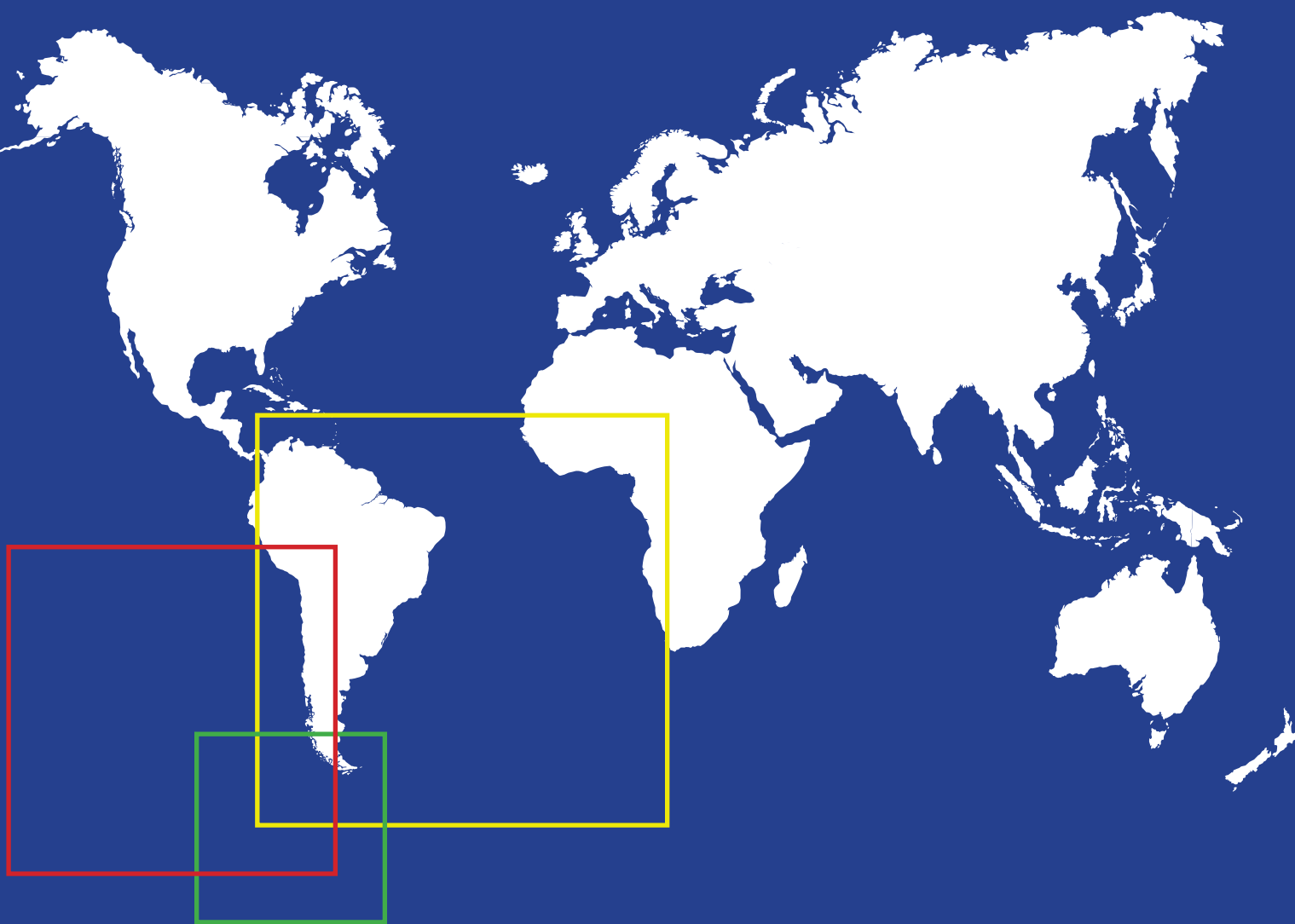




International
Labour
Office

Decent Work Country Profile AZERBAIJAN



**Decent Work
Country Profile
AZERBAIJAN**

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Preface

In today's societies, work and employment are perceived to be the main path to a better life. The extent to which the world of work is able to meet such expectations is a major contributory factor to economic and social progress and political stability. Decent work sums up the aspirations of people worldwide in their working lives – their aspirations to opportunity and income; to rights, voice and recognition; to family stability and personal development; and to fairness and gender equality.

Monitoring progress towards decent work is an important concern for the ILO's constituents. The Decent Work Agenda comprises four inseparable, interrelated and mutually supportive pillars: employment promotion, rights, social protection and social dialogue. Its multifaceted nature means that measurement is a complex task. Thus, in 2008 the International Labour Conference adopted the ILO Declaration on Social Justice for a Fair Globalization which recommends that member States may consider “the establishment of appropriate indicators or statistics, if necessary with the assistance of the ILO, to monitor and evaluate progress made [on decent work]”.¹

Following a Tripartite Meeting of Experts held in September 2008, the Governing Body agreed to test a comprehensive approach to the measurement of decent work by compiling a catalogue of indicators and preparing decent work country profiles for a limited number of pilot countries. The 18th International Conference of Labour Statisticians endorsed this approach.²

In order to capture all four dimensions of the concept of decent work, the profile contains systematic information on rights at work and the legal framework for decent work, in addition to statistical Decent Work Indicators. In total, ten thematic areas are covered, ranging from employment opportunities to combining work and family life and social dialogue. Furthermore, the economic and social context for decent work is outlined.

Within this context, the Republic of Azerbaijan offered its collaboration to the International Labour Office following a first wave of pilot studies in Austria, the United Republic of Tanzania and Ukraine. In this study, the Ministry of Labour and Social Protection worked in close collaboration with the Azerbaijan Trade Unions Confederation and the National Confederation of Entrepreneurs (Employers') Organizations of the Republic of Azerbaijan.

A number of 'tripartite plus' meetings preceded the National Validation Workshop on 11-12 May 2011 at which the first Decent Work Country Profile for the Republic of Azerbaijan was submitted to review.

The profile shows progress in a variety of areas, including the growth in the number of women in employment, as well as the huge increase in average and minimum wages and the reform of the social security system. At the same time, challenges remain in reaching the goal of decent work for all, such as the large difference in men and women's pay, which will be addressed in the second phase of Azerbaijan's Decent Work Country Programme.

¹ ILO: *ILO Declaration on Social Justice for a Fair Globalization*, International Labour Conference, 97th Session, Geneva, 2008, Paragraph II.B.ii.

² For more information see: http://www.ilo.org/global/statistics-and-databases/meetings-and-events/international-conference-of-labour-statisticians/WCMS_092024/lang--en/index.htm.

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Some statements made in the Decent Work Country Profile Azerbaijan may not reflect the positions of the above named institutions and individuals. Any errors or omissions found therein are the sole responsibility of the International Labour Office.

Summary

Over the past ten years, Azerbaijan has made progress in a number of areas relating to the Decent Work Agenda, which combines employment promotion, rights at work, social protection and social dialogue. In other areas, further improvements are needed. The Decent Work Country Profile for Azerbaijan looks at progress and challenges across ten thematic areas ranging from employment opportunities to combining work and family life and social dialogue. In order to capture all four dimensions of the concept of decent work, the country profile contains information on rights and legislation for decent work, presented as Legal Framework Indicators, in addition to statistical Decent Work Indicators, with much of the data produced by the State Statistical Committee of the Republic of Azerbaijan.

A natural resource boom has driven rapid economic growth and improved the economic and social context for decent work (see Chapter 1 “Economic and social context for decent work”). Large off-shore oil investments kicked off development of the oil sector in the 1990s, and in the mid-2000s, Baku-Tbilisi-Ceyhan (BTC) pipeline and the South Caucasus Gas pipeline both came on stream. As a result, annual GDP growth averaged 15 per cent between 2000 and 2010, reaching a high of 35 per cent in 2006. During the current economic crisis the rate of growth contracted, reaching a low of 5 per cent growth in 2010.

The Government has worked hard to reduce the impact of Dutch disease, setting up the State Oil Fund of Azerbaijan to preserve macroeconomic stability and retain oil wealth for future generations. It has also implemented a series of national poverty reduction programmes and increased public expenditure in infrastructure development, education and healthcare. Enrolment in primary and secondary education is almost universal and has increased significantly for tertiary education, reaching 19 per cent, with equal levels of attendance among men and women. Job creation, along-

side increases in public sector pay, the legal minimum wage and targeted social assistance have resulted in a sharp decline in rates of poverty from 49 per cent in 2001 to 9.1 per cent in 2010.

While the oil and gas sector have grown rapidly, non-oil sectors have shown much lower rates of growth. Agriculture makes up a declining share of GDP and construction, which after experiencing a boom in the mid-2000s contracted sharply during the economic crisis. Looking forward, it will be increasingly important to develop the non-oil sector in Azerbaijan as oil and gas production are projected to flatten in the medium term and decline in the long term.

Azerbaijan has made progress in increasing employment during the last decade, with almost a million new jobs created since 2003, over half of which are permanent (see Chapter 2 “Employment opportunities”). At 61.2 per cent in 2010, the employment rate is slightly higher than the average in the Commonwealth of Independent States (CIS) and has remained stable over the last ten years. Men’s employment is slightly higher than women’s, although the gap has been narrowing. Unemployment was 5.6 per cent in 2010, having maintained a downward trend even during the economic crisis. However, as with many other Eastern European and CIS countries engaged in a transition from state controlled economies, economic growth has been marked by low employment content. In Azerbaijan, just 20 per cent of GDP growth is attributable to employment growth, the rest resulting from productivity gains. This has a particularly strong effect for young people as they transition from school to work. Azerbaijan has a young population, with some 40 per cent of people aged less than 24 years and youth employment is low at 29 per cent having fallen from 42 per cent in 1999; efforts to promote youth employment have been strengthened. A significant challenge to the decent work agenda is the collapse of the wage economy and the concomitant rise of vul-

nerable and informal work, which has particularly affected women. Only one third of women are in salaried employment, while the other two thirds are engaged in vulnerable work either as own-account workers or contributing family workers, where they are more susceptible to poverty and marginalization.

Overall, the past ten years have seen significant progress in terms of adequate earnings and productive work (see Chapter 3 “Adequate earnings and productive work”). The average monthly nominal wage of workers has increased dramatically from 44,3 Azerbaijani Manats (AZN) in 2000 to 331,5 AZN in 2010. At the same time, the Government has increased the minimum wage, helping to lift many out of poverty. However, the share of low-wage earners has ballooned since 2000, reaching 40 per cent of the population in 2010. There are significant regional differences in wages, with earnings in Baku approximately double those in the rest of the country, as well as sectoral differences, with a small group in mining and finance earning some three times the average monthly wage, while those in agriculture, fishing, health and social services earn less than half that. Overall, women earn significantly less than men. Efforts are being made to increase the enforcement power of the labour inspection service. Furthermore, the social partners are working towards further engagement in national wage setting. Despite the huge increase in minimum wage, it is still worth only a quarter of the monthly average and is well below the European Social Charter’s stipulation that minimum wages should be worth at least 60 per cent of the monthly average.

In terms of working hours, Azerbaijan has a strong legislative base to ensure health and safety and enable people to enjoy family and personal life (see Chapter 4 “Decent hours”). The standard working week is eight hours a day with a two day weekend, and regulations are in place to protect shift workers and those in hazardous or particularly stressful industries. Paid annual leave is a standard 21 days, with extra days granted in a variety of cases, including for young people under the age of 18, mothers, people in hazardous work and depending on length of service. Rules on overtime are strict, permitting overtime

in only a limited set of circumstances, and prohibiting any overtime for under 18 year olds and pregnant women or mothers of children under three. As a result, when workers are engaged in illegal overtime, they must rely on the goodwill of their employers to receive compensation. Data on working hours in Azerbaijan is limited, making it difficult to draw any conclusions on progress. According to official statistics, however, the proportion of people working more than 40 hours and 48 hours a week has decreased, while those in part-time work increased until 2009 and then fell significantly in 2010. Overall, women work shorter hours than men.

While more Azerbaijani women are working than ever before, their share of family responsibilities has not diminished (see Chapter 5 “Combining work, family and personal life”). Legislation is in place to protect workers with family responsibilities, which supports women, but also serves to reinforce traditional gender stereotypes. Benefits and leave related to childcare and child birth are generous for those enrolled in social insurance schemes while family allowances provide a safety net for those who are not insured. However, these are in general available to fathers only if the mother is unable to look after the children, for example as a result of death, imprisonment or hospitalization in a mental institution. Increasing support with childcare can shift the burden of care away from women and enable them to participate to a greater extent in the labour market. More children in Azerbaijan are attending pre-primary school; although the lack of access to state provided facilities and the high cost of private pre-schools effectively limit access for many people. The Government is working to expand access to pre-primary education through a national action plan and coordination with international partners.

Limited data on child labour and forced labour make it impossible to draw many conclusions on progress in this area (see Chapter 6 “Work that should be abolished”). Azerbaijan has ratified the four related fundamental conventions and, in the 2006-2009 Decent Work Country Programme, committed to deploy further efforts in view of abolishing child labour and human trafficking. Working children (aged 5 to 17 years) make up

4 per cent of the working population, with the incidence of working increasing with age. Over 80 per cent of working children are engaged in child labour, as opposed to suitable, legal work, with boys affected more than girls. Most working children are engaged in the agricultural sector and are unpaid family workers. Human trafficking is recognized as a problem, with victims trafficked into sex work, forced begging, construction and street vending. A new law to combat trafficking was adopted in 2005 and a National Action Plan for Combating Human Trafficking (2009-2013) aims to tackle the social causes of trafficking, improve victim support and reintegration, as well as improve the coordination and effectiveness of prosecution.

Employment generation has been a key priority of the Government during the period of structural adjustment which has destabilized traditional employment patterns in Azerbaijan. Results in terms of the stability and security of work are mixed (see Chapter 7 “Stability and security of work”). While 900,000 new jobs have been created since 2003, of which over 50 per cent are permanent, the wage sector has collapsed and the proportion of people engaged in vulnerable work or the informal sector has increased significantly, particularly affecting women. Social protection through insurance schemes is only available to people who have contributed to an insurance scheme, leaving the vast majority of those in the most vulnerable employment with the least protection.

Azerbaijan has ratified a number of international standards to promote equal opportunity and treatment in employment including the Equal Remuneration Convention, 1951 (No. 100), and the Discrimination (Employment and Occupation) Convention, 1958 (No. 111), and has also acceded to the UN Convention on the Elimination of All Forms of Discrimination Against Women and its Optional Protocol (see Chapter 8 “Equal opportunity and treatment in employment”). Legislation is also in place to protect the rights of migrant workers and disabled workers. Regular migrant workers are granted broad based protection and there is a quota system in place to encourage employment of disabled people. Today, women make up almost half of the labour force. However, a number of

challenges remain to be addressed. The gender wage gap is large at 56.8 per cent in 2009 and has grown since data were first collected in 2003. At the same time, the labour market is heavily gender segregated, despite women and men’s almost equal educational attainment, with women tending to work in low-wage sectors and not move far up the pay ladder. The proportion of women in executive positions has stagnated at around 10 per cent over the last decade.

Regarding occupational safety and health, it is difficult to draw any conclusions on Azerbaijan’s progress (see Chapter 9 “Safe work environment”). The State Labour Inspectorate Service collects data on occupational injuries, but is not notified of cases of occupational diseases. Occupational injuries have fluctuated widely, remaining at a low level, over the last decade. Difficult and dangerous working conditions are most prevalent in the industrial, construction and transport industries, and unsurprisingly, given the gender segregated nature of the labour market, affect men more than women. Recognizing the importance of occupational safety and health for sustainable growth, the Government has increased investment in labour protection, including improving working conditions. Such expenditure increased by 25 per cent from 2009 to 2010 to reach 31, 6 million AZN.

In the area of social security, Azerbaijan has achieved major progress in expanding and deepening coverage (see Chapter 10 “Social security”). The social security system covers all nine branches identified in the Social Security (Minimum Standards) Convention, 1952 (No. 102). An extensive social insurance system is tied to employment history, while increasing investments in social assistance has ensured targeted support. In 2003 (the latest available year), total social security expenditure (including health care) amounted to 8.5 per cent of GDP, and the largest areas of expenditure concentrated on old-age pensions, disability benefits and health care. Social assistance expenditure has increased from 0.3 per cent of GDP in 2007 to 0.8 per cent in 2010. The pension system has undergone significant reform, improving financial sustainability and access, as well as reducing scope for corruption, introducing an electronic records system and enabling

pensioners to collect their benefits from ATM machines. The value of pension benefits has also increased at rates in excess of GDP growth, thus helping to reduce poverty. Challenges persist concerning provision of medical care, however, as access to state health care facilities is declining.

With regard to social dialogue, workers' and employers' representation, progress has been mixed (see Chapter 11 "Social dialogue, workers' and employers' representation"). Azerbaijan has a long history of social dialogue and collective bargaining, dating back to the beginning of the 20th century. During the transition period, the Government made efforts to revitalize social dialogue and enshrine its importance in the law. Social dialogue, freedom of association and the right to organize are protected by law, and economic and

social policies are defined in a General Collective Agreement drawn up by the tripartite partners.

Trade union density among employees is extremely high at 85.6 per cent and has increased from 80.8 per cent in 2000, with female participation also increasing. Furthermore, the ability of the unemployed, pensioners and students to form trade unions is empowering for these outsider groups. However, at the same time, only a fifth of businesses have trade union representation and there are no data on collective bargaining coverage. From a legal perspective, the social partners have significant scope for action, however, their participation in real terms is less clear and the General Collective Agreement (2010-2011) has included a number of objectives to improve the quality of social dialogue.

List of Abbreviations

AEC	National Confederation of Entrepreneurs (Employers') Organizations of the Republic of Azerbaijan
ATUC	Azerbaijan Trade Unions Confederation
AZN	Azerbaijani Manats
BTC	Baku-Tblisi-Ceyhan pipeline
CEACR	Committee of Experts on the Application of Conventions and Recommendations
CEDAW	Convention on the Elimination of all Forms of Discrimination against Women
CERD	Committee on the Elimination of all Forms of Racial Discrimination
CRC	The Committee on the Rights of the Child
DWCP	Decent Work Country Programme
EA	Employment Act of 2 July 2001
IDP	Internally displaced person
ILO-IPEC	International Programme on the Elimination of Child Labour
ITUC	International Trade Union Confederation
LC	Labour Code of the Republic of Azerbaijan of 1 February 1999
KILM	Key Indicators of the Labour Market
MLSPP	Ministry of Labour and Social Protection of the Population
NGO	Non-governmental organization
OSH	Occupational Safety and Health
SLIS	State Labour Inspectorate Service
SOFAZ	State Oil Fund of Azerbaijan
SPPRS	State Programme on Poverty Reduction and Sustainable Development, 2008-2015
SPRED	State Programme on Poverty Reduction and Economic Development, 2003-2005
SSPF	State Social Protection Fund
UNDAF	United Nations Development Assistance Framework

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1 Economic and social context for decent work

The Republic of Azerbaijan is a middle income country with a population of some nine million people. The country has achieved rapid economic progress during the last decade with the annual GDP growth averaging some 15 per cent between 2000 and 2010¹. During the same period, poverty reduction has been equally dramatic, falling from 49 per cent (2001) of the population to 9.1 per cent (2010). In 2010, the GDP per employed person was 9,603.5 Azerbaijani Manats (AZN).² Azerbaijan is a European Union 'Eastern Partnership' Country and has been a member of the Council of Europe since 2001.

Azerbaijan gained independence in 1991 from the Soviet Union. In addition to problems faced by all newly independent transition states, the situation in Azerbaijan was severely complicated by involvement in an armed conflict with Armenia over the Nagorno-Karabakh region.³ A ceasefire was signed in 1994 and while the situation is stable, peace talks held through the Minsk Group have as yet to bear fruit. There are still some 600,000 internally displaced persons and refugees⁴ in Azerbaijan and insecurity continues due to occasional cross-border fire and the presence of mines and unexploded remnants of war.

Azerbaijan's economic growth has been driven by a boom in natural resources. Rich in oil reserves, the country began a process of eco-

nomical stabilization in 1995. Large off-shore oil investments kicked off development of the oil sector, and significant foreign direct investment (FDI) enabled the construction of the Baku-Tbilisi-Ceyhan (BTC) pipeline and the South Caucasus Gas pipeline, both of which came on stream in 2006.

With a rapidly growing economy, the degree of reliance on oil has increased, while the relative weight of non-oil sectors in the economy has been shrinking. Between 2005 and 2009, agriculture grew on average 4 per cent⁵ while certain non-oil manufacturing sectors, such as electrical equipment, machinery, computer and electronics registered double digit growth. The transport sector has grown, reflecting Azerbaijan's position as a regional trading hub. The communications sector grew rapidly, for example with the value of the mobile phone sector increasing an average of 22 per cent per year between 2005 and 2010. At the same time, Azerbaijan experienced a construction boom, registering high growth despite the 2009 crisis. Yet despite their growth, non-oil sectors make up a shrinking proportion of GDP. For example in 2000, agriculture made up 15.9 per cent of GDP, its value dropping to 5.4 per cent by 2010. In comparison, construction fluctuated during this period from 6.5 per cent in 2000 to a high of 12.5 per cent in 2004, reaching 7.5 per cent in 2010. This disjuncture was highlighted by the effects of the financial crisis. While Azerbaijan fared reasonably well, with its economy buoyed by the recovery of oil prices, growth in the non-oil sector, particularly construction, contracted sharply. The development of the non-oil sector will become increas-

¹ According to the data related to GDP (mln. AZN), the "compound annual GDP growth rate" between 2000 and 2010 is 24%.

² Throughout the report, the following exchange rate is applied: 1 US\$ = AZN 0.8.

³ The UN Security Council addressed the issues related to this conflict in its Resolutions 822, 853, 874 and 884.

⁴ UNHCR statistical snapshot Azerbaijan, 2011 <http://www.unhcr.org/pages/49e48d1e6.html> [accessed 15 October 2011].

⁵ World Bank: *The World Bank Group Country Partnership Strategy for Azerbaijan: FY11-FY14* (2011).

ingly important as oil and gas production are projected to flatten in the medium term and later decline.

