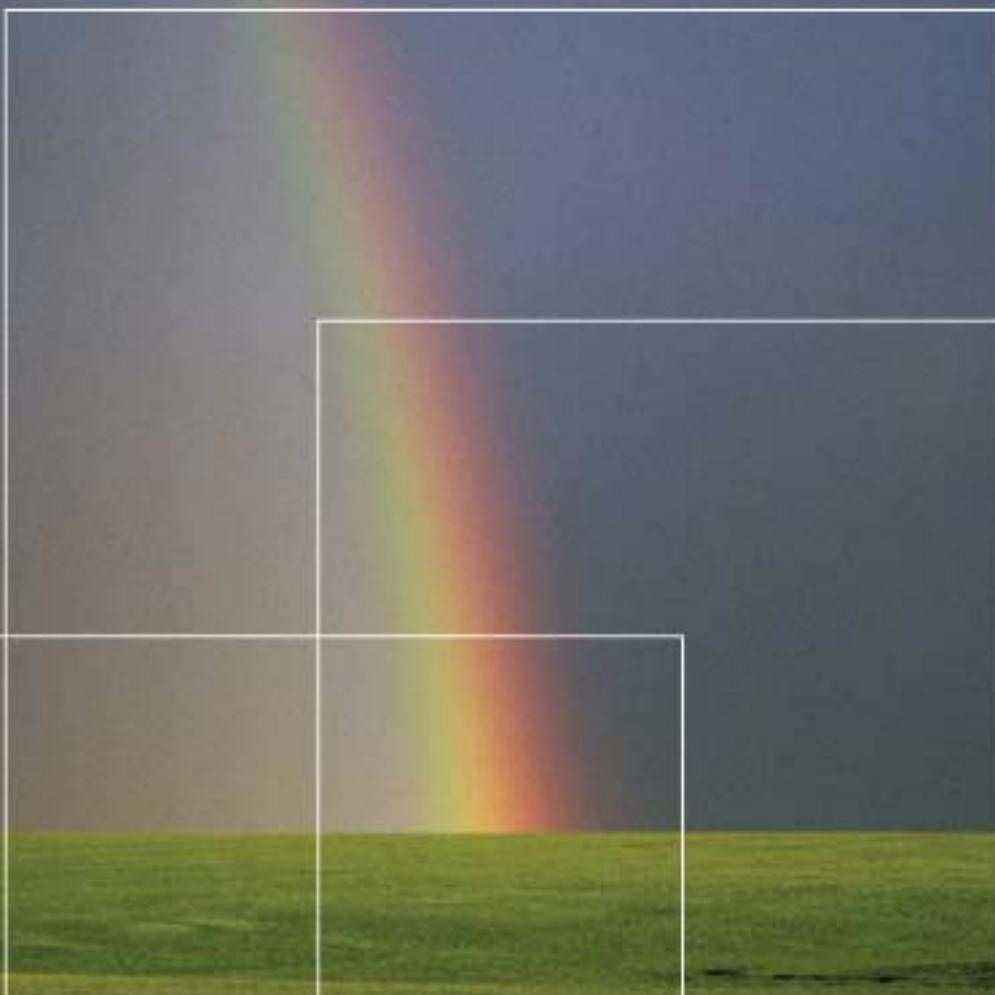




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Decent Work Country Programme
Armenia



DECENT
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THE DECENT WORK COUNTRY PROGRAMME FOR THE REPUBLIC OF ARMENIA 2007-2011

Introduction

The Decent Work Country Programme in the Republic of Armenia (further – the Programme) seeks to promote decent work as an important part of the country’s socio-economic development policy. The Programme fits in a variety of approaches defined in such global development papers as Millennium Development Goals (MDG), 2003 – 2015 Poverty Reduction Strategic Paper (PRSP), 2005 –2009 United Nations Development Assistance Framework (UNDAF), the national development strategy - 2007-2009 Medium Term Expenditure Framework (MTEF).

The Programme reflects the priorities of the ILO constituents in the Republic of Armenia - Ministry of Labour and Social Issues of the Republic of Armenia, Union of Manufacturers and Businessmen (Employers) and Confederation of Trade Unions - and the ILO regional priorities for Europe and Central Asia. The Programme outlines policies, strategies and expected results necessary to progress towards decent work. It defines strategic planning for the collaboration between the Republic of Armenia and the ILO for 2007-2011.

