



Strasbourg, 18 October 2005

THE BUCHAREST PROCESS:

COOPERATION ON EMPLOYMENT IN SOUTH EAST EUROPE

**FINAL REPORT OF THE 4TH MEETING OF THE
PERMAMENT HIGH LEVEL COMMITTEE**

BUDAPEST, 22-24 SEPTEMBER

HOTEL NH

The 4th session of the PHLC mainly had the task

- to discuss the CREP of Moldova and Serbia and to hear the peer reviews on national employment reports on Albania, Bosnia and Herzegovina, Montenegro and Belgium and
- to adopt draft documents for the forthcoming 2nd Conference of Employment Ministers.

OPENING OF THE MEETING

Mr. François VANDAMME, General Counsellor from the Federal Public Service for Employment, Labour and Social Dialogue of Belgium, who acted as Chair, opened the meeting. He welcomed the participants and thanked the organisers - ILO and CoE - for making this meeting possible. He also expressed the satisfaction of the Government of Belgium on the functioning of the process. He stressed that the second round of CREP and peer reviews on the basis of the bilateral cooperation would be the key elements of the meeting. He then underlined the importance of the approaching Sofia Ministerial Conference, which will take place in October 2005.

Ms. Petra ULSHOEFER, Director of the ILO Budapest Sub-Regional Office for Central and Eastern Europe, which hosted the meeting, welcomed the participants. She recalled that the Country Reports on Employment Policies have been prepared for four countries (Croatia, Albania, Moldova and Serbia). She thanked the representatives of Bulgaria and Romania for their active role in the process. She also welcomed the participants from “the former Yugoslav Republic of Macedonia”, who were attending a PHLC meeting for the second time. She expressed her satisfaction on the good cooperation between the ILO and the CoE. In her view, after a full cycle of CREP and National Tripartite conferences, the process brought closer the ministries and the Public Employment Services in the region. She also put the emphasis on the importance of creating a network of decision-makers in the field of employment and underlined that the role of the social partners. The gender dimension should also be taken into account in an appropriate way. She added that the work which is already accomplished has prepared the countries for the attainment of the ILO and CoE standards and for the adoption of the principles of the European Employment Strategy in South Eastern Europe.

Mr. John MURRAY, Head of the Social Policy Department in the Council of Europe, underlined that the Bucharest Process is part of the strategy for social cohesion of the CoE as it makes the right to access to employment a central issue. He stressed also that this process is based on the mutual responsibility of all partners. The participants must express their ideas and wishes on how this process should evolve.

The members approved the agenda (see Appendix II) as well as the minutes of the 3rd HPLC of the meeting.

I. COUNTRY REVIEWS OF EMPLOYMENT POLICIES

Mr. Werner SENGENBERGER, consultant and employment specialist, moderated the session devoted to the Country Review on Employment Policy and peer review exercises. He emphasised the importance of both CREP done by the Council of Europe and the ILO as well as peer reviews, which were meant to give an outside view of the countries' employment strategy. The whole process was based on trust and the main objective consisted in finding more coherence in policies. He gave an overview of the challenges which the countries were facing and insisted on the need to have a constructive international cooperation. He also stressed the essential role of the social partners. The full text of Mr. Sengenberger's presentation is attached as Appendix III.

During the first part of this session, the employment policy of the Republic of Moldova was analysed. **Ms. Nina TURCAN** (Director of the National Employment Agency of the Republic of Moldova) first gave a detailed overview of the employment policy in the Republic of Moldova and of the work of the National Employment Agency (Appendix IV). The ILO and the CoE (**Ms. Mariangels FORTUNY** and **Mr. Corentin DUSSART**) then presented the main recommendations contained in the CREP of Moldova (Appendix V) :

In the ensuing discussion the participants stressed a number of points:

- It is necessary to improve the institutional capacity of the NEA and of other administration units and to increase the trust of jobseekers in the NEA.
- Moldova was commended for a substantial share of the Government's resources allocated to active labour market policies.
- Some participants suggested that the recommendations in the CREP's should be prioritised.
- Some considered that the findings of the reports should be put in the context of the general economic environment of the country.
- It was stressed that an adequate transportation system is important in ensuring smooth access to the labour market.
- Privatisation of the training services was recommended by some of the participants.

Ms. Frédérique RYCHENER stressed the need to ensure a more balanced analysis of labour market and employment policies challenges. Whilst promoting gender equality is a key issue, also with regards to EU policies, in this case, there was a risk of giving a wrong emphasis to the issue. This could diminish the efforts made to encourage existing policies and projects related to gender issues.

Mr. Werner SENGENBERGER concluded by summarising some important challenges that the Republic of Moldova faced. He underlined the importance of diversification of the economy and tackling of issues related to emigration.

Ms. Nina TURCAN thanked the participants for their comments. In her view, one of the most important employment issues faced by Moldova was the particularly high unemployment rate of young persons, which may be partially due to inadequate training. She pointed out that the male and female unemployment rates were comparable. Moldova

would present the recommendations at a tripartite conference and would seek to implement the recommendations contained in the CREPAs far as possible.

The second part of this session was devoted to the Serbian employment policy which was presented by **Mr. Dragan DJUKIC** from the National Employment Service of Serbia (Appendix VI). It was followed by the presentation of the main recommendations made by the ILO-CoE team (**Mr. Deniz SERTCAN** and **Mr. Tomas VENCKEVICIUS**). (Appendix VII).

In the discussion of these presentations, the following points were raised:

- Serbia has to design its economic policies so as to attract more domestic and foreign investment, which would facilitate economic growth and help to bring the unemployment down.
- The importance of coordinated advice from the international institutions was stressed.
- Active labour market policies were considered essential for raising the employability.
- The Serbian employment agency should strengthen its cooperation with other ministries (especially with the Ministry of Finance).
- The importance of the coordination of macroeconomic policies and employment policies was stressed.
- Some participants considered that real wage growth was not necessarily the cause of unemployment, since the wages in Serbia increased from a very low level.
- It was pointed out that the revised Lisbon Strategy of the European Union promotes macroeconomic integration and the participating countries were encouraged to act accordingly.

The Serbian delegation thanked the participants and the ILO-CoE team for their recommendations. They agreed that the investment climate should be improved in order to reduce unemployment, both official and hidden. In addition to high unemployment the level of social protection was very low. An unbalanced development of regions was another concern. The recommendations would be taken into account.

Ms. Radmila KATIC-BUKUMIRIC, Assistant Minister for Employment, informed the PHLC that a round table with the social partners would take place in mid October, at which she would report the results of this meeting. She added that these recommendations would be taken into account when preparing the National Action Plan for the next two years.

Ms. Nina TURCAN also informed the PHLC about the future international cooperation activities related to the employment policy, in particular a seminar organised with the help of the social partners in Romania and cooperation with Belgium in labour market development. She mentioned the lack of personnel of the NEA as an obstacle to implement active labour market policies.

II. PEER REVIEWS OF EMPLOYMENT POLICIES

The second peer review exercise started with a presentation made by Albania on the follow up of the first round of CREP (see Appendix VIII). **Mr. Neshat ZENELI** from the National Employment Service of Albania stressed that the recommendations can only be implemented gradually, since some of them can be put into practice right away, and some require substantial effort and time. Some projects have already been implemented, for example the staff of the National Employment Agency has been trained with the help of the Swedish government. The cooperation between the different ministries and with the social partners has been strengthened. Unfortunately, there is a lack of funds to further disseminate the training.

In the discussion that followed, **Mr. Petru BLANARIU, Director of International Relations** of the National Agency for Employment of Romania, offered to share Romania's experience with Albania in order to strengthen the capacity of the National Employment Agency. He also stressed the importance of the trust relationship with the employers, of retaining qualified staff and anticipation of future needs of the labour market.

Ms. Zrinka BLAZEVIC, Director General of the Croatian Employment Service, explained that the CREP was very useful for Croatia in preparation of becoming an applicant country to the European Union. The CREP exercise helped Croatia prepare for the JAP process. Furthermore, the recommendations have been taken into account in the design of the employment strategy. Despite some difficulties, the cooperation with the social partners has been improved. She considered that the main objectives for Croatia were to reform the social and health insurance system, to continue with privatisation and to achieve macroeconomic and financial stability, which would help to reduce unemployment. She stressed the continuing interest of Croatia in the "Bucharest process".

As a part of a peer review exercise, the representative of Romania, **Mr. BLANARIU**, made a review of the employment policy of Bosnia and Herzegovina (see Appendix IX). He presented the situation of the labour market and employment policies and made a number of recommendations on how these policies and the functioning of the National Employment Agency may be improved.

Mr. Huso SARIC (Director of the Labour and Employment Agency of Bosnia and Herzegovina) thanked the Romanian delegation and invited the ILO and CoE to prepare a full Country Employment Policy Review in 2006.

The representative of Bulgaria **Ms. DIMITROVA**, Director for Labour Market Policy, reviewed the employment policy of Montenegro, stressing in particular the issues related to long-term unemployment, undeclared employment, and unemployment of disadvantaged groups (see Appendix X). She suggested that Bulgaria may provide technical assistance in elaboration/implementation and evaluation of the active labour market policies and institutional strengthening of the employment system.

Mr. Branimir BOJANIC (General Manager of the Employment Agency of Montenegro) indicated that the revised report provided updated figures on the labour market of Montenegro.

The peer review on the Belgian employment policy was presented by **Mr. Darko ORACIC** (Croatian Employment Service), who reviewed the situation of the labour market and pointed out specific issues, such as the high rate of unemployment of the older workforce and the need for wage moderation in the long run (see Appendix XI).

Mr. Tom BEVERS from the Belgian delegation considered that most of the labour market issues in Belgium were related to the demographic situation and early retirement. Belgium considers the reduction of social security contributions by employers as a way of stimulating job creation. A persistent problem was that an insufficient number of jobs were created during an economic upturn, while jobs are lost during the recessions. He also noted that the Belgian Government tried to increase labour mobility in order to reduce regional imbalances.

Mr. Werner SENGERBERGER welcomed the spirit of cooperation established in the “Bucharest process”, where one of the founding members of the EU has been reviewed by an applicant country. He considered that in the EU most of the unemployment is involuntary, since there is strong responsiveness of employment to the economic cycle. Thus it is questionable if the welfare state caused unemployment. A high level of labour protection made the average length of employment longer and induced investments in human capital. He considered that the older workers need to be brought into employment.

Mr. Dusko BUZAROVSKI (Ministry of Labour and Social Policy of “the Former Yugoslav Republic of Macedonia”) gave an overview of the employment situation in “the former Yugoslav Republic of Macedonia”. He also expressed the wish of his ministry to be more involved in the Bucharest Process in the future.

Mr. Francois VANDAMME invited the participants to consider a number of points:

- Which countries would volunteer to be reviewed next by a CREP exercise?
- Should the terms of reference of the CREP be clarified or modified?
- Is there a need for separate meetings of participants from public employment agencies and central administration?
- How to identify better the domains of assistance?
- What kind of information is needed from the Secretariat of the Stability Pact?
- Which countries would like to engage in further bilateral cooperation next year?
- What kind of messages the ministers would like to pass in the Sofia conclusions?
- Which topics would be of interest to be discussed at a thematic conference in 2006 for the countries of the region? Possible topics could be the activation of vulnerable groups, restructuring of the economy or reintegration of women in the labour market. The Belgian Government is ready to provide funding for this event.

III. GENDER AND BEST PRACTICES

Mr. John MURRAY, chaired the session dedicated to the presentation of the ILO Gender Equality Project and the good practices of cooperation in designing, implementing and monitoring employment policies.

ILO PROJECT ON GENDER MAINSTREAMING IN THE CREP

Ms Eva FODOR, project manager, made a presentation of the above project, which works on funds from the Belgian Federal Government (see Appendix XII). In particular, she pointed out the objectives of the project and explained the importance of including gender equality concerns in the employment strategies.

In the ensuing discussion some participants stressed that gender equality policies should take into consideration both men's and women's specific needs, and underlined the necessity of gender mainstreaming.

Mr. Petru BLANARIU from Romania proposed to organise a conference or seminar on best practices in the field of gender equality, possibly with the involvement of the European Commission, since all countries of the Stability Pact were facing similar problems of insufficient compliance with the principle of equality of opportunities and non-discrimination.

GOOD PRACTICE OF COOPERATION IN DESIGNING, IMPLEMENTING AND MONITORING EMPLOYMENT POLICIES

Following the suggestion of Romania at a previous meeting, **Mr. Joze GLAZER**, former Director General of the Slovenian Employment Service, made a presentation on good practices of cooperation on employment issues on the basis of the Austrian, Irish, Danish and Slovenian experience (see Appendix XIII). The presentation focussed on the cooperation between ministries, regional authorities and social partners.

In the ensuing discussion the participants noted that:

- well-established social dialogue does not always contribute to reducing unemployment;
- the budget austerity and monetary rigidity as advocated by some international organisations, such as the World Bank and the International Monetary Fund, does not necessarily result in lower unemployment. Social dialogue can help to draw the attention of the international financial institutions to the social implications of their policies;

The reports on national employment strategies to be provided by the countries in the frame of the "Bucharest Process" enhance social dialogue on employment-related issues.

