



RESEARCH REPORT LABOUR RIGHTS IN GEORGIA

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Objective of the Research is to study the implications and implementation strategies of the new labour code and identify gaps between labour policy and practice in Georgia.

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Introduction

While Georgia has received much international praise for the rapid economic growth that followed the 2003 Rose Revolution, serious underlying labour issues have remained unaddressed or worsened. Despite impressive increases in GDP during an era of neoliberal reforms, unemployment rates remain high and poverty rates have seen only a slight decrease (Gugushvili 2016). Additionally, years of deregulation and a lack of oversight have left the Georgian worker largely unprotected from discriminatory practices and unsafe working conditions with few mechanisms for legal recourse, as discussed in detail in the evidence section below.

A new Labour Code that had been under scrutiny by the Georgian parliament for over a year was passed on September 29, 2020. While the code underwent a watering-down thanks to significant pressure from the business sector, this reform will nevertheless bring Georgia increasingly in harmony with EU standards (as envisioned by the 2014 EU-Georgia Association Agreement). Still intact are meaningful changes that raise standards concerning night shifts, leave, anti-discrimination, and improve conditions for part-time workers and internships. The new code also includes a critical expansion of the Labour Inspection Mandate that will afford oversight for all aspects of labour rights and occupational health and safety, although the mandate of the inspectorate in relation to the informal sector is not clearly defined.

Labour rights and safety have been an ongoing challenge for Georgia and a frequent subject for news articles and reporting. One 2018 study, Abolition of Labour Inspection in Georgia, showed that workplace deaths increased 74% in 2007-2017 compared to the 2002-2005 average, while the average number of deaths per 100,000 rose from 3.7 to 5 during this period. This is 3 times higher than the rate of deaths per 100,000 workers in the EU. Working conditions on construction sites remain highly dangerous; between January 2018 and June 2019, 84 workplace deaths were recorded with an undisclosed number of work-related injuries¹.

A 2019 Human Rights Watch report documents high levels of exploitation and worker endangerment in Georgian manganese mines, including instances of workers made to perform 12-hour shifts underground on a daily basis for two weeks. According to interviews with miners, exhausted workers frequently suffer injuries in the rush to meet daily and monthly quotas so as to avoid punitive wage reductions.

Workers also often lack days off and must endure informal working arrangements. Even within the formal employment sector, a typical retail job advert requires schedules of 12 hours a day, 6 days a week for an average daily salary equivalent to 6 USD. The minimum salary is currently 20 GEL (less than 7 USD) per month.

¹ Abolition of Labour Inspection in Georgia <u>http://gtuc.ge/wp-content/uploads/2018/10/Abolition-of-Labour-In-spection-in-Georgia.pdf</u>

One of the most challenging spheres is informal work and the gig economy. In January 2021, more than 100 Glovo couriers refused to work and held a protest over harsh working conditions at the company. The couriers pointed to various systemic problems which negatively impact their daily working conditions. At the root of the problems is Glovo's practice of hiring all couriers on "individual entrepreneur" service contracts rather than employment contracts, which weakens their workers' labor rights protections. Additionally, the company is not even fulfilling its obligations under the service contracts.

Several reports highlight that gender discrimination at work, as well as the labour rights problems of sexual minorities, ethnic minorities, and other vulnerable groups should be paid more attention.

The current crisis caused by the COVID-19 pandemic has once again exposed the shortcomings in the administration of social assistance. As tens of thousands of people were suddenly left without income, it was impossible to start compensating them instantly because the procedure required to register in the system.

The goal of this research was to analyze aspects of labour rights in Georgia and identify existing problems and gaps through desk research and in-depth interviews with several local and international organizations working on labour rights in Georgia, such as Social Justice Center (former EMC), Open Society Foundation – Georgia (OSGF), Georgian Young Lawyers Association (GYLA), Transparency International Georgia, Friedrich Ebert Stiftung and other organizations.

Research Methodology

Research methodology was composed of desk research and in-depth interviews. Desk research included analyses of legal documents, articles, researches, projects and studies conducted by the organizations working on labour rights issues in Georgia.

The in-depth interviews were conducted with the representatives of the public sector, business associations, trade unions, international, national and regional CSOs, and initiative groups working on labour rights issues.

Some of the organizations were identified at the initial stage of the research but a few of them identified during the desk research or interviews by using the "snow ball" method. In total, a sample of 24 actors were selected.

The interviews were done online, using a guiding questionnaire. The interviews lasted 40 to 60 minutes and were recorded. The project assistant and project manager conducted and analyzed the interviews.

The interviews were guided with the guiding questionnaire that was developed and tested before the interviews by the research team.

Recommendations According to the Main Findings

- The package of amendments of 29 September 2020, embracing up to 15 normative acts, can be viewed as a step towards the protection of workers' rights; however, as organizations working on labour rights note, the initial draft law was way more ambitious, with more tangible changes (e.g. overtime payment, minimum wage) in workers' daily routines. Consequently, stakeholders should campaign on addressing these gaps and initiate a better regulatory mechanism.
- It is necessary to continue working on the important issue of ensuring decent and safe labour in the country.
- Despite the labour code reform, in 2020, maternity leave compensation and overtime work payment still remain unregulated. Public advocacy in governmental/non-governmental level could stimulate discussions between stakeholders for the purpose of improving these paragraphs in the Labour Code.
- It is necessary to analyze the legal implications of annulling an employer's decision to terminate the employment agreement. It is also necessary to explore other issues, such as depriving workers of the opportunity to fully restore their infringed rights.
- The research showed that people with no professional background in law need guidance through the practical implementation of the new labour code. Practical advice should be given on worktime sheets, internship regulation and other vague paragraphs which need to be further examined, for example, by the legislators who participated in reform and the Labour Inspection which is

inspecting the adequate fulfillment of the law.

- It is crucial to analyze the challenges faced by the Labor Inspection and take all necessary measures to increase its effectiveness. In this light, attention should be paid to its expanded mandate for the prompt and effective protection of workers' rights. The Labour Inspection needs financial and capacity building support in this process.
- Focus should be put on the use of Labor Inspection reports as evidence in civil disputes. It is necessary to explore the problems that victims of industrial injuries face at the time of proof, as well as the further protection of their rights, including at the stage of enforcement.
- Particular attention should be paid to the role of mediation as well as of trade unions in the protection of workers' rights.
- The pandemic outbreak in 2020 showed that the government lacks policies addressing the needs of people who are informally employed.
- Although Georgia is obliged to have effective social protection policy that will cover unemployment as well, the government has not created effective regulations in this direction. It is necessary to have unemployment insurance in place, as well as access to quality medicine and healthcare. It is essential to include organizations working on labour rights and social issues in this process, including those organizations that operate in different region of Georgia.
- Elaborating a long-term vision and strategies how to address the challenges of the post-pandemic period would be

helpful for all organizations working on labour rights.

- Research showed that organizations mainly working on labour rights usually take a larger, more universal focus to cover big scale representation, while organizations whose main focus is vulnerable groups (ethnic minorities, people with disabilities, IDPs, etc.) lack activities (consultations with lawyer, trainings in labour code, etc.) related to labour rights in their agenda. Considering the general picture that vulnerable groups are often underrepresented and consequently more marginalized, it is important to build a working labour rights strategy related to the needs these groups have.
- It could be recommended that the organizations working more intensively on CSR issues include a labour rights component in their agenda and advocate its implementation by businesses.
- It is also recommended to enhance and improve the work of the Tripartite Commission and social dialogue initiatives. It is essential to have effective thematic working groups and mechanisms of channeling important information from the regions.
- Alternative Trade Unions may help in changing people's attitudes towards TUs; they can become more engaged in civil society platforms, which are currently not a part of their extensive interest or capacity.

- TUs can also be engaged in bilateral dialogues between employers and employees on the workplace or sectoral level.
- An overview of the situation reveals that Georgian trade unions, especially the alternative trade unions, are not members of international networks. The GTUC, as the most powerful body, performs best in this regard. However, members of the GTUC, unless they are equally large and powerful, are receiving support through GTUC; this reinforces their subordinate status. Bilateral cooperation with foreign partners would positively affect sectorial and alternative trade unions and make them stronger.
- There exists a great potential for cooperation between TUs and PAs, both at the legislative level and at workplace level. Cooperation between TUs and PAs with the government connects the workplace experience with policy making at the national and regional levels, focusing on workplace-specific needs and experiences, which can then be reflected in the policy dialogue.
- There are not many CSOs working on labour rights issues in Georgia. The mechanism of cooperation and coordination between the CSOs is very important not only for the ones that work on labour rights but those that work on social inclusion as well.

Chapter 1

1.1. Review of the Legal Framework of Labour Rights Conditions in Georgia

The definition of labor rights has deep roots in the Constitution of Georgia. Even as early as 1921, Article 117 of the Constitution of Georgia defined labor as the basis for existence of the Republic, whereas its provision was considered a special duty of the State. The same Constitution contained a clause about fixing minimum rate of wages and setting up labor inspection2. In contrast to the current document, the 1921 Constitution itself contained specific clauses about the need to ensure special protection of labor rights for minors and women.3

Despite these deep historical roots, the labor reform undertaken in Georgia after the restoration of independence was accompanied with contradictions; every change was dictated by ideological differences of various authorities. Amid the economic slump experienced after the demise of the Soviet Union, some people gradually began to think that maximal liberalization and deregulation of the legislation could be an effective tool to attract investments to the country and boost the economy. As role models, the Government of Georgia kept citing successful examples from Southeast Asia.

As a result of such views, a large-scale labor reform was passed in 2006, resulting in the adoption of a labor code largely tailored to the interests of the employer. As part of the reform, the Labor Inspection and the Employment Service were abolished altogether.

Freedom of choosing employment and freedom of labor is enshrined in the Constitution of Georgia⁴. The supreme law of the country also protects the right to strike. Other labor rights, including the right to safe working conditions, the formation of trade unions, etc., are regulated by organic law, hierarchically standing superior to common law; however, complete deregulation of the field left little room for employee rights. It can be boldly said that, considering the abundant cases of mutilation and death in severely hazardous workplaces, the deregulated legislation proved to be very harmful. As a result of overcrowding in the courts, lack of oversight and low competition, other labor rights were also severely affected. Furthermore, the Russian-Georgian war of 2008 and the global economic crisis in the same year significantly reduced the economic benefits anticipated from deregulation of the labor law.

² Article 125, 1921 Constitution of Georgia (available at:

https://matsne.gov.ge/ka/document/view/4801430?publication=0 [11.03.2021) ³ Ibid. Articles 124, 126

⁴ Article 26 of the Constitution of Georgia (<u>https://matsne.gov.ge/ka/document/view/30346?publication=36</u> [11.03.2021])

It is noteworthy that the reports of local and international organizations as well as the studies of the Public Defender and expert assessments repeatedly criticized the sharp deterioration of employees' rights in Georgia, prompting the country to start working in this direction.

A new Labor Code was adopted in 2010. However, actual reform of legislation, as well as the reinstatement and subsequent strengthening of the labor inspection, began only after the conclusion of the Association Agreement⁵ between the EU, the European Atomic Energy Community and their member states on the one hand, and Georgia on the other (2014).

Within the framework of the Association Agreement, one of the largest reforms in labor legislation was undertaken on 29 September 2020 (in total, 15 laws were amended⁶, a law on labor inspection⁷ was adopted and up to 80 articles of the Labor Code were reformulated), which is expected to substantially improve labor rights in the country.

The amendments addressed important issues such as the prohibition of discrimination; verbal and fixed-term employment contracts; substantive terms of the employment contract; legal status of interns; part-time work; working hours; the right to rest breaks; overtime work; shift work; work at night; maternity leave, childcare leave (including paternal leave), remuneration; mass redundancies; transfer of enterprises; the right to strike; collective labor mediation; information and consultation in the workplace; and state oversight on labor rights.⁸

1.2 Harmonizing Georgian labor law with international and EU standards

Georgia has undertaken a number of international commitments to ensure decent and safe labor conditions. Part of the International Labor Organization conventions have been ratified, which, coupled with the International Covenant on Economic, Social and Cultural Rights and the European Social Charter, has set up a solid framework for the protection of labor rights.

The Association Agreement concluded between Georgia on the one hand and the European Union, the European Atomic Energy Community and their member states on the other, along with the Deep and Comprehensive Free Trade Agreement (DCFTA) with the EU, which is an important part of the Association Agreement, gave a positive impetus to further strengthening labor rights.

Today, the agenda of the Association Agreement (DCFTA) also includes information on laborrelated commitments.

⁵ <u>https://matsne.gov.ge/document/view/2496959?publication=0</u> [12.03.2021]

⁶ <u>https://info.parliament.ge/#law-drafting/20311</u> [12.03.2021]

⁷ <u>https://matsne.gov.ge/ka/document/view/5003141?publication=0#DOCUMENT:1</u>; [12.03.2021]

⁸ <u>https://info.parliament.ge/file/1/BillReviewContent/247835</u> [09.03.2021]

The Association Agreement includes a number of material and institutional mechanisms aimed at ensuring labor rights9. Under Article 229 of the Association Agreement, the Parties recognize full and productive employment and decent work for all as key elements for managing globalization and reaffirm their commitment to promote international trade in a way that is conducive to full and productive employment and decent work for all.¹⁰

Pursuant to Article 229 of the Association Agreement, as a result of its membership in the International Labor Organization (ILO), as well as its obligations under the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at work, Georgia has committed itself to respecting, promoting and reflecting in its legislation and practice internationally recognized core labor standards, as stipulated in the International Labor Organization (ILO) conventions.

Under the same article, Georgia is obliged to pay special attention to the conventions pertaining to: (a) the freedom of association and the right to collective bargaining; (b) the elimination of all forms of forced or compulsory labor; (c) effective abolition of child labor; (d) elimination of discrimination in respect of employment and occupation.

According to the agreement, the country should apply other ILO conventions and exchange information on a regular basis.

Under the Association Agreement, Georgia has also committed to approximate its domestic laws to the legislative acts of the EU and the international legal instruments set out in Annex XXX¹¹ to this Agreement, in accordance with the provisions contained therein.

Annex XXX¹², in its turn, is comprised of 8 directives, which among other things, deal with the terms and conditions of employment, as well as fixed-term work, part-time work, mass redundancies, the organization of working time, etc. The annex also includes 6 directives about non-discrimination and gender equality (detailed in Chapter II) and 26 directives about health and safety at work (covered in Chapter III).

