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THE FIFTY-THIRD MEETING OF THE CULTURAL, EDUCATIONAL AND SOCIAL AFFAIRS COMMITTEE

REPORT*

or

"UNEMPLOYMENT IN THE BSEC MEMBER STATES. THE ROLE OF THE STATE IN FACILITATING JOB CREATION"

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I. INTRODUCTION

- 1. The unemployment is one of the topical social problems which the world faces today. The issues of unemployment and especially long-term and youth unemployment are crucial in political, social and economic terms. According to the International Labour Organization (ILO), the world's unemployment rate has dropped to 5 percent in 2018, which is the lowest level since the global economic crisis in 2008. The governments of the BSEC Member States have developed employment policies, aiming to contribute to the socio-economic conditions of the individuals. Protective and preventative programs especially for groups that require specific policies such as women, children, elderly and disabled citizens have been adopted. However, the average unemployment rate of the Region remains higher than the global one.
- 2. Since its establishment, the Parliamentary Assembly of the Black Sea Economic Cooperation has placed social issues in the centre of its priorities. Unemployment has been one of the key issues discussed in the Reports and Recommendations, adopted during the time by the Assembly, such as: Social Guarantees During the Transition Period (14/1996); Social Reintegration of Jobless People (67/2002); The Fight Against Poverty (74/2003); Improvement of the Quality of Life in the BSEC Member States (100/2007); The Impact of Globalization on the Social Policies in the BSEC Member State (106/2008); Social Welfare Reforms in the BSEC Member States (130/2012); Youth Unemployment and Employment Policies in the BSEC Region: the Need to Empower the Young Generation (139/2014).
- 3. The issues related to the facilitation of jobs creation are among the top concerns of the policymakers and the public sector. Attention on improving the social policy legislation aiming at providing sustainable labour climate, relevant to the labour demands and assuring decent living conditions for their citizens is very important. The social reforms, tackling the unemployment, poverty and social inequalities require the active joint efforts of parliaments, governments and private sector, in the elaboration of effective policies for the establishment of a sustainable social systems, able to facilitate job creation and social cohesion.
- 4. Taking into account the mounting problem of unemployment, the PABSEC Cultural, Educational and Social Affairs Committee decided to focus on the role of the state in overcoming it by discussing the theme "Unemployment in the BSEC Member States. The Role of the State in Facilitating Job Creation" as the main item of the Agenda of its 53rd Meeting, to be held in Chisinau, on 21-22 October 2019.
- 5. The present report reflects the information received from the national delegations of Armenia, Azerbaijan, Bulgaria, Greece, Moldova, Romania, Russia, Serbia and Turkey. Reference material was also obtained from the official websites of ILO, EU, Council of Europe and other relevant international organizations.

II. UNEMPLOYMENT IN THE BSEC MEMBER STATES. THE ROLE OF THE STATE IN FACILITATING JOB CREATION

6. The BSEC Organization has set as a fundamental objective: the transformation of the Black Sea into an area of peace, stability and prosperity. Along with the economic integration of the BSEC Region, the social well-being of its peoples was acknowledged as a main factor of achievement of development objectives. The "BSEC Economic Agenda: Towards an Enhanced BSEC Partnership" (Istanbul, 2012) refers to the promotion of the social well-being as a major BSEC priority.

- 7. Today, globalization and innovation trigger major transformations in labour markets. The rapid development of new technologies makes existing skills obsolete. The technology affects the labour markets drastically and reshape the employment systems. As the governments and the private sector integrate technologies even further in their processes, and the individuals adopt these technologies across various spheres of their lives, the demand for digital workers grows. High-tech digital jobs will require appropriate environment for businesses and individuals to adopt technology, innovate and grow. Many countries face lack of qualified professionals, which in return leads to higher unemployment. At the same time, the support of the entrepreneurship and innovation is a way of creating new products and market demand which generates new employment opportunities.
- 8. One of the most important elements of the employment policies is facilitating the development of technology as a means of increasing the productive potential and achieving the major development objectives. Technology policies also contribute to the improvement of the working conditions and the reduction of working time. In this context it is important to take measures to prevent the loss of jobs.
- 9. In parallel to the global development architecture, employment and decent work have gained increasing attention as part of the EU's development agenda. In the context of the European Pillar of Social Rights, a number of key economic and social challenges have been identified, such as: improving low labour force participation, especially for women, further targeting and strengthening the active labour market policies, overcoming persistence of structural skills mismatches and weaknesses in education systems.
- 10. The unemployment policies are designed to improve the skills of the human capital in order to make people more flexible in the workplace. One of the policy measures in the EU countries is related to the increase of the labour mobility and the maintenance of a sufficiently high level of demand to create new jobs.
- 11. An estimated 172 million people worldwide were unemployed in 2018, which corresponds to an unemployment rate of 5.0 per cent. A majority of the 3.3 billion people employed globally in 2018 experienced a lack of material well-being, economic security, equal opportunities or scope for human development¹.
- 12. Another important segment, which requires special attention is the improvement of the labour conditions of vulnerable groups, such as young, female, elderly people and people with disabilities. These groups are often affected by barriers outside the labour market, such as the lack of child and elderly care options; limited flexible work arrangements; imperfect access to productive inputs, networks and information; and adverse attitudes, social norms and discrimination, inequality in the opportunities.
- 13. Youth unemployment has been a particular problem for many countries. Usually young people without skills and experience can find it hard to enter the labour market for the first time, due to different barriers. Among the obstacles to be urgently addressed is a mismatch between the education and training outcomes and the skills demanded by the labour market. Young people often find themselves in the situation where they are not hired because the lack of their work experience. Therefore, it is important to ensure employment of individuals reaching working age. Insufficient or imperfect information on available jobs, limits the match between jobseekers and employers, particularly among youth who have weaker access to job networks and social networks.

