



# Working life in Georgia 2023

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### Preamble

The European Foundation for the Improvement of Living and Working Conditions (Eurofound) and the European Training Foundation (ETF) developed the first working life country profile for Georgia as a result of its new status of EU candidate country.

Similar country profiles are available for all EU Member States, EU candidate countries and potential candidate countries, and a few other countries around the world. The <u>country profiles</u> are updated by Eurofound every two years.

This paper describes the key characteristics of working life in Georgia. It aims to provide relevant background information on the structures, institutions and regulations related to working life in the country. These include indicators, data and regulatory systems associated with the following aspects of working life: actors and institutions, collective bargaining, industrial action, individual employment relations, pay, working time, health and well-being, skills and training, and equality and non-discrimination at work.

The profile covers the main legal and institutional developments from 2018 to April 2023.

The profile is intended to provide an overview of Georgia's key socioeconomic characteristics and regulations to serve as a background for its work to strengthen its labour market, the skills of its workers and its social regulatory framework in line with the *acquis communautaire* and European practices.

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### Background

#### Economic and labour market context

Georgia is a lower-middle-income country that saw an increase in gross domestic product (GDP) per capita (at current prices) from USD 4,722 in 2018 to USD 6,671.90 in 2022 (National Statistics Office of Georgia, 2023a). The pandemic had a major impact on the economy and labour market of Georgia, with growth reducing by 6.8% in 2020 and unemployment rates increasing from 17.6% in 2019 to 18.5% in 2020 and 20.6% in 2021(National Statistics Office of Georgia, 2023b). A key structural problem in the labour market is the limited creation of well-paid job opportunities, in particular for highly skilled workers. This fuels a vertical skills mismatch among workers with a tertiary education (ETF, 2022). Other problems are the relatively high share of employment in agriculture, including subsistence farming; high unemployment. Gender gaps persisted and widened further in 2021 both in labour market participation (activity) and in employment (ETF, 2023). The sectoral distribution of employment reveals an expansion of services and industry over the last decade, but subsistence farming is still a significant source of employment.

According to the latest European Commission opinion on Georgia's application for EU membership, the country has achieved a good degree of macroeconomic stability, but further reforms and investment are required to secure long-term inclusive growth and external competitiveness (European Commission, 2022). The priorities remain in the areas of developing the skills and competencies of workers, consolidating physical infrastructure with a focus on renewable energy and transport, and enhancing access to global value chains.

Spillover effects from Russia's war against Ukraine have led to strong inflows of foreign capital and people from other countries. GDP growth was estimated at 10.1% in 2022 and is expected to improve labour market indicators. The unemployment rate decreased to 17.3% in 2022 (National Statistics Office of Georgia, 2023b). In terms of government objectives, ensuring inclusive economic development, increasing employment opportunities, promoting innovation and improving private sector competitiveness remain key priorities. Among relevant reforms are the simplification of administrative regulation, the reduction of the tax burden, the promotion of free trade, the privatisation and overall improvement of the business environment, and the expansion of active labour market policies (ETF, 2023).

#### Legal context

Working life in Georgia is regulated largely by labour legislation (primarily the Labour Code), which defines the rights and obligations of employers and employees. In addition to the Labour Code, numerous decrees and orders, mostly by the Minister for Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs, regulate various aspects of working life.

Labour legislation in Georgia consists of the following major laws: the Labour Code, the Law of Georgia on Trade Unions, the Law of Georgia on the Labour Inspection Service, the Law of Georgia on Mediation and the Law of Georgia on Occupational Safety. Collective bargaining is regulated by the Labour Code. There are no special rules or regulations regarding the social partners' representativeness. Additional relevant legislation on employment relations are the Law of Georgia on Public Service, the Law of Georgia on Facilitating Employment, and the Law of Georgia on Labour Migration.

In 2020, Georgia's Parliament adopted an important labour law reform package. With the support of the International Labour Organization (ILO), Georgia brought its labour legislation in line with relevant international standards, both the ILO's standards and the EU *acquis communautaire*. The ILO also helped Georgia achieve a better balance between the rights and interests of workers and those of employers (ILO, 2020).

More specifically, the legal package included provisions related to discrimination and equal pay, limits on verbal employment contracts, overtime hours, night work, mandatory weekly rest, part-time work, collective redundancy and the transfer of undertakings (ILO, 2021). The package also extends the mandate of the Labour Inspectorate to include labour rights and conditions (in addition to previously existing functions covering occupational health and safety).

