



Decent Work Country Programme of the Republic of Uzbekistan for 2014-2016

Introduction

Since its inception almost 100 years ago, the International Labour Organization (ILO) has aimed at strengthening tripartite social dialogue and the role of international labour standards, creating decent working conditions, supporting the viability of enterprises and ensuring decent living standards through employment and social protection of the population.

The above is relevant to the specific measures undertaken by the Republic of Uzbekistan, which aim at developing the social and labour sphere, ensuring the growth of the population's income, improving the situation in the labour market, enhancing productive employment, ensuring a targeted social security system and improving occupational safety and health.

In this connection, the present Decent Work Country Programme (DWCP) identifies concrete priorities, objectives, outcomes and performance indicators for the cooperation between the ILO and its tripartite constituents in the Republic of Uzbekistan in 2014-2016, which will underlie the further development of joint activities.

I. Socio-economic development and the world of work

Socio-economic background

Uzbekistan is the largest country in Central Asia by its population (30,4 millions in the beginning of 2014) and the third largest by its territory (447,4 thousand km²).

The country ranks second in the region by its total GDP and third per capita GDP. Uzbekistan is the seventh-largest gold miner and producer of cotton in the world, and occupies the fifth place in cotton manufacturing; it is also a significant producer of natural gas, oil, coal, copper, silver and uranium in Central Asia.

Due to high birth rate, the population increased by 40% since 1990. At the same time the share of children (aged 0 – 16) has declined remarkably (from 41,1% in 1990 to 28,9% in 2013) while the share of the elderly people (aged 60+) remained low at the level of 7%. At the same time, the share of the working age population is high, at 64,3% in 2013, which makes living standards, social protection, employment of population and creation of decent working conditions issues of current importance for the country.

The rapid economic growth (at rates of 7,7% to 8% of GDP per annum in the period 2004 to 2013) has been supported by a strong state measures and the cautious introduction of the features and mechanisms of an open-market economy. The Government has ensured and is willing to preserve the annual growth rate at the level of 8% through the year 2015.

Improving living standards of the population is a major goal of the national *Welfare Improvement Strategy of the Republic of Uzbekistan for 2013–2015*, approved by the Presidium of the Cabinet of Ministers in February 2013. Within the United Nations Development Assistance Framework (UNDAF), Uzbekistan has set up its national development priorities under the Millennium Development Goals (MDG). Among the targets and objectives to be achieved by 2015 are: to reduce poverty by half; to reduce by two-thirds the under-5 mortality rate and by one-third the maternal mortality; to reverse and halt the spread of HIV/AIDS and tuberculosis; to achieve gender equality and gender balance in primary, specialized secondary and vocational education, as well as in higher education.

Labour Market and Employment

Supported by a policy aimed at boosting the creation of jobs, the labour market witnessed a significant employment growth since 1990. The share of women in employment increased to reach 45,5% in 2013, compared with 44,0% in 2000. The implementation of active labour market measures, first of all aimed at the development of small businesses, allowed a high average annual jobs growth.

At the same time, there is a need to secure annually the employment of 500,000 graduates from specialized secondary, vocational and higher education institutions. Unemployment rates, both overall and sex disaggregated, remained stable and moderate, at about 5%. According to some estimates, seasonal employment, especially in rural areas, amounts to 20% of the employed population.

Social Protection and Conditions of Work

Social security. The State social insurance covers all the employed population. In cases listed in law, family members of the insured are also entitled to benefits. The State social insurance provides benefits in cash and in kind in cases of sickness and maternity, as well as old age, disability and survivor's pensions. In 2008 the Law on a mandatory social insurance against employment injuries was adopted.

Employers and self-employed are obliged to pay social insurance contributions; the insured persons remain entitled to the benefits even when the employer failed to pay the contributions.

Wages. The minimum wage is set by law. Since 2012, the minimum wage has significantly increased, in line with the first level of the Unified Tariff Scale (UTS). As a rule, the indexation (increase) of the minimum wages is done twice a year, on average by 20-25%, annually.

