialogue, labour administration, employment, OSH, social protection, non-discrimination and gender equality has been an area of strong ILO engagement. The ILO has helped countries to improve national legislation in line with the ratified Conventions and to enforce legislation in everyday practice. This has included the facilitation of exchanges of experience through the networking of employment and legal experts, public employment services, labour inspections and the social partners. The strengthening of tripartite social dialogue and bipartite collective bargaining at all levels, by establishing and reinforcing the institutional framework and by capacity building of the social partners, has remained a priority of ILO work. In its assistance to employers' and workers' organizations, the ILO has worked to help them improve their representation among potential members, to provide more effective services to their members and to engage in social dialogue and reach consensus on issues such as wage development, employment promotion, youth employment, gender equality, OSH, flexicurity, child labour, labour migration and HIV/AIDS.

ILO cooperation with EU countries and the EU institutions has to be seen against the background of the 2004 (EU-25) and 2007 (EU-27) EU enlargement, the emergence of the EU as a global player and the explicit recognition of decent work in both EU internal and external policies. Key EU policy documents on decent work indicate that the EU internal decent work roadmap consists of the EU "acquis communautaire", the EU Lisbon Strategy for Growth and Jobs, the EU Social Agenda and efforts on ratification and application of ILO Conventions classified by the ILO as up to date. The December 2005 European Consensus on Development Policy includes decent work. This is also relevant for the progressive emergence of the new EU Member States as donors.

Thus cooperation has first concentrated on the joint organization of major events as part of the follow-up to the report of the Working Party on the Social Dimension of Globalization, the UN General Assembly resolution *A fair globalization: Creating opportunities for all*, and the 2006 Ministerial Declaration of the Economic and Social Council, which endorsed the Decent Work Agenda. Events included the Decent Work

Forum held in Lisbon in October 2007. The ILO has also contributed technically to events on employment and social policy organized by the countries holding the EU presidency and has jointly organized informal ministerial meetings during the International Labour Conference. Lastly, targeted technical assistance on issues of high importance has been provided to new EU member countries upon agreement.

The ILO's operations are being undertaken in the context of a changing global environment and the need for greater ILO efficiency and effectiveness. Also, the ILO needs to respond to the broader United Nations reform agenda. Since 2007, there has been renewed momentum for UN reform, with a view to having UN agencies operate and "deliver as one" at the country level and to strengthening coordination between UN agencies at the regional level.

The Regional Office coordinates programming, both procedural and substantial, in cooperation with the Subregional Offices in Budapest and Moscow and the Office in Ankara, the headquarters technical units and support structures, particularly the Bureau for Employers' Activities and the Bureau for Workers' Activities, under the overall guidance of the Cabinet of the Director-General. The Regional Office takes the lead in defining programme priorities and activities, monitoring overall programme delivery, and providing support and coordination to the field offices. It is also responsible for the functioning of the offices, particularly the subregional offices, with regard to their structures and budgets. To some extent the Regional Office functions as a subregional office for the ILO's activities in countries where there is no ILO office.

Two of the distinctive features of the Europe region are the small size of the Regional Office and the fact that it does not directly intervene in the operational activities of the field offices. The office has eight staff members, including the Regional Director and three Professionals, one of whom is in charge of liaising with the United Kingdom and Ireland following the closing of ILO–London. The region has also been extremely careful to avoid the duplication of technical functions within its various levels and structures. The Regional Office is the only one based at headquarters, which facilitates close cooperation with the technical sectors and ILO support structure, and the mobilization of experts to support the field structure and country programmes.

The field structure currently consists of two subregional offices, seven country offices, 12 national coordinator positions and the Regional Office in Geneva. The subregional offices and the country offices report back to the Regional Office, whereas the regional coordinators report to their respective subregional offices.

### **1.1. Decent Work Country Programmes**

ILO assistance to constituents in member States will increasingly be prepared and implemented within time-bound and resourced decent work country programmes. These programmes will define, within UN frameworks, an ILO strategy for the promotion of decent work in accordance with the specific characteristics and needs of each country. [Seventh European Regional Meeting, Budapest, 2005, Conclusions, paragraph 34.]

In accordance with the Decent Work Agenda, ILO action in every member State is directed at the adoption of decent work as a national objective and at helping ILO constituents to advance towards that objective. DWCPs are now a major framework for ILO activities at the country level. Organized around a limited number of priorities and outcomes (see Appendix, table 2), DWCPs essentially represent the programme of work in a given country that has been agreed upon by the ILO and the national constituents.

A DWCP is the operational framework for all ILO activities in a given country. It is a management tool that enables the Office to organize its work to help its constituents in each country to achieve progress towards the goal of decent work for all women and men (ILO, 2008a).

The full involvement of ILO constituents, and partnerships with national and international actors and institutions are essential to DWCPs and indispensable for their success. Accordingly, the tripartite constituents have cooperated closely with the relevant field offices in the preparation of DWCPs. They have similarly been involved in their implementation, both as collaborators and reviewers of the activities carried out, and as the direct beneficiaries of capacity building, policy advice and technical assistance.

DWCPs are the ILO's main contribution to UN reform. While the first generation of DWCPs could not be fully integrated into the national United Nations Development Assistance Frameworks (UNDAFs) due to time discrepancies, the second cycle of DWCPs is fitting into this framework well. DWCPs also include the outcomes of joint programming exercises with other UN agencies, such as in Albania and Turkey, which are financed through the Spanish MDG (Millennium Development Goal) Achievement Fund.

### ***1.1.1. Involvement of social partners in the DWCP programming cycle***

The constituents have been fully involved in the DWCP process through joint consultations on their priorities for ILO assistance. They have either had the lead in the drafting of DWCPs (SRO–Moscow) or they have commented on the draft DWCP texts and their respective workplans that were prepared by ILO staff (SRO–Budapest).

The social partners have been systematically involved in these consultations, led by the national coordinators and supported by ILO specialists on employers' and workers' organizations. However, other agencies that often address employers' and workers' organizations under the generic term of "civil society" have had some difficulty in integrating them into the programming and implementation of joint initiatives. The ILO therefore advocated the inclusion of their concerns in the UNDAFs and the "One UN" programme in Albania. In future, efforts will be made also to identify the best ways for them to participate in strategic UNDAF programming or evaluation sessions.

### ***1.1.2. Current status of DWCPs***

DWCPs covering the period of 2006–07 were concluded in six countries and are in the implementation phase in another five (see box 1.1). Field offices are working with the national tripartite constituency to formulate six new DWCPs in countries that have not previously had a DWCP. In four countries, a second cycle of DWCPs has been developed and Memoranda of Understanding on DWCPs have been signed between the constituents and the ILO in three countries.

With the January 2007 entry of Bulgaria and Romania into the EU, it has been agreed with the constituents that their DWCPs will not be further extended. However, the ILO will continue to provide assistance in the framework of a jointly defined decent work agenda to both countries, which will include the strengthening of social dialogue and social partner organizations. The Russian Federation has decided to adhere to a traditional programme of cooperation for 2006–09, which was signed in June 2006 and makes decent work its central goal. In other countries, including the new EU Member States, the ILO has continued to provide ad hoc assistance outside the DWCP framework, in response to requests for technical assistance in specific areas.

### Box 1.1 DWCPs in brief

#### Countries with DWCPs

*2006–07*

Albania, Bosnia and Herzegovina, Bulgaria, Republic of Moldova, Romania, Ukraine

*2006–09*

Azerbaijan, Kyrgyzstan

*2007–09*

Kazakhstan, Tajikistan

*2007–11*

Armenia

*DWCPs in preparation*

Albania, Bosnia and Herzegovina, Georgia, Republic of Moldova, Montenegro, Serbia, The former Yugoslav Republic of Macedonia, Turkey, Ukraine, Uzbekistan

#### 1.1.3. Matching resources and priorities

One of the main objectives of DWCPs is to establish a limited set of priorities, jointly defined with constituents, on which assistance is to be focused within a pre-established period. A complete list of DWCP priorities by country is provided in the appendix, table 2.

While significant resources were allocated to the formulation and implementation of DWCPs in 2006–07, extra-budgetary funding is clearly required for their full implementation. This raises potential challenges, as donor preferences do not always match the priorities identified by constituents in DWCPs. There is strong donor support for work in the region related to migration and trafficking, child labour, youth employment and social dialogue. However, additional funding, including through the Regular Budget Supplementary Account (RBSA) mechanism,<sup>1</sup> is needed in such areas as:

- building the capacities of the social partners at all levels;
- developing the knowledge of the relevant governmental institutions and social partners for the proper design, monitoring and evaluation of national employment and labour market policies and the reform of social security systems;
- promoting up to date international labour standards and improving national labour legislation;
- putting gender equality into practice, including through policies for equal pay and the reconciliation of work and family;
- enhancing the capacity of national labour inspection services; and
- implementing national OSH plans.

Although DWCPs are proving to be an effective tool for resource mobilization, both at the central and national levels, substantial efforts are still required to attract donor interest and funding for specific areas of DWCPs, either through partnership programmes with the ILO or through local resource mobilization mechanisms.

<sup>1</sup> The RBSA was established in 2007 as a mechanism for voluntary contributions to expand the ILO's capacity to deliver on the priorities established in the ILO Programme and Budget for 2008–09, particularly the implementation of DWCPs.

### 1.1.4. Evaluation and appraisal

To review performance in giving effect to DWCPs, two methods have been adopted to evaluate their design and implementation: (1) shorter biennial country programme reviews based primarily on self-evaluation with formal questionnaires (in some cases, external evaluators were involved); and (2) in-depth independent evaluations conducted by external evaluators. Both types of evaluations are undertaken with the involvement of governments and the social partners.

One independent evaluation will be completed every two years in the region, alternating between countries covered by the Moscow and Budapest Subregional Offices. An independent evaluation of the Ukrainian Country Programme 2006–07 was completed in 2007 (see box 1.2) and one is scheduled for Kyrgyzstan in 2009. A biennial country review of the DWCP (2006–07) was conducted in Albania and in the Republic of Moldova with the assistance of external evaluators. In all cases, lessons from the programme reviews and evaluations have been used to inform the development of the next generation of DWCPs. Informal evaluation sessions were held with constituents in all countries.

#### Box 1.2 Independent evaluation of the Ukraine Country Programme

Ukraine is the first of the ILO's Country Programmes covering a longer time frame to undergo independent evaluation. The evaluation, which included the first DWCP 2006–07, noted that both the national constituents and international partners unanimously confirmed the adequacy of the ILO's presence in Ukraine and their strong interest in its activities. With regard to technical cooperation, the expectations of national policy-makers concerning ILO expertise and advocacy in the fields of labour legislation, social dialogue and tripartism were fully met.

The evaluation report made several recommendations, including:

- the need for greater involvement of employers' and workers' organizations;
- the extension of the programming period to four or five years; and
- greater flexibility in the distribution of resources to respond to changing conditions.

Source: The evaluation report is available on the ILO's web site at: [www.ilo.org/eval/index.htm](http://www.ilo.org/eval/index.htm).

### 1.1.5. Lessons learned from DWCPs so far

The findings of formal evaluations and reviews, as well as input from ILO staff and constituents, are all contributing to the development of knowledge on the challenges involved in preparing and implementing DWCPs:

- *Shared commitments:* DWCPs represent outcomes developed and agreed upon by the ILO, the government and the social partners. They are therefore proving to be a useful tool for the social partners to hold governments accountable for the progress made in achieving the goals established in them. Although DWCPs have been instrumental in creating greater ownership by constituents of ILO activities at the national level, there still needs to be more awareness that DWCP implementation and the achievement of expected outcomes is a responsibility shared between the ILO and the tripartite constituency. Such awareness depends partly on a clear understanding of the respective roles and the establishment of realistic expectations concerning the assistance that can be provided by the ILO. The joint definition of intermediate goals

or yearly milestones and the setting of indicators of achievement for agreed outcomes can help to increase ownership and commitment.

- *Capacity concerns:* The preparation and implementation of DWCPs requires time, financial resources and technical knowledge, and therefore often stretches the capacity of both the ILO and constituents. DWCPs are based on results-based management concepts and language, of which constituents may have only limited experience. More capacity building is therefore required so that constituents, particularly employers' and workers' organizations, can participate actively and identify realistic priorities that match the available resources and capacities.
- *Increased visibility:* The establishment of DWCPs as the main strategic framework for ILO action has created an identifiable "product" which often brings greater visibility to the ILO's comparative advantage. While this has enhanced awareness of ILO work at the country level and among international organizations, further promotion of the ILO's expertise in addressing decent work deficits at the country level is required in order to strengthen partnership with international organizations.
- *Longer time frames:* Developing, implementing and evaluating DWCPs within a two-year time frame has proven difficult. As recommended in the evaluations of the DWCPs of Albania, Republic of Moldova and Ukraine, the ILO has extended the programming period of DWCPs to three to four years, which will also allow for stronger links with UNDAFs and other development frameworks.

These and other lessons will be reflected in the next generation of new and second DWCPs that are currently under preparation.

## **1.2. Central, Eastern and South-Eastern Europe and Central Asia**

The main function of the ILO Subregional Offices in Budapest and Moscow is to coordinate the implementation of the Decent Work Agenda in the region, with the support of the technical departments at headquarters, the Bureaux for Employers' and Workers' Activities, and the Regional Office. This involves the provision of advisory services, the organization of meetings and capacity-building activities at both the subregional and national levels, and the management of technical cooperation projects, which are increasingly decentralized. All these tasks happen within the framework of DWCPs, other programmes of cooperation or limited interventions responding to the requests of constituents.

With the successive enlargements of the EU in 2004 and 2007, assistance to new EU Member States has tended to be provided on a more ad hoc basis in response to specific requests from the countries concerned and in closer cooperation with European institutions. Both Bulgaria and Romania, which acceded in 2007, have engaged in DWCPs (2006–08) with the ILO. Accordingly, the main volume of ILO policy advice and technical assistance in the region has been refocused towards South-Eastern Europe, Eastern Europe, the Caucasus and Central Asia.

The work of both Subregional Offices, as well as that of the ILO Office in Ankara, has been affected by United Nations reform in recent years. The "One UN" pilot initiative, which focuses on how the United Nations family, with its numerous and diverse agencies, can deliver results in a more coordinated way at the country level, is being tested in eight countries around the world. The "One UN" pilot country in Europe is Albania, where the

common UN programme was concluded in October 2007, with the strong involvement of the Budapest Subregional Office and the ILO national coordinator to ensure that it reflects the priorities and outcomes of the DWCP. A joint ILO programme with UNDP and other agencies on youth employment and migration, supported by the Spanish MDG Achievement Fund, was approved for Albania and will begin implementation. A comprehensive joint ILO–UNDP programme has also been developed and implemented in two pilot countries, namely in Kyrgyzstan, on the basis of the DWCP and the UNDAF, and Turkey, where the Ministry of Labour and Social Security, after consultations with the social partners, has determined that the national priorities of the DWCP will be closely linked to UNDAF outcomes.

### ***1.2.1. Field structure in Central, Eastern and South-Eastern Europe and Central Asia***

The ILO Subregional Office for Central and Eastern Europe (SRO–Budapest) is based in Budapest and covers Albania, Bulgaria, Bosnia and Herzegovina, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, The former Yugoslav Republic of Macedonia, Republic of Moldova, Montenegro, Poland, Romania, Serbia, Slovakia, Slovenia and Ukraine, and is responsible for coordinating ILO activities in Kosovo.<sup>2</sup> The ILO Subregional Office for Eastern Europe and Central Asia is based in Moscow (SRO–Moscow) and covers Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Russian Federation, Tajikistan, Turkmenistan and Uzbekistan.

Each subregional office is composed of a staff of around 30, including the Director, six international specialists in various fields (including employers' and workers' activities), professionals and support staff working on technical cooperation projects, programme officers, national professionals, young professionals, focal points and other local staff, sometimes supplemented by international civil servants, associate experts or other experts funded through specific programmes. In SRO–Moscow, a sixth specialist position was created as of April 2006 covering international labour standards. Both subregional offices also rely on a network of national coordinators (see box 1.3). The host Governments of the SRO–Budapest and the ILO–Ankara Offices provide premises free of charge. The Office in Ankara, covering Turkey, has some of the representation characteristics of Western European offices, as described below, combined with advisory work and technical programmes. The specific activities undertaken under the responsibility of the Ankara, Budapest and Moscow Offices and their outcomes are reviewed in Chapter 2.

At the administrative level, SRO–Budapest has been selected as the first field office to take part in the extension of the ILO Integrated Resource Information System (IRIS) from headquarters to the field. The deployment of IRIS streamlines financial, human resource and technical cooperation administrative processes and rules.

The ILO's activities in the region are supplemented by those of the International Training Centre of the ILO (ITC–ILO) in Turin, through its Regional Programme for Europe. ITC–ILO provides tailor-made programmes on issues of primary importance to ILO constituents. This is done through face-to-face training at the campus in Turin or in the countries themselves, online learning and, increasingly, through a blend of different modalities. Upon request, ITC–ILO provides training technical assistance and advisory services related to human resources development, within the scope of DWCPs. From 2004 to July 2008, 6,115 people from the region, approximately 45 per cent of whom were women, participated in activities through the ITC–ILO.

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<sup>2</sup> Used throughout this Report as defined in United Nations Security Council resolution No. 1244 of 1999. All activities were done in close cooperation with the United Nations Mission in Kosovo (UNMIK).

### Box 1.3 ILO national coordinators

Within the ILO, the system of national coordinators is unique to the Europe and Central Asia region, and in some cases dates back to 1990. National coordinators operate as antennae of the ILO and, through their presence, ensure that the Office is kept informed of national developments. They are also instrumental in enhancing the ILO's visibility at the national level. They report to the respective subregional offices and play a very active role in the promotion of the ILO's main objectives and values and facilitate the execution of technical cooperation activities at the national level. National coordinators maintain close contacts with the national tripartite constituency. They are selected in consultation with government and social partners, but remain strictly independent.

National coordinators effectively manage the negotiations and consultations on the priorities, outcomes and targets of DWCPs and facilitate their implementation. As part of the UN country teams, they also play a critical role in positioning the ILO within the UN reform process. They represent the ILO to the UN Resident Coordinator and lead the ILO teams, consisting of project staff, in the countries.

Between 2004 and 2008, the system was further extended with the appointment of national coordinators in Armenia, Kyrgyzstan, Republic of Moldova, Serbia and Tajikistan. In contrast, the positions of national coordinators were terminated in Bulgaria and Romania in 2008 following their accession to the EU. There are currently 11 national coordinators in the region, including the five new positions and those already established in Albania, Azerbaijan, Belarus, Bosnia and Herzegovina, Kazakhstan and Ukraine. An additional national coordinator is due to be appointed in The former Yugoslav Republic of Macedonia, meaning that there will be six national coordinators reporting to each SRO.

The national coordinators approach has allowed for greater ILO access to decision-makers and, as governments have in most cases provided office space free of charge in government buildings, has been highly cost effective. The benefits of the European system of national coordinators have been acknowledged in the context of the ILO field structure review. An extension of the system within the region and to other regions is being considered.

## 1.3. Western Europe

ILO offices in Western Europe fulfil three main functions: communication and visibility, representation and partnership, and donor support for technical cooperation. These functions, which are outlined below, are closely interrelated. Raising awareness of ILO strategic objectives induces policy-makers to better understand that the Decent Work Agenda and ILO expertise are valid and meaningful ways of addressing poverty and promoting inclusive growth and development, to which they can contribute through additional voluntary support for ILO programmes. For some offices, a fourth function can be added: coordination with the international organizations based in their countries.

In view of the important and leading role played by Western European countries in many of the innovations that occur in the field of labour, and their long-standing interest in the ILO and its work, ILO offices in these countries play a significant role in maintaining partnerships with constituents. This enables the ILO to make its voice heard on issues that often shape policies and approaches to labour-related matters worldwide, while at the same time benefiting from a pool of expertise, support, cooperation and funding that makes an important contribution to the ILO's work, both within the region and at the global level. Western European countries are also often highly interested in receiving the ILO's feedback on their labour policies and strategies in light of international trends and experiences.