#### **Industrial relations context**

Industrial relations in Georgia were haphazard and unsystematic in the early years after the country gained independence from the Soviet Union in 1991. The country ratified all eight fundamental ILO conventions, adopted the law on trade unions and amended the Labour Code in the early 1990s. This, however, has not helped in spearheading systematic dialogue between the social partners (Muskhelishvili, 2011). Trade unions have faced legacy issues from the period when the country was part of the Soviet Union, with much of the population holding unfavourable views of them and associating them with the mandatory membership system of communist times. Therefore, workers were deprived of collective representation and protection, as existing trade unions were not able to fulfil this function and no new alternative unions were established.

The post-Rose Revolution<sup>1</sup> governments of the United National Movement (2003–2012) focused on implementing economic liberalisation policies, which were detrimental to labour rights in general and social dialogue in particular (Bagnardi, 2015). More precisely, as part of the overall process of economic transformation, the government abolished all key labour market institutions (employment services, the labour inspection service and labour exchange offices) and halted all employment-related programmes and policies. In the government's view, these institutions, programmes and policies hindered the development of the private sector (CELSI, 2020).

Nevertheless, in 2009 the Tripartite Social Partnership Committee (TSPC), bringing together the government, employer associations and trade unions, was created, and social dialogue in Georgia started to take a more systematic shape. However, the TSPC has been working on a rather ad hoc basis: it convenes irregularly and fails to conduct systematic oversight of labour relations in Georgia. Overall, industrial relations are rather weak in Georgia.

The COVID-19 pandemic had an adverse effect on industrial relations. According to representatives of trade unions and companies, the pandemic worsened the relationship between the social partners (unpublished contribution to ILO, 2022a). Communication at national and enterprise levels began to take place online. While negotiations at enterprise level have intensified in certain circumstances, dialogue at national level has stalled. According to a representative of the Georgian Employers' Association, employers faced significant challenges during the pandemic, and discussion of social partnership and collective agreements became less of a priority for them. This is reflected in the very limited number of collective agreements concluded since 2020.

<sup>&</sup>lt;sup>1</sup> The Rose Revolution occurred in Georgia in November 2003. The event was brought about by widespread protests over disputed parliamentary election results and culminated in the resignation of President Eduard Shevardnadze. The revolution triggered new presidential and parliamentary elections, which brought the United National Movement to power, with Mikheil Saakashvili (its leader) becoming president.

### Actors and institutions

Trade unions, employers' organisations and public institutions play a key role in the governance of the employment relationship, working conditions and industrial relations structures. They are interlocking parts in a multilevel system of governance that includes the European, national, sectoral, regional (provincial or local) and company levels. This section looks into the main actors and institutions and their role in Georgia.

### Public authorities involved in regulating working life

The Parliament of Georgia plays an important role in employment policy and social dialogue, as it is in charge of adopting legislation and thus providing the legal grounds for policy implementation. In the executive government, the following are key players.

The Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs is in charge of facilitating social dialogue in Georgia. Its main functions include drafting legislative acts and decrees in the field of labour and employment, supporting the alignment of Georgian legislation with EU legislation, steering the TSPC and operating a labour mediation service. The State Employment Support Agency is responsible for developing and supporting the implementation of employment policies in Georgia.

In 2013, the Georgian Prime Minister issued a decree regarding the procedures for reviewing and settling collective disputes, which made labour mediation in the context of Georgian labour law possible. According to this decree, if the parties in a labour dispute cannot reach an agreement, they can request that the Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs appoint a mediator in charge of resolving the conflict and facilitating the achievement of a joint decision.

The TSPC was established in 2009 as a key national body with the function of facilitating social dialogue and developing social partnership in Georgia.

The Labour Inspection Office was established in Georgia in 2020. Initially, it operated as a department within the Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs monitoring working conditions, and its primary mandate was monitoring safety issues in workplaces. The adoption of the Law of Georgia on Occupational Safety in 2019 and the Law of Georgia on the Labour Inspection Service in 2020 improved the operation of the institution. The department for monitoring working conditions was transformed into an independent labour inspection office in 2020, with its mandate expanding significantly. Labour inspectors are now responsible for monitoring working conditions (working hours, overtime and all other aspects of working conditions regulated by the Labour Code), in addition to occupational safety regulations. As a result, the Labour Inspection Office is the main institution in charge of monitoring and promoting health and safety at work.

There are no labour courts in Georgia, but litigation related to work and conflict settlement can be achieved through the regular courts.

#### Representativeness

Representativeness is determined by the social partners themselves in Georgia. Article 7b of the decree on establishing the TSPC states that employee associations and employer organisations operating in the country decide on the members that represent them on the TSPC based on internal consultations. A lack of transparency in such consultative processes and a lack of cooperation between different trade union confederations may result in the exclusion of certain trade union organisations from the process of social dialogue. For example, the New Confederation of Independent Unions (NCIU) has been unable to join the TSPC despite several attempts (CSO Meter, 2022).

