



Stakeholder Submission to the UN Human Rights Council's Universal Periodic Review

Azerbaijan: 44th Session

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Institute for Citizens Rights (ICR)

The Institute for Citizens Rights (ICR) was established on April 1st, 2012. The Institute for Citizens Rights operates in the direction of the development of young individuals living in the capital city of Baku and the regions, protection of citizens' rights, legal awareness-raising and increasing citizen activity.

Contact: Bashir Suleymanli, Chairperson of the Institute for Citizens Rights

Telephone: +994 50 343 88 66

Email: suleymanli.bashir@gmail.com

Web: <https://vhi.az/>

Center for Support for Economic Initiatives (SEI)

The Baku-based Non-governmental Organization - Center for Support for Economic Initiatives (SEI) came into existence in order to promote expansion of advanced and innovative socioeconomic initiatives. On September 29, 2006, SEI was registered with the Ministry of Justice. SEI's slogan is "From guided society to self-governed society". The idea behind this slogan also denotes the key mission SEI is committed to accomplishing.

Contact: Dr. Azer Mehtiyev, Chairman of Center for Support for Economic Initiatives

Telephone: (+99450) 3411698

E-mail: amehtiyev@gmail.com

Web: www.sei.az

Public Association for Assistance to Free Economy (PAAFE)

Public Association for Assistance to Free Economy (PAAFE) was registered by the Ministry of Justice of Azerbaijan on May 26, 2006. PAAFE is a non-governmental organization operating fully on a non-profit basis. The organization's mission is to ensure the rule of law, economic freedom and good governance. The main directions of work of the organization are promoting economic freedoms, good governance and economic development, and the protection of

economic and social rights, freedom of association and information.

Contact: Zohrab Ismayil, Chairman of Public Association for Assistance to Free Economy

Telephone: (+99450) 983 69 60

E-mail: paafe@freeeconomy.az

Web: www.freeeconomy.az

Report - Review of the implementation of recommendations concerning the adaptation of the minimum wage and other social payments to the living wage and amount of the minimum wage and elimination of the retirement age gap between men and women adopted by Azerbaijan according to the third and fourth periodic report submitted by Azerbaijan in accordance with the Article 16 and 17 of the International Covenant on Economic, Social and Cultural Rights during UPR in 2009 and 2018.

Summary of the submission

1. First of all, it should be noted that the Republic of Azerbaijan, in accordance with Articles 6, 7 and 9 of the UN Covenant on Economic, Cultural and Social Rights, as well as Articles 16 and 17 of that Covenant, has undertaken obligations to adjust the minimum wage, unemployment insurance payments, and other social benefits to the living standards of the population to improve their socio-economic status, also to study the impact of different retirement ages set for men and women on the exercise of women's rights, including learning about the effect of the specific retirement age on women's rights and complying with recommendations regarding the elimination of gender-based differences in retirement ages.¹
2. This report presented by the Institute for Citizens Rights examines the adaptation of the minimum wage, unemployment insurance payments, and other social benefits to the living standards of the population in accordance with the UN Covenant on Economic, Cultural and Social Rights, also the impact of the different retirement ages set for men and women on exercising women's rights and the level of compliance with the recommendations regarding the elimination of gender-based differences in retirement ages, as well as the situation of the implementation of the adopted recommendations in Azerbaijan.
3. The UN Committee on Economic, Social and Cultural Rights reviewed Azerbaijan's third and fourth reports submitted in accordance with Articles 16 and 17 of the International Covenant on Economic, Social and Cultural Rights and urged the participating state to ensure that the minimum wage is applied to all workers in both the public and private sectors, as well as to regularly review the minimum wage to ensure that it corresponds to the cost of living and to take measures to guarantee a decent standard of living for the population, also to study the impact of different retirement ages set between men and women on equal access to rights for women and provided recommendations for the elimination of different retirement ages and adopted final notes.²

The state of implementation of the UPR recommendations of the Committee on Economic, Cultural and Social Rights for 2013 and 2021 by the Republic of Azerbaijan:

¹ Concluding observations on the third periodic report of Azerbaijan, adopted by Committee on Economic, Social and Cultural [Concluding observations on the 3rd periodic report of Azerbaijan, adopted by the Committee at its 50th session, 29 April-17 May 2013 : \(un.org\) \(page 3 , 4\)](#) ; Concluding observations on the fourth periodic report of Azerbaijan, adopted by Committee on Economic, Social and Cultural at its 57th meeting, held on 15 October 2021 [G2131332.pdf \(un.org\) \(page 6\)](#)

² Concluding observations on the third periodic report of Azerbaijan, adopted by Committee on Economic, Social and Cultural [Concluding observations on the 3rd periodic report of Azerbaijan, adopted by the Committee at its 50th session, 29 April-17 May 2013 : \(un.org\) \(page 3 , 4\)](#) ; Concluding observations on the fourth periodic report of Azerbaijan, adopted by Committee on Economic, Social and Cultural at its 57th meeting, held on October 15th, 2021 [G2131332.pdf \(un.org\) \(page 6\)](#)

Adjustment of the minimum wage and social payments to the living wage:

Recommendation:

4. The committee recommends to the state party create an effective system of adjusting the minimum wage and the amount of social payments to the living wage and ensure a decent standard of living for citizens.³

Implementation level:

5. According to the third periodical report submitted by Azerbaijan to the Committee of the ECSR, when determining the minimum wage the financial and economic situation of the state, the general level of wages in the country, inflation, the minimum consumption basket and the current amount of social benefits and pensions are initially taken into consideration.
6. When determining the minimum wage, it is essential to consider the needs of workers and their family members, the general level of the average monthly wage, as well as the living minimum and social payments, and the living standards of other social groups. It is obvious from this that the amount of the minimum wage and other social payments should be adjusted to the minimum living wage of citizens.⁴
7. According to the Constitution of Azerbaijan, the highest goal of the state is to ensure human and citizen rights and freedoms and a decent standard of living for the citizens of the Republic of Azerbaijan.⁵ According to the Constitution of the AR (Article 35) and the Labour Code (Article 155), the employee has the right to receive a wage not less than the minimum wage determined by the state for their work without any discrimination. Wage bonuses, increases, as well as overtime payments and other payments are not included in the amount of the minimum wage. The State Labour Inspectorate under the Ministry of Labour and Social Protection of the Population supervises the payment of the minimum wage to employees. In order to regulate the increase of the minimum wage and the amount of social payments, appropriate decrees are adopted by the relevant executive power authority and appropriate changes are made to the legislation. In 2017, an amendment to the Law on Labour Pensions stipulate that the minimum amount of labour pension should be indexed annually, mostly in accordance with the annual growth rate of the average monthly nominal salary for the country, as determined by the relevant executive power body under Article 29.1 of the law. That is to say, in order to further enhance social protection for pensioners in the country, the President issued relevant decrees from January 1st, 2022, indexing and increasing the insurance part of all types of

³ Concluding observations on the third periodic report of Azerbaijan, adopted by Committee on Economic, Social and Cultural [Concluding observations on the 3rd periodic report of Azerbaijan, adopted by the Committee at its 50th session, 29 April-17 May 2013 : \(un.org\) \(page 4\)](#) ; Concluding observations on the fourth periodic report of Azerbaijan, adopted by Committee on Economic, Social and Cultural at its 57th meeting, held on 15 October 2021 [G2131332.pdf \(un.org\) \(page 6\)](#)

⁴ Minimum wage fixing Convention, 1970. Article 3

https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C131

⁵ AR Constitution, Article 12 <https://www.e-qanun.az/framework/897>

labour pensions, except for those receiving supplements for the length of their service, in line with the annual growth rate of the average monthly nominal wage. Furthermore, one-time financial aid of AZN 200 (109 euros) was assigned to labour pensioners in 2022, while labour pensioners who received supplements due to the length of their service were assigned monthly financial aid in the amount of 10 per cent of the monthly labour pension.⁶

Improvements:

8. According to the fourth report⁷ submitted to the Committee on Economic, Cultural and Social Rights by Azerbaijan, from 2003 to 2017, the minimum wage has increased by 14.4 per cent, while the average monthly pension and the average monthly wage increased by 8.6 per cent and 6.9 per cent respectively. Currently, the amount of the minimum wage in the country is AZN 345 (188 euros) and the amount of the minimum labour pension is AZN 280 (152 euros). So that, according to the order of the relevant executive power authority, from January 1st, 2023, the amount of minimum monthly wage has been increased by 15 per cent from AZN 300 (163.09 euros) to AZN 345 (188 euros), and the minimum pension amount has been increased by 16.7 per cent from AZN 240 (130 euros) to AZN 280 (152 euros).⁸
9. 6. The wages of employees working in both the public and private sectors cannot be lower than the amount of the minimum wage. According to the State Statistics Committee's information, as of August 1st, 2022, the number of salaried workers in the country's economy increased by 29.4 thousand persons or 1.7 per cent compared to the same period of last year and reached 1719.1 thousand persons, of which 897.5 thousand persons worked in the state sector of the economy, and 821.6 thousand persons worked in the non-state sector.⁹
10. With the increase in the amount of the minimum wage, the compulsory social insurance and unemployment insurance fees deducted from the wages of the workers also increase. Currently, if we look at the legislation, we can observe an increase in the amount of minimum wage and social payments. Those increases are carried out in accordance with the obligations adopted by the Azerbaijani state to adjust the minimum wage and the minimum amount of social payments to the minimum living standards of the population and to ensure their decent standard of living in accordance with the recommendations of the Committee. One of the main problems that arise at this time is that, although there are increases, the payments are not adjusted to the minimum living standards of the population.

⁶ Report of the State Statistics Committee on social security in the country, 2022
<https://www.stat.gov.az/news/index.php?id=5165>

⁷ Fourth periodic report submitted by Azerbaijan under articles 16 and 17 of the Covenant, due in 2018,
[G2131332.pdf \(un.org\) \(page 30\)](https://www.un.org/ru/documents/declarat/declarat.htm)

⁸ <https://www.bbc.com/azeri/azerbaijan-64175554>

⁹ The report of the State Statistics Committee on the number and wages of persons working in the economy, 2022
<https://stat.gov.az/news/index.php?lang=az&id=5293>

11. The minimum living wage is the right that allows workers and their family members to meet their basic needs¹⁰. Elements essential to a decent standard of living include food, non-food items, services used, and other essential needs.¹¹
12. According to the “Minimum Living Wage” Law, the social norm consisting of a set of food, non-food goods and services and the sum of mandatory payments necessary for the minimum level of human health and life activity constitutes the minimum living. If we observe that there are serious increases in the amount of food and non-food products, services, as well as mandatory payments, it is clear that the increases intended for citizens are not adjusted according to their living standards. The needs of the population are not met with the minimum wage and the minimum amount of pensions that are determined by the increase in the prices of the daily demand products necessary for the population, as well as utility payments and the emergence of other needs of citizens. And with this, we see that there are serious problems in the implementation of the obligation undertaken by the state and also the obligation undertaken by the state is not being implemented properly.

Elimination of the retirement age difference between women and men:

Recommendation and concern:

13. The Committee recommends that the State party study the impact of different retirement ages set for men and women on women’s equal access of their rights. The committee also expresses its concerns about the different retirement ages set for men and women.¹²

Implementation level:

14. According to the recommendations and concerns mentioned by the committee, in the final period report submitted by the state of Azerbaijan, it is noted that in accordance with the “Labour Code” and the Law on “Labour Pensions”, the wage and pension amount is paid to pensioners in full, and the wage reduction due to the retirement of the employee is not permitted. Furthermore, retired women and men in labour relations enjoy the full range of labour rights envisaged for other workers. Besides, in 2017, additions and amendments have been made to the Law on “Labour Pensions” in order to eliminate the difference in determining the retirement age between men and women.¹³

¹⁰ United Nations Global Compact, Paper Ensuring a Living Wage is an Essential Aspect of Decent Work, <https://unglobalcompact.org/what-is-gc/our-work/livingwages>

¹¹ Global Living Wage Coalition, the Anker Methodology for Estimating a Living Wage <https://www.globallivingwage.org/about/anker-methodology/>