The Government has nonetheless worked to harness the increase in oil revenue in order to improve the environment for non-oil sectors and improve the quality of social policy, thus contributing to the reduction in poverty. The State Oil Fund of Azerbaijan (SOFAZ) was created in 1999 with a number of goals: preservation of macroeconomic stability, retention of oil wealth for future generations and financing of projects promoting socio-economic progress.⁶ As of July 2011, SOFAZ reported assets in excess of US\$ 30 billion. Additionally, development oriented policy tools, including the State Programme on Poverty Reduction and Economic Development, 2003-2005 (SPRED) and the new State Programme on Poverty Reduction and Sustainable Development, 2008-2015 (SPPRS) promoted optimal use of oil profits.

Total public expenditure rose to 10.6 billion AZN in 2009, up from 3.8 billion AZN in 2006,⁷ thus modernizing the infrastructure. Furthermore, the public sector pay has increased and public investment in education, the health sector, transport, utilities and now the environment have been placed high on the agenda. Unsurprisingly, given the high increases in wages and expenditure, inflation jumped, reaching 20.8 per cent in 2008. This declined in the wake of the financial crisis to 1.5 per cent as commodity prices crashed but 2010 marked a renewed increase (see Table 1 “Economic and social context for decent work”).

Education is important to ensure economic growth across Azerbaijan’s regions and to facilitate the expansion and increase in the productivity of non-oil sectors. Moreover, the risk of poverty decreases in households as the education level of the head of household rises. With this in mind, the SPRED 2003-2005 and the SPPRS

2008-2015 noted that while overall enrolment ratios are high in Azerbaijan, the quality of education varies from region to region. Since 2005, expenditure on education has roughly tripled, rising from some 370 million AZN to 1.1 billion in 2009.⁸ In Azerbaijan, schooling is compulsory for a period of ten years, from age 6 to 16. The gross enrolment ratio for primary education is 95 per cent, while it is 99 per cent for secondary education, up from 72 per cent in 2000. Enrolment in tertiary education has also increased significantly, and is now 19 per cent, with women composing 49.6 per cent of all tertiary students.⁹

Since late 2003, some 900,000 new jobs have been created in Azerbaijan, of which over 50 per cent are permanent. In terms of the sectoral groupings used by Azerbaijan’s State Statistical Committee, the largest employment sectors are education (25.1 per cent), maintenance of transport networks (19.5 per cent) and health and social work (10.1 per cent). However, the sectors which saw the largest growth in employment between 2005 and 2010 were construction and real estate, tourism and services, as well as finance and insurance.

Emphasis on job creation, promotion of wage increases and expansion of social protection has resulted not only in poverty reduction but also in a decline in inequality. Unemployment has declined from 9.7 per cent (2003) to 5.6 per cent (2010) although youth unemployment is much higher. Labour productivity has fluctuated when measured in terms of purchasing parity, reflecting variations in inflation. In terms of vulnerability to poverty, there is a slightly higher incidence of poverty in rural areas, with economic activity highly concentrated around Baku. Finally, internally displaced persons (IDPs) are still at risk, reporting lack of access to basic amenities such as water, sanitation and heating. Most of them still live in IDP settlements and depend heavily on state transfers.

⁶ State Oil Fund of Azerbaijan: <http://www.oilfund.az/en/content/3> [accessed 15 October 2011].

⁷ Azerbaijan Ministry of Finance: http://www.maliyye.gov.az/index_en.jsp?mod=2&id=52&lang=en [accessed 15 October 2011].

⁸ Ibid.

⁹ UNESCO, Institute for Statistics, Table 3B.

Table 1. Economic and social context for Decent Work

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Working age population who have attained higher and/or secondary education, per 1,000 working-age persons¹		910.0	910.0	911.0	911.0	912.0	912.0	913.0	914.0	914.0	909.0
– Higher education		108.0	109.0	111.0	112.0	113.0	115.0	115.0	116.0	117.0	122.0
– Higher (incomplete)		9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	
– Secondary vocational education		122.0	122.0	120.0	121.0	119.0	118.0	118.0	118.0	118.0	85.0
– Complete secondary		520.0	519.0	521.0	520.0	522.0	522.0	523.0	523.0	522.0	569.0
– General secondary		151.0	151.0	150.0	149.0	149.0	148.0	148.0	148.0	148.0	133.0
Number of economically active persons, thousands²	3,704.5	3,715.0	3,726.5	3,747.0	3,809.1	3,850.2	3,973.0	4,014.1	4,056.0	4,071.6	4,329.1
GDP, mln AZN³	4,718.1	5,315.6	6,062.5	7,146.5	8,530.2	12,522.5	18,746.2	28,360.5	40,137.2	35,601.5	41,574.7
GDP year-on-year growth rate, %⁴	111.1	112.7	114.1	117.9	119.4	146.8	149.7	151.3	141.5	86.2	120.2
Labour productivity (GDP per employed person), AZN	1,273.6	1,430.8	1,626.9	1,907.3	2,239.4	3,252.4	4,718.4	7,065.2	9,895.8	8,743.9	9,603.5
Labour productivity growth rate (growth rate of GDP per employed person), %⁵	124.9	112.3	113.7	117.2	117.4	145.2	145.1	149.7	140.1	88.4	109.8
Income inequality (P90/P10, income)⁶					3.3		3.6	3.1		2.9	3.0
Inflation rate/Consumer Price Index (CPI)	1.8	1.5	2.8	2.2	6.7	9.6	8.3	16.7	20.8	1.5	5.7
Remuneration of employees, million AZN⁷	1,021.1	1,201.4	1,409.8	1,756.5	2,212.4	2,954.8	3,364.5	4,474.8	5,871.7	6,377.8	6,694.8
Labour share in GDP, %	21.6	22.6	23.3	24.6	25.9	23.6	17.9	15.8	14.6	17.9	16.1
Monthly poverty line, AZN		24.0	35.0	35.8	38.8	42.6	58.0	64.0	78.6	89.5	98.7
Poverty headcount ratio, %		49.0	46.7	44.7	40.2	29.3	20.8	15.8	13.2	10.9	9.1
Female share of employees in industry (C+D+E types of activity in NACE)⁸	30.5	31.8	29.7	27.4	27.1	25.7	23.8	24.0	22.6	22.2	26.5

¹ Working age population refers to persons aged 15 and above. The education levels are given as of the beginning of the year.

² Economically active persons refer to employed and unemployed persons, aged 15 and above.

³ GDP is reported in constant or current prices.

⁴ GDP year-on-year growth rate takes the previous year's GDP level as 100.

⁵ Labour productivity year-on-year growth rate takes the previous year's labour productivity level as 100.

⁶ 3.3 indicates that P90 indicator is higher than P10 indicator by 330%.

⁷ Calculated based on SNA 1993.

⁸ C, D and E in National Classification of Economic Activities refer to manufacturing, electricity, gas, steam and air conditioning supply and Water supply; sewerage; waste management and remediation activities respectively.

Legal Framework Indicator 1. Labour administration

Law, policy and institutions: The Ministry of Labour and Social Protection of the Population (MLSPP) was established on 10 December 1992 replacing the State Committee on Labour and Social Protection and the Ministry of Social Security. The MLSPP is responsible for monitoring the implementation of labour policies (Sec. 14, LC).

The Labour Policy Department is part of the MLSPP and is responsible for salary increases, drafting of legislative acts, and development of labour payment systems. The State Employment Service of the MLSPP is charged with implementing government employment policy and social protection of job seekers and of the unemployed and has 84 employees to carry out its functions.

In cooperation with the ILO and under its auspices, the MLSPP created the State Labour Inspectorate Service (SLIS) in 1997. While ordinary courts are in charge of labour law, the Constitutional Court is authorized to interpret the provisions of the Labour Code (Sec. 314, LC). The General Collective Agreement establishes broad principles and roles of implementing departments and partners concerning social and economic policies. It is established through tripartite consultations between the Cabinet of Ministers, the Azerbaijan Trade Union Confederation, and the Azerbaijan Employers' Confederation.

Evidence of implementation effectiveness: No information provided by the ILO supervisory bodies.

Ratification of ILO Conventions: Azerbaijan has not ratified the Labour Administration Convention, 1978 (No. 150).

Sources

1. National legislation; NATLEX database (http://www.ilo.org/dyn/natlex/country_profiles.nationalLaw?p_lang=en&p_country=AZE);
2. MLSPP (<http://www.mlsp.gov.az/?id=1&lang=1>).

Relevant Legislation

Constitution of the Republic of Azerbaijan of 12 November 1995

Labour Code of the Republic of Azerbaijan of 1 February 1999

Criminal Code of 30 December 1999

Criminal Procedure Code of 14 July 2000, amended on 30 September 2005

Act No. 792 of 24 February on Trade Unions

Act No. 499 of 19 May 1998 on Children's Rights

Regulations of 9 February 2000 of the State Labour Inspectorate in the Ministry of Labour and Social Protection
Employment Act of 2 July 2001

Act of 21 May 1996 on Individual Labour Contracts

Act No. 250 of 18 February 1997 on Social Insurance (Law on Social Insurance)

Law on Labour Pensions

Law on the Living Minimum in the Republic of Azerbaijan, number 1095-IIIQ, dated 22 October 2010

Scope of the law

The Labour Code (LC) is only applicable if a written employment agreement, outlining the basic conditions of employment and rights and obligations of the parties, has been concluded (Sec. 3, LC). An employee is defined as a person who has concluded an employment contract with an employer and works in an appropriate workplace for pay. An owner of an establishment, an individual conducting business without having an establishment, and managers who are entitled to conclude/terminate employment agreements may be considered as employers. The LC is applicable to workers who perform their employment at home with material provided by the employer (Sec. 4, LC). Furthermore, the LC is applicable to enterprises which are incorporated in other countries; international organizations; and stateless persons if they are legally registered and in hold of a business permit, unless otherwise agreed between Azerbaijan and the relevant entity (Sec. 5, LC). Military personnel; judges; deputies of the Milli Majlis (members of parliament) and persons elected to municipal bodies; foreigners signing employment contracts with a legal entity of a foreign country and fulfilling labor functions in an enterprise (affiliate, representation) operating in the Republic of Azerbaijan; persons performing jobs under contractor, task, commission, author and other civil contracts are excluded from the scope of the LC (Sec. 6, LC).

Types of contracts

An employment contract may be executed without specified term (unlimited) or for a period up to five years. Unless an employment contract states the term for which it is being executed, it is considered to be unlimited. When the nature of the work or services is a priori specified as permanent according to the job description, an employment contract must be concluded without a specified term. If the fixed-term employment contract continues for more than five years without interruptions, it is considered to be an indefinite-term employment contract (Sec. 45, LC). Fixed-term contracts may be concluded in the cases designated by Section 47, LC. An employment contract executed without a specified term may not be unilaterally replaced by a fixed-term employment contract without the mutual consent of the parties.

Probationary periods must be established with the consent of the parties and may not exceed three months. Periods during which the employee is temporarily disabled and absent from the job for valid reasons and when the job and salary is kept for that employee who is accordingly compensated shall not be included in the probationary period (Sec. 51, LC). During the probationary period one of the parties may terminate the contract by notifying the other party in writing within three days notice. If neither party has demanded termination of an individual employment contract, the employee shall be considered to have passed the probationary period. The terms for termination of the employment contract by the employer in the event of an unsatisfactory probationary period must be indicated in the employment contract (Sec. 53, LC).

2 Employment opportunities

The typical pattern followed by former planned economies as they transitioned to a liberal market economy involved a first phase, during which the market was characterized by the under-representation of the tertiary sector and an over-representation of agriculture and industry in GDP with accompanying employment. As the transition progressed, a second phase took place during which tertiary activities increased and the employment share of agriculture and initially of industry decreased.¹ In Azerbaijan, the overwhelming influence of the oil sector has distorted this pattern and the economy is divided on the one hand, into the export-oriented capital-intensive oil and gas sectors, and on the other, the rest of the economy, which is dominated by informal employment, principally in subsistence agriculture and services.

Since the beginning of the transition in the early 1990s, the proportion of people working in the tertiary sector has substantially increased: from 31.1 per cent in 1990 to 53.1 per cent in 2007. Employment in industry has declined sharply, from providing 23 per cent of jobs in 1990 to 9 per cent in 2007, while at the same time, a higher proportion of workers are engaged in agricultural activities – 38 per cent compared to 31 per cent – with the absolute number of jobs increasing by some 400,000.²

The economies of many Eastern European and Commonwealth of Independent States (CIS) have suffered from low employment content of economic growth, and in Azerbaijan, annual

employment growth rates have been significantly lower than its GDP growth rates. Average employment elasticity in the non-European Union (EU) Central and Eastern European countries and the CIS, was estimated at an average of 0.2, meaning that no more than 20 per cent of the GDP growth could be attributed to employment growth, with 80 per cent resulting from productivity gains.³

The CIS countries have relatively low labour force activity rates⁴ for both men and women, with the average rate declining slightly from 73 per cent in 1990 to 70 per cent in 2009.⁵ In that year, Azerbaijan's labour force participation rate at 62.8 per cent was just below the CIS average, having fallen from 70 per cent in 1990. In Azerbaijan, the employment ratio at 61.2 per cent in 2010 is slightly higher than the CIS average of 56.1 per cent (based on the age group 15 to 65 years). In 2009 Kazakhstan, Kyrgyzstan and Turkmenistan were the only countries to have a higher employment ratio than Azerbaijan. Since independence in 1991, the employment-to-population ratio in Azerbaijan has remained relatively stable at around 60 per cent, dropping to a low of 55.7 per cent in 1995, in the wake of the armed conflict. In comparison, other countries in the CIS have seen much larger changes in their employment-to-population ratio since 1991, growing 9 per cent in Uzbekistan and shrinking by 21 per cent in Moldova.⁶

¹ ILO: *Delivering decent work in Europe and Central Asia* (Geneva, 2009). Available at: http://www.ilo.org/public/english/region/euro-pro/geneva/download/events/lisbon2009/dgreport12_en.pdf.

² ILO: KILM, 6th edition, Table 4a.

³ ILO: KILM, 6th edition, Table 19, latest figures 2000–2004.

⁴ The labour force participation rate is a measure of the proportion of a country's working-age population that engages actively in the labour market, either by working or looking for work. It provides an indication of the relative size of the supply of labour available to engage in the production of goods and services.

⁵ ILO: KILM, 6th edition, Table 1a.

⁶ Calculations based on KILM, 6th edition, Table 2a.

The employment rate for men (64.8 per cent in 2010) is slightly higher than for women (57.7 per cent in 2010), and is almost equal to the CIS average for men. Kazakhstan and Kyrgyzstan have the highest male employment rates, each at slightly over 70 per cent. During the last ten years in Azerbaijan, the proportion of men in employment has decreased slowly (from 65.5 per cent in 2000), while the proportion of women has increased (from 54 per cent in 2000). The gender difference is partly explained by the lower legal retirement age for women (57.5 compared to 62.5 years for men), and comparatively limited job creation in sectors which employ most women (see Chapter 8 “Equal opportunity and treatment”).

The unemployment rate in Azerbaijan is relatively low, at 5.6 per cent (2010). Having consistently decreased over the last few years, it continued to fall during the global economic and financial crisis. More women than men are unemployed and the gap has widened in recent years, although this may be explained partly by the fact that more women are entering the labour market and actively looking for work (see Table 2 “Employment opportunities”).

Azerbaijan has a young population, with a median age of 29 years.⁷ With 22 per cent of the population aged 14 years or under and a further 20 per cent aged between 15 and 24 years, ongoing efforts to stimulate job creation have been invaluable for the many young people entering the labour market each year. Youth unemployment was a significant problem in the first half of the 2000s, but has declined slightly among both young men and women. Between 1999 and 2010, the total youth unemployment rate fell from 18.4 per cent to 11.0 per cent. In 2003, young people made up 41 per cent of the total unemployed, compared to 36 per cent in 2008. During the same period, the trend by which young women were more vulnerable to unemployment than young men reversed, the latest data suggesting that young men now have a higher risk of unemployment. Increased participation in tertiary education goes some way towards explaining the decline in youth employ-

ment and the concomitant rise in unemployment, as the number of students enrolled in tertiary education grew rapidly between 1999 and 2009, from some 1,300 to 2,000 per 100,000 inhabitants.⁸

In 2005, the Azerbaijan State Statistical Committee and the Ministry of Labour worked with the technical cooperation of the ILO to conduct a ‘school-to-work transition survey’ (SWTS). The survey is designed to quantify the relative ease or difficulty faced by young people (in this case aged 15 to 29 years) in ‘transiting’ to a decent job, namely a job that provides the worker with a sense of permanency, security and personal satisfaction. Some 5,000 young people were surveyed in rural and urban areas and the data was disaggregated by age and gender.⁹

The survey found that 52 per cent of out of school youth in Azerbaijan were out of work and that 32 per cent were ‘inactive’ – neither working nor looking for work. At the time, over 70 per cent of the unemployed youth was educated at the secondary level and almost 20 per cent at the tertiary level, with over two-thirds seeking higher-skilled jobs.¹⁰ Since 2005, the proportion of unemployed people educated at the secondary level has slightly decreased, while that of unemployed with tertiary level education has increased.¹¹ In 2005, the overwhelming majority of young workers in Azerbaijan were wage and salaried workers, with just 3 per cent self-employed. The latter said they had been motivated to engage in self-employment as they could not find a paid job.¹²

While total employment increased during the last decade, the wage economy underwent a severe

⁸ UNESCO Institute for Statistics, Table 14: Tertiary Indicators.

⁹ M. Matsumoto and S. Elder: *Characterizing the school-to-work transitions of young men and women: Evidence from the ILO School-to-work transition surveys* (Employment Sector Working Paper No. 51, Geneva, ILO, 2010). Available at: http://www.ilo.org/wcmsp5/groups/public/@ed_emp/@emp_policy/documents/publication/wcms_141016.pdf.

¹⁰ The authors chose to categorize the following as higher-skilled occupations: manager, director or clerical job; professional job; technical job (technician or associated work); and office or administrative job; and the following as lesser skilled occupations: service/sales work (clerk); agricultural work; manual job (crafts/production work); domestic and personal service job; and military-specific job.

¹¹ ILO: KILM, 6th edition, Table 11b.

¹² Matsumoto and Elder, Op.cit.

⁷ United Nations: *World Population Prospects, the 2010 Revision* (2010).

contraction. In 2003, 55 per cent of people were engaged in wage and salaried jobs, with almost equal proportions of men and women. Only four years later in 2007, 42 per cent of people were salaried, of which 51 per cent were men and 33 per cent were women.¹³ The large scale decline in state sector wage employment that took place during the transition – one million public sector jobs were lost between 1993 and 2002 – has as yet, not been offset by a growth in private sector wage employment.¹⁴ At the same time, the number of people working in the informal economy has increased significantly. The share of employment in the informal sector more than doubled between 2005 (4.8 per cent) and 2009, reaching 10.1 per cent.

Informal employment presents a dual challenge in terms of the Decent Work Agenda. Firstly, workers in the informal economy do not usually benefit from the protection and support provided by labour law, social insurance and assistance or from active labour market policies. They are often denied even basic workers' rights. Secondly, standard employment indicators may not be relevant to informal work because such work is not officially registered or reported. Where this occurs, labour market information is distorted, thus losing value in terms of policy formulation.

As in most countries, a higher proportion of women are engaged in informal work – 12.8 per cent as compared to 7.5 per cent of men. This means that they are subject to greater job insecurity and lack access to training, social protection and other resources, making them more vulnerable to poverty and marginalization. Indeed, the number and proportion of vulnerable workers (own-account¹⁵ and contributing family members) has increased significantly from 37.4 per cent of total employment in 2003 to 53.2 per cent in 2007, with the number of own-account workers

reaching 2,134,100, 66 per cent of which in 2007 were women.¹⁶

In the last decade, the Government of Azerbaijan has adopted a raft of measures to: i) tackle poverty, ii) increase employment, iii) strengthen the non-oil sector, and iv) encourage growth in priority regions outside the capital.

National policy measures include:

- State Programme of Socio-Economic Development of the Regions, 2004-2008
- Employment Policy 2006-2015
- State Programme on Poverty Reduction and Economic Development, 2003-2005
- State Programme on Poverty Reduction and Sustainable Development, 2008-2015

In addition, the Government and social partners have strengthened cooperation with international organizations in order to fully integrate the Decent Work Agenda into the United Nations Development Assistance Framework (UNDAF) and implement the Decent Work Country Programme 2006-2009. (See Legal Framework Indicator 2 “Government commitment to full employment”).

The overarching strategy of all the government policies has been to create an enabling environment for sustainable and equitable development, through: maintaining macro-economic stability; improving public administration and governance, for example by building institutional capacity; improving the quality of and ensuring equal access to basic health and education; improving infrastructure; enhancing social protection to better provide for vulnerable groups and improving the living conditions of refugees and IDPs. Issues pertaining to gender inequality, youth exclusion, and the environment are also being addressed. During the financial crisis, the Government adopted a number of measures to counter potential job losses, for example by increasing access to credit for small and medium businesses through reductions in key interest rates.

¹³ ILO: KILM, 6th edition, Table 3.

¹⁴ M. Godfrey: *Towards a national action plan for youth employment in the Azerbaijan Republic, Employment Strategy Papers* (Geneva, ILO, Employment Policy Unit, Employment Strategy Department, 2005).

¹⁵ A person who operates his or her own economic enterprise, or engages independently in a profession or trade, and hires no employees.

¹⁶ ILO: KILM, 6th edition, Table 3.