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¹ World Employment Social Outlook Trends 2019, International Labour Organization, 2019

- 14. In recent years a series of actions are in progress in order to strengthen the link between vocational education and training and the labour market and economy, to inform young people about vocational training, to improve quality of vocational training.
- 15. One of the world trends in unemployment, which requires attention is informal employment. ILO notes that more than 61 per cent of the world's employed population work in the informal economy. There are several factors that have impact upon the level of the informal employment including shadow economy, week state control over the activities of enterprises, etc. The level and quality of education are key factors affecting the process of informal employment. The increase in the level and quality of education paves the way towards decrease in the level of informal employment. In countries with high unemployment, individuals are pushed to search labour opportunities abroad, which also lead to informal employment.
- 16. The ILO, notes the persistence of a number of major deficits in decent work, that, at the current rate of progress, attaining the goal of decent work for all, as set out in the Sustainable Development Goals (SDGs), particularly SDG 8 (Promote inclusive and sustainable economic growth, employment and decent work for all), seems unrealistic for many countries. This is related to the low level of economic development and insufficient state control over various sectors of economy. Another problem is the high youth unemployment. The ILO reports that one in five young people under 25 are jobless and have no skills. As a result, approximately half of the world's population lives on the equivalent of about US\$2 per month (according to UN database).
- 17. Employment is a key driver of development, improving the living standards, raising productivity and contributing to social cohesion. Sustainable economic growth requires societies to create the conditions that allow people to have quality jobs. Job opportunities and decent working conditions are necessary for ensuring the normal life for population.
- 18. For the economic development the fight against unemployment requires broad policy approach. Job creation is contingent on a policy environment conducive to strong private sector—led growth. The private sector is critical to economic growth and job creation, but it cannot act alone. This requires a set of key ingredients: the rule of law, macroeconomic stability, an enabling business environment (adequate infrastructure, access to finance, and sound business regulation), and human capital.
- 19. A stable macroeconomic framework is a necessity, but also structural policies which encourage innovation, skills and business development. In order for new jobs to be created, businesses need access to skilled people, to business networks, to finance, and access to start-ups and appropriate business environment. When the national policies are sufficiently flexible and adjustable, the private sector can develop integrated approaches to growth, maximizing employment opportunities and helping to tackle inequalities and social exclusion.
- 20. Effective policies based on the experience of the developed countries, strong institutions and efficient access to public services ensure the enlargement of the private sector. The governments have to develop and sustain the institutions that implement and regulate those policies. The appropriate business environment will encourage the private sector to invest and enlarge its human resources. Government's policy and legislative decisions determine to a large degree the scale and quality of economic growth and the private sector's role in it. The model of an open economy with a flourishing private sector gives countries the opportunity to increase prosperity and the living standards of their citizens. The role of the state in job creation and allocation of labour should aim at growing sustainable activities,

- improvements in both productivity and employment, contributing to an allocation of human resources that corresponds to the right balance.
- 21. Nowadays, the promotion of small and medium enterprises (SME) contributes to the creation of new jobs. A study of the World Bank showed that enterprises employing 5 to 250 people, on average, account for 67% of total employment in the formal sector. The SMEs in the Black Sea Region play an important role in the economic life of their citizens. By opening new businesses, they contribute to the well-being of the societies. In this regard, the national parliaments should support the activities of the SMEs, through elaboration and improvement of legislation, different policy measures, including providing appropriate business climate, affordable premises and start-ups.
- 22. Although the BSEC Member States have different levels of socio-economic development, they share some similarities in terms of difficult labour market conditions. Despite the general indicators of growth, there are still need for reforms in labour markets, business climate, the public sector, etc. These conditions reduce labour demand and hinder job creation, particularly for young people.
- 23. The average unemployment rate of the BSEC Region follows a decreasing tendency, due to the social policies and strategies implemented by the governments of the BSEC Member States, in comparison to previous years. However, the average level (appr. 10 per cent) remains higher than the global one.

Unemployment, total (% of the total labour force) in the BSEC Member States (2017 – 2018)

Country	2017	2018
Albania	13.8	13.9
Armenia	17.8	17.7
Azerbaijan	5.0	5.2
Bulgaria	6.2	5.3
Georgia	13.9	14.1
Greece	21.5	19.2
Moldova	4.1	3.4
Romania	4.9	4.3
Russian Federation	5.2	4.7
Serbia	13.5	13.5
Turkey	10.8	10.9
Ukraine	9.5	9.4

Source: World development indicators

- 24. The success of employment policies crucially depends on the economic reforms. In many cases, the responsibility for their implementation is not only in the hands of the governments, but also of the social partners, such as employment agencies, trade unions, job counsellors and economic development agencies. It is essential for the BSEC Member States to establish reforms that facilitate the conditions for the sustainable creation of quality jobs in the future, where the social partners play an active role at all levels, in the preparation and implementation of such reforms.
- 25. Major reforms which take place in some of the BSEC Member States includes the implementation of open framework programs, developed in cooperation with the employers' organizations and businesses. The role of the job counsellor is crucial in this new type of programs since this person is responsible to take records of the unemployed person's skills,

to support and to guide him/her to choose the most appropriate job. Also, a monitoring and evaluation system, to monitor the active labour market policies and programs by using specific indicators and to evaluate the implementation and results of programs, is under development.