Occupational safety and health. Although Uzbekistan did not ratify any ILO conventions on occupational safety and health (OSH), their basic principles are reflected in the national legislation. However, the national legal framework would need to be renewed to have a more positive impact on the OSH situation and to encourage companies to spend more on the safety and health of their workers.

In the national OSH profile of 2008, the ILO emphasized the need to reform the OSH system and pointed to the main problems to be addressed, such as development and strengthening of the legal and technical labour inspections and the setting up of national OSH training and information-methodological centre.

International Labour Standards

Uzbekistan is a party to 13 ILO Conventions, including seven of the eight fundamental Conventions – the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87) is not ratified – and one governance Convention – the Employment Policy Convention, 1964 (No. 122). Other ratifications include the Workers' Representatives Convention, 1971 (No. 135), and the Collective Bargaining Convention, 1981 (No. 154).

Following ratification of the Minimum Age Convention, 1973 (No. 138), and of the Worst Forms of Child Labour Convention, 1999 (No. 182), a National Plan of Action for the implementation of these Conventions was developed in coordination with 20 ministries as well as workers' and employers' organizations.

Questions raised by the ILO supervisory bodies in the recent years in relation to the application of fundamental Conventions included child labour and forced labour in the context of cotton-picking campaigns and gender equality in employment and occupation.

Social Dialogue and Social Partners Organizations

The Government, the Council of the Federation of Trade Unions and the Chamber of Commerce and Industry have concluded a tripartite General socio-economic agreement for 2014 – 2016, which includes *inter alia* provisions on social partnership institutional development.

Collective agreements are also signed at the sectoral and enterprise levels. Although the law provides for two possible channels of workers' representation at the enterprise level – by the trade union or by elected representatives – it is unions that ensure in practice the actual representation of workers.

The Federation of Trade Unions of Uzbekistan is the largest and main workers' organization, with 11 sectoral and 14 territorial organizations. Trade unions promote the implementation of ILO Conventions using the mechanisms of collective bargaining between workers and employers. In recent years the trade unions have become more active in developing social dialogue and strengthening their role in social and labour relations. The important goal of the Federation is development of international trade unions cooperation.

The Chamber of Commerce and Industry of Uzbekistan (CCIU) is the largest employers' organization, with 14 regional offices in the provinces and in the capital of the Republic. Since its founding, the CCIU has been taking part in national social dialogue and in international activities. The CCIU is recognized by Government institutions and trade unions as a partner defending and promoting the employers' interests, including those of small enterprises.

In addition to these workers' and employers' organizations, *the Farmers' Councils*, which replaced in 2012 the Association of farmers' enterprises, are representing more than 73 thousand farms.

The Republican Farmers' Council of Uzbekistan comprises 23 members and Farmers' Councils are established in 13 provinces and 156 districts.

II. Country Programme Priorities

Achieving decent work for all women and men in Uzbekistan is a common objective of the Government and social partners. Taking into account the situation of the country in areas falling within the ILO's mandate, they have agreed that the cooperation with the ILO in 2014-2016 will be developed in accordance with the following priorities:

- Strengthening social partnership in Uzbekistan for the realization of fundamental principles and rights at work;
- Fostering decent employment opportunities; and
- Improving working conditions and social protection.

III. Outcomes, implementing strategies and performance indicators

Priority 1: Strengthening social partnership in Uzbekistan for the realization of fundamental principles and rights at work

1.1 A national policy to apply international and national labour standards

A national policy involving social partners will be designed and implemented with the support of the ILO to consider further ratifications of ILO Conventions, address current issues of application of ratified Conventions and reinforce the application of labour law at the workplace level.

Uzbekistan has ratified 13 ILO Conventions. Work will continue to further improve the application of these Conventions.

Taking into account the current laws, policies and practices, Uzbekistan will consider the possibility of further ratifications, including ratification of the fundamental Convention – the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and of the priority/governance Conventions – the Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144), the Labour Inspection Convention, 1947 (No. 81), and the Labour Inspection (Agriculture) Convention, 1969 (No. 129) – with the technical assistance of the ILO.