Table 2. Employment opportunities

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Employment-to-population ratio, 15+, %				56.2	61.0	60.4	61.1	60.5	60.1	59.1	61.2
Male				68.4	65.7	65.3	66.8	63.0	63.1	62.5	64.8
Female				44.9	56.5	55.9	55.8	58.2	57.2	55.9	57.7
Unemployment rate, %¹				9.7	8.4	7.6	6.8	6.5	6.1	6.0	5.6
Male				9.5	8.3	7.5	7.1	7.5	6.5	5.2	4.4
Female				9.8	8.5	7.7	6.5	5.6	5.6	6.9	6.9
Number of unemployed, thousands				400.9	348.7	317.8	291.2	281.1	262.2	260.2	258.3
Male				206.2	179.8	164.1	157.0	163.9	142.4	114.2	
Female				194.7	168.9	153.7	134.2	117.2	119.8	146.0	
Persons with official unemployed status, thousands				544.0	559.0	563.0	539.0	507.0	445.0	411.0	39.0
Youth unemployment rate, aged 15-19, %				15.1	16.4	17.7	13.6	11.7	10.1	11.6	11.0
Male				17.3	17.4	17.6	13.1	12.9	11.1	10.9	11.1
Female				21.6	18.8	17.9	14.2	10.7	8.9	12.3	10.9
Youth without employment, aged 15-19, %				10.2	9.9	9.6	6.5	5.5	4.6	5.2	5.1
Male				10.5	10.2	9.9	6.8	5.8	5.3	5.0	5.1
Female				9.9	9.6	9.3	6.1	5.2	4.0	5.4	5.9
Share of informal employment, %²						4.8				10.1	
Male						6.2				7.5	
Female						3.33				12.79	
Labour force participation rate, %				68.0	66.5	65.4	65.6	64.7	63.9	62.8	65.0
Male				73.1	71.6	70.6	71.8	68.1	67.4	65.9	68.1
Female				63.2	61.8	60.5	59.7	61.6	60.6	60.0	59.2
Unemployment rate by level of education, %				100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
– Higher education				8.3	9.4	10.5	13.1	14.9	12.8	14.3	22.2
– Post-secondary education				8.5	9.3	10.2	9.4	12.1	17.0	17.4	13.2
– Specialized education				4.1	3.8	3.7	3.9	3.3	3.3	3.7	3.2
– Secondary education				70.1	69.8	69.2	70.6	63.4	58.2	54.7	50.0
– Mainstream education				8.3	6.9	5.3	2.7	5.8	8.7	9.9	10.3
– Primary education and no formal education				0.7	0.8	1.1	0.3	0.5	0.0	0.0	1.1
Share of employees³ in total employment, %	32.9	32.4	32.2	32.7	33.2	33.8	33.7	34.3	34.8	33.8	31.7
Share of self-employed in total employment, %				67.3	66.8	66.2	66.3	65.7	65.2	66.2	66.5
Share of own-account workers in total employment, %				27.4	27.1	26.5	34.6	31.3	33.0	39.6	40.2
Share of wage of employees in employment in the non-agricultural sector, %	91.9	87.3	94.3	96.9	97.6	98.6	99.3	99.2	99.8	101.6	101.6*
Informal employment level, thousands						186.3				410.1	
Male						125.3				156.4	
Female						61.0				253.7	

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Employed population, thousands	3,704.5	3,715.0	3,726.5	3,747.0	3,809.1	3,850.2	3,973.0	4,014.1	4,056.0	4,071.6	4,329.1
Share of men in total employment, %	52.3	52.4	52.3	52.3	52.4	52.4	51.7	50.5	50.5	51.3	51.4
Share of women in total employment, %	47.7	47.6	47.7	47.7	47.6	47.6	48.3	49.5	49.5	48.7	48.6

¹ Computed according to ILO's definition of unemployment, including persons with official unemployment status. Persons, who have registered with employment agencies are considered to have official unemployment status.

² Calculated using data from the State Statistical Committee on "Summary of the statistical selected reviews on the number and incomes of employed in informal section of the economy for 2005" and "Summary of the survey on informal activity of entrepreneurs and domestic work by using a survey.

³ Persons aged 15 and above who have a written contract with an employer and receive a salary for the work done are considered as employees.

Legal Framework Indicator 2. Government commitment to full employment

Law, policy or institutions: The Constitution, 1995, and the Employment Act (2001).

The state has committed to bring an end to unemployment (Sec. 35, Constitution). Underscoring this commitment, the Government has implemented a wide range of policies. The Decent Work Country Programme 2006-2009 was adopted on 15 November 2006 with objectives including the creation of decent jobs and the reduction of unemployment. Furthermore, in May 2007, the Government adopted the Employment Policy 2006-2015. The State Programme on the Implementation of the Employment Strategy 2011-2015 will build on this momentum and is currently under debate.

Certain priority regions, identified by the Cabinet of Ministers, are particularly targeted for job creation (Sec. 12, EA). The State Programme on Poverty Reduction and Sustainable Development 2008-2015 aims to reduce unemployment and promote employment for vulnerable groups. The State Programme on Socio-Economic Development in the Regions of the Republic of Azerbaijan also aims to create employment (2009-2013).

Evidence of implementation effectiveness: In 2010, the CEACR requested additional information on the implementation of Convention No. 122 regarding: employment data collection, the manner in which the social partners are consulted within tripartite committees, measures considered to ensure the participation of the rural sector and the informal economy in social dialogue, results achieved by the employment strategy for 2006-2015 and by programmes established for the integration of vulnerable workers in the labour market.

Ratification of ILO Conventions: The Employment Policy Convention, 1964 (No. 122), was ratified by Azerbaijan on 19 May 1992.

Sources:

1. National legislation; NATLEX database (http://www.ilo.org/dyn/natlex/country_profiles.nationalLaw?p_lang=en&p_country=AZE).
2. CEACR 2010 direct request on the application of Convention No. 122 (<http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displaycomment.cfm?hdroff=1&ctry=0060&year=2010&type=R&conv=C122&lang=EN>).

Youth employment has been identified as a priority and in order to equip unemployed young people with the necessary skills to find work, the Government has started to provide entrepreneurial and vocational education and training, while encouraging study abroad.¹⁷ In order to promote the growth of small and medium businesses, the following raft of measures has been adopted: a one-stop shop for business registration was set up,

micro-loans made available, and soft loans provided for cultural enterprises relating to folklore and traditional crafts.

Finally, a number of other reforms have been adopted to enable men and women to better balance work and family life (see Chapter 5 "Combining work, family and personal life") and also to integrate vulnerable groups into the workplace. Azerbaijan has established a quota system for the employment of disabled people, whereby jobs must be created and employers are required to

¹⁷ Order 2090 of the President of the Republic of Azerbaijan, April 16 2007, "State Programme on education of Azerbaijani youth abroad for 2007-2015".

Legal Framework Indicator 3. Unemployment insurance

Law, policy or institutions: Employment Act (2001).

The legislation provides for unemployment benefits; vocational guidance and professional training, re-training and in-service education courses; participation in paid public works; support for entrepreneurs; financial assistance to enable people to relocate for work; and access to a free medical check-up prior to starting a job or training course (Sec. 8, EA). The State Employment Service, functioning under the MLSPP, provides general supervision and local offices administer unemployment benefits and services. Legislation to regulate voluntary insurance for unemployment is currently under consideration as stipulated by Section 28, EA.

Qualifying conditions: Employment for at least 26 weeks in the previous 12 months; the person must be between the ages of 15 and the normal retirement age, registered with the state employment services and actively seeking and willing to work. Benefits may be suspended for three months if the person refuses two suitable job offers or fails to register each month at the employment service without a valid reason.

Benefits (level and duration): An unemployed person is entitled to 70 per cent of his/her average monthly wage calculated over the past 12 months at the last place of work (Sec. 24, EA). Unemployment benefits can be paid for a maximum of 26 weeks within a 12 month period (Sec. 25, EA). Unemployed people who are unable to find suitable employment within 12 months of registering as unemployed are entitled to an extension of unemployment benefits (Sec. 25, EA). In this case, unemployment benefits are set at the minimum level approved by law (55 AZN, as of September 2008). For unemployed people with children under the age of 18 years, the unemployment benefit is increased by 10 per cent of their base entitlement for each child in their custody, but the accrued sum is not allowed to exceed 50 per cent of the benefit. In all cases, the total unemployment benefit is capped at the national average monthly wage and cannot be less than the minimum approved level (Sec. 24, EA).

Evidence of implementation effectiveness: No information provided by the ILO supervisory bodies.

Coverage of workers in law: N/A

Coverage of workers in practice: N/A

Ratification of ILO Conventions: Azerbaijan has not ratified the Social Security (Minimum Standards) Convention, 1952 (No. 102), or the Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168).

Sources:

National legislation; NATLEX database (http://www.ilo.org/dyn/natlex/country_profiles.nationalLaw?p_lang=en&p_country=AZE).

waive a standard trial period. In 2010, Azerbaijan ratified the Workers with Family Responsibilities Convention, 1981 (No. 156). Furthermore, basic

old-age pension allowances were increased in 2010, thus enhancing the financial independence of the elderly.

3 Adequate earnings and productive work

An adequate living wage is indispensable for the promotion of social justice and equitable development. Wages are among the most important conditions of work and employment at the enterprise level. Representing a cost for employers as well as the main source of income for workers, wages are a potential source of conflict and have thus become the major focus of collective bargaining all over the world. At the same time, wages can represent a major source of discrimination and can also be a source of deprivation if no decent wage floor is guaranteed to the worker. Economically, wages represent an important portion of labour costs and are an essential variable in terms of enterprises' competitiveness. They also interact with other key economic variables, such as employment, productivity and investment.

The average monthly nominal wage of workers in Azerbaijan has grown exponentially in the 2000s, from 44.3 AZN per month in 2000 to 331.5 AZN in 2010 (see Table 3 "Adequate earnings and productive work"). Men's average monthly wages (325 AZN in 2008) are significantly higher than those of women (185 AZN in 2008).¹ Broad regional differences also exist, with monthly earnings in Baku city and surroundings approximately double that in all other regions. Average earnings also vary extensively depending on the sectors and branches of the economy, with the highest earnings found in the mining (1,000 AZN) and finance/insurance (990 AZN) sectors, and the lowest in the agriculture/fishing (160 AZN) and health and social services (155 AZN). Roughly 1 per cent of employees in Azerbaijan take part in vocational training in order to enhance their job related skills; for

example, in 2010 some 13,000 employees completed adult training.

Wages are on average considerably higher in the private sector than in the public sector, although the gap is shrinking due to government wage hikes. In 2005, the private sector average wage was 2.2 times that of the state sector; by 2009, the difference was 36 per cent. Within the public sector itself there are lateral differences in pay scales, for example with civil servants earning considerably more than teachers,

Poverty reduction has been dramatic in Azerbaijan during the last 20 years (see Chapter 1 "Economic and social context for decent work"). However, wealth inequality is still substantial, with the richest quintile of the population holding 42 per cent of the wealth and the poorest quintile only 8 per cent. These data were only measured according to the same criteria as far back as 1995, at which time the richest quintile still held 42 per cent of the wealth, while the poorest held 7 per cent.² The wage share in national income has fluctuated over the last two decades. Starting at 52 per cent in 1995, it increased to a maximum of 75 per cent in 2004, two years before the BTC pipeline came on tap. It slumped back down to 41 per cent in 2008, and rose to 58 per cent in 2009.

The Government has significantly increased the minimum wage in Azerbaijan, helping to lift many out of poverty (see Table 3). The value of the minimum wage has thus increased both in absolute terms and as a proportion of the average wage. In 1990, prior to independence, the mini-

¹ ILO: Global Wage Database, 2011.

² World Bank, Development Research Group, available at: <http://data.worldbank.org/country/azerbaijan>.

Table 3. Adequate earnings and productive work

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Monthly minimum wage, in manats or AZN (US dollars)¹	5.500,0 (1.3)	27.500,0 (5.9)	27.500,0 (5.7)	45.000,0 (9.1)	16.0 (16.3)	26.2 (28.5)	30.0 (33.6)	49.2 (58.6)	65.0 (81.3)	75.0 (93.8)	78.3 (97.5)
Average monthly nominal wage, in manats or AZN (US dollars)²	44.3 (49.5)	52.0 (55.8)	63.1 (64.9)	77.4 (78.8)	99.4 (101.2)	123.6 (130.7)	149.0 (166.8)	215.8 (251.5)	274.4 (334.0)	298.0 (372.5)	331.5 (414.4)
Employees with wages below the minimum wage, %³					8.4	2.3	1.7	2.9	3.0	2.4	2.1
Average monthly real wage, manats	37.5	44.9	53.5	64.5	82.6	109.0	133.8	173.9	260.6	278.5	314.9
Monthly minimum wage as a percentage of the average monthly wage, %	2.5	10.6	8.7	11.6	16.1	21.2	20.1	22.7	23.6	25.2	23.6
Manufacturing wage index, year-on-year comparison⁴	116.6	106.5	115.2	127.6	110.3	117.3	121.9	135.6	132.1	105.6	120.1*
Real wage index⁵	1.2	1.2	1.2	1.2	1.2	1.1	1.1	1.2	1.1	1.1	1.0
Employees that recently had vocational training, thousands	9.2	12.6	18.7	11.7	12.1	10.4	10.7	11.2	11.7	12.7	13.0
Consumer price index (CPI)	101.8	101.5	102.8	102.2	106.7	109.6	108.3	116.7	120.8	101.5	105.7
Nominal wage index	1.2	1.2	1.2	1.2	1.3	1.2	1.2	1.4	1.3	1.1	1.1
Per capita nominal yearly income of the population, manats	508.9	535.5	618.8	700.7	796.7	962.2	1,201.3	1,692.2	2,378.3	2,537.2	2,866.0

Notes:

¹ As a result of the devaluation in 2004, 5,000 manats was equalized to 1 new manat (AZN). The numbers given in parentheses are in US dollars. Also, since the minimum wage is incremented at various times in the course of years, the average minimum wage was determined with the consideration of period (time) in the course of the year. E.g. if in 2008 minimum wage was 60 manats during 8 months and 75 manats during 4 months average monthly minimum wage for the year will be $((60*8)+(75*4))/12=65.0$ manats.

The monthly minimum wage reported here is the one that was valid as of 31 December for the given year.

² Average monthly nominal wage is computed by dividing gross wages by the number of employees.

³ Figures are based on surveys held in November of the given year.

⁴ Based on SNA 1993 methodology.

⁵ Real wage index is the correction of nominal wage index for changes in purchasing power. It is computed as $100 \times \text{nominal wage index} / \text{CPI}$.

minimum wage was worth 35.9 per cent of the average monthly wage. Subsequently, the value collapsed to a low of 2.5 per cent in 2000 but climbed to 23.6 per cent in 2010, although this is still considerably below the European Social Charter's stipulation that minimum wages should be worth at least 60 per cent of the average monthly wage. Some 1.7 (2006) to 8.4 (2004) per cent of employees in Azerbaijan are estimated to earn below the minimum monthly wage, although an annual government review has determined that these people were employed on a part-time basis and remunerated in line with the hours they worked.

The minimum wage is calculated with reference to a minimum subsistence level established on the basis of a consumption basket. The value of the consumption basket is updated by the Cabinet of Ministers periodically and the minimum wage adjusted accordingly (see Legal Framework Indicator 4 "Statutory minimum wage"). In 2010, the monthly minimum wage was set at 78.3 AZN. Following a review by the State Statistical Committee in 2010, the value of the national consumption basket was increased and accordingly, so too was the 'minimum subsistence level'. This was set at 95 AZN for the country, with distinctions for the working-

Legal Framework Indicator 4. Statutory minimum wage

Law, policy or institutions: The Constitution (1995), Labour Code (1999), Law on the Living Minimum (2010). The SLIS is responsible for monitoring correct payment of wages.

Everyone has the right to receive at least the minimum wage for their work without any discrimination (Sec. 35, Constitution). Minimum wage levels are set by the President (Sec. 155, LC). Minimum wages are defined as the monthly salary paid to a non-skilled employee, reflective of economic and social conditions, and function as a social norm establishing the lowest subsistence salary level (Law on the Living Minimum). Collective agreements and employment contracts may establish a higher wage than the minimum determined by legislation. In 2005, Azerbaijan ratified the European Social Charter which stipulates that minimum wages should not be lower than 60 per cent of the average wage within the country. Yet, the European Committee on Social Rights observed in 2008 that the net minimum wage in Azerbaijan constituted just 32 per cent of the net average wage.

Minimum wage levels: The minimum wage level is 78.3 AZN (2010). The minimum subsistence level for 2011 was set at 95 AZN countrywide, 102 AZN for the working-age population, 72 AZN for pensioners and 76 AZN for children.

Evidence of implementation effectiveness: The CEACR noted in a 2006 direct request that in the light of Sec. 155(6), LC, no institutionalized machinery seems to exist whereby employers' and workers' representatives may be regularly consulted on an equal footing with a view to determining or adjusting the national minimum wage. The CEACR expressed its hope that the Government will spare no effort to gradually raise the minimum wage above the poverty line, and that the social partners will be fully consulted in that process.

Coverage of workers in law: N/A

Coverage of workers in practice: N/A

Ratification of ILO Conventions: The Minimum Wage Fixing Convention, 1970 (No. 131), was ratified by Azerbaijan on 11 March 1993.

Sources:

1. National legislation; NATLEX database (http://www.ilo.org/dyn/natlex/country_profiles.nationalLaw?p_lang=en&p_country=AZE);
2. CEACR 2006 direct request (<http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displaycomment.cfm?hdroff=1&ctry=0060&year=2006&type=R&conv=C131&lang=EN>).

age population (102 AZN), old-age pensioners (72 AZN) and children (76 AZN). As a result, the minimum wage is now below the minimum subsistence level, which itself is worth less than a third of the average salary. The Azerbaijan Trade Unions Confederation has officially raised this issue with the Government as well as the employers' organization and has requested further investigation. However, the mechanism for wage-setting leaves little room for the participation of social partners.

While the Labour Code stipulates that the minimum wage is applicable to all workplaces where an employment agreement exists, difficulties exist in ensuring that this measure is enforced. There is concern that as the minimum wage is set so low, it might exert a downward pressure on wages and encourage people to accept informal work arrangements in order to avoid paying compulsory taxes and social insurance. The SLIS has reported that 12 per cent of the violations to the

labour law that it identified were related to the calculation and payment of wages, with the majority of these problems being the result of late payment. The social partners are making efforts to engage more fully in wage-setting and have suggested the establishment of sector specific minimum remuneration, an increase in the consumption basket and the strengthening of state enforcement with regard to minimum wages.

At the same time, the low-wage rate, or proportion of the employed population whose hourly earnings were less than two-thirds of median hourly earnings has ballooned since the beginning of the 2000s. Starting at 6 per cent in 2000, it fluctuated widely and in 2009, 40 per cent of the population was earning low pay.³ In comparison, the low-wage rate in the Republic of Moldova was 22 per cent in 2009.

³ ILO: Global Wage Database, 2011.

4 Decent hours

Working time – hours spent at work and the scheduling of those hours – is an integral part of Decent Work which is strongly linked to wages and productivity. To fulfill decent work criteria, the regulation of working hours should ensure health and safety, enable people to enjoy family and personal life, promote gender equality, boost productivity and aid worker choice while influencing the time they spend working.¹

Under Azerbaijani law, normal working hours are eight hours a day and 40 hours a week (see also Legal Framework Indicator 5 “Maximum hours of work”). The Labour Code envisages that in general, workers have a five-day work week with two days off. However, a number of other possibilities are envisaged, where normal working hours may be distributed differently. For example, depending on the industry and terms of employment, a six-day work week can be established. In this case the 40 hour work- week is maintained but each workday cannot be longer than seven hours. With overtime or shift work, the working day can be a maximum of 12 hours. Employees can opt to work part time in agreement with the employer, but in this case, their status must be defined by written contract and coercion into part-time positions is illegal. In order to promote adherence to legal working hours, the Ministry of Labour and Social Protection of the Population conducts an annual media dissemination exercise on legal hours and recommended schedules.

In general, employees have the right to 21 base days of paid annual leave, with additional days granted on the basis of length of service, nature of work, age and parental responsibility (see Legal Framework Indicator 6 “Paid annual leave”). Notably, in

two-parent households with young children only mothers are granted additional paid leave. There is provision in the Labour Code enabling employers to require groups of employees to take paid leave in the event that the normal functioning of a business is disrupted, for example in the event of a natural disaster. The number of employees sent on group leave decreased from 1,782 in 2004 to 475.0 in 2007 but has recently increased again, reaching 1,908 in 2010. The average duration of group leave has however decreased since the mid-2000s, from 95 days in 2005 to 18 days in 2010.

A number of categories of workers and industries are subject to shorter working hours. Employees up to the age of 16 years² can work a maximum of 24 hours per week. Employees aged 16 to 18 years, disabled employees, pregnant women and women with a child under the age of 18 months can work up to a maximum of 36 hours per week. Workers in hazardous industries, such as chemical and biological industries, and professions classified as highly stressful and which exert a high degree of nervous strain such as medicine and teaching are all subject to limited working hours capped at a maximum of 36 hours per week. Employees in these cases are to receive supplements to their salaries in order to compensate for the difficult nature of their work.

Overtime is permitted in exceptional cases as defined in the Labour Code (See Legal Framework Indicator 5 “Maximum hours of work”). Where working conditions are difficult and the workplace hazardous, overtime must not exceed two hours per shift and can only last for a period of two consecutive days. At the same time, employees must also be guaranteed a minimum of 12 hours rest

¹ D. Anxo: “Working time patterns among industrialized countries: A household perspective”, in J.C Messenger (ed.): *Working time and workers' preferences in industrialized countries: Finding the balance* (London, Routledge, 2004).

² Young people in Azerbaijan between 14 and 18 years can work in regulated circumstances (Labour Code, Division 38) – see Legal Framework Indicator 9.

Legal Framework Indicator 5. Maximum hours of work

Law, policy or institutions: Labour Code (1999), Civil Service Act (2000).

Standard working hours are considered to be the time during which employees must perform their duties during the weekly and daily working hours stipulated in the (Sec. 89, LC). Shorter working hours may be permitted in specific cases (Secs. 91-94, LC; Decision 106 of the Cabinet of Ministers, 12 August 2003 and Decision 175 of the Cabinet of Ministers, 6 November 2004).

Overtime is exceptionally permitted under the conditions set by Section 101 of the Labour Code, including: national defence, social and natural disasters, industrial accidents, public interest, or if another employee is absent. Overtime work must be paid at double the rate of the normal hourly wage and cannot be compensated with an extra day of paid leave (Sec. 165, LC). Employers are required to calculate each employee's exact working hours (Sec. 102, LC) and can determine the form and procedures to do so. Civil servants may be required to work overtime in exceptional cases (up to 17 hours per month). If overtime work exceeds five hours, the civil servant is paid at a rate of at least double the normal salary (Secs. 30.1 and 30.2, Civil Service Act).