- 26. The important programme, which aims to improve the targeting of employment and training policies, as well as the encouragement of individuals and employers to invest in employment and education is the setting up of the mechanism for the identification of the labour market demands in sectors and occupations. The development of such mechanism contributes to the design of employment and vocational education and training policies, by providing the required information concerning the various sectors and occupations.
- 27. The identification of emerging skills shortages in specific occupations is of utmost importance. Most education and training systems in the region have failed to keep up with the fast-changing labour market demands. A close cooperation between education and work is essential to address the skills mismatches.
- 28. Education and training should equip everyone with a broad range of skills which promote personal fulfilment and development, social inclusion and employment opportunities. These include literacy, numeracy, science and foreign languages, as well as transversal skills and key competences such as digital competences, entrepreneurship, critical thinking as well as financial literacy.
- 29. It is important to build dynamic and inclusive labour markets, reduce mismatches, upgrade skill that in turn require significant financial investment in human capital. Creating more and -effective jobs has become a priority of the social policies of the BSEC Member States. The facilitation of job creation is linked to the poverty reduction, productivity growth and social cohesion.
- 30. It is crucial also to analyse the underlying barriers to more and better jobs. These can be related to the lack of labour demand (e.g. slow economic growth), inadequate supply of skilled workers (e.g. due to low-quality education and training systems) and inefficient matching between firms and job seekers (e.g. information deficits). Moreover, there can be a large set of factors negatively affecting working conditions, ranging from socio-economic conditions to inadequate laws or enforcement of regulations.
- 31. The provision of efficient labour market requires a collective approach to address the systemic nature of the challenge, particularly at the national level. To this end, measures to foster pro-employment growth and decent job creation through effective strategies that will address the social consequences of the employment and also ensuring economic stability are vital for the successful implementation of efficient regulations. Such measures include effective macroeconomic policies, higher employability, better labour market policies and support for entrepreneurship and human rights.
- 32. The BSEC Member States pursue social policies with the priorities in certain directions: reducing poverty and maintaining decent incomes; protecting all the unemployed and facilitating their return to quality jobs, creating new jobs in private sectors enterprises, designing integrated interventions that focus on the training of unemployed, according to the labour market needs.
- 33. The employment programs include measures for the promotion of entrepreneurship and selfemployment, for upgrading the skills of the vulnerable groups of the society and of the unemployed in general, for targeted programs addressed to specific groups (ex-prisoners, refugees, people with disabilities), subsidiary programs for long-term unemployed, targeted

measures for young people, including programs subsidizing enterprises, work experience programs, counselling and career orientation services, vocational and educational training programmes, programmes for the reconciliation of family and work life and the facilitation to the labour market access for the second earners (especially women), through the establishment of child care facilities.

- 34. The decent work and income are central to individual and societal well-being in the national social strategies of the BSEC Member States, contributing to improved living conditions, poverty reduction and social cohesion. The question is what governments and development partners can do to facilitate the creation of productive employment and decent work.
- 35. It should be noted that the BSEC Organization did not pay special attention to unemployment issue. Taking into account the fact that employment and unemployment are factors behind the economic growth, it is expedient that this issue is duly addressed at a governmental level.
- 36. There are measures, which directly or directly affect the unemployment issue in the BSEC region. The key priorities for the activities in the field of Harmonization and Exchange of Economic and Social Statistical Data and Information are defined by Goal 13: "Harmonization and Exchange of Economic and Social Statistical Data and Information" of the "BSEC Economic Agenda Towards an Enhanced BSEC Partnership". The maintenance of the coordination between the statistical systems of the BSEC Member States, the national stakeholders, such as data producers, civil society, academia and the private sector and the international organizations, shall be useful.

The situation in the BSEC Member States

- 37. The Ministry of Labour and Social Affairs of *the Republic of Armenia* develops the state policy in the field of employment, which is implemented by the State Employment Agency. The Agency, in cooperation with the governmental bodies, local authorities and other stakeholders, is responsible for the implementation of an annual programme, which includes measures against unemployment.
- 38. The 2018 Democratic elections and the beginning of the economic reforms had a positive impact on the economic activity growth and the decrease in the informal employment in the country. Thus, in the first nine months of 2019, Armenia recorded a 7 percent increase in the economic activity index compared to the same period in 2018. In the first nine months of 2019, additional 65, 037 jobs were officially recorded in the country, which constitutes 12% of the total number of jobs in the country: as of August 2019, the unemployment rate decreased by 5.7% compared to the same period last year.
- 39. During 2018 and the first half of 2019, more than 11,000 beneficiaries were provided with assistance in employment. One of the priorities of the State Employment Agency is prequalification programs provided to the job seekers aimed at improving their competitiveness in the labor market. In 2018 and the first half of 2019, more than 1,500 people went through retraining.
- 40. Since the beginning of 2019, upon the initiative of the Government, a program for professional consultation assistance provided to citizens engaged in individual business activities in the regions has been launched, including consulting services for the new farmers. More than 1,200 people have benefited from this programme since the beginning of the year. The initiative to promote employment for young mothers and women on long-term childcare leave has a special place in the programme. The programme has two main components: assistance in acquiring new knowledge in the labour market and financial

