

# DECENT WORK COUNTRY PROGRAMME

## UKRAINE

### 2006-2007

#### **Introduction**

The primary goal of the ILO is to promote opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity. Decent work country programmes promote decent work as a key component of development policies and at the same time as a national policy objective of governments and social partners. The present country programme is informed by international development agendas such as the Millennium Development Goals, as well as the United Nations Development Assistance Framework (UNDAF) based on the national development objectives. It also takes account of the priorities of the ILO constituents, as expressed in consultations held with them. The programme details the policies, strategies and results required to realise progress towards decent work for all. This document reflects the strategic planning of ILO cooperation activities with Ukraine for the biennium 2006-2007. Reflecting the constituents' as well as the ILO experts' assessment of past cooperation, the programme aims at ensuring greater synergies and stronger coherence of ILO activities in Ukraine and thus contribute to achieving sustainable impacts.

#### **I. The current situation from a Decent Work perspective**

During 15 years Ukraine has been going through the difficult way of economic declines and social shocks. Political and economic reforms, though sometimes not deep enough, pushed the Ukrainian society forward.

The year 2005 was marked by the beginning of a qualitative transformation of the economy and the development of the model of a socially oriented market economy. Ukraine has been given the status of market economy by the EU. The real incomes of the citizens' increased by 20 per cent and the social standards by over 30 per cent. The minimum pension was for the first time increased to the subsistence minimum. In 2005 comparing with the previous years higher social standards have been achieved, and macroeconomic indicators remained stable. The rate of unemployment was somewhat reduced as a result of the creation of around 1 million new jobs. In Ukraine almost 49% of the labour force are female, thus women's economic contributions are significant for the growth of the economy. Nevertheless, their labour market opportunities are inferior to those of men.

The social relations changed in a positive way, introducing more democratic procedures, and the strengthening of the civil society. There was also more transparency in cooperation with the international organizations of the UN system, the Council of Europe and the donor countries. The enlargement of the European Union brought a historical shift for the EU and Ukraine in political, geographic and economic terms and intensified political, security, economic and cultural relations.

In order to support the priorities and efforts needed for Ukraine to become a modern, democratic European state, the United Nations country team, in close cooperation with the Government of Ukraine and civil society stakeholders, has prepared a United

Nations Development Assistance Framework (UNDAF). The UNDAF establishes the common strategic framework for the United Nations System in Ukraine over the period 2006-2010 and is a collective, coherent and integrated response by the United Nations system, both to the national priorities set out in the government's action programme "Toward the People" endorsed by Ukraine's legislative body, the Verkhovna Rada, on 4 February 2005, and to the Millennium Development Goals (MDG's), the commitments and human rights instruments of the UN system, including the ILO conventions.

The priorities identified by Ukraine include setting up of a system of infrastructural reforms and launching consultative process and social dialogue with a view to contributing to the reduction of poverty, generating incomes from employment, creating decent work conditions and ensuring decent wages to improve the quality of life. Promoting equal opportunities for men and women in the labour market is also of importance.

Among the problems which the Government, together with the trade unions and employers' organizations is trying to resolve, there are those related to minimum wage increase, payment of arrears in wages, further increase of the level of social standards, improvement of labour market regulation and others.

The cooperation between Ukraine and the International Labour Organization has been systematic and consistent over a long period of time. A comprehensive technical cooperation programme between the ILO and Ukraine was realized in 1998-2001. Over the last four years, eight ILO technical cooperation projects have been implemented in Ukraine. They cover the most important priorities and needs of the Government and social partners in Ukraine, in particular, promotion of the fundamental principles and rights in the world of work, labour law reform, freedom of association and capacity building for the trade unions and employers' organizations, elimination of the worst forms of child labour, prevention of human trafficking, HIV/AIDS at work, socio-economic security of workers, vocational training of the non-employed and vocational rehabilitation of persons with disabilities. ILO provided technical and expert assistance in social security system reform and in labour statistics reform, development and approbation of integrated indicators of decent work among others.

The significant general attainment of all ILO projects and efforts has been a strong systematic tripartite cooperation aimed at achieving concrete results rather than simply undertaking activities. The interrelation and interaction between ILO projects has also intensified, thus ensuring their effectiveness. The cooperation between Ukraine and the ILO has built a strong foundation for understanding and recognition of the ILO concept of decent work by the Government, employers' and workers' organizations.