¹² Concluding observations on the third periodic report of Azerbaijan, adopted by Committee on Economic, Social and Cultural [Concluding observations on the 3rd periodic report of Azerbaijan, adopted by the Committee at its 50th session, 29 April-17 May 2013 : \(un.org\) \(page 3, 4\)](#)

¹³ Fourth periodic report submitted by Azerbaijan under articles 16 and 17 of the Covenant, due in 2018 [G1902002.pdf \(un.org\)](#)

15. If we look at the old legislative acts regulating the pension rights of citizens, we can see that the age limit for the right to receive a pension was set at 60 years for men and 55 years for women, but later that age limit was increased¹⁴. According to the amendment to the Law on “Labour Pensions”¹⁵ made on March 10th, 2017, that age limit was replaced by 63 years for men and 60 years for women, and that age limit for men started to increase from July 1st, 2017 until July 1st, 2021, and it was reached to 65 years. But for women, starting from July 1st, 2017 until July 1st, 2027, it is increased by 6 months every year. We believe that increasing that age limit is not appropriate. That is to say, if we take into account that the average life expectancy in Azerbaijan is set between 66 and 73 years¹⁶ from 1970 to 2021, we can see that when a person reaches retirement age, they can use the right to receive a labour pension for an average of 7 years. Despite the fact that a person collects the required pension capital (AZN 40,320) to receive an old-age labour pension, or has 25 years of insured experience, receiving an average 7-year old-age labour pension is significantly different from the above requirements. Therefore, we do not consider it appropriate to increase the retirement age.

Improvements:

16. So that, according to Article 1.13 of the Law of the Republic of Azerbaijan on “Amendments to the Law on Labour Pensions” No.543-VQD dated March 10th, 2017, the age limit for men envisaged in Article 7 of this Law is increased by 12 months every year starting from July 1st, 2017 until July 1st, 2021, the age limit for women is increased by 6 months every year from July 1st, 2017 until July 1st, 2027.

17. If we look at articles 8 and 9 of the Law on “Labour Pensions”, we can see that there is a group of individuals in the law who may have their pension age limit reduced only if they meet the relevant conditions. This group includes women who have given birth to five or more children, and raised and nurtured them until the age of eight, as well as women who have raised and nurtured a child with a disability until the age of eight; mothers who have lost their husband or divorced their husband, or have been deprived of parental rights and have five or more children or a child with a disability that they are raising alone until the age of eight; fathers who are raising five or more children alone until the age of eight, and male caregivers who are raising five or more children alone until the age of eight and working in especially hazardous and heavy occupations listed by the Cabinet of Ministers of the Republic of Azerbaijan. The pension rate of these individuals can be reduced only if they meet the relevant conditions. Specifically, their right to receive a labour pension based on age can be reduced by up to 5 years.¹⁷

¹⁴ Law on pension provision of citizens. Article 12 <https://e-qanun.az/framework/7739>

¹⁵ Law on “Labour Pensions”, Article 7 https://www.e-qanun.az/framework/11566#_edn25

¹⁶ Report of the State Statistics Committee <https://www.stat.gov.az/source/demography/>

¹⁷ Law on “Labour Pensions” <https://www.e-qanun.az/framework/11566> Article, 8 and 9