Number of hours allowed: Eight hours per day/40 hours per week (Sec. 37, Constitution and Sec. 89, LC). It is forbidden for employees to work more than four hours of overtime in a two-day period, or to do more than two hours overtime in workplaces where working conditions are difficult or hazardous.

Evidence of implementation effectiveness: No information was located by the ILO supervisory bodies.

Coverage of workers in law: N/A

Coverage of workers in practice: N/A

Ratification of ILO Conventions: Azerbaijan has not ratified the Hours of Work (Industry) Convention, 1919 (No. 1), or the Hours of Work (Commerce and Offices) Convention, 1930 (No. 30).

Source:

National legislation; NATLEX database (http://www.ilo.org/dyn/natlex/country_profiles.nationalLaw?p_lang=en&p_country=AZE).

between workdays. There are specific restrictions on working hours for women and children. It is prohibited for children who are under 18 years of age, as well as women who are pregnant or have children under the age of 3 years to work overtime, or to work night shifts, or weekends or to be called in to work during their leave or national holidays. They are also forbidden to be sent on work-related travel. Women who have children aged between 3 and 14 years, or disabled children must give written consent to have those restrictions waived.

Employers are required to keep records of the hours worked by their employees and provide due compensation for overtime. Workers who are normally paid per hour receive double time, while others receive at least the normal hourly wage of other workers at the same grade. Additional compensation can be agreed on in the employment contracts and collective agreements. Enforcement of overtime regulations is weak, particularly in the construction and trade sectors, as well as in household services. As workers often put in overtime hours for reasons other than the exceptional cases

permitted by the Labour Code, many employers do not keep official records on overtime. The law does not provide for sanctions in cases of illegal overtime worked; there is therefore little incentive for employers to change their practices and employees must rely on the good will of their employer to receive compensation.

It is difficult to draw a nuanced picture of working time in Azerbaijan due to a lack of data. Working hour time series have breaks and data are not regularly disaggregated either by gender, industry or number of hours worked. Between 2006 and 2009, the annual average of working hours per employee did not exceed the standard working time defined by law. Since 2008, this average has declined due to the application of shorter working hours for people in hazardous or stressful industries and an increase in the proportion of people working part time. By 2010, the weekly average stood at 37.4 hours. The share of people working more than 40 hours or more than 48 hours per week has also declined over the last few years, although official statistics only measure legal

Legal Framework Indicator 6. Paid annual leave

Law, policy or institutions: The Constitution (1995), Labour Code (1999).

The right to paid annual leave is guaranteed by law (Sec. 37, Constitution and Sec. 110, LC). For most employees, it is forbidden to deny paid annual leave for two consecutive years, or defer annual leave from one year to another. For children under the age of 18, pregnant women, and employees working under hazardous conditions, denial or deferral of leave is totally forbidden (Sec. 135, LC). Employees must formally apply for authorization at least five days prior to the start of leave (Sec. 138, LC). In case of operational shutdowns, employees may be sent in groups on paid or unpaid leave in accordance with the terms and procedures specified in collective contracts. In this case, the duration of unpaid leave must be no less than the base leave for two years (Sec. 146, LC). The employer is obliged to make compensatory payments for unused leave upon termination of employment.

Qualifying conditions: Employment for at least six months with the same employer (Sec. 131, LC).

Levels of leave: Employees have the right to 21 days of annual paid leave. Specific categories of employees, such as agricultural employees, doctors and scientists have the right to 30 days of annual leave (Sec. 114, LC). Additional days of paid leave are granted depending on seniority levels (Sec. 116, LC) and working conditions (Sec. 115, LC). Working women with children are eligible for extra days of paid leave (Sec. 117, LC). Children under the age of 16 are entitled to at least 42 days of paid annual leave and children between the ages of 16 and 18 are eligible for at least 35 days of paid annual leave. Disabled employees are entitled to 42 days of paid annual leave (Sec. 119, LC). Longer levels of leave may be established in the employment contract or through collective agreements (Secs. 112 and 145, LC). Finally, there are 17 public holidays (Sec. 105, LC; Sec. 101, LC details exceptional circumstances permitting work on a national holiday).

Evidence of implementation effectiveness: In a 2008 direct request concerning the application of Convention No. 52, the CEACR noted, amongst other matters, statistics for 2008 according to which the labour inspection services have imposed fines on 11 employers for violating the rules relating to annual holiday with pay, amounting to a total of 19,050 AZN. The CEACR recalled that fines have to be established and periodically readjusted so that they are truly dissuasive and ensure effective prevention of violations of the legislation on annual holidays with pay. The CEACR invited the Government to consider ratifying Convention No. 132 as the legislation of Azerbaijan seems to meet most of the requirements of this Convention.

Coverage of workers in law: N/A

Coverage of workers in practice: N/A

Ratification of ILO Conventions: The Holidays with Pay Convention, 1936 (No. 52), was ratified by Azerbaijan on 19 May 1992. Azerbaijan has not ratified the Holidays with Pay (Agriculture) Convention, 1952 (No. 101), or the Holidays with Pay Convention (Revised), 1970 (No. 132).

Source:

1. National legislation; NATLEX database (http://www.ilo.org/dyn/natlex/country_profiles.nationalLaw?p_lang=en&p_country=AZE);
2. CEACR Direct Request 2008, Convention No. 52 (<http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displaycomment.cfm?hdroff=1&ctry=0060&year=2008&type=R&conv=C052&lang=EN>).

overtime. Nonetheless, the SLIS has stepped up efforts to monitor overtime and scheduling practices (see Table 4 “Decent hours”).

In 2003, some 60 per cent of both men and women paid employees worked between 31 and 40 hours per week, while more men (31 per cent) worked overtime than women (17 per cent). Among the self-employed, people worked a wider spread of hours. Again, in general, men worked longer hours – 39 per cent working more than 40 hours a week, while 26 per cent of women put in overtime.

At the same time, more self-employed people worked shorter weeks with some 20 per cent of women and 13 per cent of men working between 21 and 30 hours.³ In 2007 and 2008, gender disaggregated data by industry were made available which suggest a large shift in the number of hours worked by women. In 2007, an average of 157 hours was worked per month, with men working above the average (166 hours) and women sig-

³ S. Lee; D. McCann; J.C. Messenger: *Working time around the world: Trends in working hours, laws and policies in a global comparative perspective* (Geneva, ILO, 2007).

Table 4. Decent hours

	2003	2004	2005	2006	2007	2008	2009	2010
Share of employees working more than 40 hours per week on average, %	33.7			34.8	38.5	37.8	24.4	18.2
Share of employees working more than 48 hours per week on average, %	12.4			10.6	14.2	14.8	8.9	5.7
Weekly working hours, all employed persons	39.9			39.9	39.5	40.0	37.8	37.4
Actual working hours, per year and per employee		1,787.7	1,812.2	1,803.1	1,804.5	1,807.9	1,676.2	1,584.1
Part-time employment rate ¹ , %	6.8			7.2	11.0	8.8	22.8	7.6
Number of employees who took paid leave in groups without employer's influence		1,782.0	860.0	487.0	475.0	1,083.0	1,271.0	1,908.0
Ratio of actual working hours to permitted working hours, %		88.7	91.0	93.1	94.0	93.8	86.5	82.2
Number of mandays of paid leave taken in groups without employer's influence		160.7	82.0	30.0	13.8	34.2	31.3	35.2

¹ When calculating "Part-time employment rate %" indicator in accordance with "ILO's Resolution on working time durations" % ratio of persons who worked below 20 hours a week and below 30 hours a week after 2009 in the total amount of employed persons was determined as part time employment.

nificantly below (98 hours). In 2008, the monthly total average was similar to the previous year at 152 hours, with men now working less hours on average (153 hours) while women worked considerably more (150 hours). Men work the longest hours in construction, public administration and fishing, while women also work the longest hours in fishing, and construction and, additionally in service sector jobs such as retail.⁴

The proportion of workers engaged in part-time work increased significantly between 2003 and

2009, rising from 6.8 per cent of workers to 22.8 per cent at the height of the economic crisis. In 2010, part-time work fell dramatically to 7.6 per cent. While the rise in part-time work during the crisis can be explained as the employers' response to a decrease in work volume, it is not clear whether the drop in part-time work is the result of people being returned to full-time positions, entering the informal economy, becoming unemployed or simply leaving the labour market.

⁴ ILO: Laborsta, 4a Hours of work by economic activity, source Azerbaijan Labour-related establishment survey.

5 Combining work, family and personal life

More Azerbaijani women are working than ever before, yet their share of family responsibilities has not diminished. This means that many working women end up with an increased overall workload, since unpaid work in the home and family responsibilities are not yet equally shared between women and men. At the same time, traditional gender stereotypes, particularly strong in rural areas, dictate that men should provide the income. This can make it difficult for men to share family responsibilities and means they lose out on time spent with their children and being involved in family life.

Azerbaijan has a broad-based legislation which is designed to protect workers with family responsibilities, including maternity benefits, child benefits and rules under the Labour Code concerning paid leave for people with parental responsibility. At the same time, Azerbaijan has adopted legislation to guarantee gender equality and has acceded to the UN Convention on the Elimination of all Forms of Discrimination against Women (CEDAW), as well as ratifying relevant ILO Conventions (see Legal Framework Indicator 7 “Maternity leave” and 8 “Parental leave”).

Labour-related benefits concerning parenthood are stipulated in the Labour Code. In general, the right to leave associated with childcare applies uniquely to women and can only “apply to all fathers, foster parents, or legal guardians who have to raise the children themselves alone and without the mother for a particular reason (if the mother of the children has died, or has been deprived of her maternal rights, or has to be away for therapy in medical institutions, or has to spend time in jail” (Sec. 246, LC). In other words, men in any of the above capacities are entitled to benefits only when the mother is unable to look after her children.

It is a criminal offence to terminate the employment of a woman on the basis of her pregnancy or if she has a child under the age of 3, which is punishable with a fine of between 500 and 1,000 AZN (Sec. 164, Criminal Code). In terms of maternity leave, women are entitled to a minimum of 126 days paid leave (70 days before and 56 days after the estimated delivery date). The length of leave is longer if more than one child is born, if the birth is complicated or if the mother works in agriculture (See Legal Framework Indicator 7 “Maternity leave”).

Laws on social insurance regulate cash benefits and medical benefits. The total cost of medical benefits is borne by the Government. Cash benefits are paid out of social insurance contributions and as such are tied to work history. The beneficiary must have been in covered employment and contributed to the social insurance fund for at least six months, at which point the replacement rate is 100 per cent of the average of the last two months of earnings. In 2011, the Ministry of Labour and Social Protection of the Population made a proposal to the Cabinet of Ministers that this qualification be removed. Women are not entitled to maternity benefits during imprisonment or confinement (except in cases of mental illness). In these cases, a recognized caregiver is eligible for reduced benefits. Between 2005 and 2010, the number of beneficiaries of pregnancy and maternity leave increased by 39.23 per cent, reaching some 29,100 people in 2010. The average value of maternity leave also increased significantly, rising from some 230 AZN in 2003 to 630 AZN in 2010.

A number of different family allowances are also provided for under the laws governing social insurance, assistance and allowance (see Legal Framework Indicator 8 “Parental leave”). Social

Legal Framework Indicator 7. Maternity leave

Law, policy or institutions: Labour Code (1999), Social Insurance Act (1995), and Social Insurance Regulation (1997). The State Social Protection Fund (SSPF) is responsible for the social insurance programme. Social insurance coverage is only available to women who have been in covered employment for a minimum of six months; other forms of assistance are available on the basis of residency or income testing.

Qualifying conditions: Social insurance coverage for a minimum of six months (MLSPF suggested the elimination of this requirement to the Cabinet of Ministers in May 2011); and medical certificate.

Benefits (level and duration): Female employees are entitled to a base paid maternity leave of 126 days (70 days before and 56 days after); in case of childbirth complications, female employees are entitled to 70 days after the estimated birth date. Women who work in the agricultural sector are given longer maternity leave with 70 days before and 70 days after (for childbirth complications, 86 days after; for multiple births, 110 days after) the expected date of birth (Sec. 125, LC). The rate of pay is 100 per cent of gross average monthly earnings, for the two months prior to maternity leave but cannot be worth more than 25 times the value of the minimum wage (Sec. 6, Law on Social Insurance).

As well as social insurance coverage, there are a number of social assistance benefits available to mothers. These are: 1) child allowance of 30 AZN per month (for families with a child younger than 12 months, where the monthly household income is under 65 AZN) or 50 AZN per month where there is a parent in active military service; 2) childcare benefit of 20 AZN per month until the child is 18 months, then 10 AZN until aged 3 years (for employees who leave work to raise a child, with no qualifying period); 3) birth and adoption grants of 75 AZN (for the mother or recognized care giver); 4) a full orphan's special benefit of 35 AZN per month (paid to the orphan's guardian); 5) social assistance available to low income families to top up per capita household income to an average of 65 AZN per month.

Financing: Worker contribution: 3 per cent of gross earnings; employer contribution: 22 per cent of the payroll. Self-employed persons: different rates apply depending on professions and regions, for example 50 per cent of the monthly minimum wage if engaged in trade or construction.

Coverage of workers in practice: In a 2008 direct request concerning the application of Convention No. 103, the CEACR noted that the Labour Code does not provide for compulsory six weeks postnatal leave as the leave is stipulated on the basis of the estimated date of birth. Furthermore, the legislation does not specify that the period of post-natal leave should not be reduced when birth takes place after the estimated date.

Ratification of ILO Conventions: The Maternity Protection Convention (revised), 1952 (No. 103), was ratified by Azerbaijan in 1992 and denounced in 2010; the Maternity Protection Convention, 2000 (No. 183), was ratified by Azerbaijan on 29 October 2010. Azerbaijan has not yet ratified the Social Security (Minimum Standards) Convention, 1952 (No. 102).

Sources:

1. National legislation; NATLEX database (http://www.ilo.org/dyn/natlex/country_profiles.nationalLaw?p_lang=en&p_country=AZE);
2. CEACR 2008 direct request (<http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displaycomment.cfm?hdroff=1&ctry=0060&year=2008&type=R&conv=C103&lang=EN>);
3. TRAVAIL legal databases (http://www.ilo.org/dyn/travail/travmain.sectionReport1?p_lang=en&p_countries=AZ&p_sc_id=2000&p_year=2009&p_structure=3).

assistance and child allowance benefits are income tested, and serve as an income top-up for vulnerable families with low incomes. The childcare benefit is available to paid employees who leave work to raise a child. In addition, a lump sum grant for birth or adoption is provided for.

Women with children are entitled to a variety of work-related rights, for example employers are obliged to grant the requests of women workers' to work part time if they are pregnant, or have children under the age of 14 years, or disabled children under the age of 16 years. Other

legal guardians, including fathers, are entitled to work part time to raise children if the mother is absent. The part-time schedule is decided by mutual agreement. The right to breastfeed is also protected by law: women workers are entitled to breastfeed at least 30 minutes every three hours if they have one child under the age of 18 months, and at least one hour if they have two or more children under the age of 18 months. Breaks given for feeding children are considered working time. If a woman has difficulties breastfeeding due to the nature of her work, the employer is required to facilitate breastfeeding – upon request – either by

Legal Framework Indicator 8. Parental leave

Law, policy or institutions: Social Insurance Act (1995), Labour Code (1999), Social Assistance Act (2005) and Social Allowance Act (2006) provide for paid and unpaid social leave for single parents and family members who are caring for a child.

Qualifying conditions and benefits: In the absence of the mother, the legal guardian is entitled to many of her rights concerning leave and cash benefits. The legal right to maternity insurance is not yet granted to anyone other than the mother. Legal guardians are entitled to partially paid social leave at the employer's discretion if they have a child under 3 years of age (Sec. 127, LC). Additional days of paid leave are available to legal guardians – two additional days leave if they have two children under the age of 14 years and five additional days leave if they have more than two children under 14 years or a disabled child under 16 years. Employers are obliged to grant requests for part-time work from legal guardians with a child aged less than 14 years, or a disabled child under 16, with mutual agreement over scheduling of work hours (Sec. 246, LC). Social leave other than maternity leave is available to women who have adopted or are raising a child under 2 months of age (Sec. 126, LC). Unpaid social leave is available at the employer's discretion for: up to 14 days for men whose wives are on maternity leave; women or other legal guardians with children under 16 years; parents with disabled children or children suffering from HIV or AIDS under the age of 16; a relative to take care of a sick family member; and, on the basis of a medical board's decision, for a relative to take care of a chronically ill child under the age of 4 years (Sec. 130, LC).

Financing: SSPF. Worker contribution: 3 per cent of gross earnings; employer contribution: 22 per cent of the payroll. Self-employed persons: different rates apply depending on professions and regions, for example 50 per cent of the national monthly minimum if engaged in trade or construction.

Evidence of implementation effectiveness: No information provided by the ILO supervisory bodies.

Coverage of workers in law: N/A

Coverage of workers in practice: N/A

Ratification of ILO Conventions: The Workers with Family Responsibilities Convention, 1981 (No. 156), was ratified by Azerbaijan on 29 October 2010.

Source:

1. National legislation; NATLEX database (http://www.ilo.org/dyn/natlex/country_profiles.nationalLaw?p_lang=en&p_country=AZE);
2. TRAVAIL legal database (http://www.ilo.org/dyn/travail/travmain.sectionReport1?p_lang=en&p_countries=AZ&p_sc_id=2000&p_year=2009&p_structure=3).

improving amenities or by transferring the mother to lighter work. Furthermore, women with children are entitled to additional days of paid annual leave (see Chapter 4 “Decent hours”).

Caregivers are entitled to ‘social leave’, meaning a type of leave to look after children in a number of circumstances. The first example of social leave is maternity leave, which is only available to mothers. The second form is for women who adopt babies under the age of 2 months or raise children without adopting them; these women are entitled to 56 days of paid leave. The third type of leave is a partially paid leave available to a single parent or caregiver looking after a child under 3 years old, and may be used at the employee's discretion.

Paternal benefits in terms of cash or paid leave are only available in cases where the mother is una-

ble to care for the child. However, it is possible for all employees – men and women – to request unpaid leave from their employer. The request can be made for example, if a child or other family member is sick, if a child is suffering from HIV or AIDS or is disabled and under 16 years of age. Fathers can request 14 days unpaid leave while their wife is taking maternity leave. Granting of the request for all forms of unpaid leave is at the employer's discretion (Sec. 20, LC).

By September 2011, some six million AZN had been disbursed by the Social Protection Fund for ‘pregnancy and childbirth allowances’ (maternity benefits), birth grants and child-raising allowances for children aged up to 3 years. In the same period, maternity benefits were granted to 6.3 people per 1,000 of the population, while the birth grant was allocated to 10.7 per 1,000, showing a wide gap in

coverage between those contributing to the insurance coverage and those falling outside the system.¹ Nonetheless, coverage has expanded since 2006 as the birth grant was disbursed to 18.5 people per 1,000 of the population in 2006, compared to 38.6 per 1,000 in 2010, while childcare allowances were granted to 21.4 per 1,000 in 2006 and to 35.6 per 1,000 in 2010.

Government support in terms of childcare and health care can shift the burden of social care away from women and other legal guardians enabling them to participate to a greater extent in the labour market. In Azerbaijan, from the age of 6, education is both free and compulsory at the primary and secondary levels, and the net enrolment rate is 85 per cent (2009).² Increased provi-

sion of pre-primary education has resulted in a growth in enrolment from some 66,000 children to 75,000 children³ between 1999 and 2009, or from 17 to 24 per cent. There still appears to be a strong rural-urban divide over access to pre-primary education with very limited access in rural areas. In addition, the cost of pre-primary education makes access prohibitive for many as the average monthly fees of 200 AZN are more than double the minimum wage.⁴ The Government has stepped up efforts to expand access to pre-primary education, through the “State Programme on Modernization of Pre-School Education 2007-2010” and a US\$ 18 million programme (2006-2010) in partnership with the Asian Development Bank on “Early Childhood Development”.⁵

¹ Azerbaijan State Social Protection Fund, Report on Azerbaijan Republic State Social Protection Fund income and expenditures on the totals of 2011.

² UNESCO Institute for Statistics, Table 3B.

³ Ibid.

⁴ I-F. E. Chang: *Early Childhood Education in Azerbaijan* (New York, UNICEF, 2009).

⁵ Conference Notes “Reform of the Education System in Azerbaijan for a Sustainable Future” (UNESCO, 2005).

6 Work that should be abolished

In 1998, ILO member states committed to respect and promote four categories of core labour principles as established in the Declaration on Fundamental Principles and Rights at Work, regardless of whether they had ratified the relevant Conventions. The four categories are: freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition of child labour and the elimination of discrimination in respect of employment and occupation. As such, in adopting the Declaration, the global community committed to work towards the abolishment of two types of work: child labour and forced labour.

Abolishing child labour serves to ensure that every boy and girl has the opportunity to develop physically and mentally in order to reach their full potential. It means children are prevented from undertaking work that jeopardizes their education and development. As such, the principle of abolishing child labour does not mean abolishing all work by children. Two fundamental Conventions draw up distinctions between acceptable and unacceptable forms of work for children at different stages of their development: the Minimum Age Convention, 1973 (No. 138), and the Worst Forms of Child Labour Convention, 1999 (No. 182), both of which have been ratified by Azerbaijan.

In general, the international standards set the minimum age for employment at not less than the age of completion of compulsory schooling and never less than 15 years. In some instances, light work may be performed by children two years younger than the general minimum age. Types of work known as the worst forms of child labour are totally unacceptable for all children under the age of 18 years.

These include forced labour, prostitution and pornography, forced recruitment for military purposes and the use of children for illicit activities such as the sale of drugs. Azerbaijan has ratified the four fundamental conventions related to forced labour and child labour and has committed to devote further efforts to abolishing child labour and human trafficking in the 2006-2009 Decent Work Country Programme. As part of this process, in 2008 an Inter-Regional Conference on Sharing Experiences and Taking Action in Combating Child Labour was held in Baku at which employers' organizations declared their commitment to advocate compliance with and cooperate on developing and implementing elimination strategies, in particular in regard to the worst forms of child labour and the promotion of education and health policies.

