

NEWS

Eastern Europe & Central Asia



A PUBLICATION OF THE INTERNATIONAL LABOUR ORGANISATION

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No. 1, March 1999

The Moscow Office of the International Labour Organization is proud to present you its new publication. ILO News Eastern Europe & Central Asia will cover major activities conducted with Governments, workers and employers in CIS countries, and provide the reader with brief information from each of these countries, while informing about our most recent publications. Distributed five times a year as a supplement to the Russian Edition of "World at Work", ILO News EE & CA will, we hope, provide a strong and friendly link between readership, and all staff contributing to its contents...

JV Gruat

Tackling Russian Crisis

At the initiative of the Russian Ministry of Labour and Social Development put forward during the last session of the Governing Body in November 1998, a "Special Programme for the Russian Federation" was set up by the ILO. Its implementation is planned for the time from January to June 1999.

The Special Programme includes four big items: (1) labour law and its implementation, (2) wage reform, (3) employment promotion and (4) social protection. Which reasons led to the choice of these four items?

During the last years, two of the four topics, namely employment and wage situation, have become the most complicated and important problems of society. With regard to wages, the former Soviet system of remuneration is neither suitable for a market economy nor for relationships between employers and workers on a new basis. All aspects of the old wage system (fixing, payment, etc.) should be changed. That is why a series of consultations on wage system, on wage arrears in cases of bankruptcy, on the minimum wage set on an hourly basis, on special wages (regions with difficult working conditions) have been included in the Special Programme. In the final phase it is planned to organize a seminar on different aspects of the wage system. A summarizing report will be prepared afterwards. Since August 1998, the unemployment situation has considerably worsened. In comparison with the previous period of transition, a number of new problems have arisen, such as an increase of unemployment in some economic sectors that had not been touched earlier, a change in the unemployment structure with regard to age and other

factors. In such a situation the use of any foreign experience could be helpful. Two seminars — on vocational guidance and on labour market monitoring — are envisaged as well as consultancy on promotion of employment in depressed areas. In addition, a project formulation on employment and improvement of living standards in Yakutia is intended. Russia needs a completely renewed, full-bodied and good built legal set for the regulation of the labour relationship as the old one does not reflect the actual situation. Ideological attitudes of different political forces to the regulation of labour relations have hindered the development of a coherent strategy in the past years. But now, a relatively concerted between governmental bodies and social partners draft seems to have been elaborated. On the request of the Russian Government, the ILO examined the text in the light of International Labour Standards in December.

Furthermore, consultations with ILO experts with participation of Government officials, employers and workers representatives will be organized and a tripartite working group founded whose task is to provide all Russian constituents with ILO expertise.

The fourth item — social protection — concerns social security (insurances), minimum living standards and protection against occupational accidents. A series of consultancies on different aspects of this topic (increase of the participation of workers in social security financing; analysis of the financial sustainability of social funds, legislation on minimum living standards) and two seminars (on social security financing and on occupational accidents insurance) will be offered.

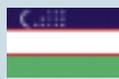
Vitali Savine,
Expert for Labour Law
and International Labour Standards





Shift in Kazakh employment policy

Uzbekistan



The Small Investment and Micro-Finance Fund (SIM), to which the ILO has provided technical assistance for two years will start to work in two pilot regions after the President has signed the decree (expected for the end of February). The SIM targets the economically needy population and supports smaller and medium enterprises in order to stimulate employment.

Turkmenistan



The Government is conducting a Social Welfare Sector Review, for which a National Commission was created in late 1998. Revisiting social safety nets, the Commission will make proposals for the weakest segments of the population. Outcome by mid-1999 (Information: UNDP Ashgabad).

Belarus



In December 1998, a tripartite programme of cooperation was signed in Minsk between ILO and Belarus for the period 1999-2000.

The Ministry of Social Protection asked the ILO with support from UNDP to advise on a pension reform plan in Belarus.

A permanent ILO national correspondent will be appointed in Belarus from March 1999.

An ILO meeting on safety and health in small and medium size enterprises was held in Minsk in February 1999, with participation of other CIS countries.

Georgia



A joint ILO and Public Service International initiative gathered representatives from Armenia, Azerbaijan and Georgia in Tbilissi to discuss the consequences of structural adjustment on the civil service. In February 1999, the ILO Moscow dispatched a mission of experts to Tbilissi in order to discuss future programmes of triennial cooperation...