The Holidays with Pay Convention, 1936 (No. 52), has been revised by the Holidays with Pay Convention (Revised), 1970 (No. 132), and the Maternity Protection Convention (Revised), 1952 (No. 103), has been revised by the Maternity Protection Convention, 2000 (No. 183). With the assistance of the ILO, the possibility of ratifying Conventions Nos. 132 and 183 will also be considered.

Questions related to the application of fundamental Conventions will be addressed with the technical assistance of the ILO. Further progress will be sought in relation to gender equality, under the

Equal Remuneration Convention, 1951 (No. 100), and the Discrimination (Employment and Occupation) Convention, 1958 (No. 111).

The ILO will support a review of the operation of the labour inspection and provide training, with a view to strengthening its role in securing the application of labour law at the workplace level.

Indicators:

- 1.1.1 Ratifications of Conventions Nos. 87, 144, 81 and 129 are considered
- 1.1.2 Based on reviews of existing laws and practices, ratifications of Conventions Nos. 132 and 183 are considered
- 1.1.3 Changes in law and practice ensuring progress in the application of Conventions Nos. 100 and 111 and promoting gender equality
- 1.1.4 Number of labour inspection staffs that demonstrate an improved knowledge of international labour standards.

1.2 *Effective implementation of the National Action Plan for the application of child labour Conventions*

Conventions Nos. 138 and 182 are in force and the Government is committed to implementing a National Action Plan for the application of both Conventions and ensuring the protection of children's rights.

Further to the conclusions of the Committee on the Application of Standards of the International Labour Conference in June 2013, the Government agreed to a joint ILO-Uzbek monitoring mission during the 2013 cotton harvest to enable the Committee of Experts on the Application of Conventions and Recommendations (CEACR) to assess the implementation of Convention No. 182. The monitoring was carried out from 11 September to 31 October 2013. The report of the monitoring mission was submitted to the CEACR, which noted with interest that the monitoring of the cotton harvest had taken place, welcomed the efforts of the Government to implement the relevant ILO Conventions and recommended continuing cooperation with the ILO under the International Programme on Elimination of Child Labour (IPEC).

The ILO strategy will be to support the implementation of the National Action Plan for the application of Conventions Nos. 138 and 182 in Uzbekistan through the following areas of interventions: (i) capacity building for the main constituents on child labour issues; (ii) enforcement of the national legal framework; and (iii) implementation of the national child labour monitoring, including school to work transition of the 16-18 years old age group in conformity with the child labour Conventions.

Assistance in capacity building will be provided to national institutions and social partners involved in the implementation of the National Action Plan on child labour, to ensure effective leveraging and transfer of knowledge, skills and tools. Further technical assistance support will be given to the revision of the national legal framework on child labour as well as to the implementation of the child labour monitoring system by promoting suitable school to work transition of the 16-18 years old age

group. The ILO will facilitate knowledge-sharing on child labour issues and documentation of good practices and their replication.

Indicators:

- 1.2.1 Number of Government officials and representatives of social partners' institutions that demonstrate an improved knowledge on child labour issues
- 1.2.2 Number of legislative and institutional changes introduced in the field of child labour, including the revision of the hazardous child labour list
- 1.2.3 Results of the national child labour monitoring, including school to work transition for the 16-18 years old age
- 1.2.4 Number of good practices on child labour identified by national constituents and documented for further replication.

1.3 *Assuring that conditions of work and employment in agriculture, including in the cotton-growing industry, are in conformity with fundamental standards*

In its latest observation on the application of the Abolition of Forced Labour Convention, 1957 (No. 105), the CEACR welcomed the readiness of the Government and social partners for further broad development of cooperation with the ILO, including for the adoption of effective measures for eradicating forced labour in the cotton industry. It urged the Government to continue to engage in cooperation with the ILO and the social partners, within the framework of a country programme, towards the full application of the Convention. The ILO is ready to assist in assessing the situation in law and practice, building the enforcement capacity; supporting awareness raising activities; and monitoring further progress to this effect.