18. The general conditions for having the right to a labour pension due to age are that the person applying for a pension must have the pension capital required by law (AZN 40,320) or 25 years of insured experience. If one of the mentioned conditions is met and the applicant reaches the retirement age (currently 65 for men, 63 for women), they are entitled to receive an old-age labour pension.
19. Currently, the retirement age for men is set at 65 years, and for women at 63 years. The retirement age for women will be reached 65 by July 1st, 2027. For men, it is not envisaged to increase the retirement age by that date and it will be kept at 65 years. That is to say, the maximum retirement age for men is 65 years.
20. In the 2022 report of the office of the Commissioner for Human Rights of the Republic of Azerbaijan (Ombudsman), it is noted that, taking into consideration the increasing role of women in the Azerbaijani society and the family, as well as the responsibility that falls on them due to family concerns, gradually increasing of the retirement age of working women is not considered appropriate to reach the age of 65 by July 1st, 2027.¹⁸
21. As of July 1st, 2022, 1,159,3 thousand persons were registered in the State Social Protection Fund, which is 11.5 per cent of the country's population, according to the information of the SSC. 60.5% of them receive an old-age pension, 26.6% disability pension, and 12.9% pension due to the loss of the head of the family. The average amount of assigned monthly pensions increased by 11.9 per cent compared to the corresponding period of last year, and by 10.9 per cent compared to the beginning of the current year, and amounted to AZN 368 and is equal to 44.5 per cent of the average monthly salary.¹⁹
22. The increase in the retirement age in the country is explained by the increase in the average life expectancy. According to the State Statistics Committee, from 1970 to 2021, the average life expectancy in Azerbaijan changed between 66 and 73 years. It can be said that there is no significant increase in life expectancy in the country. The average life expectancy varies between 71-75 years for women and 66-71 years for men²⁰. It is clear from this that there is no sharp difference between the average life expectancy and the retirement age. Hence, taking into account the effective retirement age, the right to receive a pension for men is 5 years on average, and this right for women is equal to 9 years. The mentioned periods are quite short, and the retirement age needs to be reduced so that both men and women can have longer pension rights. In many European countries, the average life expectancy for men and women varies between 73 and 80 years²¹. With this, we can see that the retirement age in those countries varies between 62 and 65 years²². This means that men have an average of 10 years of pension rights, and

¹⁸ 2022 Report of the Human Rights Commissioner (Ombudsman) of the Republic of Azerbaijan on the Protection of Human Rights in the Republic of Azerbaijan <https://ombudsman.az/az/view/pages/59>

¹⁹ Report of the State Statistics Committee on social security in the country, 2022
<https://stat.gov.az/news/index.php?lang=az&id=5285>

²⁰ Report of the State Statistics Committee <https://www.stat.gov.az/source/demography/>

²¹ United Nations, Department of Economic and Social Affairs, World Population Prospects 2022
https://www.un.org/development/desa/pd/sites/www.un.org.development.desa.pd/files/wpp2022_summary_of_results.pdf

²² <https://tradingeconomics.com/country-list/retirement-age-men>

women have 14 years of this right. While the average life expectancy in Azerbaijan will not change, the right of citizens to receive a pension may be limited to the mentioned periods. We believe that the retirement age limit should be reduced, taking into account the average life expectancy.

Summary of the review and recommendations by ICR:

23. In general, there have not been significant and substantial changes made to resolve issues related to the adjustment of Azerbaijan's minimum wage, unemployment insurance payments, and other social benefits to align with the minimum living standard, as well as the study of the impact of different retirement ages for men and women on women's equal rights and issues related to the elimination of the retirement age gap between women and men. The legislative additions and amendments that have been implemented do not fully fulfil the mentioned obligations and do not contribute to the resolution of problems.
24. In accordance with the recommendations²³ adopted by the Committee on Economic, Cultural and Social Rights in relation to the state of Azerbaijan, the ICR recommends the following:
 - a. Adjusting the minimum wage to half of the average monthly wage amount determined for the Republic;
 - b. In order to improve the social protection of the population, especially low-income families and citizens belonging to other vulnerable groups, taking into account the increase in the amount of food, non-food products, utility services, as well as mandatory payments when determining (increasing) the amount of the minimum pension and other social payments;
 - c. Amending the Law on "Labour Pensions" by revising the conditions required to be entitled to the old-age pension;
 - d. Taking into consideration that the average life expectancy in Azerbaijan is low, making relevant amendments to the Law on "Labour Pensions" regarding the reduction of the retirement age of men and women in order to benefit from the right to receive a pension for a longer period of time.

²³ Concluding observations on the third periodic report of Azerbaijan, adopted by Committee on Economic, Social and Cultural [Concluding observations on the 3rd periodic report of Azerbaijan, adopted by the Committee at its 50th session, 29 April-17 May 2013 : \(un.org\) \(page 3 , 4\)](#) ; Concluding observations on the fourth periodic report of Azerbaijan, adopted by Committee on Economic, Social and Cultural at its 57th meeting, held on 15 October 2021 [G2131332.pdf \(un.org\) \(page 6\)](#)