## **II. Priority areas of cooperation**

Considering the lessons learned during past cooperation, the ILO will aim at reinforcing the constituents' capacities and enlarging influence of the Office's Decent Work policy in line with the Ukrainian Development Goals and according to the government's action programme "Toward the People". The strategy will be to work with close involvement of the constituents and widespread promotion of the assistance provided by ongoing projects. In addition, more emphasis will be put on sharing experiences among neighbouring countries or countries with similar problems through technical cooperation.

Within the overarching theme of “Decent Work for All” the ILO will concentrate on three country programme priorities in Ukraine in this biennium, which should be seen as long-term goals:

- I. Deepening the democratization process through strengthening social partners and social dialogue
- II. Promotion of more and better employment opportunities for men and women
- III. A closer alignment with European Union standards

### **Priority 1: Deepening the democratization process through strengthening social partners and social dialogue**

ILO will assist the Ukrainian government and social partners` establishment of an efficient institutional structure of social dialogue at three levels: national, sectoral including public services, and regional levels, ensuring greater respect for the principle of freedom of association. An equitable representation of women and men at all levels is necessary.

*Outcome 1: The Government takes measures in consultation with social partners to better guarantee freedom of association and collective bargaining rights both in law and in practice.*

The ILO will assist in strengthening the capacity, the independence and the representativeness of employers` and workers` organizations in line with the stipulations of fundamental Convention No.87 and No.98. A special emphasis will be put on amending the law on employers` associations and removing violation of trade union rights in line with the observation of ILO`s supervisory bodies.

*Outcome 2: Tripartite constituents adopt a new National Socio Economic Council.*

The ILO will assist the government and social partners in redesigning the institutional framework of social dialogue system. In particular the project will assist in: a) the launching of the new National Socio Economic Council and b) in the development of a model of social dialogue at sectoral and regional levels via two pilot experiences.

*Outcome 3: Trade unions revise their education structures and policies and develop new education curricula; Trade union trainers apply new adult education methods in new curricula.*

The project will conduct a trade union education audit that will assist them in reviewing the trade union education structures and programs. Selected new curricula will be developed incorporating international and fundamental labour standards. A group of trade union trainers will acquire adult education skills.

*Outcome 4: A core group of trade union OSH trainers is set up and training programs designed to improve working conditions at the workplace level.*

Trade union OSH representatives will be trained to identify dangers and evaluate risks, to identify areas for priority action and to device pertinent measures aiming at improvement of working conditions in the companies. Relevant training and promotional materials will be also developed and disseminated.

*Outcome 5: Trade unions develop an action plan for improvement of labour market situation along the flexicurity approach.*

Trade union economic experts and employments specialists receive advisory in development and implementation of national programs aimed at regulation of the labour market, implementation of active employment policy measures and skills development.

## **Priority 2: Promotion of more and better employment opportunities for men and women**

The ILO continues to be active at several levels providing guidance and assistance to constituents for the creation and preservation of decent work for men and women, in cooperation with its partners at the subregional level. The approach is to increase the capacity of both policy makers and social partners to better analyse trends in national employment and labour market developments and help them elaborate, advocate and implement effective strategies for the promotion of decent employment and equal labour market opportunities for both men and women.

*Outcome 1: Tripartite Council identifies and recommends measures to reform labour legislation and labour market policies with the aim to achieve better balance between flexibility for enterprises and security for workers.*

The relationship between flexibility and security in the country will be analyzed, the challenges identified and policy recommendations formulated. The capacity of the national tripartite constituency and in particular of the National Council for Social Partnership will be increased in the area of employment policy, labour market regulation, and labour market and social policies. Social dialogue will be launched at the national level on desirable changes in labour legislation and labour market institutions and policies with the aim to achieve a better balance between flexibility and security. Social partners' negotiation skills will be strengthened, in order to effectively negotiate flexibility and security at branch and enterprise level.

The capacity of VET policy makers and practitioners to develop demand driven and competency-based VET will be developed through exchange of practices of a selected number of countries in CEE.