IV. PREPARATIONS FOR THE 2ND MINISTERIAL CONFERENCE IN SOFIA

The Bulgarian delegation informed the participants about the preparation of the 2nd Ministerial conference. **Ms Assia TCHOLASHKA** stressed that the Ministers or their representatives should not leave the conference before the signature of the Sofia

conclusions. She also emphasised that the Ministers should respond to the invitation as soon as possible. So far, only a few replies had been received.

The registration would start on Thursday 20th October evening. A visit to the National Historical Museum would be organised just after the conference on Friday 21st October. There would be a possibility for the Council of Europe Development Bank to briefly present its activities in the region. The Bulgarian authorities would very much appreciate the participation of Commissioner Spidla in the conference (not yet confirmed).

The Committee then discussed the agenda and the draft briefing note for Ministers. It was agreed that the final text of these two documents will be decided by the Bulgarian authorities, who host the conference.

The Committee then discussed in detail the Activity Report and the Draft Sofia Conclusions. The revised text of these two documents is appended as Appendices XIV and XV.

It was agreed that the revised version of these documents would be circulated to the members after the meeting. The members of the committee were invited to submit the documents to their ministers and to send any comments by 14th of October. The final version of the documents would be send to the Ministers on the 18th of October.

V. PREPARATION OF FURTHER ACTIVITIES

Ms. Petra ULSHOEFFER chaired this part of the meeting.

It was decided to postpone the PowerPoint presentation “The Bucharest Process”, prepared by Mr. Corentin Dussart from the Belgian delegation, to a later meeting.

Ms. Frosina GEORGIEVSKA-SCHENKER, Office of the Stability Pact for South Eastern Europe, informed the participants on the preparations for the 10th session of the Stability Pact/Initiative for Social Cohesion (Vienna, December 2005). She stressed that this meeting will be an occasion to present the Bucharest Process in general and the conclusions of the Sofia Ministerial Meeting in particular. A number of members of this committee would be invited to take part in this meeting.

The Representatives of “the Former Yugoslav Republic of Macedonia” emphasised their interest in the “Bucharest Process” and offered to host the 5th meeting of the PHLC. They also expressed interest of their country in preparing a full Country Report on Employment Policies.

Ms. Petra ULSHOEFFER welcomed these initiatives by “the Former Yugoslav Republic of Macedonia”. She stressed the importance of carrying out the CREP process in the three countries, which expressed their interest (Montenegro, Bosnia and Herzegovina and “the Former Yugoslav Republic of Macedonia”) and suggested to explore the possibility of carrying out all these activities in the next year (2006). She also

recalled that the next steps concerning the CREP's for Moldova and Serbia would be tripartite national conferences.

She suggested a careful approach to any amendment of the terms of reference of the CREP in order not to cause discontinuity and lack of comparability of the future and the previous reports. She also invited the participants of the process to make proposals for bilateral cooperation and to inform the CREP organisation team. She encouraged participants to look at the key issues of all the CREP recommendations so far. These key issues common for all the countries could constitute the basis for a thematic conference as suggested by Mr. Francois Vandamme.

Finally, she stressed the importance of publishing the CREP reports. The reports for Albania and Croatia were ready for publication, while the reports for Serbia and Moldova still had to be approved by their respective constituents in tripartite conferences.

Mr. Francois VANDAMME proposed to consider a next meeting of the PHLC at the end of 2005 or in early 2006. He encouraged the bilateral cooperation, which might be supported by funding from international donors.

Ms. Frosina GEORGIEVSKA noted that there is a certain donor fatigue in financing international travel and lodging. She emphasised the importance of regional ownership of this process.

Ms. Petra ULSHOEFFER suggested to hold the next meeting in the first half of 2006, since some time would be needed after the conference in Sofia to prepare the follow-up.

Mr. Franz GUNDACKER, Senior Adviser on employment at the ILO Sub Regional Office for Central and Eastern Europe in Budapest, informed the committee that before the end of the year there would be an informal meeting of participants from the ILO, Council of Europe, Stability Pact and the Belgian Government in order to prepare further steps. The suggested date is 8th or 9th December, the suggested place Strasbourg (may now be Brussels).

Ms. Petra ULSHOEFFER thanked all the participants for their active involvement and closed the meeting.

APPENDIX I

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APPENDIX II

DRAFT ANNOTATED AGENDA

Wednesday 21 September 2005

Arrival of participants at NH Hotel Budapest, Vigszinhas utca 3

The hotel is located close to Nyugati railway station (M3) and Margit bridge. Nearest tram stops are at Nyugati station (4,6) and at Jaszai Mari ter (2,4,6).

Participants will receive per-diems in cash upon arrival and will cover accommodation and meals on their own.

Thursday 22 September 2005:

Whole day foreseen for the discussion of CREP and peer-reviews. Registration desk will be open 8.00-9.00 to hand out document folder and headphones to participants. Simultaneous interpretation will be offered from English into Serbo-Croatian and Romanian language and v.v.

Chair: Belgian Federal Public Service for Employment, Labour and Social Dialogue

9.00 **Opening** of the meeting by **Mr. François Vandamme**, General Advisor, Federal Public Service for Employment, Labour and Social Dialogue, Belgium

Welcome address by **Ms. Petra Ulshoefer**, Director, ILO Sub-Regional Office Budapest, and by **Mr. John Murray**, Head of the Social Policy Department Mr. John MURRAY?

Adoption of the agenda of the 4th session of the PHLC

Adoption of the minutes of the 3rd session of the PHLC (Sarajevo)

Introduction to and further moderation of the peer review process by **Mr. Werner Sengenberger**

9.30 **Country Review of the Employment Policy of Moldova**

Representatives from Moldova will give an overview on the economic and labour market situation as well as on employment policy. ILO and CoE will review these policies, followed by the moderator's views. Then the floor will be open.

11.00 Coffee break

Coffee, drinks and biscuits will be offered free of charge.

11.30 Country Review of the Employment Policy of Serbia

Representatives from Serbia will give an overview on the economic and labour market situation as well as on employment policy. ILO and CoE will review these policies, followed by the moderator's views. Then the floor will be open.

13.00 Lunch break

Participants will be invited to take lunch at the NH Hotel at their own expense or to make their own arrangements.

14.00 Peer-reviews of employment policies

- **Albania** and **Croatia** will be invited to report on the implementation of the recommendations received in Strasbourg during the 2nd session of the PHLC, Romania is ready to comment on the Albanian report
- **Romania** will review **Bosnia and Herzegovina**,
- **Croatia** will review the **Belgian National Action Plan**
- **Albania**, together with **Bulgaria**, will review **Montenegro**

There is wide agreement that peer reviews should not comment on reports already submitted to and discussed during the 3rd session of the PHLC, but only comment

- *on national employment reports submitted for the first time, or*
- *on (compared to the 3rd PHLC session) the new parts of largely updated reports, or*
- *on the implementation of comments and recommendations discussed during the 3rd session of the PHLC*

15.30 Coffee break (exact timing may be adjusted to the course of discussions)

Coffee, drinks and biscuits will be offered free of charge.

19.00 Reception

Participants will be invited to a reception in the lobby outside the conference room at the NH Hotel

20.00 Meeting of the Sofia Conference Preparatory Team in the Conference Room

(applies to delegations from BG, ILO, CoE, Belgian FPS and Stability Pact only)

Friday, 23 September 2005:

In general, the day is devoted to preparatory work for the 2nd Conference of Ministers in Sofia, October 21st, and to two other CREP-related items as mandated during the 3rd PHLC session.

Chair: Council of Europe

- 9.00 Presentation of the **ILO Gender Equality Project** by **Ms. Eva Fodor**, project coordinator, Central European University, Budapest

The project "Promoting equal opportunities for women and men in the Country Employment Reviews of Stability Pact countries" provides support, with the financial assistance of the Government of Belgium, to the Bucharest process. This project reinforces on-going ILO technical assistance by ensuring that the CREs promote equal opportunities for women and men in employment and pay, in the light of the European Employment Strategy's (EES) objectives and guidelines, the ILO Global Employment Agenda and of ILO Conventions Nos. 111 and 100.

Ms Fodor will give an overview of the scope and activities of the project. Then she will review, in a comparative manner using the four existing CREP, how gender equality policies and gender mainstreaming has strengthened, and can further promote, labour market outcome and overall economic growth in South East Europe.

- 10.30 Coffee break

Coffee, drinks and biscuits will be offered free of charge.

- 11.00 Presentation of a **Cooperation in designing, implementing and monitoring employment policies. Good practice in Austria, Ireland, Denmark and Slovenia** by Jose Glazer, former DG of the Employment Service of Slovenia

Following a suggestion made by Romania during the 3rd session of the PHLC, which was supported by the Federal Public Service for Employment, Labour and Social Dialogue of Belgium, Mr. Glazer has prepared a comparative analysis of existing well-functioning coordination mechanisms of employment strategies in some EU and South East European countries.

- 12.30 Lunch break

Participants will be invited to take lunch at the NH Hotel at their own expense or to make their own arrangements.

Chair: Initiative for Social Cohesion

- 14.00 **Preparations for the 2nd Ministerial Meeting in Sofia**

Report by the **Bulgarian representatives** at the PHLC on the state of preparations and on issues to be discussed and decided

Further information on organizational issues by **Mr. François Vandamme**, General Advisor, Federal Public Service for Employment, Labour and Social Dialogue, Belgium, and, if needed, by the **Sofia preparatory team** (C. Dussart, F. Georgievskia, F. Gundacker, T. Venckevicius)

Presentation of a the **(Draft) Agenda for the Sofia Ministerial Conference**
Discussion and approval by the PHLC

Presentation of a the **(Draft) Activity Report 2003-2005**
Discussion and approval by the PHLC

Presentation of a the **(Draft) Briefing Note for Ministers**
Discussion and approval by the PHLC

15.30 Coffee break (*exact timing may be adjusted to the course of discussions*)
Coffee, drinks and biscuits will be offered free of charge.

Presentation of a revised draft version of the “**Sofia Conclusions**”
Discussion and approval by the PHLC

18.00 End of session, free evening

Saturday 24 September 2005:

*Should there be a need to continue discussing preparations for the Sofia Ministerial Conference, the remaining items of Friday will be discussed as the first on Saturday morning with the other items following in the order foreseen. **In that case, the work session will be resumed by 8.30 already.***

Participants who do not stay in the NH hotel may wish to check out from their hotel before going to the NH Hotel. If they wish so, they may store their luggage in the NH hotel.

Chair: ILO

9.00 Presentation of the draft PowerPoint presentation “**The Bucharest Process**” by Mr. **Corentin Dussart**, Counsellor, Federal Public Service for Employment, Labour and Social Dialogue, Belgium

Presentation of the “**Website of the Bucharest Process**” (to be confirmed)

10.00 Break
Participants may wish to check out from the NH hotel.

10.30 Debate on preparations for the **10th session of the Stability Pact/Initiative for Social Cohesion** (Vienna, December 2005), with particular reference to the Bucharest Process in general and the conclusions of the Sofia Ministerial Meeting in particular

- Debate on preparing the date, venue and agenda for the forthcoming **5th meeting of the PHLC**, with particular reference to the aspects of implementation of the conclusions of the Sofia Ministerial Meeting
- **Other business**

11.30 Closure of the 4th PHLC session.

12.00 Deadline for latest check- out from NH Hotel.

APPENDIX III

Introduction to the Peer Review Process

(Statement by W. SENGENBERGER at the beginning of Session 2)

1. I will introduce the peer reviews, and in addition I will say a few words on the approach of the country reviews of employment policy (CREPs);

Peer reviews and CREPS have in common that

- the employment and labour market policies that are in place in a country are put to scrutiny jointly by national policy makers and foreign experts.
- The difference between the two instruments is that

in the case of the CREPs, the foreign evaluation comes primarily from international organizations (ILO, Council of Europe, European Commission),

whereas in the case of peer reviews, the evaluation is primarily done by other countries, usually in the same region.

No matter which method is used the common objective of the review is to get an outside perspective on one's own performance, and to bring to bear the available international wisdom in the employment field – primarily through tried and tested policies and good practices.

So, the basic idea of this exchange is to learn together in an international network; and attaining greater coherence and a common direction in social policy for the sake of economic convergence and social cohesion, both within and across our countries. Both are foremost goals of the European Union which have also been endorsed by the countries of the South-East European Stability Pact.

As emphasized by Mr. Vandamme, essential ingredients for successful reviews are “trust” and the readiness for “mutual service”.

CREPs and Peer reviews do not exclude each other; they may be complementary instruments; So, for example, it in the report of Serbia, it is explicitly stated that the CREP report serves as a basis for a (subsequent) peer review with other countries of the Stability Pact.

