CHAPTER SEVEN

Conclusions and Policy Recommendations

The countries of the BSEC-CA region have experienced dramatic economic and social changes over the last two decades. Apart from Greece, Turkey and the workers' self-managed economy of Serbia, they had centrally planned economies 20 years ago. The transition to a market-based economy was accompanied by declining average incomes and widening inequality, both inter- and intra-regionally. The disruption was exacerbated by armed conflicts or secession in much of south-eastern Europe and the CIS. In the 21st century, the economic situation has improved substantially as the main elements of the transition have been completed and economic growth has resumed, in some cases at a very fast rate. Much, however, remains to be done in terms of establishing market-based economies that promote prosperity and economic security. In no area has this been clearer than with respect to work and well-being.

GLOBALISATION AND POLICY CHOICES

The integration of more countries into the global trading system and the rapid expansion of international production networks are generating more and more opportunities for new specialisations in production – as well as undermining old specialisations. The opportunities for participating in global or regional trade depend critically on actions to reduce the costs by cutting red tape and other unnecessary burdens. For workers to benefit from globalisation, business must seize these opportunities, which means policies that will facilitate innovation and business formation are crucial. As the global economy becomes ever more complex, however, it is more and more difficult to predict where comparative advantage will lie and what policies will work so that all may share the benefits. The OECD countries have a litany of failed attempts to "pick winners"; these experiences can encourage policy makers in emerging market economies to do better through heeding the mistakes and investigating the successes for possible replication. This is especially important in countries whose senior policy makers were trained in the centrally planned economy.

One of the most difficult balancing acts for governments is to foster an open and well-informed public discussion of the benefits and costs of globalisation. All too often, it is easy to see foreign governments, companies or migrant workers as scapegoats for domestic problems. This has been especially harmful in countries whose populations were raised on stories of the evils of capitalism and of multinational corporations, and where popular understanding of the indirect effects of market forces is limited. Promoting independent policy-oriented research on economic issues is one way to improve the debate. OECD countries can also contribute by not conforming to the stereotypes that foster discontent with the international system.

The benefits of economic prosperity must be widely shared to create the best domestic environment for promoting work and well-being. Thus, in crucial respects, those formerly centrally planned economies that prioritise the establishment of well-functioning market-based economies with sound macroeconomic policies and growth-friendly institutions are on the right track. To varying degrees, this remains unfinished business throughout the region; hence, the priorities need to be maintained, bolstered where necessary and fully adopted by those countries that have not yet done so. However, as this *Outlook* has highlighted, despite sustained

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economic growth in most of the countries since the turn of the century, many people remain unemployed or without satisfactory and satisfying employment, and there is still nostalgia for pre-reform security.

Although economic growth and the accompanying demand for labour are central to any economic development strategy, creating institutions to match workers and jobs, improving human capital assets and providing for those temporarily or permanently unable to work are crucial policy tasks still facing governments in the region. Much can be learned from the experience of other countries, including OECD members such as Greece or Turkey. However, no policy makers are operating in a vacuum. In particular, the coping mechanisms adopted during the 1990s – with national variations – throughout the region have become embedded in the economic environment. Unwillingness to trust the state's ability to provide a social safety net and other services, the extensive informality, in part to avoid taxes and regulations, criminality and distrust, and large-scale emigration are all elements of the environment created in the years since the collapse of central planning. Only by building up from an understanding of actions already taken by households and communities can public policies maximise their effectiveness and minimise displacing existing mechanisms.