### **1.3.1. Field structure in Western Europe**

The ILO's field structure in Western Europe consists of a network of offices in Berlin, Lisbon, Madrid, Paris and Rome, and an ILO Liaison Office in Brussels for the EU and the Benelux countries. The ILO London Office was closed on 31 December 2006 and transformed into a liaison concept that was able to effectively maintain relations with British and Irish constituents. In 2008 a new position of liaison officer, based in the Regional Office in Geneva, was created. The ILO Office in Germany moved from Bonn to Berlin in the summer of 2004. A further change was the decision to strengthen staff in the Brussels Office in view of the increase in cooperation with the EU, through the creation of an additional Professional position in January 2008. However, it was decided not to fully replace local staff retiring in the Brussels and Berlin Offices and to suppress one local staff position in the Paris and Rome Offices.

ILO offices in Western Europe generally have only three staff members – two local staff members and a director. Host governments contribute financially to the functioning of the offices, although the funding arrangements differ. The Governments of Spain and Portugal cover the operating expenses of the Madrid and Lisbon Offices, respectively, with the ILO financing the salary and travel costs of the Director. The Portuguese Government's contribution has increased over the period 2004–08, with a doubling of the size of the premises (two floors in the same building instead of one), a rise in the budgeted contribution and an increase in local staff resources detached by the Government from three to four plus one associate expert. An annual contribution is provided by the French and German Governments, respectively, for the Paris and Berlin Offices. In addition, the French Government decided to detach two staff members to the Paris Office. Lastly, the Italian Government provides premises free of charge for the Rome Office.

### **1.3.2. Principal functions of the Western European offices**

#### ***Communication and visibility***

Enhanced efforts are required to increase public awareness and knowledge in the region about the ILO, its values, labour standards and policies. [Seventh European regional Meeting, Budapest, 2005, Conclusions, paragraph 14.]

An important aspect of this function is communication with the media to reach and influence a wider audience. It is therefore essential for ILO offices to maintain good media relations, including relations with the press services of parliaments, economic and social councils where they exist, and the communication departments of ministries, employers' organizations, trade unions and their media. For example, during the period 2004–08, the Madrid Office sent out nearly 300 press notes and gave over 60 interviews to the Spanish media. Each year, the Paris Office organizes a visit by journalists of the Association des Journalistes de l'Information Sociale to ILO headquarters in Geneva.

Awareness campaigns on specific ILO themes are another means of reaching out to the general public. Over the past four years, campaigns have been organized by the Berlin, Paris, Lisbon, Madrid and Rome Offices. In Germany, one highlight was Chancellor Merkel's participation in the campaign "Red card against child labour" in the context of the World Day against Child Labour on 12 June 2006. The impact of the Berlin Office's promotional work on the issue of social protection in developing countries is demonstrated by the adoption by the German Parliament in March 2008 of an initiative on social security in developing countries. A campaign against child labour, initiated by the Ministry of Labour, was undertaken in the Paris metro in December 2006, while another against discrimination in employment and occupation was extended from Paris to six other French cities in 2007.

A campaign to enhance the visibility of the Supporting Children's Rights through Education, the Arts and the Media (SCREAM) Programme continued in Italy and Spain. In the latter country, over 24,000 young people were involved in 460 schools and full media coverage ensured that news of the programme reached several million people. Many important public and private institutions supported the campaign. Through the Brussels Office, events were organized in Belgium in the context of the ILO's World Day for Safety and Health at Work. Since 2006, the Lisbon Office has been organizing a yearly event in the Parliament to launch the Portuguese version of the ILO's annual Global Report.

The offices also rely on their own communication channels, especially their web sites and regular newsletters. For example, the Lisbon Office reports that its web site, designed to reach the entire Portuguese-speaking world, is viewed by over 120,000 users a month. The web site of the Rome Office was completely revamped in 2006–07, with the addition of new materials, in the context of a more general effort to ensure that the office is a point of reference for information on labour issues and ILO online resources among Italian-speaking labour specialists, scholars and students. The Brussels Office publishes a widely distributed monthly newsletter and organized a world media launch for the 2007 ILO Global Report, *Equality at work: Tackling the challenges* (ILO, 2007a), with the participation of EU institutions, the Belgian Federal Labour Minister, the social partners and other non-state actors.

### **Representation and partnerships**

The representation and partnership activities of ILO offices in Western Europe include the holding of regular meetings or conferences with constituents and other partners, including ministries, regional and local authorities, international organizations and the private sector. With a better knowledge of the ILO and its activities, these partners are more likely to support and defend the ILO's values and actions, and to provide voluntary contributions to ILO cooperation activities in their fields of interest. One important series of meetings co-organized each year by the country holding the EU presidency, in collaboration with the Regional Office, is the informal ministerial meeting held in June each year in the context of the International Labour Conference at ILO headquarters. Further information on these meetings is included in Chapter 2. The Brussels Office also makes regular presentations on ILO policies and programmes in relevant bodies of the European Parliament and the European Economic and Social Committee.

In addition to maintaining existing partnerships, emphasis has also been placed on the development of new ones. The general trend for the diversification of partners in Western Europe has continued. Since 2004, the office in Spain has been actively seeking new partners from the public and private sectors. Several departments, regional governments and local councils have started to work with the ILO, while a promising number of private companies have agreed partnerships. One example of a public–private partnership is the PREJAL project for the promotion of youth employment in Latin America, to which private companies contributed almost half of the US\$5.5 million total budget. In Italy, the long-standing partnership between the Rome Office and Legacoop (the national league of cooperatives) led to the signature in 2007 of a memorandum of understanding on policies to combat poverty. A permanent national panel on child labour has been established with the participation of the Labour Ministry, the social partners, civil society and the Rome Office. Finally, ILO Brussels established a new partnership with the international non-governmental organization Solidar, which in November 2005 awarded the Director-General its annual Silver Rose Award in a ceremony at the European Parliament.

The Western European offices also play an important role in the ongoing discussion about a fair globalization. In Germany, two events highlighted this role: a joint conference

of the Berlin Office and the German Labour Ministry on fair globalization, policy coherence and decent work, with the participation of Chancellor Angela Merkel in 2006; and a high-level meeting in 2007 between the Chancellor and the executive heads of five major international organizations, namely the ILO, World Bank, International Monetary Fund, World Trade Organization and OECD, about improving global policy coherence. The Lisbon Office co-organized the ILO Forum on Decent Work for a Fair Globalization 2007, which was co-sponsored by the EU.

High-level contacts are maintained with constituents throughout the region by the regional director and the directors of ILO offices. The ILO offices in Western Europe play an important role in ensuring that the Decent Work Agenda is taken into account in high-level policy dialogue. Major results have been achieved in this respect by the Berlin and Brussels Offices. The Berlin Office helped to ensure that the ILO's work was significantly reflected in the Communiqué of the Heiligendamm G8 Summit in 2007, while the Brussels Office's contribution to good relations with the EU helped to ensure the backing of the European Commission (EC) and European countries for the inclusion of the goal of decent work for all in the United Nations World Summit Outcome document in September 2005.

### ***Enhancement of donor support***

The ILO should continue to support cooperation between Central Asia, East and West Europe and within the various subregional groupings. The ILO should strengthen its partnerships with donor countries and the European Commission in providing technical cooperation for decent work policies in countries requesting such assistance. Employers' and workers' organizations should be closely consulted in both donor and receiving countries. [Seventh European Regional Meeting, Budapest, 2005, Conclusions, paragraph 13.]

The ILO's Western European offices also play an important role in enhancing donor support for ILO programmes. In addition to their regular budget contributions, donor countries fund the ILO's work through various channels, including extra-budgetary resources for technical cooperation and voluntary contributions. It is important to note that the Western European offices mobilize funds not only for the Europe region, but also for ILO programmes throughout the world. The offices also play a role in the development of programmes by other organizations. These programmes are often located in other regions linked to the ILO office, such as Latin America (ILO Madrid), African/Lusophone countries (ILO Lisbon) and Francophone countries (ILO Paris).

Western European countries are major donors to the ILO's work worldwide through extra-budgetary funding. Within the region, the Netherlands was the largest donor for technical cooperation in 2006, in terms of approvals, while the EU ranked first in 2007. In addition to Western European countries (Austria, Belgium – and within it Flanders, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and United Kingdom), new EU Member States, namely the Czech Republic and Poland, have also become donors to ILO technical cooperation activities.

A second – and new – channel to support the work of the ILO is through the Regular Budget Supplementary Account (RBSA), which is based on voluntary contributions over and above assessed Regular Budget contributions. RBSA funding is directed towards decent work priorities and outcomes in dialogue with national tripartite constituents.

Voluntary contributions are also made towards the cost of ILO offices in Western Europe, the financing of ITC–ILO, the associate experts programme and the holding of European Regional Meetings. Italy is the most important donor to the activities of ITC–ILO, with its contributions remaining stable over the past four years. Other regular donors to ITC–ILO include the Governments of France, Ireland and Spain, as well as the Regional

Governments of Flanders and the Walloon Region (Belgium). In addition, ministries of cooperation and foreign affairs often fund associate expert programmes: associate experts working in the Budapest and Moscow Offices have been financed by France, Germany, Italy, Japan, Netherlands and Switzerland. Two associate experts have recently successfully concluded the respective procedures and have been recruited for newly created positions in the Brussels and Moscow Offices, respectively. Portugal has been a significant sponsor of several events, including the ILO Forum on Decent Work for a Fair Globalization in 2007 and the Eighth European Regional Meeting.

ILO offices in Western Europe have been successful in enhancing donor support, in conjunction with the ILO's Partnerships and Development Cooperation Department and the Regional Office. Despite the policy of the Italian and German Governments to reduce spending on multilateral cooperation, they have provided significant funding for the ILO activities. Italian voluntary contributions to ILO technical cooperation were maintained at an annual average of 13 million euros between 2004 and 2007, shared almost equally between headquarters and the ITC-ILO. A new partnership agreement was concluded with the German Ministry for Economic Cooperation and Development for the period 2008–09.

The EU is an important contributor to ILO activities in its own right. For the first time in 2007, the EC became the ILO's principal donor, with approvals amounting for all regions to almost US\$66 million. This demonstrates the growing readiness and interest of the EC to co-finance ILO projects and activities. A significant development was the creation by the EC in 2006 of a new thematic programme called "Investing in People". This programme includes the promotion of decent work as one of its main objectives and a budget has been set aside to fund activities in this area. This has enabled the ILO and the EC to develop cooperation on such topics as decent work indicators, assessing the impact of trade policies on employment and the extension of social protection coverage. Other thematic programmes are also covering issues related to decent work and are relevant for workers' and employers' initiatives. However, the main part of EC external assistance is programmed at the country and regional level and managed through the EC country-level delegations.

European donor countries differ in their geographical and thematic priorities. In geographical terms, most of their funding for ILO technical cooperation activities goes to Africa. In terms of technical cooperation projects within the region (South-Eastern and Eastern Europe and Central Asia) between 2004 and 2008, the European donors were Austria, Belgium – and within it Flanders, Czech Republic, the EU, Finland, France, Germany, Ireland, Italy, Netherlands, Norway, Poland, Switzerland and United Kingdom.

From a thematic perspective, the highest expenditure in Europe and Central Asia on technical cooperation activities in 2006–07 was in the field of standards (see appendix, table 7), largely due to the priority given by donors to allocating funds to combat child labour, followed by social protection, employment and social dialogue. In comparison with the global average, there was less donor funding for employment projects, and much more for social protection projects, with a large part of the latter covering projects relating to migration.

### ***Relations between the ILO and the European Union***

The valuable working relationship between the ILO and the institutions of the EU can support economic and social policy coherence in the multilateral system, and in shaping development cooperation towards the promotion of decent work in the region and worldwide. [Seventh European Regional Meeting, Budapest, 2005, Conclusions, paragraph 11.]

Relations between the ILO and the EU continued to be strengthened, particularly in relation to a number of key ILO policy areas and strategic objectives. This was reflected in:

- The support of all EU institutions for promoting the social dimension of globalization in line with the recommendations of the World Commission on the Social Dimension of Globalization.
- The recognition in the February 2005 EU Social Agenda (and the July 2008 renewed EU Social Agenda) of the importance of the promotion of decent work for all and the need to strengthen the interplay between the EU's internal and external dimensions in relation to employment, social policy and equal opportunities.
- The adoption of an EC Communication in May 2006, which sets out strategies and orientations for mobilizing EU internal and external policies towards promoting decent work for all in the world.<sup>3</sup>
- The adoption in July 2008 of a comprehensive decent work report as part of the renewed EU Social Agenda; both the report and the Social Agenda widely refer to cooperation with the ILO and call on EU Member States to ratify and apply ILO up to date Conventions.

Policy dialogue between the ILO and EU institutions continued to take place at all levels. The annual high-level meetings between the EC services and the ILO – initiated in 2002 – serve as a forum for policy dialogue and decision-making on priority areas and modalities for future interaction. EC Commissioners have participated on a number of occasions in policy debates at major ILO meetings. The ILO is frequently invited to contribute to discussions on key issues on the EU agenda and is a member with observer or advisory status in several EU committees and working groups. The ILO and the European Economic and Social Committee have signed a cooperation agreement.

The EU continued to provide active support for the promotion of decent work and a fair globalization for all, as well as for the ILO's standard-setting activities and their follow-up, including crucial support for the inclusion of the goal of decent work for all into the UN Summit Outcome document in September 2005 and the final conclusions of the G8 Summit, as well as in the conclusions of the European Council in December 2007.

The EC co-funded the ILO Maritime Conference in 2006 and subsequently played a leading role in the adoption of the Maritime Labour Convention, 2006, in June 2008, the EU social partners in the maritime transport sector signed an EU framework agreement incorporating large parts of the new ILO Convention and the EC has presented a Directive to the Council with a view to implementing this social partners' agreement.

Two conferences on decent work were also organized by the EC in December 2006 and January 2008. In addition to their political importance, these events significantly enhanced the visibility of ILO decent work policies and strategies and the convergence and cooperation between the ILO and the EU on these issues.

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<sup>3</sup> The Communication was endorsed by the Council of Ministers (2006), the European Council (2007), the European Parliament (2007) and the European Economic and Social Committee (2007).

## **2. Activities and outcomes**

Many elements of a common vision for Europe and Central Asia are shared by ILO constituents across the region. These include growth and competitiveness, more and better jobs and social cohesion, equality and fairness, and respect for fundamental principles and rights at work. ILO cooperation with member countries of the EU, the CIS and the Stability Pact, and with the European Commission, should serve to reinforce social and economic policies that offer new combinations of opportunity and protection, individual and collective responsibility, in key transitions of work and life. [Seventh European Regional Meeting, Budapest, 2005, Conclusions, paragraph 5.]

### **2.1. Focus areas determined by the Seventh European Regional Meeting**

Discussions at the Seventh European Regional Meeting, held in Budapest in 2005, focused on four thematic areas of the ILO's work: managing migration; youth employment; balancing flexibility, stability and security; and ageing, labour market participation and pension reform. The first part of the chapter covers the main activities and outcomes in these four areas. The second part of the chapter then focuses on all other activities and outcomes as they relate to the ILO's four strategic objectives.

#### **2.1.1. Starting right: Youth employment**

A broad-based quality education is a basic foundation for working life. In many countries of the region, the transition from school to work is difficult for young people. An integrated approach to entry into employment is recommended, combining supportive macroeconomic policy and targeted measures aimed at addressing both demand and supply and quantity and quality dimensions of youth employment. A lasting integration in the labour market should also be promoted. Apprenticeship schemes and other combinations of training and work can contribute significantly to employment prospects of young people. Governments, in consultation with the social partners, are specifically requested to address the needs of young workers in national employment strategies. The ILO should encourage exchange of experience on mechanisms for the assessment and recognition of previous experience and skills and prior learning. The partnership between the UN, World Bank and ILO in the Youth Employment Network is a welcome innovation. Countries are encouraged to join the Network. [Seventh European Regional Meeting, Budapest, 2005, Conclusions, paragraph 17.]

High rates of youth unemployment are a global phenomenon. In 2007, the number of unemployed young people in the world between the ages of 15 and 24 rose to 71 million, from 62 million in 1997. Youth unemployment rates generally declined slightly across the region, although in some cases there were significant variations between countries. In Central and South-Eastern Europe (non-EU) and the CIS countries, where 38 per cent of the population is under 25, the youth unemployment rate was 18 per cent (ILO, 2008b). In those countries, the rate of unemployment for young people was two and a half times the rate for adults, with young women facing a slightly higher risk of unemployment than young men in many countries. It should be noted that unemployment rates are also affected by higher rates of school attendance and lower levels of engagement in the informal economy, compared to other regions.

In addition to difficulties in finding work, young people face a scarcity of decent employment. They are often over-represented in work that is underpaid, involuntarily part

time or casual, mainly with temporary contracts or no contract at all. These types of jobs are frequently combined with lower or even no coverage by social security and other benefits.

At the institutional level, progress is often hampered by a lack of long-term commitment to implement youth employment policies. In most countries, youth employment is tackled through programmes that are of limited scope and duration. These actions are usually confined within the ministries responsible for labour, education and youth affairs, with little coordination across ministries or engagement of ministries in charge of other economic and social policies.

In giving effect to the conclusions of the Seventh European Regional Meeting, the ILO's work on youth employment emphasized the three main pillars of the Youth Employment Programme: assisting governments and social partners in the development of integrated youth employment policies and programmes; expanding the knowledge base; and advocating decent and productive work for youth. These correspond to the main components of the resolution concerning youth employment (ILO, 2005a), adopted by the International Labour Conference in 2005.

### ***Policies and programmes for youth employment***

Strategies and policies for youth employment are most effective when linked to broader national employment initiatives. ILO assistance to governments and the social partners supported the elaboration of policies, action plans and programmes to foster youth employment and to incorporate these issues into national policy frameworks. Policy development work included:

- Providing inputs for national employment policies, strategies and action plans that contained specific measures for young people. These were adopted in Albania, Azerbaijan, Kazakhstan, Kyrgyzstan, Republic of Moldova, Montenegro, Serbia and The former Yugoslav Republic of Macedonia.
- Assistance for the development of specific youth employment policies that assigned national priority to youth employment. The policies addressed both quality and quantity of employment, as well as labour supply and demand. Plans were developed in Albania, Azerbaijan and Serbia, as well as in Kosovo.<sup>2</sup> The policies/plans are linked to development plans and employment strategies, span a wide spectrum of economic and social policies, and involve several ministries and the social partners.

Technical support was also provided for the development of broad programmes on youth employment, including active labour market policies and programmes (ALMPs). The adoption of a comprehensive package of ALMPs – spanning measures such as career guidance, labour market training, job placement schemes and self-employment – can greatly facilitate the entry of young people into the labour market and can successfully target disadvantaged young people. As part of an Italian-funded project (2001–08), assistance was provided in Kosovo<sup>2</sup> for the development and pilot testing of gender-sensitive active labour market policies designed to enhance the employability and employment opportunities of disadvantaged young people. A youth employment policy and mid-term strategic framework were also adopted. In the ALMP pilot initiatives, 46 per cent of targeted beneficiaries were employed after six months, mainly in partner enterprises. Results for the self-employment and vocational education and training components were more mixed, with self-employment opportunities being affected by limited access to micro-credit and business support services that are affordable for young people. The public employment service played a key role in the programme, and received training to address youth at risk and monitor and evaluate the effectiveness of youth employment measures. Work is now continuing through a number of programmes implemented by UNDP (with

ILO assistance) and further funding is expected in the coming months from the Government of Spain through the MDG Achievement Fund. The process of designing active labour market policies for disadvantaged young people is also beginning in Albania and Serbia.

New approaches were piloted, such as in Bulgaria, where social pacts were developed and used in two regions. The French-funded project brought together both public and private sector actors to develop strategies and partnerships to address employment for socially excluded young people, such as Roma. After programme participation, more than 70 per cent of young people had found decent jobs. All these programmes have taken into consideration the influence of gender and age on the situation of young women and men in the labour market.

The abovementioned technical assistance has contributed to changes in policies and institutions affecting youth employment through tripartite participation in the formulation and implementation of both policies and programmes.

### **Box 2.1 Tripartite initiatives for youth employment**

A special allocation of the Programme and Budget for 2006–07 allowed for several tripartite initiatives to be conducted in the region. In Central Asia, Eastern Europe and the Caucasus, a more formal coordination and knowledge-sharing process took place through the first subregional tripartite workshop on youth employment, held in Kyrgyzstan in May 2006. Tripartite delegations from seven countries in the subregion attended and adopted formal recommendations to guide subregional work in the field of youth employment. A follow-up subregional workshop to review progress took place at ITC–ILO in September 2007, with the participation of tripartite delegations from eight countries. The key recommendations included bringing the national situation analyses and research work to the subregional level, and establishing a subregional resource platform for continued work on skills training to support national-level interventions. The requested subregional training and resource platform is now under preparation.