I. Social and Economic Situation in the Republic of Armenia from a Decent Work perspective

The Republic of Armenia declared its independence in 1991 and took a course of transition from the planned to the market economy. Careful analysis of the prevailing situation in the country shows that this period can be characterized as the period of fundamental reforms in political, social and economic systems. In the early years of independence the economy of the Republic suffered from the collapse of the trade and monetary currency system and further deterioration of the conditions of the foreign trade with the countries of the former Soviet Union. The most devastating consequences of that situation were widespread impoverishment of the population and income inequality.

Later in 1994 - 2005 the economy of Armenia underwent serious structural shifts. The economic growth had been the main factor of the poverty reduction (the poverty level decreased from 55.1 % in 1999 to 29.8 % in 2005). During the last decade an ongoing economic growth by 8.7% average annually has been ascertained.

The development of the Republic of Armenia is now determined by economic reforms, financial stability and improvement of investment environment, enhancement of efficiency of the policy in social and labour spheres.

During the last few years almost all the sectors of economy made a positive contribution to the economic growth: in particular industry and construction industry have influenced the growth of economy; since 2004 agriculture, service sector and construction have contributed greatly to this process, and besides there has been an additional foreign financial capital inflow. Early in 2006 the economy of the Republic of Armenia was characterized by the economical growth, financial and macroeconomic stability.

According to the forecast the tendency of an increasing proportion of the state budget income to GDP would be kept and the rate of this average growth index would be 0.3% - 0.4% in 2008 and 2009.

Positive shifts in the spheres of labour, employment and social protection have been achieved; still there are a number of problems that require to be solved. Poverty reduction, low wages and increased wage disparity despite more recent increase in real wages, discrimination in the labour sphere remain among the serious concerns that the Decent Work Programme should address.

II. Country Programme Priorities

Sustainable economic growth and active employment and social policy are the most important priorities that target the quality of life and social health of the Armenian society. The social and economic policy of the government of Armenia aims at maintaining and strengthening the positive tendencies of the economy in compliance with the strategic objectives outlined in the PRSP and in line with MDG: to contribute to human development and growth of real income of the population; improve the labour market; promote productive employment; enhance occupational and health system; ensure labour protection development.

Fundamental Principles and Rights in labour sphere

The implementation of **fundamental principles and rights** in labour sphere established by the state legislation and international law is a decisive part of the social policy in the Republic of Armenia. It is necessary to continue the development and improvement of the legislation in the social and labour sphere. One of the most important components of the social policy is the policy in the labour and employment sphere. But the formulation of the normative base in this sphere is not completed yet and requires further improvement. It is particularly important to ensure the adherence of national legislation to international standards.

The implementation of the ILO conventions ratified by the Republic of Armenia, as well as the fulfillment of the related reporting obligations are a focus area of collaboration between the ILO and the constituents. This includes giving effect to recently ratified conventions in areas such as labour migration and elimination of child labour by elaborating appropriate policy and putting in place mechanisms for policy implementation.

Employment

The **employment policies** of the Republic of Armenia are targeted towards promoting full, productive and freely chosen employment, job creation and struggle against discrimination in the labour market and employment sphere, providing men and women with equal opportunities, increase in population's income, employment promotion and introduction of fair distribution mechanisms of the resources.

From this point of view it is important to develop and implement such a nationwide policy that will be favourable for the development of economy by developing the skills of the unemployed and those threatened by unemployment, raising their economic activity and reducing their poverty in this way on the one hand, and on the other – to support the employers to keep the existing job places, create new

ones and recruit skilled, well educated specialists keen on using new technologies for vacancies requiring modern professions.

Social Dialogue and Labour Administration

The government of the Republic of Armenia, the organizations representing employers' and workers' (hereafter employers' and workers' organizations) will attribute special attention to the promotion of effective consultation and cooperation between public authorities and employers' and workers' organizations at the national and regional levels as well as at the level of the different sectors of the economy.

It is very important to further strengthen the legal basis for social partnership, as well as create organizational and institutional conditions for functioning of **social dialogue**, including sectoral and enterprise level collective bargaining. Signing tripartite agreements will ensure carrying on purposeful and efficient social dialogue. The lack of legal framework for the work of the employers' organization is seen as an obstacle for the development of a tripartite agreement. Capacity building at all levels of employers' and trade unions' organizations is another important task.

Consistently implemented activities and procedures in labour sphere will result in the regulation of the relationship between the employers and the workers, improvement of working conditions and the development of social partnership.

Social dialogue has a particular role to play with regard to economic and social policy formulation and implementation as well as to wage determination mechanisms, in order to ensure decent wages for those at the lower end of the labour market, to guarantee equal pay for equal work and more generally to make sure that wage systems at the enterprise level are contributing to enterprise performance while allowing workers to benefit from higher economic growth.