### **Trade unions**

#### About trade union representation

According to the Law of Georgia on Trade Unions, any person aged over 15 who is in employment or education has the right to establish or join a trade union. There are no restrictions based on citizenship – that is, all legal residents of Georgia enjoy the same right to establish or join a trade union. No occupations are excluded from joining a trade union. However, the law specifies that the formation of trade unions by those employed in the fields of defence, tax administration and internal affairs, the judiciary and prosecutor's office, and the state security service is subject to specific regulations. These regulations are set out in the national legislation on the operation of the relevant state bodies. Moreover, the law provides that trade unions must be formed by at least 25 founding members.

Public opinion polls in Georgia show that trust in trade unions, although increasing, is still quite low. Statistics about trade union membership are not officially monitored or available. The latest statistical update about trade union density available in the ILO database dates back to 2019, when it stood at 17.9%.<sup>2</sup> This is confirmed by other sources, which report trade union density at 18% in Georgia in 2022 (Danish Trade Union Development Agency, 2023).

As part of the overall process of economic transformation in the aftermath of the Rose Revolution in 2003, the government started a profound process of privatising the economy. This process included abolishing key labour market institutions and suppressing the operation of trade unions. Many employers often refused to engage with unions. Meanwhile, the government interfered in major unions' collection of dues through salary deductions, which hindered unions' ability to retain members. A widespread informal economy and the dominance of microenterprises and small enterprises (with fewer than 25 staff members) continue to reduce unionisation rates in Georgia. Moreover, 'yellow' unions have surfaced over the past few years in Georgia. Yellow unions are commonly understood as trade unions that are established with the support of company management and thus are heavily influenced by the management (CELSI, 2020). These trade unions are often used to suppress the operation of the grass-roots trade unions that operate within the company.

#### Trade union membership and trade union density, 2019

	2019	Source
Trade union density in terms of active employees	17.9%	llostat
Trade union membership (only Georgian Trade Unions Confederation)	150,000	Danish Trade Union Development Agency, 2023

#### Main trade union confederations and federations

Trade unions in Georgia have been formed at industry level, and most of them are members of the peak-level Georgian Trade Unions Confederation (GTUC). The GTUC is the largest association of unions in the country (currently uniting 21 sectoral trade unions) and is represented as a social partner in the TSPC. The GTUC is governed by a management council composed of the heads of the member sectoral unions. The head of the management council is the head of the confederation. In recent years, Georgia has seen the emergence of new (so-called alternative) trade unions that are not members of the GTUC. These are also industry-level unions, except for one (the Solidarity Network), which is intersectoral and open to workers from any sector or industry. In May 2019, these alternative unions established the New Confederation of Independent Unions (NCIU), which currently comprises five organisations: Ertoba 2013, an independent union of the Tbilisi Transport Company; the Solidarity Network, a health and care sector trade union; Metro+, a metro employee trade union; the Trade Union of Social Workers; and the Trade Union of Science, Education and Culture Workers.

<sup>&</sup>lt;sup>2</sup> ILO, Statistics on union membership: <u>https://www.ilo.org/shinyapps/bulkexplorer44/?lang=en&id=ILR\_TUMT\_NOC\_RT\_A</u>

### Main trade union confederations and federations, 2020

Long name	Abbreviation	Estimated membership	Involved in collective bargaining?	Affiliation to a European trade unior organisation
Georgian Trade Unions Confederation	GTUC	152,000	Yes	Member of the European Trade Union Confederation (ETUC) and the International Trade Union Confederation (ITUC)
The following are the 21 member	er trade unions of t	he GTUC:		
Aviation Workers' Trade Union	n.a.	No information available	No information available	No information available
Georgian Constructors and Foresters Independent Trade Union	n.a.	No information available	No information available	No information available
Georgian Energy Workers' Trade Union	n.a.	No information available	No information available	No information available
Self-employed Workers' Trade Union	n.a.	No information available	No information available	No information available
Communication Workers' Trade Union of Georgia	n.a.	No information available	No information available	No information available
Metallurgy, Mining and Chemical Workers' Trade Union	n.a.	3,600	Yes	No information available
Metro Workers' Trade Union	n.a.	No information available	Yes	No information available
Trade Union of Service Sector, Local and Communal Services Workers of Georgia	n.a.	No information available	Yes	No information available
Coal, Oil and Gas Distribution Workers' Trade Union	n.a.	No information available	No information available	No information available
Educators and Scientists Free Trade Union of Georgia	ESFTUG	35,000	Yes	Member of the European Trade Union Committee for Education (ETUCE) and Education International (EI)
New Trade Union of Georgian Railways	n.a.	3,000	Yes	No information available
Trade Union of Georgian Automobile Transport and Highways Workers	n.a.	No information available	Yes	No information available