In South-Eastern Europe, funding was used to organize, in collaboration with the Ministry of Labour, Family and Social Affairs of Slovenia, a regional tripartite event that discussed the youth employment challenge. The Subregional Tripartite Meeting of Experts on Decent Employment for Young People, held in December 2007 in Slovenia, discussed policies and strategies to promote more and better jobs for young people. The conclusions adopted at the Meeting constitute a blueprint for tripartite action on youth employment in the region. They call for an integrated approach to youth employment, including the development of youth employment action plans and the sharing of information on youth employment practices, including on training policies for skills development. This meeting helped to prepare for the Informal Ministerial Meeting held at the International Labour Conference in June 2008, which examined the theme of “The transitions of young people to decent work in the Western Balkans”.

### ***Expanding the knowledge base***

Data collection and the analysis of youth employment trends provide a better understanding of the multifaceted dimensions of the youth employment challenge and enable constituents to make policy decisions based on accurate and up to date information. Work to expand the knowledge base on youth employment focused on the analysis of the youth labour market and the development and introduction of tools and training material that supported the development and adoption of policies and programmes. For example,

in 2007–08 the ILO conducted an analysis of the youth labour market in 11 countries.<sup>4</sup> The analysis reviewed the main indicators of the youth labour market, the policies and programmes affecting youth employment and the institutional framework governing the youth labour market. It highlighted policy options to improve the situation of young people in the labour market.

Various ILO tools were developed and used to promote youth employment, including the *Guide for the preparation of national action plans on youth employment* (Rosas and Rossignotti, 2008), which has been used for the development of national action plans on youth employment. Similarly, school-to-work transition surveys were undertaken by the ILO to develop youth employment policies and programmes in Azerbaijan and Kyrgyzstan, as well as in Kosovo.<sup>2</sup>

The introduction of training packages to promote youth employment continued in several countries. New guides were developed on job search skills for young people, entrepreneurship and self-employment, financial education and rights at work. Know About Business (KAB) modules were launched in Azerbaijan and Kyrgyzstan and Start and Improve Your Business (SIYB) materials, adapted for young people, in Armenia, Azerbaijan, Georgia and Russian Federation. In Kyrgyzstan, KAB training is now an obligatory course component in 40 vocational schools. The sustainability of these initiatives was improved through the training of trainers and/or vocational school teachers in Armenia, Azerbaijan, Georgia, Kyrgyzstan and Russian Federation. The training included the development and use of Modules of Employable Skills (MES) to help vocational education and training institutions adapt their programmes to reflect labour market needs more effectively and reduce skills mismatches. In a number of countries, the ILO worked with vocational training institutions, employment services, and employers' and workers' organizations to improve their capacity to deliver training on youth employment promotion through the training of trainers and the introduction of training packages, for facilitators and users, on self-employment and job search skills for young people (e.g. Albania, Republic of Moldova and Serbia). The gender dimension is strongly represented in all of the abovementioned packages by ensuring that the materials are gender-sensitive.

### ***Advocating for decent and productive work for youth***

Tackling the youth employment challenge also involves advocating for decent and productive work for youth by mobilizing partnerships at the national and international levels. Advocacy and awareness-raising initiatives were undertaken, often through the discussion of youth employment policy issues in various international forums. This led to the adoption of conclusions in support of youth employment at an international conference organized jointly by the World Bank and the ILO: “Young people in Eastern Europe and Central Asia: From policy to action” (Rome, Italy, 2007), at the Third Conference of Employment Ministers of South-Eastern Europe (Budva, Montenegro, 2007) and at the Subregional Tripartite Meeting of Experts on Decent Employment for Young People (Ljubljana, Slovenia, 2007). The ILO continued to play an active role in the Youth Employment Network (YEN), in which Azerbaijan, Georgia and Turkey participate.

In Central and Eastern Europe, decent work for young people was also promoted through advocacy events to pilot initiatives for the campaign on decent work for youth. The campaign is part of the ILO plan of action based on the 2005 resolution concerning youth employment, mentioned above.

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<sup>4</sup> Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Montenegro, Republic of Moldova, Romania, Serbia, Slovenia, The former Yugoslav Republic of Macedonia and Ukraine. The activities were also conducted in Kosovo.<sup>2</sup>

### **2.1.2. *Balancing flexibility and security***

Enterprises face enhanced competition as a result of globalization and adaptation to rapidly changing markets. A policy of flexibility and security for enterprises and for workers by providing new training opportunities to improve employability, job search assistance, income support and social protection has worked well in some countries. Critical elements in balancing flexibility with security are tripartite social dialogue in the framework of broader national macroeconomic strategies, collective bargaining and respect for labour legislation. The ILO is encouraged to pursue tripartite consultations on flexibility and security and facilitate the exchange of good practices, recognizing that any approach must be context-specific. [Seventh European Regional Meeting, Budapest, 2005, Conclusions, paragraph 18.]

In EU countries, increasing emphasis has been placed on flexicurity as a means of improving competitiveness while still maintaining common European values and principles. In the countries of South-Eastern and Eastern Europe and Central Asia, it is also becoming increasingly important to strike a balance between flexibility and security for employers and workers.

Economic and social reforms launched since the beginning of the 1990s have been directed towards facilitating the adjustment of enterprises to new economic challenges and have led to significant labour market deregulation. At the same time, labour market institutions have been established or restructured to provide redundant workers with income support during unemployment and assistance with re-employment and access to training. The liberalization of labour legislation, as well as the extension of flexible forms of employment and a high incidence of informal labour, have all contributed to the flexibilization of the labour markets. In conjunction with this, the fall in union membership and declining collective bargaining coverage are further decreasing workers' job security.

There is therefore a need to increase the security of workers to remain in employment, by improving and updating their competencies and skills, assisting them in redeployment within the enterprise or, if this is not possible, mediating their new job placement outside the enterprise. It is also necessary to promote the employment of vulnerable groups of workers through appropriate and effective active labour market programmes and to prevent their fall into poverty through time-bound unemployment benefits/assistance.

There is no "one size fits all" model of flexicurity. Both analytical and policy knowledge, as well as strong social dialogue, are required for any in-depth discussion and agreement on the combination of flexibility and security policies best suited to a specific national context. Through funding from the ILO's 2000–01 surplus, five country reports (Beleva et al., 2005; Crnković-Pozaić, 2005; Gruževskis and Blažiene, 2005; Grotkowska et al., 2005; Köllő and Nacsa, 2005), one local report (Grotkowska et al., 2006) and two regional comparative studies (Tonin, 2006 and Cornelißen, 2007) were produced and published. The policy recommendations presented in these reports have been discussed in national tripartite seminars and integrated into national employment action plans in such countries as Bulgaria, Croatia, Hungary, Lithuania and Poland.

Several training seminars were organized for trade unions on the implementation of flexicurity at the national and regional levels. The ILO also organized an informal ministerial meeting in 2006 on flexicurity in the Western Balkans and presented its findings and policy conclusions in support of the flexicurity approach in a number of conferences organized by other international organizations (EU, Council of Europe) and universities. Discussion of the ILO's flexicurity studies at the subregional tripartite seminar in Budapest on balancing flexibility and security in the labour markets of Central and South-Eastern European countries, held in May 2006, allowed constituents to reach agreement on desired policy directions and make commitments to further action.

The ILO also published a book on the relevance of the flexicurity approach in Central and Eastern Europe, which contains comparative studies on flexicurity and wage flexibility in the region, and five country studies on Bulgaria, Croatia, Hungary, Poland and Lithuania (Cazes and Nešporová, 2007). A background paper on new patterns of employment and employment policy (Sengenberger, 2006) was also prepared for a subregional conference for South-Eastern Europe on globalization and employment, which was held in Turkey in September 2006.

The research and discussions have resulted in flexicurity being placed higher on the region's agenda and increased awareness of the flexicurity approach. There is growing discussion in the region of flexicurity as a relevant policy option and new requests for ILO policy advice and technical assistance in this area. The recent enlargement of the EU has increased synergies between national labour market and social policies and the European Employment Strategy, and has enhanced cooperation with the EC and other international organizations. While flexicurity has achieved some success at the policy level, more has to be done to operationalize it in specific country contexts. The discussions on flexicurity need to be expanded to new countries and it is still necessary to strengthen some of the fundamental components of flexicurity, such as collective bargaining, employment services and income support, training and skills upgrading, and other active labour market policies.

### **2.1.3. *Managing migration***

The growing importance of labour migration in the region is noted. The current bilateral, regional and international mechanisms appear insufficient to ensure management of labour migration which upholds the rights of legal migrants. The decision of the 92nd Session (2004) of the International Labour Conference requesting tripartite constituents "to develop a non-binding multilateral framework for a rights-based approach to labour migration which takes account of national labour market needs" is particularly pertinent to the countries of Europe and Central Asia. National policies for migrant workers, developed through tripartite consultations, should ensure equality of treatment, in line with relevant international labour standards. At the same time the ILO should facilitate the exchange of good practice in protecting the rights of migrants and in combating clandestine trafficking of women, men and children for labour, as well as combating illegal work and in fighting against racism, xenophobia and discrimination. [Seventh European Regional Meeting, Budapest, 2005, Conclusions, paragraph 19.]

Excluding movements between industrialized countries, Europe and Central Asia account for over one third of the world's total emigration and immigration (Mansoor and Quillin, 2007). According to recent ILO estimates, 32.2 million of the 64.1 million foreign-born people (most of whom are from other European countries) in Europe in 2005 were economically active (ILO, 2008c), most being adults of working age. Foreign-born workers represent 10 per cent or more of the workforces of most Western European countries and are increasingly important in Central Europe and the Russian Federation. Demand for foreign labour is increasing as many countries in the region are facing ageing populations and a declining workforce. While many migrants bring valued skills and fill gaps in the labour markets of receiving countries, the irregular status of some migrants prevents them from enjoying legal and social protection and can result in them working in hazardous conditions.

Following the Plan of Action adopted at the 92nd Session of the International Labour Conference, 2004, the ILO Multilateral Framework on Labour Migration and the conclusions of the Seventh European Regional Meeting, the Office has taken a comprehensive approach to supporting constituents' efforts to better regulate labour migration while ensuring decent work and protection. Through two EU-funded projects covering Armenia, Kazakhstan, Kyrgyzstan, Russian Federation, and Tajikistan, the ILO is assisting with the development of practical methods to assess labour market requirements

and develop policies and procedures for the regularization of migration and the harmonization of the respective policies. These projects emphasize the mobilization and capacity building of social partners. In Kazakhstan, a national migration policy was developed with ILO input.

Support was also provided for the development of migration policies and legislation, awareness-raising activities, the translation of ILO tools and instruments, and capacity building for constituents in the form of round tables, training and tripartite workshops in Albania, Republic of Moldova and Ukraine, through funding from Development Cooperation Ireland. Migration legislation was modified in Albania and a national action plan on the protection of migrant workers abroad was adopted in the Republic of Moldova, where the ILO provided technical comments for the draft law on labour migration recently approved by Parliament.

Several ratifications of the related Conventions were registered. Albania, Armenia, Republic of Moldova and Tajikistan ratified the ILO Migration for Employment Convention (Revised), 1949 (No. 97), and Albania, Armenia and Tajikistan ratified the Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143).

ILO work also supported EU Member States in combating discrimination in labour markets and integrating workers of foreign origin. Tool kits, motivational brochures, a handbook and a training methodology were produced for and with trade unions and employers. Worker and employer cooperation in this area was enhanced across EU Member States at the Dublin Social Partner Forum in December 2005 and at the ILO–INTI integration conference in Brussels in June 2006. National discrimination practice testing was conducted in France and Sweden at government request, and discussions are under way to do the same in Portugal. A compendium of more than 160 good practices has been made available online.

A relatively new area covered by the ILO is the use of migrant remittances, which account, indirectly, for a large proportion of the GDP in several of the region's sending countries. While remittances represent significant capital flows, they are rarely saved in financial institutions and there are few mechanisms to formally channel them for use in economic and social development. In the Republic of Moldova, the ILO assisted in the development of a national programme and action plan on remittances and made recommendations to improve services provided by financial institutions. Initiatives were conducted to improve the information given to migrant workers and their families on the

### **Box 2.2 Trade unions assisting migrant workers in the Russian Federation and Tajikistan**

The Russian Federation is the main receiving country for the majority of Tajikistan's migrant workers, many of whom work in the construction industry, which is often highly unregulated. Within the framework of a project on trafficking and forced labour, the unions of construction workers in the Russian Federation and Tajikistan have joined forces to protect the rights of migrant workers. The measures they have taken include developing their own strategies and policies, improving their capacity to recruit members among migrant workers and raising the awareness of trade union leaders and activists. They have also developed a joint programme and signed an agreement to provide protection to migrant union members on an equal basis with the local workforce. Three training centres have been established in Tajikistan and have provided information and pre-departure consultations to migrant workers. As of 2006, over 3,500 migrant workers had joined Russian trade unions.

use of their remittances. In cooperation with banks and savings/credit associations, a pilot project provided financial education to over 7,000 remittance recipients over a six-month period. In partnership with the International Organization for Migration (IOM), support was provided in Albania for the formulation and adoption of a National Action Programme on Remittances.

The ILO has contributed to the efforts of the Council of Europe and the EU to develop common policy recommendations for “economic migration”, including preparing the thematic report for the Council of Europe’s Eighth Conference of European Ministers Responsible for Migration (Kyiv, 2008). In cooperation with the Organization for Security and Cooperation in Europe (OSCE) and the IOM, the ILO prepared two pioneering and comprehensive labour migration handbooks for policy-makers addressing CIS (OSCE et al., 2006) and Mediterranean countries (OSCE et al., 2007), respectively.

### ***Combating trafficking in human beings***

Since the early 1990s, there has been a rapid increase in the number of people trafficked for the purpose of forced labour and sexual exploitation. Trafficking in human beings is fuelled by irregular and unprotected labour migration flows, poverty, high unemployment, gender discrimination and corruption. Of the estimated 360,000 forced labour victims in industrialized countries (including Western Europe), the ILO estimates that some 270,000 were trafficked (Belser et al., 2005).

Trafficked persons are among the most vulnerable migrant workers. They are generally poorer, have a lower socio-economic status and are unaware of their rights and existing legal opportunities for employment abroad. Victims of trafficking for the purpose of forced labour are often induced to leave their home countries through false promises of employment, only to find themselves in slave-like conditions when they arrive in their new country. Current evidence suggests that women and children make up the majority of victims of trafficking and tend to be more vulnerable to abusive practices than men. According to ILO estimates, women and girls constitute the majority of the 43 per cent of all trafficking victims who end up in commercial sexual exploitation (ILO, 2005b), while children may be used for various purposes including begging, street vending or prostitution. A significant number of trafficking cases also affect male migrant workers who become trapped in situations of forced labour.

The ILO has been active in addressing the labour dimensions of human trafficking in the region, based on a collaborative approach involving government institutions, employers’ and workers’ organizations and other stakeholders. Activities have been spearheaded by the ILO’s Special Action Programme to Combat Forced Labour (SAP-FL) that initiated seven technical cooperation projects funded by the EU, the Government of Ireland, Netherlands, United Kingdom and the United Nations Trust Fund for Human Security in 14 countries across the region.

Three interrelated projects on the progressive elimination of trafficking covered source, transit and destination countries, including Republic of Moldova, Poland, Portugal, Romania, Russian Federation and Ukraine. Raising the awareness and building the capacity of the social partners were important components of these projects, together with the participation of employers’ and workers’ organizations in anti-trafficking strategies, training workshops and national and regional seminars. Policy frameworks have been strengthened, such as through the adoption, with the involvement of the social partners, of new national action plans against human trafficking in the Republic of Moldova and the Ukraine. Both plans contain clear indicators and objectives regarding labour-market-based measures to prevent trafficking and reintegrate victims of trafficking. The assistance

provided also contributed indirectly to draft revisions of penal codes in Poland, Portugal and Romania, and to the adoption of a new immigration law in Portugal. Research studies documenting forced labour cases were published in source and destination countries, and statistics on trafficking were improved in the Republic of Moldova.

A regional project was launched in Armenia, Georgia and Azerbaijan in 2007 to strengthen the participation of labour ministries and social partners in national responses to human trafficking. The project has led to the first concrete activities initiated by employers' and workers' organizations to raise the awareness of their members regarding this issue. National action plans are now being reviewed with national partners to better address the labour dimensions of trafficking.

In Albania, Republic of Moldova and Ukraine, women victims of trafficking are being offered vocational training and access to microcredit opportunities. While the first phase of the project did not meet its targets in terms of number of women trained, 3,855 women have subsequently benefited either directly from the project or indirectly through the national public employment service from vocational training or other employment-related services. The regulation and monitoring of private employment agencies has been prioritized in each of the countries and has catalysed the development of related associations and codes of conduct. A project to help migrants and potential victims of trafficking (both men and women) gain access to microcredit, vocational and other training is also under way in the Rasht Valley in Tajikistan. Numerous training sessions on combating trafficking were conducted for judges and prosecutors, a study was completed on private employment agencies and two round tables promoting safe migration were held.

As global concern has risen with regard to trafficking in human beings, both international and regional development banks have started to address the issue. Following the publication in 2005 (second edition published in 2006) of an ILO report on forced labour and irregular migration in the Russian Federation (Tyuryukanova, 2006), a joint project between the ILO and the European Bank for Reconstruction and Development (EBRD) is now being carried out in cooperation with the Co-ordinating Council of Employers' Unions of Russia and the Russian Union of Industrialists and Entrepreneurs. The aim of the project is to assess the awareness of employers in the construction industry of the exploitation of migrant workers and to stimulate self-regulation. A feasibility study has been conducted, and national stakeholders are now reviewing a draft industry code of conduct.

#### **2.1.4. Security in old age**

Increased life expectancy and other demographic changes and employment trends pose new challenges to pension systems in most countries of the region. Social dialogue concerning policy options for socially inclusive and sustainable pensions is essential. To assist in meeting these challenges, the ILO is requested to provide technical assistance to constituents in the region, as well as to facilitate the exchange of experience in the design and management of pension systems. [Seventh European Regional Meeting, Budapest, 2005, Conclusions, paragraph 20.]

Over the past 50 years, average life expectancy in the region has increased from 63 to 73 years, and is expected to reach 80 years by 2050 (UN, 2002). While Western European countries have the oldest populations, the populations that are ageing the most rapidly are in Central and Eastern European and CIS countries. It is anticipated that ageing populations will place significant strains on the financing of pension schemes, which in many countries have already been affected by radical reforms, financial and political turmoil and increased privatization.

Profound economic and social changes are fuelling the need to redesign pension benefit packages. Women have been particularly affected by these changes, often receiving lower benefits than men, based partly on shorter working lives and lower wages, the undervaluation of periods of absence from the labour market to care for children and the use of gender-specific life expectancy tables.

Much of the ILO's work in this area, through funding from France, focused on improving the governance of pension funds and increasing the capacity of workers' and employers' organizations to participate in their administration and in dialogue on pension reform. An important output of this work is the publication of a widely used guide for board members of social security institutions, which was developed in collaboration with the social partners (ILO, 2005c). The guide was used in Albania and the Republic of Moldova to train new board members of the Social Insurance Institute, and by the worker and employer members of the governing board of a pension scheme in Serbia. In Serbia, this resulted in more regular and transparent board meetings, the establishment of a free-of-charge telephone number for insured persons and the creation of an ombudsman's office. In collaboration with ITC-ILO in Turin, training was provided for workers' organizations in CIS countries and government experts from new EU member countries were familiarized with the ILO's social budget model.

Studies were prepared and seminars or workshops held in ten countries in South-Eastern Europe and seven countries in Central Europe. The exchange of experience on national pension reforms and other social security/assistance reforms had an important impact on national discussions of these reforms. In Bosnia and Herzegovina, ILO studies and national tripartite seminars contributed to the design of a pension reform proposal, while in Serbia they helped in the development of specific plans for the improvement of pension board administration.