2. I will not go into operational details. You have received information on how to conduct the CREPs and outlines for the national reports;
3. I will rather make some comments about the basic rationale for these exercises and the benefits that can be drawn from the reviews.
4. Being convinced that employment is of central and critical importance for any country's economic and social development

- The ILO started to review employment policies in member countries already in the 1970s – as part of its World Employment Programme;
- In view of rising unemployment in most countries of the world in the 1980s and 1990s, the international community made a new commitment to full, productive and freely chosen employment and sustainable livelihoods at the World Summit for Social Development in Copenhagen in 1995. A Task Force of UN organizations, the WB and the IMF was set up, with the ILO as its coordinator. So- called *comprehensive country employment policy reviews (CEPRs)* were conducted in various regions of the world, including in Hungary.

5. In the course of the 1990s, the fight against unemployment became a top priority in the European Union. It was understood that in order to raise the level of employment and reduce joblessness, a coherent policy framework was needed, including macro-economic policies to raise the demand for labour, labour market policies (to match supply and demand) and industrial policies geared to promote economic sectors in which a country has competitive advantages; moreover, it was agreed that in view of increasing globalization, countries needed common policies and policy coordination in order to avoid destructive competition, and to foster constructive competition, in the common market.

So, today the EU has

- A centralized monetary policy whose function has been assigned to the European Central bank;
- Targets for common fiscal policies;
- and a common employment strategy including guidelines on employability, entrepreneurship, flexibility and security; and equal opportunities for men and women.

The EU Employment Strategy includes a number of employment targets, such as:

1. Attaining by the year 2010 an aggregate employment rate of 70 per cent, a rate of 60 per cent for women, and a rate of 50 per cent for workers of age 55-64;
2. unemployed youth should be given a job or a training slot no later than 6 months, and adult workers no later than 12 months, of being without work;
3. 85 per cent of the 22 years old workers should have completed secondary education by the year 2010, and by the same year, the proportion of adult workers that are engaged in occupational training at any point in time, should reach an average of 12,5 per cent.

Now: How can the EU ensure that such employment policy guidelines are complied with in each member state although these targets are not in a strict sense legally binding but are a sort of “soft law”?

In fact, they are binding for each member state in terms of the result to be achieved, but it is left to the national authorities to choose the form and method for attaining the targets.

Hence, following the Luxembourg process for the implementation of the EU employment strategy, a so-called *method of ‘open coordination’* has been adopted for reaching goal attainment. It combines elements of central governance with decentral implementation taking national diversity into account.

The method of open coordination includes four interrelated procedures:

(i) jointly formulating performance measures (statistical indicators) for realizing the targets of the guidelines;

(ii) annual reporting of the measures taken and the actual degree of target achievements in national action plans;

(iii) using ‘benchmarking’ as a method to compare performance of each member state based on the commonly agreed statistical indicators;

(iv) organizing and running ‘peer reviews’ among member states as a process of exchanging experience and mutual learning on what measures and practices are best suited to meet the commonly agreed objectives in each member State and the Union as a whole. The European Commission monitors and evaluates the coordination process and publishes an annual report.

The European Council, the European Parliament and the social partners are also involved in the process, by adopting the annual employment guidelines, respectively organizing hearings on the progress made towards the common goals in each member state and the overall goal of convergence of employment performance.

At this point in time, we cannot make a final judgment as to the effectiveness of the soft method of coordination; specifically whether this method achieves common goals better than the “hard” method of legal regulation and directives. The results so far are encouraging, however.

5. Tripartite Social Dialogue

There is another critical component to employment reviews as they are practised in the EU and the ILO: namely social dialogue in the form of consultations between the government and the organizations of workers and employers. The involvement of the social partners is an essential element of the European Social Model, and one that is

broadly admired in other parts of the world. It means that those who are directly affected by policy decisions should have a say in the process of both policy formulation and policy implementation. The involvement adds wisdom to decision making and makes implementation easier and more effective.

6. Benefits to Stability Pact Countries

I firmly believe that the countries covered by the Stability Pact of S-E Europe can greatly benefit from adopting and practising the approach of the E-policy review process

It was visible in the 3rd High Level Meeting in Strasbourg in January. For my part, I was impressed by the mutual learning process, and the spirit of cooperation, that I saw at the Strasbourg meeting.

I trust that we will have a similarly constructive, mutually beneficial meeting here in Budapest today and tomorrow.

APPENDIX IV

THE NATIONAL EMPLOYMENT AGENCY OF THE REPUBLIC OF MOLDOVA Ms. TURCAN

Tasks of the NEA

- Implementation of the national policy on employment;
- Social protection of persons seeking employment;
- Prevention of unemployment;
- Programmes dealing with vulnerable groups
- Disseminating information
- Vocational guidance and training

THE NATIONAL EMPLOYMENT AGENCY OF THE REPUBLIC OF MOLDOVA

- Staff comprises 243 persons /registered unemployed end of 2004 : 21018 (116.5 thousand estimated);
- Training of the Staff to be continued;
- Coverage of the Unemployed
- Improvement of the IT system : improvement of the effectiveness of the NEA, matching supply and demand for labour;

THE NATIONAL EMPLOYMENT AGENCY OF THE REPUBLIC OF MOLDOVA

- 6 % of the registered unemployed received Unemployment benefits in 2004 (46.7% in 2000);
- Social partners are involved through the administrative board. Cooperation needs to be strengthen (local level)
- Cooperation with private agencies is weak

APPENDIX V

COUNTRY REVIEW OF THE EMPLOYMENT POLICY OF THE REPUBLIC OF MOLDOVA

Draft Recommendations

MARIANGELS FORTUNY (Employment Sector)

International Labour Office, Geneva

Budapest, 22-24 September 2005

- Education and Human resources development (HRD)
- Active labour market policies (ALMPs)
- Passive labour market policies
- Income policy
- Social dialogue
- Equal opportunities for men and women

I. Education and HRD

- Ensure equal access to quality education especially between urban and rural areas
- Data collection and desegregation (sex, age) is important for effective and targeted policies
- Promote public investment on education
 - Public investment on pre-school education and early childhood facilities crucial to foster women's employment

I. Education and HRD

- Continue with reform and modernization of VET. Introduction of modular approaches and competency based training
- Remove gender biases and stereotyping
- Foster links between education and training and labour market needs. Encourage collaboration between ministries of economy, education and social partners
- Lifelong learning strategy

II. Active labour market policies

- Continue with activation of LMPs targeting the most vulnerable such as particular categories of women and youth
- Involvement of social partners in formulation and implementation
- Regular assessment of ALMPs including from equal opportunities viewpoint
 - Labour market information disaggregated by sex, age
- Include preliminary guidance and counselling; important for gender equality
- Accompany public works by other ALMPs

III. Passive labour market policies

Unemployment benefits

- Important to continue working towards adequate social protection policy – low registered unemployment
- Combine benefits with activation measures

Retirement policies

- Increase retirement age accompanied by complementary measures
- Combat age discrimination

IV. Income policy**Wage policy**

- Important to increase minimum wage
- Continue efforts to eliminate wage arrears
- Take further steps to promote equal pay for equal work

Tax policies

- Tax rates are employment friendly and should be maintained. Continue efforts to improve tax collection
- Income tax is low; eventually tax rates for higher incomes should be raised

V. Social dialogue

- Continue efforts to build institutional framework: National Tripartite Commission on Consultation and collective Bargaining
- Enrich content of national tripartite agreements in particular regarding employment issues
- Strengthen capacity and presence of trade unions in the private sector
- Strengthen capacity and the presence of the National Confederation of Employers' Associations at the territorial level

VI. Equal opportunities for women and men**Wage disparities**

- Develop guidelines on job evaluation methods free from gender biases
- Review provisions that ban particular categories of women from night work and over time
- Ensure higher representation of women in high ranking public sector positions

VI. Equal opportunities for women and men**Informal economy**

- Promote productive non farm employment through employment programmes targeting young mothers and older women

Family policies

- Non transferable parental leave for fathers
- Consider reducing length of paid childcare leave and transfer resources to pre-school institutions
- Supply affordable and suitable childcare facilities especially in rural areas

VI. Equal opportunities for women and men**National policies, institutions and legislation**

- Develop indicators to measure and monitor progress and effectiveness. Decent work statistical indicators are a step forward
- Gender focal point in National Employment Agency

- Strengthen capacity of trade unions and labour inspectorate to monitor enforcement of Labour Code and other legal instruments
- Raise awareness among employers of content and implications of legislation

APPENDIX VI

EMPLOYMENT POLICY OF THE REPUBLIC OF SERBIA

Mr. Dragan DJUKIC

BASIC INDICATORS

BUSINESS ENVIRONMENT

- REFORM LAWS
 - LABOUR LAW
 - EMPLOYMENT LAW
 - LAW ON PRIVATIZATION
 - LAW ON INSOLVENCY
 - LAW ON REGISTRATION OF ECONOMIC ENTITIES

- STRATEGIC DOCUMENTS
 - EMPLOYMENT STRATEGY
 - POVERTY REDUCTION STRATEGY
 - SMEs DEVELOPMENT STRATEGY
 - ACTION PLAN FOR EMPLOYMENT OF ROMAS
 - EMPLOYMENT ACTION PLAN DRAFT 2006-2008
 - PROGRAM FOR REDUNDANCIES – SOCIAL PROGRAMME

- INDICATORS
 - PROFIT TAX OF 10% IS THE LOWEST IN THE REGION
 - TIME LIMIT FOR STRAT-UPSHAS BEEN REDUCED TO 15 DAYS, NOMINAL CAPITAL MIN 500 EUR
 - VAT HAS BEEN INTRODUCED INSTEAD OF INCOME TAX AND TURNOVER TAX
 - TIME LIMIT FOR DISPUTES HAS BEEN REDUCED TO 635 DAYS
 - TIME LIMIT FOR BANKRUPTCY PROCEEDINGS UP TO 1 YEAR, WITH MAX PROTECTION OF CREDITORS
 - INCREASE OF NEWLY REGISTERED ENTERPRISES - 66% COMPARING TO THE PERIOD BEFORE THE REFORM OF REGISTRATION SYSTEM
 - DEVELOPMENT OF FLEXIBLE EMPLOYMENT FORMS AND POSSIBILITIES FOR PART-TIME EMPLOYMENT
 - EXPECTED INFLATION RATE OF OVER 13% BY THE END OF 2005
 - WAGE GROWTH ABOVE GDP GROWTH
 - DECLINE IN INDUSTRIAL PRODUCTION FOLLOWING THE CHANGE OF ECONOMY STRUCTURE
 - LOW LEVEL OF DIRECT FOREIGN INVESTMENTS

LABOUR MARKET SITUATION

- ADMINISTRATIVE SOURCES

- UNEMPLOYMENT RATE - 25.5%
- YOUTH PARTICIPATION (UP TO 25) IN UNEMPLOYMENT - 21.4%
- PARTICIPATION OF LONG-TERM UNEMPLOYMENT (OVER 2 YEARS) - 55.0%
- WOMEN PARTICIPATION IN UNEMPLOYMENT - 54.2%
- AVERAGE DURATION OF UNEMPLOYMENT - 49 MESECI
- PARTICIPATION OF PERSONS WITHOUT WORK EXPERIENCE - 55.0%
- AVERAGE AGE OF THE UNEMPLOYED - 37
- UNEMPLOYMENT BENEFIT RECIPIENTS - 7.4% OF THE TOTAL NUMBER OF JOB-SEEKERS

■ SURVEY

- UNEMPLOYMENT RATE - 18.5%
- YOUTH PARTICIPATION (UP TO 24) - 48.8% OF THE TOTAL LABOUR OF THE SAME AGE
- PARTICIPATION OF LONG-TERM UNEMPLOYMENT (OVER 1 YEARS) - 9.9%
- EMPLOYMENT RATE (15-64) - 53.3%
- ACTIVITY RATE (OVER 15) - 55.5%, EMPLOYMENT RATE - 45.2%
- WOMEN ACTIVITY RATE - 47%, EMPLOYMENT RATE - 36.6% (BY 20 PER CENT POINTS LOWER THAN AMONG MEN (OVER 15))
- ABOUT 30% OF ACTIVE POPULATION (15-64) IS ENGAGED IN GRAY ECONOMY
- CONSTANT INCREASE IN REDUNDANT LABOUR

UNEMPLOYMENT BY LEVEL OF EDUCATION

INDICATORS OF SUCCESS IN THE IMPLEMENTATION OF THE EMPLOYMENT STRATEGY 2005-2010

ACTIVE EMPLOYMENT POLICY MEASURES

PROGRAMMES

- ❖ JOB CREATION
- ❖ PUBLIC WORKS
- ❖ JOB SUBSIDIES
- ❖ EMPLOYMENT PROGRAMMES
- ❖ ACTIVE JOB SEARCH PROGRAMMES
- ❖ JOB CLUBS
- ❖ MOTIVATION/ACTIVATION TRAINING
- ❖ GROUP INFORMING
- ❖ JOB FAIRS
- ❖ ADDITIONAL EDUCATION AND TRAINING