Creation of the institutional and legal framework for social dialogue will be supported by the technical advice of the ILO, based on the ILO standards and principles.

Social protection

The national **occupational safety and health (OSH) system**, an important part of Decent Work, is still in a development stage. The strengthening of the Labour inspection and social partnership in OSH as elements of the OSH system is particularly important.

Special attention should be paid to the creation of the national normative base defining occupational safety and health conditions and development of standards harmonized with the ILO norms.

It is of particular importance to take up measures to improve the training of specialists in occupational safety and health.

The realization and arrangement of the activities directed to the elimination of **child labour** require special attention and joint efforts of all social partners.

Contagious diseases, in particular AIDS, are closely related to poverty. Challenges posed by HIV/AIDS epidemic require adequate approaches and measures to be taken to provide the constituents with necessary tools and mechanisms to counteract **HIV/AIDS at the workplace**.

Taking into account the above mentioned considerations, the ILO regional priorities for Europe and Central Asia (Good governance, Sustainable economic development, Decent Work objectives and Social Dialogue promotion), the lessons learned and the results of the cooperation between the ILO and the Republic of Armenia in the previous years under the “Programme of Technical Cooperation between the Ministry of Labour and Social Issues of RA, Union of Manufacturers and Businessmen (Employers) of RA, Confederation of Trade Unions of RA and the ILO for 2004-2006”, further collaboration between the ILO and the Republic of Armenia will be implemented in the framework of Decent Work under the following country priorities:

- **Improvement of Employment Policies**
- **Strengthening Social Partnership**
- **Improvement of Social Protection**

The Priorities set up by the Programme have been identified and agreed by the tripartite constituents in consultations with the ILO. In order to facilitate preparation of the Decent Work Country Programme, the Armenian social partners established a national tripartite Working Group.

This DWCP has been developed for the period of 2007-2011. With the aim to provide better alignment between the country’s specific requirements and technical cooperation activities and the ILO programming and budget cycle, outcomes of this Programme are subdivided into mid-term outcomes and short-term outcomes.

III. Priorities of the cooperation between the ILO and the Republic of Armenia, outcomes, performance indicators and strategy.

Priority 1. Improvement of Employment Policies

Mid-term outcome 1.1 (MO 1.1) Support of Decent work opportunities through development of national employment policies and increasing employability of marginalized groups.

Indicator MO 1.1.a: Labour market analysis methods are improved for development of national employment policies.

Indicator MO 1.1.b: Projects targeted at improvement of skills training through modular approaches are developed.

Strategy:

The ILO will assist the government and social partners to effectively use labour market analysis in formulating and implementing labour market policies in order to strengthen links between education and the labour market. Institutional capacities of national constituents for better policy development will be enhanced, particularly in relation to active labour market policies (ALMP) and improvement of labour market information system that would allow for better career guidance and job matching. Special attention will be paid to further support of the vocational training reforming process by upgrading vocational training curricula, including modular professional skills approaches.

Short-term outcome 1.1 (SO 1.1) Increasing employability of marginalized groups.

Indicator SO 1.1.a: A Youth Professional Orientation Centre is established and functioning.

Indicator SO 1.1.b: Modular Skills Training system is introduced in skills training.

Indicator SO 1.1.c: Equal access of men and women is ensured in training programmes on employability (+/- 10-15%).

Strategy:

The ILO will provide support to national labour market institutions in further development and autonomous functioning of the ILO modular training methodology. Special focus will be given to the effective use of potential of MST national developers in designing modular packages on prioritized professions, to meet the current demands of the labour market. National constituents will get assistance in applying modular packages. The activities will ultimately target young women and men, with limited job opportunities, in the midst of their school-

to-work transition, unemployed or underemployed or employed having unsustainable jobs.

Short-term outcome 1.2 (SO 1.2) Reforms in employment related legislation and policy are performed.

Indicator SO 1.2.a: Expertise is applied to ensure that draft legislation regulating labour market and employment avoids any kind of discrimination.

Indicator SO 1.2.b: A national policy and administrative mechanisms on migration for employment in accordance with ratified Conventions Nos. 97 and 143 and the ILO Multilateral Framework on Labour Migration are formulated and applied.

Indicator SO 1.2.c: Assistance is provided on improving labour market policies.

Indicator SO 1.2.d: Policy and legal measures such as those contemplated in the Job Creation in SMEs Recommendation, 1998 (No. 189), are adopted to promote entrepreneurship, including women entrepreneurship.

Indicator SO 1.2.e: Steps towards establishing partnership between public and private employment agencies are taken.