SUSTAINING REFORMS FOR BETTER JOB CREATION

A meaningful policy strategy for creating more and better jobs and reducing unemployment must tackle both the supply side and the demand side of the labour market. Hence, governments must ensure that macroeconomic and structural policies are conducive to promoting strong employment growth. Macroeconomic stability, as reflected in low inflation and sound budget balances, can boost job creation through lower real interest rates and smaller fluctuations in economic activity, as well as increase investors' confidence by stabilising inflation expectations. Evidence from OECD countries suggests that reform in labour and product markets plays an important role in stimulating productivity growth and sustaining job creation (OECD, 2006[1]). Regulatory reform and in particular the easing of barriers to the entry and growth of new firms, including through FDI and foreign trade, had a strong impact on labour market performance in OECD countries. World Bank (2005*a*) shows that a wide range of structural policies improving the ease of doing business can facilitate the ability of enterprises to adjust to market changes and enhance job opportunities in Eastern Europe and Central Asia. As highlighted in the first Part of this book, BSEC-CA countries are heterogeneous in terms of their size, resource endowments and macroeconomic performance. Macroeconomic stability, open markets and efficient governments are common recommendations for promoting growth and job creations, but each country faces specific challenges related to its specific structural characteristics. Oil- and gas-rich countries, such as Azerbaijan, Russia, Kazakhstan, Turkmenistan and Uzbekistan, enjoy buoyant foreign exchange revenues thanks to booming commodity prices and strong GDP growth. These countries face the challenge of diversifying their sources of growth and managing large capital inflows. The resource boom is both an opportunity and a challenge for employment creation. Export revenues and capital inflows must be carefully managed to avoid perverse effects on inflation and exchange rate appreciation affecting the competitiveness of the tradable, non-extractive sector. Transparency in the amount and allocation of commodity-related revenues is fundamental to avoid rent-seeking behaviour. Governments should not use such revenues as an excuse for delaying much needed restructuring, especially in the state-owned sector.

Non-resource rich countries face different, but still delicate challenges. Several BSEC-CA countries have seen large shares of their populations migrate. They include Albania, Armenia, Kyrgyzstan, Moldova, Serbia and Tajikistan. Emigration can relieve some pressure on unemployment and underemployment in domestic labour markets. Migrants furthermore provide sizeable remittances to finance needed consumption and investment back home. However, emigration can also contribute to depleting the stock of skilled people – teachers, doctors, engineers – who might otherwise contribute to the development of their home countries. These countries thus face a double challenge. In order to maximise the development impact of remittances, they must

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promote financial-market intermediation and work to lower transfer costs. To mitigate the effects of the brain drain, they must create more opportunities and incentives for potential migrants to remain at home, to return home if they have already emigrated, or to be more engaged in their home countries' development even if they do not return (e.g. via remittances, investment, knowledge transfer, networking).

Countries with more diversified economies, such as Bulgaria, Romania and Ukraine, have fared quite well over the recent years, especially in attracting FDI, which has contributed to job creation in both manufacturing and service sectors. Improvements in their fundamentals and the prospects of EU accession for Bulgaria and Romania played an important role. However, informality and unemployment remain high. Sustaining the recent economic performance will require implementation of structural reforms and improvements in legal and regulatory frameworks.

The EU accession process has created a strong momentum in Bulgaria and Romania to pursue structural reforms in recent years. Recent studies conducted at the World Bank applying the OECD methodology to benchmark regulatory reform in product markets suggest that both countries have made significant steps forward. Romania has rapidly approved several reforms in the area of product market regulation, but implementation and enforcement seem to lag behind schedule (Fay *et al.*, 2007*a*)[2]. Bulgaria also made progress, especially in terms of regulation concerning international trade and FDI. However, the country has much room for improvement in terms of state control of the economy and barriers to entrepreneurship (Fay *et al.*, 2007*b*). For both countries, the challenge is to sustain the reform momentum, to favour entrepreneurship and improve efficiency in regulated service sectors, which can have significant impact on total factor productivity, growth and job creation.

As far as Ukraine is concerned, the 2007 OECD *Economic Assessment* (OECD, 2007*c*) highlights some major challenges for accelerating growth and job creation. It has experienced an impressive recovery since the early 2000s. Sustaining such a growth path will require raising private investment considerably and facilitating a profound modernisation of the industrial sector. The OECD study finds that barriers to growth remain significant. In particular, poor framework conditions for business constitute a major obstacle to increasing the level and efficiency of investment, while barriers to firms' entry and exit are still substantial. The implementation of competition-friendly regulatory reforms will require a government-wide strategy and better co-ordination.

