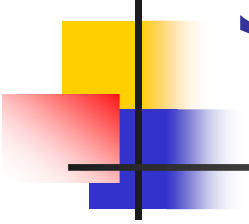


Promoting decent employment in Eastern Europe, Central Asia and Turkey

Alena Nesporova

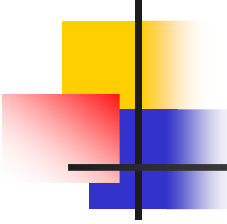
Deputy Regional Director for Europe and Central Asia,
International Labour Office, Geneva

UN Conference on Social Impact
of the Economic Crisis, Almaty,
7-8 December 2009



Structure of the presentation

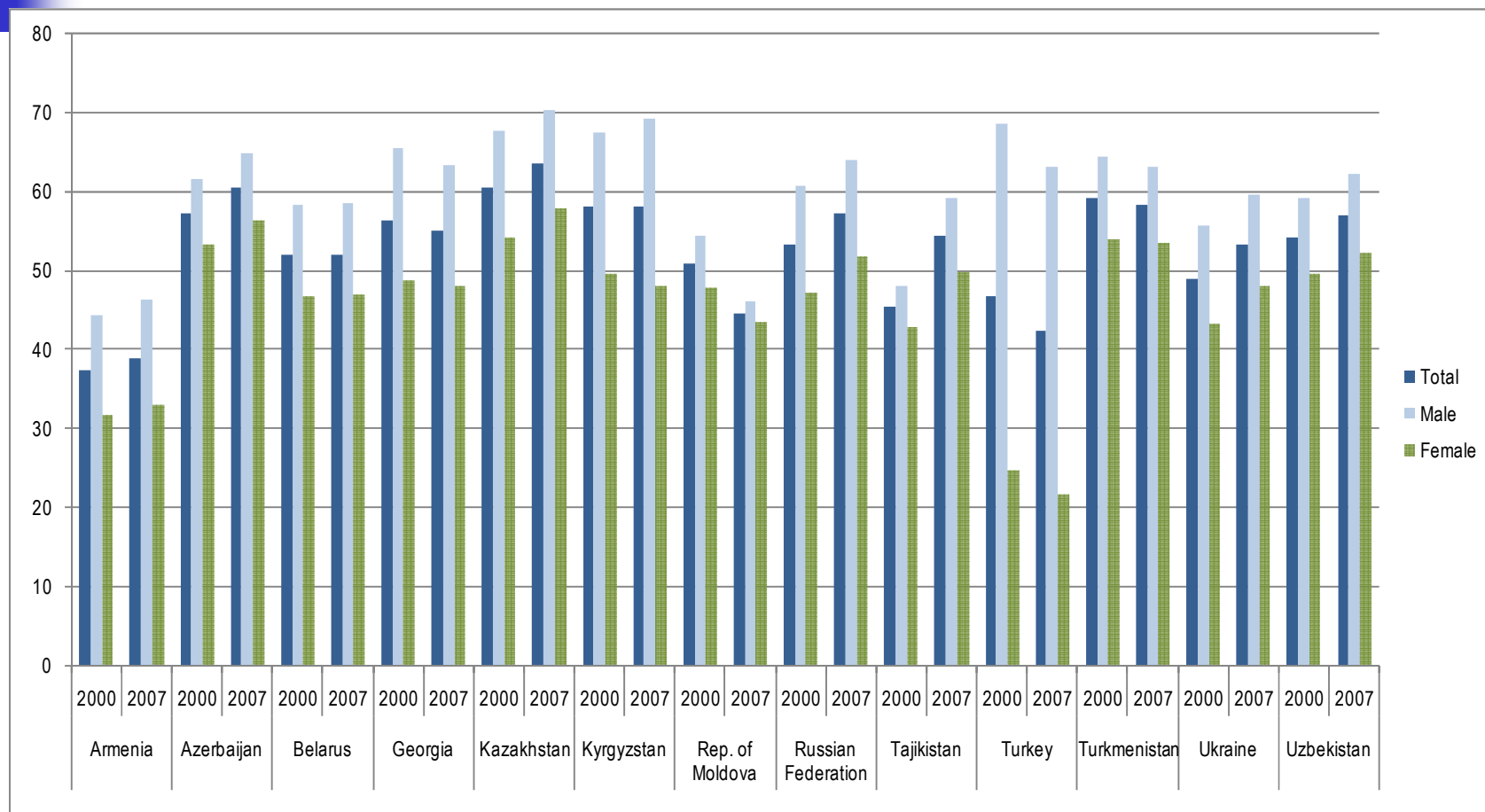
- Labour market challenges prior to the crisis
- Impact of the crisis on national labour markets
- A review of national anti-crisis measures in the field of employment in the region
- The ILO Global Jobs Pact and its relevance for the region
- Policy recommendations to strengthen the employment dimension of national strategies