As a consequence of a new employment law, a significant shift in fighting unemployment is expected in Kazakhstan.

In 1998, a combined mission of the ILO Headquarter and the ILO Moscow Team had commented upon the previous version of the draft law. The general employment policy of Kazakhstan had been in line with International Labour Standards. What raised concern was the intention to consolidate the State Budget by means of cutting the unemployment benefit.

The ILO draws the ministry's attention to International Labour Standards that claim people's need for protection during unemployment. It was emphasised that discontinuous provision of unemployment benefit would not correspond to the aim of establishing a social safety net in the transition country.

It is expected, that employment services will be radically reorganised as a result of the new employment law. The main approach of fighting unemployment will be one of active employment promotion. Therefore, a modern national information system will be established in order to get a clear idea about vacant jobs. Moreover, public work schemes will be adopted as a means to provide temporary employment, small and medium sized enterprise development shall be promoted and training programmes for new occupations and skill improvement will be set up.

Concerning vocational training, the new law will also bring significant changes. The provision of training schemes will be adapted to the demand of the labour market. That is, unemployed people will get the training of their choice only if there is an employer who needs this specialization. Furthermore, a tripartite agreement should come into work that would specify the obligation of employers to take on the persons trained. Besides, educational institutions will be engaged in training.

A tripartite agreement on vocational training would be set into the framework of the recently signed General Agreement on Tripartite Partnership in Kazakhstan. On January 8, 1999, government, workers and employers agreed that the tripartite relations deserve more targeted and comprehensive measures to be taken. It is noteworthy that in 1998 the General Agreement could not be signed due to principal contradictions between the government and the Trade Union Federation. The '99 Agreement, as it was stated, will serve as a mechanism of dialogue and coordination of interests between the partners. They agreed that no policy should be developed unless it passed the tripartite discussion.

In the field of social support, there are expected changes as well. Kazakhstan wants to target the provided assistance for veterans, needy and disabled people in a better way by taking into consideration people's entire income sources. Currently, there is also a draft law under development on compulsory insurance for occupational injuries and diseases, to be provided by the employer. Amendments and alterations are entered into the tax legislation as to allow reestablishing of occupational injuries benefit payment.

Material from: **Talgat Umirzhanov**,
ILO National Correspondent, Almaty

Aftermath of War in Tajikistan

— Country Profile —

Tajikistan currently undergoes the transition into a market economy and an economic crisis as a result of the civil unrest of 1991–1994. According to the World Bank, the GDP per capita in Tajikistan is US\$ 350. The current unemployment rate is considered to be above 40%, including “hidden” unemployment accounting for those still registered as employed but who are on extended leave without pay. The rate increased in the aftermath of the war as highly skilled workers of all sectors left their jobs for employment, security or repatriation reasons. The literacy rate is still high among the labour force, but its decline is anticipated for future generations. In this context, vocational training can play an important role to make up for the loss of technicians. The Ministry of Labour and Employment currently operates vocational centers in Dushanbe,



Dushanbe

Khudjand and Kulyab.

The informal sector accounts for main employment opportunities of refugees, internally displaced persons or demobilized combatants. The state-owned industrial and commercial companies cannot provide enough jobs as their situation is desolate, mainly because of a lack of

raw materials. The various industrial branches need to modernize their machinery, reduce scales and increase efficiency. Currently it is estimated that only about one third of the whole industrial capacity is functional in the country. Agriculture is the largest employment sector and provides jobs for the majority of the working population, and it remains the only source of employment in the mountainous regions. Agriculture, therefore, has the potential to serve as a basis for development of entrepreneurial initiatives in the rural areas.

The labour tripartite system between Government, Trade Unions and Employers' Organizations exists in Tajikistan. The National Association of Small and Medium Business is the main organization to act on behalf of employers. The system is still in the emerging stage as most of the enterprises are state-owned. A special commission headed by the Deputy Prime Minister oversees the implementation of the tripartite agreement.

It is widely recognized that employment promotion is a critical component for the peace process of Tajikistan. The Ministry of Labour and Employment has been entrusted with the design and organization of the necessary employment and income generation schemes in the worst war affected areas, particularly those inhabited by refugees and ex-combatants. In this regard, ILO and UNDP Tajikistan have provided initial technical assistance to the Ministry by jointly organizing a decision-planning workshop. It was held on 2–3 July 1998 to formulate a training, employment and income generation action plan for vulnerable groups, including ex-combatants and refugees in Garm, Tajikabad, Bokhtar and Kofarnihon. Prior to the workshop, economic opportunity surveys and feasibility studies were undertaken to summarize labour market situation in the selected areas.