Strategy:

The ILO will assist the constituents in promoting the principles of the ILO standards prohibiting any kind of discrimination. The ILO will provide technical advice and capacity building for the improvement of the law and practice concerning recruitment, oversight and protection of migrant workers. The ILO will provide expert assistance in training of the staff of the Ministry of Labour and Social Issues, the State Employment Service and the social partners in formulating and implementing labour market policies and provide information on relevant best practices available for the constituents.

Priority 2. Strengthening Social Partnership

Mid-term outcome 2.1 (MO 2.1) A framework for effective social dialogue is established.

Indicator MO 2.1.a: Tripartite and bipartite consultative commissions on social and labour issues are created and functioning at national and regional levels.

Indicator MO 2.1.b: Promotion of collective bargaining at sectoral and enterprise levels as mandated by ratified Convention No. 154 results in an increased number of workers covered by collective agreements.

Strategy:

Capacity building aimed at increasing the capacity of labour administration as well as of the employers' and workers' organizations will be provided to achieve a more conducive legal and institutional environment for collective bargaining and to promote tripartite and bipartite commissions.

Short-term outcome 2.1 (SO 2.1) Capacity of all constituents in conducting social dialogue has improved.

Indicator SO 2.1.a: Training programmes targeting the government at the national and regional level, as well as national, regional, sectoral and grass-root organizations of trade unions and employers have been implemented.

Strategy:

The capacity building potential of the government and the social partners will be increased through training and expert assistance.

Mid-term outcome 2.2 (MO 2.2) Comprehensive and modern wage determination mechanisms introduced.

Indicator MO 2.2a: The wage fixing policy in the country generally adapted to better address issues such as collective wage bargaining, wage disparity, wage discrimination, low pay, and performance-related pay.

Indicator MO 2.2.b: The minimum wage fixing system modernized in order to better fulfill its economic and social objectives, in a tripartite process, and in accordance with the principles set out in the ratified Conventions Nos. 26 and 131.

Indicator MO 2.2.c: Social dialogue on wage issues - not only the minimum wage - generally developed.

Strategy:

The ILO will provide expert assistance to the social partners to improve the country's wage system. Particular emphasis will be given to the development of social dialogue on wage policy issues, at national, sectoral and enterprise level.

Priority 3. Improvement of Social Protection**Mid-term outcome 3.1 (MO 3.1) Improvement of Occupational Safety and Health system.**

Indicator MO 3.1.a: A National OSH profile and programme aimed at improving the employees' safety and creating safe and healthy working environment is developed.

Indicator MO 3.1.b: Training curricula for capacity building for OSH specialists are developed.

Indicator MO 3.1.c: A concept for the national normative OSH base defining occupational safety and health conditions is created and OSH standards are developed and harmonised with international standards.

Indicator MO 3.1.d: The concept of the OSH management system is introduced at enterprises.

Indicator MO 3.1.e: ILO-OSH 2001 is implemented in selected enterprises.

Strategy:

Specific capacity-building activities targeting social partners' institutions will be provided by the ILO to assist in developing their own policies and practices to address the existing challenges in the field of social protection, in particular, occupational safety and health. The ILO systematic approach to an improved national OSH system (national OSH policy, profile and programme) will be applied aiming at creating the necessary conditions for possible ratification and implementation of Conventions Nos. 155 and 187. The ILO will also provide support to introducing modern standards of working conditions, including the introduction of a safety management system at enterprises. National constituents will also be assisted in developing a consultation mechanism for social dialogue and establishing a national tripartite consultative council on OSH. The introduction of ILO-OSH 2001 at enterprises will be based on the experience of the employers' and workers' organisations and adapted to the national situation.

Mid-term outcome 3.2 (MO 3.2) Strengthening labour inspection management and effectiveness.

Indicator MO 3.2.a: Training of trainers for labour inspectors is organized aimed at providing a preventive and advisory approach combined with social dialogue.

Indicator MO 3.2.b: The OSH information centre is further developed and produces promotion and information material.

Indicator MO 3.2.c: Employers and Trade Unions can receive information on labour inspection and OSH legislation and other related OSH information.

Indicator MO 3.2.d: A national action plan for the labour inspection is formulated as a part of the national OSH programme (indicator 3.1.a).

Indicator MO 3.2 e: A tripartite audit of the labour inspection system is executed and recommendations presented to Armenia.

Strategy:

Good governance requires strong and transparent labour inspection systems in line with Convention No 181. Together with governments, social partners play a key role in improving the effectiveness of labour inspection.