The minimum age for employment in Azerbaijan is 15 years, although with parental consent, children can engage in light work from the age of 14. A range of regulations delimit the type of work children are allowed to be engaged in, their hours of work (shorter than adults) and paid leave (more entitlement than adults). It is also prohibited to hire children for physically or morally hazardous work (see Legal Framework Indicator 9 "Child labour").

There is very limited data on the incidence of child labour in Azerbaijan. The State Statistical Committee has measured a decline in the number of teenagers employed in the labour market, from some 12,000 in 2000 to some 6,000 in 2010. However, this measurement does not specify the age of the teenagers who were counted. In 2005, the State Statistical Committee conducted a survey on child labour in cooperation with ILO-IPEC. The survey found that working children (aged 5 to 17 years) constitute 4 per cent of all working

Legal Framework Indicator 9. Child labour

Law, policy or institutions: Labour Code (1999), Children's Rights Act (1998), Criminal Code (2000), Education Act (2009), Family Code (1999). The State Committee for Family, Women, and Children Affairs is responsible for some areas of child related policy. The SLIS is responsible for enforcing child labour laws.

Minimum age of employment: The Labour Code states in Section 42(3), that at 15 years of age, a child can enter an employment contract with parental consent; in Section 249(1) that "persons who are under the age of 15 shall not be employed under any circumstances", while Section 249(2) provides that children aged 14 years can work after school hours in light work with the written consent of their parents. The Individual Contracts of Employment Agreement Act sets the minimum age for concluding an employment contract at 14 years (Sec. 12(2)).

Education: Under the Education Act, education is free and compulsory in Azerbaijan from ages 6 to 16, and the employment of children that might deprive them of the right to education is prohibited (Secs. 5.4 and 19).

Hazardous work: The Labour Code places limits on the type of work that young persons under the age of 18 can engage in. Employment is prohibited in: difficult and hazardous jobs, "underground jobs" including mines, in night clubs, bars and casinos and in places where alcoholic beverages, narcotic substances and toxic material are present (Sec. 250). A list of some 2,000 work places defined as hazardous was approved by the Cabinet of Ministers (Sec. 211(1); decision 58, 24 March 2000). Employees aged less than 18 years are not allowed to do night work, overtime, work on their days off or take business trips (Sec. 254). To be employed, they must pass a medical examination at the employer's expense (Sec. 254). In terms of heavy lifting, weight and size limits are stipulated for girls and boys aged 16 to 18 years and for girls up to 16 years, while boys up to 16 years are not mentioned (Sec. 251). Employees up to the age of 16 years are allowed to work a maximum of 24 hours a week, and are granted 42 days of paid annual leave, and those aged 16 to 18 years are allowed to work a maximum of 36 hours per week and are granted 35 days leave (Secs. 91(2) and 119(1)).

Other regulations aim to ease the school-to-work transition including non-application of probationary periods (Sec. 52); and exemption from certification requirements and assessments (Art. 66 LC).

Sanctions: Under the Criminal Code, involvement of children in criminal activities is punishable with up to three years of imprisonment (Sec. 170); in prostitution and other immoral acts with three to six years of imprisonment (Sec. 171). The SLIS gives instructions to employers concerning labour rights violations. In 2004, it gave instructions to 36 employers, in 2008 to 25 employers, in 2009 to 62 employers and in 2010 to 23 employers concerning the violations of labour rights of women and exploitation of children.

Evidence of implementation effectiveness: Azerbaijan has specified the minimum age of 16 years under Section 2(1) of Convention No. 138. However, the CEACR has observed that the legislation permits a child of 14 or 15 years to conclude a contract of employment; it has urged the Government to take the necessary measures to ensure that the legislation is in line with the Convention. It has further commented on the fact that Convention No. 138 requires the fixing of a minimum age for all types of work or employment and not only for work under an employment contract. The CEACR noted that a high number of children work in Azerbaijan, especially in rural areas, that regulations protecting children from exploitative and hazardous work are not consistently applied and respected and that enforcement of Convention No. 138 is weak. It has expressed its serious concern on the fact that about 90 per cent of children who perform hazardous work are engaged in the agricultural sector. With regards to trafficking, the CEACR noted that the CRC has expressed serious concern about the fact that Azerbaijan's territory was increasingly being used by an international network of trafficking in persons, especially women and children, and was reported to be a country of origin for trafficking. The CEACR noted in this regard that about 50 police officers dedicated to counter-trafficking activities are working for the Special Police Agency to combat trafficking in persons established within the Ministry of Interior. In 2008, 66 trafficking investigations were conducted, out of which 61 offenders were prosecuted and convicted, and in 2009, 80 trafficking investigations were conducted, out of which 76 offenders were prosecuted. In 2010, 62 trafficking offenders were convicted, out of which 28 offenders were issued sentences ranging from one to five years' imprisonment, 15 offenders with five to ten years' imprisonment and 18 persons were issued a suspended sentence. Further issues are raised in the 2010 CEACR observation and direct request concerning, inter alia, the fact that the Criminal Code does not appear to prohibit the use of a child under 18 years of age as a prostitute, and the use, procuring or offering of children in the production of pornographic materials or pornographic performances.

Ratification of ILO Conventions: The Minimum Age Convention, 1973 (No. 138), was ratified by Azerbaijan on 19 May 1992; the Worst Forms of Child Labour Convention, 1999 (No. 182), was ratified by Azerbaijan on 30 March 2004.

Sources:

1. National legislation; NATLEX database (http://www.ilo.org/dyn/natlex/country_profiles.nationalLaw?p_lang=en&p_country=AZE).
2. CEACR 2010 observation on Convention No. 138 (<http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displaycomment.cfm?hdroff=1&ctry=0060&year=2010&type=O&conv=C138&lang=EN>);
3. CEACR 2010 direct request C182 (<http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displaycomment.cfm?hdroff=1&ctry=0060&year=2010&type=R&conv=C182&lang=EN>);
4. State Statistical Committee of the Republic of Azerbaijan and ILO-IPEC: Working children in Azerbaijan – The analysis of child labour and labouring children survey, 2005.

Table 5. Work that should be abolished

	Aged 5-17		Aged 5-9		Aged 10-14		Aged 15-17	
	Thousands	%	Thousands	%	Thousands	%	Thousands	%
Total number of children	2,099.3	100.0	647.5	100.0	897.8	100.0	554.0	100.0
Children attending school and not involved in household work	1,720.5	82.0	454.1	70.1	829.6	92.4	436.8	78.8
Children attending school and involved in household work	117.6	5.6	13.6	2.1	51.7	5.8	52.3	9.4
Children not attending school and not involved in household work	329.4	16.0	241.6	39.4	26.8	3.0	61.6	11.2

Notes:

¹ The above indicators are not computed according to the international guidelines on child labour. They refer only to household work and not economic activities that children may perform outside the household.

people in Azerbaijan and that the incidence of working increases with age: from 4.5 per cent of children aged 5 to 14 who work to 15.6 per cent of children aged 15 to 17, and the incidence is highest among those aged 17 (22.8 per cent). Overall, more male children work than female children (8.5 per cent compared to 6.2 per cent), although employment rates only become statistically different after the age of 13.

Some 6.1 per cent of children aged 5 to 17 are engaged in child labour, as opposed to suitable and legal work, making up over 80 per cent of all working children. The proportion is very high due to the Azerbaijani definition of hazardous work, which includes the bulk of agricultural activities carried out by children. Again, a gender gap exists in the incidence of child labour, with 7.0 per cent of boys and 5.1 per cent of girls considered to be child labourers. The survey found that 1.9 per cent of children aged 6 to 17 were engaged in only work activities, with the majority of those aged over 15, and that 86.7 per cent of children of the 6 to 17 age group attended school only. Most working children are engaged in the agricultural sector – 80.7 per cent of boys and 85.7 per cent of girls. The majority (59.3 per cent) of working children are unpaid family workers, about one-third are self-employed and 10 per cent are hired employees.

Children have a higher risk of falling victim to child labour, for example: if they live in rural areas, with some regions being more at risk than others; if they live in a household with a high number of dependants; if they are refugees or

IDPs; or live in urban areas, with a low household income. Despite the prevalence of child labour, school attendance is high and is nearly universal among children aged between 7 and 15 years. Non-attendance is common among 6 and 7 year olds, and a decline in attendance rates occurs after the age of 15 years when basic education is completed.

Forced labour, meaning “work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered him/herself voluntarily” (Article 2, Forced Labour Convention, 1930 (No. 29), takes many forms, including debt bondage, human trafficking and other forms of modern slavery. Two fundamental Conventions express rights and obligations concerning forced labour; these are the Forced Labour Convention, 1930 (No. 29), and the Abolition of Forced Labour Convention, 1957 (No. 105), both of which have been ratified by Azerbaijan.

The Constitution and the Labour Code of Azerbaijan prohibit forced labour and defend the right to a free choice of occupation, except during a state of emergency or periods of martial law. Employers who breach the law are liable to pay a fine (see Legal Framework Indicator 10 “Forced labour”) but in the last decade, no employers have been penalized for forced labour. However, the Government of Azerbaijan has recognized that forced labour is a problem in Azerbaijan following a scandal in 2009 concerning 700 migrant workers who worked for a construction company under conditions of forced labour.

Legal Framework Indicator 10. Forced labour

Law, policy or institution: The Constitution (1995), Labour Code (1999), Administrative Offences Code (2000), Law on the Fight against Trafficking in Persons (2005). The SLIS investigates working conditions, including situations of forced labour and is responsible for enforcing labour law. The Ministry of Internal Affairs is responsible for enforcing anti-trafficking laws and coordinating anti-trafficking efforts under the framework of the National Action Plan to Combat Trafficking.

The Constitution protects the right to free choice of occupation and prohibits forced labour except during armed service, a state emergency or under martial law (Sec. 35). The Labour Code (Secs. 17 and 42) expands on provisions in the Constitution, stating that employees cannot be obliged to carry out tasks not included in their job description and that employers are to be held liable for breaching the law. Under the Administrative Offences Code (Sec. 53(1)), obliging an employee to perform a task not in their job description under threat or duress is punishable by a fine of 1,000 to 2,000 AZN or punishable by two years of corrective labour or imprisonment. Aggravating factors such as inducing a pregnant woman, children, or more than one person into situations of forced labour may lead to imprisonment from three to five years (Sec. 144, Criminal Code). Forcing a person into sex work is punishable with a fine of 500 to 1,000 AZN, or 160 to 240 hours of community service, or up to three years of imprisonment (Sec. 243, Criminal Code). The Law on the Fight against Trafficking prohibits both forced prostitution and forced labour and prescribes penalties of five to 15 years' imprisonment and confiscation of assets.

Evidence of implementation effectiveness: The CEACR took note, in a 2010 observation on the application of Convention No. 29, of grave allegations made by the ITUC concerning indications of forced labour regarding 700 migrant workers engaged by a construction company. In a 2010 direct request on the application of Convention No. 29, the CEACR raised several points regarding the possibility to exact work under compulsory military service laws for non-military purposes, and the fact that, although under the Code on the Execution of Penal Sentences, prisoners' conditions of work may be considered as approximating those of a free labour relationship, the formal consent of prisoners to work for private enterprises does not appear to be asked for. Neither of these situations is in line with Convention No. 29.

Ratification of ILO Conventions: The Forced Labour Convention, 1930 (No. 29), was ratified by Azerbaijan on 19 May 1992, and the Abolition of Forced Labour Convention, 1957 (No. 105), was ratified by Azerbaijan on 9 July 2000.

Sources:

1. National legislation; NATLEX database (http://www.ilo.org/dyn/natlex/country_profiles.nationalLaw?p_lang=en&p_country=AZE);
2. 2010 observation of the CEACR (<http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displaycomment.cfm?hdroff=1&ctry=0060&year=2010&type=O&conv=C029&lang=EN>) and 2010 direct request (<http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displaycomment.cfm?hdroff=1&ctry=0060&year=2010&type=R&conv=C029&lang=EN>).

Azerbaijan is a source, transit and destination country for human trafficking.¹ In 2006, the Committee on the Rights of the Child expressed serious concern that Azerbaijan was being increasingly used by human traffickers, particularly for the trafficking of women and children. As a source of trafficking, men and boys are trafficked into forced labour and women and children into sex work abroad. Within Azerbaijan's territory, both women and children are trafficked into sex work and children into forced begging. As a destination country, victims are trafficked into Azerbaijan to work in the sex industry, construction and street vending.²

Policy concerning forced labour focuses heavily on human trafficking. A National Action Plan for Combating Human Trafficking (2009-2013) was adopted in 2009. It aims to tackle the social causes

of human trafficking and improve victim support and reintegration, as well as improve the coordination and effectiveness of prosecution. To this effect, a Support Centre for Victims of Human Trafficking was created under the auspices of the MLSPP to assist reintegration of victims, providing medical, legal, psychological and other assistance. In 2009, 31 victims were given assistance and in 2010, 80 were assisted. To enhance the ability of labour inspectors to identify cases of trafficking or forced labour, the SLIS was issued with a Handbook for Labour Inspectors by the ILO in 2011. Other relevant policy tools in use by Azerbaijan include the National Action Plan on the Protection of Human Rights which includes efforts to tackle human trafficking. The UNDAF (2011-2015) includes measures to improve support for trafficking victims, strengthen the effectiveness of prosecution and the capacity of the Government and social partners to protect and assist victims of forced labour.

¹ US Department of State TIP Report, 2011.

² Ibid.

7 Stability and security of work

Transition to a liberal market economy and entry into the globalized world has destabilized traditional employment patterns in Azerbaijan. Employment security refers to the length and nature of the employment contract, how easy or difficult it is for an employer to dismiss a worker and in relation to this, the access a worker has to social security. ILO standards on termination of employment seek to find a balance between maintaining the employer's right to dismiss workers for valid reasons and ensuring that such dismissals are fair and are used as a last resort, without having a disproportionate negative impact on the worker.

The Government of Azerbaijan has dedicated efforts to create a macroeconomic and legal environment that fosters the creation of jobs (see Chapter 2 "Employment opportunities"). Since 2003, some 900,000 new jobs have been created of which more than 50 per cent are permanent, as well as over 900,000 new workplaces of which some two-thirds are permanent. Data on new business creation have been collected since the fourth quarter of 2003, hence the wide discrepancy in the 2003 and 2004 figures (see Table 6 "Stability and security of work").

Work in the informal sector in Azerbaijan has increased significantly during the last decade. Government statistics show an increase during this time from 5 to 10 per cent in jobs belonging to the informal economy. There has been a simultaneous collapse in the proportion of people working as wage or salaried employees, which has affected women more than men. In 2007, only 33 per cent of women were wage employees (see Chapter 2 "Employment opportunities").

Vulnerable employment, consisting of own-account work and contributing family work, makes

up a very large proportion of employment for both men and women in Azerbaijan. Data on vulnerable work in Azerbaijan were first made available in 2003, at which point it made up 37 per cent of total employment, affecting men and women almost equally. It increased to a high of 63 per cent of total employment in 2005, still affecting equal proportions of men and women. Since then, overall vulnerable employment has decreased due to a fall in the number of men affected; however, the number of women in vulnerable employment has continued to increase year on year. By 2007, 53 per cent of all employment was classified as vulnerable, affecting 40 per cent of men and 65 per cent of women.¹ Vulnerable workers are less likely to have formal work arrangements and therefore more likely to lack decent working conditions, adequate access to social security and access to effective representation by trade unions or workers' collectives. Vulnerable work is often characterized by low earnings and productivity, as well as difficult conditions.

A study on the economic activity of people living in Azerbaijan which was conducted in 2006 with UNDP and UNFPA support gives insight as to the nature of employment stability in Azerbaijan. The study found that two-thirds of employees had employment contracts which did not specify a fixed duration of employment, thus constituting indefinite contracts under the Labour Code. It was also found that employers offered fixed-term contracts in violation of the Labour Code which states that when a work function is of a permanent nature, employment contracts must be indefinite and that an indefinite contract cannot be unilaterally replaced with a fixed-term contract (Sec. 45). The SLIS reported that 22 per cent of employ-

¹ ILO: KILM, 6th edition, Table 3.

Table 6. Stability and security of work

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Dismissal of employees due to staff cutback, %	11.4	12.7	24.6	8.1	5.3	4.4	2.6	4.9	5.4
Resignations, %	71.0	71.3	53.4	65.7	66.7	69.8	74.8	67.9	63.0
Other dismissal reasons, %	17.6	16.0	22.0	26.2	28.0	25.8	22.6	27.2	31.6
Number of new workplaces, thousands ¹		10.1	167.3	169.0	173.9	147.0	123.0	73.6	73.0
Permanent new workplaces, thousands ²		10.1	83.8	109.8	127.9	105.6	89.6	54.5	52.7
New enterprises and organizations, thousands ³		6.9	21.8	21.5	23.4	16.5	11.5	7.3	8.1
As part of existing enterprises and organizations, thousands		3.0	28.3	41.3	41.1	36.5	35.6	7.9	7.5
As part of restored enterprises and organizations		0.0	5.4	4.7	4.9	1.5	0.5	0.8	0.7
Physical persons, thousands		0.2	28.2	42.3	58.4	51.2	42.0	38.5	41.0
As part of other activities (different international and local projects, construction works etc.), thousands		0.0	83.6	59.2	46.0	41.3	33.4	19.1	15.7

Notes:

¹ According to Labour Code of the Azerbaijan Republic, other reasons of termination of employment can be: liquidation of company, expiration of agreement, material breach of job duties, changes of terms of labour condition, change of proprietor, other reasons out of parties control(death of employee, disability after long term disease, arrest etc.).

² Indicators on workplaces refer to the fourth quarter in 2003.

³ Jobs provided under permanent contract with the consideration of permanent nature of the work are considered permanent jobs. In accordance with the Azerbaijan Republic Labour Code since fixed term labour contract cannot be entered into for a period exceeding five years, jobs with a term below five years are not considered permanent jobs. Also, in 2003 all newly created jobs (10.1 thousands) in the Azerbaijan Republic were permanent.

ers' violations of the labour law relate to failure to conclude an employment contract or failure to meet its requirements. In order to reduce this type of practice the SLIS conducts checks on places of employment and carries out awareness-raising activities on labour law and employees' rights among employers.

The State Statistical Committee considers labour turnover as the number of people hired and fired in a given year. The direct comparison is only available for the year 2009, with other data only showing the number of new employees. In 2009, the greatest movement of people took place in the construction industry, where some 28,000 people were hired and 37,000 fired. In the early years of the 2000s, the proportion of employees dismissed for economic reasons increased to a high

of 24.6 per cent in 2004 and then fell, remaining low during the economic crisis.² In 2010, some 160,000 employees were dismissed for reasons including staff cut-backs for economic reasons, end of contract, changes in employment terms and at the employee's own initiative.

While legislation protects workers from unfair dismissal and provides access to social security such as unemployment and health care, most protection is only available to people who are employed under a labour contract and who contribute to social insurance schemes. Many people in vulnerable employment and in the informal sector do not have employment contracts and do not contribute

² Between 2008 and 2010, the average of "dismissal reasons due to staff cutback %" was 4.3 per cent.

Legal Framework Indicator 11. Termination of employment

Law, policy or institutions: Trade Unions Act (1994), Labour Code (1999), Employment Act (2001). The SLIS is responsible for enforcing the law.

Prohibited grounds for termination of employment (except in cases of liquidation of enterprise): Pregnancy, maternity leave; family responsibilities; trade union/political party membership and activities; parental leave; and state of health (Sec. 79, LC).

Workers enjoying special protection: Workers' representatives; pregnant women and/or women on maternity leave; workers with family responsibilities; workers performing military/alternative service (Sec. 78, LC). The employer has to ask the authorization of the trade union to dismiss any member of the trade union (Sec. 80, LC). Workers under the age of 18 cannot be dismissed for lack of professional competency (Sec. 255, LC). New owners of enterprises may not terminate the employment of workers without assessing their professional competence (Sec. 63(3), LC).

Substantive requirements for termination of employment: Economic reasons such as liquidation of the enterprise; a worker's lack of capacity; non-compliance with the requirements of the employment contract (Secs. 70 and 72 LC). Employers can terminate the employment of an employee if the employee is not willing to accept a change in terms and conditions of employment (Sec. 68(2), LC).

Procedure for individual dismissals: The employer must justify the necessity of termination of employment (Sec. 71(3), LC). If the employment is terminated on the basis of a change in terms and conditions of employment the notice period amounts to one month (Sec. 56, LC). Employees have the right to judicial redress (Sec. 74(2), LC) and can be reinstated if the termination of employment is deemed to be illegal.

Collective dismissals for economic reasons: There is no statutory definition of collective dismissals. If employment is to be terminated on the basis of staff cutbacks, the employee has to be notified two months in advance (Sec. 77, LC). Furthermore, the employer has to notify the public service of employment two months in advance of the retrenchments (Sec. 17(2) Employment Act). Trade unions must be notified three months in advance and must be consulted on the protection of labour rights and interests (Sec. 11, Trade Unions Act). Section 78 of the Labour Code lays out rules governing the selection of candidates for dismissal. The first priority is the level and applicability of skill; should that be equal then the employer must prioritize retention of groups including war veterans, individuals supporting two or more children or people with refugee and displaced status.

Severance payments: If the employment has been terminated due to retrenchment the employee is entitled to up to three months of the lowest average monthly wage (Sec. 77, LC). Other employees may have the right to compensation for unfair dismissals, the amount of which is determined by the competent court, (Secs. 290 and 300, LC). Employees may appeal to ordinary courts (Sec. 296, LC).

Evidence of implementation effectiveness: No information provided by the ILO supervisory bodies.

Coverage of workers in law: N/A

Coverage of workers in practice: N/A

Ratification of ILO Conventions: Azerbaijan has not ratified the Termination of Employment Convention, 1982 (No. 158).