COVERAGE BY PROGRAMME TYPE

RELATION BETWEEN ACTIVE AND PASIVE MEASURES
(% OF JOB SEEKERS)

FINANCING

FINANCING

-INCOME-

■ SOURCES OF FINANCING :

➢ UNEMPLOYMENT CONTRIBUTION - 1.5%

➢ BUDGET SUBVENTIONS

➢ OTHER

• 0.14% OF GDP FOR ACTIVE MEASURES AND 0.72% OF GDP FOR PASSIVE MEASURES

EXPENDITURES FOR ACTIVE
AND PASIVE MEASURES

NATIONAL EMPLOYMENT SERVICE REFORM

REFORM ASPECTS

• STRATEGIC DOCUMENTS

■ EMPLOYMENT STRATEGY

■ EMPLOYMENT ACTION PLAN 2005-2008

■ THE STRATEGY OF CHANGE OF THE NES

■ ACTIVE JOB SEARCH REGULATIONS

■ MEDIATION PROTOCOL

■ REFORM DIRECTIONS

• INCREASE IN PARTICIPATION IN THE LABOUR MARKET

➢ ORIENTATION TOWARDS EMPLOYERS

➢ DEVELOPMENT OF SELF-SERVICE AND IT-SYSTEM

➢ COOPERATION WITH SOCIAL PARTNERS

➢ DECENTRALIZATION

• INDIVIDUALIZATION OF APPROACH

➢ PROFILING AND SERVICE COURSE DEFINING

➢ INDIVIDUAL EMPLOYMENT PLANS

➢ INTRODUCTION OF GROUP INFORMING

• PROCESS SERVICE MODEL AND TRANSFER OF PASSIVE MEASURES INTO A SEPARATE FUND

• EMPLOYMENT OF EMPLOYABLE GROUPS IN THE OPEN LABOUR MARKET

➢ INTENSIVE SUPPORT FOR RISK GROUPS (LOW EMPLOYABILITY)

• HUMAN RESOURCES DEVELOPMENT

• MANAGEMENT BY OBJECTIVES

• STANDARDIZATION OF SERVICES AND INTRODUCTION OF QUALITY SYSTEM

PRINCIPLES OF ACTIVE EMPLOYMENT POLICY MEASURES REDESIGNING
❖ CAREFULLY DEFINED TARGET GROUPS, ON THE BASIS OF LONG-TERM UNEMPLOYMENT RISK ASSESSMENT

- ❖ Orientation towards vulnerable groups (long-term unemployment risk)
- ❖ Orientation towards beneficiary groups, followed BY an adequate evaluation system

❖ SERVICE COURSE DEVELOPMENT

COURSE AND TYPE OF SERVICE

■ COURSE OF SERVICE

- INFORMING AND MEDIATION
- ACTIVATION/MOTIVATION MEASURES
- EDUCATION AND TRAINING
- SELF-EMPLOYMENT
- JOB SUBSIDIES
- PUBLIC WORKS

CHALLENGES

- ❖ TO CREATE POSITIVE CLIMATE FOR INVESTMENTS AND FAVOURABLE BUSINESS ENVIRONMENT
- ❖ TO PROVIDE ADDITIONAL FUNDS FOR ACTIVE EMPLOYMENT POLICY IMPLEMENTATION BASED ON INDIVIDUAL GUIDANCE AND COUNSELING – 0.14 % OF GDP CANNOT PROVIDE SUFFICIENT COVERAGE
- ❖ IT SYSTEM DEVELOPMENT AND CREATION OF TECHICAL CONDITIONS ENABLING FLEXIBILITY, RELIABILITY AND SUFFICIENT SCOPE OF THE INFORMATION SYSTEM
- ❖ TO PROVIDE PREMISES AND STAFF, ACCORDING TO THE EU STANDARDS AND SET REQUIREMENTS FOR INDIVIDUAL GUIDANCE AND COUNSELING DEVELOPMENT
- ❖ TRAINING FOR THE NES EMPLOYEES AT ALL LEVELS, ESPECIALLY EMPLOYMENT COUNSELORS, WITH SPECIAL ACCENT ON PRACTICAL ASPECT
- ❖ TO TRANSFER HEALTH CARE AND UNEMPLOYMENT BENEFITS FROM THE SCOPE OF THE NES ACTIVITIES
- ❖ TO ESTABLISH A SEPARATE FUND FOR UNEMPLOYMENT BENEFIT PAYMENTS

LIMITATIONS - THE NUMBER OF NES EMPLOYEES

NES ORGANIZATION

DRAFT BUDGET FOR 2005
- ACTIVE MEASURES -

APPENDIX VII

CHALLENGES FOR EMPLOYMENT POLICIES IN SERBIA COUNTRY REVIEW OF EMPLOYMENT POLICIES OF SERBIA

DENIZ SERTCAN, ILO SRO Budapest

Despite resuming economic growth...

...the Employment Rate has continued to fall...

...employment is among the lowest in Europe...

...and unemployment is among the highest.

Main Challenges for Employment Policy

- Balancing Employment Flexibility and Security
- Enhancing Passive Labour Market Policies
- Improving Active Labour Market Policies
- Investing in Human Resources
- Improving the Efficiency of the National Employment Service
- Adjusting Income Policies
- Including Vulnerable Groups
- Strengthening Social Dialogue

Balancing Employment Flexibility and Security

- Serbia has introduced more flexibility into its Labour Law, which had been relatively rigid before 2001.
- Yet most flexibility is provided by the large and unregulated informal labour market.
- It is important that all workers are covered by employment protection, and in case of unemployment by a decent income protection and by investment into their employability.

Enhancing Passive Labour Market Policies

- In principle, the unemployment benefit system in Serbia is well designed, combining an appropriate level of benefits with short duration.
- Yet in reality benefits are paid with a 6 month delay, depriving would-be recipients of their livelihood.
- High spending on the social programme in case of restructuring arbitrarily favours some workers and serves as a disincentive to look for a new job before the enterprise closes.

Investing in Human Resources

- The Serbian labour force has an average level of qualification. However, many of these skills are outdated, resulting in a mismatch between the supply and demand of skills.
- Public spending on general secondary as well as initial and continuous vocational education and training (VET) should be increased and enterprises should be more involved in the planning and provision of VET.

Improving Active Labour Market Policies

- Serbia has introduced Active Labour Market Policies since the beginning of transition, but many of the measures are not as effective as they could be and the level of spending on ALMPs is low by international standards.
- Therefore increased spending on ALMPs should be combined with a focus on cost-effective measures and better targeting to specific vulnerable population groups.

Improving the Efficiency of the National Employment Service

- The National Employment Service has already undergone substantial reforms in order to make its services more accessible to job seekers and to become more client-oriented.
- While this process needs to be strengthened and continued, staff especially at the field offices needs to receive further training in order to be able to cope with the challenges of decentralisation.

Adjusting Income Policies

Adjusting Income Policies

- While GDP grew by about 25 per cent since 1999, real wages more than doubled.
- In Serbia there is a negative correlation between wage increases and employment. Thus the fall in the employment rate has increased in recent years when wage growth became stronger.
- The social partners should therefore try to keep wage growth moderate in order to increase employment.

Including Vulnerable Groups

- Progress has been made in drawing up action plans in order to improve the employment situation of minorities and refugees / IDPs.
- Nevertheless, an additional effort needs to be made to design specific employment programmes and active labour market policies for these groups, especially Roma, since the causes for their disadvantage in the labour market differ from those of the population in general.

Strengthening Social Dialogue

- To a large extent the institutions for social dialogue in Serbia, such as the Social and Economic Council, which is again operational since 2005, are in place.
- Nevertheless, it is important that the SEC is equipped with more financial and human resources.
- The SEC should be put in a position to cooperate with other ministries and other institutions of social dialogue.
- The organisational capacities of the social partners need to be strengthened.

APPENDIX VIII

REPORT ON IMPLEMENTATION OF THE RECOMMENDATION RECEIVED IN STRASBOURG DURING THE 3RD SESSION OF THE PERMANENT HIGH LEVEL COMMITTEE ALBANIA

Mr. Neshat ZENELI

- First of all we would like to thank the experts of the International Labour Office and the experts of the Council of Europe for the Review of the Employment Policy of Albania, done in December 2004 and for the recommendations introduced during the 3-rd meeting of Strasbourg held from 12-14 January 05
- All the report in general and the recommendations in particular has been discussed in a Tripartite Conference in Tirana held in 8 of April 2005.
- At the end of this Conference Ministry of Labour and Social Affairs has undertaken an exchange of information with relevant Ministry and other actors of labour market and some comments and changes have been proposed in Point 1 of the report linked with Economic Situation and Point 3.1 on Education and Training.

Multidimensional Recommendations

- A) Recommendations on active labour market policy
- B) Recommendations on Employment Service
- C) Recommendations on Employment Promotion Programs
- D) Recommendations on Education and Training
- E) Recommendations on Passive Labour Market Policy
- F) Recommendations on Social Policy
- G) Recommendations on Wage Policy
- H) Recommendations on Tax Policy
- What has been done from January 2005-till now:**
- In Employment Services:
- Has continued the efforts for improving the capacity of the staff training through:
- Training of the staff with assistance of bilateral Project like with Swedish Labour Market Board and with ANPE (National Agency for Employment of France)
- Problem: Lack of funds to disseminate the training in all the countries.
- We are working to elaborate a new policy for ST.
- We are working to elaborate curricula for newcomers in NES and for all the staff

The Reform of the Law of 1995 on Employment Promotion

- Proposal for the change has been done in January 2004, but has not been approved.
- Taking in mind that at the beginning of September 05 a new Government has been created, the Project has to be again reviewed together with the Ministry of Finance.
- In this framework and on the fully integrated approach of the Employment and Vocational Training Strategy with the social, educational, tax, enterprises and regional policies, according to the Programme of the New Government, we will have:
- Review of the medium term objectives of the National Strategy on Economic and Social Development and of the Medium term budget program via adapting them with the ambitious objectives of the new Government.

- In the same direction, the Government has approved that every Ministry will review all the basic documents of the sectoral strategy adapting objectives more ambitions or by elaboration of new strategy.
- This process will be completely open for the involvement of the civil society , the social partners and others actors.

Further development of the relationship with employers

- In this direction, the efforts for improving thinks has been done like:
- Has been increased the number of contacts with employers organisations like for example with the Association of the Building Sector has one of the Employers Organisation.
- In March 2005, has been organised at regional Level (Durres) a meeting with the employers in order to identify the needs for skills. But we are ware that we have more to do in this direction in order to increase the awareness of the employers on the role of Public Employment Service in helping them to find the right candidate for the Job Vacancies.
- Contacts has been done with the Chamber of Commerce but our objective is to formalise our relation with the Chamber of Commerce making clear some objectives to be achieved

Recommendations on Social Dialogue

- For improving the social dialogue, we have worked to:
- A) To improve the role of the Tripartite Bodies as well as at central level and at regional and local level.
- B) In this process, during the elaboration of the regulations on functioning of the tripartite bodies the social partners has been very active and they have proposed(there proposal has been approved) that the agenda of the tripartite bodies will be approved before by the employers representatives and trade unions representative and not to be decided by the Minister only.
- According the training of the social partners on their role on the labour market and social policy, Trade Union from Italy (CISL- Marche Region) has realised during the last year training for the two biggest Confederation of Trade Union of Albania on contacts, methods of negotiations, role of trade union in the labour market, in vocational training etc

Recommendations on EPP and Creation of IT system


- The monitoring of the employment program has not yet been realised by a specialised expertise.
- We think that this issue will be a urgent priority of our Job for next step in the process of improving the system of active labour market in general and the labour market information system in particular.
- For improving the labour market information system, we are working in a framework of a bilatreal project with Sweden in order to develop a new management labour market information system at National Employment Service in Albania as a basis for launching management by objectives and results.
- The process of creation of IT system is in the Inception Phase, and a assesment of the structure and of the system is under process.