It is noteworthy that the obligation to implement the above-mentioned directives largely served as the trigger for designing the package of amendments of 29 September 2020, which resulted in amending 15 laws and reformulating up to 80 articles of the Labor Code. A relevant reference can be found in the explanatory note13 to the draft amendments, stating that by adopting the draft law, Georgia will fulfill a significant part of its commitments under the Association

⁹ http://info.parliament.ge/#law-drafting/13972 [10.06.2017]

¹⁰ Association Agreement between Georgia on the one hand and the European Union, the European Atomic Energy Community and their Member States on the other. Article 229

¹¹ <u>https://eur-lex.europa.eu/legal-content/en/TXT/PDF/?uri=CELEX:22014A0830(02)</u> P.598

¹² <u>https://eur-lex.europa.eu/legal-content/en/TXT/PDF/?uri=CELEX:22014A0830(02)</u> P.598

¹³ <u>https://info.parliament.ge/file/1/BillReviewContent/247835</u> [12.03.2021]

Agreement, which in turn will contribute to the development, refinement and improvement of labor rights standards.

1.3 Amendments to the labor law to achieve gender equality and prevent discrimination.

1.3.1 Anti-discrimination

Under Article 348 of the Association Agreement, Georgia has committed itself to establishing a legal framework that ensures gender equality and eliminates all forms of discrimination at work.

Interestingly, an anti-discrimination clause could be found in 2006¹⁴ and 2010¹⁵ editions of the Labor Code. Both organic laws provided for the prohibition of all forms of discrimination based on race, skin color, language, ethnic and social origin, nationality, origin, property and rank, place of residence, age, sex, sexual orientation, disability, affiliation with religious or other association, marital status, political and other views.¹⁶ Discrimination, however, was defined as the direct or indirect harassment of a person for the purpose of creating or causing an intimidating, hostile, degrading, or abusive environment, or creating conditions that would directly or indirectly worsen his or her state relative to another person in similar conditions. Under these laws, the need to differentiate between persons which arises from the essence or specific nature of the work, or the conditions of its performance, serves to achieve a legitimate objective, and constitutes a necessary and proportionate means of achieving that objective, shall not be deemed discrimination.

On 12 July 2013, the first amendments concerning discrimination were approved by the Parliament of Georgia17. As a result, an anti-discrimination clause was included, stating that discrimination was prohibited not only at work, but at the pre-contractual stage as well. In the same paragraph, an additional clause was introduced prohibiting of discrimination on the grounds of belonging to trade unions. An explicit record was included in the Organic Law, prohibiting discriminatory employment contracts.

On 29 September 2020, the Parliament of Georgia adopted another and probably one of the largest amendments concerning discrimination, aligned with Annex XXX¹⁸ of the Association Agreement. A clause aimed at enhancing gender equality has been added, stating that the

¹⁴ <u>https://matsne.gov.ge/document/view/26350?publication=4</u> [13.03.2021]

¹⁵ https://matsne.gov.ge/document/view/1155567?publication=0 [14.03.2021]

¹⁶ Labor Code of Georgia, 2006 and 2010 editions, Article 2 .

¹⁷ <u>https://matsne.gov.ge/ka/document/view/1951529?publication=0#DOCUMENT:1;</u> [13.03.2021]

¹⁸ <u>https://eur-lex.europa.eu/legal-content/en/TXT/PDF/?uri=CELEX:22014A0830(02)</u>

employer is obliged to ensure equal pay for female and male employees for performing equal work. The concepts of sexual harassment and sexual behavior were further specified.

The scope of prohibiting discrimination was also defined. It was further specified that prohibition of discrimination shall apply to the selection criteria and conditions of employment in precontractual relations, as well as access to career advancement, at all levels of professional hierarchy, regardless of the field of activity; access to all forms of vocational orientation, vocational development and vocational training (including practical experience); terms of employment, remuneration and termination of labor relations; membership in an employees' association, employers' association or an organization whose members belong to a specific professional group, including benefits received from that organization; and occupational social protection, including social security and health care.

A direct clause on the burden of proof was introduced, stating that "in the event of a dispute concerning the prohibition of discrimination, the burden of proof shall rest with the employer if the candidate or employee alleges facts and/or circumstances, giving rise to a reasonable belief that the employer has violated the prohibition against discrimination."¹⁹ It is noteworthy that the legal practice of such a distribution of the burden of proof had already been in place, although its reflection in the law is a fact meriting positive assessment.

1.4 Reflecting international obligations in labor law to ensure health and safety at work.

1.4.1 Analysis of the law on occupational safety

The right to life and health is one of the fundamental rights, guaranteed by the Constitution of Georgia, as well as numerous other international documents.

From the international instruments available in this regard, the ILO conventions ratified by Georgia, as well as the International Covenant on Economic, Social and Cultural Rights and the European Social Charter merit particular attention.

As for Georgian law, the Organic Law of Georgia on Occupational Safety, adopted in²⁰ February 2019 serves as the backbone for the currently effective legal framework.²¹ The adoption of the law was accompanied by numerous obstacles over the years. The current version was preceded

¹⁹ Organic Law of Georgia "Labor Code of Georgia", Article 7.

²⁰ https://matsne.gov.ge/document/view/4486188?publication=1 [13.03.2021]

²¹ https://matsne.gov.ge/document/view/4486188?publication=1 [13.03.2021]

by the law of the same name²² (date of adoption 07.03.2018, repealed 19.02.2019 N4283) which applied to high-risk, harmful and dangerous work only.

Following the reforms, the law now covers all areas of economic activity, including labor relations regulated by the Labor Code of Georgia and the Law of Georgia on Civil Service.

The Organic Law of Georgia on Occupational Safety (current edition) sets a crucial framework for defining the obligations of the employer.

Notification about potential hazards, introduction of occupational safety prevention systems, use of personal protective equipment for timely localization and liquidation of the consequences of industrial accidents, and adoption of necessary measures for first aid and evacuation, are just a few of the obligations of the employer towards the employee.

The law²³ also obligates the entities carrying out heavy, harmful and hazardous works, as well as those involving an increased level of risk, to register in the Registry of Economic Activities.

It further introduced a clause on compulsory insurance of employees in such enterprises. Employers are required to have a specially designated person in charge of occupational safety.

Article 10 defines the rights of the employee, including the right to receive information about hazards, to refuse an assignment that poses a threat, to request transfer to another job based on a medical report, and to receive compensation. It is noteworthy that from the rights listed above, only the right to be transferred to another job provides a new guarantee not stipulated in the previous editions.

The law introduced the most important obligation of the employer - to report workplace accidents to the association of employees (if any), law enforcement agencies and the supervisory body within 24 hours of its occurrence. Meantime, until the arrival of relevant persons, the employer shall maintain the scene intact and facilitate the process of obtaining evidence. This obligation is crucial inasmuch as for years the statistics of occupational injuries failed to effectively reflect the reality, with most of them remaining undisclosed to the relevant authorities, while the evidence that should have served as the basis of compensation for civil damages was not available at all.

As a result of 29 September 2020 amendments,²⁴ fines were imposed not only for occupational safety issues but also for obstructing the activities of the supervisory body in the exercise of any of the powers provided for in the Labor Code of Georgia and the Law of Georgia on Labor Inspection.

²² https://matsne.gov.ge/document/view/4103880?publication=4 [13.03.2021]

²³ <u>https://matsne.gov.ge/document/view/4486188?publication=1</u> [13.03.2021]

²⁴<u>https://matsne.gov.ge/ka/document/view/5000932?publication=0#DOCUMENT:1</u>; [15.03.2021]

When talking about the normative materials regulating labor safety, we should not forget the Criminal Code, where breach of safety regulations at work is separately presented in Chapter XXXI.²⁵

As a result of extensive amendments, the commitments undertaken within the scope of the Association Agreement between Georgia on the one hand and the European Union, the European Atomic Energy Community and their Member States on the other, have largely been addressed.

²⁵ <u>https://matsne.gov.ge/document/view/16426?publication=232 [15.03.2021]</u>

Chapter 2

2.1. Labour Market Overview

2.1.1. Employment Policy and Challenges

On 28 September 2001, the Parliament of Georgia adopted the Law of Georgia on Employment (repealed on 04/06/2006), aiming to establish state competence in the field of labor, to assist citizens in exercising their right to freely choose a profession, to regulate the relations between job seekers and employers, and to provide additional guarantees for low competitive labor resources.

The law equipped the state with the authority to perform regular studies of the labor market, to develop a unified policy, to define the norms of social protection for the unemployed (such as the issuance of unemployment benefits) and to determine priority development zones to assist job seekers. The powers of the State Employment Service have also been established.

It all differed much from the stance of the Constitutional Court, reflected in the case of Leonardo Devdariani v. Georgia, with the court claiming that the Constitution of Georgia recognizes the freedom and not the right to labor. According to the court, the state no longer bore any responsibility for employment of citizens.

It is noteworthy that similar to the labor inspection, the wave of liberalization that sprang up in 2006 affected this area as well. As some believed, deregulation of the sector would lead to more investments, rapid economic growth and, consequently, a more effective solution to the prevalent problem of unemployment.

Starting from 2012 (the arrival of the new ruling party) and then from 2014, the Association Agreement concluded between Georgia on the one hand, and the European Union, the European Atomic Energy Community and their member states on the other, brought along the need for passing relevant laws and setting appropriate services on the agenda anew. As one of the articles of the Association Agreement explicitly state, the parties recognize that it is inappropriate to encourage trade or investment by weakening or reducing the protections afforded in domestic labor or environment laws.

On 14 July 2020, the Parliament of Georgia adopted the Law on Promotion of Employment, which by its content, can probably be considered as the successor of the Law of Georgia on Employment, abolished at the time of 2006 liberalization. As the explanatory note of the law states, a high number of job seekers, unutilized labor resources and lack of balance on the supply and demand side are the major challenges facing the country as of 2020. The authors of the bill recognize that in terms of promoting employment, a modern, European state is a decisive factor. The government of such a state commits itself to taking care of the welfare of its citizens, ultimately building an economically robust and politically stable community.

It is noteworthy that, unlike its predecessor, the law no longer provides for the establishment of priority development zones. In this regard, the Law of Georgia on the development of mountainous regions should be singled out as an important tool for promoting employment and overall business development in mountainous areas.

In addition, the Law of Georgia on Promotion of Employment envisages procedural measures such as registration as a job seeker, processing data of registered persons, informing and advising job seekers, assessing employment opportunities, drawing up an individual career development plan, training and employing job seekers, assessing needs of the employers, increasing motivation and access to finances.

The law provides for subsidizing job remuneration for persons such as IDPs, the socially vulnerable, those under state care or former state care beneficiaries between the ages of 16 and 29, persons with disabilities, persons with special educational needs, etc.

The implementation of these measures is in full compliance with Article 349 of the Association Agreement, concerning the efforts of the state to foster more inclusive labor markets and social security systems that integrate disadvantaged people, people with disabilities and people from minority groups.

Finally, legal employment in partner countries will most likely become one of the most frequently used services of the State Employment Promotion Agency in the near future. Relevant agreements have already been signed with Israel, France, Germany, etc. The website - workabroad.gov.ge has also been launched.

Since 2010, the largest contribution to the economic development of the country is made by investments, 70% of which are private. The increase in the employment rate in 2010-2016 is related to this factor. Deindustrialization and the economic development policies of the ruling parties not only created new economic activities but also completely changed the lives of workers. The part of the industrial working class whose jobs disappeared became dependent on government services, capital they have accumulated in the past, and the informal care economy (relatives, kinship, other social ties), as their profession and knowledge were no longer demanded by the new economy. Consequently, a large part of the population moved to the informal economy. Part of them were able to set foot in a new order, while others were completely excluded from economic activity. Since then, unemployment is one of the major issues in Georgia.

2.1.2 Unemployment

Structural unemployment is one of the major challenges facing the country. According to the National Statistics Office (later mentioned as "Geostat"), the highest share of the unemployed by age group consists of the young population. Unemployment is the highest among the employable population under the age of 24 (27.8%); in the population aged 25-34, the figure is 21.3%. This trend is not new. A similar issue was raised one decade ago when discussing unemployment (Economic Policy Research Center, 2011). Because structural unemployment is a long-term matter, the country has been battling the challenges of meeting education and labour market requirements for many years.²⁶ The fact is, there is still a mismatch between the requirements of vocational education and the labor market, which pushes the young workforce on the one hand towards temporary employment in precarious labour (mostly in the service sector²⁷) where employee turnover is high, and on the other hand towards emigration. This leads to the workforce outflow and brain drain from the country.

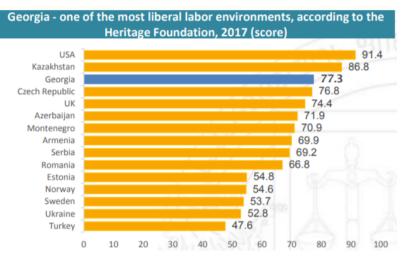
Interestingly, with the above-mentioned matter of structural unemployment, the country is also trying to show investment attractiveness. On the Invest in Georgia website we see a note – "Georgia offers young, highly motivated, multi-lingual and well-educated workforce." The same page emphasizes that 56% of the

unemployed from the working population are under 40 years old. The government also tries to create a favorable environment for attracting investments from citizens of other countries: "In addition, working permits are not required in Georgia and citizens of 98 countries can stay in the country without a visa for a whole 1 year, this helps attract professional employees from other countries in the wider region."

²⁶ When talking about unemployment, another points that economists find worthy of attention is the education level of the unemployed workers. According to the Human Development Report (2010), Georgia is among the world leaders with an unemployed workforce who has secondary or higher education levels. 81% of unemployed have secondary or higher education (f.4). This means that the educated workforce is idle and cannot contribute to the country's economy. At the same time, according to the World Competitiveness Report (2011-2012) it is inadequately educated workforce that represents a major constraint to doing business in the country (<u>www.weforum.org</u>). Employment & Unemployment trends in Georgia, Economic policy research center, 2011

²⁷ In 2017, most of the job vacancies (34.2%) published by the private Agency – HR.GE account for Services and Sales Workers. Trade is one of the leading economic sectors in terms of employment. According to the Survey of Business Demand on Skills, 24,9% of workers in the business sector was employed in trade in 2017. (Ministry of Economy and Sustainable Development of Georgia, 2018)

On this same page it's noted that "Georgia has the very flexible Labor Code and according to Heritage Foundation, Georgia ranks 20th globally in the Labor Freedom Index28." Additional remark demonstrates the general attitudes of government towards economic development and local labour force: "The Georgian labor code provides extremely flexible conditions for employment.



There is no minimum wage, creating conditions where compensation for labor is based entirely on an agreement between employer and employee." According to the Heritage Foundation, in 2017 Georgia takes fourth place as one of the most liberal labor environments in the world, after the USA, Kazakhstan and Czech Republic.