Sources:

1. National legislation; NATLEX database (http://www.ilo.org/dyn/natlex/country_profiles.nationalLaw?p_lang=en&p_country=AZE);
2. EPLex database; Azerbaijan (http://www.ilo.org/dyn/eplex/termmain.showCountry?p_lang=en&p_country_id=56).

to social insurance. As a result, job losses and high turnover rates can have a big impact on their well-being, possibly tipping them over the poverty line. Women are more affected by vulnerable and

marginal work than men, leaving them and their children more exposed to the effects of job insecurity (See Chapter 5 “Combining work family and personal Life”).

8 Equal opportunity and treatment in employment

Equality of opportunity and treatment is at the heart of the Decent Work Agenda. The ILO 1944 Declaration of Philadelphia states that: “All human beings, irrespective of race, creed or sex, have the right to pursue both their material well-being and their spiritual development in conditions of freedom and dignity, of economic security and equal opportunity.” Azerbaijan has ratified the Equal Remuneration Convention, 1951 (No. 100), and the Discrimination (Employment and Occupation) Convention, 1958 (No. 111), demonstrating commitment to achieving fairer working conditions for all. It has also acceded to the CEDAW and ratified its Optional Protocol in 2001 allowing Azeri citizens to hold their Government to account for breaching the terms of CEDAW.

Migration has become an increasingly complex issue in Azerbaijan in recent years. The country has changed from being primarily a country of origin, to becoming also a country of transit and destination, with large numbers of migrant workers. Azerbaijan is party to the International Convention on the Protection of the Rights of all Migrant Workers and Members of their Families, although it has yet to ratify the ILO Migration for Employment Convention (Revised) 1949 (No. 97), and the ILO Migrant Workers Convention (Supplementary Provisions) 1975 (No. 143). It is estimated that there are 260,000 international migrants in Azerbaijan who make up 3 per cent of the population.¹ In order to work in a regularized situation, migrants must obtain individual permits for employment. However, between 2001 and 2005 only 8,485 foreigners were granted such permits.² Regularized migrants who are employed

under a contract benefit from similar legal protection to other employees in the formal sector. Currently, these regularized migrants make up some 0.6 per cent of employees in Azerbaijan.

With regard to disabled people, legislation is in place to protect their equality of opportunity. A quota system is in place whereby, in general, workplaces are to hire 5 per cent of their workforce from among vulnerable groups (see Legal Framework Indicator 12 “Equal opportunity and treatment”) and they are to be adapted to facilitate disabled access. However during the last decade, the proportion of disabled people involved in labour activity has declined, from 8.8 per cent in 2001 to 6.7 per cent in 2010 (see table 7 below).

The Azerbaijani Constitution guarantees equality before the law and equal rights and liberties for all citizens. The Constitution, in its Section 35(II), also states that “everyone has the right to choose independently, based on his/her abilities, his/her kind of activity, profession, occupation and place of work”, while the 2006 law on the Guarantee of Gender Equality (men and women) grants women and men equal rights and responsibilities in respect of pay and treatment in the workplace (Secs. 7-9). The Labour Code (Sec. 242) stipulates restrictions for pregnant women and women with children, banning them from working overtime, night shifts, weekend jobs or engaging in job related travel and from working in certain types of work and workplaces (see Chapter 5 “Combining work, family and personal life”), while Section 241 details jobs that women are prohibited from taking up, for example jobs which involve heavy lifting or physical activity in mines. In 1999, a government resolution barred women from working in approximately 1,000 different working

¹ United Nations Population Division: *Trends in total migrant stock: The 2008 Revision* (2008).

² IOM: *Migration in the Republic of Azerbaijan: A Country Profile 2008* (2008).

Legal Framework Indicator 12. Equal opportunity and treatment

Law, policy or institutions: The Constitution (1995), Labour Code (1999), Employment Act (2001), Law on the Guarantee of Gender Equality (men and women) (2006).

The Constitution guarantees “equality of the rights and freedoms of everyone, irrespective of race, nationality, religion, language, gender, origin, property status, occupation, beliefs, affiliation with political parties, trade unions or other public associations” (Sec. 25). Furthermore, the right to free choice of occupation, place of work and to set up businesses is upheld (Secs. 35 and 59, Constitution). The Employment Act provides for equal opportunities in the choice of occupation (Sec. 6) and additional guarantees for vulnerable groups including young people under the age of 20, single parents and IDPs (Sec. 9). A 5 per cent quota is set for vulnerable groups at enterprises, taking into account the labour market situation (Presidential Decree 213 of 22 November 2005). Employers are obliged to ensure gender equality at all stages of employment – recruitment; career development opportunities; evaluation of work and dismissal (Law on Gender Equality, Sec. 7) and differential treatment must be justified by the employer (Law on Gender Equality, Sec. 8). Azerbaijan has adopted a National Plan of Action on family and women’s issues 2009-2012.

Evidence of implementation effectiveness: In a 2010 observation on Convention No. 111, the CEACR noted statistical data demonstrating significant horizontal and vertical gender segregation in employment. Similarly, in its concluding observations, the CEDAW Committee expressed regret at the lack of correlation between women’s education levels and economic opportunities and noted with concern that women continue to be concentrated in traditional female education subjects (CEDAW/C/AZE/CO/4). The CEACR has also raised concerns on the exclusion of women from certain occupations, pursuant to Decision No. 170 of 20 October 1999, made under Section 241 of the Labour Code. The CEACR understood from the Government’s report that the main reason behind this Decision is the protection of women’s health and safety; the CEACR recalled however that special protective measures for women, which are based on stereotyped perceptions regarding their capacity and role in society, violate the principle of equality of opportunity and treatment in employment and occupation. It considers that such measures should be limited to maternity protection and asked the Government to review this Decision. For a number of years, the CEACR has raised concerns regarding discrimination faced by members of ethnic minorities in the fields of employment and education; these concerns are shared by the Committee on the Elimination of All Forms of Racial Discrimination.

Coverage of workers in law: N/A

Ratification of ILO Conventions: The Equal Remuneration Convention, 1951 (No. 100), and the Discrimination (Employment and Occupation) Convention, 1958 (No. 111), were ratified by Azerbaijan on 19 May 1992.

Sources:

1. National legislation; NATLEX database (http://www.ilo.org/dyn/natlex/country_profiles.nationalLaw?p_lang=en&p_country=AZE);
2. CEACR 2010 observation on Convention No. 111 (<http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displaycomment.cfm?hdroff=1&ctry=0060&year=2010&type=O&conv=C111&lang=EN>) and 2010 direct request (<http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displaycomment.cfm?hdroff=1&ctry=0060&year=2010&type=R&conv=C111&lang=EN>).

places in agriculture and industry deemed harmful to women’s health.³

Despite this type of provision in the legislation, women make up just under half of the labour force and male and female employment rates do not differ widely – at 62 per cent and 57 per cent respectively.⁴ Unemployment rates (see table 2 “Employment opportunities”) are slightly higher for women (6.9 per cent in 2010) than for men (4.4 per cent in 2010). The gender wage gap is large (56.8 per cent in 2009 per cent), and has grown since 2007 when data were first collected on this indicator. Indeed

in 2008, men’s average monthly wages (325 AZN) were almost double that of women (185 AZN); a similar ratio has been observed over the last decade, widening slightly from 1999 to 2001 and then very gradually decreasing. In 1999, the men’s average monthly wage was 45 AZN, compared to women’s at 20 AZN.⁵

The labour market is heavily gender segregated with women tending to work in low- wage sectors and not move far up the pay ladder. For example, mining is by far the highest paid sphere of the economy, based on the average monthly salary (1,005 AZN in 2010). However, only 12.4 per cent

³ Decision 170 of the Cabinet of Ministers.

⁴ ILO: KILM, 6th edition, Table 2a.

⁵ ILO: Global Wage Database 2011.

Table 7. Equal opportunities and fair treatment in employment

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Share of women in employment in ISCO-88 groups 11 and 12, % ¹	10.7	10.7	10.7	10.5	10.5	11.2	11.2	11.2	11.2	11.2	11.3
Gender wage gap, % ²								50.5	54.9	56.8	
Share of foreign employees, %	0.6	0.2	0.2	0.3	0.4	0.6	0.5	0.4	0.4	0.4	0.6
Share of employed in persons receiving disability assistance, % ³		8.8	7.9	7.1	6.9	6.4	6.3	6.4	6.5	6.7	6.7

Notes:

¹ ISCO-88 groups 11 and 12 refer to legislators and senior officials, and corporate managers.

² In Azerbaijan, official statistics of men's and women's average wages have been available since 2007. Gender wage gap is computed as the ratio of the difference between the average wages of men and that of women, to the average wages of men.

³ "Share of foreign employees %" means percentage ratio of hired foreign employees working in the Azerbaijan Republic (i.e. performing labour activity in the Azerbaijan Republic under labour agreement with employer and holding a permit for labour activity) in the total indicator of hired employees in the Republic.

⁴ "Share of employed in persons receiving disability assistance, %" reflects percentage of working disabled persons in the total amount of disabled persons. This indicator does not include persons receiving old-age pension.

of employees in the mining industry are women, with less than 1 per cent of women workers in Azerbaijan employed in mining. Finance and insurance, the other most highly paid industry (990 AZN per month in 2010) employs 1.2 per cent of women. In contrast, the sectors of highest employment for women are education (40 per cent of women employees), as well as human health and social work activities (17 per cent), both of which report average monthly salaries below the national average. The most recent data on wages which have been comprehensively disaggregated by gender dates from 2008,⁶ at which point men earned more than women in all 15 industries. The job of air stewardess is the only one listed in which women earn more than men, and even here the average salary is only 6 per cent higher.

As the gender wage gap is also calculated on the basis of monthly salaries, not hourly pay, the fact that women work part time or shorter hours could at least partially explain the difference in pay. Overall, monthly working hours are slightly longer for men (152.5) than for women (150.2). However, women work longer hours than men in eight of the 15 industry groupings. Among paid employees, the majority of women (65 per cent) and men (64 per cent) work between 31 and

40 hours per week, while 29 per cent of men work more than 40 hours a week, compared to 16 per cent of women. Among the self-employed, which include the majority of working women, men again have slightly longer working weeks (see Chapter 4 "Decent hours").⁷

It seems that there is little correlation between women's educational attainment and their employment opportunities. In Azerbaijan, primary and secondary enrolment rates for girls and boys have been near parity throughout the 2000s. However, levels of tertiary education have seen some change over the last decade, as the proportion of women students has increased from 39 per cent in 1999 to 50 per cent in 2009.⁸ Thus, one would expect a time lag as the higher number of more recent female graduates complete their education and reach higher paid jobs.

Traditional expectations concerning women's and men's role in family and society persist. While policies that promote balance between work and family support women by guaranteeing them paid maternity leave and time to care for infants and children, they also reinforce the traditional

⁶ ILO: Laborsta, Table 5A.

⁷ ILO: Laborsta, 4a Hours of work by economic activity, source Azerbaijan Labour-related establishment survey.

⁸ UNESCO: Institute for Statistics, Table 3B.

Legal Framework Indicator 13. Equal remuneration of men and women for work of equal value

Law, policy or institutions: The Constitution (1995), Labour Code (1999), Employment Act (2001), Law on the Guarantee of Gender Equality (men and women) (2006).

The Constitution establishes that men and women possess equal rights and liberties; and that everyone has the right to get remuneration for his/her work without discrimination (Arts. 25; 35). Art. 9 of the Law on Gender Equality determines that equal wages, as well as bonuses and other motivating payments shall be paid to employees for performing the same job of the same value in the same working conditions, having the same qualifications regardless of gender. The Labour Code, Section 158(3), elaborates that the value of a salary should be determined on the basis of an employee's performance and professional standing alone. Furthermore, while women are transferred to a lighter job due to pregnancy or having children under 18 months old, employers are not allowed to reduce their salary below the average of their normal work (Sec. 243(3)).

Evidence of implementation effectiveness: For many years, the CEACR has been stressing that the principle of equal pay for work of equal value is not fully reflected in Azerbaijan's legislation or in collective agreements; it has requested the Government to indicate the measures taken or envisaged to bring the legislation into full conformity with Convention No. 100. In a 2010 Observation on Convention No. 100, the CEACR noted women were earning significantly less than men in many sectors of the economy. Furthermore, the CEACR noted that, in its concluding observations, the CEDAW Committee expressed concern at the persistence of gender segregation within the labour market, the concentration of women in lower-paying sectors, and the persistence of the wage gap, which remains very wide in certain industries (CEDAW/C/AZE/CO/4, 7 August 2009).

Coverage of workers in law: N/A

Ratification of ILO Conventions: The Equal Remuneration Convention, 1951 (No. 100), and the Discrimination (Employment and Occupation) Convention, 1958 (No. 111), were ratified by Azerbaijan on 19 May 1992.

Source

1. National legislation; NATLEX database (http://www.ilo.org/dyn/natlex/country_profiles.nationalLaw?p_lang=en&p_country=AZE);
2. CEACR 2010 observation on the application of Convention No. 100 (<http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displaycomment.cfm?hdroff=1&ctry=0060&year=2010&type=O&conv=C100&lang=EN>) and direct request (<http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displaycomment.cfm?hdroff=1&ctry=0060&year=2010&type=R&conv=C100&lang=EN>).

division of labour, including bearing the burden of unpaid household activities. The proportion of women in executive positions has stagnated at a low level during the last decade at around 10 per cent: 10.7 per cent in 1999, and 11.2 per cent in 2009, respectively. This is in part due to the fact that despite the educational catch-up process, women still have less work experience than men due to shorter working hours and interruptions of employment linked to family responsibilities. During the transition period, women's

participation in politics declined sharply. While there is no legal limitation to their participation, a quota system in place during the Soviet era which set the level of women's representation at a minimum of 33 per cent was removed. In 1989, women made up 40 per cent of representatives in the Supreme Soviet of Azerbaijan, and within a year of independence their representation had fallen to a low of 4.3 per cent.⁹ Following the elections in 2009, 11.4 per cent of parliamentarians were women.

⁹ See website of the Azerbaijan Gender Information Centre (AGIC).

9 Safe work environment

Since independence, as Azerbaijan transitioned from a planned economy, efforts have been made to bring labour law, including occupational safety and health measures, into line with international standards. The right to work in safe and healthy conditions is guaranteed by the Constitution. Regulations detailing the application of this right are laid down in the Labour Code (1999) and are applicable to all employees, apprentices, military personnel, inmates employed while in prison and to workplaces set up to tackle the consequences of a natural disaster or to conduct work during a state of emergency.

Occupational safety and health regulations serve a variety of purposes, ranging from the protection of the natural environment and the prevention of industrial accidents to the prevention of industrial injuries and occupational diseases (Sec. 209, Labour Code). The labour inspection service was established in 1997 and, following several rounds of reforms, now serves to monitor, collect data and enforce the application of labour and occupational safety and health laws. The SLIS has the power to issue penalties where the law is breached. Employers, employees and social partners are obliged to comply with labour law and follow decisions made by the SLIS. At the same time, employers are directly responsible for the implementation of occupational safety and health regulations.

During the last decade, the occurrence of fatal and non-fatal occupational injuries has fluctuated somewhat, given the initial relatively low number of cases, rising until 2007 and then starting to decline (see Table 8 “Safe work environment”). In 2009, 250 accidents were investigated with the highest proportion of accidents occurring in the manufacturing sector (39 per cent), followed by construction (27 per cent), and transport and

communication (10 per cent).¹ The gender divide is significant, with more men suffering fatal and non-fatal injuries. In 2008, the rate of non-fatal industrial injuries was 0.39 for men and 0.03 for women per 1,000 employees; for fatal injuries, it was 0.14 for men and no women were affected.²

The State Statistical Committee calculated a total of some 39.2 thousand employees (3 per cent of all employees) currently working in unfavourable conditions³ of which 12.9 per cent are women. Of the people working in unfavourable working conditions, 88 per cent were affected by poor sanitary and hygiene standards, 11 per cent by hard physical labour and 0.3 per cent by equipment not meeting safety standards. Difficult and dangerous working conditions are most prevalent in the industrial, construction and transport, as well as communications sectors. Information provided by the State Statistical Committee on the number of employees working in conditions that do not meet sanitary and hygiene norms shows that those working in industry are worst affected (68.7 per cent), compared to transport (21.2 per cent), construction (9.4 per cent) and communication (0.7 per cent), leaving 10 per cent in other sectors that are monitored. Significant fluctuations in the number of employees affected by unhygienic conditions are seen in these four sectors from year to year. Comparing figures from 2000 and 2010 in the construction sector, there is a large increase in

¹ The rest occurred as follows: housing-and communal services (7%), scientific, educational, cultural and art enterprises (4%), trade, public catering and supply (4%), agriculture and forestry (2.5%), health, sports and social insurance (2%) and other fields (4.5%).

² ILO: Laborsta, Table 8B – Rates of occupational injuries, by economic activity.

³ ‘Unfavourable working conditions’ are calculated as the sum of those working in heavy physical labour, with equipment not meeting safety requirements and in conditions not meeting sanitary-hygiene norms. The figure does not take into account the possibility that the same employee may be counted multiple times.

Table 8. Safe work environment

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Occupational injuries, non-fatal, per 100.000 employees ¹	4.0	3.0	6.0	6.0	8.0	8.0	8.0	13.0	7.0	4.0	4.0
Number of mandays lost due to injury (including fatal injuries) ²	15.0	10.0	12.0	16.0	20.0	15.0	20.0	20.0	21.0	14.0	13.0
Number of mandays lost due to injury (including fatal injuries)		5,809.0	8,947.0	6,537.0	7,776.0	9,538.0	9,436.0	6,387.0	8,037.0	4,582.0	4,140.0
Number of inspections of working conditions, per 100.000 employed persons				59.0	60.0	60.0	60.0	60.0	63.0	60.0	78.0
Investigated accidents								259.0	255.0	250.0	239.0
Number of accidents affecting more than one employee								18.0	17.0	25.0	17.0
Fatalities due to accidents								128.0	72.0	69.0	69.0
Injuries due to accidents								202.0	212.0	218.0	197.0
Number of state control operations regarding payments								2,421.0	2,569.0	2,438.0	3,201.0
Amount of late payments, (AZN)								858,378.0	735,690.0	1,045,564.0	6,116,268.0
– Wages								813,406.0	499,564.0	681,177.0	5,879,895.0
– Payment for injuries								40,823.0	105,579.0	165,178.0	83,332.0
– Social allowances and compensations								4,149.0	130,547.0	199,209.0	153,042.0
Number of discovered payment-related violations								12,127.0	9,504.0	9,124.0	9,511.0
Penalties given for administrative offences, (AZN) ³								310,178.0	890,239.0	553,870.0	827,200.0
Number of persons whose contract implemented								10,917.0	27,781.0	7,048.0	3,404.0
<i>Number of employees working in conditions not meeting sanitary-hygienic standards</i>											
Industry	23,763.0	20,421.0	17,681.0	19,560.0	20,625.0	20,470.0	23,201.0	22,791.0	25,429.0	23,245.0	
Construction	567.0	705.0	1,053.0	574.0	1,756.0	2,125.0	2,590.0	1,369.0	1,340.0	1,644.0	3,252.0
Transport	5,228.0	942.0	5,118.0	5,609.0	4,420.0	4,642.0	4,123.0	6,606.0	4,496.0	6,096.0	7,323.0
Communication	331.0	238.0	390.0	455.0	550.0	567.0	368.0	489.0	392.0	378.0	250.0
<i>Number of employees performing hard physical labour⁴</i>											
Industry	1,010.0	1,948.0	1,738.0	4,408.0	6,954.0	5,460.0	3,908.0	7,641.0	3,935.0	4,611.0	3,398.0

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Construction	374.0	102.0	741.0	868.0	364.0	198.0	67.0	296.0	531.0	161.0	369.0
Transport	344.0	63.0	984.0	1,154.0	1,932.0	1,138.0	961.0	1,758.0	687.0	641.0	744.0
Communication	49.0	10.0	46.0	56.0	20.0	96.0	73.0	1.0	9.0	249.0	94.0
<i>Number of employees working with equipments not meeting safety standards</i>											
Industry	536.0	355.0	657.0	409.0	330.0	629.0	620.0	362.0	417.0	58.0	
Construction				15.0	226.0						
Transport		45.0	186.0	8.0	620.0	8.0					
Communication		2.0	4.0	95.0	200.0	43.0	31.0	67.0	41.0	38.0	

Notes:

- ¹ This indicator shows the number of occupational injuries fatalities per every 100,000 persons. This indicators is determined based on annual statistics report obtained from employers.
- ² This indicators is determined by way of summarization of mandays lost under sock list of employees injured (including those who died after injury in a few days from the accident) due to industrial accidents based on statistical reports obtained from companies and organizations.
- ³ "Penalties given for administrative offences, (AZN)" means various fine amounts (e.g. Failing to enter into labour agreement, improper calculation of paid vacation money, violation of labour protection standards and other) for violation of labour legislation of (Administrative Offences Code), application of which under legislation is entrusted to State Labour Inspectorate Service under the Ministry of Labour and Social Protection of Population of the Azerbaijan Republic
- ⁴ The figures refer to the end of the year.

the number of employees working in conditions that do not meet hygiene standards, reflecting the growth of the economy in this sector, which rose from 567 people in 2000 to 3,252 in 2010. Transport has also shown an increase in the number of people working in unsanitary conditions, from 5,228 (2000) to 7,323 (2010). Communications has witnessed an overall decrease from 331 (2000) to 250 (2010), while industry has not shown much overall change, recording some 24,000 persons in both 2000 and 2010.

The use of heavy physical labour in these industries has also varied during the last decade. There has been a growth in the number of people employed while at the same time, new technologies have been introduced, which to some extent have replaced the need for manual labour. Furthermore, the recent economic crisis has strongly hit the construction industry, causing job losses or putting investments on hold. In 2010, the breakdown per sector of the number of employees who engaged in heavy physical labour was as follows: industry, 3,398; construction, 369; transport, 744; and communication, 94. The number of cases was much lower where the equipment was found not to meet safety

requirements. No such cases have been found in construction or transport, whereas in 2010, 99 cases were found in industry and 12 in the communications sector.