Many of the possible approaches to pension issues, such as increasing the proportion of the population that is working and paying into pension schemes, extending working life and the reform of pension schemes, continue to be controversial. Further dialogue and discussion is required to ensure that any solutions that are adopted are based on broad consensus, include public education and awareness-raising initiatives and are considered to be in accordance with workers' rights.

## ***2.2. Continued promotion of the ILO's four strategic objectives***

This section reviews the work undertaken and the outcomes achieved as part of the follow-up to other conclusions of the Seventh European Regional Meeting, delivered in support of national and DWCP priorities.

### ***2.2.1. Fundamental principles and rights at work and international labour standards***

There is full commitment to ILO fundamental principles and rights at work concerning freedom of association and effective recognition of the right to collective bargaining, eradication of child labour and forced labour, and equal opportunity and treatment in employment and occupation. The Europe and Central Asia region is close to achieving the first universal ratification of all fundamental international labour standards. Member States that have not yet done so are encouraged to complete the ratification of the eight relevant instruments in good time for the tenth anniversary of the Declaration on Fundamental Principles and Rights at Work.

The full application of these instruments in law and practice across the Europe and Central Asia region and indeed worldwide is an essential dimension of a fair globalization. The ILO is requested to actively promote and assist with the full implementation of fundamental principles and rights at work and international labour standards worldwide. [Seventh European Regional Meeting, Budapest, 2005, Conclusions, paragraphs 21 and 22.]

Significant progress has been made by the countries of the region in meeting the objective of universal ratification of the eight fundamental Conventions. Over the past four years, the Forced Labour Convention, 1930 (No. 29), has been ratified by Latvia; the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), by Armenia; the Discrimination (Employment and Occupation) Convention, 1958 (No. 111), by Estonia; the Minimum Age Convention, 1973 (No. 138), by Armenia, Czech Republic, Estonia and Latvia; and the Worst Forms of Child Labour Convention, 1999 (No. 182), by Armenia, Israel, Latvia, Tajikistan and Uzbekistan. This brings to 49 the number of States in the region that have ratified all of the fundamental Conventions, compared with 42 at the time of the Budapest Meeting. Only two member States have not ratified all of the fundamental Conventions: Uzbekistan has not ratified one of the Conventions on freedom of association and is in the process of ratifying its second Convention on child labour, while Turkmenistan has not yet ratified the two child labour Conventions.

Further to the ILO's campaign for the universal ratification of the fundamental Conventions, emphasis has also been placed on promoting the ratification of the ILO's four "priority" Conventions covering labour inspection, employment policy and tripartite consultations (Conventions Nos 81, 122, 129 and 144). There have been a further 14 ratifications of these Conventions since 1 January 2005, resulting in a total of 24 member States in the region that have ratified all four priority Conventions. For other Conventions, there were 159 ratifications during the reporting period (January 2005 – August 2008). Support for the ratification and application of ILO Conventions was expressed in an EC communication (May 2006), in the conclusions of the EU Council of Ministers (December 2006) and in the renewed EU Social Agenda (July 2008).

### ***2.2.1.1. Application of international labour standards***

Many problems continue to plague the application of ratified international labour standards, including fundamental principles and rights at work in the region, as evidenced by reports of the Committee of Experts on the Application of Conventions and Recommendations and conclusions of ILO standards supervisory bodies. [Seventh European Regional Meeting, Budapest, 2005, Conclusions, paragraph 23.]

While the ratification of Conventions is an important step, their application in practice requires constant effort by constituents, along with ILO support. This includes ongoing dialogue with the ILO supervisory system to identify problems of application, promote discussion among constituents and direct assistance towards the problems that have arisen. In this respect, it is encouraging that the Committee of Experts has been able to note with satisfaction, in 71 cases between 2005 and 2007, the progress made by countries in the region in giving better effect to ratified Conventions. The Committee has also "noted with interest" approximately 500 proposed or adopted measures.

#### ***Meeting reporting obligations***

Member States are encouraged to submit timely and complete reports on ratified instruments. The ILO is called upon to promote dialogue within and across countries in the region in order to exchange good practices in overcoming problems of application. [Seventh European Regional Meeting, Budapest, 2005, Conclusions, paragraph 23.]

The ILO's supervisory machinery relies in large part on the reports on ratified Conventions that governments have to submit periodically and on input from employers'

and workers' organizations, both to prepare periodic reports and to draw attention to specific problems of application at the national level. While this process functions effectively in the majority of countries in the region, in certain cases reporting is still inadequate, erratic or even non-existent, and there is only limited involvement of employers' and workers' organizations. This situation is hindering the functioning of the supervisory system, which then cannot effectively carry out its supervision of the implementation of international labour standards by member States. The failure to submit reports to the ILO occurs for many reasons, including the weak capacity and limited resources of Ministries of Labour, which have the primary responsibility for the preparation of reports and liaising with employers' and workers' organizations to obtain their report contribution.

In response to calls by the supervisory bodies, including the Conference Committee on the Application of Standards, increased emphasis was placed on the provision of advice and training on international labour standards-related reporting procedures, particularly in Albania, Armenia, Bosnia and Herzegovina, Montenegro, Serbia and The former Yugoslav Republic of Macedonia. In all these countries the ILO provided intensive technical assistance in 2006 and 2007 to build their capacity to address the backlog in the reporting system. Officials from different government institutions and representatives of the social partners received technical advice and training, in some cases through ITC-ILO, on international labour standards, reporting and submissions procedures. As a result, most of these countries have improved their record on reporting on ratified Conventions. For instance:

- In Bosnia and Herzegovina, a working group established with the help of the ILO prepared and submitted reports on 28 ratified Conventions, one non-ratified Convention and one Recommendation.
- Following an ILO technical advisory visit, Serbia prepared and submitted 16 reports in the autumn of 2007. For the first time, the comments of employers' and workers' organizations were submitted together with the reports.
- In The former Yugoslav Republic of Macedonia, ILO technical assistance contributed to the submission, in the autumn of 2006, of the first four reports ever submitted by this country, on the Forced Labour Convention, 1930 (No. 29), the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), the Right to Organise and Collective Bargaining Convention, 1949 (No. 98), and the Abolition of Forced Labour Convention, 1957 (No. 105). Two additional reports were submitted in the autumn of 2007.

Turkmenistan received similar assistance but has yet to submit first reports due since 1999. The ILO is investigating the possibility of providing further technical assistance to strengthen the reporting capacity of the various government structures and social partners in the countries covered by the Budapest Subregional Office.

### **2.2.1.2. Child labour**

While child labour rates are lower in the region than in many other areas of the world, increasing income disparities linked to poverty in certain countries have resulted in a growing number of street children who are at great risk of the worst forms of child labour. In rural areas, children may be engaged in hazardous forms of work in agriculture, especially at peak times. For instance, in some regions of the Central Asian countries, schools continue to be closed during the cotton harvest. Children are required to pick cotton in fields that are distant from their homes and where they lack clean water and living conditions and are exposed to hazardous chemicals. As indicated in the section on migration, the trafficking of children for sexual exploitation and, increasingly, for labour exploitation, is also a growing concern.

With a further 12 ratifications since 2004, the ILO's two fundamental Conventions on child labour (Conventions Nos 138 and 182) have now been ratified by all but two countries in the region (see appendix, table 1). Nevertheless, child labour can still be a controversial and politically sensitive issue, and not all the countries concerned are willing to acknowledge its existence publicly.

The ILO's technical assistance and cooperation in this area was mainly carried out through its International Programme on the Elimination of Child Labour (IPEC), which has conducted programmes (not including the projects on child trafficking) in Albania, Bulgaria, Kazakhstan, Kyrgyzstan, Republic of Moldova, Romania, Russian Federation, Tajikistan, Turkey, Ukraine and Uzbekistan, as well as in Kosovo.<sup>2</sup> Assistance included: "upstream" interventions to help establish policies and institutionalize mechanisms to combat child labour; enhancing institutional capacity through the training of civil servants and social partners; studies to improve available data on child labour for planning and policy dialogue; follow-up studies; advocacy and awareness raising; direct action and regular monitoring to prevent and withdraw children from hazardous work and provide services to children withdrawn from child labour; and action programmes to address the specific needs of girls working in the informal urban sector (St. Petersburg) and street children (Albania, Bulgaria, Republic of Moldova, Romania and Ukraine, as well as in Kosovo<sup>2</sup>).

These and other actions contributed to the following:

- The inclusion of child labour issues in national legislation and strategies in Albania, Bulgaria, Kazakhstan (new Labour Code), Republic of Moldova, Romania and Ukraine, and to policy measures to combat the sexual exploitation of girls (in three districts in St. Petersburg, Russian Federation).
- The establishment of steering committees and child labour cells/units to act as coordination bodies on child labour issues, and the formation of multidisciplinary teams and local action committees to provide guidance and services to children withdrawn from hazardous occupations (Albania, Bulgaria, Republic of Moldova, Romania and Ukraine, as well as in Kosovo<sup>2</sup>).
- The adoption of a new national programme to combat child labour in Kyrgyzstan, and in Albania, of a new law against child abuse, which includes trafficking and child labour.
- Local authorities in a number of rural districts in Kyrgyzstan issuing a decree that bans the use of children in cotton fields.
- In the Russian Federation (St. Petersburg), the provision of direct services, such as formal and non-formal education, to over 12,000 children, and indirect services, such as vocational or skills training, to nearly 90,000 families.
- Strengthening the capacities of governments, institutions, social partners and non-governmental organizations to develop and implement policies, programmes and other initiatives for the prevention, withdrawal and rehabilitation of children engaged in the worst forms of child labour.
- The use of child labour monitoring systems in Albania, Bulgaria, Republic of Moldova, Romania, Turkey and Ukraine, as well as in Kosovo,<sup>2</sup> including their integration in policies (Bulgaria, Ukraine), the establishment of a national referral system for assistance and protection of victims of trafficking (Republic of Moldova), and the establishment of national child labour units within the ministries of labour (Albania, Bulgaria and Romania) and labour inspectorates (the Republic of Moldova and the Ukraine).

- The adoption of a tripartite collective convention against the worst forms of child labour and a list of hazardous occupations in the Republic of Moldova.
- Awareness raising and improved data availability in Kazakhstan, Kyrgyzstan, Tajikistan, Turkey and Uzbekistan, including child labour surveys, rapid assessment studies and school-to-work transition surveys.
- The sharing of knowledge, experiences and best practices among the countries in Central and Eastern Europe and Central Asia in respect of addressing the worst forms of child labour.
- The withdrawal of children from exploitative work or the prevention of such exploitation in Albania, Bulgaria, Republic of Moldova, Romania, Turkey (see box 2.3), Russian Federation and Ukraine, as well as in Kosovo.<sup>2</sup>

### **Box 2.3 Towards the elimination of child labour in Turkey**

In response to commitments made by the Government of Turkey to eliminate the worst forms of child labour, the ILO supported the implementation of its national time-bound policy programme framework for the elimination of child labour through two projects funded by the United States Department of Labor (USDOL) (2004–07) and the EU (2006–07).

Both projects addressed the main causes of child labour and provided direct assistance to targeted children and families. Some 20,000 children in the USDOL-funded project and 5,000 children in the EU-funded project were either withdrawn or prevented from work in seasonal commercial agriculture, street trade and furniture manufacturing and were placed in educational or rehabilitation programmes. Children in 20 provinces received services, such as counselling, medical screening and treatment, complementary courses, literacy and after-school classes. Social support centres were established and have continued operating after the phasing out of ILO support.

In addition to providing support for national policies and strategies related to child labour, replicable models were developed to link micro-level activities to macro-level policy-making to ensure regular information gathering and the dissemination of data, experience and lessons learned to both local and national authorities.

The results of the most recent child labour survey, conducted in Turkey in 2006, show that the incidence of child labour is continuing to fall. In the 6–17 age group, 5.9 per cent of children are engaged in some form of labour, compared to 15.2 per cent in 1994 and 10.3 per cent in 1999. For the 6–14 age group, figures have dropped to 2.6 per cent from 5.1 per cent in 1999.

According to statistics gathered through technical cooperation projects and other ILO work in the region, it is estimated that between 2004 and 2007 the ILO contributed to the removal of nearly 50,000 children from child labour or the prevention of their exploitation.

Trade unions have been actively involved in actions to eliminate child labour. The national trade union federation in Kazakhstan implemented a seven-month action programme to build the capacity of trade unions to address child labour, while in Uzbekistan the Trade Union of Agricultural Workers and the Association of Farmers (employers' organization) trained 500 farmers in 13 rural provinces on child labour and OSH issues. Trade unions took the leading role in drafting the tripartite collective convention against the worst forms of child labour in the Republic of Moldova and explicitly addressed child labour in Albania through a collective agreement between the education trade unions and the Albanian Ministry of Education and Science.

Through a Norway-funded project covering Azerbaijan, Republic of Moldova and Georgia, the ILO worked with employers' organizations to address child labour in the agricultural sector. In the Republic of Moldova, this led the Council of the National Federation of Employers in Agriculture and the Food Industry to draft and endorse a code of conduct for the elimination of the worst forms of child labour (see box 2.8).

There are close links between trafficking and child labour. Global ILO estimates of child labour indicate that as many as 1.2 million victims of trafficking worldwide are under 18 years of age (ILO, 2008d), with women and girls making up the overwhelming majority of those trafficked for the purpose of sexual exploitation.

Much of the ILO's work related to the trafficking of children in the region has been undertaken through two projects funded by the United States Department of Labor (USDOL), with additional funding from Germany, to improve policies and legislation and establish mechanisms to assist children in Albania, Bulgaria, Republic of Moldova, Romania and Ukraine, as well as in Kosovo.<sup>2</sup> The projects have had a strong impact on national legal and policy frameworks and the implementation of child labour monitoring systems. For example, the ILO contributed to the drafting of national legislation and a plan to protect children in Bulgaria, to the establishment of a unit to prevent child trafficking in Kosovo<sup>2</sup> and to the institutionalization of a child labour unit in the Republic of Moldova. Since the beginning of the projects in 2003, 1,837 children have been withdrawn from trafficking and 7,053 children have been prevented from falling victim to traffickers. Many have received direct services through youth centres and other means supported through the project.

The environment for implementation remains highly challenging. The identification of children in exploitative situations is often sporadic and particularly difficult in the informal sector, which is out of the reach of labour inspection. The sustainability of interventions and services is also important, particularly as children need a stable environment in which trust can be built over time. While experience in this area shows that the ILO's comprehensive approach has been successful, there are also opportunities for a more diversified approach, greater use of the media and the development of more effective models for closer work with parents and employers.

Given the cross-cutting nature of ILO work, certain areas of work can be listed under more than one category. In Europe, forced labour primarily affects migrant workers trafficked to various destinations. ILO activities have therefore been described under the "Managing migration" section of this Report.

### **2.2.1.3. Promotion of equality**

Discrimination in access to employment and in occupation, whether based on gender, ethnic origin, political or religious beliefs and other forms of discrimination, including age, disability and sexual orientation, remains a problem in the region. The commitment to principles of non-discrimination is strongly reaffirmed. The principle of equal pay for work of equal value between women and men must be upheld. The ILO is encouraged to monitor closely discrimination in labour markets, and facilitate the exchange of good experience in promoting equality and rights at work, in particular through the application of ILO instruments. [Seventh European Regional Meeting, Budapest, 2005, Conclusions, paragraph 29.]

While some technical cooperation projects and assistance activities were focused directly on discrimination, in many cases the needs of marginalized or disadvantaged groups have been incorporated as components of projects focusing on specific elements of the Decent Work Agenda, such as employment, social protection and the promotion of fundamental rights. This is the case in particular for gender-related issues, as the ILO's gender mainstreaming policy calls for the integration of the gender perspective in all

activities. Consequently, much of the work to promote equality and combat discrimination is covered in other sections of this Report. Examples include:

- advice and support for the inclusion of the principles of equality in legislation and policies, such as an amendment to an existing law in Poland on persons with disabilities;
- action to promote the equal participation of women in social dialogue processes, through training, awareness raising in trade unions and capacity building to enable women to represent their interests more effectively, in Armenia, Bosnia and Herzegovina, Georgia, Poland, Romania, Russian Federation, Serbia and The former Yugoslav Republic of Macedonia;
- the use of the ILO's gender audit methodology by the largest trade union in the Russian Federation to assess its effectiveness in addressing gender-specific issues and by national gender auditors to evaluate government ministries in Kyrgyzstan.

Research activities and knowledge sharing continued on the challenges of combating discrimination. For example, in France (Cediey and Foroni, 2007) and Sweden (Attström, 2007) awareness of the issues was raised through ILO studies measuring discrimination against immigrant workers and subsequent generations of children of immigrants (France) in access to employment. The ILO also contributed to seminars on various disability-related topics and organized the subregional conference "From Disability Benefits to Gainful Employment" in Bosnia and Herzegovina in 2005, at which it presented an ILO survey of disability employment policies in South-Eastern Europe (ILO, 2006).

A round table meeting was organized in Azerbaijan in October 2007 to consider with constituents the prospects for the ratification and application of the Workers with Family Responsibilities Convention, 1981 (No. 156). Ratification of the Convention has now been included in the action plan for the implementation of the National Employment Programme. Training on equality standards was also provided for judges in Albania and Bosnia and Herzegovina, and focused on helping judges to rely on international labour standards in their work and on strengthening the enforcement of anti-discrimination legislation.

In the context of a project financed by France to address social exclusion in Bulgaria, Hungary, Poland and Romania, assistance was provided both at the national and enterprise levels to raise awareness and develop policies on equal opportunities for disadvantaged groups, youth, people with disabilities and low-income women. The project contributed to amendments to existing legislation in respect of people with disabilities in Poland in order to facilitate their access to employment, and assisted with the formulation of plans by certain enterprises in Hungary to promote diversity and equal opportunities in the workplace. Training, studies, seminars and workshops helped to increase the involvement of affected groups in social dialogue. A project funded by the Czech Republic also began to assist in the development of active labour market policies for groups at risk of exclusion in the Republic of Moldova and to improve the implementation of gender-sensitive employment policies.

#### **2.2.1.4. Freedom of association**

Governments should facilitate the work of organizations of employers and of workers, strictly applying principles of freedom of association and voluntary membership, and refraining from interference that could restrict the right to freely join those organizations. Independence, democracy and representativity are essential for effective social dialogue. [Seventh European Regional Meeting, Budapest, 2005, Conclusions, paragraph 26.]

With the 2006 ratification by Armenia of the Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87), only Uzbekistan has not yet ratified

one of the two freedom of association Conventions in the region. Many of the activities carried out in the field of freedom of association, including collective bargaining, are included in the section of the Report on social dialogue. However, among the specific activities carried out in this area, in the context of a project in the Ukraine funded by the United States and Germany, assistance was provided for the drafting of a new version of the law on social dialogue, which was adopted in 2007.

A seminar on freedom of association was organized in the Russian Federation in 2005 and the Office was invited by the Federation of Independent Trade Unions of the Russian Federation to make presentations on freedom of association and the comments of the supervisory bodies at a seminar and workshop for trade union representatives from the region. In cooperation with employers' and workers' organizations, draft legislation on trade unions and collective bargaining has been elaborated by the Government of Turkey, and is to be submitted to the Parliament by the end of 2008, in order to achieve better compliance with ILO Conventions and EU norms. The ILO has also developed model collective agreements, which have been used extensively by the social partners when concluding collective agreements.

As part of the follow-up to the findings and comments of the ILO's supervisory bodies, the ILO was active in many countries. It made significant efforts to help Bosnia and Herzegovina overcome existing legal and administrative obstacles to the right to freedom of association. As a result, the Ministry of Justice prepared a draft law amending the Law on Associations and Foundations, which addressed ILO supervisory bodies' concerns. However, as yet there has been no progress regarding the registration of the Confederation of Trade Unions of Bosnia and Herzegovina requested by the ILO supervisory bodies. The ILO is also working with tripartite constituents in The former Yugoslav Republic of Macedonia to amend the Labour Relations Act, particularly with respect to the issue of representativity criteria for employers' and workers' organizations.