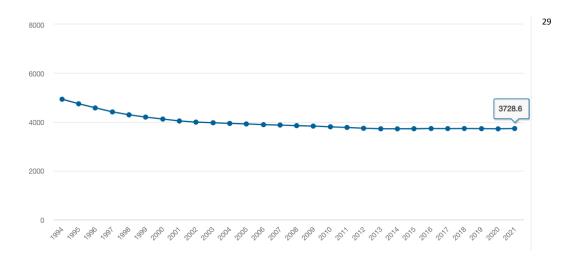
With this kind of positioning at the global level, the country is nevertheless still struggling with low-wage employment with poor working conditions, which in turn promotes migration out of the country, the informal economy, and dependence on social assistances.

2.1.3 Employment statistics

Accurate characterization and classification of the workforce is important in several directions, including analysis of demographic data, current economic activities in the country, business sector, unemployment, and other statistical trends. An appropriate methodology is a prerequisite for correct conclusions and, consequently, the development of an effective action plan. Data collection and analysis of employment is carried out by the National Statistics Office of Georgia throughout the country.

Characterizing the labor market of the country involves multilateral data analysis. One of the primary factors is demographic indicators - in particular population size - including the classification and distribution of the workforce. According to the Geostat data of January 1, 2020, the population of Georgia exceeds 3.7 million. These data do not differ significantly from the trend of the last 10 years.

²⁸ The labor freedom component is a quantitative measure that considers various aspects of the legal and regulatory framework of a country's labor market, including regulations concerning minimum wages, laws inhibiting layoffs, severance requirements, and measurable regulatory restraints on hiring and hours worked.



(Population as of 1 January, thousands)

As for the labor force classification provided by the Statistics Service of Georgia, it divides the population into 4 main groups: (1) employed (2) hired (3) self-employed (4) unemployed. These groups distribute the population according to the definition given by Geostat for each group.

In some cases, the methodology of calculating various statistical indicators, the Geostat data, causes distrust in the population. The average salary figures calculated by the institute are also more and more digressive from reality. The employment statistics and the unemployment rate are also noteworthy, as these figures also misdescribe the reality.

According to the Geostat labour force classification, the status of an employee is defined as a person at the age of 15 or above who worked 7 days prior to the interview process (for at least one hour) to generate income (salary, profit or other compensation in kind, etc.), or helped other member(s) of household for free, or was formally considered employed but for some reason did not attend work. In this group, the shares of hired and self-employed stand out. The definition of hired refers to the formally employed, whereas the self-employed, according to Geostat, includes the owner of personal enterprises for the purpose of generating profit or family income (cash or in kind) during the accounting period,

or a person working for free in a family enterprise or holding. Such a characterization of the workforce - in particular the definition of employees and the self-employed - is problematic because its content does not delineate distinct boundaries within the group. In the case of employee status, despite the emphasis on formal employment status, a minimum of only 1 hour of employment is problematic, inasmuch as Georgia's leading business sector is service (described as a sector with the highest rates of employee turnover).³⁰ At the same time, the

²⁹ <u>https://www.geostat.ge/en/modules/categories/41/population</u>

³⁰ The number of job vacancies for vocational groups in Services and Sales Workers may be conditioned by the high mobility of labour force under the conditions of internal sector and inter-sectoral competition, as the given

definition of self-employment is vague, because the concept of profit is not specifically defined it could be financially expressed, but also in the form of food or other initially non-financial type of goods. As for unemployment, Geostat suggests the definition of unemployed as a person at the age of 15 or above, who was not employed (even for one hour) 7 days prior to the interview process, was looking for a job for the last 4 weeks and was ready to start working within the next 2 weeks.

According to the 2014 census on the Geostat interactive map³¹, the share of the employed is highest in Tbilisi, while the highest concentration of the self-employed is found in the regions. This data is consistent with the annual report (Business sector in Georgia, 2020), issued by the Geostat (2019)., Tbilisi is in fact a formal employment center, the total employment rate in Tbilisi is 61.3%, Adjara ranks second in terms of employment (9.9%). The rest of the employable and economically active population is distributed in the regions where the leading percentage of employment is found in small enterprises³²: Racha-Lechkhumi and Kvemo Svaneti (82.8%); Guria (74.5%); Samtskhe-Javakheti (73%), etc. At the same time, in the last 5 years, an increasingtrend in the number of employees is observed in all regions of Georgia. Consequently, if we consider employment rates by size of economic activity, we see that the number of small enterprises in the regions is growing, which leads us to the situation of the possible rising trend in self-employment associated with small enterprises. Because of the unclear, wide definitions proposed by Geostat both on self-employment status and small enterprise recognition, these figures raise more questions instead of explanations. Consequently, it can be noted that the unemployment rate in the regions does not reflect the real picture, and that the institution does not use a correct categorization of the self-employed which would allow it correct idea of structural distribution and income.

As for the distribution of the labor force by gender, based on the data of the National Statistics Office of Georgia (from the 1st quarter of 2018 to the 1st quarter of 2021), men outnumber women in the overall employment data. Meanwhile, the number of the hired is almost equal for both sexes. Moreover, according to the data of the first quarter of 2021, the number of women being hired is higher than the number of men. As for the gender distribution among the selfemployed, the number of men in the above-mentioned period is at least 1.5 times higher than the number of women. This can be explained according to the Geostat pilot research on gender disaggregated data on asset ownership and entrepreneurship (2018): in the case of three different kinds of property – house, land, and other real estate property, men own at least 1.5 times more property than women. In the case of land ownership, the representation of men is more

professional groups are not distinguished by high earnings and their frequent changes in service are increasing the number of vacancies (Labour Market Analysis of Georgia, Ministry of Economy and Sustainable Development of Georgia, 2017)

³¹ <u>http://gis.geostat.ge/geomap/demografia.html#6/41.327/44.110</u>

³² Small and medium enterprises are entities of any organizational-legal form which do not exceed the following limits for number of employees and annual turnover respectively: for small enterprises - 50 employees and 12 mln. GEL; (Business sector in Georgia, National Statistics Office of Georgia, 2020)

than double that of women. According to Geostat data for 2020, the share of informal employment is 31.7%, with 36.4% being men and 26.2% - women. Out-country migration and specifically, the growing migration of job-seeking women from the country merits particular attention. A glance at the Geostat data shows that migration is higher among men than women; at the same time, one can discern an interesting trend, whereby under the age of 40, the share of men in the migrating population is significantly higher than the share of women. Above 40 years of age, the difference is either very small, or the number of women is higher, which gives rise to the assumption that being unable to find their place in the Georgian labor market, women over 40 choose to migrate abroad.

As for the labor force distribution by age, it is noteworthy that the unemployment rate³³ is relatively high among the population under 40 years of age. Within this group, unemployment makes up 43.9% among the population under the age of 20; in the population aged between 20-25 - 38.3%; in the population aged 25-30 – 23.2%; in the population aged 30-35 - 19.9%; and in the population aged 35-40 - 20.8%. Unemployment decreases with age, but not so much as to improve the overall employment situation. Unemployment among young people is one of the main challenges facing the country. As the available data show, young people fail to engage in the labor market, which may be caused by various factors, with one of them being mismatch between market requirements and education.

In terms of employment of disabled people, the monitoring conducted by the Public Defender's Department for the Protection of the Rights of Persons with Disabilities has shown that despite the declared will of the state - to promote employment of disabled people and provide a number of effective programs, the labor rights of the disabled are not duly realized due to the lack of legal safeguards, practical support and effective enforcement mechanisms. Access to physical environment, transport and workspace is a crucial barrier impeding disabled persons from getting to work and socializing with a team. The economic benefits of employment are exceedingly low, which coupled with other barriers, put employment in an unfavorable light. In addition, upon starting work, the state disability allowance may be terminated, while employment in the public service may serve as a reason for depriving a disabled person of the social assistance package (Public Defender of Georgia, 2017).

In terms of child labor, according to the National Statistics Office, in 2015 alone, the number of children involved in labour was 4.2% of the population aged between 5 to 17 (about 24,400 children). In addition to hazardous work, the following problematic cases were identified: unhealthy and violent conditions (constant screaming, physical abuse), harmful work environment (dust, smoke, high temperature, cold, etc.), work involving contact with hazardous substances and equipment, and work for long hours. 51.8% of children involved in child labor are between the ages of 5 and 13, which is a gross violation of any international or local norms. "Hazardous labor" is mainly widespread in cities, with 87.8% of children working in an environment detrimental to

³³ Unemployment Rate is the ratio of unemployed population to the number of the economically active population, expressed as a percentage. National Statistics Office of Georgia.

their health. Around 8,800 children were found to be involved in such work. According to the respondents participating in the survey of the Public Defender of Georgia, the involvement of minors in formal labor relations mostly takes place in supermarkets, catering establishments, restaurant services, hotel chains, and small advertising services. The average age of employees mostly ranges from 15 to 18 years, although, as mentioned above, under the current legislation, 16 is set as the minimum age for minor employment. Labor migration is one of the major challenges in terms of realizing children's rights. According to the study, child labor migration is observed both seasonally and in short and long term, with the age of migrating children varying from 14 to 18. Short-term migration is especially concentrated in Guria and Adjara. According to a study by the Young Teachers' Union, seasonal labor migration from these regions to Turkey is very active and involves a large part of young people.³⁴ A study by the Public Defender's office surveyed 223 people aged 14 to 22 years young people, 86% of whom said they had made their first working visit to Turkey at the age of 15-17 and have been engaged in this activity periodically since then. (Public Defender of Georgia, 2021).

2.1.4 Wages and state regulatory mechanisms

The National Statistics Office of Georgia annually calculates the mean monthly salary of employees. The mean individual monthly salary for the first quarter of 2021 (according to preliminary data) is 1256.2 GEL. Since 2001, despite many local and international economic crises, these figures have been growing every year (National Statistics Office of Georgia). It should be noted that Geostat also conducts household income accounting, which paints a rather different picture of per capita income figures.

In general, the figures of these two statistics and the methodology that Geostat uses in each case should be considered. The average monthly salary is calculated on the basis of the arithmetic mean of the data obtained by the institute, which gives us an incorrect understanding of the labour market. While the household income figures are based on census data and are structured by different income types, the latter is considered as more accurate for reflecting the general picture. In addition to the issue of wages, these data also indirectly explain the reported employment and unemployment rates, which in turn are again related to methodological shortcomings. According to the declared data provided by Geostat, the average monthly *household* income from self-employment and social assistance (pension, scholarship, assistance) also took a significant share. In urban and rural areas, this figure allows us to draw even more interesting conclusions. The average monthly income from hired labor in the city is 397 GEL, while in –rural areas the

³⁴ Young Teachers Union (2015), "Exploring the practice of labour migration of minors from Adjara and Guria regions to Turkey". Information available: https://bit.ly/3ol1a8D [last accessed: 08.02.2021]

same figure is 118 GEL³⁵. The distribution of other incomes in the total household income is similar to the total picture in terms of differences by place of residence; it is interesting that the income from self-employment is represented with a higher share in the city than in the countryside. A similarity can also be marked in the share of social assistance (pension, scholarship, assistance), from which income is higher in urban areas than in rural areas. In terms of non-cash income, it is logical that its share is higher in the village than in the city. It should be noted that borrowing money or using savings has an equal share of total income in both places, which to some extent indicates that regardless of their place of residence, the population needs to receive financial income from other possible sources.

As for the distribution of average monthly income per capita, according to the Geostat data of 2019, the total income was 336.1 GEL, of which the highest part, the income from hired labor, was 138.3 GEL. In second place was the income from social assistance (pension, scholarship, or other assistance), and in third place - borrowing money or using savings. As for the differences between the city and the village, the total income in the city was 360.9 GEL, and in the village - 301.6 GEL. In the case of the income from hired labor, its share in the city is about twice as high (183.4 GEL) as in the village (75.7 GEL). In this case, too, the income from borrowing money, or using savings, is about the same in both, though proportionally higher in the village. It should be noted that the data do not differ significantly from the data of the last 5 years.

2.1.5 Minimum wage and the subsistence minimum

Legal remuneration is regulated by a decree in the Law on Minimum Wage. The minimum wage in Georgia was set in 1999, by the former president, Eduard Shevardnadze and it was 20 GEL. According to the website <u>www.countryeconomy.com</u>, in 2019, the national minimum wage in Georgia remained fixed at this same figure, equivalent to 6.5 euros per month, or 78 euros per year, considering 12 payments per year. With this figure, Georgia was in 98nd place of the 100 countries ranked on the list of national minimum wage published by the website.³⁶ Considering Georgia's inflation rate during the pandemic, the minimum wage decreased over this period, reaching 5.38 euros per month in 2021. While in practice there are very few ormay not even be employers who, in accordance with the law, employ a person for the official minimum wage, the existence of this paragraph at the state level suggests that the government's position on the employer-employee relationship is neutral. Moreover, the need for the Labor Code and other legislative acts is to ensure equality of the parties in labor relations, and such statutes actually worsen the legal status of employees and puts them in an unequal position towards their employer.

³⁵ <u>www.geostat.ge</u>

³⁶ https://countryeconomy.com/national-minimum-wage/georgia

According to the data of May, 2021, the subsistence level of men of working age is 205.6 GEL. According to the decree issued by the government, this amount is divided into two parts, 70% of which is allocated to the food basket, and 30% to the non-food basket (transport, utility bills, education, culture, everything except food products).

It's clear that Georgian government tries to keep distance from the employee-employer relations and avoids "harsh" regulations as much as it can within the framework of the EU association agreement, in order to mark the country as favorable to international investors.

Chapter 3

3.1. Mapping Trade Unions, Professional Associations and CSOs Working on Labour Rights Issues

Trade Unions

Most of the trade unions in Georgia are members of the Georgian Trade Union Confederation (GTUC) established in 1992. GTUC is the representative of trade unions in the social dialogue with the government and employers' associations.

There have also been established new trade unions during last few years which are not members of the GTUC. The main part of these unions unites employees in one field/profession (e.g. Social Workers Union, Metro Union), but among the independent unions, there is a Solidarity Network that unites employees from any field.³⁷

In 2019 the Alternative Confederation of Trade Unions was established, uniting some independent trade unions, including Solidarity Network, Social Workers Trade Union, Social Agents Trade Union, Metro Trade Union, Medical Workers Trade Union, and Media Trade Union. As its members have mentioned, it has more horizontal management structure in comparison to GTUC.

Besides this, there is the Trade Unions of Agriculture Workers and Farmers and the Scientists Free Trade Union (ESFTUG). The vast majority of the trade unions acting in Georgia are concentrated in the capital (As it is an employment center). But some of them have representation in the regions. The Scientists Free Trade Union (ESFTUG) is represented in every region of Georgia.³⁸

Professional Associations

Mostly the professional associations in Georgia have NGO status, such as the Association of Young Economists of Georgia, Business Associations, Employers Association, Farmers Association, Women Farmers Association, etc. The majority of PAs in Georgia operate as NGOs/research institutes or think tanks. The professional associations mainly provide consultancy, training, advocacy and lobbying.³⁹

³⁷ (2019) Georgia - Democracy Assessment report

³⁸https://transparency.ge/sites/default/files/TI%20GEORGIA%20Georgian%20Trade%20Union%20Movement%20E NG.pdf

³⁹ https://bag.ge/ http://employer.ge/servisebi1 / http://www.economists.ge/en/

State Institutions, CSOs and International Organizations Working on Labour Rights

The present survey covers almost all of the major organizations working on labour rights.