- assistance provided to working mothers with children under 3 years old, aimed at compensating the cost of childcare during working hours. In the first eight months of 2019, 455 people benefited from the program.
- 41. At present the Employment Strategy of the Republic of Armenia for 2019-2023 is being elaborated, which focuses on the implementation and development of a comprehensive model "Economic Environment Social Protection Employment" based on the consistent inclusion of competing groups in the labour market and gradual increase in the competitiveness of the job seekers.
- 42. As a result of the socially oriented policies implemented in *the Republic of Azerbaijan* in the recent years, the country has taken consistent measures to ensure reliable social protection for the population, as well as to improve the well-being of the citizens. 54 000 individuals were provided with jobs in the first half of 2019 (by 43.4% more than in the same period of the previous year), state-owned companies extended employment agreements with 20,000 social workers and additional 6,000 jobs were created (SOCAR 3000, Azerishig 2300, Azerenergy 700), 682 people received vocational training and 62,529 received professional advice. Since 2016, upon the initiative of the President of the country, a large-scale self-employment program has been launched, which promotes family labour and individual economy and allows realization of labour potential in self-employment and increased incomes.
- 43. During the first six months of 2019, about 4,200 individuals took part in trainings, 4,000 of them being trained to ensure self-employment. As part of the technical assistance project "Creating inclusive and decent jobs for socially vulnerable people" implemented by the Ministry of Labour in cooperation with the UN Development Programme, it is planned to be organized self-employment for 500 disabled people. In this regard, 12 regions and cities of the country were selected for this pilot project. In the framework of the World Bank Employment Support Project, 20 million USD will be allocated for a five-year period self-employment program starting on 2020 covering 5,000 unemployed people.
- 44. The State Employment Service of the Ministry of Labour, together with the Youth Foundation of the Republic of Azerbaijan, implemented the project "Build your career with us" at the Baku Youth Center, the Center for Career and Youth Development, also in cooperation with youth centres in Gazakh and Shamkir districts. The project aims to promote the integration of unemployed and involve the youth into the labour market using innovative methods. The course consisted of several stages, including work development skills and active job search methods, network expansion, performance analysis, motivation, etc.
- 45. Changes in the legislation on taxes, social insurance and unemployment insurance, as part of the implementation of the "Action Plan to Prevent Informal Employment in the Republic of Azerbaijan" have improved the mechanisms of tax and insurance premiums mainly due to the low tax burden on employees in the private sector. This will increase transparency in the economy and, consequently, will improve social security of the population. As a result of the adopted measures the number of employment contracts concluded in 2019 increased by 108,738.
- 46. *The Republic of Bulgaria*'s labour market policy is designed to help attract jobless people to employment through certain measures aiming at supporting the business sector in hiring suitable workers. The Employment Promotion Act (EPA) regulates the employment promotion and supports the integration of risk groups into the labour market. When appointing an unemployed, a subvention from the state budget is given to employer to cover the payment of salaries and social and health insurance premiums.

- 47. Over the past six years, action plan aimed at employment of young people has been elaborated in the context of the Youth Guarantee policy, an EU-led approach to youth employment. The measures include preparation of individual action plan, elaborated by the employment office, provision of key skills training in compliance with the labour market demands, organization of labour information seminars, employment mediation in the real economy (more than 35,000 young people under the age of 29 started their work in 2018), as well as subsidized jobs (more than 10,000 young people under the age of 29). Part of the subsidized jobs are internships, which enable educated young people to gain professional experience and increase their employment opportunities.
- 48. Measures to support elderly people focus on several priority areas: empowerment and access to learning; incentives for companies that provide work to the unemployed at pre-retirement age and support the transition to work and retirement; providing individual services, such as: information on available job opportunities, inclusion in programs, measures and operations financed from the state budget and European programs, support provided by psychologists; investments in healthy and safe working conditions, flexible employment and other suitable forms of work organization.
- 49. The Employment Promotion Act provides specific incentive measure that supports the employment of unemployed parents with young children. Employers are encouraged to create employment opportunities for the unemployed single parents (adopters) and/or mothers (adopters) with children under the age of 5. The EPA provides measures to encourage employers to provide full-time employment for the target group.
- 50. The possibility of attracting parents to study for professional qualifications in order to update their professional skills have been also regulated. Between January and May 2019, 118 unemployed persons have been employed under this measure. In addition, the territorial mobility of the unemployed is facilitated by the incentive measure regulated by the EPA. Support is provided to those who occupied jobs in a village more than 50 km away from the settlement in which they live, by providing funds for day nursery services, kindergartens, apartment allowances and Internet fees.
- 51. The measures applied by the Ministry of Labour and Social Affairs of *the Hellenic Republic* include employment programmes and labour market institutional reforms. Since 2013, a coherent employment policy in order to tackle high youth unemployment rate is being implemented, under the National Youth Guarantee Implementation Plan. Moreover, there are specific incentives that also demonstrate a wider range of opportunities given to young people.
- 52. First of all, the emphasis on highly educated people enhances the Greek labour market in general, supports the permanent maintenance of the jobs created and reduces the overall unemployment in the category of the highly educated population. The second program is addressed to long-term unemployed citizens aged 22-29 years old, with a budget of 90.000.000 Euros funded by the Youth Employment Initiative. Recently, a programme has been launched by the Ministry of Labour and Social Affairs and the Greek Manpower Organisation, to promote self-employment, by subsidizing business initiatives for 15,000 unemployed, aged 18-66.
- 53. The legal framework of the Law 2643/1998, as currently in force, takes care for the integration into the employment for persons from special categories, including people with disabilities. More specifically, this law provides the obligatory recruitment of people with disabilities and their relatives (parents, siblings and spouses), after announcements, in private and public sector.