An early survey on working conditions in agriculture will provide a better understanding of labour recruitment and retention practices. National legislation and practice will be reviewed to ascertain that they do not allow, directly or indirectly, any form of compulsion to work and that relevant measures are provided for against the exaction of forced labour. The enforcement capacity and mandate of labour inspection will be assessed and a capacity building programme developed at the national and district levels.

In cooperation with employers' organizations, roundtables will be convened to increase awareness of employers on forced labour. Community based awareness-raising will target representatives of local government and administration, local government agencies, educational institutions, trade unions and the media.

Indicators:

- 1.3.1 A survey on working conditions in agriculture, including in the cotton-growing industry, contains recommendations to improve labour recruitment and retention practices
- 1.3.2 National law and practice is reviewed and monitored

- 1.3.3 Number of labour inspectors that demonstrate improved knowledge and skills to recognize forced labour practices
- 1.3.4 Number of roundtables held on forced labour both for the business community and for representatives of local government and administration, local government agencies, educational institutions, trade unions and the media.

1.4 *Enhanced capacity of trade unions to contribute to the realization of fundamental principles and rights at work*

Trade unions will be helped towards the realization of fundamental principles and rights at work, especially for workers in the agricultural sector, the education sector, the informal economy and subsidiaries of multinational enterprises (MNEs). The ILO will support the Federation of Trade Unions in creating an information and education network on workers' rights accessible to all.

Special attention will be given to promoting the ILO Tripartite Declaration on MNEs, strengthening trade unions in MNEs, and developing their capacity to conclude collective agreements. Trade unions will be assisted with information regarding global framework agreements and their use when negotiating at the enterprise level.

The ILO will assist the Federation in developing its policy and strategy regarding the representation and protection of workers occupied in the informal economy, in the private and small, family enterprises and in the agriculture sector, as well as in training officials of the relevant Federation's branches and units. Hot lines for informal and vulnerable workers will be opened by the Federation and information materials and specific service packages will be prepared.

The cooperation of the Federation with the international trade union movement will be supported.

Indicators:

- 1.4.1 Number of TU officials and activists that demonstrate an improved knowledge of fundamental principles and rights at work, including their application in agriculture and the informal economy
- 1.4.2 An information and education network on workers' rights becomes operational
- 1.4.3 Number of unions created and collective agreements concluded in MNEs.

1.5 *Enhanced capacity of employers' organizations to contribute to the realization of fundamental principles and rights at work*

Like many other employers' organizations in Eastern Europe and Central Asian countries, CCIU requires external assistance in helping it to develop new and sustainable services that will boost the organization in terms of its representativeness and membership.

To assist CCIU in making its membership more attractive for Uzbek businesses, the ILO will provide technical assistance to CCIU in conducting deep and comprehensive audit of the organization with the goal of developing an organizational strategic plan, the purpose of which will be to identify steps which will strengthen the organizational capacity to provide services to member companies and further

strengthen CCIU capacity to advocate the interest of national business in the national policy debate. Based on steps identified, the ILO will provide assistance to CCIU in developing services that they will provide to their existing and potential members.

Indicators:

- 1.5.1 CCIU strategic plan is developed based on deep and comprehensive audit of CCIU and endorsed as documented by CCIU management board proceedings
- 1.5.2 A training programme to build the capacity of CCIU is implemented
- 1.5.3 CCIU creates or significantly strengthens services to respond to the needs of existing and potential members, including special youth entrepreneurship initiatives.

1.6 *Procedures and institutions for national tripartite social dialogue are reinforced and their effectiveness increased*

Tripartite social dialogue is increasingly recognized as an effective way of designing and implementing labour, employment and social protection policy. Provided appropriate procedures are in place and functioning on a regular basis, tripartite social dialogue ensures that the views of employers and workers are taken into account in the preparation of policies and measures, which will in turn enjoy their support when implemented. The ILO will assist the Government and social partners in reviewing the existing arrangements for social partnership and make recommendations based on best international practice for ensuring the increased effectiveness of their operation.