The newly created labour inspection needs to apply modern inspection strategies focusing on prevention and inspectors should be fully trained in preventive and advisory inspection approaches including the enforcement of the OSH legislation.

The OSH information centre's role is to provide information for the Inspection, Government agencies and the social partners. The Centre needs to be expanded to a training centre, capable of providing training for the inspectors and other OSH specialists. Broader national and international networking will be encouraged, to improve the professional competence and experience of labour inspectors and safety specialists among the social partners.

The ILO will provide technical assistance for the tripartite labour inspection audit and the formulation and implementation of national action plan in accordance with the ratified Labour Inspection Convention No. 81, taking also into account the Labour Inspection (Agriculture) Convention No. 129.

Mid-term outcome 3.3 (MO 3.3) Awareness on HIV/AIDS prevention at workplace is enhanced.

Indicator MO 3.3.a: Number of workers receiving training on HIV/AIDS prevention in selected enterprises is increased.

Indicator MO 3.3.b: The national action plan developed and implemented by the ILO constituents specifically addresses HIV/AIDS at the workplace.

Strategy: The approach to HIV/AIDS prevention will comprise action at the workplace, public and private: awareness-raising and advocacy involving the government, employers, workers and their organizations targeting stigma and discrimination; training of the constituents to strengthen their capacity to mainstream HIV/AIDS into their activities; development of the workplace policies to strengthen links between OSH and HIV/AIDS to facilitate universal access.

Mid-term outcome 3.4 (MO 3.4) The constituents undertake targeted actions against child labour, giving priority to the elimination of its worst forms.

Indicator MO 3.4.a: Labour, education, family and criminal legislation have been reviewed to ensure their conformity with ratified Conventions Nos. 138 and 182.

Indicator MO 3.4.b: Actions against child labour are discussed and agreed upon in the framework of Social Dialogue.

Indicator MO 3.4.c: Activities developed and implemented by the Government and the social partners on (or including) combating the worst forms of child labour.

Strategy:

The ILO will assist national tripartite constituents in building up capacity for the application of Convention No. 138 and Convention No. 182 with a view to the development and implementation of interventions against the worst forms of child labour. Activities carried out by the national partners may include the prevention of child labour and the withdrawal, rehabilitation and reintegration of children found in child labour conditions. Importantly, emphasis will be given to policy formulation and to the integration of child labour concerns into relevant national development programmes, projects and budgets. The level of awareness among national stakeholders and the society at large will be increased. Actions will be carried out in a cooperative and coordinated manner following a multi-sectoral approach and based on information and experience already gained at local and national level.

IV. Implementation and management

The Programme will be implemented by the government of the Republic of Armenia, Employers' and Trade Unions' organizations in close cooperation and with the assistance of the ILO.

The implementation plan of the Programme will be developed by the Parties to the Programme after the document is signed. The implementation plan will be developed on a biennial basis.

The cooperation between the Parties to implement the Programme shall be conducted in the forms of exchange of information and materials in the sphere of labour relations; consultations between experts of the Parties; participation of experts of the Parties in conferences, workshops and other international activities; technical assistance within the framework of existing or potential technical cooperation projects.

The implementation of the Programme will be coordinated by the ILO SRO Moscow and the ILO National Correspondent in Armenia on the side of the ILO and by the Tripartite Steering Committee consisting of the constituents' representatives on the side of Armenia.

The implementation of the Programme will be reviewed and strategies adjusted, if necessary, in order to react to changes in the country or international contexts. Activities may be rescheduled in order to allow for ad hoc response to short-term demands if necessary.

National resources and Technical Cooperation projects' funds combined serve to achieve the objectives of the Programme.

V. Performance monitoring and evaluation

The implementation and monitoring of the Programme will be carried out on the basis of respective performance indicators. The monitoring procedures will be developed for the purpose of an annual revision and evaluation.

The Programme implementation will be evaluated on an annual basis by the director of the ILO Sub-regional Office for Eastern Europe and Central Asia and the Armenian leadership.

The text of this Programme will be published in Armenian and English on the websites of the Sub-regional Office for Eastern Europe and Central Asia, the Ministry of Social Issues of the Republic of Armenia, the Confederation of Trade Unions of the Republic of Armenia and the Union of Manufacturers and Businessmen (Employers) of Armenia.

On behalf of the Government of the Republic of Armenia:

On behalf of the International Labour Organization:

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A.Vardanyan**

**Director of the Sub-regional Office for Eastern Europe and Central Asia
Werner K. Blenk**

On behalf of the Employers:

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**Chairman of the Union of Manufacturers and Businessmen (Employers) of Armenia,
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