VET recommendations

- For the implementation of the recommendations, a lot of assistance is under process and othres assistance are under program in the framework of the CARDS Projects financed by EU.
- Actually is under implementation the Project Support to Vocational Education and Training Reform. (Project has statred in march 2004 and will last to 28 February 2006)

APPENDIX IX

Slide 1



ROMANIA
NATIONAL AGENCY FOR EMPLOYMENT


PEER REVIEW

on the
EMPLOYMENT POLICY
in
Bosnia Herzegovina

by
Eugen PREDA, Executive Director General
Petru Blanariu, Director for International Relations

Budapest, September 22-24, 2005

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ROMANIA
NATIONAL AGENCY FOR EMPLOYMENT

MAIN LABOUR MARKET CHARACTERISTICS

Number of population and labour market status in BiH as of December 31, 2004

| | Bosnia and Herzegovina | Federation of BiH | Republic of Srpska | Brcko District of BiH |
|-----------------------------------|------------------------|-------------------|--------------------|-----------------------|
| Number of population (assessment) | 3,832,301 | 2,327,690 | 1,401,986 | 102,625 |
| Total registered employment | 638,984 | 389,523 | 236,940 | 12,521 |
| Total registered unemployment | 484,307 | 323,984 | 142,462 | 17,861 |
| Unemployment rate | 43.12% | 44.85% | 37.46% | 36.38% |

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ROMANIA
NATIONAL AGENCY FOR EMPLOYMENT

MAIN LABOUR MARKET CHARACTERISTICS

- big **disproportion** between the supply and demand on the labour market
- relatively **large share of unregistered employment**, that is, work on the “black market”
- unsatisfactory degree of the **labour force mobility**
- large number of **expert workers who wait for jobs for a long time** resulting from the low economic growth
- strong **surplus of certain professions**, conditioned by inadequate education system
- **lack of training and education** with the workforce who have been waiting at the Bureau for a long time, as well as with the employed workforce

Slide 4



ROMANIA
NATIONAL AGENCY FOR EMPLOYMENT

POLICIES AND PROGRAMS


Federation of Bosnia and Herzegovina

✓ in 2004, **4,878** unemployed in average have benefited monthly from unemployment benefits, while from health insurance have monthly benefited **189,623** unemployed in average

Framework employer subvention programs:

- Employment of **unemployed persons with associate and university degrees;**
- Employment of **unemployed persons who are highly skilled or skilled workers;**
- **Jobs for all**
- **Program 45-50**, envisaging stimulation of employment of women above 45 of age and men above 50 of age
- **Jobs for disabled persons**
- **Solidarity in action**, envisaging stimulation of employment of **persons with special needs**
- **Farmers**, envisaging incentives for farmers to register as agricultural producers

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ROMANIA
NATIONAL AGENCY FOR EMPLOYMENT

BACKGROUND

Two distinct entities, with full autonomy in the field of labour and employment:

- Federation of Bosnia and Herzegovina
- Republic of Srpska

- **lack of a single labour market** => affects the free movement and geographical and professional mobility
- **the war** => disastrous effects on the economic potential + slow pace of reforms + slow growth
- **very high levels of unemployment** and continuous decrease of the employment

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 ROMANIA
NATIONAL AGENCY FOR EMPLOYMENT

POLICIES AND PROGRAMS

Federation of Bosnia and Herzegovina

Labour market programs:

- ✓ Project of encouragement measures for employment in agriculture
- ✓ Urgent pilot-project for labor reemployment
- ✓ Second Employment Support Project
- ✓ Employment of Young Persons under the University Degree Program
- ✓ Professional orientation and work with particularly gifted secondary school graduates

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 ROMANIA
NATIONAL AGENCY FOR EMPLOYMENT

POLICIES AND PROGRAMS


Republic of Srpska

✓ in 2004, **3,200** unemployed in average have benefited monthly from unemployment benefits, while from health insurance had benefited, at the end of 2004, a number of **92,323** unemployed

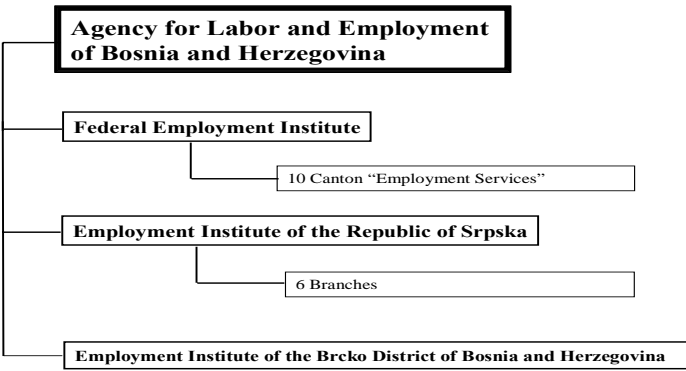
619 employment programs:

- ✓ self-employment,
- ✓ expert preparation and additional training,
- ✓ preparation for employment of certain target groups
- ✓ retraining and supplementary training of workers for whom there is no longer need
- ✓ employment of apprentices,
- ✓ co-financing employment of gifted persons for scientific research - talents

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 ROMANIA
NATIONAL AGENCY FOR EMPLOYMENT

