



European Training Foundation

NEW ECONOMIC AND LABOUR MARKET TRENDS AND THEIR IMPLICATIONS FOR SKILLS DEVELOPMENT

NEW FORMS OF WORK IN AZERBAIJAN

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NEW ECONOMIC AND LABOUR MARKET TRENDS THE ETF PARTNER COUNTRIES - CONTEXT

- ❑ The EU Neighbourhood countries experience different dynamics within the region of the Western Balkans and Turkey, Eastern Partnership, Southern Mediterranean and Central Asia. However, the majority of the **countries suffer from low productivity and inefficient use of resources, especially human resources.**
- ❑ **The impact of technological change on employment is very intense** and has been **substantially accelerated by the COVID-19 pandemic**, including through remote work. The ICT sector had been expanding before the outbreak of the COVID-19 pandemic and its growth has accelerated by the digitalisation shifts between 2020 and 2021.
- ❑ **Continuous growth has been observed in the ICT sector value added**, particularly in Belarus, Serbia, Russia, Israel, Ukraine, **Azerbaijan**, North Macedonia and Bosnia-Herzegovina.
- ❑ Changing industrial relations, **strong sectoral shift towards services**
- ❑ **Economic and labour market volatility (impact of the pandemic)**

NEW FORMS OF WORK IN THE ETF PARTNER COUNTRIES

- FINDINGS

- ❑ Increasing self-employment, freelancing, remote work and platform work – outsourcing, emergence of national start-ups, technological parks and growing number of workers on international platforms – Serbia, Ukraine, North Macedonia, Armenia, Montenegro, Bosnia-Herzegovina, Albania, Egypt, Russia
- ❑ Platform work: Eastern Partnership - prevalent in Ukraine, followed by Belarus. Increasing popularity in Azerbaijan, Georgia and Moldova. Strongly increasing prevalence in Armenia and Azerbaijan
- ❑ Mostly young people involved, majority educated males from capital and other larger cities
- ❑ Remote work - ICT, multimedia arts and design, writing and translation
- ❑ On-location: ride hailing, delivery services

NEW FORMS OF WORK IN THE ETF PARTNER COUNTRIES - FINDINGS

- ❑ Fostered labour market flexibilization and segmentation: high-skill and low-skill / gender
- ❑ Limited acknowledgement of the new phenomena in recent policies
- ❑ In most cases, regulations are not well adapted to new forms of work
- ❑ Social partners are almost not present – social dialogue, policy making?
- ❑ Wide-spread informality, limited coverage by employment policies, services or social benefits
- ❑ Limited career development, algorithmic management
- ❑ **However, new forms of work are not linked with precarity, but rather additional and higher income than in other sectors**

NEW FORM OF WORK GROWING IN THE ETF PARTNER COUNTRIES - IMPLICATIONS

- **Strong digitalisation push relies on connectivity: infrastructure and digital services**
- **Working conditions - labour market regulations, including employment status and taxation**
- **Skills strategies to address skills demand (including implications for education and training systems)**
- **Role of ALMPs and PES in supporting the transition into employment and job-to-job in the platform economy**
- **Access to information: freelancing, platform work may become a pathway to work for the unemployed or underemployed**
- **Access to services: counselling, career guidance and other support services**
- **Limited career development, but skills development opportunities – on-the-job learning**
- **Need to extend knowledge and understanding, not captured by traditional statistics**
- **(Un)observability of platform work or freelance transactions**

NEW FORM OF WORK GROWING IN THE ETF PARTNER COUNTRIES - IMPLICATIONS FOR SKILLS

- ❑ Digital skills
 - ❑ STEM and ICT, multimedia arts and design, literacy – writing and translation
 - ❑ Language skills, English and Russian in particular
 - ❑ Entrepreneurship, customer orientation and self-organisation skills
 - ❑ Analytical and problem-solving skills
 - ❑ Self-presentation and communication
 - ❑ Career management and learning to learn
- **Implications for the education and training: adult skills development, skills recognition, validation, certification**

NEW LABOUR MARKET TRENDS AND FORMS OF EMPLOYMENT IN AZERBAIJAN - CONTEXT

- ❑ **Fast economic growth (prior 2020)**
- ❑ **High activity and low unemployment**
- ❑ **Significant share of self-employed (66.6% in 2019)**
- ❑ **Informality and vulnerability are present**
- ❑ **Skills mismatch (among youth)**
- ❑ **Emerging creative and innovative environment, backed by strong government strategies (e.g., in the field of information technologies)**

NEW LABOUR MARKET TRENDS AND FORMS OF EMPLOYMENT IN AZERBAIJAN – PLATFORM WORK

	UZAQDAN	YERINDƏ	
YAŞ Əksəriyyəti 40 yaşın altında			YAŞ Xeyli dəyişir, lakin əksərən gəncdir
TƏHSİL Əksərən 3-cü səviyyə			TƏHSİL Bütün səviyələr
CINSIYYƏT 90% kişi			CINSIYYƏT 99% kişi
ƏSAS VƏ YA İKINCI İŞ Əsasən ikinci dərəcəli iş			ƏSAS VƏ YA İKINCI İŞ Əsasən ikinci dərəcəli iş
MƏKAN Bakı və daha böyük şəhərlər			MƏKAN Bakı və daha böyük şəhərlər



NEW LABOUR MARKET TRENDS AND FORMS OF EMPLOYMENT IN AZERBAIJAN – STATE OF PLAY



GÖSTƏRİLƏN ƏSAS XİDMƏTLƏR



Kreativ və
multimedya



Proqram inkişafı və
texnologiya



Yazı və tərcümə



Nəqliyyat



Çatdırılma



NEW LABOUR MARKET TRENDS AND FORMS OF EMPLOYMENT IN AZERBAIJAN – PLATFORM WORKERS AND REGULATORY FRAMEWORK

- **Little attention in relevant policies despite strong strategic frameworks e.g. for digitalisation**
- **New forms of work, including platform work not regulated by existing legislation (Labour code and Civil code)**
- **Freelance work and self-employment are often informal employment**
- **Little evidence available**



Limited financial security and social protection
Limited attention to skills development

NEW LABOUR MARKET TRENDS AND FORMS OF EMPLOYMENT IN AZERBAIJAN – MAIN CHALLENGES AND OPPORTUNITIES

OPPORTUNITIES

- **New job opportunities (for both highly and low skilled)**
- **Alternative to migration**
- **Development/strengthening of (new) skills (e.g., language skills, analytical and problem-solving skills, self-presentation and communication)**

CHALLENGES

- **Shortage of specialists in demanded occupations e.g. IT**
- **Informality among platform workers and inadequate regulatory framework**
- **insufficient knowledge of English language**

[ETF recent publications \(2021\)](#)

[The future of work – New forms of employment in the Eastern Partnership countries: Platform work](#)

[Platform work in Azerbaijan](#)

[Changing skills for a changing world: Understanding skills demand in EU neighbouring countries](#)