ACTIVE LABOUR MARKET POLICIES

Well-targeted active labour market policies (ALMPs) can be an effective instrument to tackle structural unemployment and improving the employment prospects of poorly qualified job seekers, disadvantaged workers and the long-term unemployed (OECD, 2005*c*). Therefore, activation programmes can help achieve both economic and equity objectives, by promoting greater equality of opportunities in the labour market. However, these policies may entail significant costs; hence, their effectiveness must be carefully assessed.

Within the region, a wide range of ALMPs is being pursued in recent years, although in most countries, and especially in lower income ones, ALMPs are still in their infancy. Information is scattered in terms of their scope, the resources allocated and the number of beneficiaries. Evaluations of results on the employability of beneficiaries are very rare, as monitoring and evaluation are not conducted on a regular basis and, more often, not conducted at all. This problem is not limited to the BSEC-CA region, as lack of proper evaluation is observed in many countries with far more developed ALMPs. Given the high incidence of informal or undeclared employment in many BSEC-CA countries, ALMPs that target mainly registered unemployed, as do most of them in the region, are likely to miss out a significant share of the labour force. Programme design should pay due attention to ensuring broader coverage, including in the

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informal sector. Improving the reach of job-mediation services could decrease the incentive for the unemployed to seek job opportunities abroad. Decentralising the design and implementation of TVET programmes by region or by industry can also be an important source of dynamism, creativity and initiative that is highly responsive to local demand and changing local needs. By mobilising all stakeholders (enterprises, local leaders, employers, workers, training providers, educators, academics and associations), it can help to exploit fully the community's private and public training resources and make the whole system more demand-driven (ILO, 1999).

Judging from the experience of the OECD countries, the focus should be on well-designed job mediation services and investment in human capital; public works projects are less likely to have a lasting impact. One of the most serious problems that BSEC-CA countries face is that their human capital may be deteriorating as children fail to complete secondary school, and school and university systems have been allowed to atrophy. The top priority should be to provide educational opportunities and basic healthcare so that all children complete secondary school, or at a very minimum primary school. Policies that provide vocational training and counselling to match unemployed workers with job vacancies can also help, although the design of the training schemes is critical. In particular, training programmes must clearly target participants and establish strong links with employers to include an on-the-job component (Martin and Grubb, 2001). More generally, policies to promote employability should be based on an accurate assessment of the job seeker's individual needs. Wage subsidies aimed at reducing labour costs can also be used to enhance labour demand for disadvantaged groups (e.g. unskilled workers or workers with disabilities). However, their effectiveness hinges upon close targeting and complementary training for beneficiaries. In addition, interventions that support employment in the private sector lead to better integration into the world of work than direct job creation in the public sector does (OECD, 2003).

The long experience of OECD countries with respect to ALMPs can provide useful insights for the BSEC-CA countries as they move towards adopting a broader range of policy instruments to enhance the job opportunities of their populations. Available programme evaluations, mainly referring to higher-income countries, point to several ingredients that contribute to make these programmes more effective (Martin and Grubb, 2001; OECD, 1993 and 2005; Carcillo and Grubb, 2006). Six main lessons can be drawn from these comparative studies:

- Programmes with precise targeting seem to yield better results than broadly targeted programmes, since they often involve a more careful assessment of the beneficiaries' specific needs.
- Job-search assistance strategies have a large impact in terms of subsequent job prospects of the unemployed and their cost is relatively low.
- Long-term programmes, such as vocational training, tend to achieve positive results, but only after some years and usually involve higher costs. Evidence for other long-term programmes, such as job-creation ones, is less clear-cut.
- Mixed strategies that combine job search and participation in training and other long-term programmes seem to be most promising. At the same time, governments should avoid setting up an unmanageable panoply of programmes, which can be difficult to administer and may confuse the firms and unemployed that they aim to support.
- ALMPs should be designed and managed in tandem with passive labour market policies. Unemployment and other welfare benefits can exert a significant impact on wage setting and on the motivations of the unemployed to seek new job opportunities. Therefore, to maximise impacts, the agencies in charge of job placement, benefit payments and participation in active programmes should work in close co-ordination. For instance, significant evidence suggests that job-search assistance should be a mandatory component of the unemployment benefits system.