PUBLIC EMPLOYMENT SERVICES



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graph TD; A[Agency for Labor and Employment of Bosnia and Herzegovina] --- B[Federal Employment Institute]; A --- C[Employment Institute of the Republic of Srpska]; A --- D[Employment Institute of the Brcko District of Bosnia and Herzegovina]; B --- E[10 Canton "Employment Services"]; C --- F[6 Branches];
```

The organizational chart shows the structure of public employment services. At the top is the Agency for Labor and Employment of Bosnia and Herzegovina. It branches into three main entities: the Federal Employment Institute, the Employment Institute of the Republic of Srpska, and the Employment Institute of the Brcko District of Bosnia and Herzegovina. The Federal Employment Institute further branches into 10 Canton "Employment Services". The Employment Institute of the Republic of Srpska branches into 6 Branches.

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ROMANIA
NATIONAL AGENCY FOR EMPLOYMENT


PUBLIC EMPLOYMENT SERVICES

Agency for Labor and Employment of Bosnia and Herzegovina

he basic competencies of the Agency are:

- performs international representation and cooperation with international organizations and meets international obligations in the area of labor and employment;
- coordinates activities with entity authorities and entity employment institutes in relation to employment in projects of interest for Bosnia and Herzegovina;
- compiles information on the supply and demand of labor force on the international market and supplies information to the entity institutes;
- initiates conclusion and signing of international agreements in the area of labor, employment and social insurance and monitors their

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ROMANIA
NATIONAL AGENCY FOR EMPLOYMENT


PUBLIC EMPLOYMENT SERVICES

Federation of Bosnia and Herzegovina

The Federal Employment Institute

- ✓ establishes and pays the benefits for the unemployed
- ✓ implements the active measure system for employment stimulation
- ✓ tripartite Managing and Supervisory Board
- ✓ faces obstacles and discrimination based on ethnical, religious, political, age criteria in implementing the law
- ✓ concerned about raising the quality and performance of its services
- ✓ intends to develop an unitary IT system for better collecting and processing data
- ✓ supplementary financing resources needed for better coping with massive lay-offs

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ROMANIA
NATIONAL AGENCY FOR EMPLOYMENT

PUBLIC EMPLOYMENT SERVICES

Republic of Srpska

The Employment Institute

- ✓ the material resources and employees' training are considered appropriate for its mission
- ✓ insufficiently developed IT system
- ✓ tripartite Managing and Steering Boards
- ✓ good dialogue and co-operation with governmental and non-governmental organizations
- ✓ under better circumstances, it would have the capacity to implement more complex employment programs

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ROMANIA
NATIONAL AGENCY FOR EMPLOYMENT

CHALLENGES AND RECOMMENDATIONS

Employment strategies and policies

- ✓adopt an unitary legislation at national level
- ✓work-out short and medium term employment strategies and policies, correlated with the economic development strategies
- ✓work-out National Action Plans for Employment in accordance with the European Employment Strategy;
- ✓set-up Employment Promotion Committees with the social partners
- ✓upgrade the system of statistical indicators so as to use the international terminology and methods
- ✓promote programs intended to increase mobility and fill the unemployment and employment regional gaps.

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ROMANIA
NATIONAL AGENCY FOR EMPLOYMENT

CHALLENGES AND RECOMMENDATIONS

Passive and active measure programs

- ✓set-up an autonomous fund, co-ordinated from the national level;
- ✓finding alternative solutions for financing the health insurance for the unemployed;
- ✓the provision of unemployment benefit should no longer be conditioned upon the payment of contributions;
- ✓set-up a severance payment system;
- ✓increase the coverage of unemployed in training and retraining courses;
- ✓implement programs for temporary employment;
- ✓grant employment or settlement bonuses for persons finding jobs in other localities.

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ROMANIA
NATIONAL AGENCY FOR EMPLOYMENT

CHALLENGES AND RECOMMENDATIONS

Public Employment Service

- ✓strengthen the structure and the role of the national PES
- ✓redefine the role and attributions of the entity level PES
- ✓increase the capacity to implement more complex programs for employment stimulation and monitoring their effects;
- ✓work-out and implement unitary working procedures for the main activities of the PES;
- ✓work-out and implement training strategies for the staff.

APPENDIX X

RECOMMENDATIONS ON THE NATIONAL REPORT FOR UNEMPLOYMENT, EMPLOYMENT, ECONOMIC POLICY AND MIGRATION IN MONTENEGRO

ELKA DIMITROVA - Ph.D., Director of Labour market policy directorate, Ministry of Labour and Social Policy of Bulgaria

INTRODUCTION

- This report is prepared in implementation of Bucharest Declaration decisions in 2003.
- The objective of the review is to help the assessed country to improve its labour market policy, to reinforce institutional capacities and to improve co-ordination of available international assistance.

Main qualities of the report of Montenegro

- Contains extensive and various information for the labour market in the country;
- Presents the macro-economic context and policy;
- Includes the main labour market issues: labour market data, unemployment trends, employment trends, undertaken measures and implemented programmes on labour market;
- Give some details about migration processes in the country.

Main indicators - 2004

- GDP – 2.7%
- Unemployment rate - 22.6%
- Long-term unemployed – 64.6%
- Unemployed without any qualification or profession - 32.0%

Main Labour Market Programmes

- “Programme for Continuous Stimulating Employment and Entrepreneurship in Montenegro” – to stimulate development of entrepreneurship and opening of new job positions;
- Programme “Legalisation of existing and opening new job positions” – realization of credit lines for employment stimulation and development of certain fields of work (tourism and agriculture);
- Preparation for employment – through various types of training programmes; establishment of comprehensive and long term system of informal learning (tree training centers).

Key challenges on labour market of Montenegro

- Significant discrepancies between labour demand and supply (2.7 times bigger supply than demand);
- The high overall unemployment rate (2004 -22.6%);
- The high rate of long-term unemployment (2004 – 64.6%);

- Regional disparities – 48.7% of registered unemployed in only 3 municipalities;

Key country – specific messages and recommendations

- The high rate of long-term unemployment is a serious cause for concern and a reason for undertaking specific measures to create subsidized employment and training;
- It is necessary to restrict undeclared employment;
- A further booster of the active labour market policy is necessary, with specific measures for disadvantaged groups – disabled persons, youths, ethnic minorities, women, single parents with children below 3 years of age, elderly workers;

Key country – specific messages and recommendations

- Increased resources and scope of the training measures; trainings have to meet employers' needs for labour force with specific qualification;
- Development of the regional approach to employment policy planning in order to overcome regional disparities;
- Development of system for monitoring and evaluation of ALMP's implementation as a part of the daily responsibilities of employment agency' staff. It is appropriate to conduct a net impact evaluation of employment programmes.

Conclusion

A well functioning labour market is of strategic importance to economic development of the Montenegro.

The structural reforms' progress would be a good basis for considerable growth.

Bulgaria can provide technical assistance in elaboration/implementation and evaluation of the active labour market policy and for institutional strengthening of the employment system.

Thank you for your attention!

APPENDIX XI

THE BELGIAN NATIONAL ACTION PLAN FOR EMPLOYMENT 2004: PEER REVIEW BY THE CROATIAN DELEGATION

Mr. ORACIC

Visit to Belgium:

- acquainted with employment policy and institutions
- met capable and dedicated people
- learned a lot
- had an interesting and valuable discussion

Labour market “highly sensitive to the ec. situation”
→ labour demand affects involuntary unemployment

Belgian regions

- Flanders – pop. 6 million
- Wallonia – pop. 3.4 million
- Brussels – pop. 1 million

Unemployment rate in 2003 by region

Male unemployment and activity rates in Brussels:
correlation → “discouraged workers” →
→ unemployment underestimated

- involuntary unemployment → need for effective labour demand measures
- high labour costs “remain a structural handicap to job creation”
- lower employers’ social security contributions for low-wage workers and other targeted groups
- problem: hiring the low-skilled at the expense of the highly skilled → total demand probably unaffected
- problem: wage growth can offset any decrease in contributions

Wages and GDP growth: excessive wage growth
in 2001 and 2002, moderate in 2003 and 2004

- need to ensure long-term wage moderation
- new EES guideline: “ensure employment-friendly labour cost developments and wage setting mechanisms” by “encouraging social partners to set the right framework for wage bargaining”
- Belgium has a developed system of wage bargaining and social partnership

- social pacts at the regional level can ensure long-term wage moderation

Growth of investment in equipment,
2000 - 2004

Various measures to support business start-ups
and small and medium enterprises (SMEs):

- administrative simplifications
- loans
- entrepreneurial assistance
- the capacity of large firms should also
be taken into consideration

- some restrictions exist regarding part-time work and fixed-term contacts
- employment protection around the EU-15 average
- employment protection can destimulate hiring more than firing
- a net effect probably not large in the short run but could be significant in the long run

Set of labour supply measures:

- education, training, re-training, life-long learning
- reduced social security contributions for workers with low education
- active job search by the unemployed expected and assisted
- better working conditions and childcare facilities

- low employment rate of older persons – far below the EU average
- top priority: promotion of active aging
- early retirement schemes under scrutiny
- part-time work under the system of time credit
- competence recognition system

Low activity rate of older persons seems to lower
unemployment rate – Belgium's regions 2003

Implications:

- an increase in labour supply can bring higher unemployment if labour demand is insufficient
- an increase in employment of one social group will be achieved at the expense of another group if labour demand is insufficient

Recommendations – timing and sequencing:

- to increase labour demand before
or simultaneously with increasing supply
- labour supply measures should take place
after labour shortages have occurred

or when expected to occur

➤ labour supply measures will be much more effective and efficient under abundant demand

•business cycle downturns can offset the effects of labour market measures →

→ appropriate timing also needed

•employment policy should take into account macroeconomic situation and developments

•EC guideline: “to promote greater coherence between macroeconomic, structural and employment policies”

Institutions and practices for transferring:

•competence centres

•open-access information centres

•automatic dissemination of information
on job vacancies

APPENDIX XII

PROMOTING EQUAL OPPORTUNITIES FOR WOMEN AND MEN IN THE CREPS TECHNICAL COOPERATION PROJECT

ÉVA FODOR

PART 1. PROMOTING EQUAL OPPORTUNITIES FOR WOMEN AND MEN IN THE CREPS

- To ensure consideration of equal opportunities in CREP reviews
- To provide support for constituents in revising employment policy
- To achieve higher levels of gender equality for fairness, human rights, poverty reduction, and economic growth

Promoting Equal Opportunities for Women and Men in the CREPs

- Insufficient attention to gender equality issues in previous CREPS
- Need to meet EES guidelines

Promoting Equal Opportunities for Women and Men in the CREPs

- Contribute to future CREPs
- Sessions at national and subregional meetings
- Network of policy makers
- Training sessions
- Info documents

Promoting Equal Opportunities for Women and Men in the CREPs YOUR SUGGESTIONS ARE ESSENTIAL TO MAKE THIS PROJECT WORK

PART 2. STATUS OF GENDER EQUALITY IN OUR LABOR MARKETS

- Review where we stand in 4 countries
- Legacy of state socialism is important
 - Women in paid jobs
 - Education
 - How people think about gender equality

1. Low levels of employment

2. Women as inactive and informal workers

- Women more easily classified as “inactive”
- Significant presence in informal economy as a survival strategy, not as upward mobility

3. The job quality gap

- Gap between qualifications and quality of jobs
- Segregation: vertical and horizontal

- Pay gap
- Hours worked for pay

Part 3: POLICY CONSIDERATIONS

1. Legal and institutional framework

- Laws, machinery, monitoring
- Public awareness
- Statistical data

2. Access to employment

Active and passive labor market policies
National Employment Service practices

3. Work and family balance

- Both men and women may want to do balance work and family
- Parental leave policies (length, conditions, re-entry, targeting)
- Flexible workig time arrangements
- Child care

4. Attention to special groups

Women are *not* a homogeneous group:
the elderly, women with small children, large families, women of ethnic minorities etc. need special attention

To conclude - questions raised

- In your opinion, is labor market gender equality an important issue in your country?
- What do you think are the most important policy areas to be considered?
- What kind of technical assistance, in what areas is needed?

APPENDIX XIII

GOOD PRACTICE OF COOPERATION IN DESIGNING, IMPLEMENTING AND MONITORING EMPLOYMENT POLICIES

A study on best practisen in Austria, Ireland, Denmark and Slovenia presented to the 4th session of the PHLC by JOŽE GLAZER

Austria, Denmark, Ireland, Slovenia

- selection of countries is made by my personal assets and opinion
- their experiences could be very useful for countries of South Eastern Europe :
 - all four countries have passed a lot of changes at labour market,
 - all four are small countries with limited resources for reforms,
 - all have very positive trends and success in containing the consequences of economic development and its impact on labour market changes. excellent practice could be finding in each of other member country of EU.

Labour Market change very quickly in all states of EU

- as a consequence of changes in their economic development and the impact of international influences
- influence of world globalisation, global economic changes and technological development, migrations and demographic changes on employment policy

Government

The most important objective of each government is:

- to assure their citizens more and more job opportunity
- to support to these who lost a job or become a hard to employ and need social protection and help.

Involvement of all players at labour market becomes necessary

- government with their institutions simply can not beat alone with consequences of all changes, which have direct impact on job creation and of course on problems of unemployment
- cooperation at national, regional and local level
- importance of involvement the different partners in implementing, providing and monitoring employment policy is stressed in Lisbon's Strategy and guidelines

Governments reforms

- to encourage the development of the economy and support the creation of new jobs and employment

– (“Celtic Tiger”, Danish model of Flexicurity (flex(bility+se)curity, in Austria intensive interaction between public and private institutions; successful transition period in Slovenia)

- tax system (Denmark, Ireland, Austria)

– “*More people into employment*” Denmark

– **National Development Plan** Ireland

- organising public services to make them more efficient and customer oriented (Denmark)

- legislation to increase the employment of marginal groups as disabled people on the labour market (Slovenia)

Ministries for employment and labour play special role:

- in designing, providing and monitoring countries employment policy

- organised differently and are responsible for different areas

– Austria – Ministry for Economy and Labour,

– Denmark – Ministry of Employment

– Ireland - Department of Enterprise, Trade and Employment

– Slovenia – Ministry for Labour, Family and Social affair

- creators and initiators of the cooperation with other ministries and governmental bodies

– expert groups, discussions, responsibility for different activities, exchange of information and experiences, discussion about draft of legislations, measures, and employment policy

Ministries for employment and labour play special role:

- activating and development of partnership

- Involvement of nongovernmental organisations -recognising very different needs of citizens who need the governmental help or support on labour market

Interministerial cooperation

- The Ministry of finance is involved practically in all cooperation

- special interministerial coordinative bodies who ad hoc or regularly discuss all important employment issues (Austria, Slovenia, and Ireland).

- ministers of employment are usually members of a special prime minister's or governmental bodies responsible for economic development or state reforms (Ireland, Denmark, Austria, Slovenia).

Interministerial cooperation

- Advising bodies for government

– National Economic and Social Council in Ireland

- to analyse and report to the Taoiseach (Prime Minister) on strategic issues

– efficient development of the economy

– achievement of the social justice

– the development of a strategic framework for the conduct of relations and negotiations of agreements between the government and the social partners

– Recommendation for Government

– Agreement of Social Partners

Advising bodies for government

- the National Centre for Partnership and Performance – Ireland
 - enable organisations in the private and public sectors, through partnership, to respond to change in the Irish workplace, to build capability and to improve performance
 - high level implementation group** -representatives of Government, relevant agencies, FAS (PES) employer and trade union nominees
 - Recommendation for government, employers and trade unions
- In Denmark the government establish a Welfare Commission
 - open dialogue with the citizens and the political parties about future welfare reforms
 - analyse the possibilities for reforms and come up with concrete proposals for reforms, which may increase the supply of labour and employment

National Action Plan of employment

- impact on interministerial cooperation in all EU members' countries
- Involvement of the other ministries experts and bodies in preparation and designing NAP
 - drafts for their departments
 - preparation of reports and monitoring
 - provider of activities from NAP

National Action Plan of employment

- discussed at the governmental bodies, in some countries discussion in Parliament
 - Project Group for the Development of the Labour Market, Employment, Social Affairs, and Pension System** – Slovenia
 - Coordinating Body on the level of the State Secretaries** – Slovenia
 - Interministerial working groups* Denmark
- adopted by government or Parliament
 - Austrian Council of Ministers**

Social partnership

- tradition in all four countries (in Slovenia it was adapted to the new situation after becoming an independent state)
- makes an important contribution to the country development
- makes positive trend on the labour market
