

Editorial

This second issue of ILO News Eastern Europe and Central Asia will provide, as we hope, an interesting insight into the social and labour scene in the ten countries covered by our multidisciplinary advisory team. Tripartism, social dialogue and workers' protection are major features of the ILO. No surprise therefore when they are well represented in this issue.

JVG

Social Partnership Helps Economic Development

The ILO supports the creation and the strengthening of social dialogue throughout the world as an effective tool to promote social justice, democracy and solidarity in a society. While the essentials of any form of social dialogue are codified in the International Labour Standards of the ILO, the practice of social partnership is extremely diverse. The cultural and historic background and the level of economic development lead to different forms of social dialogue.

The CIS inherited the tradition of centralised and non-transparent institutions leaving little scope for dialogue, consensus and social democracy. This legacy is combined with the tremendous socio-economic changes of the last decade. Changes in the world of work have had a direct impact on many million people and on every part of social life.

Despite the development of a substantial number of small new enterprises and different forms of self-employment, unemployment has been rising. The non-payment of wages and the reality of unemployment have created growing social tension in many regions and enterprises. Huge income differentials, distrust, social exclusion and conflicts are obstacles to long term growth, wealth and democracy.

The state and the social partners have set up a multi-tier system of social dialogue and tripartism to manage these challenges. The structure of social dialogue is in place but remains very formal. As we hope, the set up mechanism will increasingly become involved in solving social problems.

The ILO and its Moscow Office agreed with its partners to address these challenges and to develop a series of activities to assist capacity building of tripartite constituents. The aim is to support the development of strong, independent and representative social forces who act in partnership.

Analyses of past experiences combined with workshops on social issues, such as labour conflicts and collective bargaining, have and will be regularly provided.

Erwin BLASUM, Pierre DE LAME, Frank Hoffer
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Michail Shmakov, Head of the Federation of Independent Russian Trade Unions, (left, see also p.2) and Vladimir Kolmogorov, then President of the Russian Union of Industrialists and Entrepreneurs, at a conference on social dialogue in Russia, October 98



For a list of ILO Eastern Europe & Central Asia (EECAT) publications see:
<http://www.ilomos.ton.ru>

For information on the Encyclopedia of Occupational Safety and Health in English (Page 4)
<http://www.ilo.org/public/english/180publn/encycindex>

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Georgia



In April, a seminar on the development of a national labour legislation in the light of International Labour Standards was held in Tbilisi with the participation of representatives of several ministries, Trade Unions and of an employers' organization. The participants adopted recommendations on how to solve problems existing in the regulation of labour and social relations. They were addressed to the Parliament, the Government, social partners and the ILO.

Kazakhstan



In March 1999, an International Conference was held in Almaty on health system restructuring of Central Asian countries and the role of trade unions in this process. The conference was organised by the ILO with the support of Public Service International. Its main objective was to examine the reform experiences and to stress the need for social dialogue and the active role of trade unions in relation to health service reforms.

Tajikistan



Tajik trade union movements aim to bring pay levels up to the minimum subsistence level. Karim Karimov, Deputy Chairman of the Federation of Independent Trade Unions, claims that the minimum wage in Tajikistan at the moment is less than 5 % of minimal subsistence levels. As parliamentary elections are expected this year, trade unions are seeking for ways to lobby their interests in the parliament through political parties or their own candidates.

Armenia



The ILO, under the auspices of the UN Resident Coordinator, contributed to the national report «Labour Market in Armenia» to be published in Spring 1999. The report addresses the range of employment and enterprise development issues facing the country and is available through the ILO Office in Moscow. An advisory mission to Yerevan was undertaken by the Small Business and Management Specialist in April.



Russian Trade Unions for Social Justice

«Justice must be the primary value of a society's institutions in the same way as truth must be the main principle of any system of thought.» - These words of John Rolls come to mind whenever one starts to talk about social partnership in Russia.

From the start, the Federation of Independent Trade Unions in Russia (FITUR) made its choice for social partnership and tripartism, and this is the attitude that defines all of its activities. FITUR has always been ready to solve social conflicts through talks. The norms and principles of the ILO have long ago become an element of everyday work. Along with Trade Unions from other countries, we contributed to the ILO Declaration about General Principles and Rights in the sphere of work on the Labour conference in 1998. We are proud to find the following words in it: «Economic development is important but not sufficient for ensuring equality, social progress and eradication of poverty, which confirms the necessity of the effort the ILO makes in order to support a strong social policy, justice and democratic institutions.»

The system of social dialogue has come to a halt.