<u>Social Justice Center –</u> the activities of the Social Justice Center cover a variety of areas; however, in the end, the idea of social and economic justice is at the heart of all of its work. The organization is mostly focused on the production of intellectual work and knowledge (including research), translation of various international thematic materials, putting the problems of local workers and other target groups on the agenda, reflecting on and participating in the development of international reports and policy papers,, etc. In addition, the organization seeks to strengthen emerging actors whose principles are aligned with the organization's ideology at the local level and offer support to trade unions or other types of organizations.

International Labour Organization - **ILO** has been working in Georgia for many years; its focus has mostly been on reestablishing legislative and policy frameworks with a more balanced approach to ensuring the rights and interests of both employers and workers.

Its main directions include assisting partners in labour legislation improvement. In parallel with that, it assisted the Government of Georgia in gradually building Labour Inspection Services, starting from basically zero. Throughout the last 5-6 years is has been working with the Ministry to build their capacity through the training of inspectors, development of case management systems, drafting of bylaws, and so on.

<u>Solidarity Network</u> promotes the formation of alternative trade unions, including unions of behavioral therapists, social workers, medical workers, social agents and media, as well as the workers engaged in the service sector. The organization is currently one of Georgia's independent trade unions. In addition to direct activities, its efforts are focused on conducting social campaigns, carrying out research (research in the field of service sector, research of medical workers, research of behavioral therapists, etc.), initiating draft laws, providing legal advice and representation in court, advocating for labor rights, raising public awareness, etc.

<u>Social Workers' Union</u> – its activities are mainly limited to policy analyses, research, and providing social work services such as legal counselling throughout the country; in Tbilisi, it also covers court proceedings.

<u>The organization "Rights Georgia"</u> has extensive experience in the field of labour rights. In addition to direct services covering almost all groups of the community, the organization also carries out monitoring activities. It explores various legal documents and checks compliance with the commitments undertaken with the Association Agreement with the EU. In addition, it conducts various studies, including an overview of labour relations from general perspective; as for specific groups, it puts focus on women (with respect to discrimination and other issues).

As part of various projects, the organization provides legal assistance to relevant target groups, acting as a platform for referring them to appropriate service providers.

<u>New Union</u> brings together several independent trade unions, including Solidarity Network (Trade Union), Social Workers' Union, Social Agents Trade Union, Metro Workers' Trade Union, Medical Workers' Trade Union, and Media Trade Union. Since it's been just one year since the establishment of the New Union, amid the pandemic, its activities have been limited to providing legal aid to members or non-members (consultation, court representation), surveys, information campaigns for organizational development, etc. The establishment of the New Union was driven by the idea to create an alternative platform, different to the already existing confederation of trade unions, which on the one hand, would protect people employed in fields unrepresented by the existing trade union, and on the other, would use different methods of struggle, including the setting of ambitious or even radical agendas.

<u>Human Rights Watch</u> - the approach of the organization is distinct in the sense that they mainly take a specific topic, thoroughly explore the legal framework, practice, and international standards and commitments, check the quality of their implementation and then try to bring tangible changes through recommendations, advocacy and lobbying. Their last two reports issued in Georgia, not counting annual ones, pertained to labour rights and drug policy. The organization also tries to take part in coalition work.

<u>Georgia Fair Labor Platform</u> is an informal unity that brings together independent trade unions, human rights organizations and activists around the idea of improving Georgia's labour policy and creating decent working conditions. The platform is a network of solidarity based on mutual assistance and support for member organizations.

<u>Human Rights Monitoring Center - No Slavery</u> is currently a non-governmental organization that protects the rights of workers. Initially, the organization was an informal entity, which, mostly through social campaigns, exposed violations in the Georgian labour market. The group united around common interests informed the public about the poor working conditions in quite famous and powerful companies through the personal stories of the employees. Based on the people's high interests and needs, the group has formed a non-governmental organization that in addition to social campaigns, provides legal assistance to employees.

LEPL Legal Aid Service assists socially vulnerable citizens, providing them with free legal aid, counseling and representation in court (by mandate, their target group includes socially vulnerable people only). In addition, the organization is engaged in various information campaigns, holding awareness raising meetings in various cities and regions.

<u>Georgian Trade Unions Confederation</u> boasts many years of experience. According to its own description, the confederation now covers all sectors of the economy and has members everywhere, including the informal sector. The activities of the confederation focus on the formation of trade unions in various workplaces, strengthening existing trade union (to this end, they organize educational events, trainings, schools, etc.), and carrying out research activities. A distinction is made between the two types of research they engage in; one is the research intended for the external, general public, dealing with more general issues such as the minimum wage, etc., while the other is internal research, which serves as the basis for informing future campaigns or developing future work strategies.

<u>Trade Union Youth Movement</u> structurally represents one of the component of the Trade Unions Confederation - the "Department". However, according to the representative of the movement, after several years of operation, they gained autonomy and independence at the internal level; hence they manage some processes (rallies, information campaigns) on their own. They provide for organizing workers and also try to strengthen existing ones. While this all happens under the umbrella of the Confederation, by its activities and positioning, the movement can be said to be an independent entity. In addition, they established the trade union "Guild", which unites mostly employees in the field of art, but it is also open to other employees who work outside the field. This is partly due to the fact that the movement is aware that there are company or "yellow"⁴⁰ trade unions within GTUC, so the Guild is somewhat an alternative.

Labour Inspection Service is a legal entity of public law, established in accordance with the Law of Georgia on Legal Entities of Public Law, under the control of the Ministry of Internally Displaced Persons from the Occupied Territories, Labor, Health and Social Affairs of Georgia and subject to the Law of Georgia on Civil Service.

<u>Georgian Employers' Association</u> is an independent, membership-based organization that operates in accordance with the requirements, standards and conventions of employers (manufacturers and enterprise) and international labour organizations.

Georgian Employers' Association is the largest organization in the country, representing interests of the employers (entrepreneurs). The association brings together more than 2000 members and covers all sectors of the economy. The Association also adheres to the policies and principles of the International Labour Organization. To ensure effective and smooth functioning of business, it focuses on solving the problems faced by business circles through active coordination with the Government of Georgia and other stakeholders.

The Friedrich-Ebert-Foundation - focuses on advocating labour rights through various projects and studies.

The NGO Democracy Development Agency (DDA), in partnership with Friedrich Ebert Stiftung Office in Georgia (FES), the State Employment Support Agency (SESA), and the Education Development and Employment Center (EDEC) is currently implementing the EU-funded project - "Escape - Employment, Support, Counselling to Meet Labour Market Needs." It is a 36-month action aimed at fostering employability and employment in the targeted regions of Adjara, Imereti, Kakheti, Kvemo Kartli, Samegrelo, Shida Kartli, and Tbilisi.

<u>Center for International Private Enterprise (CIPE)</u> - through its signature "Strong Associations: Strong Advocates" program, CIPE has supported over 20 Georgian business associations to develop their capacity to serve and represent the Georgian private sector since 2017. The latest phase of the project, launched in 2020, focuses on business advocacy and private sector coalitions.

CIPE is also an implementer of the USAID Economic Governance Program (EGP) as a subcontractor to Deloitte Consulting. This five-year program, launched in 2019, aims to promote a more inclusive business environment, attract foreign investment, and strengthen the Georgian private sector.

In 2020, CIPE began a new partnership with the Solidarity Center as part of the U.S. Department of Labor "Strengthening Labor Law Enforcement and Improving Labor Safety in Georgia" project to support Georgian business associations in strengthening their understanding of and compliance with Georgia's new labor legislation.

<u>Georgian Young Lawyers' Association</u> - works on several directions related to labour rights, including legal aid, strengthening labor unions, spreading information, and organizing meetings to raise public awareness on labour rights. The organization also consults citizens on labour rights.

⁴⁰ A company or "yellow" union is a worker organization which is dominated or influenced by an employer, and is therefore not an independent trade union.

GYLA operates the Foundation for the Support of Legal Education, which among other things, focuses on the issues concerning the labour law.

Open Society – Georgia Foundation – its Participatory Democracy Program focuses on the field of social rights, with the Foundation supporting the initiatives that are aimed at recognizing, implementing and protecting the rights of labour and decent housing and the principles of social and environmental justice. The organization mostly allots funds to non-governmental organizations for research and advocacy purposes.

In addition to the organizations working directly on labour rights, we also interviewed the organizations working on IDP, ethnic minorities and women's rights, as well as on the issues of corporate social responsibility.

<u>The non-governmental organization "Consent"</u> advocates for the rights of women, girls and IDPs affected by the conflict; Provides services (legal advice, medical and psychological assistance, vocational training, social assistance). Provides non-formal education, mainly for vulnerable groups, in regions with high IDP densities, as well as in the conflict zone / occupied territories. The association has regional branches that work directly with the conflict-affected population - in Samgrelo, Imereti and Shida Kartli; Integration centres - in Ergneti, Nikozi and Gardabani; Rehabilitation Center in Gori; Social Inclusive Centers in Gori and Kazreti, which offer counselling, direct services, and vocational education to conflict-affected populations, the elderly, migrants, as well as ex-prisoners and probationers.

<u>The Danish Refugee Council</u> advises (including on labour rights) internally displaced persons within the protection component. Currently, the organization has two lawyers, who are mainly limited to consultations. In terms of labour rights, the organization mainly monitors and analyzes the situation.

<u>The non-governmental organization Platform "Salam"</u> works with the Azerbaijani community; The main field of activity is organizing the community for justice, equality; The mission of the organization is to preserve the identity, the language.

The HR hub brings together more than 600 private and public sector HR practitioners. The main activity of the organization is to share experience and promote employment. The organization has a format for sharing experiences related to labour rights; One of the meetings in such a format was related to labour safety.

The organization has been actively conducting employment festivals since 2015. For example, "Job Fest", which is the largest festival. The employment festivals represent mainly the private sector, although the public sector was also represented at Job Fest.

<u>The initiative group of women from the village of Kartikami</u>, Akhalkalaki, works in the village of Kartikami and its goal is to promote and strengthen the local population in the field of human rights and economics. The organization does not work directly on labour rights, although in the future it may have initiatives in this area at the local level.

<u>Center for Strategic Research and Development of Georgia (CSRDG)</u> - the organization does not work specifically on labour rights; however this topic closely intersects with the area of corporate social responsibility. Corporate Social Responsibility (CSR) is CSRDG working priority already for 8 years.

Consultations provided by CSRDG help business companies to develop a realistic CSR strategy and implementation mechanisms. The CSRDG consultant works with an organization to integrate CSR into its activities and to assess the results obtained. For purposes of Corporate Social Responsibility, the main target group includes employers, such as business representatives as well as various government agencies.

Chapter 4

4.1 Findings from Key Informant Interviews

4.1.1. Labour conditions at the workplace, general overview - main researches and work done by the organizations working on Labour Rights

Job quality is increasingly recognised as a major policy concern. It is central to the ILO's Decent Work Agenda and to the European Union's Quality of Work policies. For workers, for the enterprises and organisations that employ them and for societies, there are benefits associated with high-quality jobs, and costs associated with poor-quality jobs.

The policy objectives of improved job quality, decent work and a high level of worker wellbeing can be supported by reliable data on working conditions. Working conditions surveys quantify the extent to which workers are exposed to certain risks at work, as well as the resources workers have to mitigate these risks. They permit analysis of different work situations, including analysis by occupation and sector, and allow researchers to examine the possible effects of changes in the world of work on job quality. They also allow monitoring of progress on working conditions. For that, comparable data are needed to support evidence-based policymaking on job quality.

Still, a lot remains to be done in order to provide satisfactory labour conditions for employees in Georgia.

Recent studies in various fields show that for the most part, labour environment and conditions are not adequate for workers. Contractual terms need to be regulated; on top of their main duties, employees frequently have to do extra work; pay is low while the workload often exceeds 40 hours per week. There is no reimbursement for overtime work; in many cases employees cannot even afford to take a break; most of them are not entitled to pay on holidays or have a paid leave.

A survey on labor conditions in supermarkets done in 2018 showed that 86% of respondents were unable to take a break due to abundant work, while 13% were informally prohibited from taking a break; in case of 1%, salaries were deducted for taking a break⁴¹.

Working as a consultant in supermarkets in parallel to being enrolled in higher educational institution restricts the possibility of obtaining and/or developing relevant qualifications due to a lack of time; because of inadequate working conditions, such employment is generally of a temporary

⁴¹ Study of labor conditions in supermarkets, GTUC Fredrich Ebert Stiftung, 2017

nature, as workers often spontaneously leave their jobs. As such, workplace mobility is very high⁴².

According to a survey conducted in fast food outlets, when asked about the most critical problems, respondents said that they are not allowed to sit down during the work process, except for a break that lasts half an hour and does not allow them to regain energy⁴³.

As a result of a study conducted in the field of textiles and trade, the following key findings were drawn: most of the employees in trade networks and supermarkets (64.4% and 66.3%, respectively) do not have their own copy of the employment contract; however, this figure is relatively low in textile industry, making up 26.8% of employees. As for the average number of hours worked per day, the picture looks as follows: 9 hours in textile production; 9 hours in the trade networks; 10.8 hours in supermarkets. The average salary in the textile industry is 346 GEL, compared to 537 GEL in the trade network and 437 GEL in supermarkets. If we calculate the average hourly salary for these workers, textile industry workers get 2.16 GEL per hour, workers engaged in trade networks get 3.35 GEL per hour and supermarket workers get 2.73 GEL per hour. In case of some workers, certain amounts get deducted from their salaries that are not related to tax payment. Such salary deductions are most common in supermarket chains (18.1%), followed by textile industry (15.7%) and trade network (8.3%). The majority of respondents say that they get no pay for overtime hours: 61.3% of respondents in textile industry, 69% in trade networks, and 80.7% in supermarkets.⁴⁴

According to a labour rights survey of those employed in mineral mining and processing enterprises⁴⁵, the most serious violations of labour rights in this sector are related to inadequate health and safety conditions as well as other labour conditions in the workplace. The infrastructure in these enterprises is outdated and machinery and equipment are out of order; due to inadequate labour conditions in some places, the health of workers is in danger, while protective devices against occupational diseases are scarce or not available at all. Respondents employed in heavy, dangerous and hazardous work point out that appropriate protective equipment is lacking.