#### **Box 2.4 Following up on freedom of association: Concrete examples from Estonia and Greece**

Following the submission of a complaint to the Committee on Freedom of Association by the Confederation of Estonian Trade Unions (EAKL), a preliminary on-the-spot mission was carried out in September 2006 in response to a request from the Minister of Social Affairs. Technical assistance aimed to find suitable solutions to union concerns about the issue of worker representative consultation and information, as listed in the draft Employees' Trustees' Act. The Government made important alterations and subsequently adopted the Employees' Representatives Act of February 2007, which provided necessary safeguards to ensure that unions were not undermined by the existence of non-unionized worker representatives. As a result, the EAKL withdrew its complaint.

In the follow-up to a case against the Government of Greece, where a "civil mobilization order" (requisition of workers' services) of indefinite duration was used to put an end to a legal strike of seafarers on passenger and cargo vessels, the Committee on Freedom of Association noted with interest the measures taken by the Government to ensure that the requisition of personal services was possible only in a "sudden situation requiring the taking of immediate measures to face the country's defensive needs or a social emergency against any type of imminent natural disaster or emergency that might endanger the public health". Thus, the Government had taken measures to limit the application of Decree No. 17/1974 only to times of war. The Decree is the basis on which civil mobilization orders have allegedly been issued over the last 32 years in order to end strikes in various sectors.

Workers' organizations continued to face difficult circumstances in Belarus. In June 2008, the Conference Committee on the Application of Standards noted that the tripartite National Council on Labour and Social Issues had endorsed the principle that all further work on trade union legislation would be based on full compliance with the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98). It nevertheless observed that, while some recommendations had been addressed, these steps did not go to the heart of the issue, which had been clearly set out in the report of the Commission of Inquiry. The Committee highlighted the need for cooperation with the social partners to take place within a framework where there was no pressure on, or harassment of, trade union organizations and their members. The Committee welcomed the seminars planned, with ILO assistance, on anti-union discrimination and on the overall implementation of the Commission of Inquiry recommendations.

### **2.2.2. Employment promotion**

The importance of steering economic and social policy to a level as close as possible to full employment is acknowledged. In line with the ILO Global Employment Agenda, a range of policies is to be encouraged, including: sound monetary and fiscal policies; supportive environments for investment, trade and enterprise development, in particular small enterprises and cooperatives; high productivity supported by sound microeconomic practices of enterprises; incentives for innovation and cooperation among local institutions, including microfinance; strong support for initial training and lifelong learning; adequate labour market regulations; and social protection systems.

Varying trends in the region regarding investment, economic growth and employment call for different policy mixes. The ILO is encouraged to carry out, when a country so requests and following tripartite consensus, country analyses of the likely impact on decent work of trade, fiscal, monetary and labour market policies. Such analyses would contribute to the development of national, regional and global policies for decent work. The studies would be discussed in tripartite meetings and facilitate the exchange of experience among constituents in the region. [Seventh European Regional Meeting, Budapest, 2005, Conclusions, paragraphs 32 and 33.]

There continue to be broad disparities in employment trends both within and across the various subregions of Europe and Central Asia. Although many non-EU countries in the region experienced high levels of GDP growth, this did not correspond to the same level of employment growth in all countries. The steady increase in employment seen in many countries was also marked by a decrease in quality employment, as well as high rates of employment in the informal economy. In some cases, the labour market situation continues to be affected by high levels of out-migration, including brain drain, and a shrinking of the economically active population.

There is increasing awareness that certain groups, such as people with disabilities, women with family responsibilities, youth, older workers and marginalized groups (such as Roma) can face significant barriers in gaining equal access to labour market opportunities, and that a diversified approach needs to be adopted through employment policy and other measures to include such groups.

The distribution of employment between men and women also varied, although women generally had lower rates of employment than men. In many countries, the rate of employment for women is growing more rapidly than the rate of employment for men. However, this is not the case in Turkey, the Western Balkan countries, Kazakhstan and Kyrgyzstan, where employment rates for women remained unchanged or declined. The employment of young people also remained a serious problem in all countries in the region, as described earlier in the Report.

The assistance and support provided in the field of employment was guided by the goals of the Global Employment Agenda (GEA),<sup>5</sup> approved by the Governing Body in March 2003. The GEA's principal aim is to make employment central to economic and social policy. Its ten core elements constitute the policy framework for assisting governments and social partners in developing strategies and policies in this area according to the implementation strategy endorsed by the Committee on Employment and Social Policy of the Governing Body.<sup>6</sup>

### **2.2.2.1. Access to labour market information**

Timely and comprehensive statistical data and knowledge to support decent work policies are essential. The ILO is encouraged to develop its knowledge base and facilitate the exchange of knowledge, experience and good practices among constituents throughout the region. [Seventh European Regional Meeting, Budapest, 2005, Conclusions, paragraph 35.]

The availability of labour market information provides valuable insights into labour market conditions and employment trends that can inform analysis and the formulation of sound employment policies. In countries with weak labour market information systems, important information and analysis of the labour market situation may not be easily available to policy-makers, the social partners and the general public. Through the Labour Market Indicators Library (LMIL), the ILO is consolidating a network that will eventually include all the countries covered by the Budapest Subregional Office and will offer relevant products and technical assistance to increase access to up to date, reliable labour market indicators.

Support for the improvement of statistical data included technical assistance to improve surveys on: the informal economy in Kazakhstan and Republic of Moldova; migration in Armenia and Ukraine; and wages in The former Yugoslav Republic of Macedonia. A revised International Standard Classification of Occupations (ISCO-08) was adopted in 2008 and will be used by all European countries in their current statistical series, including the next population census, as part of ongoing efforts to produce comparable estimates of the labour market. The assistance supplied in relation to labour statistics has been provided in close collaboration with the Statistical Office of the European Communities (EUROSTAT).

### **2.2.2.2. Employment policy**

The development of employment policy is a process involving several components, including situation analysis, identification of the problems to be addressed, development of strategies and policies, and their eventual adoption, implementation and monitoring. The ILO provided extensive support for the development of national employment frameworks in several countries in Central Asia, the Caucasus and South-Eastern Europe. For example, in the Republic of Moldova, the ILO undertook a Country Review of the Employment Policy (CREP) and subsequent follow-up technical assistance programmes.

In the Caucasus and Central Asia, ILO assistance contributed to the adoption of a national employment strategy and action plan in Azerbaijan and a national employment policy and implementation plan in Kyrgyzstan, in line with the Global Employment Agenda. In Kazakhstan, a national employment programme for 2005–07 was adopted and made specific reference to the ILO's Global Employment Agenda; work is ongoing within the framework of a new draft national employment plan. The assistance provided helped

<sup>5</sup> GB.286/15.

<sup>6</sup> GB.286/ESP/1(Rev.).

to incorporate the concept of decent work in all these programmes and, in some cases, to establish sustainable cycles for the design of mid-term and operational plans.

In the context of the multi-year Bucharest Process launched in 2003 by the first South-East European Ministerial Conference of Employment, the ILO has provided strategic guidance and technical support, in collaboration with the Council of Europe and supported by the Government of Belgium, for regional cooperation to address employment challenges in Stability Pact countries. One of the main components of this process was the preparation of CREPs, which analyse and provide recommendations for improving employment policy and for the better functioning of labour market institutions. Over the past four years, the ILO provided technical assistance for the review of the employment policies of Albania, Bosnia and Herzegovina, Croatia, Republic of Moldova, Montenegro, Serbia and The former Yugoslav Republic of Macedonia. Regional cooperation, capacity building and tripartite participation were important facets of the CREP process. In addition to being reviewed by a permanent high-level committee composed of labour ministry directors of employment and the director-generals of the public employment services, the reports were discussed and adopted in national tripartite seminars in each country. Peer reviews of national employment policy were also conducted among the eight participating countries, supported by ILO training workshops. Because of their success during this process, the use of peer reviews is currently being considered in other regions. An ITC–ILO workshop on national employment and labour market policy strengthened capacity to properly address labour market challenges and develop action plans. CREPs have now been completed for all Stability Pact countries, with the exception of Bulgaria and Romania. Due to their advanced experience as accession countries and given that they became EU Member States in 2007, Bulgaria and Romania played a lead role in the Bucharest Process and actively engaged in peer reviews.

With the completion of the CREPs, the ILO is now helping countries to implement the recommendations set out in the reviews. During the reporting period, employment strategies and national action plans on employment were adopted in Albania, Croatia, Republic of Moldova, Montenegro, Serbia and The former Yugoslav Republic of Macedonia, based on the ILO's and Council of Europe's review of employment policy. This included:

- In Albania, support for the formulation of an employment promotion law and the implementation of the main policy recommendations of the CREP, which are now part of the strategy on employment and vocational training. An Italian-funded project is providing technical assistance for the reform of the national employment service;
- Support for the implementation of the employment strategy and national action plan on employment in Serbia, the formulation of an employment promotion law and technical assistance to improve access to employment for persons with disabilities.
- In the Republic of Moldova, technical assistance to operationalize the main recommendations of the CREP, through the development of a national employment strategy (2007–15). Through a Czech-funded project, the ILO also provided assistance to build national capacity to formulate annual national action plans on employment and to implement employment policy.

The promotion of equal opportunities between women and men was mainstreamed in the CREPs through a project that addressed members of the Permanent High-Level Committee and constituents during national workshops to introduce the gender dimension. The CREPs have also resulted in outcomes listed in other subsections of the employment section of this Report. A closely related project introduced gender mainstreaming approaches in the operations of the public employment service of Serbia (see section on labour administration and employment services).

The Bucharest Process attracted considerable political attention in South-Eastern Europe. The Second and Third Conferences of Employment Ministers of South-Eastern Europe were held in Sofia, Bulgaria, in 2005 and in Budva, Montenegro, in 2007. The “Sofia Conclusions” acknowledged the progress achieved and shaped further direction for cooperation and support on EU enlargement. The “Montenegro Conclusions” endorsed the achievements of the Bucharest Process and set out the commitment of South-Eastern European countries to continue and further expand regional cooperation, now fully in regional ownership through the Regional Cooperation Council, and to adopt an integrated approach to economic and social policy. The ILO also collaborated with the Government of Turkey on the organization of a high-level conference for 14 South-Eastern European countries in Istanbul in 2006, leading to the adoption of a Declaration calling for regional cooperation on employment policies and setting out the commitment to place employment and decent work at the centre of economic and social policies.

### **2.2.2.3. Skills development**

Skills development through vocational training and education is one important component of employment policy since it plays a significant role in enabling workers to adapt to changing labour market needs and in helping enterprises to find employees with relevant qualifications. Skills mismatches, when the work-related skills of the labour force do not match those required for the available jobs, make it difficult for first-time workers to enter the labour market and can result in other segments of the working population being left behind, even in periods of economic growth. Vocational education and training institutions, mechanisms to promote lifelong learning, structures for the accreditation of acquired competences and enterprise training for employees are among the means most commonly used to promote skills development. However, in many countries in Central and South-Eastern Europe and the CIS, there is a pressing need to upgrade vocational training systems and other skills-related mechanisms to provide quality training that is relevant to current market needs.

Modular training methodologies, through which flexible and cost-effective training can be designed to meet labour market requirements, continued to be an important component of the assistance provided in this area. Modular training methodologies were used in Azerbaijan, where the ILO and the UNDP provided technical assistance for the opening of a regional modular training centre. In late 2005, the ILO completed an eight-year project funded by Switzerland and the UNDP, to introduce flexible vocational training programmes for the unemployed in the Ukraine (see box 2.5). The promotion of competency-based and employment-oriented training methodologies is also part of the ILO technical assistance programmes in Albania, Republic of Moldova and Serbia.

In response to requests from constituents, the Moscow Subregional Office piloted several forms of training delivery adapted to specific national contexts. These included the internal use of modular skills training packages (including, for example, training packages for trade union accountants), direct delivery of training to small and medium-sized enterprises (SMEs) (for example, by the Georgian Employers’ Association) and the outsourcing of training. Groups of trainers, including teachers instructed in the use of modular skills training packages, were trained in Armenia, Azerbaijan, Georgia, Kyrgyzstan, Russian Federation and Uzbekistan. In Armenia, Azerbaijan, Georgia and Kyrgyzstan, groups of modular skills training developers have also been established to work on country-specific training packages in various priority professions. The ILO also participated in a working group that contributed to the reform of the vocational education and training system in Kyrgyzstan. The assistance provided in this area included support for the implementation of a survey measuring the demand for skills and the provision

### **Box 2.5 Flexible vocational training in the Ukraine**

For eight years, the ILO has provided assistance, more recently in collaboration with the UNDP, to the Government of the Ukraine for the implementation of employment-oriented modular vocational training programmes, in particular for the unemployed. Modular-based vocational training is a flexible, individualized and outcome-oriented approach that allows trainees to acquire the necessary skills to work in a specific sector or industry. The project, which was completed in late 2005, was instrumental in introducing innovative approaches to vocational training and improving training delivery across the country through the development of new training curricula based on both vocational and core skills for employability. Among its achievements, the project resulted in the training of 300 national specialists in the development of modular training materials and the establishment of regional modular training centres in 27 regions. At the close of the project, 40,000 trainees were estimated to have benefited from related training programmes.

of training for the staff of vocational training institutes in Kosovo,<sup>2</sup> as part of a major UNDP project.

#### ***2.2.2.4. Labour administration and employment services***

Across the region the capacity of labour administrations is increasingly constrained by declining financial and human resources. Within the framework of national legislation, effective labour administration and/or tribunals in the area of working conditions, occupational safety and health, observance of wage agreements, labour inspection, vocational training and employment services is essential to sound industrial relations and good economic, social and labour outcomes. Governments are reminded of the importance of well-functioning labour administrations for decent work. The ILO is requested to strengthen its support of labour administration. [Seventh European Regional Meeting, Budapest, 2005, Conclusions, paragraph 31.]

In turbulent markets, employment services play an important role in helping people adjust to change. Both public and private employment services are instrumental in combating unemployment through the provision of job placement services and training, which benefit both jobseekers and employers. While public employment services are evolving to meet changing needs, there has been a strong growth of private employment agencies. Governments are increasingly involved in the development of legislation concerning the regulation and monitoring of private employment agencies.

A guide previously developed by the ILO to support the application of the Private Employment Agencies Convention, 1997 (No. 181), which addresses the regulation and monitoring of private employment agencies, is being used by several countries in the region. Within the framework of a project on labour migration funded by the EU, the guidelines were translated and are now being promoted and distributed, in cooperation with the International Organization for Migration, in Armenia, Kazakhstan, Kyrgyzstan, Russian Federation and Tajikistan, with the aim of facilitating the development of national and subregional legislation. The guidelines have also been translated for use in Western Balkan countries, Republic of Moldova and Ukraine. Convention No. 181 was ratified by Bulgaria and Belgium during the reporting period (it had previously been ratified by ten other countries in the region).

In Albania, Republic of Moldova, Serbia and The former Yugoslav Republic of Macedonia, ILO assessments of employment services and the preparation of technical memoranda, including advice on core functions and the achievement of efficiency and

equality objectives, were instrumental in introducing institutional reforms. Technical assistance has also been provided to Romania and Serbia, as well as in Kosovo,<sup>2</sup> for policy implementation to strengthen their capacity to target employment services and active labour market policies to disadvantaged groups.

Through a Swiss-funded project, a tool on mainstreaming gender in public employment service operations was piloted in Serbia and its use is currently being expanded to Albania and the Republic of Moldova. Training was also provided to strengthen the capacity of employment services staff to deliver skills training in Armenia and Kyrgyzstan, to reflect gender aspects in their work in Serbia and to monitor individualized employment plans in Kosovo.<sup>2</sup> Following earlier work in this field, an Italian-funded project began in Albania that includes the design and pilot testing of a system for contracting training and other employment services for the national employment service. A major innovation, supported by the ILO within the framework of previously mentioned regional cooperation on employment policy in South-Eastern Europe, was the establishment of a regional network of public employment services to develop joint projects and exchange information and good practices on employment services and active labour market policies.

In the area of labour administration, the Republic of Moldova ratified the Labour Administration Convention, 1978 (No. 150), and, based on ILO technical advice and a diagnosis of the weaknesses of the labour administration system, designed a tripartite action plan on labour administration. In Armenia, Azerbaijan, Kazakhstan and Kyrgyzstan, a German-funded project began with a view to improving the labour administration system. Surveys of labour administration systems, with a special focus on the informal economy in the cases of Azerbaijan and Kyrgyzstan, were prepared and used as a basis for a tripartite assessment of areas for improvement of the labour administration systems. A similar survey was prepared in Tajikistan with a view to ratifying Convention No. 150. Training programmes were also carried out in Serbia and the Republic of Moldova to upgrade skills in the fields of social dialogue and labour administration.

A High-Level Tripartite Seminar on Labour Administration and Public Employment Services was held in Cyprus in 2005, hosted by the ILO and the Government of Cyprus with the assistance of the Cypriot social partners. With participants from Central Asian and Caucasus countries, the International Organisation of Employers (IOE) and the International Confederation of Free Trade Unions (ICFTU), the seminar offered an opportunity to exchange information and strengthen cooperation among the tripartite constituents from the participating countries.

#### ***2.2.2.5. Local economic development***

The ILO's local economic development (LED) approach has proven to be effective in strengthening the capacity of local institutions to develop employment programmes, enhance entrepreneurship and create jobs. LED projects were carried out in South-Eastern Europe with a view to providing practical tools and specific business support activities to strengthen existing enterprises and assist start-ups as an entry point for broader LED processes. A Netherlands-funded project in south-east Serbia promoted local economic development through the establishment of four (three in Serbia and one in Croatia) local economic development agencies (LEDAs). The LEDAs provide business development services to small-scale businesses and entrepreneurship training services to public and private institutions, as well as employment programmes to vulnerable groups. An estimated 1,706 small-scale businesses were assisted through the project, with 589 new companies being created and/or registered since the establishment of the LEDAs. The LEDAs have also facilitated the establishment of business associations for women and agricultural

workers. The project fostered the participation of minority groups and the LEDAs have become a model for replication when designing LED strategies.

Another LED project, funded through the Arab Gulf Programme for United Nations Development Organizations focused on promoting formal employment in the traditional handicraft sector in northern Albania. Through project activities, women entrepreneurs working in the informal economy in rural areas improved their core and occupational skills and increased the productivity and competitiveness of their products. By the end of this pilot project all micro-enterprises had moved from the informal to the formal economy and established their own business association. Approximately 200 women received support through the project and a total of 40 female managers were trained through direct training modules on management and technical skills. A joint marketing and sales strategy opened new distribution networks for local handicraft production in Albania, as well as in Italy and France. The LED forum established through the project is currently planning new initiatives funded by other development agencies

**Box 2.6 Local labour, local outcomes:  
Introduction of employment-intensive methods in Azerbaijan**

In a context of rapid economic growth, Azerbaijan has prioritized job creation and the improvement of living standards in rural areas. The ILO's Employment-Intensive Investment Programme (EIIP) promotes a labour-based approach and the use of local materials to generate jobs at the local level, primarily in infrastructure and construction. Through a three-month demonstration project carried out in 2005, the labour-based approach was demonstrated in Goshachand, a remote village lacking communication facilities (including transport), which makes it difficult for local people to develop market linkages, send their children to school and have access to basic medical services. With limited funding from the ILO and the Government, the project recruited local low-income residents to pave 550 metres of road. A total of 2,384 workdays were created, including 1,416 workdays for unskilled labour. Although the project was fairly small in size, it demonstrated the effectiveness of employment-intensive and community-based approaches for infrastructure upgrading in low-income settlements, which has great potential for further application in Azerbaijan and elsewhere in the region. Policy studies and dialogue are under way for the use of local development approaches in other areas, the improvement of private and community contracting and the creation of creating employment in non-oil sectors.

**2.2.2.6. Promotion of entrepreneurship and self-employment**

The employment creation potential of SMEs is widely acknowledged. In certain cases, such as those of countries recovering from civil war and economic crises, self-employment and small business start-ups are sometimes the only option for income generation available to many people. While measures to develop and support SMEs have been adopted in many countries in the region, SMEs are still confronted with various constraints in certain subregions. To prosper, SMEs need financial, legal and technical assistance throughout their life cycle. However, these services are frequently unavailable in the region. Unsupportive institutional frameworks, cumbersome regulations and limited access to finance also create major barriers and an unfavourable business environment for small business development.

Experience, particularly from Western Europe and North America, shows that microfinance can be a useful tool in overcoming the difficulties that are often faced by potential small entrepreneurs in obtaining loans to start their own businesses. Many

traditional lending institutions are still geared towards supporting large-scale investments, rather than providing the small and micro-loans needed for small enterprises.