Indicators:

- 1.6.1 Existing procedures and institutions of social dialogue are reviewed and their effectiveness assessed
- 1.6.2 Relevant international experience on national tripartite social dialogue is shared with constituents
- 1.6.3 Recommendations for reinforcing social dialogue institutions are agreed and implemented.

Priority 2: Fostering decent employment opportunities

2.1 *Active policies pursued to promote full, productive and freely chosen employment, including youth employment*

As a party to the Employment Policy Convention, 1964 (No. 122), Uzbekistan is committed to pursue, as a major goal, an active policy designed to promote full, productive and freely chosen employment.

The labour market in the country features a large share of young population (more than 500,000 graduates seek support in job placement each year), 650,000 unemployed persons, skills mismatches, as well as high unemployment rate and substantial informal employment in some regions. This calls for the

implementation of active labour market policies as well as sufficient job creation, to ensure the access to decent employment opportunities for young people and vulnerable groups and the development of entrepreneurship, especially in rural areas.

To promote full, productive and freely chosen employment, including youth employment, a set of national policies and programmes has been developed. The ILO will provide its technical support to the development and implementation of active policies, action plans and programmes for (youth) employment promotion. The design and implementation of these action plans and programmes will rely on extensive consultations and strategic partnerships among national institutions, with the involvement of social partners. It will also involve participation in the multi-country capacity building network for knowledge sharing on youth employment.

Indicators:

- 2.1.1 Number of national initiatives on (youth) employment promotion developed with the technical support of the ILO
- 2.1.2 Number of participants in the active labour market programmes designed with the ILO technical assistance.

2.2 *Effective operation of labour market institutions, including labour market information systems and employment services*

The ILO strategy is to support establishing a labour market information system that will better inform on the implementation of labour market policies and programmes through accurate, timely and up-to-date labour market information. This includes technical support both to the Ministry of Labour in analysis of data obtained through labour force surveys and other sources and the Employment Service to improve the capacity to develop the database of registered job seekers and existing vacancies.

Based on the improved capacity to collect, analyse and disseminate labour market information, employment services can further develop the quality of programmes they provide to targeted groups, such as young job seekers.

Indicators:

- 2.2.1 Number of staff of targeted institutions who gained new competencies as a result of the ILO training (disaggregated by sex)
- 2.2.2 Number of staff of the Employment Service who obtained new competencies on implementing targeted programmes for youth.

2.3 *Entrepreneurship fostered, including by promoting self-employment and SMEs' development*

Enterprise development is one of the pillars of the ILO approach to productive employment and decent work. In line with the Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998 (No. 189), and the Resolution concerning the Promotion of Sustainable Enterprises, 2007, the ILO seeks to unlock the potential of creating more and better jobs in small businesses – a sector where the

bulk of employment is being provided. This can include assistance to government, employers' and workers' organizations in establishing support systems to address the needs of small businesses and enable a conducive business environment. Through a wide range of tools for business management training and business services development, the ILO can help build national small business support structures, foster entrepreneurship and promote self-employment by building capacities and knowledge of potential and existing entrepreneurs.

Against this background, and to support the creation of an enabling environment for sustainable enterprises (ESEE), the ILO can help conducting an assessment of obstacles and barriers which hinder business development, using especially ESEE toolkit and propose possible solutions, and using these solutions to assist social partners in developing a set of products and services to support small businesses' development.

Indicators:

- 2.3.1 Proposed improvements in national business environment based on the assessment on national business environment using ESEE methodology
- 2.3.2 New services developed by social partners for small businesses, including innovative, low-cost small business services on productivity and OSH, including the Guide to the formalization of SMEs.

Priority 3: Improving working conditions and social protection

3.1 *Effective occupational safety and health (OSH) management system is developed*

The ILO will support the formulation, implementation and periodical review, in a tripartite manner, of a coherent national policy for the establishment and operation of an effective OSH management system.

Further improvement of a comprehensive legal framework in line with ILO standards is necessary for the enforcement of an effective OSH management system in the country. To that purpose, institutions providing analytical, scientific and training activities contributing to the implementation of an effective OSH management system will be supported with technical assistance. The tripartite social dialog mechanisms and institutions framework will enable the social partners to effectively contribute to the process of development and implementation of the OSH management system.