Shoko Noda, Programme Officer UNDP Tajikistan



Armenia

According to the United Nations' country strategy note for Armenia, one of the priority fields for ILO intervention will be the promotion of employment creation by small and medium enterprises



Azerbaijan

The ILO project “Strategies and Tools against Social Exclusion and Poverty” started its activities in Azerbaijan in December 1998 — with support from the Government of Netherlands.

A programme on resettlement of refugees and internally displaced persons continues with UNDP support.



Russian Federation

Employment promotion through enterprise restructuring and revival is at the core of various joint ILO UNDP projects focussing on the dissemination of “positive examples”.

Occupational safety and health: DANIDA recently approved two projects submitted by ILO and MOLSD to improve the informational situation throughout Russia and to other Russian speaking countries.

(see also page 1)



Kyrgyzstan

The ILO analyzed through experts and a mission (February 99) the current technical and vocational training system and the problems of the small enterprise sector. A proposal was presented to give technical assistance for the preparation of an Asian Development Bank loan (20 Million USD) that is meant to be used in order to improve skills and support the development of entrepreneurship in the country.

ILO News Eastern Europe and Central Asia, Supplement to World of Work, edited by ILO Moscow Office.

Responsible: JV Gruat, Director;

Editing: Katja Patzwaldt.

ISSN pending.

WOMEN IN CIS ECONOMIES

The break-up of the Soviet Union and the transition to a market driven economy has brought along severe new difficulties that affect the position of women in a new way.

Specifically, growing unemployment and weakening of social protection are at present problems common to women throughout the CIS countries. Gender discrimination may in some instances become an aggravating factor.

In this context, the gender dimensions of economic transition in the CIS region constitute one of the priority areas for the ILO Moscow office. Along the lines of the three basic objectives of the ILO (promoting democracy,

eradicating poverty, improving working condition), major concerns of ILO activities in the region include the effects of economic restructuring on equality of opportunity for men and women and the capacity of member states to enhancing national and enterprise training programmes. Work is underway in several countries in evaluating active labour market programmes with a view towards improving job placement and employment growth.

Minna Hanhijarvi,
Expert for Women Workers
and Gender Issues (hanhijarvi@ilo.org)

ACTIVE LABOUR MARKET POLICIES IN THE CIS

In 1995, the Copenhagen World Summit on Social Development recognized the importance of ILO action in promoting fuller employment opportunities to all those ready to work. This commitment directly reflects upon ILO/EECAT programmes in CIS countries, notably through support to national active labour market policies.

Active policies are those that more directly assist people in finding work such as training and improved employment services placement activities. Perhaps the two greatest challenges facing the CIS countries are lack of funding for such measures, and the absence of previous experience under market economy conditions. The ILO has assisted various CIS countries in developing and adapting to national contexts improved labour market policies. Just a few examples: In Kazakstan, with the support of the Ministry of Labour and Social Protection, the ILO “Start—Your—Business and Improve—Your—Business” training programme for potential and existing entrepreneurs is in its second year of activity. In Uzbekistan, in cooperation with the UNDP, the ILO is assisting in the establishment of a social fund to promote employment through a national public infrastructure programme. In the Russian Federation, the ILO Modular Skills Training Programme is in its fourth year of operation with the objective of continue with their approval of relevant international labour standards. In order to enhance women’s employment and equality on the basis of and in addition to already existing assistance programmes, the ILO Moscow office disseminates updated ILO information in Russian. A seminar with representatives from Russia, Azerbaijan, Belarus and the Kyrgyz

Republic was also organized in December 1998 in Moscow, with two participants from ILO Headquarters, to discuss possible ways for future cooperation and review a technical project that is shortly to be submitted to potential donors.

Jim Windell,
Expert for Small Business
and Management Development



Who is the ILO team in Moscow?

From Minsk to Tashkent, from Murmansk to Tbilisi, people face problems related to different aspects of world of work. Social protection, pensions, tax policy, changes in regional enterprise structures are just a few to be named. Since 1998, the International Labour Organization has strengthened its Moscow Office to cover ten CIS countries with a team of about twenty 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 the three constituents of the work process — employers, workers, government —, the team promotes the implementation of country objectives that aim to support social democracy and economic development.