Employees who work in unfavourable conditions have the right to claim a variety of compensatory benefits and entitlements in order to make their work safer and to limit their exposure to hazards. These include shorter working hours, extra days of paid leave, higher salaries, retirement pensions, as well as food and vitamin supplements. Of the 39.2 thousand employees who work in unfavourable conditions, 37.5 thousand received at least one of these benefits, distributed roughly in line with the size of the affected population, with most benefits going to those in industry (68 per cent), followed by transport (21.6 per cent), construction (9.6 per cent) and communications (0.8 per cent).

Since 2003, the number of inspections carried out by the SLIS has increased each year, from 59 per 1,000 employees in 2003, to 78 in 2010.⁴ This

⁴ Other examples of SLIS activities in 2010 include 3,201 state control cases, active response to 2,677 complaints and 1,509 letters (investigation and follow-up).

Legal Framework Indicator 14. Employment injury benefits

Law, policy or institutions: Labour Code (1999), Law on Mandatory Insurance against Cases regarding the Loss of Labour Capacity due to Industrial Accidents and Occupational Diseases (2010).

All employees are entitled to employment injury benefits and are insured by employers against industrial accidents (Sec. 225, LC) through mandatory social insurance. Employment injury benefits include compensation payments and medical benefits. State health-care providers give medical services directly to patients. The MLSPP provides general supervision. Employers must inform the SLIS of industrial accidents to allow for an investigation (Sec. 217, LC).

Qualifying conditions: No qualifying conditions.

Benefits (level and duration): Under the 2010 law on insurance against industrial accidents and occupational diseases, lump sum payments are made if an insured employee suffers a permanent disability or dies as a result of the injury. An extra insurance payment is provided to an injured employee for medical treatment; as well as extra nutrition, nursing, and expenses arising out of training for a new profession. Compulsory tariffs for disability resulting from industrial accidents are set based on the risks related to a given occupation (14 factors); and the category of worker. Pursuant to the “Regulations, terms and sum of amounts paid to the employee who has suffered health problems as a result of industrial accidents or work illnesses or to family members and other dependents of the employee who died”, monthly payments are calculated by considering the percentage of loss of labour capacity in proportion to the average monthly wage before the accident. A medical commission assesses and periodically reviews the degree of disability.

Financing: Employer.

Evidence of implementation effectiveness: No information provided by the ILO supervisory bodies.

Coverage of workers in law: N/A

Coverage of workers in practice: N/A

Ratification of ILO Conventions: Azerbaijan has not ratified the Social Security (Minimum Standards) Convention, 1952 (No. 102), or the Employment Injury Benefits Convention, 1964 (No. 121).

Sources:

1. National legislation; NATLEX database (http://www.ilo.org/dyn/natlex/country_profiles.nationalLaw?p_lang=en&p_country=AZE);
2. ISSA (<http://www.issa.int/Observatory/Country-Profiles/Regions/Asia-and-the-Pacific/Azerbaijan>);
3. State Social Protection Fund (<http://www.ssp.gov.az/view.php?lang=az&menu=0>).

has been achieved by improving the financial and technical administration of the inspection service without increasing the number of labour inspectors. Despite the growing number of inspections, the proportion of employees benefiting from a labour inspection has remained stable at 1 per cent, over the last five years, as the economy and size of the labour force have also grown over the period.

As the number of inspections has increased, so too has the number of penalties issued in accordance with the labour law; for example, delayed payments to employees were reduced and more employees were issued with contracts. In 2010, 827,200 AZN worth of penalties were issued by labour inspectors with the vast majority (87.8 per cent) issued to employers in the private sector. The largest share of penalties was imposed

on trade, catering and procurement (47.2 per cent), followed by construction (24.5 per cent), scientific, educational and cultural institutions (9.2 per cent), industry (5.8 per cent) and housing-communal services (2.5 per cent). Relatively few of the violations noted by the SLIS were directly related to occupational safety and health issues. The most common offence (22 per cent) was the failure to conclude employment contracts, followed by errors in the calculation and payment of wages (12 per cent), failure to meet safety requirements (11 per cent), medical-social issues on labour protection (10 per cent) and problems with social allowances, for example payment of compensation for occupational accidents (4 per cent).

Recognizing the importance of occupational safety and health for sustainable growth of the economy,

Legal Framework Indicator 15. Labour inspection (OHS)

Law, policy or institutions: The Constitution (1995), Labour Code (1999), Administrative Offences Code (2008), SLIS.

Employees have the right to work under safe and healthy conditions (Sec. 35(VI), Constitution, Sec. 207, LC). As such, employers must comply with OSH requirements (Sec. 54, LC) and are directly responsible for the application of OSH regulations (Sec. 215, LC). The SLIS is responsible for labour inspection and has been functioning under new regulations since 2011. Labour inspectors have civil servant status and receive a monthly salary and a bonus every quarter equivalent to one monthly salary. Labour inspectors have the right to paid annual leave and the coverage of their expenses when they are on mission. Inspectors take part in a ten-day training course on legislative and regulatory acts at the MLSPP given by experienced inspectors. The SLIS has mobile and stationary occupational safety and health laboratories. The structure, number and geographic distribution of such laboratories are determined by the MLSPP. There are 400 staff members at the headquarters and 18 regional offices (as of 2009). Labour inspectors are authorized to inspect without hindrance, at any time and without prior warning, an enterprise within their remit, or in order to determine whether an enterprise is within their remit. To improve the efficiency of labour inspection the sanctions were increased in the Code of Administrative Offences (Law 607-IIIQD, 16 May 2008). The SLIS is authorized to issue penalties pursuant to Sections 53(f), 353, 318, 321 and 322 of the Code of Administrative Offences. Azerbaijan is aiming to enhance the capacities of the SLIS through the Social Protection Development Project.

Evidence of implementation effectiveness: The CEACR noted that, contrary to the requirements of Convention No. 81, labour inspectors in Azerbaijan are not notified of cases of occupational disease. According to the inspection report for 2007, data on cases of occupational disease are handled by bodies within the Ministry of Health. The CEACR reminded the Government that it is vital that formal mechanisms be put in place to provide the SLIS with the data it needs to identify high-risk activities and the most vulnerable categories of workers or to ensure that it has access to the data on occupational diseases collected by other institutions. Such information is indispensable to enable labour inspectors to fulfill their preventive function as effectively as possible and for the central inspection authority to compile the relevant statistics to enable the development of appropriate prevention policies. Further issues are included in the 2008 direct request, repeated in 2010.

Coverage of workers in law: N/A

Coverage of workers in practice: N/A

Ratification of ILO Convention: The Labour Inspection Convention, 1947 (No. 81), and its 1995 Protocol were ratified by Azerbaijan on 19 May 1992. The Labour Inspection (Agriculture) Convention, 1969 (No. 129), was ratified by Azerbaijan on 9 September 2000.

Sources:

1. National legislation; NATLEX database (http://www.ilo.org/dyn/natlex/country_profiles.nationalLaw?p_lang=en&p_country=AZE);
2. CEACR 2010 Direct Request on the application of Convention No. 81 (<http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displaycomment.cfm?hdroff=1&ctry=0060&year=2010&type=R&conv=C081&lang=EN>);
3. CEACR 2010 Direct Request on the application of Convention No. 129 (<http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displaycomment.cfm?hdroff=1&ctry=0060&year=2010&type=R&conv=C129&lang=EN>).

the Government of Azerbaijan has increased investment in labour protection. In 2010, some 31.6 million AZN was spent on labour protection activities which represented 26 per cent more than the previous year. Of this, some 8 million AZN was directly spent on improving working condi-

tions. However, less of these funds (21 per cent) are disbursed in the private sector, where there appear to be more violations of the Labour Code, than in the state sector. In total, 14 AZN have been spent per private sector employee as compared to 30 AZN in the state sector.

10 Social security

The Constitution of Azerbaijan guarantees social protection. The social security system has undergone significant reforms since the mid 2000s. Prior to the reforms, the system was subject to constant budget deficits and high levels of corruption. Allowances provided to beneficiaries were low and were often received after a long delay of two or three months. The reforms were two-pronged: 1) legislative reforms which more clearly defined applicability and qualification for social insurance and social assistance in order to enable people to derive benefits that are required in a market economy, and 2) financial reforms which took place in order to enable the financial sustainability of the system, extending further incentives to participate, such as raising the value of benefits, and at the same time increasing the capacity to collect funds.

Azerbaijan has a comprehensive social security system with national legislation covering all nine branches as identified in the Social Security (Minimum Standards) Convention, 1952 (No. 102),¹ namely: medical care, sickness, unemployment, old age, employment injury, family, maternity, invalidity and survivors' benefits. Social security is administered by the Ministry of Labour and Social Protection of Population (MLSPP), which is responsible for social allowances and targeted social assistance and by the State Social Protection Fund (SSPF), which is responsible for social insurance. The 2006 Law on Labour Pensions established three types of social insurance pensions: old-age, disability and loss of the breadwinner, all tied to employment and administered by the SSPF. In 2003 (the latest available year), total public social security expenditure, including

health care, amounted to 8.5 per cent of GDP. The largest areas of expenditure were old-age pensions (2.7 per cent of GDP), disability benefits (0.9 per cent of GDP) and health care (0.9 per cent of GDP).² With the growth of GDP over the last decade, the Government has increasingly invested in social protection and the resulting increases in social allowances and social assistance benefits have led to rapid poverty reduction.

In 2010, the retirement age for those entitled to an old-age labour pension was 62.5 years for men and 57.5 years for women who have at least 12 years of covered employment. Since January 1, 2010, the retirement age has risen by six months every year to age 63 for men and 60 for women (see Legal Framework Indicator 16 "Pension"). Those not eligible for the old-age labour pension are entitled to social allowances at age 67 for men and 62 for women. Early retirement is possible in a number of cases, for example if a woman has had multiple children, in certain professions such as civil aviation, or in hazardous jobs or if the person has certain health conditions. The Azerbaijan Statistical Committee indicates that over the last decade roughly 9 per cent of the population was in receipt of an old-age pension, while 8.9 per cent of the population was over 60.

The pension system has undergone significant reform. The pension fund established in 1991 lacked effective legislation and had a manual, paper-based records system, with responsibilities divided between the pension departments of state enterprises, public institutions and district offices of the SSPF. The structure has now been centrally organized by the SSPF, and is being transferred

¹ ILO: *World Social Security Report 2010/11* (Geneva). Available at: <http://www.ilo.org/public/english/protection/secsoc/downloads/policy/wssr.pdf>.

² Ibid., Table 26. Public social security expenditure by branch, latest available year (percentage of GDP).

Legal Framework Indicator 16. Pension

Law, policy or institutions: Constitution (1995), Law on Labour Pensions (2006), State Programme to improve the insurance pension system (2009-2015). The Law on Labour Pensions was adopted in 2006 and reformed the pensions system which is now based on contributions. The State Programme to improve the insurance pension system 2009-2015 was adopted on 30 December 2008. All workers residing in Azerbaijan, including self-employed persons, members of collective farms, landowners, and foreign citizens are covered by social insurance pensions. Covered employment includes non-contributory periods of active military or alternative national service; periods during which care for a person with a Group I disability, a disabled child under the age of 18, and persons aged 70 and older is provided; periods during which unemployment allowance or professional retraining is received; periods during which a Group I or II disability pension is received as a result of an occupational disease or a work injury; and periods during which a disability pension is received. Persons not eligible for social insurance pensions are covered by social allowance pensions. The SSPF is responsible for the social insurance programme. Regional and local branches of the SSPF administer the programme. The MLSPP is responsible for the social assistance programme.

Qualifying conditions: In 2010, the retirement age for men was 62.5 and for women 57.5 with at least 12 years of covered employment. Since 1 January 2010, the retirement age is rising by six months every year to reach age 63 by 2012 (men) and age 60 by 2016 (women). Persons not eligible for the old-age labour pension are covered by social allowance (old-age), paid to non-working citizens from age 67 (men) and age 62 (women). Having multiple children or working in difficult conditions can qualify women or men for early retirement.

Benefits (level and duration): The old-age labour pension is calculated as the sum of three components: 1) a basic flat-rate benefit (85 AZN as of September 2010), 2) a portion based on contributions paid prior to January 1, 2006, and 3) a portion based on the value of contributions from January 1, 2006, onward. Benefits are adjusted on an ad hoc basis, taking into account changes in the consumer price index (basic benefit) or inflation (earnings-related benefits). Old-age social allowance amounts to 50 AZN per month and is adjusted annually according to changes in the consumer price index.

Financing: *Social insurance (old-age labour pension):* Worker contribution: 3 per cent of gross earnings; employer contribution: 22 per cent of the payroll. Self-employed persons must contribute 50 per cent of the national monthly minimum wage if engaged in trade or construction; different rates apply depending on professions and regions. The Government provides subsidies to the Social Insurance. *Social allowance:* the Government covers the total cost.

Evidence of implementation effectiveness: No information provided by the ILO supervisory bodies.

Coverage of workers in law: N/A

Coverage of workers in practice: N/A

Ratification of ILO Conventions: Azerbaijan has not ratified the Social Security (Minimum Standards) Convention, 1952 (No. 102), or the Invalidity and the Old-Age and Survivors' Benefits Convention, 1967 (No 128).

Sources

1. National legislation; NATLEX database (http://www.ilo.org/dyn/natlex/country_profiles.nationalLaw?p_lang=en&p_country=AZE);
2. ISSA (<http://www.issa.int/Observatory/Country-Profiles/Regions/Asia-and-the-Pacific/Azerbaijan>);
3. State Social Protection Fund (<http://www.ssp.gov.az/view.php?lang=az&menu=0>).

to an electronic system. The first 'pay-as-you-go' pillar has been strengthened and a second funded pillar has been introduced, based on notionally defined contributions to individual accounts. Pension payments have increased at rates in excess of GDP growth, lifting many out of poverty.

Introduction of a 'one-stop-shop' process in registering individuals and companies with the social security system has reduced fraud, mistakes and encouraged participation. Pensioners are now able to collect their pensions using ATMs and

VISA payment cards. Additional ATMs have been installed nationwide and even people living in remote regions can collect their pension through ATMs. As a result, over 80 per cent of pension transactions are made using ATMs and VISA cards. Collection of social security taxes has increased from 223 million AZN in 2003 to 958 million in 2008.³ Although there are no offi-

³ S. Muslumov and O. Ibrahimov: "Pension reform in Azerbaijan: Challenges and achievements, development and transition", in *Development & Transition* (2009, No.12). Available at: <http://www.developmentandtransition.net/uploads/media/Issue12.pdf>.

Table 9. Social security

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Share of old-age pensioners in total population % ¹	9.0	9.0	9.0	9.0	9.0	9.0	9.3	9.4	9.2	9.3	9.1
Share of economically active people contributing to a pension scheme, % ²				16.6	17.1	17.6	18.2	18.6	18.9	18.3	18.4
State social protection expenses for pension payments as a share of GDP, % ³		4.0	3.6	3.8	4.4	3.1	2.5	2.2	2.4	4.2	3.8
Share of state expenses on social allowances and targeted state social assistance in GDP, % ⁴								0.3	0.4	0.9	0.8
Healthcare institutions not financed by private resources, %	56.4	52.6	50.4	48.5	45.5	42.4	40.3	39.0	37.9	32.4	31.6
Number of enterprises providing healthcare and social services	1,298.0	1,264.0	1,296.0	1,316.0	1,344.0	1,430.0	1,521.0	1,623.0	1,656.0	1,350.0	1,394.0
– State	732.0	665.0	653.0	638.0	611.0	606.0	613.0	633.0	628.0	438.0	440.0
– Private	508.0	539.0	580.0	612.0	663.0	751.0	832.0	908.0	941.0	815.0	854.0
– Foreign	53.0	54.0	56.0	59.0	61.0	64.0	67.0	72.0	75.0	77.0	80.0
– Mixed (?) ⁵	5.0	6.0	7.0	7.0	9.0	9.0	9.0	10.0	12.0	20.0	20.0
Physical persons providing healthcare and social services				1,122.0	1,319.0	1,352.0	1,445.0	1,547.0	1,655.0	1,327.0	1,444.0
Total number of HIV patients registered in healthcare institutions		299.0	390.0	485.0	572.0	704.0	762.0	1,026.0	1,395.0	1,727.0	1,930.0
Persons receiving disability pension, persons		167,584.0	151,250.0	199,302.0	229,784.0	251,399.0	266,888.0	280,682.0	291,092.0	311,849.0	
Working disabled persons out of them %		8.8	7.9	7.1	6.9	6.4	6.3	6.4	6.5	6.7	6.7

Notes:

¹ Share of old-age pensioners refers to the proportion of women aged 57 and above and men aged 62 and above who receive an old-age pension relative to these age groups.

² "Share of economically active people contributing to a pension scheme %" indicator include employees working under labour agreement (including working retirees), physical persons dealing with private business and labour activity and persons covered by compulsory state social insurance pursuant to Item 12 of the Azerbaijan Republic Law" on Social Protection.

³ "State social protection expenses for pension payments as a share of GDP %" indicator covers pensions paid for age, disability loss of head of household, service years and social pensions.

⁴ "Share of state expenses on social allowances and targeted state social assistance in GDP, %" indicator covers the persons receiving monthly social benefits under the Azerbaijan Republic Law on Social Benefits and targeted state social assistance under the "Azerbaijan Republic Law" on targeted state social assistance.

⁵ Mixed ownership (e.g. State and foreign and etc.) companies are available in the Azerbaijan Republic. State statistics Committee publishes mixed ownership statistics.

Legal Framework Indicator 17. Incapacity for work due to sickness/sick leave

Law, policy or institutions: Law on Social Insurance (1997), Law on Labour Pensions (2006).

The right to temporary disability benefits is enshrined in Section 4 of the Law on Social Insurance. The Cabinet of Ministers approved the “Regulation on submission of sick-lists and fixing amounts and the payment for expenses for medical treatment” (Decision 9, 8 January 1993) and the “Regulations on the calculation and payment of allowances based on a mandatory state social insurance and by means of insurer to employees, who are temporarily disabled” (Decision 189, 15 September 1998). Non-citizens are also entitled to temporary disability payments.

Qualifying conditions: Six months of social insurance coverage. Self-employed persons are excluded. Temporary disability payments are not made: if the disability was self incurred in order to receive payments; while a crime was being committed; or during imprisonment and court-medical examination. If the loss of labour capacity is caused by drunkenness or alcoholism, benefits are granted from the eleventh day of the disability.

Benefits (level and duration): Benefits are determined based on a list of sicknesses issued by a health-care institution as defined by legislation. The level of benefits is based on the average wage two months before the loss of labour capacity. Payments for the mandatory social insurance are not calculated as part of the wage. Benefits are capped at 25 times the value of the old-age labour pension. Persons with children who suffer from poor health receive 150 per cent of their salary; employees with a total service length of eight or more years receive 100 per cent of their salary; employees with a total length of service of between five and eight years and orphans under the age of 21 with a service length of at least five years receive 80 per cent of their salary; employees with a total length of less than five years receive 60 per cent of their salary. Certain categories of workers specified by legislation receive benefits without considering the length of service.

Financing: The first 14 days are financed by the employer then by the SSPF. The Government covers the medical costs entirely.

Evidence of implementation effectiveness: In a 2008 direct request on the application of Convention No. 52, the CEACR commented on Section 134(3) of the Labour Code, according to which holiday may be postponed on the worker’s initiative in the case of temporary incapacity for work. The CEACR recalled that, under the Convention, the exclusion of absences from work due to sickness from the annual holiday with pay is compulsory and may not be left to the worker’s initiative. It therefore requested the Government to take all necessary measures to bring its legislation into full conformity with the Convention on this point.

Coverage of workers in law: N/A

Coverage of workers in practice: N/A

Ratification of ILO Conventions: Azerbaijan has not ratified the Social Security (Minimum Standards) Convention, 1952 (No. 102), or the Medical Care and Sickness Benefits Convention, 1969 (No. 130).

Sources

1. National legislation; NATLEX database (http://www.ilo.org/dyn/natlex/country_profiles.nationalLaw?p_lang=en&p_country=AZE);
2. ISSA (<http://www.issa.int/Observatory/Country-Profiles/Regions/Asia-and-the-Pacific/Azerbaijan>);
3. State Social Protection Fund (<http://www.sspf.gov.az/view.php?lang=az&menu=0>).
4. CEACR 2008 Direct request on the application of Convention No. 52 (<http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displaycomment.cfm?hdroff=1&ctry=0060&year=2008&type=R&conv=C052&lang=EN>).
5. Law on social insurance (http://www.economy.gov.az/eng/index.php?option=com_content&view=article&catid=47:laws&id=432:law-of-the-republic-of-azerbaijan-on-social-insurance-)

cial statistics concerning the link between the economically active population and their support of the pension system, data have been collected since 2003 on the number of people contributing to social insurance showing an increase from 16.6 per cent of the total population in 2003 to 18.4 per cent in 2010.

Today, it is estimated that 100 per cent of the working-age population is covered by old-age pension

legislation: some 71 per cent is covered under the contributory labour pension scheme⁴ and the rest by social assistance. This is significantly above the CIS average of 66.8 per cent of legal coverage.⁵ In 2010, old-age pensions amounted to 3.79 per cent of GDP. According to the latest available

⁴ ILO: *World Social Security Report 2010/11* (Geneva), Table 16, Social security statutory provision: Old age.

⁵ Ibid. Table 19, Social security statutory provision: Regional estimates.

Legal Framework Indicator 18. Incapacity for work due to invalidity

Law, policy or institutions: The Constitution (1995), Law on Social Insurance (1997), Labour Code (1999), Law on Labour Pensions (2006). The SSPF is responsible for administering the social insurance programme. The MLSPP is responsible for the social assistance programme.

Everyone has the right to social protection in case of disability (Sec. 38, Constitution). Disability benefits are covered by social insurance (Sec. 4, Law on Social Insurance). The Law on Labour Pensions provides for disability labour pensions. Furthermore, Section 23 f. of the Law on “prevention of disablement and limited health capacity, rehabilitation and social security of disabled persons and children with limited health” provides for privileged regulations and special measures for disabled persons.