Labour market challenges prior to the global economic crisis

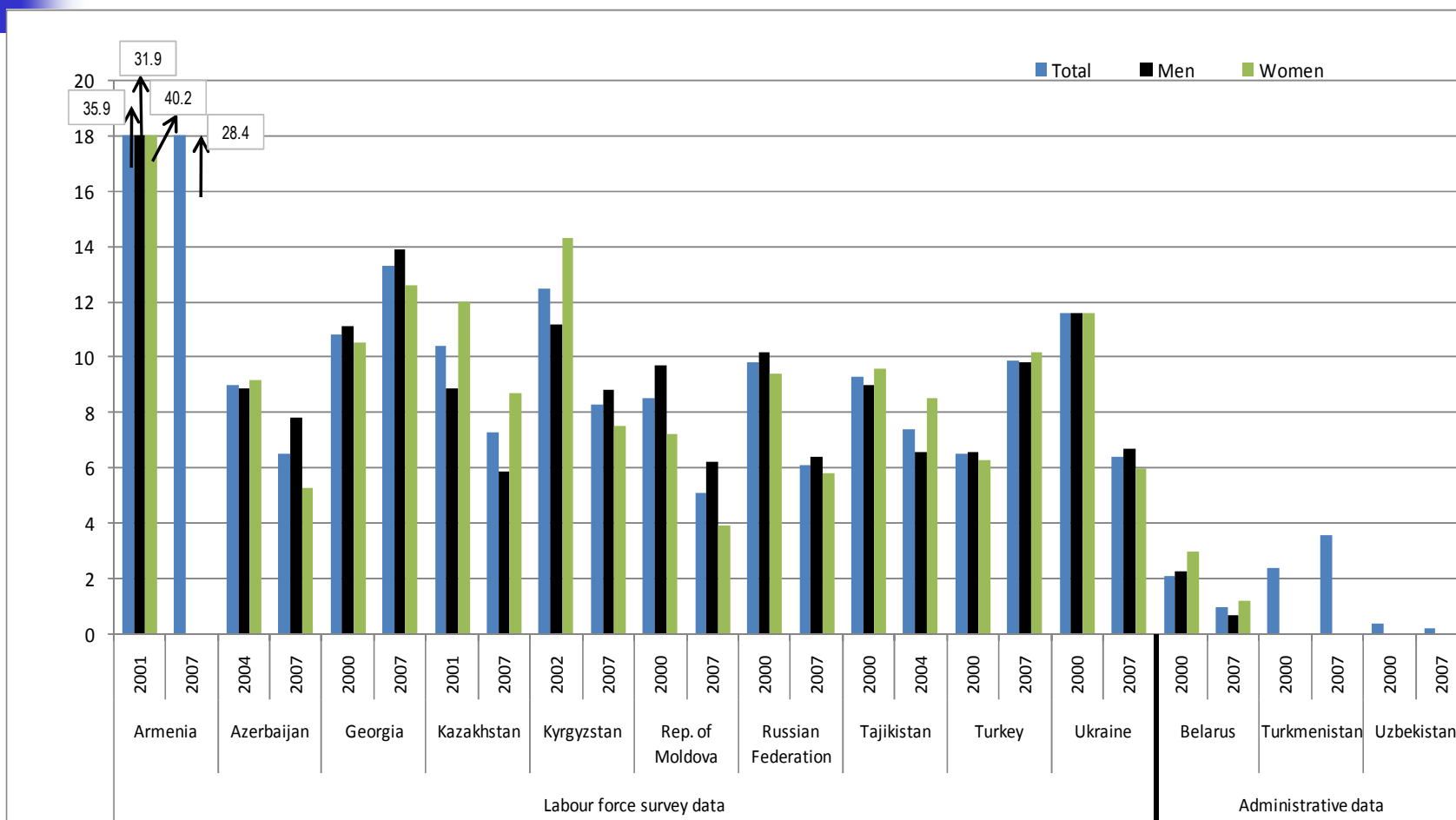
- Modest employment gains, despite high GDP growth
- Significant structural changes in employment
- High and increasing levels of informal employment
- Labour migration trends - benefits and costs
- Declining open unemployment, but youth and long-term unemployment remain high
- Underemployment high, particularly in rural areas.