Together with the Trade Unions, the representatives of the Russian State and employers voted for this document. Russia has ratified more than 50 ILO conventions. Tripartite commissions have been founded on the federal, regional and branch levels, and a system for resolving disputes was developed.

Every year, the trade unions of FITUR sign more than 120 sectoral and regional agreements. However, it is still a long way from the acceptance of principles and the creation of mechanisms to their effective functioning. That is why the terms «justice» and «truth» mean so much to us when we talk about social dialogue with the Government and employers.

Today the system of social dialogue has come to a halt mainly for three reasons. Firstly, the ignorance of the duties of Government and employers. Secondly, the insufficient level of organisation and lack of responsibility from the employers' side. Thirdly, and which is most alarming for us, the insufficient persistence and inability of trade unions to lead effective talks. The process of talks can hardly be called constructive, if the social partners do not suggest concrete measures to lead the country out of the crisis.

Russia has had enough of reforms for the sake of reform. It needs reforms for its citizens. Hard facts tell about this necessity: the living standard has almost halved in recent years, 12 million people have become unemployed. The wage arrears amount to 73 million Rubles. A deep social crisis lies ahead. Various elements such as labour, wage and middle class which are essential to the development of the economy have been discredited. Under these circumstances, the first demand of the Trade Unions to the Government is to work out a complex of measures to achieve a 50% wage increase in '99, compared to the level of '98, to ensure that wages are paid on time and to pay off the debt to the workers of enterprises of all types of firm, to present a draft law in the Duma for the establishing of a minimum wage on the basis of subsistence level.

Talks concerning all these aspects must be undertaken by our collective effort. The General Council of FITUR has called its members to prepare for an All-Russian strike in October '99, with the demand to raise workers' pay. The words «justice» and «truth» must be brought back to their original meaning.

M.V. SHMAKOV,
FITUR Representative

Belarus on the threshold of 2000: social and labour problems



- Country Profile -

Social and economic situation. The Republic of Belarus became independent after the disintegration of the Soviet Union in 1991. Belarus was one of the most developed republics of the Soviet Union. Occupying less than 1% of the territory of the former USSR, it produced more than 4% of its GDP. The scientific and intellectual resources of Belarus, its favorable geopolitical position in the centre of Europe, an industrially potential and skilled labour force demonstrate its potential for political, social and economic development.

Belarus is in the stage of transition to a market economy. Problems of industrial competitiveness, low level of domestic and foreign investment and unconvertibility of the Belarusian rouble are the main obstacles to implementation of the positive potential of the Republic.

Legislative basis in the social and labour sphere. In general, the country has created the legislative basis for the resolution of employment problems, salary payment, occupational safety, regulation of migration processes and so on. A number of draft laws aimed at the creation of more favorable legal possibilities for development of social and labour relations are being prepared: a draft Labour Code, the draft laws «On the minimum wage amount...», «On occupational safety», a new version of the law «On employment».

Employment. According to the current Law of the Republic of Belarus «On employment», the State guarantees the citizens vocational training, assistance in seeking an appropriate job, placement and other support free of charge.

During 1998, the level of the official unemployment decreased from 2.8% at the beginning of the year to 2.3% at the end of the year, the number of the unemployed persons decreased accordingly from 126.2 thousand to 105.9 thousand. However, there are the problems of hidden unemployment and efficient employment that remain to be solved.

Wages. The State regulation of wages in the budgetary sphere, starting from 1996, is aimed at preventing the fall of real wages and providing an acceptable wages level.

For example, after the centralized Government measures in 1998 the average monthly wage and pension increased by 2.0 and 2.2 times correspondingly. Of course, inflation is the main factor restraining the increase of the real income of the population. The improvement of the practice of wages regulation on the basis of collective agreements, taking into account positive foreign experience, and introduction of market mechanisms for its regulation are urgent tasks.

Social security. After passing the Law of the Republic of Belarus «On minimum subsistence income» in January, the minimum consumer budget will be used as a main criterion for eligibility of a person for State social assistance.

Cooperation between ILO and Belarus. Belarus has been member of the ILO since 1954. 45 Conventions have been ratified of which 39 are in force. Belarus has ratified all the seven fundamental Conventions forming the ILO Declaration. The cooperation between Belarus and the ILO has especially intensified since the strengthening of the ILO Office in Moscow by a group of experts. In December 1998 the tripartite programme of cooperation with ILO for the period 1999-2000 was signed in Minsk.

Now projects «Self-employment development» and «Modular training of unemployed» are implemented in the country with support of the ILO. This year the international seminars on labour safety in small and medium sized businesses and on industrial enterprises restructuring have already been held in the framework of the Programme of Cooperation. Since March the ILO project on reforming the pension system in the country is starting with UNDP financial support.