Qualifying conditions: In order to qualify for a disability labour pension, the employee, who is more than 19 years old, must have at least one year of covered employment plus four months of covered employment for each additional full year of age. The pension is paid according to three assessed degrees of disability: 1) a person with a total disability and incapacity for any work who requires constant attendance (Group I); 2) a person with a disability and incapacity for any work but does not require constant attendance (Group II); and 3) a person with an incapacity for usual work (Group III). Persons who are not eligible for disability pensions with a Group I, Group II, or Group III disability, as well as children under the age of 18 with disabilities may qualify for social allowances.

Benefits (level and duration): *Disability labour pension:* 120 per cent of the basic flat-rate benefit (85 AZN per month as of September 2010) is paid for a Group I disability and for persons under the age of 18 with disabilities; 200 per cent for a Group I visual impairment; 100 per cent for a Group II disability; and 55 per cent for a Group III disability. In addition, 5 per cent of the basic flat-rate is paid to persons under the age of 18 with disabilities and for each dependent of persons with a Group I or II disability. A care supplement of 10 per cent of the basic flat-rate is paid for a Group I disability and for persons under the age of 18. *Social allowances (disability):* Monthly allowances – persons with a Group I disability and persons under the age of 18 with disabilities are entitled to 55 AZN; persons with a Group II disability are entitled to 40 AZN; and persons with a Group III disability receive 35 AZN (September 2010). Persons whose illnesses are the result of radiation accidents receive an annual lump-sum benefit of 160 AZN for medical treatment (September 2010).

Financing: The first 14 days of insurance are financed by the employer then by the SSPF, unless the employer is deemed fully or partially responsible for the occupational injury or disease in which case they pay the full compensation for the duration of loss of labour capacity (Sec. 239(1), LC). The Government covers the medical costs entirely.

Evidence of implementation effectiveness: No information provided by the ILO supervisory bodies.

Coverage of workers in law: N/A

Coverage of workers in practice: N/A

Ratification of ILO Conventions: Azerbaijan has not ratified the Social Security (Minimum Standards) Convention, 1952 (No. 102), or the Invalidity, Old-Age and Survivors' Benefits Convention, 1967 (No. 128).

Sources:

1. National legislation; NATLEX database (http://www.ilo.org/dyn/natlex/country_profiles.nationalLaw?p_lang=en&p_country=AZE);
2. ISSA (<http://www.issa.int/Observatory/Country-Profiles/Regions/Asia-and-the-Pacific/Azerbaijan>);
3. State Social Protection Fund (<http://www.sspf.gov.az/view.php?lang=az&menu=0>).

data, in 2003, 97.9 per cent of the population above legal retirement age was in receipt of a pension, although only 23 per cent of the working-age population was actively contributing to a pension scheme.⁶

The state of Azerbaijan provides free medical care for all citizens and the overall expenditure

on health has stayed constant at around 0.9 per cent of GDP since the year 2000.⁷ However, the number and proportion of state health-care facilities has decreased over the last decade, falling from 56.4 per cent of all health-care institutions in 2000 to 31.6 per cent in 2010. Over the same period, the number of private health-care facilities has increased by 60 per cent.

⁶ Ibid. Table 21, Social security indicators of effective coverage.

⁷ Ibid. Table 25, Global expenditure.

Sickness and maternity leave are regulated under the same legislative framework, with cash benefits provided under social insurance and medical benefits provided universally. Under the Law on Medical Insurance, employees are provided with compulsory medical insurance by their employers, although there is no statistical information on the number of people insured in this way. Employees are entitled to paid sickness and maternity leave which compensate for the loss of earnings during the period of incapacity (see Legal Framework Indicator 17 “Incapacity for work due to sickness/sick leave” and Chapter 5 “Combining work, family and personal life”). Workers are also entitled to cash and medical benefits for work-related injuries, as well as for both temporary and permanent disability. The

beneficiary is paid according to regulations that govern sick leave until the nature of the disability has been assessed by the Medical and Social Examination Commission (see Legal Framework Indicator 18 “Incapacity for work due to invalidity”).

The use of targeted social assistance has increased significantly during the last decade, alongside the investment dedicated to this poverty reduction strategy. In 2007, social assistance expenditure by the state amounted to 0.3 per cent of GDP; in 2010 this had increased to 0.8 per cent of GDP. Social assistance is used to top up income as well as to provide support to those who are not covered by social insurance thus contributing to rapid poverty reduction in Azerbaijan.

11 Social dialogue, workers' and employers' representation

Azerbaijan has a long history of social dialogue and collective bargaining, with the first collective bargaining agreement signed in 1904 between representatives of the Baku oil workers and their employers. During the Soviet era (1920-1991) the state owned the country's means of production and effectively controlled trade unions which functioned to prevent disturbances rather than defend the interests of workers. During the transition period, the Government made efforts to revitalize social dialogue. As early as 1992, a Presidential Decree was issued "on ensuring the rights of trade unions in the transition to a market economy". Today, trade unions and employers' organizations have the right to participate equally in policy formation at the national level, initiate and participate in collective bargaining, organize freely and thus protect the interests of their members. They are voluntary associations and membership is not compulsory.

Under the Trade Union Act (2006), a distinction is made between primary trade unions, set up by workers at the workplace, or other groups such as students, unemployed or retired people, and associations of trade unions which are established by primary trade unions for professions or economic sectors at the national or regional level. Trade unions are also grouped at different levels by location: namely local, regional and national. The highest representative body of trade unions is the Azerbaijan Trade Unions Confederation (ATUC) which was founded in 1993 and is a voluntary alliance of inter-sectoral unions grouping some 18,600 primary and territorial trade unions, comprising 1.6 million individual

members.¹ On the employers' side, the National Confederation of Entrepreneurs' (Employers) Organizations of Azerbaijan Republic (AEC), founded in 1999, groups some 50 Associations and Unions representing some 4,000 entrepreneurial entities.² The ATUC and the AEC, alongside the Government, constitute the protagonists in the tripartite dialogue in Azerbaijan and are party to the trilateral General Collective Agreement, 2008 which sets socio-economic policy and regulates labour relations.

In addition to trade unions, the Labour Code provides for other forms of workers' representation, such as work councils or labour collectives. The former are not regulated in great detail and in any case are not common in Azerbaijan. The latter have many of the rights and powers of trade unions, including negotiating and entering into collective agreements with employers, but are not required to officially register.

During the last decade, the number of trade unions in Azerbaijan has gradually increased, reaching some 1,600 by 2010. During the same period, the number of trade union members has risen from 1.5 million to 1.6 million. Between 2000 and 2010, the trade union density (the share of trade union members in the total number of employees) increased from 80.8 per cent to 85.6 per cent, with female participation increasing significantly (see Table 10 "Social dialogue, workers' and employ-

¹ ERC: *The role of the trade unions in the social dialogues in Azerbaijan* (ERC Policy Brief). Available at: http://fes.ge/de/images/Fes_Files/2011-AZ/erc_research%20report%202010.pdf.

² AEC website, ask.org.az.

Table 10. Social dialogue, workers' and employers' representation

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Number of trade union members, thousands	1,508.0	1,511.5	1,520.8	1,552.7	1,577.8	1,580.9	1,591.1	1,597.1	1,597.0	1,600.1	1,601.1
Number of employees, thousands	1,217.8	1,205.0	1,201.5	1,226.6	1,263.9	1,300.4	1,337.5	1,376.0	1,410.3	1,376.1	1,370.7
Trade union density rate ¹	80.8	79.7	79.0	79.0	80.1	82.3	84.1	86.2	88.3	86.0	85.6
Men	61.1	59.4	57.3	57.9	57.2	54.4	56.9	53.1	52.0	50.0	48.9
Women	38.9	40.6	42.7	42.1	42.8	45.6	43.1	46.9	48.0	50.0	51.1
Number of primary trade unions ²	17,162.0	18,179.0	18,647.0	19,269.0	19,355.0	18,671.0	18,524.0	18,610.0	18,582.0	17,678.0	17,267.0
Number of members of employers' organization (enterprises and physical persons)	520.0	734.0	967.0	1,214.0	1,800.0	2,231.0	2,479.0	2,772.0	3,293.0	3,571.0	3,907.0
Number of collective agreements		9,460.0	12,735.0	13,458.0	12,650.0	11,821.0	11,965.0	12,656.0	12,619.0	12,637.0	11,890.0
Number of collective agreements (occupation, area, territory etc.) ³		74.0	48.0	58.0	79.0	75.0	74.0	72.0	76.0	136.0	130.0
Share of collective agreements in all agreements between entrepreneurs (employers) and trade unions, %		52.0	68.3	69.8	65.4	63.3	64.6	68.0	67.9	71.5	68.9
Number of enterprises	55,799.0	58,623.0	59,130.0	61,136.0	65,109.0	70,287.0	74,534.0	79,147.0	86,117.0	89,939.0	93,416.0
Physical persons who are employers				157,986.0	183,668.0	209,170.0	243,479.0	259,808.0	275,006.0	272,597.0	306,933.0

Notes:

- ¹ "Trade union density rate %" was determined as % ratio of hired employees who work under labour agreement and are members of trade union organization in the total amount of employees who are members of trade union organization in the total amount of employees who are members of trade union organization.
- ² Trade union organizations are primarily referred to trade union organization established at the level of physical person (employer) dealing with business activity without establishing an enterprise, company and legal entity.
- ³ Collective agreement are concluded with trade union organizations Whereas collective field agreements (professional, field, area etc.) are concluded by trade union associations operating in a relevant field of economy. As a rule trade union organization associations primarily include trade union organizations.

ers' representation"). The rate of unionization is extremely high, well above the OECD average of 18 per cent and even higher than Finland (70 per cent) and Sweden (68 per cent). To measure the 'scope rate' of trade union participation, the number of members is divided by the number of hired workers and expressed as a percentage. In 2000, the scope rate was 124 per cent showing more members than hired workers, and thus a significant level of unionization by groups such as the unemployed. By 2010, the scope had decreased to 117 per cent.

Between 2000 and 2010, the number of enterprises in Azerbaijan had almost doubled from

some 55,799 to 93,416 of which around 80 per cent are small and medium size. In parallel, the proportion of enterprises with primary trade union representation has fallen from some 31 per cent to 18.5 per cent. This reflects the fact that the majority of primary trade unions are formed in larger enterprises.

The AEC has grown considerably since its foundation. In 2000, it represented 520 enterprises and private entrepreneurs, rising to almost 4,000 in 2010. Nonetheless, the scope of the AEC is weak, reaching just 2.2 per cent of functioning enterprises and 0.7 per cent of private entrepreneurs.

Legal Framework Indicator 19. Freedom of association and right to organize

Law, policy or institutions: The Constitution (1995), Trade Unions Act (1994), Labour Code (1999).

Freedom of association and the right to organize are enshrined in the Constitution (Sec. 58) enabling people to form trade unions, employers' organizations as well as other associations. Trade unions are viewed as associations to protect employment rights as well as social, economic and other legal interests. Employees have the right to establish trade unions without restriction or prior authorization, as well as groups such as retired persons, students and the unemployed (Sec. 19, LC, and Sec. 3, Trade Unions Act). A trade union may be set up by a minimum of seven people (Sec. 3, Trade Unions Act). Trade unions are independent associations and interference in their activities is prohibited (Sec. 5, Trade Unions Act). It is prohibited to discriminate against individuals on the grounds of trade union membership (Sec. 7, Trade Unions Act). The right to strike is protected in the event of a labour dispute and when employees are trying to reconcile the principles of the state's socio-economic policy (Division 43, LC); however, strikes are forbidden in certain service sectors deemed vital to human health and safety: hospitals, power generation, water supply, telephone communications, air traffic control and fire fighting (Sec. 281, LC) as well as for civil servants. Trade unions may be set up on different levels (council, federation, confederation) based on specialization or region.

Evidence of implementation effectiveness: Azerbaijan has had no cases before the Committee on Freedom of Association. The CEACR has requested information from the Government concerning any amendments to Section 281 of the Labour Code and Section 233 of the Criminal Code to allow the exercise of the right to strike in railways and air transport sectors, suggesting that a minimum service created with the participation of the employers and the trade unions concerned could be established.

Coverage of workers and employers in law: N/A

Coverage of workers in practice: N/A

Ratification of ILO conventions: The Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98), were ratified by Azerbaijan on 19 May 1992.

Sources:

1. National legislation; NATLEX database (http://www.ilo.org/dyn/natlex/country_profiles.nationalLaw?p_lang=en&p_country=AZE);
2. CEACR 2009 Observation on the application of Convention No. 87 (<http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displaycomment.cfm?hdoff=1&ctry=0060&year=2009&type=0&conv=C087&lang=EN>).

Currently, the AEC represents legal entities and individual entrepreneurs who pay a membership fee.³ It does not represent companies financed by the state budget, although discussions are underway with the MLSPP to change the legal base of the AEC and enable it to represent both private and public sector employers.

Collective bargaining in Azerbaijan can lead to two levels of agreement: 1) collective contracts at the enterprise level, following bargaining between workers and employers, and 2) collective agreements concluded at the industry, territorial or national levels. In general, it seems

that labour disputes are solved at the reconciliation, mediation or arbitration stages of resolution. There were no strikes in Azerbaijan between 2000 and 2010. Collective contracts and agreements are registered with the SLIS, which alongside the social partners has the right to monitor implementation.

Over time, there has been a rise in the proportion of primary trade unions that have participated in a collective bargaining process resulting in a collective contract: from 52 per cent in 2001 to 68.9 per cent in 2010. The number of collective agreements has also increased, from 74 in 2001 to 130 in 2010. Data are not fully available as concerns collective bargaining coverage which would show the extent to which collective negotiation influences the terms of workers' employment. This is due to the fact that the collective bargaining coverage rate (the number of employees covered by

³ As of 2010, membership fees for the AEC were as follow: individual entrepreneurs: AZN 100-500, small enterprises: AZN 500-1,000, associations, public unions, societies and medium enterprises: AZN 1,000-2,000, and large enterprises, groups, holdings, loan and insurance companies and stock companies: AZN 2,000-10,000.

Legal Framework Indicator 20. Collective bargaining right

Law, policy or institutions: Trade Unions Act (1994), Labour Code (1999), Civil Service Act (2000).

Collective labour disputes can be resolved through reconciliation, mediation, or arbitration (Sec. 265, LC). If these processes fail, employees have the right to strike, regulated by Division 43 of the Labour Code. Strikes are prohibited in sectors which are considered to be vital to human health and safety. Arbitration is mandatory in those sectors (Sec. 281, LC). Civil servants do not have the right to strike (Sec. 20(1) and (7), Civil Service Act).

Collective bargaining is initiated on the basis of a trade union proposal (Sec. 14, Trade Unions Act). Labour collectives, employers, trade unions, relevant authorities and employers' representative bodies have the right to draft, enter into and amend collective agreements (Division 4, LC). Parties to collective bargaining must engage in the process once initiated, setting up a commission with an equal number of representatives from each party. The labour collective acts where there is no trade union present. If there are several trade unions, a commission is created proportionate to employee membership to conduct collective bargaining. The employer is responsible for costs connected with bargaining. Within the period of collective bargaining, participants are released from their normal work duties for up to three months in a year, during which time they are entitled to their average monthly wage. The participants cannot be disciplined, re-assigned to other work or dismissed during the bargaining (Sec. 27, LC).

Evidence of implementation effectiveness: The CEACR took note of the ITUC's 2007 report which alleged that despite the law, an effective system of collective bargaining between unions and enterprise managements had not yet been established. Employers often delayed negotiations, and unions rarely participated in determining wage levels and were often bypassed in the conclusion of bilateral agreements between the Government and multinational enterprises. The ITUC further alleged cases of anti-union discrimination and interference that took place in multinational enterprises. Furthermore, the CEACR noted the distinction made in the legislation between a 'collective contract', concluded at the enterprise level following bipartite negotiations between workers and employers, and a 'collective agreement', concluded at industry, territorial or national levels following tripartite negotiations between trade unions of the appropriate level, the AEC and the authorities. The CEACR recalled that the principle of tripartism should not replace the principle of autonomy of workers' organizations and employers (or their organizations) in collective bargaining on conditions of employment. Recalling the wording of Convention No. 98, it requested the Government to bring its legislation into conformity with this Convention.

Coverage of workers in law: N/A

Coverage of workers in practice: N/A

Ratification of ILO conventions: The Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98), were ratified by Azerbaijan on 19 May 1992. The Workers' Representatives Convention, 1971 (No. 135), was ratified by Azerbaijan on 12 August 1993.

Sources:

1. National legislation; NATLEX database (http://www.ilo.org/dyn/natlex/country_profiles.nationalLaw?p_lang=en&p_country=AZE);
2. CEACR observation on the application of Convention No. 98 (<http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displaycomment.cfm?hdroff=1&ctry=0060&year=2009&type=0&conv=C098&lang=EN>).

collective contracts or agreements, divided by the total number of wage and salary earners) is not known.

The role of social partners in Azerbaijan extends beyond collective bargaining since workers' and employers' organizations also play a role in the design and implementation of legislation in the fields of economic and social policy. On alternate years since 2001, the AEC, ATUC and Cabinet of Ministers negotiate a General Collective Agreement with 14 representatives from each of the tri-

partite partners. The agreement determines policy directions and the roles of the tripartite partners in: national economic, labour market, employment and social policy; minimum pay; income and living standards; labour rights, and OSH. Furthermore, the social partners have worked with the Government not only to amend the Labour Code by bringing it more in line with international standards, but also during the ratification process of the Workers with Family Responsibilities Convention, 1981 (No. 156), and the Maternity Protection Convention, 2000 (No. 183). The social

Legal Framework Indicator 21. Tripartite consultations

Law, policy or institutions: The General Collective Agreement establishes the principles of social and economic policies for Azerbaijan (Sec. 35, LC). It is concluded following tripartite consultations between the Cabinet of Ministers, the ATUC, and the AEC. The General Collective Agreement 2010-2011, adopted on 4 February 2010, is currently in force. The social partners have the right to monitor the implementation of the General Collective Agreement (Sec. 41, LC). The ratification of Conventions Nos. 156 and 183 resulted from the General Collective Agreement.

Evidence of implementation effectiveness: The CEACR does not have any information on the tripartite consultations required by Convention No. 144 with regard to the obligation to submit instruments adopted by the International Labour Conference to Parliament.

Ratification of ILO Conventions: The Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144), was ratified by Azerbaijan on 22 August 1993.

Sources:

1. National legislation; NATLEX database (http://www.ilo.org/dyn/natlex/country_profiles.nationalLaw?p_lang=en&p_country=AZE);
2. CEACR 2009 observation (<http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displaycomment.cfm?hdoff=1&ctry=0060&year=2009&type=R&conv=C144&lang=EN>).

partners also have the right to monitor implementation of the General Collective Agreement. In this vein, the ATUC prepares a periodic report on the matter which is presented to the Cabinet of Ministers.

Efforts are underway to improve the quality of social dialogue in Azerbaijan. The state has created a legislation database in order to monitor compliance with international standards and improvements thereto are ongoing. Draft laws are currently under discussion regarding employers' organizations (referred to as employers' unions) and social partnership. The General Collective Agreement (2010-2011) has a number of objectives related to improving social dialogue. Notably, it requires trade union representatives to be included in privatization commissions in order to protect workers' interests. It also requires that social partners be

consulted in the drafting of legislation concerning social protection and in relation to tariff and taxation policy as concerns inflation.

Although the practice of 'tripartite plus' social dialogue, involving the traditional partners as well as NGOs and other civil society representatives does not yet appear to be widely practiced, the growth of civil society must be noted. In 2000, the Law on Non-governmental Organizations (defined as public unions and funds) came into force which regulates the creation and functioning of NGOs stipulating that NGOs can act freely within the limits of the law. In 2007, the Council of State Support to Non-Governmental Organizations was set up. Today, there is a wide variety of NGOs working in fields ranging from assistance to IDPs and veterans, to gender rights, journalism and culture.

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Annex I

List of official documents relating to Decent Work in Azerbaijan

1. The Republic of Azerbaijan Constitution (came into force on November 27, 1995)
2. The Republic of Azerbaijan Labor Code (came into force on July 1, 1999)
3. The Azerbaijan Republic Law on Employment (came into force on August 9, 2001)
4. The Azerbaijan Republic Law on Social Insurance (came into force on April 7, 1997)
5. The Azerbaijan Republic Law 575-IIQ on Approval of European Social Charter, dated January 6, 2004
6. The Azerbaijan Republic Law on Labor Pensions (came into force on March 6, 2006)
7. The Azerbaijan Republic Law 999IIIQ on Mandatory Insurance against Cases of the Loss of a Labor Capacity due to Industrial Accidents and Occupational Diseases” of the Republic of Azerbaijan , dated May 11, 2010
8. Azerbaijan Statistical Figures – 2010; Statistical report of the Azerbaijan Republic State Statistical Committee
9. Labor Market – 2010; Statistical report of the Azerbaijan Republic State Statistical Committee
10. Labor Market – 2009; Statistical report of the Azerbaijan Republic State Statistical Committee
11. Labor Market – 2008; Statistical report of the Azerbaijan Republic State Statistical Committee
12. Labor Market – 2007; Statistical report of the Azerbaijan Republic State Statistical Committee
13. Labor Market – 2006; Statistical report of the Azerbaijan Republic State Statistical Committee
14. Child Labor in Azerbaijan – analyses for 2005; Statistical report of the Azerbaijan Republic State Statistical Committee
15. Summary of the reviews on economic activity of population – 2010; Statistical report of the Azerbaijan Republic State Statistical Committee
16. Average monthly wage of employees fully worked on October, 2009, due to their occupation and positions; Statistical report of the Azerbaijan Republic State Statistical Committee
17. Socio-economic development – January-December, 2010; Statistical report of the Azerbaijan Republic State Statistical Committee
18. Review on the economic activity of population in Azerbaijan. Baku-2008; realized with the financial support and technical assistance of UNDP and UNFPA
19. Regulations on Submission of Sick-lists and Fixing Amounts and the Payment for Expenses for Medical Treatment approved with the decision 9 dated from January 8, 1993 of the Cabinet of Ministers of the Republic of Azerbaijan

20. Regulations on the calculation of the payments on the mandatory state social insurance and on the allowances paid to temporarily disabled employees by an insurer and its payment” approved with the decision 189 dated from September 15, 1998 of the Cabinet of Ministers of the Republic of Azerbaijan.

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