Programme design should include a regular monitoring and evaluation component aimed at measuring the impact on individuals' employment and earning outcomes over a relevant time span after their participation in the programme. Evaluations can be costly, but can significantly contribute to improve policies.

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In sum, ALMPs can be effective instruments in the overall strategy to promote employment. At the same time, they cannot solve all labour market problems, and their impact is greatest where labour markets function well (OECD, 2003). The design of ALMPs should be carefully co-ordinated with passive labour market and social policies to minimise possible distortions and ensure they all contribute to increasing employment rates.

EMPLOYMENT-ORIENTED SOCIAL POLICIES AND TARGETED ASSISTANCE

One of the strengths of the Communist system was the universal provision of benefits, but this is an unsustainable legacy in a market-based economy. In an effort to make social assistance more effective and equitable, all of the transition economies have moved towards targeting of social assistance, and some of the BSEC-CA countries have been relatively successful, e.g. Armenia, the Kyrgyz Republic, Bulgaria and Romania, and more recently Georgia. Unemployment benefits are common in the BSEC-CA countries, but their coverage is limited and eligibility is conditional, usually on having an employment or contribution record. As documented in Chapter Three, many countries in the BSEC-CA region are confronted with declining employment rates, as a large share of their working-age population remains outside the labour force or seeks income opportunities in the informal sector. In all of the countries, there are concerns about the duration of unemployment, and the growing share of youth unemployment. This situation calls for well-targeted active policies to increase the employability of job seekers.

Meanwhile, the experience of several OECD countries suggests that an employment-oriented or active social policy that aims to promote integration of the beneficiaries into the labour market can be effective in tackling social exclusion and poverty. Comprehensive social insurance benefits can contribute to raising participation rates in the labour force, particularly of women and disadvantaged groups, and help job seekers withstand the consequences of layoffs and structural adjustment, while also having potentially significant effects on productivity (OECD, 2001*b* and 2005*b*). However, where poorly designed, welfare transfers can create distortions in the labour market, reduce incentives to actively seek employment and become unsustainable.

Unemployment benefits are a good example of such a trade-off. Such benefits can play an important insurance role to cushion income and consumption losses following layoffs and allow the unemployed more time to find a better job. The design and administration of these insurance schemes is crucial, as loose unemployment benefits systems can create distortions and reduce the job-search intensity of the unemployed. This is especially the case when entitlements are of long or indefinite duration and not combined with work availability conditions and measures for activation. However, the risks associated to the provision of unemployment benefits can be minimised when these benefits are co-ordinated with other labour market policies and programmes, such as ALMPs (OECD, 2006).

Early retirement schemes can mitigate the cost of enterprise restructuring for workers close to retirement age. However, these schemes have proven to be very costly. The priority should be to favour re-insertion of redundant workers into the labour market through re-training programmes and targeted social assistance. Finally, pension reform can also help the elderly to retire with a reasonable living standard, without imposing too heavy a burden on the current working generation. This is one of the most difficult reform areas owing to its widespread macro-economic, social and equity implications. Governments face trade-offs between the need to increase minimum pensions and the imperative to avoid a deterioration of the fiscal position of the pension fund. To address the current situation in the region, it is important to stress that more sustainable and equitable pension systems require: *i)* better alignment of benefits to contributions; *ii)* broadening of the pool of contributors; and *iii)* separation between the pension and social protection systems.