Nikolai T. TOLMACHEV,
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Azerbaijan

In April, a seminar on the development of a national labour legislation in the light of International Labour Standards was held in Baku with active participation of representatives from different ministries, from some employers' structures and from several national Trade Unions. The participants agreed on recommendations to the Government and social partners concerning ways and means of the solution of problems existing in the labour legislation.



Uzbekistan

The President of Uzbekistan, Karimov, participated in the 50th anniversary of NATO celebrations in Washington in April. During his stay in the United States, he met with representatives of the IMF and World Bank in order to discuss the Small Investment and Microfinance Fund to which the ILO has contributed technical assistance. It is expected that the President will sign the decree establishing the fund after his return.



Turkmenistan

In April 1999, a joint ILO and Public Service International seminar was held in Almaty on structural adjustments of the civil service with regard to medical services administration and medical workers' trade unions. Representatives from Turkmenistan, Kazakhstan, Kyrgyzstan and Uzbekistan participated.



Kyrgyzstan

In collaboration with the GTZ (German Development Agency) and the Kyrgyz Ministry of Labour and Social Protection, the ILO participated in a workshop on the Kyrgyz experience of active labour market policy (April 1999, Lake Issyk-Kul). Recommendations for further improvement of national employment policies were presented, based on the ILO synthesis report on labour market developments in transition countries that was prepared for the regional follow-up of the World Summit for Social Development.

Russia's Occupational Safety Programme to Year 2000

The Russian Federation has approved a Federal Programme on the Improvement of Occupational Safety for 1998-2000. The ambitious programme includes issues related to legislation, accidents and working conditions, information and monitoring, and economic incentives.

Information and training is of extreme importance for the practical improvement of working conditions at the work place. Through two projects, the ILO and Denmark support Russia and the Russian speaking community in developing and expanding the occupational safety and health (OSH) network of information centres and in training their staff.

Four Russian specialist centres have started the implementation of these two ILO/DANIDA projects. They will produce, compile and make available more Russian language OSH information, which is urgently needed in the present transition period. The dissemination of this information will be improved through extension of the electronic network and improved information flow between the existing Russian speaking OSH information centres. Training will be organised to enhance the work of the information centre staff.

The ILO has finished an enormous task in 1998: the 4th totally revised version of the ILO OSH Encyclopaedia. The

Who is the ILO team in Moscow?

From Minsk to Tashkent, from Murmansk to Tbilisi, people face problems related to their work relations. Social protection, tax policy, changes in enterprise structures, to name but a few. Since 1998, the International Labour Organization has strengthened its Moscow Office to cover ten CIS countries with a team of specialists. They analyse labour and social affairs, advise on policy and technical issues, and provide a forum for debate through the ILO structure. In cooperation with employers, workers and governments, the team promotes the implementation of country objectives that aim to support social democracy and economic development.

task has taken over four years and all major OSH specialist institutions have participated. This Encyclopaedia will be translated into Russian, starting from Part II. The translation will be available on the Russian home page: <http://users.nevalink.ru/umcot/> as soon as they are ready.

The ILO Moscow Multidisciplinary Team works together with many other Russian speaking countries to pool resources and make results available for the whole Russian speaking community using the latest information technology.

Wiking HUSBERG,
Senior Consultant to ILO for OSH

PENSION REFORM: A CIS CHALLENGE

The reform of social protection schemes, and more specifically of pension schemes, is at the heart of economic transition from central planning to market mechanisms. There is practically no country in the Commonwealth of Independent States where major reforms in the field of pensions have not been considered, designed, decided upon or started being implemented. The reform process, although started almost a decade ago, remains far from completion. Pensions are too

low, some schemes are threatened with bankruptcy, past generations did not contribute to earmarked funds, and new ones are reluctant to comply with rules they do not understand or accept. The ILO Office in Moscow published in March 1999 a collection of major articles and analysis about key issues in reforming pension schemes, with special reference of the situation in CIS countries.

From experience and contacts with all major institutions involved in such exercises nationally and internationally, it appears that most acute difficulties in designing sustainable reforms in transition economies come from governance problems, including contribution collection. Almost equally lacking are adequate actuarial and financial reviews, as well as mechanisms to conduct the required broad dialogue over reform goals, encompassing the necessary compromise between social justice and individual equity among contributors and beneficiaries.

The ILO, especially its Moscow-based team, plays an active role in this debate. In addition to publishing in Russian, it has launched specific programmes addressing pension reform concerns in Belarus and in the Russian Federation, while keeping in close contact with all members of the CIS Association of National Pension Funds.

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