Observation on other components of labour rights revealed that in some cases regulation of labor relations is just as inadequate remuneration; there is shortage of professional staff and their workload is excessive. Even if workers communicate problematic issues and concerns to employers, it does not lead to any tangible change. Employers show complete indifference towards their complaints, further degrading the state of workers; in some enterprises, internal technical supervision services are in place, but workers note that they do not address faulty or hazardous

⁴² Study of labor conditions in fast food outlets GTUC Fridrich Ebert Stiftung, 2017

 ⁴³ Labour rights in textile industry and trade, GTUC /GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit,
2019

⁴⁴ Assessment of Labour Inspection Mechanism and Study of the Labour Rights Conditions, EMC, EWMI, USAID Georgia, 2017

⁴⁵ Assessment of Labour Inspection Mechanism and Study of the Labour Rights Conditions, EMC, EWMI, USAID Georgia EMC, EWMI, USAID Georgia, 2017

working conditions. They impose sanctions only on workers, never mentioning the responsibility of employers in terms of occupational safety.⁴⁶

A study of labour conditions in railway transport companies revealed that the upgrade and modernization of infrastructure and machinery is the major challenge there; another issue is provision of proper equipment such as overalls and work tools. Respondents also negatively assess the internal mechanisms for investigating or responding to industrial injuries and accidents. The study highlights weaknesses in access to primary and emergency medical care. While assessing their work environment, respondents name poor hygienic norms and sanitary conditions as one of the most critical issues⁴⁷.

A study showed that unstable employment and inadequate remuneration in garment factories is caused by the following issues: in some garment factories, production is not continuous, resulting in temporary employment and instability; in some factories, tailors do not have a fixed salary, and the remuneration is determined not individually but rather by the volume of work performed jointly, which implies collective responsibility for production and in some cases harms individual workers; employees get paid periodically and with cash and consequently are not eligible to take bank loans; and other problems related to extremely low pay and unregulated, overtime work, which is not remunerated in any way. Short deadlines and output-based pay schemes force the staff to work overtime, since the failure to meet tight deadlines will lead to the penalization of employees⁴⁸.

Among the problems related to the medical field, the working conditions of nurses stands particularly acute. The main findings of the Solidarity Network study "Labour Conditions of Nurses in Georgia" are as follows:

according to the survey, 95% of respondents work more than 40 hours; salary is less than 500 GEL a month for 84.6% of respondents; 100% of respondents do not receive overtime pay either on weekdays or weekends. One of the most significant and alarming findings of the study is the severity and level of potential for harm of nursing activities. Given the current labour conditions, nurses' work should be included in the list of heavy, harmful and hazardous jobs. 91% of the survey respondents are women. The remaining 9% are mostly students majoring in the medical profession. The study showed that nurses are one of the lowest paid workforces in the country, with 84.6% of respondents receiving a salary of less than 500 GEL a month. There are no minimum legal standards for regulating labour rights in medical institutions. 95% of respondents work more than 40 hours in a week. 100% of respondents do not receive overtime pay. None of the

⁴⁶ Assessment of Labour Inspection Mechanism and Study of the Labour Rights Conditions, EMC, EWMI, USAID Georgia, EMC, EWMI, USAID Georgia, 2017

⁴⁷ Assessment of Labour Inspection Mechanism and Study of the Labour Rights Conditions, EMC, EWMI, USAID Georgia, EMC, EWMI, USAID Georgia, 2017

⁴⁸ Assessment of Labour Inspection Mechanism and Study of the Labour Rights Conditions, EMC, EWMI, USAID Georgia, EMC, EWMI, USAID Georgia, 2017

respondents has an established break schedule. 69% of respondents are dissatisfied with their break time in the shift, while 30.5% are unable to enjoy paid leave.

There is no regulation on the severity of workload of employees in medical institutions at either the private or state level.⁴⁹

The organizations working on labour rights are trying to improve the working conditions in various ways. One of the main components of the research was the review of the measures taken in this direction and identification of key achievements and challenges.

"Our main objectives are assisting our partners in labour legislation improvement. In parallel with that, we assisted the Government of Georgia in gradually building the Labour Inspection Services starting from basically zero. It had a structure of limited mandate, but the new labour law also extended the mandate that covers labour rights and labour relations; throughout 5-6 years we've been working with the Ministry to build their capacity – training of inspectors, development of case management systems, drafting of bylaws", **remarks the ILO representative.**

ILO has also been working with partners of business and state representatives to build a mediation system for collective disputes. There are challenges and the progress has been slow, but it remains one of its main focus areas. Another area where they have worked is in the High School of Justice and with the Georgia Bar Association, training judges and lawyers on how to use labour standards while having a relevant case at court and resolving disputes.

"This work will also continue. Apart from that, this is not exactly a labour rights issue but we work with our partners – government, employers, and employees - on social dialogue. We support the functioning of the tripartite commission and the establishment f the Regional TSC in Adjara, and that work also continues."

Representatives of non-governmental organizations and trade unions have an almost uniform vision on improving working conditions and implementing corporate social responsibility. They claim that the businesses are not ready for long term corporate social responsibility strategies in the current situation where they do not have basic standards in place such as policy documents on violence, discrimination or sexual harassment.

"These are the most important challenges of the Labour Code – the areas that need to be addressed in the workplace." **Representative of CSO** NGO representatives point out that the most effective way to improve labour rights is to advocate various issues with the government. To this end, it is crucial to strengthen workers' unions, to create new trade unions and develop their capacities. Meantime, they believe it is necessary to inform the media and raise public awareness about labour rights.

⁴⁹ Solidarity Network Research on Nurses Work Conditions in Georgia

"In terms of corporate social responsibility, it is important whether the business / organization has a good internal organizational culture and good management in the way it treats employees and earns money. There was a case when Europe Bet was helping the rehabilitation center; it depends on who the donor is and who is implementing a specific project."

Interview with NGO representative

Human Rights Watch finds coalition work and establishment of alliances to be an innovative approach. To work on this area, a separate department was set up within the organization a year ago. As the organization's representative points out, the organization no longer deals with research and advocacy but rather focuses on strengthening other groups, giving them prospects for further development.

"We tried to take an innovative approach and embark on some kind of coalition work. While there were trade unions and civil society organizations around, with each of them separately doing very important work, the idea was to bring the two groups together. Let's take small trade unions that will be easier to work with - we can find ways how these actors could connect with and empower each other. I think this is a very important issue. In addition to the fact that HRW examined labour rights conditions and the current situation in the country, we felt that advocacy at the top level alone was not enough for change. It was important to take a bottom-up approach, to strengthen the movements that would ultimately force the upper circles to change something. So, HRW went further; we are kind of experimenting ourselves."

The representative of the organization points out that practical application of CSR follows a certain strategy, but so far it has the form of charity and is represented on a very small scale in Georgia. However, he does not see CSR as a focus for coalition work.

"I believe that corporate social responsibility is a very important issue. In Georgia, just a few businesses have developed that line. But we do not look at this topic in the sense of coalition building. CSR is still more related to charity in Georgia than to bringing some labour rights to the forefront." **Human Rights Watch**

Open Society – Georgia's participatory democracy program focuses on the field of social rights; as part of the program, the Foundation supports the initiatives aimed at recognizing, implementing and protecting the principles of labour and decent housing and the standards of social and environmental justice. The organization mostly finances non-governmental organizations for research and advocacy needs. According to the representative of the organization:

"With the funding of the organization, some institutions are providing free consultations - Solidarity Network, GYLA, EMC. According to the latest data, more than 1,500 people have been given consultation, and up to 20 lawsuits have gone to court." **Open Society – Georgia Foundation** According to him, in order to improve working conditions, international donor organizations can work with the opposition, government and non-governmental organizations, including businesses, especially the ones they provide with financial support.

"It can be done by the state as well, during public procurement, when issuing a small loan or grant to a business. On the other hand, the situation is grave in public services and state enterprises in this regard. I do not see the concept of social responsibility as an effective tool in Georgia. I don't think corporate social responsibility will help to settle problematic areas in the country. Unfortunately, even representatives of international business operating in Georgia start to behave like local businesses and violate labour rights."

The Center for Strategic Research and Development of Georgia (CSRDG) has a separate program in the field of corporate social responsibility. The goal of the program is to raise public awareness about CSR. As part of the program, the organization actively collaborates with government agencies, business representatives, the media, and higher education institutions.

CSRDG has initiated the creation of a pro bono network in Georgia. It also organizes an annual competition "Meliora", which serves to identify the best business initiatives in the field of corporate social responsibility.

One of the categories in Meliora is that of Responsible Employer.

The competition is fully transparent. It is open to all business companies, regardless of their size. Any company is free to apply. An applicant may have a good project but it may be treating employees in irresponsible manner. The jury has the right to request additional information from the company. The jury brings together Georgian and foreign experts, as well as labour law professionals.

"The government is one of the target groups in terms of corporate responsibility. Based on the experience of the EU countries, we have prepared CSR-related recommendations for the government. One of the components of the new project, launched in February, deals with CSR activities in state structures. The EU is going to impose legislative requirements. It will be more about publicity of information. It may be necessary to embed certain obligations in public procurement - labour conditions, environmental standards and so on. However, the government is not ready for that yet.".

Nowadays, lobbying with the government is less productive. For now, our goal is to work with the government in terms of raising awareness."

According to the representative of the Trade Unions Youth Movement, the number of applications has increased by anywhere between 800-1000% during the period of the COVID-19 pandemic since starting work in this area. "On the one hand, it means that awareness has increased and on the other, it is a sign of growing trust in trade unions. If we interfere in certain affairs, we should be independent in our decisions. If it can't be managed, we will not interfere at all."

The activities of the movement are mostly focused on organizing employees and conducting campaigns on social networks, as well as organizing rallies and holding informational and educational events in the public space. In general, the activities of the organization are focused on the development of employees.

As for corporate social responsibility as an idea and concept, as the representative of the organization mentioned during the interview, it is quite acceptable, although the practices which are applied in Georgia are ineffective and do not actually serve the main idea behind social responsibility.

It is worth noting that as a result of joint work by several organizations, the Fair Work Platform has been launched. The platform's management is based on the principle of parity where each organization has one vote. It does not have a specifically designated speaker and/or an authorized representative. However, in some cases, the members may select a speaker to voice the position on behalf of the entire platform.

Fair Work Platform works on several priority areas, such as decent pay in the country - at present, the minimum salary is 20 GEL per month.

"Our priority is to make sure that employers pay workers a decent remuneration; at the same time, it is necessary to strengthen labour inspection activities. We are working more on advocacy - one of the important issues for implementing the Association Agenda with the EU is the timeframe for specific issues to be addressed. Now, agenda for 2021 – 2028 is about to be developed. One of our requirements pertained to financial guarantees for and institutional strengthening of the Labour Inspection. "

On the part of the government agencies, the Labour Inspection Service is in charge of protecting labour rights and monitoring labour safety. It is authorized to inspect any public or private institution, at any time of the day or night, without prior notice; upon having a reasonable suspicion about forced labour or exploitation, it has the right to enter any building /premises, at any time of the day or night, without prior notice, on the basis of a court order.

According to the representative of the Labour Inspection Service, at the outset, they intend to launch a large-scale informational campaign to introduce the new functions and roles of the Labour Inspection to employees and employers. Meantime, a tight budget and the lack of staff and technical equipment represent the main challenge faced by the service.

There are business associations and some other organizations in Georgia working to protect and raise awareness of the interests of employers. One of them is the Center for International Private

Enterprise. According to its representative, "the organization mainly works to strengthen business associations."

"We conducted a training for associations in the field of labour rights. We work with all types of businesses and business associations, be they large, medium or small. Our target regions include Shida Kartli, Imereti and Adjara. We also work intensively with Tbilisi-based businesses."

4.1.2. Addressing Labour Rights for Gender and Minorities

Against the background of tough social and economic conditions in Georgia, vulnerable groups are facing many more challenges today. The largest group among them are women – the practice of gender-based oppression is still prevalent in the country. Apart from women, vulnerable groups also include minorities of different identities. For these people, each stage of labor relations is associated with twice as many difficulties, since along with performance of work, they have to continuously struggle for acceptance and recognition, proving their abilities and escaping the state of precarity caused by the position of these groups in the society, such as lack of interaction or limited scope of activity. Monitoring labour relations is one valuable opportunity to identify and describe the challenges faced by vulnerable groups.

According to labour rights organizations, the majority of the Georgian population can be said to fall in the category of vulnerable groups, due to grave social and economic conditions in the country. However, groups of people who are vulnerable because of some additional factors struggle with even more hardships. Organizations recognize that women and some minority groups face twice as many problems and challenges at work. In addition, when talking to organizations about the categorization of vulnerable groups, the narratives predominating the political, economic or cultural agenda cause the focus to be put primarily on a few groups, mostly, women, ethnic and sexual minorities, while IDPs, the socially vulnerable, people with disabilities (mentioned by only two organizations in the discussion) and children largely remain out of sight.

The organizations agree that women and minorities suffer from greater oppression at work. In the case of ethnic minorities, the language barrier is a crucial factor, as they do not have enough information about their rights. Besides, it is difficult to advocate for their rights because of the lack of information and professional assistance.

"We want to intensify our work with ethnic minorities. We know that the language barrier is a big problem indeed. If you do not know Georgian well, you lack the self-confidence to defend your rights."

Trade Union, employees' association

"A lot of people are deprived of the access to information in the language they understand, such as information about their rights. In such cases, we employ the practice of conducting various types of information meetings in Russian, Azerbaijani and other languages."

Trade Union, employees' association

In case of sexual minorities, intolerance on the part of the public and co-workers in the workplace is still prevalent. Obviously, it is their identity that puts them in a highly precarious position from the very beginning of the employment. They have to make numerous concessions in order to keep the job. Regarding gender-based challenges in the workplace, respondents highlight several issues, including the pay gap, a glass ceiling impeding career advancement, the still-deficient law on maternity leave, additional workplace functions that are considered a natural duty of women (e.g. cleaning), and dual labor by women, including largely invisible household matters on the one hand and out-of-home activities on the other. In addition, the COVID-19 pandemic revealed a tendency for gender-based discrimination at work, with female employees being the target of redundancies more frequently than men.

The study showed that most labour rights organizations, while aware of the challenges facing vulnerable groups, work with a general focus. Respondents point out that activities specifically targeted at vulnerable groups, including advocacy for gender issues and minority rights, may not

"Reorganization in the public sector definitely affects women; cost-saving measures, be it in LLCs or small businesses, also target women, and if we call it gender discrimination, the court is there to give us amazing arguments ... For example, equal pay for equal work, it's a problematic issue today. Another problem is a glass ceiling that makes promotion hardly attainable for women."

Non-governmental organization

be at the top of the agenda, although their activities indirectly correspond to the needs of minority groups as these issues are closely intertwined with labour rights.