- the employer's organisations and the trade unions have a big influence on creating the employment policy and are an important supporter of adopted agreements

Social partnership

- the system of the negotiation and established coordinative national bodies
 - Economic Social Council** in Slovenia
 - representatives of the government, employers and trade unions,
 - discussing all the issues of the strategic development, employment policy, labour legislation, wage system and education of adults
 - National Employment Council** in Denmark
 - members of employers, employee association, communities, association of disabled
 - advise to a minister for labour on issue of employment

–**Joint Committee** in Denmark - analyse the possibility of simplifying and modernising the rules and agreements and the structure of collective agreements

Social partnership

- the way to find compromise between different approaches is not so easy, but they all put the good of the citizens to the first place
- lot of informal cooperation about strategic and important issues interesting for social partners as well

Social partnership

- on the national level, but it is intensive on the regional and the local level too
- different social partnership bodies established – apart from the employers and the trade unions the local authorities are involved
- The Regional Partnership Bodies influence the regional development policy and take into account the specific situation of the regions and local communities

The Regional Partnership Bodies

- a decision making body about the use of fund for employment measures
–Denmark before the reform of public administration, Austria
- an advisory role and recommendation for designing regional employment measures and projects
–**PES Partnership Councils** Slovenia

Public Employment Services

- the most important governmental institution on the labour market
- help unemployed to find a job, to get new employment chances through different labour market measures and
- to assure workers for employers

Public Employment Services

- adapted themselves to changes on the labour markets
- developed many new activities and approaches in their work
–E-services for customers
–Services for hard to employ customers

Public Employment Services

- cooperate with ministries for labour and other governmental institutions in designing the employment policy
- cooperation with private agencies and nongovernmental institutions, schools, HR experts, universities,..

Public Employment Services

- involve in their activities employers, trade unions, local and regional authorities and institutions,
- provider of labour market measures and employment policies
- developed wide cooperation with partners on labour market on national, regional and local level
- cooperation with institutions providing social security

Public Employment Services

- try to take into account the speciality on regional or local labour market
- very proactive in building partnership
- a lot of informal contacts and discussion to support their activities for customers
- involved in mostly all regional and local development projects that are bringing new job opportunities

Public Employment Services

- Involvement of social partners in managing bodies:
 - Administrative Board on national level
 - Regional Boards
- members: representatives of government, employers, trade unions, staff (on regional level regional or local authorities)
- adopting business plan, annual report, strategy

Partnership Project

- In all four countries the partnership projects on the regional and local level have been developed
 - Territorial Pact – Austria
- all-Austrian employment alliances to support the implementation of the National Action Plan for Employment
 - Centre for Competence Development Denmark
 - Local Employment Services, which are funded through Community Partnership Ireland
 - Vocational Informational and Guidance Centres Slovenia

Partnership Project

- to better link employment policy with other policies in order to improve the employment situation at regional and local level
- aims are to increase effectiveness and efficiency in the use of resources
- to improve the quality of support given to certain target groups
- to secure and create jobs
- to secure funding for the region and to preserve in a sustainable manner the region as a place to live

Partnership Project

- projects are supported by the ministry of labour or PES and involved local and regional actors on the labour market
- coordination units for support and coordination at national level

- help the local people to solve their employment problems or help them in their day to day live
- support of local communities and authorities
- recognition of a common interest to secure the competitiveness, viability and prosperity of the enterprises and improve the quality condition for employee

Partnership Project

- takes into account needs of the people who need the support and help
- takes into account the specific situation on the regional and local level
- helps to activate everybody in building a better and a more secure society
- synergy of national, regional and local funds and resources

Partnership Project

- recognition of a common interest to secure the competitiveness, viability and prosperity of the enterprises and improve the quality condition for the employee, to help people who have difficulties at local labour market

Partnership Project

- use of international funds – EQUAL, PHARE, ESF
- bring new job opportunities at regional and local level

Local partnership projects

- Local communities and partners support local projects which help local people to solve their employment problems or help them in their day to day live

Local partnership projects

- House of information - Vocational Information and Counselling Centre Ptuj (VICC) – Slovenia
- St. Andrews Job Centre in Dublin-Ireland
- Centre of competence development in Copenhagen – Denmark
- TEP EQUAL Elderly - Austria

Conclusion

- In countries, where social partners, local authorities, nongovernmental organisation and other are involved in preparation, implementing and monitoring employment policy, better covered different needs of their citizens who need the governmental help or support at labour market

Conclusion

- Labour market measures are successful and efficient and support economic development of countries
- Very important is cooperation between different ministries which activities influence labour market

•The most important objective of each government is to assure their citizens more and more job opportunity and support to those who lost a job or become a hard to employ and need social protection and help

Conclusion

•preparations of National Action Plan of employment have very important impact on interministerial cooperation in all EU members' countries
•Public Employment Services are the most important governmental institution at the labour market

Conclusion

•in designing the national employment policy are involved mostly all institutions which activities are connected with the labour market
•excellent practice could be found in each of other member country of EU

Conclusion

•There is no ideal model of the partnership and cooperation, each country has to find the solution adapted to its situation
•There is no quick-fix solution for employment difficulties on the labour market
•Very important is the commitment of all the partners involved in the partnership

Conclusion

•The outcomes have to be monitored and must help to design the improvement in the future actions
•Other experiences could help as a good example of what could be done, what are the obstacles and how they could be overcome
•It shows that all the important actors have to be involved in the problem solving
•Partners have to honour their support agreements

Special thanks to:

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- Helle SVENDSEN – NEC Denmark**
- Patricia Curtin – FAS Ireland**
- Kevin Qinn – FAS Ireland**
- Pat Lamon – FAS Ireland**
- John Sweeney – NESC Ireland**
- Edna JORDAN – NCPP Ireland**
- Lucy Fallon-Byrne – NCPP Ireland**

- Tim O’Connell – IBEC Ireland**
- Betty Ashe – St. Andrews Resource Centre Ireland**
- Gregor Miklič – TU Slovenia**
- Vlasta Stojak – ESS Slovenia**

As we said in Slovenia:
Where there’s unity, there's power!
Thanks for your attention!

APPENDIX XIV

”Bucharest Process” (Draft)

Activity Report 2003-2005
to be submitted to the
2nd Conference
of Employment Ministers
of South Eastern Europe
Sofia, 21 October 2005

Introduction

At their meeting in Bucharest on 30-31 October 2003, chaired by Romania, the Ministers responsible for employment of Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the FYR of Macedonia, Moldova, Montenegro, Romania, Serbia and the Head of the Economic Administration of UNMIK (Kosovo), discussed ways in which to tackle collectively the problems they faced in the employment sector, as a result of economic restructuring, related to the transition to market economies, insufficient levels of investment as well as the damaging effects of past conflicts in the region.

In their joint statement entitled the “Bucharest Declaration”, the Ministers mandated the Council of Europe and the International Labour Organization to implement their commitment to take action, within the framework of the Initiative for Social Cohesion of the Stability Pact for South Eastern Europe (hereinafter referred to as the ISC). Therein, the Ministers also agreed to meet in spring 2005 to assess the progress achieved. For information, the “Bucharest Declaration” appears in Appendix 1.

Following an invitation by the Government of the Republic of Bulgaria, Ministers will now meet again in Sofia on 21 October 2005 to assess achievements and decide about the future mandate. In compliance with EU terminology, the Ministers’ decisions will constitute the “Sofia Conclusions” to the “Bucharest Process”.

This report aims to inform Ministers about the way their mandate has been implemented, the activities undertaken and the progress achieved. The report concludes with an outlook on possible future directions of employment cooperation in South Eastern Europe.

Work accomplished

The Permanent High-Level Committee and its activities

As mentioned in the appendix to the “Bucharest Declaration”, a Permanent High-level Committee (hereinafter referred to as the PHLC) was set up to implement, direct, monitor and supervise the “Bucharest Process”.

The PHLC held four meetings during the interval between the Ministers’ conferences in Bucharest and Sofia. With no prior intention, the series of PHLC sessions so far brought about an alternating sequence of “political” and “technical” meetings, with the “political” ones (2nd and 4th) focusing on the policy reviews and the “technical” ones (1st and 3rd) setting the terms of work and developing the process further.

1st session, Brussels, 9 - 10 December 2003

Delegates from Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the FYR of Macedonia, Moldova, Montenegro, Romania, Serbia, Belgium and Ireland attended the meeting. Apart from the organisations mandated in the “Bucharest Declaration”, representatives from the ETUC, the IOE, the Council of Europe Development Bank, the European Commission and the Stability Pact for South Eastern Europe also attended the meeting.

The main objective of this meeting was to define working methods for the work of the PHLC and approve its terms of reference. For information, the “Terms of Reference” appear in Appendix 2.

Two working groups were set up, one under the guidance of the ILO to review national employment policies, and the other under the guidance of the Council of Europe to review the performance of employment services. However, during the first cycle of employment review work, it became apparent that this division was not useful, and consequently the two working groups merged into one review team.

The PHLC established a two-tier country review procedure: an in-depth analysis (Country Review of Employment Policy, hereinafter referred to as CREP) for a maximum of two countries per year, and a peer review procedure (“mutual learning process” in EU terminology today) of the other national employment reports submitted. Albania and Croatia volunteered and were accepted for the first cycle of in-depth reviews in 2004.

Most importantly for the practical work to be done, the PHLC approved an “Outline for National Reports”, which lists 38 items to be reviewed, grouped under 7 headings.

At its first session the PHLC also defined short-term and long-term objectives for the mutual employment review process among countries in South Eastern Europe. It further

established a first set of three performance indicators and stressed the importance of capacity building and technical assistance in support of the “Bucharest Process”.

2nd session, Strasbourg, 12 - 14 January 2005

The 2nd session had been originally scheduled to take place on 1-3 December 2004 in Sarajevo, but was postponed to January 2005 and transferred to Strasbourg at short notice. Delegates from Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Moldova, Montenegro, Romania, Serbia and Belgium attended the meeting. Apart from the organisations mandated in the “Bucharest Declaration”, representatives from the European Commission, ETF, ETUC, the IOE, the Council of Europe Development Bank, the Stability Pact for South Eastern Europe and UNECE also attended the meeting.

The main objective of this session was to have an in-depth review (CREP) of the employment policy of Albania and Croatia. Based on the national employment reports of the two countries and the findings from the missions undertaken by the joint CREP team, the PHLC discussed both the reports as well as the recommendations attached to each chapter by the ILO and the Council of Europe.

After the two CREP discussions, the PHLC examined the national employment reports submitted by Moldova (reviewed by Bulgaria) and by Bosnia and Herzegovina (reviewed by Romania). Due to late submission, the Serbian employment report could not be peer-reviewed, but was discussed in the plenary.

The PHLC also discussed the work programme for 2005 and welcomed the fact that Moldova and Serbia had volunteered for the CREP exercise. It also conducted a first evaluation debate on the second round of the “Bucharest Process” and its implementation. There was common agreement that the CREP process proved to be a very useful tool to contribute to convergence with the objectives of the European Employment Strategy.

3rd session, Sarajevo, 14 - 15 April 2005

Delegates from Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Moldova, Montenegro, Romania, Serbia and Belgium attended the meeting. Apart from the organisations mandated in the “Bucharest Declaration”, representatives from the ETUC, the IOE, the Council of Europe Development Bank, and the Stability Pact for South Eastern Europe also attended the meeting.

Mr. Safet Halilovic, Minister of Civil Affairs of Bosnia and Herzegovina, and the Employment Agency of Bosnia and Herzegovina hosted the meeting.

The main purpose of this session was to evaluate in greater depth the review methodology already discussed in Strasbourg. The PHLC decided to focus more strongly on the implications of the review process for the national stakeholders, i.e. to strengthen the position of Ministers responsible for labour, employment and social affairs, and

advise them how to place employment policies higher on the national agenda. This also implies taking a more critical look at the coherence of advice given to Governments by international organisations.

The PHLC also approved a proposal presented by Belgium to use comparable statistical indicators in South Eastern Europe, adaptable to the European Employment Strategy.

The PHLC also stressed that the social partners should be involved in the drafting of the national employment reports and the preparation of national tripartite seminars. In response to this, the representatives of the Belgian Federal Public Service for Employment, Labour and Social Dialogue and the ILO attended the opening of a parallel regional trade union conference, which took place in Sarajevo at the same time. The chairperson of the ISC, who chaired parts of the PHLC meeting, delivered a closing address to the trade union meeting. Two representatives of the trade unions were invited to attend the PHLC session as guests.

Further to discussions held at the previous Strasbourg meeting, the PHLC agreed to attribute high importance to gender equality issues in reviewing national employment policies and welcomed the decision that the ILO will prepare a gender sub-project under the umbrella of the “Bucharest Process”, which will be supported by the Belgian Federal Public Service for Employment, Labour and Social Dialogue. Delegates welcomed the presentation of a first gender equality checklist to be used for preparing the CREP of Serbia and Moldova.

A large part of the meeting was devoted to the planning of the 4th session of the PHLC and the 2nd Conference of Ministers. The Bulgarian delegation reiterated the invitation to hold the Ministerial Conference in Sofia in October 2005. An ad-hoc team drew up a preliminary draft of the “Sofia Conclusions”.

4th session, Budapest, 22 - 24 September 2005

Delegates from Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the FYR of Macedonia, Moldova, Montenegro, Romania, Serbia and Belgium attended the meeting. Apart from the organisations mandated in the “Bucharest Declaration”, representatives from the ETUC, the IOE, the European Commission, the Council of Europe Development Bank and the ETF also attended the meeting.

The PHLC session started with the second cycle of in-depth labour market reviews and examined the CREP of Moldova and Serbia. Based on the national employment reports the two countries had submitted, as well as the findings from missions carried out by the joint CREP team, the PHLC discussed both the reports as well as the recommendations attached to each chapter by the ILO and the Council of Europe.

After the two CREP discussions, the PHLC examined the national employment reports submitted by Montenegro (reviewed by Bulgaria and Albania) and Bosnia and Herzegovina (reviewed by Romania). Croatia reviewed the Belgian National Action Plan, as proposed by the Belgian Federal Public Service for Employment, Labour and Social

Dialogue during the 3rd session of the PHLC. Furthermore, Albania and Croatia (CREP countries in 2004) gave a report on the implementation of the recommendations made on their national employment policy at the 2nd session of the PHLC.

PHLC members received a first presentation of the ILO gender equality project in the framework of the “Bucharest process” (entitled “Promoting equal opportunities for women and men in the Country Employment Reviews of Stability Pact countries”). This presentation was given by the new ILO project coordinator, Ms. Eva Fodor, who also provided an overview of the main findings concerning gender equality in the four CREP.

Following a suggestion made by Romania at the 3rd session of the PHLC, Mr. Glazer, former Director General of the Public Employment Service of Slovenia, presented a comparative analysis of existing coordination mechanisms for employment strategies in some EU and South East European countries, with particular reference to the involvement of other stakeholders, such as social partners, local authorities and NGOs.

The PHLC also made comments on the drafts of the “Sofia Conclusions” and the “Activity Report 2003-2005”.

Delegates were also informed that the 10th session of the ISC will take place on 5 December 2005 in Vienna, following an invitation by the Austrian Federal Ministry of Social Affairs, a founding member of the ISC, on behalf of the incoming Austrian presidency of the EU.

The forthcoming 5th session of the PHLC was tentatively scheduled for spring 2006. The FYR of Macedonia kindly offered to host this meeting.

National Tripartite Seminars

The national social partners are fully associated in the process of assessment of national employment policies, as stated in the appendix to the “Bucharest Declaration”. In view of this, as well as the tripartite structure of the ILO, it was decided to present the CREP, once approved by the PHLC, to the respective government officials and representatives of employers’ and workers’ organisations at the national level during a tripartite seminar.