Employment rates, 2000 and 2007

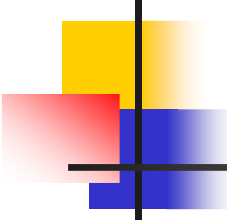


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Unemployment rates, 2000 and 2007

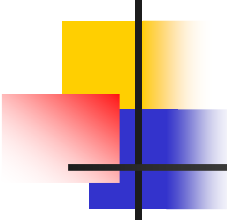


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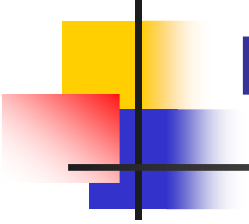
Increasing flexibility of employment relations

- Relatively liberal employment protection legislation, combined with poor enforcement of labour legislation and extensive informal employment, results in high labour market flexibility and low job security.
- Weak labour market institutions, as well as restricted access to and low level of unemployment benefits and active labour market policies, point to low employment security, which is failing to counterbalance the weakening job security.



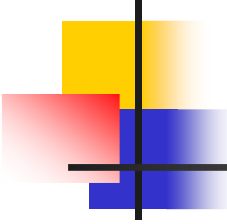
Impacts of the crisis on national labour markets

- Large-scale job destruction and cuts in new recruitment lead to an increase in open unemployment
- Labour market adjustment also achieved through acceleration of underemployment, in the form of shorter working hours, administrative leave and increasing wage arrears
- Young people, agency workers and workers with temporary contracts, as well as migrant workers, are the hardest hit.



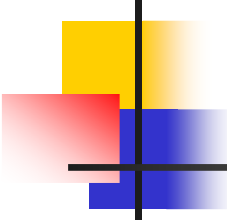
Anti-crisis measures adopted by national governments

- Employment retention measures
- Investment in infrastructure and public works
- Support for enterprises
- Assistance to the unemployed



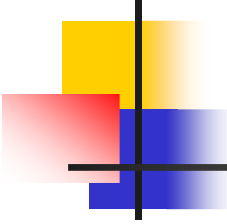
Anti-crisis measures adopted by national governments (cont.)

- Positive assessment of anti-crisis measures as they were adopted rapidly and are going in the right direction.
- Caveats:
 - Infrastructure works only rarely associated with explicit employment targets
 - Few countries place emphasis on upgrading the skills of workers and jobseekers
 - Little attention devoted to strengthening labour market institutions and policies
 - Social dialogue rarely used for the formulation of anti-crisis and recovery plans



Guidance on measures to promote labour market recovery

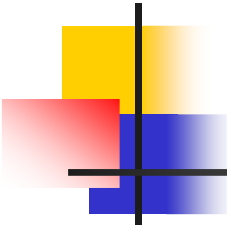
- Conclusions of the ILO's Eight European Regional Meeting (Lisbon, February 2009)
- The Global Jobs Pact adopted by the ILO Summit on the Global Jobs Crisis (Geneva, June 2009), endorsed by UN Economic and Social Council (July 2009)



Policy recommendations to strengthen the employment dimension of national recovery plans

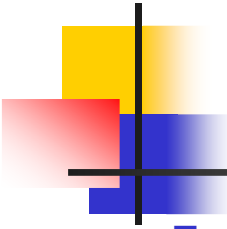
- Macroeconomic policies should focus on promoting inclusive job-rich growth while maintaining macroeconomic stability.
- Time-bound employment retention measures should be combined with subsidized training for the acquisition of skills that will be in demand in the future.
- Support to enterprises, in particular small and medium-sized, should include improved access to credit, new technologies and training, simplification of administrative rules, tax reforms and other measures to create an environment conducive for business development.

Policy recommendations (cont.)



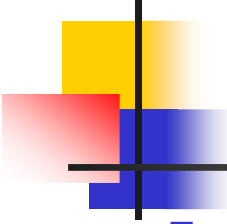
- Assistance to diversify production and exports and improve productivity and competitiveness should include subsidies to develop new (low carbon) technologies and the related skills, and to promote entry into new product and geographical markets, etc.
- Labour-intensive infrastructure works should promote both business development and employment creation. When combined with professional training, they can boost productive employment and contribute to the economic and labour market restructuring and development of regions, particularly mono-industrial towns and depressed areas.

Policy recommendations (cont.)



- Labour market policies should be strengthened by: extending the coverage and level of unemployment benefit; expanding active labour market programmes and improving their quality and relevance; building the capacity of public employment services to deliver high quality services to clients; and building the capacity of the labour administration and the social partners to collaborate in the enforcement of legislation and the gradual formalization of informal employment.
- The improvement of the education and skills levels of the population should include the creation of conditions for lifelong learning and the continuous adjustment of skills to new economic conditions and market demand.

Policy recommendations (cont.)



- Social dialogue between the government and employers' and workers' organizations should play an important role in the formulation and implementation of anti-crisis and recovery plans at all levels. Social dialogue institutions need to be established or reinforced and the capacity of the social partners strengthened to enable them to engage in policy formulation and implementation.
- The ILO, together with the UN system as a whole, stands ready to advise national policy-makers on the appropriate policy package for recovery and to assist in its implementation.