One can argue that weak representation of vulnerable groups on the agenda of labour rights organizations is one of the challenges of these organizations, as on the one hand, organizations working specifically with these groups do not adequately cover labour rights, and on the other, labour rights organizations do not see vulnerable groups as the target of their activities. This can be due to many reasons. As it was noted in the course of the survey, it is difficult to focus on specific groups, because labour rights are a universal topic and given the situation in Georgia, it is difficult to distinguish any group in terms of oppression and labour exploitation. The organizations still experience lack of resources, which affects their agenda and causes universal problems to be given a priority. Consequently, both the current situation in the country on the one hand and the scarcity of resources on the other determine the work areas of the organizations, based on their relevance and effectiveness.

"We seek to carry out reforms that will benefit everyone. In the meantime, we know that ethnic minorities, women and sexual minorities will be the ones to benefit most from these laws."

Trade Union, Employees' Association

"As a rule, the efforts of the organization are more directed towards general, fundamental issues. This is the approach that dictates our campaigns and overall rhetoric. Meantime, we often work on thematic cases, rallies, appeals and campaigns, specifically pertaining to gender issues."

Trade Union, Employees' Association

4.1.3. Affect of Covid-19 on Labour Rights and Post Pandemic Strategies

Since December 2019, the COVID-19 pandemic has been the major determinant of the global agenda. Georgia, just like the entire world, was confronted by significant social and economic challenges. The pandemic-induced crisis hit the economy of the country, making a deep impact on all sectors of the economy, as well as on the daily lives of people. Accordingly, the COVID 19 pandemic badly affected employees in various sectors.

The pandemic hit virtually every sector of the economy, affecting workers and employers alike. In particular, the COVID-19 pandemic had a significant impact on the workload of women in the medical sector, as reflected in greater responsibility and increased number of patients, longer working hours and longer shifts. In terms of assistance from the state and the employer, some received financial support from the state, although issues related to compensation and pay increase remain vague. Even though medical workers did not lose their jobs, the economic situation of their families deteriorated due to increased workload and inadequate pay, new regulations prohibiting medical staff from working in more than one job and loss of employment by other household members.⁵⁰

It is noteworthy that as a result of the COVID-19 pandemic, unemployment has increased in the country (Georgian National Statistics Office). This holds particularly true for women. According to the National Statistics Office of Georgia, from the first quarter of 2020 to the first quarter of 2021, the number of employed women dropped sharply compared to the number of employed men. This trend called the attention of labour rights organizations. When discussing the issue from the gender perspective, they noted that the problem of gender discrimination became particularly evident during the pandemic, as women, unlike men, grew more susceptible to redundancies following reorganization or downsizing.

⁵⁰ UN WOMEN, COVID-19 impact on women employed in medical sector in Georgia,2020

Georgia, as a developing country, has a pronounced segmentation of the labour market into formal and informal sectors⁵¹. The implications of the "lockdown" period, which was applied as part of the crisis management plan, turned out particularly gruesome for traders involved in informal labour, leaving them dependent on a one-time aid from the state, amounting to 300 GEL, while formal trade centers continued to operate in accordance with regulations. Meantime, the part of the population that lost jobs during the crisis and needed to mobilize funds for subsistence moved from formal labour to the informal sector.

The service sector bore the brunt of the pandemic crisis; this included the tourism industry, which accounts for 74% of the country's economy. The biggest drop was observed in the sector of administrative and support services, including the activities of travel agencies and tour operators (-54.7%) and the hotel and restaurant sector (-40%). Their share in the annual decline of the country's economy in the second quarter of 2020 totaled more than two percentage points. The construction industry (-24.5%) and the transport and warehousing sector (-22.6%) also had large declines, with a combined share of almost 3.1 percentage points of the annual GDP decline. The annual decline in the trade sector was relatively small (-13.2%), although its share in the overall contraction of the economy was almost 1.6 percentage points. As a whole, the service sector accounted for 8.11 percentage points in the 12.3% drop in GDP, indicating that the sector proved the most vulnerable to the pandemic⁵².

In light of the challenges posed by the COVID-19 pandemic, representatives of the labour rights organizations acknowledge that it was a crisis period for both employers and employees. At the same time, virtually all participants in the study note that the economic situation in the country has worsened and the aftermath of the pandemic will be even more painful. In this regard, a large proportion of respondents consider that the overall social and economic situation is a factor that needs to be considered with respect to labour rights. This is important insofar as it reveals that labour relations are closely intertwined with social and economic issues. Consequently, the reflections of the representatives are multifaceted and involve a broad analysis of the situation. While talking about the topic, respondents point out that the pandemic has brought to the fore the systemic problems that existed in the country before: unemployment and the growing trend of migration from the country; informal employees (essential workers, medical staff and nurses; social workers and people involved in the care service); dual labour of women; ineffectiveness of social security services at the state level; and more broadly, the country's economic development strategy, characterized by dependence on imports and neglect for local production.

⁵¹ Labour relations and social security during the pandemic, Social Justice Center 2020

⁵² Kakulia, Kapanadze 2020

"The socio-economic background has aggravated in the country. Employees feel vulnerable; it is difficult to talk about their rights, because you know, there is a contract, they negotiate terms and they accept them, whether they like them or not. Poverty has much increased in the country and it's affecting workers' rights."

International non-governmental organization

Meantime, it is noteworthy that in terms of their future strategy, certain organizations plan to focus on advocating social and economic policy issues (social allowance, minimum wage, unemployment benefit, etc.) alongside the labour ones (refinement of collective struggle mechanisms, solidarity strike, etc.).

"As for the long-term strategy of the organization in connection with the pandemic: I think that there should be more arguments for unemployment benefits; we should promote relevant legislative initiatives, we are also going to work on the minimum wage. In addition, it is important for the state to take steps for promoting social dialogue."

Trade Union, Employees' Association

Interestingly, representatives of certain organizations assess the consequences of the COVID-induced crisis in two ways. It can be said that the crisis took two contradictory courses - a negative one, which entailed massive violations of the labour rights of employees and a sharp deterioration in their social and economic conditions. On the other hand, the indirect effect of the pandemic on employees was perceived as positive – it prompted them to engage in a more active fight for their rights, to form trade unions, to get more informed about their rights and to start realizing them in daily life. It can be said that while the pandemic put employees in a precarious position on the one hand, it served to wake them up on the other.

"Now, salaries will stagnate, as there is a crisis and we should not ask for any raise... During this period, we have added a lot of members. Workers have been strengthened."

Trade Union, Employees' Association

It is noteworthy that in addition to assessing the overall situation, service-providing organizations focus on an increased number of referrals and mass violations of workers' rights. To render appropriate assistance in a timely manner, it has become absolutely necessary for such organizations to digitize their activities quickly and effectively. The problem of tight resources has become particularly urgent. At the same time, the need for fast services - the so-called hotlines - became evident, requiring human resources and additional costs, not yet covered by the current projects.

"We had problems with increased number of referrals. The situation was particularly grave in non-governmental sector. The number of applications has almost doubled amid the pandemic, a lot of people were scared, everyone needed some type of assistance. Therefore, we worked 24/7. "

Trade Union, Employees' Association

"We expanded the online service and switched, so to speak, to emergency mode. "

Governmental organization

It is also noteworthy that labour organizations and trade unions, unlike other organizations participating in the study, focus on the opportunities of collaboration between employer and employee during the pandemic-induced crisis. Given the fact that the pandemic has affected both sides quite a lot, it should have served as a stimulus prompting them to show regard and compassion towards each other. However, cooperation between the two parties failed this time as well, since desperate employers on the one hand found reducing wages and dismissing employees as the only solution, while on the other, there were employees willing to jointly overcome the crisis but having no means to take part in the struggle for the organization's survival. As one of the respondents points out, such a scenario was partly caused by the fact that there is no culture of bilateral negotiations in the country. However, considering past experience and practice, one can hardly imagine these two parties involved in the common cause. The gap between employers and employees became even more evident during the pandemic.

"Management should listen to people to combat COVID-19 in a coordinated manner."

Trade Union, Employees' Association

"In fact, the lack of a culture for a dialogue is the biggest challenge, it turned out to be the most problematic thing for now. In situation where the parties feel empathy for each other, as a rule, a culture of bilateral negotiations should have been fostered, which means that while COVID could not be avoided, some of the negative effects could be prevented."

Trade Union, Employees' Association

4.1.4 Assessment of the new labour code, existing challenges, involvment of the organizations in labour code elaboration process

Overall, the labour organizations operating in Georgia have a positive reaction to the changes introduced to the Labour Code. The amendments are considered a step forward for the country. From the changes moved to the Labour Code, the expansion of the Labour Inspection mandate and the change in the inspection rule (including the possibility of anonymous application and the possibility of an unplanned inspection of the company) can be deemed the most crucial ones. Representatives of the labour rights organizations point out that so far, the weakness of enforcement mechanisms has been one of the main challenges concerning the labour law. Therefore, active involvement of the Labour Inspection in the regulation of labour relations should be definitely seen as the major achievement. At the same time, the introduction of the commitment to record working hours earns a positive assessment, as it promises to act as an effective tool for regulating one of the most important challenges at work - frequent (almost daily) overtime work.

"It is welcome that the issue of overtime work has been regulated, but the law does not mention what the maximum time for overtime work is. Still, the regulations that have been recently introduced can be seen as a step forward."

Governmental organization

It can be said that under the revised Labour Code, employers have been charged with the obligation to justify their decisions, and will have to take greater responsibility in relations with workers.

"The law obligates employers to exert more efforts, to thoroughly justify their decisions..."

Local non-governmental organization

Despite significant changes moved to the Labour Code, some organizations feel that it is not yet a comprehensive legal document. In particular, in view of several articles of the law, additional issues need to be specified and further regulated. As an example, the respondents cite the obligation to record working hours, which needs to be complemented by a definition of overtime work and the rule of remuneration, determination of workload, the minimum wage, etc. A comment made by one of the respondents merits particular attention. As the respondent observed, the reform of the Labour Code, which has been so protracted in time, does not bring any tangible change to the daily life of employees. Consequently, workers have feelings of distrust and hopelessness; given the fact that these changes do not have a noticeable impact on the daily lives of workers, it is difficult for people to believe that the labour law is changing for their benefit and the organizations and the state are working actively to address labour issues.

"Nothing has changed at all, that is, there's been no material change. If a person cannot see any difference, if the same things keep happening today and tomorrow, people will lose trust. This incrementalism, doing something in 2024, then in 2030, will not pay off. Unless tough reforms are passed forthwith, the situation will not change..."

Trade Union, Employees' Association

In addition, it's worth noting that organizations speak about the need to refine the social policy documents, including the definition of subsistence, minimum wage, and unemployment benefits. These documents, together with the Labour Code, provide the basis for decent labour policy.

"A lot of things need to be regulated at the legislative level. We want to bring to the forefront the topic of minimum wage, to highlight the importance of overtime pay and so on. Economic hardships are already present and even more economic problems are expected to show up in the future. So, it will be a big challenge to encourage economic activity and to maintain the small successes that have already been achieved..."

International non-governmental organization

Representatives of the organizations participating in the parliamentary debates on the amendments to the Labour Code note that in the initially presented bill, they had to make concessions on numerous issues. As a result, a lot of important areas such as the exact amount of overtime pay, the right to solidarity strike, improvements to maternity leave, and establishment of minimum salary remained beyond the regulation of the law.

"If we look at the issues, we can say that the plan was much more ambitious than the outcome we got."

Trade Union, Employees' Association

Overall, it is still difficult to advocate for one's rights without expert intervention and the help of another person. Despite the changes made to the Labour Code, enforcement still remains to be a challenge, making employees dependent on state institutions and organizations.

Meantime, labour rights organizations point out that it is necessary to carry out large-scale information campaigns to make employers aware of the economic or social damages that a breach of the Labour Code can bring along. Such a need stems in part from the fact that, given the lack of resources for the Labour Inspection, it is hardly possible to monitor and enforce labour code violations across the country. It is also noteworthy that participation in the drafting of the bill and attendance and involvement in the discussions of the parliamentary committee was not open to many organizations, which the respondents are concerned about. Representatives of trade unions, among others, point out that their influence on the reform of the Labour Code was weak at the stage of considering the bill, as business representatives are constantly trying to ease regulations and sanctions.

"Business representatives often behave in a way that is oppressive. They have rigid interests and never make concessions. The fact that you have to agree a law with them means that not much change will be made. And what did we get as a result ?! – the clause on overtime salary, with the rate 1.25, was removed. Nothing has changed except the Labour Inspection."

Trade Union, Employees' Association

4.1.5. The Labour Inspection – its increased mandate, challenges, and planned actions

The wave of labour law reform and liberalization that began in 2006 most severely affected labour inspection, leaving the field virtually deregulated. The Inspection was abolished, and a general clause appeared in the Code obligating the employer to provide a healthy and safe working environment for the staff.

Incomplete statistics from the deregulation period show that the number of workplace casualties and deaths kept increasing throughout 2008-2015. As an example, 81 people were injured and 42 killed in 2015 alone. In fact, though, this is only the number of recorded cases, while the actual data remain unknown.

In response to the existing challenges and criticism, on 21 April 2015, by the order №01-10 / n of the Minister of Labour, Health and Social Affairs of Georgia, the Department of Labour Conditions Inspection was re-established and the powers of the body were defined by the relevant statute. The capacity of the inspectorate was limited to making recommendations. Consequently, the body mainly acted as an advisor to the state on security issues and could not fully respond to prevailing needs.

In this regard, the Association Agreement concluded between Georgia on the one hand, and the European Union and the European Atomic Energy Community on the other, as well as the efforts of local and international representatives played a crucial role. Under the agreement, Georgia pledged to gradually approximate labour safety law to European legislation and to transform labour inspection into an effective mechanism.

Following the recommendations, the Law of Georgia on Labour Inspection was adopted on 29 September 2020, whereby the controlling body was established as a legal entity under public law, accountable to the Parliament of Georgia.

The mandate of the Labour Inspection has been increased beyond the status of a general advisory body to represent an agency in charge of reviewing incoming complaints, conducting inspections and compiling follow-up protocols. In certain cases, it may also have the power to suspend the work process.

In contrast to year 2015, the inspector is now authorized to enter a labour site at any time and inspect it on the basis of a complaint from an interested person. On its own initiative, it may also enter a workplace subject to inspection at any time of the day or night, without prior notice, in accordance with the "Resolution of the Government of Georgia on the Approval of the Rules and Conditions for Examination of Premises Subject to Inspection." It replicates the successful experience of Western European countries - for example, the Kingdom of the Netherlands, where the Labour Inspection has access to any workplace, has the right to interview employers and employees and has unconditional access to business papers and company data.

The Law of Georgia on Labour Inspection also obligates the inspector to keep the author of the complaint confidential, which should serve as an important guarantee for each employee to avoid possible harassment by the employer following the inspection.

The Labour Inspector has been authorized to go beyond making recommendations, should a violation be detected. He can also use a warning, a fine and even suspension of the work process. In this regard, the law reminds us of its European analogues⁵³.