The Start and Improve Your Business (SIYB) programme is one of the ILO's best-known and long-standing tools for small business development. SIYB is a training programme designed to develop and strengthen the entrepreneurial skills of people who are already in business or who intend to start a small enterprise. SIYB materials have been introduced in over 90 countries and contain several very practical components. Demand for SIYB remained high in the region, with training of trainers taking place in Azerbaijan, Georgia, Kyrgyzstan, Tajikistan and Uzbekistan, and, as part of a UNDP project, in three districts in the northern Caucasus area of the Russian Federation, where four 11-day training sessions resulted in the certification of 45 participants. SIYB was also used in the Talvidara district of Tajikistan to train the families of migrants, and particularly women, to start beekeeping businesses (see box 2.7).

The ILO was invited by the UNDP to evaluate the Job Opportunities through Business Support (JOBS) project in Bulgaria in 2008. The JOBS project is hosted by the Ministry of Labour and Social Policy and is implemented by the UNDP with ILO assistance. It has been supported by 14 donors. It is an innovative local economic development and employment creation initiative that provides an integrated package of services by a nationwide network of 43 autonomous and sustainable business support organizations, with a focus on self-employment and micro- and small enterprises. The ILO set up the first business centres in 1995–99 and the approach was then replicated throughout the country. The ILO's Start Your Business programme is used in all business centres. A total of 42,000 persons have reportedly been trained and over 30,000 jobs were created during 2000–07 by this project.

In Bulgaria, Romania and Serbia an ongoing project financed by France is aiming to establish national schemes to provide start-up capital to prospective entrepreneurs coming from unemployment, particularly laid-off workers. The project's first-phase activities, which included the analysis of national frameworks and the establishment of task forces, supported the adoption of a law on microfinance in Romania and the development in all three countries of recommendations that have been incorporated into EU structural funds programmes. With the start of its second phase in 2006, local microfinance initiatives for self-employment are being developed and piloted in three regions in Bulgaria and two regions in Romania, the latter focusing on young graduates and the long-term unemployed coming from rural areas. Activities will also take place in Serbia. In Azerbaijan and Georgia, the completion of a project to support women's entrepreneurship included a final conference to share best practices and the finalization of publications on women's entrepreneurship.

The employment creation potential of cooperative enterprises is widely acknowledged. ILO advisory services have assisted in the drafting of cooperative policy and legislation in a number of countries. Training was provided on cooperatives in the Russian Federation and the Ukraine.

#### ***2.2.2.7. Corporate social responsibility and socially sensitive restructuring***

The concept of corporate social responsibility (CSR) has been gaining worldwide momentum over the past decade. The ILO's InFocus Initiative on CSR defines CSR as "a way in which enterprises give consideration to the impact of their operations on society and affirm their principles and values both in their own internal methods and processes and in their interaction with other actors. CSR is a voluntary, enterprise-driven initiative and refers to activities that are considered to exceed compliance with the law."<sup>7</sup>

<sup>7</sup> GB.295/MNE/2/1.

In close collaboration with the tripartite partners, a project funded by Italy and operating in Italy and Albania (as well as two countries outside the region) has been raising awareness of CSR through information campaigns on the ILO's Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy, the Global Compact and the OECD Guidelines for Multinational Enterprises. As a result of the project, 110 additional companies have officially adhered to the Global Compact initiative in Italy and 14 in Albania. A training package (ILO, 2007b) developed through the project was translated into Italian and Albanian and distributed among constituents. CSR was also addressed through a project in Bulgaria, Romania and Turkey, where the ILO-Ankara Office conducted research and case studies were completed on the effect of social auditing and certification programmes in the private sector (van der Vegt, 2005).

In a globalized and increasingly competitive economic environment, enterprises must frequently adjust and restructure to survive and grow. The negative social consequences of restructuring are particularly noticeable in countries where labour market institutions and social protection mechanisms are weak. This is the case in Serbia, where the restructuring of the railways will result in redundancy for a significant number of staff. Through the promotion of social dialogue within a Czech-funded project, the ILO has been facilitating the development and implementation of re-employment plans for the workers affected by the restructuring. Studies have been carried out and training provided for trade union and management representatives, although the project's work has been slowed by the lack of specific information on the redundancies and other obstacles. The project will support the creation, by the end of 2008, of a transition centre within the company to assist employees being made redundant.

The ILO also helped to organize a conference on restructuring in Georgia in 2007 for government representatives and enterprises. The Georgian Employers' Association and ITC-ILO are currently developing a long-term partnership programme on socially sensitive enterprise restructuring. The ILO is also involved in a number of EU-financed research projects that are looking at the social and health-related consequences of restructuring.

### **2.2.3. Social protection**

The commitment to social protection for all throughout people's life cycles is reaffirmed. Social protection plays an essential role in reducing poverty, raising security and smoothing the peaks and troughs of economic cycles and income volatility. The sustainability of many social protection systems in the region is dependent on higher employment rates in general, and of women and younger and older workers in particular. High rates of employment participation, especially for women workers, should be supported by social protection policies. Measures to reconcile work and family life, including maternity protection and childcare, should be further developed. The ILO is encouraged to strengthen national and international efforts through policy coherence, technical advice and exchange of experiences, particularly regarding mutually supportive social protection and employment policies. [Seventh European Regional Meeting, Budapest, 2005, Conclusions, paragraph 30.]

#### **2.2.3.1. Social security**

The major changes faced by the countries of Central and Eastern Europe in the field of social security include: the need to restructure benefits and schemes to reflect the transformation of economic and political systems; the need to adapt to fiscal constraints set by governments and international financial institutions; the rapid growth of informal employment; and the ageing of populations, which is on the horizon in the majority of countries in the region. Governments have responded to these challenges by adopting a wide range of reforms, as well as changes in the administration of social security schemes. Pension reforms undertaken in countries with ageing populations have aimed to raise the pension age as well as to provide higher levels of social protection.

The technical assistance and advice provided covered a range of social security issues, including legislation, the reform of schemes, actuarial studies and training in the use of social security tools. Support for the incorporation of the principles set out in ILO social security standards contributed to the adaptation of social security legislation in Bulgaria and the adoption of a progressive time-bound roadmap to bring social security legislation in the Ukraine into line with ILO standards and the European Code of Social Security. A high-level tripartite national conference was held in the Ukraine in 2007 to assess the findings and recommendations for legislative changes with a view to the ratification of the Social Security (Minimum Standards) Convention, 1952 (No. 102) and the European Code of Social Security. The conference adopted the recommendations for the ratification of these instruments in 2009. In the Republic of Moldova, training for government staff on bilateral agreements helped to advance negotiations on social security coordination agreements with Bulgaria and Romania. The ongoing actuarial support in Cyprus is designed to build the in-house actuarial capacities of the social insurance system and has assisted with the development and financial analysis of reform proposals for the scheme. Assistance was provided on an ad hoc basis in Azerbaijan, Uzbekistan and several other countries in Eastern Europe and Central Asia that are in the early stages of preparing employment injury insurance schemes.

Although reliable social security statistics are needed for good governance and policy-making, in many countries in the region the quantitative knowledge base on social security is incomplete and the data is often at variance with international statistical standards. Through the ILO's Social Security Inquiry, assistance has been provided to countries to improve their knowledge in this area. An important output of the Inquiry was a report on social security spending in South-Eastern Europe (Hagemeyer et al., 2005), which compared spending levels, coverage, the range of benefits and other factors. Data in these areas is essential for effective social security reform and is particularly useful for coordination among countries where there has been heavy migration in recent years. Furthermore, countries planning to join the EU need to improve and standardize their social security recordkeeping.

ILO research in the field of social security was also disseminated through two reports on the gender dimension of social security reform (Fultz et al., 2003; Fultz, 2006a), a review of social protection expenditure and performance in Slovakia (Petrasová and Svorenová, 2005) and the publication of a practical guide on social security governance for the board members of social security institutions in Central and Eastern Europe (ILO, 2005c). The guide contains practical advice for employers' and workers' representatives serving on the governing boards of social security institutions and has been used by governing boards, governments and the social partners in Albania, Republic of Moldova and Bosnia and Herzegovina to develop plans to improve the governance of social security schemes and institutions. The ILO also published a study on pension reform in the Baltic States (Fultz, 2006b) and a guide on good practices in social service delivery (Fultz and Tracy, 2004) that was accompanied by a one-week training course.

Information resources in Central and Eastern Europe were also expanded through a French-funded project to fight social exclusion. New resources were introduced on the ILO's Learning and Resources Centre on Social Inclusion (CIARIS) and specific versions were created for Hungary and Romania. Ten capacity-building micro-projects were implemented in Hungary and Romania, in partnership with the Multiplicar project, and a distance-training course on strategies for fighting social exclusion was developed in Romania. Through the Multiplicar project, CIARIS was adapted and diffused in Greece, Hungary, Ireland, Italy, Portugal, Romania and Spain. In each country, five micro-projects were carried out to reinforce the capacity of over 800 people to fight social exclusion.

### 2.2.3.2. Occupational safety and health

According to ILO estimates for 2005 (Takala, 2005), each year some 2.2 million people throughout the world die as a result of work-related accidents and diseases. In Europe and Central Asia, although economic restructuring has led to certain improvements in working conditions and OSH, the risks in many workplaces remain unacceptably high. The requirement to align OSH legislation and institutions with EU standards has prompted the new EU Member States to make necessary changes, although much still remains to be done. The establishment of modern national OSH policies, systems and services remains a pressing priority in many non-EU countries.

The recent adoption of the Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187), is intended to promote the systematic development of modern OSH systems through national programmes. The preparation of national OSH profiles, which provide a complete view of the infrastructure and programmes available in each country, is an essential first step towards the development of OSH policies, programmes and action plans. Through a project funded by Switzerland covering ten countries in South-Eastern Europe and a project financed by the Republic of Korea for Central Asian countries, 15 OSH profiles were developed or updated. The process of developing the profiles with inputs from the social partners and experts furthered social dialogue and increased awareness of OSH practices and activities in other countries in the region. Following the adoption of their OSH profiles, some countries have adopted or are in the process of preparing OSH programmes. In the CIS countries, this approach has raised awareness of the need to create or restructure national occupational accident and disease benefit systems in several countries.

There were many requests for support and training on OSH management systems. A significant achievement was the adoption in 11 CIS countries of a new OSH standard that is identical to *ILO-OSH 2001*.<sup>8</sup> Assistance was provided for the implementation of *ILO-OSH 2001* in enterprises in the regions of the Russian Federation through a project funded by Finland. The project has also focused on strengthening the reporting of occupational diseases, awareness raising and adapting a methodology to calculate the economic costs of poor working conditions. The dissemination and transfer of local strategies, tools and achievements to other regions of the Russian Federation and to other CIS countries is generating further interest in this work.

At a higher political level, the increased interest in OSH was demonstrated in several ministers' statements, national OSH concepts and programmes, and in OSH strategy events. For example, a seminar to promote the ratification of the Safety and Health in Construction Convention, 1988 (No. 167), was held in Kazakhstan in 2006 and was also attended by high-level officials from Azerbaijan, Kyrgyzstan, Russian Federation, Tajikistan and Uzbekistan. Four high-level OSH congresses and conferences were also held in Kazakhstan, Russian Federation and Ukraine in 2008.

Motivating the social partners to take on what are often new OSH roles helped to foster a new attitude towards their rights and responsibilities and the promotion of social dialogue to improve OSH. A training of trainers programme for trade union officials and members of OSH committees was carried out in several countries in Central and Eastern Europe to prepare worker OSH representatives to participate effectively in enterprise-level OSH structures. Employers' organizations also became interested in developing OSH services for their members. The successful development of a service by the Bulgarian Industrial Association was replicated in Romania.

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<sup>8</sup> *ILO-OSH 2001* is a set of guidelines on OSH management systems that reflects the relevant ILO standards (ILO, 2001a).

The Work Improvement in Neighbourhood Development (WIND) programme, which has proven to be a practical tool for responding to safety and health problems in informal agriculture, was taken up in Kyrgyzstan, Republic of Moldova and Tajikistan. In close collaboration with the social partners in Kyrgyzstan, the WIND methodology has been adopted for use by small-scale farmers in Central Asia. Training was provided for small-scale farmers, trade unions, labour inspectors and people in the informal rural sector. The Kyrgyz WIND programme has reached over 10,000 small farmers and is being incorporated into the local administration. Tripartite participation in WIND also contributed to the adoption of Kyrgyzstan's national OSH programme for agriculture in 2007. In Tajikistan, within the framework of a project funded by Finland, the WIND methodology was combined with the ILO's Start and Improve Your Business (SIYB) and other vocational training to provide support to the families of migrants for the establishment of small beekeeping businesses (see box 2.7). With support in the form of the training of trainers and the printing of 1,500 copies of the WIND manual in the Tajik language, the Employers' Union of the Republic of Tajikistan has conducted WIND training workshops in four districts and at the national level. Over 1,000 people were trained, of whom 14.9 per cent were women.

### **Box 2.7 Sweet success: Tajikistan's honey project**

In the Talvidara district in Tajikistan, there is almost always at least one migrant member in each family. Through a project funded by Finland that began in 2006, economic development for migrant families, particularly those headed by women, is being promoted through the development of small beekeeping businesses. The assistance provided consists of a combination of local economic development and the Start and Improve Your Business (SIYB), Work Improvement in Neighbourhood Development (WIND) and other vocational training programmes.

In partnership with the National Association of Dehkan Farms (NADF), a beekeeper's support centre was established, which provides reasonably priced equipment, a carpenter's shop, veterinary services, resource manuals and training for beekeepers. In 2007, four training sessions were organized through the centre for 60 members of migrant families, of whom 29 were women and nine were sons of women-headed migrant families. Through the training and microcredits provided through the NADF, 45 beekeeping businesses were established. By the end of 2007, all of the families had repaid the microcredits and were earning income from their businesses. The second phase of the project has expanded to four regions and is focusing on joint marketing, packaging and direct delivery to consumers.

Since its inception in 2003, the World Day for Safety and Health at Work held on 28 April each year has continued to be an effective means of raising public awareness of OSH issues. There has been an increasing level of participation and a growing number of events in the region have been organized in the context of the World Day, which was promoted in several national OSH journals. The World Day has also provided an opportunity for the translation, adaptation and dissemination of ILO materials, including a methodology to estimate the realistic level of accidents, advice on reducing risks to cut costs (including a cost calculator for both direct and hidden costs) and a guide on the establishment of OSH management systems in enterprises. Awareness raising also took place through campaigns throughout the region to combat unsafe working conditions in specific sectors, including construction, agriculture, mining, medium-sized enterprises and the textile industry.

The activities and outcomes reported above show that while OSH has become more prominent on the regional agenda, the resources available for assistance and advisory

activities have not kept pace. The requests for ILO advice, training and consultation on OSH management systems, risk assessment and training in OSH rose steeply, making it difficult to meet the growing demand for assistance in this field.

### **2.2.3.3. Labour inspection**

The labour inspection services in several countries in the region continued to be underfunded and to have responsibilities divided between various ministries. In the CIS countries, the break-up of the Soviet Union and the transfer of inspection functions from trade unions to government have resulted in major reform of labour inspection systems. Countries in Central and Eastern Europe have undergone similar changes. Assistance therefore focused on the strengthening of labour inspection services through their modernization and integration, the development of an approach based on prevention and partnership, and the promotion of social dialogue mechanisms. The activities and outcomes included the following:

- The training of labour inspectors in Serbia and Bulgaria, including a two-year USDOL-funded project in Serbia, which resulted in labour inspectors taking a more preventative and integrated approach to inspections. A national OSH directorate was established as a result of the project and the ILO provided comments on Serbia's new law on labour inspection.
- Consultations in Armenia, which re-established the labour inspection after a 12-year absence.
- The completion of a labour inspection audit in Kazakhstan based on the Labour Inspection Convention, 1947 (No. 81), and EU common principles for labour inspection. Results were shared with Central Asian countries in a joint seminar.
- The completion of a German-financed project in Bulgaria which resulted in the training of 300 labour inspectors, the establishment of a new integrated inspectorate and assistance to help the country meet all the EU accession criteria relating to labour inspection.
- Study tours by Russian labour inspection officials to the United Kingdom and Finland to share experiences on advisory and promotional approaches, which led to an immediate upgrading of approaches, information systems and equipment.

The training and other materials developed for the project in Bulgaria were introduced in Serbia and other countries outside the region. A tool kit for labour inspectors (Rice, 2006) developed by constituents for a project in Serbia was published and has since been translated into Albanian, Bulgarian, Macedonian, Romanian, Serbian and Ukrainian and widely distributed in Central and Eastern Europe. In the Republic of Moldova, the tool kit was widely used to train labour inspectors and some of its basic principles and inspection procedures were incorporated into the new draft amendments to the Labour Inspection Law.

### **2.2.3.4. HIV/AIDS**

The number of new HIV cases registered annually continued to rise in the region. In 2007, an estimated 1.6 million people were living with HIV in Eastern Europe and Central Asia (UNAIDS, 2008a), and another 760,000 in Western and Central Europe, a growing proportion of whom were women (UNAIDS, 2008b). Nearly 90 per cent of the new cases of HIV registered in Eastern Europe and Central Asia were in the Russian Federation (66 per cent) and the Ukraine (21 per cent). In Europe, the most important HIV-related workplace issue is the increase in the number of newly reported diagnoses in a number of countries. This has implications for OSH systems and impacts on rights at work, especially migration and mobility. The assistance provided in this field continued to be based on the

guidance set out in the ILO code of practice on HIV/AIDS and the world of work (ILO, 2001b), which establishes the key principles for addressing the epidemic in the workplace, including the recognition of HIV/AIDS as a workplace issue, non-discrimination in employment, gender equality, screening and confidentiality, social dialogue, prevention, and care and support.

The ILO, supported by the GTZ Backup Initiative, has undertaken major efforts in four regions of the Russian Federation to build up tripartite constituents' capacities to develop national and regional responses and policies on HIV/AIDS in the world of work. Through a USDOL-funded project covering the Moscow and Murmansk oblasts, workplace education programmes on sensitization and training provided to enterprises increased awareness and showed that the workplace can be an entry point to educate workers. The project also contributed to policy development, including the incorporation in the Russian Tripartite Agreement for 2005–07 of a paragraph on HIV/AIDS and a reference to the ILO code of practice; the signing in December 2005 of a Declaration of national agreement by the tripartite partners on HIV/AIDS and the world of work; and the approval of tripartite agreements containing clauses on HIV/AIDS covering the Moscow and Murmansk regions. The project has resulted in the wide dissemination of the ILO code of practice on HIV/AIDS to local authorities and has helped to place the issue of HIV/AIDS on the agenda of tripartite commissions throughout the country.

In two other regions of the Russian Federation, regional government stakeholders developed strategies to incorporate HIV/AIDS workplace issues into their work and to implement strategy-related activities. In Altay Krai, regional constituents developed an information campaign and held workshops on OSH and HIV/AIDS. Heads of municipal labour committees and trainers of OSH training centres were also educated on HIV/AIDS and the world of work.

The ILO also supported the development and circulation of a policy document on HIV/AIDS-related issues and employment services and piloted the Your Health educational tool kit and other prevention materials in vocational training schools in two regions. A survey on HIV/AIDS in the road transport sector was completed with the aim of identifying areas of further action in this sector.

The assistance provided in the nine CIS and six Central and Eastern European countries resulted in increased recognition among key decision-makers of the need to change attitudes, legislation and operational systems in industry and business to adjust to HIV/AIDS, which was reflected in the revision and reform of legislation in certain countries. The Republic of Moldova approved a national law on HIV/AIDS prevention and Kazakhstan, Kyrgyzstan and Tajikistan adopted national programmes to counteract HIV/AIDS that contained workplace components. The support provided through a project financed by Germany included the dissemination and translation of the ILO code of practice into 12 languages and of the ILO training manual on HIV/AIDS (ILO, 2003) into five languages. Through these activities, some 600 tripartite leaders in Central and Eastern Europe were trained in HIV/AIDS issues in the world of work. The code of practice and other training materials were also used in Estonia in a workplace training programme for public sector employees.