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Vulnerable sectors of the population should have access to protection through targeted social assistance programmes, but these should be financed through the budget, and not through the pension system. As suggested above, activation policies and employment-oriented social policies can contribute to expanding the range of contributors by promoting formalisation and higher employment rates, as well as increasing workers' productivity. Since social insurance is generally covered through taxes on labour, reduced unemployment and increased employment would raise funding for social assistance programmes.

Governments should also be very careful in designing non-distortionary tax instruments to finance social assistance, ensuring that they do not excessively increase the tax wedge between total labour costs and the net workers' earnings[3]. The negative employment effects of the tax wedge appear to be especially strong for low-paid employment, notably in the presence of a binding minimum wage. Making funding systems more progressive may help alleviate the adverse employment effect of the tax wedge (OECD, 2007*d*).

PROMOTING FORMALISATION

Another precondition for effective labour market (and other) policies is to encourage formalisation. All workers should be covered by workers' rights legislation. In many BSEC-CA countries, labour market policies define employers' and employees' rights and obligations, but there is a gap between legislation and enforcement, which means that the laws fail to benefit everybody. The key is to encourage formality by showing that benefits accrue to both employers and employees without incurring unreasonable and unnecessary costs.

International evidence indicates that better enforcement of labour market legislation and policies may increase demand for formal-sector employment and reduce informality, although unemployment may increase temporarily as workers seek formal employment. The Labour Inspection Unit created in Armenia in 2006 is a promising example of how to achieve reasonable compliance rates. Nevertheless, poor governance can lead to corrupt enforcement. Turkey's 2007-08 programme to increase formalisation illustrates the range of measures that can be promoted to discourage informality and increase formality (see Chapter Six).

High levels of informal employment can be a serious obstacle to effective implementation of social and labour market policies, since a large share of workers is *de facto* outside the reach of those policies. The design of social policies and labour-market programmes should consider this reality. These policies should be reviewed regularly to improve their effectiveness as informal activities are regularised. Well-designed employment-protection legislation can contribute to efficient labour reallocation, if it does not defend activities that have become uncompetitive. For example, moderate advance-notice requirements and severance pay can be structured to avoid penalising voluntary mobility. Unemployment insurance can help workers to mitigate risk, although such programmes presume that unemployment is frictional or short-term rather than the long-term unemployment that is prevalent in many of the BSEC-CA countries. Relative wages must be able to adjust to changing market conditions. Reforms in other areas, such as housing and transport, can facilitate labour mobility.

Regularising informal activity requires a multi-pronged strategy, relying on policy instruments that are adapted to the characteristics of the national economy and of its informal sector, as well as to the specific aspects of informal employment that are to be tackled. There is no "one-size fits all" remedy. Meanwhile, the experience of OECD countries points to some important ingredients of such a strategy for reducing the negative consequences of informality (OECD, 2004).

The first ingredient of such a strategy has to do with effective governance. Governments should promote effective legal frameworks for transactions in the formal sector, ensure adequate pay for civil servants and strengthen the administrative capacity of central governments, especially of the tax administration services. Second, authorities should seek a balance between the need of labour regulation and the possible unintended effects on tax compliance and informal

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employment. The objective should be to devise better-quality employment regulation that promotes tax-collection but with low-compliance costs. Enforcement measures should be complemented by appropriate and cost-effective economic incentives for the declaration of work. Third, tax administrations should move towards a taxation of profits that is based on a value-added system to provide an incentive to business owners to maximise declared wages and salaries. Fourth, policies must be realistic. Effective implementation requires a careful assessment of informality and of its causes; results are unlikely to materialise overnight, but achievements can be jeopardised if policy implementation is inconsistent, provides mixed signals and fails to change agents' expectations and behaviours.