Indicators

- 3.1.1 Legislative changes and/or amendments on OSH done, with reference to ILO standards, particularly to the Occupational Safety and Health Convention (No. 155) and Recommendation (No. 164), 1981, and to the Promotional Framework for Occupational Safety and Health Convention (No. 187)
- 3.1.2 The capacity of the tripartite commission responsible for the development and implementation, on the basis of tripartite consultation mechanisms, of the national OSH strategy and action plan on OSH management system is reinforced

- 3.1.3 The capacity of the research center providing scientific and analytical support in OSH, including for training activities, is developed.
- 3.1.4 A complete package of training programs is provided to constituents to enhance their capacity to participate in the development and implementation of an effective OSH management system.

3.2 *Wage levels agreed through collective bargaining and tripartite consultation*

In Uzbekistan, existing mechanisms of collective bargaining include wages. However, the mechanism of tripartite consultation on wages needs to be further improved.

The ILO will provide support to the Government and social partners, through technical consultations and relevant training, to increase their capacities on national social dialogue and collective bargaining on wages in accordance with ratified Conventions Nos. 98 and 154 and taking into account the provisions of the Protection of Wages Convention, 1949 (No. 95), and the Minimum Wage Fixing Convention, 1970 (No. 131).

Indicators:

- 3.2.1 Tripartite constituents regularly involved in discussing wage issues
- 3.2.2 Number of national wage experts from the Ministry of Labour, employers' and workers' organizations that demonstrate an improved knowledge of wage issues, including wage collective bargaining, as a result of the ILO training
- 3.2.3 Relevant international examples of wage reforms shared and referred to for formulating a national wage policy.

3.3 *Social protection floors extended and progressively raised*

At its 101st session, the International Labour Conference adopted the Social Protection Floors Recommendation, 2012 (No. 202). At the national level, promotion of the Recommendation will be followed by the implementation of national Social Protection Floors (SPF) through national dialogue. Capacity building for enabling tripartite constituents to design, implement, monitor and evaluate national SPF will be facilitated through knowledge sharing and technical consultations.

Indicators:

- 3.3.1 Tripartite constituents are regularly involved in discussing social protection reforms
- 3.3.2 Number of national social protection experts from Government agencies, employers' and workers' organizations with improved knowledge of social protection issues as a result of ILO training
- 3.3.3 A tripartite national policy for strengthening basic social protection harmonized in line with Recommendation No. 202.

IV. Implementation, monitoring and evaluation

The Decent Work Country Programme (DWCP) was initiated by the ILO tripartite constituents in Uzbekistan. Priorities, outcomes, indicators and strategies of the Programme were developed and agreed upon in the course of consultations between the national constituents and the technical specialists of the ILO Decent Work Technical Support and Country Office for Eastern Europe and Central Asia in Moscow (ILO Moscow) and ILO headquarters in Geneva.

The DWCP 2014-2016 will be implemented jointly by the tripartite constituents in Uzbekistan and ILO Moscow, with the support of the ILO Regional Office for Europe and Central Asia, the ILO technical units in Geneva headquarters, and the International Training Centre in Turin as appropriate. The DWCP implementation will be integrated in the UNDAF and rely on good established cooperation with UN agencies in Uzbekistan.

Based on the envisaged outcomes and taking into account the available resources, the tripartite constituents will develop jointly with ILO Moscow, a DWCP Implementation Plan, which will be revised and/or adjusted, if necessary, to ensure maximum efficiency of the Programme. A tripartite internal review of the progress achieved will be done on an annual basis. Upon expiration of the period 2014-2016, the tripartite constituents may decide to extend the DWCP or to adopt a new one.

The ILO will provide support to DWCP implementation, subject to the availability of technical expertise, financial and human resources. Local resource mobilization for DWCP implementation is a shared responsibility of the ILO and the Government of the Republic of Uzbekistan.

The DWCP will be published in Uzbek, English and Russian on the constituents' websites and the website of the ILO Moscow.