While progress was achieved, the development of consistent strategies among social partners who have differing priorities remains highly challenging. There is also a need to continue to develop sustainable national structures for workplace policies and programmes and to explore more dynamic approaches to reach certain high-risk groups. In particular, additional effort is required to address the growing migration flows and regulatory changes regarding migrant workers in some countries. Experience from projects in the Russian Federation and Uzbekistan indicates that in certain countries, combining OSH risk

assessment and training with awareness raising on HIV/AIDS can provide an entry point and sustainable results. This approach may apply to other countries in Central Asia.

#### **2.2.4. Social dialogue**

Economic and social reforms and the promotion of decent work for all call for robust social dialogue to arrive at genuine solutions adapted to the changing conditions in a globalized economy.

Employment, labour and social policies are in the midst of major reform debates throughout the region. Globalization presses for economic and social reforms but no reforms can be successful without strong social dialogue, including free and unconstrained collective bargaining and tripartite and bipartite consultations. National solutions to common problems are needed, through dialogue and consultations, based on ILO principles and labour standards, in particular Conventions Nos 87, 98 and 144. [Seventh European Regional Meeting, Budapest, 2005, Conclusions, paragraphs 25 and 28.]

Over the past decade, governments have taken measures to lay the foundations of a sound system of industrial relations, including the protection of the principle of freedom of association and the right to collective bargaining, the reform of the legal framework, and the establishment of institutions for social dialogue. Nevertheless, there are still problems preventing social dialogue from operating properly in certain countries in the region. These include the inadequacy of the legal framework, the weakness of the social partners, the ineffectiveness of social dialogue institutions and a lack of experience in social dialogue. While the ILO supervisory bodies have identified the persistence, in several countries in the region, of undue restrictions on freedom of association and the right to collective bargaining, most countries provide a sound legal basis for the development of workers' and employers' organizations.

In most of the Stability Pact and CIS countries, social dialogue institutions do not yet function effectively and tripartite social dialogue remains somewhat too formal, although there have been recent improvements in some cases. In many countries in South-Eastern Europe, social dialogue institutions meet irregularly and lack the resources to establish permanent secretariats with regular staff and facilities.

The assistance provided in this area has mainly been concentrated on reinforcing social dialogue institutions, revising labour laws to bring them into line with international standards and improving the capacities of the social partners to participate in social dialogue processes. Employers' organizations have received training and support aimed at increasing their capacity to provide services that will attract and retain members. Assistance to workers' organizations has been designed to strengthen their ability to organize, attract and retain members, represent their interests and protect their rights. The advocacy and promotional work undertaken also laid the basis for the ratification of the Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144), by Bosnia and Herzegovina, Kyrgyzstan, Montenegro, Serbia and The former Yugoslav Republic of Macedonia.

##### **2.2.4.1. Labour legislation**

Many countries in the region are in the process of revising their labour legislation. In South-Eastern Europe, countries are engaged in the process of harmonizing their legislation with ILO and European standards, while CIS countries are looking to modernize their labour legislation in compliance with market economy requirements.

Technical assistance, including technical advice for the drafting and review of labour legislation, has been provided for the adoption of new labour codes and legislation in Montenegro, Kazakhstan and Serbia. ILO comments were also included in amendments to the Labour Code in Armenia that are currently under discussion by the National

Assembly. In the context of two projects funded by Germany and the United States, the ILO has provided intensive support for the revision of the Labour Code in the Ukraine. Although work in this area began six years ago, political changes have caused delays in obtaining final approval for the new Labour Code. The first reading of the amended Labour Code was adopted in May 2008. Nevertheless, the projects have succeeded in furthering social dialogue mechanisms and facilitated the adoption of a new law on social dialogue in June 2007. Social dialogue legislation was also adopted with ILO technical advice in Romania, Republic of Moldova and Slovakia. In all the countries concerned, the labour legislation revision process has involved intense participation by the social partners, which has helped to reinforce tripartism and democratic decision-making.

In cooperation with the ITC–ILO, the ILO has established a network on labour law and labour relations in the Stability Pact countries for the exchange of knowledge and best practices. The network has proven to be an excellent tool to build labour administration capacity, and has examined significant issues, such as the regulation of the employment relationship, non-discrimination in the workplace and the role of labour courts. A high-level tripartite seminar on the settlement of labour disputes through mediation, conciliation, arbitration and the labour courts was held in Cyprus in October 2007. Participants from the Caucasus and Central Asian countries exchanged national experiences of labour dispute settlement systems and identified their shortcomings. They then prepared proposals for their future improvement.

#### ***2.2.4.2. Strengthening social dialogue institutions***

Assistance has been provided through several technical cooperation projects to help constituents set up or strengthen tripartite institutions and train the social partners in good practices in the fields of collective bargaining, negotiation and the settlement of disputes. The extensive work carried out in Serbia since 2001 influenced the adoption in 2004 of a law establishing an Economic and Social Council and a law on the amicable settlement of labour disputes. Support has also been provided, including technical comments on draft legislation, for the establishment of national social dialogue frameworks in Montenegro, Republic of Moldova and Ukraine. Based on previous ILO technical advice, Montenegro adopted a law on the peaceful settlement of labour disputes and a law establishing the organizational principles and functioning of the National Social Council. In Bosnia and Herzegovina, the ILO organized a high-level round table and assisted with the formulation of a draft tripartite agreement on the establishment of a state-level institutional framework for tripartite social dialogue.

Training and capacity-building activities have helped national social dialogue institutions function more effectively in various countries, including Albania, Bulgaria, Serbia and Turkey. In Serbia, the newly established agency for the peaceful settlement of labour disputes received technical assistance from the ILO to upgrade the skills of conciliators and arbitrators in the area of international labour law and mediation techniques. Work has also begun recently to enhance the functioning of social dialogue institutions in the Western Balkans and the Republic of Moldova in the context of two projects funded by Austria and Ireland. A national tripartite seminar organized in the Russian Federation in December 2005 on amendments to the Labour Code, the application of ratified Conventions and ratification prospects resulted in the adoption of conclusions relating to the need to strengthen procedures for the consultation of the social partners on all issues relating to labour and social matters.

The use of social dialogue institutions and processes has been promoted as a forum for governments and employers' and workers' organizations to discuss and take action in specific areas, such as wages, the informal economy and OSH. The strengthening of

tripartite dialogue in Turkey through an EU-funded project served to raise the profile of unregistered employment and led to the launching of a national programme to combat this issue by the Government of Turkey. Through this programme over 24,000 people received training on informal employment issues and an additional 148,170 people were provided with social security. In Bulgaria, ILO policy reports and advice formed the basis of discussions on wages that led to the signing by the social partners of a pact on economic and social development and the adoption of a new regulation on wages. Social dialogue processes have also been applied in specific sectors to improve OSH in enterprises in Turkey through a worker–management training project, to adopt a tripartite action plan for the textiles, clothing and footwear sector in Romania and to conclude a collective labour agreement in the education sector in Bulgaria. Studies on the public utilities sectors in Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan were prepared and presented at a subregional meeting.

Wages have emerged as an important issue in the region, with difficulties being reported in several countries, including low wages, minimum wages and wage arrears. In 2007–08, the ILO carried out a comprehensive project, requested by the EC, on minimum wages in the enlarged EU. The findings of the comparative research were compiled and presented at a joint ILO–EC tripartite conference in the autumn of 2008. A tripartite national seminar on the protection of wages was also held in Bosnia and Herzegovina in 2005. The seminar focused on the issue of the non-payment of wages and the role of wage guarantee funds and the relevant ILO standards – the Protection of Wages Convention, 1949 (No. 95), and the Protection of Workers’ Claims (Employer’s Insolvency) Convention, 1992 (No. 173). The ILO organized a similar seminar in the Ukraine in November 2007, during which tripartite constituents discussed the content of a draft law on the wage guarantee fund that was prepared with ILO assistance. Following closely on similar activities carried out in Bulgaria and Romania, the two seminars in Bosnia and Herzegovina and the Ukraine confirmed the importance in the subregion of the problem of non-payment of wages and the need to establish wage guarantee funds for the protection of workers’ pay claims in the event of the insolvency of their employer. Over the past four years, Convention No. 173 has been ratified by a further three countries in the region (Albania, Armenia and Ukraine).

#### ***2.2.4.3. Strengthening employers’ and workers’ organizations***

In the light of the resolution adopted at the Warsaw Regional Conference in 1995, and reiterated at the Sixth European Regional Meeting in 2000, governments that have not yet taken the necessary measures are reminded that they should facilitate by all means (including tax deductions) policies that stimulate the expansion of membership of free and independent employers’ and workers’ organizations. [Seventh European Regional Meeting, Budapest, 2005, Conclusions, paragraph 27.]

#### ***Employers’ organizations***

Free and independent employers’ organizations are a relatively new phenomenon in most of the countries of South-Eastern Europe, Eastern Europe and Central Asia. The transition from centrally planned to market economies stimulated the growth of employers’ organizations to represent private enterprises, with the result that most of the countries now have some form of national employers’ organization. However, many of these organizations are still weak in terms of their influence and membership and are struggling to survive with limited staff and expertise. Others tend to focus on economic issues while excluding labour and social matters. The organizations concerned therefore face the dual challenge of becoming more strategic in their outlook and expanding their membership, while increasing their capacity to engage with governments and trade unions in policy-making on labour and social issues.

In this context, the growth and sustainability of employers' organizations is highly dependent on the value that they offer to their membership. Their ability to provide quality services to business is crucial in attracting and retaining membership, which in turn strengthens them in both financial and political terms. The ILO's assistance to employers' organizations therefore continued to focus on the provision of the necessary tools and training to improve the direct services and representation that they provide:

- In collaboration with IPEC and ITC–ILO, a three-year project funded by Norway was carried out in Azerbaijan and the Republic of Moldova to strengthen the capacity of employers' organizations to provide information and advice on child labour. In the Republic of Moldova this led to increased membership and the adoption by the Council of the National Federation of Employers in Agriculture and the Food Industry of a code of conduct on the elimination of child labour (see box 2.8).
- In six Caucasus and Central Asian countries, extensive training and materials were provided to improve the services offered by employers' organizations in the fields of productivity and competitiveness. The two-year project resulted in the provision of advisory services by employers' organizations in Armenia, Azerbaijan and Georgia and increased their membership in Armenia, Azerbaijan, Georgia, Kyrgyzstan and Tajikistan.
- An external OSH service for employers was established in Bulgaria through the Bulgarian Industrial Association. The service coordinates over 400 OSH services covering risk assessment and prevention and has resulted in the Bulgarian Industrial Association doubling its staff and increasing its membership base.

Assistance was also provided for the establishment of new employers' organizations in Bosnia and Herzegovina and Tajikistan, the legal establishment of the national employers' organization in The former Yugoslav Republic of Macedonia and the improvement of the structures for the collection of fees in Bulgaria.

Employers' organizations play an important role in lobbying for the adoption of policies and measures to ensure a business-friendly environment, which in turn provides

### **Box 2.8 Action by employers' organizations to address child labour**

Agriculture is one of the most hazardous sectors, and is especially perilous for working children. When children work in agriculture, they are likely to be exposed to a wide range of hazards, such as handling toxic materials, operating heavy machinery and working in extreme temperatures. In 2004, a project funded by Norway was launched to work with employers' organizations in Azerbaijan and the Republic of Moldova (and later Georgia) to address child labour in the agricultural sector.

The project was particularly successful in the Republic of Moldova. In 2007, the Council of the National Federation of Employers in Agriculture and the Food Industry (FNPAIA) developed and endorsed a code of conduct for the elimination of the worst forms of child labour. This marked the first time in the subregion that employers' organizations have been directly involved in the issue. The FNPAIA showed serious commitment to the project, working hard to ensure that the code gained acceptance not only among its members, but also with educational institutions, local government officers and trade unions. A campaign conducted by the FNPAIA to promote the code involved some 700 participants.

Because the employers "own" the code and it has the full support and endorsement of the main employers' organizations, it is expected that all members of the FNPAIA will voluntarily undertake enforcement. The project is now seeking to expand to other sectors, such as transport and construction.

the basis for employment growth. In addition to building their technical expertise, ILO assistance to employers' organizations was designed to strengthen their skills in the fields of negotiation and advocacy so that they are able to represent more effectively the business voice in social and labour policies. The training provided to employers' organizations contributed to the incorporation of employers' views in a national policy on child labour in the Republic of Moldova, the draft competition code in Azerbaijan and a tripartite general agreement in Kyrgyzstan. The assistance furnished in Armenia also helped employers' organizations to obtain government support for the establishment of a productivity centre. The ILO is currently working with employers' organizations in Armenia, Serbia and Ukraine to strengthen their advocacy for employment promotion policies and more relevant education and training systems.

Although strengthening the capacities of employers' organizations is crucial to ensure their long-term viability, the assistance provided in this respect often faces substantial constraints. Many organizations have a limited membership and do not provide paid services or receive membership fees. In some countries, organizations are extremely weak and have limited ability to turn the assistance received into new capacity. This means that it is often necessary to conduct basic training and shore up organizational structures before other work can proceed. While this helps to develop organizations, it can stretch the time and resources available through technical cooperation projects.

### *Workers' organizations*

While the situation of workers' organizations is specific to each country, they are nevertheless confronted by many common challenges. In Central and Eastern Europe and Central Asia, trade unions emerged from the transition of the early 1990s with a significantly reduced membership. Although some trade unions have recovered to a certain extent, static or declining membership rates is a trend that is affecting almost all trade unions throughout the region, including those in the EU. The fast pace of social and economic change has also left many trade unions facing the need to modernize their structures and develop agendas and expertise that respond more closely to the current problems of workers. Moreover, trade unions in certain countries still face serious restrictions on freedom of association, collective bargaining and other fundamental rights.

The fall in membership affects trade unions by limiting their resources and reducing their capacity to influence working conditions and to engage with authority on workplace issues through collective bargaining. While external factors, such as continuous restructuring of the economy, the growth of SMEs and a widespread informal economy, are having an impact on trade union membership, the ability to effectively represent members in social dialogue and provide services can have a positive influence on membership growth. Trade unions received continuous technical support to develop stronger expertise in the fields of OSH, pension reform, management of social security funds, employment services, flexicurity, labour legislation, gender equality and other areas. In some cases, this led to the provision of new services, such as the establishment of OSH training programmes for trade unions in Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Hungary, Republic of Moldova, Romania, Serbia, Slovakia and Ukraine. The advisory services provided, including the recommendations of trade union audits, were used to improve internal union structures in Lithuania, Republic of Moldova and Poland.

Capacity building and improved expertise have also helped trade unions to have a more effective voice in national discussions and policy-making. Examples include inputs from national trade unions for the revision of labour legislation in Montenegro, Serbia and Ukraine, the increased capacity of trade unions from the Western Balkan countries and the

Republic of Moldova to design, monitor and evaluate national employment policies, and the increased capacity of trade unions in Bulgaria and Croatia to develop flexicurity policy. Through a project financed by France covering the Stability Pact countries, assistance was provided to trade unions to improve the representation of their members, particularly women and young people, and to strengthen their capacity to participate in national debates on economic and social reform and to implement new education policies. An analysis of trade union strategies in South-Eastern Europe was also published as an input into the formulation of future strategies (Dimitrova and Vilroks, 2005).

Intensive support has been provided since 2001 in Belarus, where serious violations of trade union rights have been recorded. Operating in an extremely difficult environment, the German-funded project resulted in the establishment of valuable and highly used resources, including a web site, a newspaper and regional resource centres, which offered crucial services to trade unions. Although the centres have now been closed down, the web site is still in use.

The assistance provided to unions also focused on addressing the needs of specific groups. For example, gender mainstreaming was promoted through training and tools. Assistance also covered the protection of migrants' rights and reaching out to workers in the informal economy. Activities in these areas led to the following:

- The use of the ILO's gender audit methodology by the Russian Federation's largest trade union federation to assess its effectiveness in representing the interests of working women and addressing gender issues in collective bargaining and social dialogue.
- The use of ILO materials on gender mainstreaming in collective bargaining in training in Poland, in the formulation of an education programme in Romania and to increase the role of women in collective bargaining processes in Georgia.
- Efforts to create local trade union branches in informal enterprises, for example in the entertainment sector in the Russian Federation.
- The conclusion of bilateral agreements between trade unions in Tajikistan and the Russian Federation to protect migrant workers (see box 2.2).

During subregional workshops covering CIS and Central and Eastern European countries, representatives of women's sections of trade unions were trained to use ILO tools for the evaluation of national compliance with maternity legislation. The training also strengthened their expertise to address, through collective bargaining, issues related to the gender pay gap and workplace discrimination. The workshops also helped to consolidate a European Women's Trade Union Network covering 28 CIS and Central and Eastern European countries.

## **2.3. Final remarks**

### ***Achieving social justice and the future role of the ILO in the region***

In June 2008 the International Labour Conference adopted the landmark Declaration on Social Justice for a Fair Globalization and the accompanying resolution on strengthening the ILO's capacity to assist its Members' efforts to reach its objectives in the context of globalization. European governments and social partners strongly contributed, in close cooperation with the constituents of the other regions, to the deliberations that led to this new Declaration.

Given that this is the first European Regional Meeting after the adoption of the Declaration, the ILO's constituency from the region may wish to ensure that the follow-up to the aforementioned documents is reflected in the ILO's future work in member States. It is important to keep in mind the common challenges, as well as the different national economic and social realities, and to look for positive answers to the decent work deficits which women and men are facing, such as income inequality, continuing high levels of unemployment and poverty, vulnerability to external shocks, unprotected work and the growth of the informal economy. All of these have impacts on the employment relationship and the protection that it can offer.

The recent tradition of economic and social cooperation within the region, represented by the development of the EU and extended by the new systems of economic and social cooperation after the fall of the Iron Curtain, provides an excellent playing field where learning from each other has proven to be a very useful method of coordination.

The ILO's tripartite constituents, governments and social partners, are aware of the unique chance to contribute to joint solutions to common challenges highlighted by the Declaration. The commitment and contribution of the social partners can make an important difference. For instance, in October 2007 the EU social partners, representing the social partners of the 27 EU Member States, agreed on the key challenges facing EU labour markets and on corresponding recommendations.

Since the previous European Regional Meeting in Budapest, DWCPs have emerged as the ILO's main tool to assist member States' constituents in mainstreaming the four strategic objectives of the Decent Work Agenda in their development strategies. A first generation of DWCPs has been implemented and six of them have already been completed in the region. To support the momentum gained so far, it is strategic to strengthen the ILO's capacity to assist its members' efforts to reach their objectives. At the same time, DWCPs are the ILO's main delivery instrument for cooperation within UN country teams. Through their close link with the UNDAFs, DWCPs will therefore contribute towards delivering as "One UN".

As the International Labour Organization has a key role to play in helping to promote and achieve progress and social justice in a constantly changing environment, the Eighth European Regional Meeting may wish to highlight the principles set out in the Declaration on Social Justice for a Fair Globalization and its particular importance for Europe and Central Asia. The Declaration, its annex on follow-up mechanisms and the accompanying resolution, contain a number of provisions regarding possible means of ILO action to assist Members. This is particularly important for the ILO's field operations, to ensure coherent cooperation between headquarters and the field. The Meeting may wish to ensure its effective and efficient implementation through DWCPs, which would bring benefits to ILO constituents as quickly as possible, and, where countries are not covered by DWCPs, through general expertise and assistance, which each member State may request. In this context it is important to note that recent EU texts have underlined that decent work is important for both EU internal and external policies.

The involvement of ILO constituents in DWCPs has been an indispensable factor in creating ownership and accountability. Each member State must determine how to achieve the strategic objectives of the Decent Work Agenda, taking into account national conditions, needs and priorities and building on the interdependence, solidarity and cooperation among all member States and on the principles and provisions of international labour standards. The resolution's wording to "assist its Members' efforts" gives priority to these efforts, while the ILO's role is to assist and encourage. The same principles apply to the promotion of effective partnerships within the UN and the multilateral system to strengthen the ILO's operational programmes and activities and to promote the ILO's objectives.

While DWCPs are proving to be an effective tool to give more visibility to the ILO's assistance and to mobilize resources, not all priorities that have been identified have attracted sufficient donor interest so far. For the immediate future, the need for additional funding is based on common lessons learned. Priority should therefore be given to strengthening bipartite and tripartite social dialogue and building the capacities of the social partners; developing the knowledge and skills of the relevant governmental institutions and social partners for the proper design, monitoring and evaluation of national employment and labour market policies, for the extension of social security measures to provide a basic income to all in need and the reform of social protection systems; and promoting the ratification of international labour Conventions and assisting Members in their implementation.