- 54. Since September 2017, a program has already been implemented for creating new jobs through business and employers' grant and for hiring unemployed persons with disabilities, released from addictive substances, ex-prisoners, young offenders or young people at social risk and also to grant positions for ergonomic arrangement of the workplace for people with disabilities. According to the data available up to the first quarter of 2019, 790 applications have been submitted, 523 have been approved and 386 jobs have been covered.
- 55. In *the Republic of Moldova*, the promotion of effective employment measures on the labour market, in terms of modernising and adapting them to the needs of the labour market, is one of the priorities of the Republic of Moldova European Union Association Agreement. In this context, the Ministry of Labour, Social Protection and Family of the Republic of Moldova has proposed recently a series of actions, aimed at preventing and reducing unemployment, ensuring a high level of employment and adapting the labour force to the demands of the labour market.
- 56. The new Law in the field of employment and unemployment insurance entered into force in February 2019, establishing employment measures, such as: short term professional training, workplace training for unqualified unemployed people, internships for unemployed people without work experience. Other measures include subsidised employment meant to support employment of people from vulnerable groups, support for unemployed people in starting their own businesses by providing consultancy and grants, supporting with grants rural enterprises that create jobs and employ the unemployed recorded by the National Employment Agency of the Republic of Moldova.
- 57. The main objective of the National Strategy on Employment for the period 2017-2021 focuses on increasing the level of formal employment based on economic competitiveness, adequate skills and qualifications, under conditions of sustainable and inclusive development. The undertaken measures will focus on facilitating access to loans for Small and Medium Enterprises by granting financial guarantees, stimulating the creation and development of business partnerships, financing the businesses created and managed by women, developing a mechanism for reintegrating migrants returned to the country.
- 58. At the same time, the actions aim at stimulating the employment of young specialists with pedagogical studies, the extension and development of the network of industrial parks, stimulating employment in the agro-industrial field, namely carrying out awareness campaigns and informing economic agents about the subsidisation of farmers, increasing the employment opportunities in the field of agro-tourism.
- 59. The strategy presents an integrated approach to relevant policies, both from the perspective of demand development and from the perspective of efficient supply management on the labour market. The strategy proposes measures that, under conditions of adequate financing, should increase the level of formal employment based on economic competitiveness, adequate skills and qualifications. The Strategy will contribute to increasing the level of formal employment, which will increase the income of the population, improve the standard of living and reduce poverty, create equal opportunities for women and men, vulnerable groups in employment and professional development.
- 60. The Government of *Romania* has adopted a series of national strategies, policies and plans, supporting jobs creation and economic development. The National Strategy on Employment 2014-2020 aims to fully harness the labour force potential in order to strengthen a competitive economy, based on innovation and knowledge and to create well trained human resources, with a high level of qualification and skills. The National Strategy on youth policy 2015-2020 ensures better opportunities for the youth access to and retention on the labour market, through acquisition and development of skills and competences, fostering

- Romanian young people's mobility on the European labour market, including through programmes that combine work and training and through integration programmes, in the post-pilot phase of the 'Your first EURES job' Programme.
- 61. The increase of the employment opportunities of the job-seekers is mainly carried out by the National Agency for Employment which provides: professional information and counselling, including the free of charge set of services, having the following purposes: to evaluate and self-evaluate the persons for their professional guidance, to develop the ability and self-confidence of the job-seekers for enabling them to make a decision on their own career.
- 62. In order to implement employment stimulation measures, the employment agencies have the obligation to draw up an individual job-matching plan for every job-seeker. The participation in the labour exchange services shall be mandatory for the unemployed who receive unemployment benefits. The unemployed who do not receive unemployment benefits must submit an application to the employment agencies in order to be registered for labour exchange services and, if they are not employed, to renew the application every 6 months.
- 63. The vocational training is made according to the National Plan for Vocational Training elaborated by the National Agency for Employment every year and approved by the Ministry of Labour and Social Justice. The National Agency for Employment, as well as the authorised suppliers of vocational training services, may also organise qualification, requalification, improvement and specialisation courses for trades that are not yet included in the Classification of occupations in Romania, only after they received the opinion of the Ministry of Labour and Social Justice.
- 64. The unemployed persons who are hired for a normal working schedule, and they no longer receive the unemployment benefit, shall receive until the end of the period for which they are entitled to receive the unemployment benefit a monthly amount granted from the unemployment insurance budget, representing 30% of the quantum of the unemployment benefit. The graduates of the education institutions and the graduates of the special schools, at least 16 years old, registered with the employment agencies, in case they are hired for a regular working schedule, for a period no longer than 12 months, shall benefit by a premium equal to a gross minimum wage in force on the date of employment.
- 65. The employment policy of *the Russian Federation* and labour market development strategy are implemented within the framework of the state program "Promoting Employment in the Russian Federation". The Program sets out the objectives of the state policy in the long-term development of the labour market, including the establishment of the legal, economic and institutional conditions, required for its effective development.
- 66. The Program is carried out in accordance with the following acts: Strategy for the benefit of older people in Russia until 2025 (2016), National Action Strategy for Women 2017-2022 (2017), Concept of State Family Policy in the Russian Federation until 2025 (2014), the Bases of the State Youth Policy of the Russian Federation until 2025 (2014), the Concept of Demographic Policy of the Russian Federation until 2025 (2007), the Concept of the State Migration Policy of the Russian Federation for 2019-2025 (2018), the National Security Strategy of the Russian Federation (2015), the Concept of Demographic Policy for the Far East until 2025 (2017).
- 67. Starting with 2019, in the framework of the Programme the following measures are taken in conformity with the Decree of the President of the Russian Federation No. 204 (7 May 2018), which determines the national development goals and strategic tasks for the period