According to DCFTA Action Plan, the Inspection is responsible for informing employers and employees about occupational health and safety rules, as well as labour rights under national and international law. Another obligation pertains to raising awareness of employers and employees regarding child labour issues⁵⁴.

The organizations working in Georgia on labour rights consider the existence of labour inspection as a necessary and important precondition for creating a better and more dignified work conditions. Expansion of the mandate for the Labour Inspection and its equipment with additional

 ⁵³ Law of Georgia on the Labour Inspection Service https://matsne.gov.ge/document/view/5003057?publication=0
⁵⁴ Mid-Term (2021-2023) Action Plan for the Implementation of the Deep and Comprehensive Free Trade Agreement between Georgia and the European Union

powers is perceived by the majority of the organizations as the most important change of the latest amendments to the Labour Code.

"Expansion of the mandate is a positive step, though the change has taken so many victims."

Trade Union, Employees' Association

Despite high expectations towards the Labour Inspection, it is noteworthy that several organizations participating in the study put its independence at question. Interestingly, although the Labour Inspection has been operating since 2020 as a legal entity under public law, part of the respondents still perceives it as a department of the Ministry of Labour.

"If it were a separate LEPL, it would at least create the illusion that it is an independent entity."

Trade Union, Employees' Association

"I would wish for the Labour Inspection to exist as an independent organization, as LEPL or some other form."

International non-governmental organization

Skepticism about the Inspection is further reinforced by the lack of resources in this structure, in particular, lack of staff (especially qualified staff) and insufficient experience and knowledge. Consequently, despite the positive changes which have been introduced in the labour law concerning the mandate of the body, organizations find it difficult to talk about future expectations.

"We fear that it will not be strong at all. They are still dependent on some decisions, so, we are not sure how much they will manage to handle it. First of all, there are so many inspections to be performed, staff are lacking, technical aspects are not in order; I do not know what guides their work or what manual they use".

Trade Union, Employees' Association

"The Labour Inspection needs vast knowledge on the one hand; on the other, labour safety takes years to develop, to not be a façade the way it is now."

Trade Union, Employees' Association

Moreover, they also intend to monitor the activities of the Inspection Service to ensure that it works fairly in the area of law enforcement. Such an attitude, in its turn, demonstrates once again that, in the opinion of the organizations, one of the most important actors working on labour issues does not enjoy high degree of authority and trust.

"They will have a lot of work to do, so, we as an organization are ready to help them, if they wish. We will literally monitor its activities and we will force the state and labor inspection, if necessary, to do whatever they are supposed to do."

Trade Union, Employees' Association

"In this case, the organization works as a watchdog, constantly monitoring and evaluating such institutions. The relevant project, which involves monitoring inspection cases, starts from January. We will be observers, on our own."

Local non-governmental organization

As some of the respondents note, apart from acting as the law enforcement body, the Labour Inspection should also assume the function of educator and advisor. It should take care of raising awareness among employers through running information campaigns. It should develop guidelines and assessment tools to help both parties, employers and employees, to create a better work environment.

"It is important for the companies themselves to be aware of labour rights issues. In this light, it is necessary to intensify information campaigns so that companies and organizations better understand what their obligations are under the Labour Code, what they are supposed to do and not to do. I don't think they have ever conducted such a large-scale campaign. So, I would wish for an extensive and more effective campaign."

International non-governmental organization

"[...] They need to make sure that all internal regulations are in order, that there is an action plan, that the system is in place, and at the same time, it is very important to involve employers and employees in working on labour issues. Rights issues, which is new and there is no experience in the country yet. "

International non-governmental organization

4.1.6 Cooperation and coordination mechanisms, platforms, and the work of the tripartite commission

The main mechanism of coordination and collaboration between states, civil society and trade unions is a tripartite consultation that is elaborated by the ILO and has been ratified by its member countries in different times.

The Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144) entered into force on May 16, 1978. Georgia ratified the convention on May 18, 2018⁵⁵.

In general, it is internationally recognized that tripartism and social dialogue are powerful tools for regulating labour markets, concurrently guaranteeing decent work, inclusive growth and social justice. If the convention is implemented appropriately, it will significantly improve labour rights, social security standards, gender equality and better regulate non-standard forms of employment.

This chapter of the research overviews social dialogue and tripartism work in Georgia and analyses the interviews with different organizations that participated in the study.

Evolution of tripartism in Georgia and its current state

A tripartite social partnership committee (TSPC) was established in Georgia in 2013. This has happened in the wake of intense labour conflicts in several regions of the country. The TSPC is chaired by the prime minister and has three main parties: the government, employers and employee associations. Each party has 6 members represented in the council. In total there are 18 members representing Government of Georgia, trade unions, and the representatives of employers. Its is worth noting that the employee associations are represented by GTUC representatives only, and no members from "independent unions" are present in the committee. According to the state decree on Social Partnership (#258) the TSPC is supposed to meet on a quarterly basis. In practice, however, their meetings are much less frequent and are organised on an ad-hoc basis. For instance, during 2018 the council met only twice. Thus, there is no systematic approach towards the work of TSPC to advance any labour agenda or to elaborate a strategy on improving labour conditions in the country. The council only assembles when something extraordinary happens in the field of labour relations (e.g. a major strike is organised, or a piece of legislation has to be approved by the Government). The main topic during the last years' discussion was the Law on Occupational Health and Safety, which was to be adopted by the Parliament. The employers' association hotly debated the provisions of the law and respectively the adoption of the law gained high political importance. Another main challenge of the TSPC operation relates to the fact that it is only a national level structure without regional representations. As a result, there is

⁵⁵ https://www.ilo.org/dyn/normlex/en/f?p=1000:11300:0::NO:11300:P11300_INSTRUMENT_ID:312289

very low capacity for issues/problems being communicated from the bottom to the top and account for regionally specific challenges⁵⁶.

Cooperation with other social partners

The relationship between the GTUC and employers' association is established and functioning. The main social partner for the GTUC is the Georgian Employers' Association (GEA). It was founded in 2000 as a non-governmental organisation. It engaged in a broad range of activities in 2005-2006, after joining the International Organisation of Employers in 2004 and becoming its official partner. Respectively, it gained recognition from the ILO. GEA is actively engaged in social dialogue and labour/employment policy⁵⁷. Being social partners and members of the tripartite committee, the GTUC and GEA are cooperating on a close basis. This cooperation has been full of challenges and confrontations on all major policy developments in the recent past.

In contrast to the GTUC and its members, alternative trade unions beyond the GTUC do not engage with employers' associations. This could be explained by the fact that firstly, they are very new to the public agenda and secondly, they are not officially members of the TSPC. Their low membership and advocacy work are mostly reliant upon a small number of committed individuals and volunteers that run organising campaigns, but these organisations have not yet reached the status of a recognized social partner by business associations. It remains to be seen how the status of alternative unions will change in time after they gain higher membership and more influence on policy agendas and the representation of workers' interests. The level of engagement of trade unions and professional associations at public debates on sociopolitical issues is correlated to the achievement of necessary reforms. Trade unions in Georgia use four main strategies to reach their goals: collective bargaining, strikes, public protests/manifestation and court appeals. However, court appeals are not considered in general very successful, because they usually take a long time and even if individual workers are reinstated at workplaces, it does not alter the overall condition of labour in the country. Public protests are held very seldom, although there have been several major strikes in the country over the past couple of years. In May 2019, a major strike was initiated by mineworkers in the city of Chiatura, which was supported by the entire city.

It is critical to note that during this action, strikers refused to cooperate with any trade union representatives and started negotiating directly with the company. The workers won a 25% increase in wages, which is an unprecedented success in the history of strikes in Georgia. The alternative trade union "Solidarity Network" has introduced a new mechanism of "naming and shaming" employers and initiating massive public campaigns about the most notorious employers that breach legally stipulated labour conditions. These campaigns have been rather successful in raising public attention towards labour rights issues. In several cases it has also resulted in company management introducing more humane working shifts and working conditions.

⁵⁶ Muskhelishvili M. (2017) Social Dialogue in Georgia. Friedrich Ebert Stiftung

⁵⁷ Muskhelishvili M. (2017) Social Dialogue in Georgia

(primarily in supermarket chains). To summarise, TUs in Georgia are active, but to a moderate level. While traditional trade unions consider collective bargaining and policy influence via interaction with the government an important strategy to reach their goals, some newer and alternative trade unions adopt more radical strategies and are also more vocal via public protests, naming and shaming, and strikes. However, on the whole they are not considered as serious social partners by the government and they are rarely able to influence change at the policy level. Finally, as mentioned earlier, professional associations tend not to engage in public debates on policy issues.

Political pressure on union activities was strong during 2006-2012. The Educators & Scientists' Free Trade Union described this period as extremely hostile towards trade unions, in which the union lost all its members and basically stopped existing. However, after the change in government in 2012, trade unions are operating freely, and no political pressure has been reported by them⁵⁸.

A number of strikes were organized by different company workers in 2021, demanding salary increases and better work conditions. Up to 350 workers of the "Borjomi" company, producer of a popular Georgian mineral water, went on strike on May 18, forcing the production in two factories to stop. The demands included pay rise, rights to holidays and breaks, as well as the prohibition of discrimination in the company on the basis of membership of trade unions. The workers collaborated with the Labor Union of Agriculture, Trade, and Industry which organized the collective action, and the decision to strike came after the failed 21-day mediation with the company⁵⁹.

The Rustavi Azoti strike in May 2020 ended in salary increase. After a few days of negotiations, employees of the firm in the southeastern city of Rustavi settled for a GEL 250 (USD 72) pay increase for those with a monthly salary up to GEL 1,000 (USD 290), and a GEL 125 (USD 36) raise for those earning GEL 1000-1500 (USD 290-436). The Georgian Trade Union Confederation helped workers in organizing the strikes⁶⁰.

The Chiatura miners' strike in April resulted in a portion of the demanded 50% pay rise being given. The Georgian Trade Union Confederation supported the strike⁶¹.

Based on current events, it can be concluded that the practice of bipartite dialogue between the workers and company owners is very poor, and that workers need strikes to achieve better work conditions.

⁵⁸ CELSI Research Report No. 37 TRADE UNIONS AND PROFESSIONAL ASSOCIATIONS AS CIVIL SOCIETY ACTORS WORKING ON THE ISSUES OF LABOUR RIGHTS AND SOCIAL DIALOGUE IN GEORGIA https://www.celsi.sk/media/research_reports/RR37_new.pdf

⁵⁹ https://civil.ge/archives/420618

⁶⁰ https://civil.ge/archives/417573

⁶¹ https://civil.ge/archives/415812

Multinational corporations and social dialogue

Multinational Corporations (MNCs) conduct diverse business activities in Georgia. Examples include oil and gas suppliers, the textile industry, mining, automotive sellers and retailers (such as Carrefour and Spar). Due to the fact that the Georgian legislation considers almost all business information as a 'commercial secret', there is a lack of available data on their activities. Even the list of multinational corporations operating in Georgia is not disclosed. As a consequence, there is no documented information about their involvement in social dialogue. Nevertheless, interviews with local CSOs indicate that working conditions in these corporations are dire and that labour rights frequently violated. A recent publication by EMC has revealed exploitative working conditions in sewing factories operating in Western Georgia (which are suppliers of brands like Zara).

In the last years, the Solidarity Network organised a public campaign against Spar, to denounce the harsh working conditions and violation of labour rights there. The primary reason for MNCs to operate in Georgia is cheap labour. The textile industry and retailers, as well as the mining industry, primarily employ low-skilled labour, which is easily substitutable. This is the primary reason why workers in these sectors are not unionized: all attempts of unionization are met by dismissal threats. Solidarity Network has noted that workers would feel very scared to join the union because they would be easily dismissed. Thus, one can argue that MNCs do not play any role in supporting social dialogue in Georgia; on the contrary, they are taking advantage of low labour standards⁶².

The Georgia Fair Labor Platform

Currently, the Fair Labour Platform, a coalition of independent trade unions, civil society organizations and activists working to improve labor conditions for workers, functions in Georgia. They also act as a solidarity network for their members, offering mutual assistance and support on issues of concern.

The platform's management is based upon the principle of parity. Each organization has one vote. However, in specific cases, a speaker or speakers defined by members express a position on behalf of the entire platform.

The current members of the Fair Labor Platform are: Open Society Georgia, Social Justice Center, Solidarity Network Workers Center, Georgian Young Lawyers Association, Human Rights Watch, Social Workers' Union, Tbilisi Metro Workers Union, and Georgian Public Broadcasters Union.

⁶² The Human Rights Education and Monitoring Centre (EMC), (2017) An Assessment of the Labour Inspection Mechanism and a Study of Labour Rights Conditions in Georgia.

The platform has a web page, <u>www.shroma.ge</u>, with different resources and information on Labour Rights issues in Georgia.

The organizations interviewed within the frameworks of the research admit that there are many challenges regarding the social dialogue formats, tripartite dialogue and other coordination mechanisms. Below, the opinion of interviewed organizations is given.

The representative of **International Labour Organization** mentioned that in the development of the labour code there was a process of social dialogue where parliament organized different meetings. Employees and workers were invited to share their oppinions on the amendments.

In terms of coordination mechanisms, Georgia has lots of room for improvement, as the tripartite social commission does not function well. There are two levels, the plenary level and working group level. On working group level they meet regularly and have discussions, and sometimes ILO participates in those discussions. At the national level, dialogue does not function well; they consider it a positive thing that there is more interest from the government, but still consider that there are challenges in this process.

Solidarity Network - the organization cooperates with other actors involved in the Fair Labour Platform. They want to participate in the tripartite commission but have not been able to do so yet. In general, they give priority to coalition work, because it allows the possibility to push forward a common cause even in the absence of resources. However, they also point out that organizations are constantly struggling for autonomy and authority.

"We do not ask for membership in the tripartite commission; it often happens that we plan to work on a specific topic related to fair labour while others may not be intending to work on it. To some extent, coalition work means that you can do something beyond your priorities - you can somehow complement them."

New Union - considers the issue of awareness as a positive side of coalition work. The fact that other organizations in the coalition have a high level of international and local awareness may have a somewhat positive effect on those members who do not yet enjoy a similar level of awareness. The organization does not view coalition with employers' associations as a good option, because it is skeptical about them. The organization also rules out cooperation with political parties, although they note that there may be some politicians who share their principles and ideology, and are in favor of cooperating with such individuals. In addition to the Fair Labour Platform, the organization is a member of the Transnational Platform, an informal association of independent European trade unions. In the future, they want their cooperation to take on a formal nature by joining the European Confederation of Independent Trade Unions.

The organization also finds the topic of the tripartite commission relevant. In their opinion, they have legal right to be represented in the committee and would like to join it in the future. When asked why the New Union should be included in the tripartite commission, one of their arguments is that they bring together trade unions from the fields that today remain largely untapped by big confederations.