Meanwhile, any attempt to promote formalisation should acknowledge that many people working informally have no other choice and often move in and out from the shadow economy or even combine formal and informal jobs. Stigmatising informality and tax evasion can do little for the workers and entrepreneurs engaged in informality. Those in the informal sector are unlikely to "emerge" and firmly join the formal sector overnight. Policies need to encourage the rights to decent employment for everyone. Efforts to promote formalisation should be accompanied by policy measures to minimise the worst consequences of informality, to broaden access to social and employment protection, and to exploit the use of informal insurance mechanisms as a social safety net. Informality can be a source of flexibility, especially for micro and small enterprises. Informality, can, however, become a serious impediment to growth for the most successful ones. As they grow larger, enterprises will need the legal and regulatory infrastructure that only the formal sector can offer. An efficient government and a business-friendly regulatory environment is then a major incentive for formalisation.

MIGRATION, REMITTANCES AND MIGRANT WORKERS' RIGHTS

Throughout the BSEC-CA countries, policies that promote the rights of migrant workers and aid the channelling of remittances are required. Addressing the rights of migrant workers can improve relations between the host community and migrants, and can increase migrants' representation in the formal labour market. Policies should facilitate the secure and low-cost transfer of remittances, preferably encouraging their passage through the formal financial system, and encourage investment in productive enterprises.

Co-operation between source, transit and destination countries should be enhanced in order to achieve orderly migration within the region and from the region, as well as to promote the development potential of migration. The selectivity of some receiving countries' immigration schemes causes a brain drain in certain BSEC-CA countries. Policies and measures to combat brain drain in BSEC-CA countries should be explored. Such policies include circular migration schemes, which encourage "brain circulation" and can potentially reverse the trend to "brain gain". Countries of destination might make an important contribution to promoting the migration-development nexus by undertaking co-financing initiatives for micro projects of returned migrants.

Women and girls can constitute a vulnerable sub-group of migrants, often confined to less well paid, and less desirable, gender-defined jobs. Trauma caused by trafficking and exploitation as well as separation from children and families needs to be addressed. Home and receiving countries need to adopt policies (jointly and at national level) that address issues of discrimination and exploitation of migrant women and girls. Specific provisions should be made for the victims of trafficking and organised crime in close co-operation between all stakeholders.

Children and youth constitute another vulnerable group of migrants. Policies should be adopted by countries of origin and destination with a view to protecting minors and youth directly or indirectly affected by the migratory process.

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INVESTMENT IN STATISTICS

The data collected in this book highlights the mixed standards of statistical collection in the region. Definitions vary and collection standards are inconsistent. In many countries, especially newly independent states, creation of an effective national statistical office was understandably a low priority. However, good data are essential for evidence-based policy decisions.

A related issue is the need to regularise the definition and application of the notion of unemployment. Definitions which exclude, for example, landowners, however impoverished, or those in the informal sector from being defined or registered as "unemployed" hinder their access to social programmes targeted only to those officially unemployed. Policies that widen the access to active labour market policies such as vocational training schemes or subsidised employment will enhance human capital and improve access to the formal labour market.

The quality of data and statistical capacities vary greatly across the BSEC-CA countries. Even in countries where statistical information is collected on a regular basis and in accordance with internationally agreed standards, problems of access to data and co-ordination among government agencies are observed. Migration statistics are a case in point. Lack of co-ordination between relevant national agencies is part of the problem. Better co-operation between sending and receiving countries is also needed.

Targeted support from international organisations and donors to strengthen data collection and dissemination remains very important. The Statistical Office of the European Communities (Eurostat), the ILO, the IOM and the UNECE are implementing capacity development programmes in several BSEC-CA countries in the field of labour and social indicators[4]. These efforts should be developed further and could benefit from advances being made in the OECD Global Project on "Measuring the Progress of Societies", in which the OECD is working with other international organisations and partners to develop a new approach to measuring how societies are changing by using high quality, reliable statistics to assess progress in a range of areas affecting citizens' quality of life"[5]. This is a global effort to find better measurements of progress that consider the multidimensional features of societal well-being.