- until 2024: retraining, advanced training of employees to promote employment within the federal project "Supporting Employment and Improving the Efficiency of the Labour Market to Ensure Productivity Growth" as a part of the National Project "Productivity and Employment Support"; organizing vocational training and additional vocational education for individuals in pre-retirement age as part of the federal project "Senior Generation" as a part of the National Project "Demography"; developing information systems in the sphere of employment.
- 68. Other measures imply the use of the information and analytical system of the All-Russian job vacancy database "Work in Russia" as a tool for exchanging information on the organized recruitment of migrant workers from the CIS countries and the Eurasian Economic Union (EAEU) within the framework of the federal project "Digital State Administration" as a part of the national project "Digital Economy of the Russian Federation"; update of the "Professions Handbook" in accordance with the resolution of the Government of the Russian Federation No. 590 of 18 May 2017; elaboration and update of professional standards within the federal project "Personnel for the Digital Economy" as a part of the national project "Digital Economy of the Russian Federation"; update of the existing professional standards and elaboration of the new ones in the field of information security.
- 69. The labour market indicators in *the Republic of Serbia* have seen positive trends in recent years there is an increase in employment in the context of increased activation and decrease in unemployment. According to data from the Statistical Office of the Republic of Serbia from the Labour Force Survey, for the first quarter of 2019 (published on 31 May 2019), the trend of improvement of basic labour market indicators in the Republic of Serbia continues.
- 70. National employment strategy 2011-2020 is an umbrella strategic document defining the development of the employment policy in the Republic of Serbia until 2020, with the aim of establishing an effective, stable and sustainable trend of employment growth and harmonizing the employment policies and the labour market institutions with the Acquis Communautaire of the European Union. In order to achieve this target, individual goals have been defined which, through the implementation of different programmes, measures and activities, should contribute to increasing employment in the Republic of Serbia.
- 71. Pursuant to the Law on Employment and Unemployment Insurance, the National Employment Action Plan (NEAP) is adopted annually, which is the basic instrument of active employment policy, by which the goals set by the Strategy become operational and the specific programmes and measures of active employment policy can be achieved. The development of the National Employment Action Plan and the definition of goals and priorities of employment policy include representatives of relevant institutions and other stakeholders within the Working Group for the Development of the National Employment Action Plan.
- 72. Taking into account the basic strategic objective of the employment policy, guidelines and recommendations of the European employment policy, the indicators of the situation and developments in the labour market of the Republic of Serbia, the current reform processes and documents as well as the results of the previously implemented activities and the findings of the evaluation, the priorities of the employment policy in 2019 have been determined: improving labour market conditions and improving labour market institutions; encouraging the employment and inclusion of hard-to-employ people in the labour market and supporting regional and local employment policy; improving the quality of the workforce and investing in human capital.

- 73. Programmes and measures of active employment policy set out in the Employment action plan are implemented by the National Employment Service, in accordance with the Law on Employment and Unemployment Insurance, the Law on Professional Rehabilitation and Employment of Persons with Disabilities and state aid regulations.
- 74. The Turkish Employment Agency (TEA) of *the Republic of Turkey* organizes vocational training courses, professional qualifications courses and recruitment of the groups that require implementation of specific policies to the labour market demands. In this context, women who participated in the vocational training courses are provided with a monthly care support for children between 2 and 5 years old and who attend a day care centre (either private or public). The state also provides a grant to disabled citizens who want to start their own business.
- 75. The Tenth Development Plan and Priorities (2014-2018) envisaged creation of labour market with decent work opportunities for all segments of the society. The quality of the labour force was raised and used effectively, gender equality and occupational health and safety conditions were improved. During the period of the Tenth Development Plan, a total of 4 million new jobs were created and the annual average employment increased by 2.9 percent. On the other hand, "Priority Transformation Programs" have been designed to address critical reform areas for achieving the objectives of the Tenth Development Plan, which provide solutions to fundamental structural problems and effective coordination and responsibility between institutions.
- 76. Within the scope of "Activating the Active Labour Programs" component, monitoring actions for provincial level programs are envisaged across 81 provinces, through the establishment of a monitoring and assessment system, in respect of the Active Labour Programs. The scope of "Strengthening the Social Assistance Employment Connection" component covers strengthening the cooperation between the social welfare system and the system of Turkish Employment Agency (TEA). Within the scope of the "Development of Basic Skills of Young Labour Force" component is envisaged restructuring the Public Education Centres and the vocational training centres as lifelong learning centres, through ensuring that the employment and vocational consultants in TEA reach all high school and university graduates and that these high school and university graduates benefit from skill trainings to be organized by the TEA, also increasing the basic skills training activities provided in these centres, in terms of both quantity and quality.
- 77. The National Employment Strategy (2014-2023) (NES), which has been prepared in order to solve the structural problems in the labour market and to provide permanent solutions to the unemployment problem, by increasing the contribution of growth to employment, at medium and long term. The main objectives of the strategy have been determined as follows: the unemployment rate will be reduced to 5%, as of 2023; the employment rate will be increased to 55%, as of 2023.
- 78. NES is based on the following main policy axes: Strengthening the Education-Employment Relationship; Ensuring Assurance and Flexibility in the Labour Market; Increasing the Employment of Groups that Require Implementation of Special Policies; Strengthening the Employment-Social Protection Relationship, including the sectors with high growth potential or sectors where the employment flexibility of growth is high, e.g. IT, Finance, Construction, Health, Agriculture, Textile and Apparel and Tourism sectors.