"A group was set up to work on the labour law but we were not invited ... In fact, if we look at the essence of a trade union, we fully fit with its definition. Our union includes organizations that are not represented by those large associations. In addition, we are well experienced in trade union activities, we have led strikes that have been successfully completed, we have experience in the area of litigation. In keeping with our legislation, we have the right to have representatives in the tripartite commission. To this end, we have sent a letter to several agencies, but they referred us to the ILO. We met with the chairman of the organization himself, who literally gave us a refusal. The union has a monopoly, because there was no other union besides it at that time ... We have an informal coalition, there is a transnational platform - it is an informal union, bringing together independent trade unions in Europe. We are actively cooperating, they hosted us in Europe, they also paid a visit to Georgia. The pandemic has caused certain impediments, although our collaboration continues online. We have an idea to create a confederation of independent European trade unions. We do not think we will ever be in coalition with Gamgeoba or political parties, at least as long as we are in this team. However, we may have relations with individual politicians. Cooperation with the right-wing liberal parties is absolutely ruled out."

Social Justice Center—the representative of the organization says that coalition and coordinated work has a positive effect in terms of resource mobilization, in particular the mobilization of human resources, both generalizing the issue and gaining more supporters. On the negative side, competition between organizations can be singled out, as each and every organization strives for recognition and authority.

"On the plus side, they are many factors, including generalization of the topic, connecting people, even with different ideologies. When entering the battle, human resources are really valuable, let's say, for supporting each other's statements."

Human Rights Watch - the organization considers coordination and coalition work highly important. In this sense, its involvement in the Fair Labour Platform speaks for itself. HRW is also a member of other international coalitions on labour rights. One of such coalitions is in Kenya and another is in America. In general, the organization does not have a firm position about not

working with any particular actor. At this point, it considers cooperation with the Fair Labour Platform as a priority.

"Abroad we are doing it as an experiment, one in Kenya, one in America and one here. Labour rights are more closely linked to America. The UN Special Representative, from the Freedom of Assembly Association, was head of the Partnership and he works in the direction of the United States. There is coalition work in Kenya that not only raises labour rights, but it is broader, there is talk of saving the city, but again there is talk on grassroots organizing. We do not have one side approach, we listen to society demands, where there is a need, we put our capacity there ... When we were preparing a report, we were working with a large federation of trade unions, and it is impossible for them to be working together with the alternative union and even to sit down with them. As they see each other as competitors, one is considered as a reminder of the Soviet Union, the other is yet nothing and this situation is unbelievable. Still, I think both are important actors. But the development of the alternative is also very important...Today, they (employers' associations and the civil sector) are direct competitors. Unfortunately, despite the fact that there is a tripartite social commission in place, it is so limited and inefficient that it does not represent the general public. As HRW, I have no problem meeting with, say, the American Chamber of Commerce, or anyone else, although we are not planning to work in coalition yet."

Legal Aid Service — Due to the specifics of its work and positioning (representation in court), the organization avoids working in a coalition with a large number of organizations, as their positive or negative positioning may be disadvantageous for the organization (in court proceedings). It is also important that the representative of the organization indicates the weaknesses of the unions and how much they need to develop and gain the trust of its members. Names the Young Lawyers Association as a partner organization, they just have a cooperative relationship with other organizations. It is also interesting to note that the organization had experience working in coordination with the court and the Ministry of Internal Affairs during the pandemic, and this is positively assessed. As a precedent, similar coalitions are interesting because they unite the law enforcement agencies of government institutions.

"We mainly carry out certain activities together with the Lawyers association. We are in coordination with the Lawyers association. We have partnerships with other organizations, but we are not a member of such coalitions ... First of all, I think that there is a lot of serious work to be done in the direction of trade unions and they need to be strengthened. At first, they must be independent, and secondly, they must have the appropriate competence, knowledge and trust, which is the main thing for workers in the protection of their rights ... We had a similar model in the pandemic when we had close relations with the court, the prosecutor's office and the Ministry of Internal Affairs. With the pandemic, as you know, part of the processes moved remotely and there was all the chaos from the beginning of the pandemic and lockdown. There were problems. And here, in this regard, we had created a coordination council in the direction of justice, and this worked very well in terms of coordination. " The Georgian Trade Union Confederation cooperates more with government agencies and international organizations:

"In general, especially in conditions when resources are scarce, coordinated activities are very important and I surely acknowledge this fact, but on the other hand, it's not only about cooperation. When it comes to partnering with organizations or individuals, ideas and visions on various issues should intersect. If this is not the case, just the fact that the organization is working on some topic is not enough for me to engage in cooperation. That is, it depends on what approaches and visions we have, especially, since our organization is distinguished from any type of non-governmental organization... We are an umbrella entity, based on the principle of sectoral arrangement. Being the main organization in charge of enrolling others, our work is rather specific, because on the one hand you are not controlling anyone ... Future perspectives - in general, I think that collaborations are very important, it is necessary to deal not only with labour issues, but also on the issues of migrants and persons with disabilities. Regional specifics still exist. We give a great advantage to the relations with regional organizations."

The president of the Georgia Trade Unions Confederation declares in an article⁶³:

"Despite the ratification of ILO Convention n°144 by a number of countries, practicing social dialogue remains one of the key challenges in the region. I believe all stakeholders should re-assess the benefits that social dialogue brings – there is no alternative. Accordingly, governments, as well as workers' organizations and employers should join their efforts and create social dialogue development plans, taking into account the lessons learnt and experiences of other countries. Improving social dialogue between unions and employers at the enterprise level, also facilitating an increase of coverage by collective bargaining agreements, an area for which our country has experienced a significant setback over the last few years. It goes without saying that high quality collective agreements pave the way for productivity increases and make the economy more competitive. This means more jobs with decent work conditions."

Trade Unions Youth Movement - due to the fact that the movement does not have an organizational structure of its own and is actually part of the Trade Unions Confederation, it is not able to engage in coalition and coordination activities with others. The Trade Unions Confederation is its main partner. Nevertheless, the representative of the movement speaks about other actors as well, assessing activities of the business association as destructive, while regarding the employers' association as relatively constructive. The representative also notes that on behalf of the

⁶³ https://gtuc.ge/en/how-to-promote-social-dialogue-in-georgia/

confederation, they have received a grant from the Friedrich Ebert Foundation, which is specifically used for the activities of their movement.

"To begin with the state, I believe that the Ministry of Labor and Health should act as the leader, deepening communication with other actors. The activities of the International Labor Organization and other foundations in Georgia are also important. The American Solidarity Center is an organization founded by American trade unions and making a very large solidarity contribution to the organization of workers in Georgia."

The representative of the organization negatively assesses the activities of the Georgian Business Association and notes that it is clearly a political lobby, enjoying substantial influence. As for the employers' association, they consider its reasoning to be very constructive.

The representative of the non-governmental organization "Consent" claimed he has no information about any coordination mechanisms.

"In general, less interest is paid to the issues related to IDPs. As they have special needs, sharing information about IDPs is highly important in terms of labour rights."

Labor Inspection Service - from September 2020, it has been conducting online meetings with employers' and employees' associations, conducted in question-answer mode. The meetings are mainly organized by business associations. Such meetings do not have a specifically designated coordinating organization.

"The project was being implemented throughout 2020 - we informed local businesses about the current news and developments. We held meetings in 7 big cities of Georgia. The report should be ready by the end of this month. The logbook of the Labour Inspection Service is being developed. The site is currently being upgraded. In future, we will have to design a separate site."

According to the representative of the organization, the coordination mechanisms require a new format; it is necessary to reflect on how to improve the coordination platform to become more mobile and avoid overlapping issues.

According to the representative of the Danish Refugee Council,

"Unfortunately, the coordination mechanism does not work. The information available in the organization remains absolutely untapped." According to the representative of the CSO "Salam" Platform, since the organization does not work specifically on labour rights, it is not involved in coordination meetings. The representative of the organization believes that it would be good for organizations based in the regions, especially those working with ethnic minorities, to be involved in the coordination meetings concerning human rights, so that their views are taken into account in the decision-making process.

The Georgian Employers' Association, as a party to the Tripartite Social Dialogue, is represented in the following councils and committees: Ministry of Economy and Sustainable Development of Georgia - European Committee for Standardization; Country Coordinating Committee (CCM); Ministry of Finance of Georgia - Financial Disputes Council; State Procurement Agency - Disputes Board; Tripartite Social Partnership Commission (four of the six board members are staffed by associations); Ministry of Education and Science of Georgia - National Council of Vocational Education; the Coordinating Council established in the Ministry of Economy for the implementation of the Deep and Comprehensive Free Trade Agreement (DCFTA); Ministry of Education and Science of Georgia - in the education sector.

A representative of the HR Hub has not heard of any coordination mechanisms regarding labour rights but says that it would be good.

According to the representative of the Friedrich-Ebert-Stiftung, the Foundation has funded a number of initiatives in the field of social dialogue:

"When we started talking about this topic, the main partners in this direction were the employers' association and trade unions. In general, employers are reluctant to get to negotiations; mostly, they are forced to do so in the wake of strikes. On many occasions, reached agreements are not observed. It is necessary to engage with different employers' associations. The government should ensure transparency and law enforcement. Platforms have been created under numerous projects, but after their completion, they remain there in the form of clubs. I remember there was a specially designated person in the ombudsman's office working on labour rights. The work of the Tripartite Commission is accompanied by numerous challenges."

The representative of the women's initiative group from the village of Kartikami in Akhalkalaki district says that it is very important to inform ethnic minorities about labour rights, to involve them in various platforms and meetings:

"It is really difficult to deal with business; for example, when I was going to shops in the villages, they were afraid that I was from tax office. Because of the language barrier, even preparation of an invoice is a problem. When some new law takes effect, they do not know how to apply, we do not have relevant experts on the site. In order to cooperate with the tax authorities, they have to find a Georgian. It's all due to the language barrier."

The representative of the **Center for International Private Enterprise** notes that there is no suitable platform for social dialogue in Georgia. It is also wrong to be cooperating with only one business association in such a format:

"It would be good to evaluate the format of the social dialogue at the national level in Georgia and improve its model using the best examples from other European countries. As a result, the model would become much more effective."

According to the representative of the Young Lawyers' Association, participation in the tripartite commission is not their priority.

Representative of the Open Society - Georgia Foundation:

"We have used diverse formats to discuss various issues with business associations. I do not believe that dialogue with them will ever lead to any consensus. Local associations have a defined agenda. They always try to block significant changes. I have heard about tripartite commissions and other mechanisms of social dialogue in Europe and I know they do work. To this end, it is necessary to have basic standards in place. In the field of service, a person should not be working 78 hours a week. But when highlighting this problem, businesses say that if strict regulations are imposed on working hours, they will go bankrupt and the economy of Georgia will collapse. "

Conclusion

The research analyzed the work of different types of agencies and actors, including governmental and non-governmental organizations and trade unions, in terms of labour rights protection. The activities of the organizations involved in the research include practical work (providing direct services to people - legal consultation, court representation, organizing workers' protests) as well as on-paper work related to the legal framework (initiating laws, evaluating existing legislation) and awareness-raising work with employees and employers.

The main actors around labour issues in Georgia, in addition to their activities and mandates, differ from each other with their status. It can be said that in general these organizations are considered progressive; however Attitudes towards them change thenwhen the actions of any actor (e.g.: organizing illegal strikes, protests, criticizing the format of dialogue, etc.) are perceived as overly radical. This is reflected in the experiences of cooperation and partnership; for example, cooperation with organizations such as non-governmental, independent trade unions who openly express "leftist" ideas that are sharply different from the discourse on political (non-party), economic and social issues is avoided by governmental and non-governmental organizations.

When discussing coordination mechanisms, it is also seen that the actors involved in the study interact selectively with each other. In fact, every organization identifies lack of resources as one of their main challenges. Organizations with relatively clear political (non-party) identities are more likely to fight for resources, which they think can exclude them from the dominant agenda. The actions of the organizations lack long term strategic approaches, since the projects that they implement are designed mainly on donor requirements.

The absolute majority of the organization representatives working on labour rights mentioned that the Tripartite Commission and social dialogue with state and businesses have a formal character and are not effective at all. The practice of bilateral dialogue, as noted during the interviews, is not developed in the country. The gap in constructive dialogue between the employees and employers was especially evident during the pandemic period, when besides the possibility and necessity of cooperation between employers and employees to overcome a crisis, labour relations usually ended with one-sided decisions initiated by employers.

Besides the social and economic challenges, the COVID pandemic provoked, it also made noteworthy issues related to informal economy (such as uncontracted employment, one of the most challenging factors which made difficult to register for social assistance), gender-based discrimination at work, and precarious conditions and contracts. Actors in this field mentioned that the number of applications for assistance has increased, and consequently the amount of their work. Despite everything, organizations were able to modify their activities in conjunction withCOVID restrictions. As for long-term strategies for the post-pandemic period, organizations note the importance of addressing labour rights as interconnected with socio-economic issues. In their assessment of the new labour code, all organizations' representatives mentioned that there have been positive changes made in the Labour Code, such as the increased role of the Labour Inspection and the paragraph on discrimination, working hours and overtime work, amendments which contain new provisions concerning limits on work hours, mandatory weekly rest time, breaks between shifts, and better protection for night-shift workers. Inasmuch as all participants in the study note that despite the changes to the Labor Code, the legal framework remains to be refined, their only hope is to strengthen the execution mechanism. Some of the study participants indicated that it is desirable to increase the independence of the Labor Inspectorate as an institution, even in the form of an independent institution, which indirectly indicates a lack of trust in the Ministry of Labor, Health and Social Affairs. As for practices related to the courts, it takes a long time to file a lawsuit; as a result, cases usually start upon wrongful termination, while in case of other labor rights violations, such as overtime work, pay cuts, vacation, or sick leave, employees still face the employer individually if they are not a member of a trade union. In these cases, the trade union can only start a negotiation process with employer or call the inspection, which, as the lawyer of the trade union notes, takes two months. This timeconsuming process often ends with a wrongful termination anyway, and individual court cases do not change the overall picture.

As for organizations working with vulnerable groups, such as IDPs andethnic minorities, it should be noted that they do not cover issues related to labour rights adequately, while organizations working on labour rights in most cases do not have vulnerable groups identified as separate target groups. The organizations explained that this is caused by lack of resources, priorities in work agenda, and so on.

In general, it can be said that labor rights organizations, despite challenges at the local or global level, are constantly trying to rearrange their activities according to the relevant needs and requirements of their target groups. Their activities are focused on both short-term and long-term results. Given that the challenges are visible at all stages of their activities, including legislation framework, workers' awareness and apathetic attitudes, and difficult social and economic conditions, the study has shown that it is important to work along with others in a coordinated manner for a common interest.

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