The first such national tripartite seminar linked to the “Bucharest Process” took place in Tirana on 8 April 2004, with 45 participants attending, most of them members of the National Employment Council, represented by the Minister of Labour and Social Affairs and several senior representatives of the social partners. A specific part of the discussion was devoted to gender policy issues. The participants unanimously approved the Albanian CREP.

As Croatia is starting its cooperation process for employment policy with the European Commission (“JAEP Process”), it was decided to use a seminar organised at the initiative of the European Commission and the Croatian authorities to launch the JAEP process to present the CREP results, in order to ensure an appropriate transition from the CREP to JAEP process. This seminar took place in Zagreb on 15 - 16 September 2005.

From 13 to 15 October 2005, members of the ETUC-IOE legal experts network met in Cavtat (Croatia) for a joint conference on the role and participation of social partners in the “Bucharest Process”, with particular regard to the ministerial meeting in Sofia.

Other activities relating to the “Bucharest Process”

Following a request from the Bulgarian Ministry of Labour and Social Policy, three senior ILO experts trained 12 labour market and employment policy experts in concepts and techniques of peer-reviewing labour market and employment policies (26 October 2004).

Experts from Romania paid a visit to Bosnia and Herzegovina in the summer of 2005 to prepare the peer review at the 4th session of the PHLC.

Representatives of the ILO and the Council of Europe delivered an oral report on the achievements of the “Bucharest Process” to the 9th session of the ISC in Luxembourg (24 - 25 February 2005) and will do so again during the 10th session of the ISC in Vienna (5 December 2005).

Following an invitation by the Belgian Federal Public Service for Employment, Labour and Social Dialogue, a delegation of Belgian trade union representatives attended the 2nd session of the PHLC in Strasbourg. Belgian trade unions support the “Bucharest Process” and encourage regional trade unions in South Eastern Europe to take part in that work.

During the 3rd session of the PHLC in Sarajevo, a regional trade union conference took place there at the same time. The delegates of the Belgian Federal Public Service for Employment, Labour and Social Dialogue and the ILO to the PHLC attended the opening of the trade unions meeting and presented the work done under the “Bucharest Process”. Similarly, the chairperson of the ISC, who chaired parts of the PHLC meeting, delivered a closing address to the regional trade union meeting. Two representatives of the trade unions were invited to attend the PHLC session as guests.

Following an invitation by the head of the Employment Agency of Bosnia and Herzegovina, the Directors General of the Public Employment Services of all former member states of the Federation of Yugoslavia and of Albania (all of them members of the PHLC) met for the first time in Sarajevo on 19 - 21 October 2004. They agreed to establish a standing conference and set up expert working groups as a platform to exchange best practice. The first such seminar on youth unemployment took place in Ptuj (Slovenia) on 22 - 24 February 2005 and will link its further activities with the ILO Youth Employment Network. The second meeting of the Directors General took place in Belgrade on 8 - 10 June 2005.

Funding

The “Bucharest Process” activities as listed above have been financed to a large extent from a generous and ongoing donation by the Federal Belgian Government, represented

by the Belgian Federal Public Service for Employment, Labour and Social Dialogue, which channels these funds through the Council of Europe. The Belgian funding covers the costs of delegations from beneficiary countries to attend the meetings of the PHLC, but also mission costs needed to carry out peer reviews. The Belgian contribution also provides for the costs of the CREP gender mainstreaming project and for the study on employment policy and social partnership, presented to the 4th session of the PHLC by Mr. Glazer. The international organisations mandated to implement the “Bucharest Process” bear their own staff mission costs. In addition, ILO is covering the costs of the national tripartite seminars. Hosts of meetings usually contribute benefits in kind by covering local preparatory and secretarial support costs, as well as by hosting receptions.

Lessons learned and future outlook

The “Bucharest Process” is a new process in South Eastern Europe, as it intends to raise employment policy to a higher level of political attention and establish a mutual learning process in a region still suffering from difficult political, economic and social transition. Some of these countries, moreover, have been hit by war and ethnic conflict only a few years ago, but all face similar challenges on their labour markets today.

The work done in the field of employment policy since the process was launched is remarkable both in volume and quality. First of all, the “Bucharest Process” provides a platform for the exchange of good practice. This mutual learning process certainly helps to strengthen close contacts and improve mutual understanding between countries in the region, by making them partners on an equal footing with the opportunity to share their valuable experience.

The Country Reviews of Employment Policy

It proved to be efficient to review only two countries in-depth each year. To cover more countries would probably have gone beyond the capacity of the ILO and the Council of Europe, as the preparation of a CREP usually requires two joint missions per country and time-consuming coordination and editing of the draft report, in addition to the final submission for approval to the national Governments and social partners.

As the CREP is a flexible and dynamic exercise, it already produced a number of useful and important spin-offs, such as:

- the development of a specific CREP gender mainstreaming project;
- the development of comparable statistical indicators for South Eastern Europe, adaptable to the European Employment Strategy;
- in some countries, a closer involvement of social partners to the employment policy formulation and monitoring process.

With regard to the 2006 cycle of CREP reviews (Bosnia and Herzegovina, the FYR of Macedonia and Montenegro being in the “pipeline”), the PHLC considers that the scheme should be applied to the reports in the same way as in the two previous cycles. If necessary, the terms of reference could be revised after the Sofia Ministerial Conference during the 5th session of the PHLC. However, if further important employment-related areas such as occupational safety and health and migration issues were integrated into the CREP, the exercise would become more complex, with less focus on employment policy and less comparable to the previous cycles.

The peer review experience

The peer-reviewing of employment and labour market policies of other countries brought a new aspect of competence and quality into the work of the national experts involved. By studying the certainly familiar area of politics in another country, they learned to look at their own daily practice through the others’ eyes. There has been much commitment by those who undertook the peer reviews. Reviewers asked for technical visits to be carried out to the reviewed country, which was generously supported by the Belgian Federal Public Service for Employment, Labour and Social Dialogue.

Further aspects of employment policy cooperation in South Eastern Europe

The European Commission’s DG Enlargement has asked the European Training Foundation (hereinafter referred to as the ETF) to undertake Labour Market Reviews in the Western Balkan countries. The Reviews aim to identify labour market challenges and areas for future work in the fields of employment, and human resource development, as an input to programming for EU assistance to the region. ETF has already completed the Labour Market Reviews in the FYR of Macedonia, Montenegro and Serbia and will carry out the Reviews in Albania and Bosnia and Herzegovina by the end of 2005. The implementing institutions of the “Bucharest process”, the ILO and the Council of Europe, have been in close contact with ETF during the last 2 years and coordinated their actions for the mutual benefit of our work. The implementing institutions and ETF hope to continue this cooperation in the future.

Similarly, the ILO has established high-level communication with the UNDP (which was represented at the Bucharest Ministerial Conference in 2003) to consider closer contacts and mutual information about activities.

For the next cycle of work, account should be taken of the request by ETUC that the social partners should be involved at an earlier stage in the discussion of the draft CREP in their respective countries.

Conclusions

As laid down in the “Bucharest Declaration”, the employment ministers of eight South Eastern European countries entrusted the ILO and the Council of Europe with the following tasks:

- To review national employment policies
- To provide capacity-building in order to improve the quality of service delivery in employment services

The first two cycles of CREP reviews and peer reviews demonstrate that the approach chosen by the Council of Europe and the ILO to implement the Bucharest mandate has been effective. Whereas the review work itself provides already a substantial part of capacity-building, specific activities such as additional projects, training seminars and exchange of experts provided added value. The process aims to mobilise political resources in South Eastern Europe, in order to upgrade and improve employment and social standards as well as the quality of policy making.

The most important and encouraging development is, however, that the countries participating in the “Bucharest Process” have started to take ownership of the process and are no longer merely recipients of foreign advice. The commitment of Bulgaria and Romania, as forthcoming new members of the EU who became strongly involved in and supported the “Bucharest Process”, demonstrates the usefulness and appropriateness of this process for EU candidate countries. It prepares for membership in a network of partners.

The joint JAEP-CREP seminar in Zagreb in September 2005, as well as the cooperation with the ETF in the context of the “Bucharest Process”, are good examples of the need and the usefulness to link and to combine several employment policy-related initiatives being conducted in South Eastern Europe. Each one has its own objectives and its own merit, such as the “Bucharest Process”, the EU enlargement process, the CARDS (Community Assistance for Reconstruction, Development and Stabilisation) Program of the European Commission, the Stability Pact for South Eastern Europe, for example, and the beneficiaries will profit from the synergies and optimal coherence of such initiatives.

APPENDIX XV

Sofia Conclusions (Draft)

2nd Conference
of Employment Ministers
of South Eastern Europe
in Sofia
21st October 2005

We, the Ministers and Heads of Delegations responsible for employment and labour market policies of Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Moldova, Montenegro, Romania, Serbia and the Former Yugoslav Republic of Macedonia, as well as the Representative of UNMIK,

meeting at a Ministerial conference chaired by Ms. Emilia Maslarova, Minister of Labour and Social Policy of Bulgaria, at the invitation of the Government of Bulgaria and at the invitation of the Council of Europe, the International Labour Organisation and the Belgian Federal Public Service of Employment, Labour and Social Dialogue, under the auspices of the Initiative of Social Cohesion of the Stability Pact for South East Europe;

recalling the Bucharest Declaration adopted on 31 October 2003 which laid the foundations for the very successful Bucharest Process;

recalling the need for increased cooperation among countries in South East Europe to continue the transformation of their labour markets and social systems;

recalling the need for combined and coordinated efforts of all international organisations active in the region to maximise the use of available resources and avoid duplication of efforts;

considering that the effective functioning of labour markets is essential for economic growth, access to social rights, in particular for vulnerable groups, and social cohesion in general;

meeting again for the first time since the Bucharest Conference and reaffirming our commitment to the Bucharest Process,

approve unanimously the following:

„Sofia Conclusions“

We appreciate the commitment shown by the countries participating actively in the Bucharest Process over the last two years.

We commend the role taken by the International Organization of Employers and European Trade Union Confederation and their contribution to the process, as well as the efforts made by national social partners.

We thank the Belgian Federal Government for its continued support.

We appreciate the commitment of the Council of Europe , the International Labour Organisation and the Initiative of Social Cohesion of the Stability Pact for South East Europe.

We are grateful to the Governments of Romania and Bulgaria for their specific contribution to the process.

We gladly acknowledge progress made in the implementation of the „Bucharest Declaration“ over the last 2 years, in particular through

- The establishment of a work methodology;
- The work done by the Permanent High Level Committee meeting in Brussels, Strasbourg, Sarajevo and Budapest;
- Two full annual cycles of Country Reviews on Employment Policies (Albania, Croatia, Moldova, Serbia);
- Two full annual cycles of peer reviews (Albania, Bosnia and Herzegovina, Croatia, Moldova, Montenegro and Serbia, with a lead role of Bulgaria and Romania);
- Two national tripartite conferences (Albania and Croatia).

We acknowledge the usefulness of bilateral technical cooperation between countries participating in the Bucharest Process.

Due to the commitment and the efforts of all partners involved, the Bucharest Process has become a significant reference point for employment policy developments in South East Europe.

Directions for the forthcoming work

Taking into account all those achievements and bearing in mind the changes to the process environment during the last two years, these „Sofia Conclusions“ aim to provide the following directions to the Bucharest Process:

Priorities

Based on a critical assessment of the work done, we commit ourselves

- *to implement the recommendations of the policy reviews;*
- to seek to further improve the national employment policies, in order to pursue economic growth, social cohesion and regional stability with high and productive employment;
- to promote adaptability and employability in the labour market through active and passive labour market policies. Special attention should be given to facilitating access to employment by vulnerable groups;
- to promote gender equality in national employment strategies and to use specific policies targeting labour market gender inequality and gender mainstreaming as strategies to achieve this goal;
- to seek further improvement in the effectiveness and coverage of public employment services, drawing on the experience of the region and best practices of the Member States of the European Union.

Having analysed the progress of the Bucharest Process in Sofia today, we now reaffirm the employment policy mandate adopted in Bucharest in 2003 and commit ourselves to continue with cooperation in the development, implementation and monitoring of our national employment policies. To that end, we call on the Council of Europe and the International Labour Organisation and on the Initiative for Social Cohesion of the Stability Pact for South Eastern Europe for their continued support.

Support activities

Having reviewed and reaffirmed the “Bucharest Process” in Sofia today, we also wish to highlight the great attention we give to the following additional labour issues:

- We invite the Stability Pact for South Eastern Europe, in addition to the coordination of employment policies, to address labour inspection and health and safety at work, as an important element of the quality of employment and as a prominent part of social dialogue, in accordance

- with standards laid down in the respective ILO Conventions and EU Directives, and
- We call on the ILO, with its experience and mandate in that field to take a leadership role in improving labour inspection services and to promote health and safety at work. This will include awareness-raising and capacity-building of the Governments, the employers' and the workers' organisations for the improvement of occupational safety and health at the national and workplace level.

Policy coherence

The need for an integration of social and economic policies has become more urgent as globalisation has intensified. We stress the importance of a strongly enhanced coherence between economic and financial policies on the one hand, and employment, labour market and social policies on the other hand. Improved policy coherence should contribute to reaching the key objectives of fairness, equal opportunities and employment. The ILO's Global Employment Agenda, the European Union's Lisbon Strategy and the Revised Strategy for Social Cohesion of the Council of Europe highlight the need for macro-economic policies to be designed so as to maximise the creation of jobs.

In order to support the efforts of national governments, we call on the international organisations to upgrade the quality of policy coordination by taking into account the employment and social dimensions in their advice to Governments in the region.

Social dialogue

We strongly stress the need to improve social dialogue, another key concern of the European Union, the Council of Europe and the International Labour Organisation, and to support autonomous social partners in strengthening their technical capacity to contribute to all stages of the Bucharest Process.

Social dialogue is indispensable for formulating and implementing effective employment policy and is crucial to ensure a sustainable implementation of the recommendations developed under the Bucharest Process.

For this purpose, we encourage the establishment of national coordinating structures (should such not yet exist), with the cooperation of social partners and all relevant Government offices in the design, implementation and monitoring of national employment and labour market policies.

Moreover, we advocate regular tripartite national conferences on the outcomes of the employment policy reviews carried out under the Bucharest Process.

Looking ahead

The following activities also will help to implement the recommendations stemming from the policy reviews and to foster and support employment cooperation in South Eastern Europe in the forthcoming period:

- Completion of the cycle of policy reviews in the remaining countries;
- Bilateral technical cooperation, based on coordinated fundraising;
- Further development of comparable indicators and improvement of the statistical capacity of countries;
- Further expert training on peer review methodology, focusing particularly on the European Employment Strategy;
- Awareness raising on the Bucharest Process at national and local level.

We reiterate our appreciation to the Council of Europe and the International Labour Organisation for the work done and request their continued guidance and support for the implementation of these “Sofia Conclusions”, under the auspices of the Initiative for Social Cohesion of the Stability Pact for South Eastern Europe.

We agree to meet again in 2007 to evaluate the implementation of the above conclusions.

Done in Sofia, on 21 October 2005.

list of Ministers' names and titles; the list will be added to the document by the BG authorities, depending on the confirmation of delegations. Separate positions will be foreseen for Serbia and for Montenegro.

(list of representatives of ISC, StabP, CoE and ILO