III. INTERNATIONAL FRAMEWORK AND EXPERIENCE

Global level

79. Social security and protection, as a basic human right, is enshrined in major international instruments, such as: The Universal Declaration of Human Rights (1948); The International Covenant on Economic, Social and Cultural Rights (1966); The Declaration of Philadelphia (1944) and Conclusions concerning social security (adopted by the International Labour Conference, 89th session, 2001)

United Nations - International Labour Organization

- 80. The International Labour Organization (ILO) is devoted to promoting social justice and internationally recognized human and labour rights, pursuing its founding mission that social justice is essential to universal and lasting peace. The ILO brings together governments, employers and workers representatives of 187 member States, to set labour standards, develop policies and devise programmes promoting decent work for all women and men.
- 81. Today, the ILO's Decent Work agenda helps advance the economic and working conditions that give all workers, employers and governments a stake in lasting peace, prosperity and progress. Work in this area includes four strategic objectives, namely:
 - Set and promote the standards and fundamental principles and rights at work;
 - Create greater opportunities for women and men to decent employment and income;
 - Enhance the coverage and effectiveness of social protection for all;
 - Strengthen the tripartism and social dialogue.
- 82. The ILO standards on employment policy provide a framework for designing and implementing such policies, needed to provide a decent work, thereby ensuring maximum access to the jobs.
 - The Employment Policy Convention, 1964 (No. 122) requires the ratifying States to declare and pursue an active policy designed to promote full, productive and freely chosen employment. Such a policy shall aim to ensure that there are labour opportunities for the job-seekers, which are adequate enough and that the individuals are given the freedom of employment choice. All the BSEC Member States have ratified the Convention.

Council of Europe

- 83. The European Social Charter is a Council of Europe treaty that guarantees fundamental social and economic rights as a counterpart to the European Convention on Human Rights, which refers to civil and political rights. It guarantees a broad range of everyday human rights related to employment, housing, health, education, social protection and welfare.
- 84. The Charter lays specific emphasis on the protection of vulnerable persons such as elderly people, children, people with disabilities and migrants. It requires that enjoyment of the above-mentioned rights be guaranteed without discrimination.
- 85. No other legal instrument at pan-European level can provide such an extensive and complete protection of social rights as that provided by the Charter, which also serves as a point of reference in the European Union law; most of the social rights in the EU Charter of Fundamental Rights are based on the relevant articles of the Charter.

The European Union

86. The European Employment strategy (EES) dates back to 1997, when the EU Member States undertook to establish a set of common objectives and targets for the employment policy. Its main aim is the creation of more and better jobs throughout the EU. It now constitutes part

- of the Europe 2020 growth strategy and it is implemented through the European semester, an annual process promoting close policy coordination among EU Member States and EU Institutions.
- 87. In particular, the implementation of the EES includes the enactment of Employment guidelines, which are the common priorities and targets for the employment policies proposed by the Commission, agreed by national governments and adopted by the EU Council. The National Reform Programmes (NRPs) are submitted by national governments and analysed by the Commission, for compliance with Europe 2020. Based on the assessment of the NRPs, the Commission publishes a series of Country reports, analysing the Member States' economic policies and issuing Country-specific recommendations.
- 88. The Eastern Partnership (EaP) is a joint policy initiative which aims at deepening and strengthening the relations between the EU, its Member States and the following BSEC Member States: Armenia, Azerbaijan, Georgia, Moldova and Ukraine. In the framework of its social dimension, it covers in particular, the socio-economic development, the employment, the social policy and structural reforms. In this context, the EU encourages the partner governments' efforts aiming at reducing poverty, creating employment, promoting core labour standards and social dialogue, reducing regional disparities, improving working conditions, enhancing the effectiveness of social assistance and reforming social welfare systems. Progress made in the ENP framework is reflected in the relevant country reports.
- 89. The European Training Foundation (ETF) is a European Union Agency that helps the transition of the developing countries, harness the potential of their human capital through the reform of education, training and labour market systems, in the context of the EU's external relations policy with the aim to provide assistance to policymakers and practitioners, in their efforts to improve their systems of matching supply and demand for skills. The ETF carries on the following activities: Analysing, reporting and intervening in the employment and skills sector of the European Commission and its services; Supporting legislation on vocational education and training; Matching skills training to the labour market and introducing work-based learning schemes; Developing continuous professional development of teachers and trainers; Involving key national stakeholders in the work of the ETF.