## Appendix

**Table 1. Ratifications of ILO Conventions**

States having ratified ILO Conventions since 1 January 2005 (as of 1 August 2008) <sup>1</sup>	
Unemployment Convention, 1919 (No. 2)	Montenegro
Maternity Protection Convention, 1919 (No. 3)	Montenegro
Unemployment Indemnity (Shipwreck) Convention, 1920 (No. 8)	Montenegro
Placing of Seamen Convention, 1920 (No. 9)	Montenegro
Right of Association (Agriculture) Convention, 1921 (No. 11)	Montenegro
Workmen's Compensation (Agriculture) Convention, 1921 (No. 12)	Montenegro
White Lead (Painting) Convention, 1921 (No. 13)	Montenegro
Weekly Rest (Industry) Convention, 1921 (No. 14)	Armenia, Montenegro
Medical Examination of Young Persons (Sea) Convention, 1921 (No. 16)	Montenegro
Workmen's Compensation (Accidents) Convention, 1925 (No. 17)	Kyrgyzstan, Montenegro
Workmen's Compensation (Occupational Diseases) Convention, 1925 (No. 18)	Armenia, Montenegro
Equality of Treatment (Accident Compensation) Convention, 1925 (No. 19)	Montenegro
Seamen's Articles of Agreement Convention, 1926 (No. 22)	Montenegro
Repatriation of Seamen Convention, 1926 (No. 23)	Montenegro
Sickness Insurance (Industry) Convention, 1927 (No. 24)	Montenegro
Sickness Insurance (Agriculture) Convention, 1927 (No. 25)	Montenegro
Minimum Wage-Fixing Machinery Convention, 1928 (No. 26)	Armenia
Marking of Weight (Packages Transported by Vessels) Convention, 1929 (No. 27)	Montenegro
Forced Labour Convention, 1930 (No. 29)	Latvia, Montenegro
Protection against Accidents (Dockers) Convention (Revised), 1932 (No. 32)	Montenegro
Underground Work (Women) Convention, 1935 (No. 45)	Montenegro
Maintenance of Migrants' Pension Rights Convention, 1935 (No. 48)	Montenegro
Officers' Competency Certificates Convention, 1936 (No. 53)	Montenegro, Turkey
Shipowners' Liability (Sick and Injured Seamen) Convention, 1936 (No. 55)	Turkey
Sickness Insurance (Sea) Convention, 1936 (No. 56)	Montenegro
Food and Catering (Ships' Crews) Convention, 1946 (No. 68)	Turkey
Certification of Ships' Cooks Convention, 1946 (No. 69)	Montenegro, Turkey
Medical Examination (Seafarers) Convention, 1946 (No. 73)	Montenegro, Turkey
Certification of Able Seamen Convention, 1946 (No. 74)	Montenegro

States having ratified ILO Conventions since 1 January 2005 (as of 1 August 2008) <sup>1</sup>	
Final Articles Revision Convention, 1946 (No. 80)	Montenegro
Labour Inspection Convention, 1947 (No. 81)	Estonia, Montenegro
Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)	Armenia, Montenegro
Employment Service Convention, 1948 (No. 88)	Montenegro
Night Work (Women) Convention (Revised), 1948 (No. 89)	Montenegro
Night Work of Young Persons (Industry) Convention (Revised), 1948 (No. 90)	Montenegro
Paid Vacations (Seafarers) Convention (Revised), 1949 (No. 91)	Montenegro
Accommodation of Crews Convention (Revised), 1949 (No. 92)	Republic of Moldova, Montenegro, Turkey
Labour Clauses (Public Contracts) Convention, 1949 (No. 94)	Armenia
Migration for Employment Convention (Revised), 1949 (No. 97)	Albania, Armenia, Republic of Moldova, Montenegro, Tajikistan
Right to Organise and Collective Bargaining Convention, 1949 (No. 98)	Montenegro
Equal Remuneration Convention, 1951 (No. 100)	Montenegro
Social Security (Minimum Standards) Convention, 1952 (No. 102)	Albania, Bulgaria, Montenegro
Maternity Protection Convention (Revised), 1952 (No. 103)	Montenegro
Abolition of Forced Labour Convention, 1957 (No. 105)	Montenegro
Weekly Rest (Commerce and Offices) Convention, 1957 (No. 106)	Montenegro
Seafarers' Identity Documents Convention, 1958 (No. 108)	Turkey
Discrimination (Employment and Occupation) Convention, 1958 (No. 111)	Estonia, Montenegro
Medical Examination (Fishermen) Convention, 1959 (No. 113)	Montenegro
Fishermen's Articles of Agreement Convention, 1959 (No. 114)	Montenegro
Radiation Protection Convention, 1960 (No. 115)	Luxembourg
Final Articles Revision Convention, 1961 (No. 116)	Montenegro
Guarding of Machinery Convention, 1963 (No. 119)	Luxembourg, Montenegro
Hygiene (Commerce and Offices) Convention, 1964 (No. 120)	Luxembourg
Employment Injury Benefits Convention, 1964 [Schedule I amended in 1980] (No. 121)	Montenegro
Employment Policy Convention, 1964 (No. 122)	Bulgaria, Montenegro
Accommodation of Crews (Fishermen) Convention, 1966 (No. 126)	Montenegro
Maximum Weight Convention, 1967 (No. 127)	Luxembourg
Labour Inspection (Agriculture) Convention, 1969 (No. 129)	Albania, Estonia, Luxembourg, Montenegro
Medical Care and Sickness Benefits Convention, 1969 (No. 130)	Netherlands
Minimum Wage Fixing Convention, 1970 (No. 131)	Armenia, Kyrgyzstan, Montenegro, Ukraine

<b>States having ratified ILO Conventions since 1 January 2005 (as of 1 August 2008)<sup>1</sup></b>	
Holidays with Pay Convention (Revised), 1970 (No. 132)	Armenia, Montenegro
Accommodation of Crews (Supplementary Provisions) Convention, 1970 (No. 133)	Latvia, Luxembourg, Republic of Moldova, Turkey
Prevention of Accidents (Seafarers) Convention, 1970 (No. 134)	Turkey
Workers' Representatives Convention, 1971 (No. 135)	Montenegro
Benzene Convention, 1971 (No. 136)	Luxembourg, Montenegro
Minimum Age Convention, 1973 (No. 138)	Armenia, Czech Republic, Estonia, Latvia, Montenegro
Occupational Cancer Convention, 1974 (No. 139)	Luxembourg, Montenegro
Paid Educational Leave Convention, 1974 (No. 140)	Montenegro
Human Resources Development Convention, 1975 (No. 142)	Montenegro
Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143)	Albania, Armenia, Montenegro, Tajikistan
Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144)	Armenia, Bosnia and Herzegovina, Kyrgyzstan, Montenegro, Serbia, The former Yugoslav Republic of Macedonia
Seafarers' Annual Leave with Pay Convention, 1976 (No. 146)	Germany, Luxembourg, Turkey
Merchant Shipping (Minimum Standards) Convention, 1976 (No. 147)	Albania, Hungary, Lithuania
Working Environment (Air Pollution, Noise and Vibration) Convention, 1977 (No. 148)	Luxembourg, Montenegro
Nursing Personnel Convention, 1977 (No. 149)	Lithuania, Luxembourg
Labour Administration Convention, 1978 (No. 150)	Armenia, Republic of Moldova
Occupational Safety and Health (Dock Work) Convention, 1979 (No. 152)	Republic of Moldova, Turkey
Hours of Work and Rest Periods (Road Transport) Convention, 1979 (No. 153)	Turkey, Ukraine
Collective Bargaining Convention, 1981 (No. 154)	Armenia, Slovenia
Occupational Safety and Health Convention, 1981 (No. 155)	Montenegro, Turkey
Workers with Family Responsibilities Convention, 1981 (No. 156)	Albania, Bulgaria, Montenegro
Termination of Employment Convention, 1982 (No. 158)	Montenegro
Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983 (No. 159)	Montenegro
Labour Statistics Convention, 1985 (No. 160)	Armenia
Occupational Health Services Convention, 1985 (No. 161)	Luxembourg, Montenegro, Turkey

States having ratified ILO Conventions since 1 January 2005 (as of 1 August 2008) <sup>1</sup>	
Asbestos Convention, 1986 (No. 162)	Denmark, Faeroe Islands, Luxembourg, Montenegro
Seafarers' Welfare Convention, 1987 (No. 163)	Russian Federation
Health Protection and Medical Care (Seafarers) Convention, 1987 (No. 164)	Bulgaria, Turkey
Repatriation of Seafarers Convention (Revised), 1987 (No. 166)	Germany, Turkey
Safety and Health in Construction Convention, 1988 (No. 167)	Kazakhstan, Luxembourg
Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168)	Albania
Indigenous and Tribal Peoples Convention, 1989 (No. 169)	Spain
Chemicals Convention, 1990 (No. 170)	Germany, Luxembourg, Poland
Night Work Convention, 1990 (No. 171)	Luxembourg
Working Conditions (Hotels and Restaurants) Convention, 1991 (No. 172)	Germany
Protection of Workers' Claims (Employer's Insolvency) Convention, 1992 (No. 173)	Albania, Armenia, Ukraine
Prevention of Major Industrial Accidents Convention, 1993 (No. 174)	Luxembourg
Part-Time Work Convention, 1994 (No. 175)	Portugal
Safety and Health in Mines Convention, 1995 (No. 176)	Luxembourg
Labour Inspection (Seafarers) Convention, 1996 (No. 178)	Bulgaria, Luxembourg
Recruitment and Placement of Seafarers Convention, 1996 (No. 179)	Croatia
Seafarers' Hours of Work and the Manning of Ships Convention, 1996 (No. 180)	Germany, Latvia, Luxembourg
Private Employment Agencies Convention, 1997 (No. 181)	Bulgaria
Worst Forms of Child Labour Convention, 1999 (No. 182)	Armenia, Israel, Latvia, Montenegro, Tajikistan, Uzbekistan
Maternity Protection Convention, 2000 (No. 183)	Cyprus, Luxembourg, Republic of Moldova
Safety and Health in Agriculture Convention, 2001 (No. 184)	Luxembourg
Seafarers' Identity Documents Convention (Revised), 2003 (No. 185)	Albania, Azerbaijan, Hungary, Lithuania, Republic of Moldova
Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187)	Finland, Sweden, United Kingdom

<sup>1</sup> In May 2007, following the declaration of independence, the Government of Montenegro confirmed its formal acceptance of the 68 international labour Conventions previously applicable to its territory as a part of another State.

**Table 2. Decent Work Country Programme priorities<sup>1</sup>**

Country	Priority 1	Priority 2	Priority 3	Priority 4
Albania 2006–07	Improved conditions to enforce legislation, more effective social dialogue and stronger social partners	National employment policy implemented that meets EU and international standards	More effective social protection policies are adopted, in particular for vulnerable groups	
Armenia 2007–11	Improvement of employment policies	Strengthening social partnership	Improvement of social protection	
Azerbaijan 2006–09	Implementation of employment strategies and improvement of policies towards increasing youth employment	Creation of decent jobs	Strengthening social dialogue	Improvement of the application of international labour standards
Bosnia and Herzegovina 2006–07	Better fulfilment of constitutional obligations and more effective social dialogue at the state level	Employment and labour market policies and programmes reflect national needs and EU standards	Improved social security policy development	
Bulgaria 2006–07 <i>No new DWCP after EU accession</i>	Employment and labour market policies that meet national needs and comply with EU standards	Improved social protection policies are adopted for vulnerable groups	Strengthening of the representation, services and influence of the social partners	
Kazakhstan 2007–09	Modernizing the occupational safety and health system	Increasing employment opportunities for men and women	Strengthening of social dialogue, further development of collective bargaining system based on social partnership	
Kyrgyzstan 2006–09	Employment creation, skills and employability for women and men	Improving the national occupational safety and health system	Reducing Decent Work deficits in the informal economy	
Republic of Moldova 2006–07	Employment and labour market policies and programmes to meet national needs and EU standards	More effective social protection policies, particularly for vulnerable groups	Promotion and strengthening of bipartite and tripartite social dialogue	
Romania 2006–07 <i>No new DWCP after EU accession</i>	Enhanced capacity of constituents to increase employability of vulnerable groups	Improved social protection policies and coverage	Strengthened industrial relations system	
Serbia	Under formulation	Under formulation	Under formulation	

Country	Priority 1	Priority 2	Priority 3	Priority 4
Tajikistan 2007–09	Promotion and better implementation of standards, fundamental principles and rights in the sphere of labour in the Republic of Tajikistan	Decent employment and income of population, equal opportunities for employment for men and women	Effective social protection of the working population	
Turkey	Under formulation	Under formulation	Under formulation	
Ukraine 2006–07	Deepening the democratization process through strengthening the social partners and social dialogue	Promotion of more and better employment opportunities for men and women	A closer alignment with European Union standards	
Uzbekistan	Under formulation	Under formulation	Under formulation	

<sup>1</sup> New versions are being revised.

Source: ILO compilation.

**Table 3. Approvals<sup>1</sup> by donor,<sup>2</sup> 2004–08 (first semester) for Europe and Central Asia (US\$'000) (including direct trust funds, excluding associate experts)**

Donors	2004	2005	2006	2007	2008 <sup>3</sup>
Austria	0	0	0	0	2 269
Belgium	93	0	0	0	0
Czech Republic	36	0	226	0	254
Direct trust funds	10	0	362	44	0
European Union	1 297	6 541	3 427	3 790	0
Finland	237	347	518	640	404
Flanders (Belgium)	232	497	605	0	0
France	674	636	438	337	189
Germany	41	2 037	0	410	1 603
Ireland	0	0	870	743	0
Italy	0	265	810	1 200	0
Republic of Korea	0	0	0	50	70
Luxembourg	249	0	0	0	0
Netherlands	0	0	3 000	0	250
Non-state actors	0	195	138	0	0
Poland	20	0	0	50	0
Sweden	0	516	0	0	0
Switzerland	0	0	120	0	0
United Kingdom	149	0	0	0	0
United States	2 500	0	3 500	0	0
IOM	0	0	0	459	0
OSCE	0	0	0	5	0
UNAIDS	0	0	0	0	0
UNDP	109	367	0	142	98
UNFIP	190	0	0	0	0
UNHSF	0	0	0	1 065	0
Total approval for Europe and Central Asia	5 837	11 401	14 014	8 935	5 137
Total approval for all regions (including interregional projects implemented in Europe and Central Asia)	152 371	176 277	243 118	223 894	111 799

<sup>1</sup> Funds that a donor agrees to provide to the ILO to be spent on technical cooperation activities over a given period of time, usually from one to five years. The whole amount is recorded as approved in the year in which the donor's agreement is communicated.

<sup>2</sup> These figures do not include Italy's contribution to the ITC–ILO, the contributions of other European governments to major ILO events (e.g. Eighth European Regional Meeting) or their support to the European field structure.

<sup>3</sup> As at 30 June 2008.

Source: ILO compilation.

**Table 4. Approvals<sup>1</sup> by donor,<sup>2</sup> from Europe and Central Asia, 2004–08 (first semester) (US\$'000) (including direct trust funds, excluding associate experts)**

Donors	2004	2005	2006	2007	2008 <sup>3</sup>
Austria	0	0	0	0	2 269
Belgium	2 288	9 976	635	1 118	3 356
Czech Republic	36	0	226	0	254
Denmark	7 689	125	8 052	512	12 526
European Union	3 571	19 073	4 692	65 797	9 058
Finland	1 219	3 184	618	2 430	424
Flanders (Belgium)	1 011	915	1 209	600	0
France	5 600	2 089	15 658	2 585	447
Germany	3 666	3 451	1 287	2 406	4 373
Ireland	7 252	305	1 478	3 746	0
Italy	5 438	11 525	7 744	10 251	3 450
Luxembourg	273	1 299	1 295	3 231	5 665
Multi donors	0	79	0	71	0
Netherlands	8 357	1 944	70 913	571	4 109
Norway	12 788	8 864	17 788	2 570	2 556
Poland	20	0	0	50	0
Portugal	420	0	2 343	274	0
Spain	2 282	8 177	6 598	8 185	3 967
Sweden	3 146	20 975	5 093	4 251	1 228
Switzerland	1	275	1 892	3 300	838
United Kingdom	9 193	8 691	14 604	4 993	27 220
Total approval from Europe and Central Asia	74 250	100 947	162 125	116 941	81 740

<sup>1</sup> Funds that a donor agrees to provide to the ILO to be spent on technical cooperation activities over a given period of time, usually from one to five years. The whole amount is recorded as approved in the year in which the donor's agreement is communicated.

<sup>2</sup> These figures do not include Italy's contribution to the ITC-ILO, the contribution of other European governments to major ILO events (e.g. Eighth European Regional Meeting) or their support to the European field structure.

<sup>3</sup> As at 30 June 2008.

Source: ILO compilation.

**Table 5. Expenditure by donor, 2004–07, for Europe and Central Asia (US\$'000) (excluding agency costs, provision for cost increase and contingency)**

Donors	2004	2005	2006	2007
Austria	55	30	11	0
Belgium (including Flanders)	453	441	506	323
Canada	60	7	0	0
Czech Republic	10	13	1	70
Direct trust funds	20	4	8	141
European Union	194	350	1 942	3 940
Finland	130	174	357	245
France	1 033	1 186	1 198	1 068
Germany	1 199	1 422	2 069	1 754
Ireland	287	261	316	316
Italy	397	805	254	214
Japan	33	0	0	0
Republic of Korea	0	0	0	10
Luxembourg	55	39	124	13
Multi-donors	0	181	224	0
Netherlands	815	1 490	1 206	849
Non-state actors	0	16	90	91
Norway	22	0	0	29
Poland	0	0	0	0
Portugal	8	19	92	94
Sweden	0	26	267	149
Switzerland	177	22	55	47
United Kingdom	538	863	417	0
United States	1 315	2 495	2 591	2 319
IOM	0	0	0	55
OSCE	0	0	0	3
UNAIDS	23	0	0	0
UNDP	43	367	-1	90
UNFIP	52	131	2	0
UNHSF	0	0	0	374
Total expenditure	6 919	10 342	11 729	12 194

Source: ILO compilation.

**Table 6. ILO expenditure on technical cooperation programmes in Europe and Central Asia by source of funding, 1995–2007 (US\$'000)**

Source of funding	1995	1996	1997	1998	1999 <sup>1</sup>	2000	2001	2002	2003	2004	2005	2006	2007
UNDP	956	1 127	2 755	2 482	2 545	1 917	1 448	1 953	2 646	1 118	498	1	464
Trust funds and multi-bilateral	6 824	4 553	2 627	2 275	2 655	2 564	3 194	5 005	5 162	6 800	9 842	11 726	11 731
UNFPA	0	0	0	0	21	0	0	0	0	0	0	0	0
ILO regular budget	1 033	392	1 422	482	1 631	727	1 306	632	985	315	1 094	265	1 018
Total	8 814	6 072	6 804	5 238	6 852	5 208	5 948	7 589	8 793	7 232	11 434	11 991	13 213
Annual growth rate (%)		-31.1	12.1	-23.0	30.8	-24.0	14.2	27.6	15.9	-17.7	58.1	4.9	10.2
Percentage of share of Europe in ILO global expenditure on technical cooperation	7.8	6.2	6.3	5.6	7.1	5.7	4.9	6.5	6.4	5.2	6.7	7.1	7.0

<sup>1</sup> Including additional estimated expenditure amounting to US\$0.293 million, incurred by UNDP and notified to the ILO after the closure of amounts for 1999 (broken down by source of funds). Source: ILO compilation.

**Table 7. ILO technical cooperation expenditure by strategic framework in Europe and Central Asia (in US\$'000) (extra-budgetary funding only, excluding administrative expenditure)**

Year	Standards		Employment		Social protection		Social dialogue		Total	
	\$	% share	\$	% share	\$	% share	\$	% share	\$	% share
2006	5 930	50.6	1 543	13.2	3 203	27.3	1 051	9.0	11 727	100.0
2007	7 591	62.2	1 569	12.9	2 245	18.4	790	6.5	12 195	100.0

Data available from 2006 onwards.

Source: ILO compilation.



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