*Outcome 2: Government establishes a wages guarantee fund and tripartite committee to examine cases of wage arrears.*

Assistance is provided in the implementation of the newly ratified (2005) ILO Convention No.173. This includes assistance in the reform of the statistical system, as well as sharing experience on the labour court procedures. Expertise is provided for putting in place a wage guarantee fund and for finding and implementing exceptional measures to solve the problem of past wage arrears.

## **Priority 3: A closer alignment with European Union standards**

The primary responsibility of the government is to establish a legal framework that is in line with international labour and European Labour standards. The ILO will assist the government and social partners in completing the reform of labour legislation and improving the conditions of its enforcement.

*Outcome 1: National authorities take steps to complete the reform of the labour code, in close consultation with social partners, and to improve the conditions for its enforcement and to amend the Civil service Act.*

The ILO will provide technical expertise to the government and social partners and assist them in finalizing the draft labour code in the Parliamentary procedure to ensure that the latter is in line with the prescriptions of international and European labour standards. Also, the ILO will provide a technical advice in the preparation of amendments to the Civil Service Act.

*Outcome 2: Labour inspections will be guided by a new concept of integrated inspection services and cooperation between the State Labour Inspectorate and social partners to ensure more frequent, and more efficient, inspections.*

Technical assistance will be provided to develop an integrated, technically-competent state labour inspectorate in line with European experience and ILO Conventions No. 81 and No.129. Focus will be on developing competences in labour relations, and information management in Regional inspectorates. The social partners will be involved in developing the new concept of an integrated inspectorate and in defining mechanisms of cooperation.

*Outcome 3: Social partners starting to deliver improved OSH services to their members.*

Improvement of working conditions in SMEs will be encouraged through piloting development of OSH services for employers. Trade union representatives will be trained to organise for OSH improvements at the workplace. Relevant training and promotional materials will be also developed and disseminated, including social agreements on combating HIV/AIDS at the workplace.

### **Other areas of work:**

*Outcome 1: New working mechanisms concerning actual and potential victims of trafficking implemented by the State Employment Service and social partners.*

The capacities will be strengthened of the Ministry of Labour and Social Policy of Ukraine, State Employment Service, other government institutions and social partners in the field of regulation of labour migration and countering human trafficking. The ILO will provide expertise on ensuring compliance and application of the national and international standards related to labour migration, developing training programmes and tools for government officials and social partners and developing the new mechanisms of work with actual and potential victims of trafficking to be implemented by State Employment Service.

*Outcome 2: Child Labour Monitoring System in Kherson and Donetsk piloted.*

The ILO will assist in harmonizing of the national legislation with standards related to the protection of children from labour and sexual exploitation, and in particular, adoption of the list of hazardous works for children, after tripartite consultation.

The capacity will be enhanced of Government institutions, workers' and employers' organizations and nongovernmental organizations to effectively identify, withdraw, rehabilitate and follow-up child labourers within an inclusive Child Labour Monitoring System in Kherson and Donetsk pilot oblasts.

### **III. Management and implementation**

The cooperation programme will be managed through a network among SRO Budapest, the National Correspondent in Kiev, EUROPE and technical units at headquarters in Geneva. The National Correspondent will play a coordination role together with SRO Budapest. The ILO will continue its cooperation with other stakeholders in the country such as the UNDP, UNAIDS, UNFPA, UNICEF, WHO, IOM, the World Bank and EC Delegation.

The objectives of the programme will be pursued through technical cooperation projects, advisory missions, and seminars for information dissemination and capacity building. Extra-budgetary resources and the ILO's regular budget resources will be used to finance the implementation of this Country Programme. The ILO network mentioned will continue to seek further funding for the follow-up to the results achieved, bearing in mind priority concerns of the constituents. The government and the social partners will facilitate their respective expert staff and premises and provide logistic support, as appropriate. They are committed to implementing the follow-up steps necessary to achieve the expected results.

### **IV. Performance monitoring and evaluation arrangements**

The implementation of the Decent Work Country Programme will be reviewed on a regular basis with the constituents using interactive methods. The missions of the ILO experts and their internal reports will be used as part of the monitoring process. The SRO Director will assess the programme achievements with the constituents in Ukraine at least once per biennium. On a yearly basis, the Decent Work Country Programme implementation plan will be internally reviewed and adjustments will be made to adapt to the changes, if necessary, in order to improve the implementation strategy, and eventually redefine some of the country programme activities.