CONCLUSIONS

Despite their specific features, the countries of the BSEC-CA region face many common challenges in promoting work and well-being for their populations. Addressing these challenges will require sustaining regulatory reform and sound macroeconomic policies, while improving the design of labour market and social policies. As this *BSEC-CA Economic Outlook* has highlighted, there are successful reform experiences across the two regions. Strengthened regional co-operation within each region can contribute to building a larger and more efficient market and create new growth opportunities. Regional co-operation can also promote a continuous exchange of experiences and mutual learning on policy reform, to allow each country to cope with the opportunities and adjustment challenges that open markets create.

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NOTES

1. The OECD has developed a range of indicators of product market regulation at both the economy-wide and sectoral levels. All of these indicators measure the extent to which policy settings promote or inhibit competition in areas of the product market where competition is viable. The methodology and country specific information are available data at www.oecd.org/eco/pmr.

2. Pauna *et al*. (2007) note that "interviews with business associations suggest a significant gap between officially adopted policies, on the one hand, and implementation and enforcement, on the other. … The lack of a greater effort in terms of implementation and enforcement would substantially reduce the impact of the policies adopted in recent years that could hurt the competitiveness of the Romanian economy in the longer run".

3. The extent to which a higher tax wedge has an impact on employment depends crucially on three factors: *i)* the "progressivity" of funding systems; *ii)* the link between what is paid and expected benefits; and *iii)* how labour taxation affects wage claims and replacement incomes (see OECD, 2007).

4. For instance, the ILO has contributed to the development or redesign of labour force surveys in several countries, including Azerbaijan, Georgia, Moldova, Turkey and Ukraine, and the design of informal sector surveys in Georgia and Turkey. In co-operation with OSCE, IOM and ILO, UNECE is leading a capacity-building programme on Improving International Labour and Environment-Related Migration Statistics in member countries of the UN Special Programme for Economies of Central Asia (SPECA) with a special emphasis on population, health and the non-observed economy.

5. Information on the project and relevant documents, including the Istanbul Declaration of the OECD "World Forum on Statistics, Knowledge and Policy," held in Istanbul on 27-30 June 2007, can be found at www.oecd.org/oecdworldforum.

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ACRONYMS ABBR.

Acronyms and Abbreviations

ADB	Asian Development Bank
BSEC	Organization of the Black Sea Economic Cooperation
CAREC	Central Asia Regional Economic Cooperation
CIS	Commonwealth of Independent States
CPI	Consumer Price Index
DAC	Development Assistance Committee of the OECD
DIFD	Department for International Development (United Kingdom)
EBRD	European Bank for Reconstruction and Development
ECE	United Nations Economic Commission for Europe
ECO	Economic Cooperation Organization
EITI	Extractive Industry Transparency Initiative
ESCAP	United Nations Economic and Social Commission for Asia and the Pacific
EU	European Union
EurAsEc	EurAsian Economic Community
FDI	Foreign Direct Investment
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
IDA	International Development Association (of the World Bank)
ILO	International Labour Organization
IMF	International Monetary Fund
IOM	International Organization for Migration
KILM	Key Indicators of the Labour Market (ILO database)
LLM	Low- and Lower-Middle-income countries
MFN	Most-Favoured Nation
NAFTA	North American Free Trade Area
NGOs	Non-Governmental Organisations
ODA	Official Development Assistance
PPP	Purchasing Power Parity
SCO	Shanghai Cooperation Organisation
SITC	Standard International Trade Classification

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UMH	Upper-Middle- and High-income countries
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund (originally known as the United Nations International Children's Emergency Fund)
UNODC	United Nations Office on Drugs and Crime
USAID	United States Agency for International Development
WHO	World Health Organization
WITS	World Integrated Trade Solution (software developed by the World Bank, in close collaboration with UNCTAD, giving access to the major trade and tariffs data compilations).
WTO	World Trade Organization

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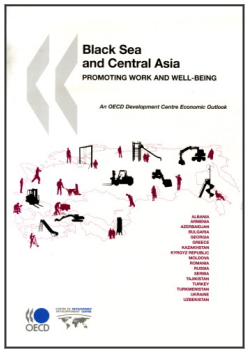

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