<u>The Interparliamentary Assembly of Member Nations of the Commonwealth of Independent States (IPA CIS)</u>

- 90. Activities under the auspices of the IPA CIS Permanent Commission on Social Policy and Human Rights are systematic and comprehensive. So, in 1996, a series of international scientific and practical seminars took place on "Social and Labour Monitoring in the CIS Member States"; and the second international scientific and practical seminar on "Social and labour monitoring in the CIS member states" (1997).
- 91. These events serve as the basis for the development of methods of social and labour monitoring, which assessed the state of labour resources and the situation in the social sphere in the CIS countries, and tackle the whole range of issues covering the regulation of labour relations. The Commission recommended that the Assembly adopt the model laws "On Employment", "On Labour Protection", "On Labour Protection Services", "Migration of Labour Resources in the CIS Countries", etc. The Model Law "On Employment" was adopted in 1999 at the thirteenth plenary session of the IPA CIS.
- 92. In November 2015, the model agreements "On the organized recruitment of citizens for temporary work in the CIS" and "On information interaction in the field of migration" were adopted and sent to the Council of Heads of Migration Authorities of the CIS Member States and the Executive Committee of the CIS. The Commonwealth states use model

agreements in the development of bilateral or multilateral interstate agreements. In 2016, the perspective plan for model law-making in the Commonwealth of Independent States for 2016–2020 included the issue of preparing a model Labour Code for the CIS Member States.

IV. CONCLUSIONS

- 93. In order to facilitate the role of the state in the field of unemployment and employment, it is necessary for the BSEC Member States to begin intensive exchange of information and best practices. It is important to make the national employment and training policy frameworks more adaptable to the local labour market conditions. The local public employment services and training organizations need to influence the strategic orientations in the implementations of the programmes. While it is important for local institutions to develop skills that are in demand within the local economies, individuals need a broad set of generic skills to be adaptable to changing labour demands.
- 94. The parliaments and the governments of the BSEC Member States can promote employment policies to facilitate job creation by securing a better match between the demand and the supply of work, giving priority to creating an adaptable labour force that is able to innovate, progress, and transfer between sectors, hence building local resilience. The policies and programmes aim at eliminating any discrimination, ensuring for all workers equal opportunities and treatment, regarding the access to employment, the conditions of employment, the wages and income, the vocational guidance and training and the career development.
- 95. The role of the state may be increased in eliminating barriers to the employment of minorities, women, youth and elderly workers, by improving work regulations. This must facilitate flexible work arrangements and strengthen active labour market programmes that address the specific obstacles faced by these groups. The state initiates social reforms, which include flexible training, education and employment services, in order to respond to the skills gaps that may act as barriers in reducing unemployment rate.
- 96. The state should support professional counselling and policies providing comprehensive labour market information systems, including data on available vacancies and the required skills. A well-developed system of labour market information at the national level will support the continuous improvement of labour market policies and programmes. The governments should stimulate productivity and innovation by working with employers and trade unions to better utilise the skills of the existing workforce. They should support investments in social employment agencies and institutions, which will strengthen the networks and enhance data exchange.
- 97. The important task of the national parliaments is to initiate reforms in order to improve the business environment and support the SMEs though the provision of different policy measures, such as: providing appropriate business climate and start up financing, which, in return, will facilitate job creation and economic growth.
- 98. The employment agencies have to identify the vacancies with the employers and to make them available to the unemployed. In order to implement employment stimulation measures, the employment agencies have the obligation to draw up an individual job-matching plan for every job-seeker. The employment agencies should work in close cooperation with the Ministry of education, aiming to increase and diversify the professional skills, in order to ensure the persons' reintegration on the labour market, and their initiation in the qualification, requalification, improvement and specialisation.

- 99. The facilitation of job creation has become a global priority. The decreasing tendency of the unemployment rate of the BSEC Region is a positive sign, showing that the implemented social policies and strategies lead to sustainable employment and economic growth. However, the average level still remains higher than the global one. It is necessary the BSEC Member States to provide appropriate legislative framework to tackle the problem by taking measures to promote, create and maintain decent and productive jobs. Main barriers, which the BSEC member States face are related to the mismatch between the labour demand and supply, inadequate qualification of the human resources, due to the technological progress, insufficient matching between the private sector and the job seekers, poor working conditions, discrimination of vulnerable groups, etc.
- 100. Unemployment level determines the living standards of the population. Unfortunately, compared with the pace of scientific and technological progress, processes of ensuring economic security and increasing the equal opportunities and material well-being are rather slow. The structural changes in the economic sphere, reduction, first of all, of manual workers, reduction in the number of people employed in certain industrial sectors, increase in labour productivity leads to the decrease in the number of employees and strengthens differentiation of the society. People are forced to accept the unsatisfactory working conditions, or to seek jobs in other countries.
- 101. That is why the employment policies need to be complemented with other reforms related to macroeconomic stability, private sector development, the education system, social protection, etc. To this end, the cooperation at regional level is of vital importance especially in the field of the exchange of information and experience aiming at reducing the number of foreign citizens illegally engaged in labour activities and preventing increased tensions at the labour markets. Discussions on topical socio-economic problems in the framework of the BSEC and the PABSEC on a regular basis will help accelerate the pace of economic growth and achieve the objectives of the economic cooperation in the BSEC region.