Long name	Abbreviation	Estimated membership	Involved in collective bargaining?	Affiliation to a European trade union organisation
Confederation of Marine Shipping and Fishing Industries Trade Union	n.a.	No information available	No information available	No information available
Public Servants Trade Union of Georgia	n.a.	No information available	No information available	No information available
Agriculture Workers' Trade Union	n.a.	No information available	No information available	No information available
Footballers' Trade Union	n.a.	No information available	No information available	No information available
Health, Pharmaceutical and Social Care Workers' Independent Trade Union	n.a.	No information available	Yes	No information available
Artists' Trade Union	n.a.	No information available	No information available	No information available
Tskhinvali Regional Trade Union Centre	n.a.	No information available	No information available	No information available
Adjarian Trade Union (regional branch)	n.a.	No information available	No information available	No information available
Abkhazian Trade Union Confederation (regional branch)	n.a.	No information available	No information available	No information available
New Confederation of Independent Unions	NCIU	No information available	Yes	No information available
The following are the five mem	ber trade unions of	the NCIU.	•	
Ertoba 2013	n.a.	600	Yes No information available	
Solidarity Network	Sol.Net	400	No	No information available
Trade Union of Social Workers	n.a.	No information available	No	No information available
Metro+	n.a.	No information available	No	No information available

No information available

No

Trade Union of Science, Education and Culture Workers

n.a.

Note: n.a., not applicable **Source:** CELSI, 2020

No information available

### **Employer organisations**

#### About employer representation

Employers can freely form or join an employer organisation. There are no laws establishing their rights or obligations to join an employer association, and individual associations decide themselves whether or not they join. There are several business associations in Georgia (sectoral as well as cross-sectoral); however, four of them can be distinguished in terms of their visibility and the role they play in economic policy. The Georgian Employers' Association (GEA) has the most representation in the national TSPC (three out of six seats). The Business Association of Georgia (BAG) and European Business Association (EBA) Georgia actively cooperate with vocational education colleges. Most importantly, the Georgian Chamber of Commerce and Industry (GCCI) co-founded the Skills Agency together with the Ministry of Education and Science in 2020, which makes it a key player in the field of education and training.

**Employer organisations: Membership and density** 

No data are available about the membership and density of employer organisations in Georgia.

Long name	Abbreviation	No. of members	Involved in collective bargaining?	Affiliation to a European/international employer organisation
Georgian Employers' Association	GEA	> 2,000 companies	No	n.a.
American Chamber of Commerce in Georgia	AmCham Georgia	> 230 companies	No	n.a.
Business Association of Georgia	BAG	> 600 large and medium-sized companies	Yes	n.a.
European Business Association Georgia	EBA Georgia	≥ 100 companies	No	n.a.
Georgian Chamber of Commerce and Industry	GCCI	> 600 companies	No	Member of the International Chamber of Commerce's World Chambers Federation, the Silk Road Chamber of International Commerce and Eurochambres

Main employer organisations and confederations, 2023

Note: n.a., not applicable

### Tripartite and bipartite bodies and concertation

Tripartite social dialogue is organised at national and territorial levels in Georgia. The TSPC, created in 2009, is the national-level body responsible for facilitating social dialogue. On 7 October 2013, the government of Georgia approved the statute of the TSPC, setting out its main functions and the principles of its operation. According to the statute, the main functions of the committee include developing social partnership in Georgia and supporting social dialogue between employees, employers and the Georgian government at all levels, as well as drafting policy proposals and recommendations in the area of labour and employment relations and related fields.

The committee is chaired by the prime minister. Employers, employees and the government each have six members on the committee. In addition to the prime minister, the government is represented by delegates from the Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs; the Ministry of Justice; the Ministry of Economy and Sustainable Development; the Ministry of Regional Development and Infrastructure; and the Ministry of Education and Science. Employee organisations are represented by the GTUC. Despite several attempts, the NCIU has not managed to become a member of the TSPC.

A government decision issued on 15 March 2016 transferred the functions of the TSPC secretariat to the Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs (Beltadze, 2020).

According to the TSPC's statute, it has to convene once every quarter. In practice, however, the committee does not meet so regularly; rather, it convenes when important policy decisions need to be made, usually only about once a year. The latest meeting was held in December 2022, when the parties discussed ideas for the proposed reform of the minimum wage and amendments to the Labour Code.

In addition to the TSPC, a tripartite social partnership commission was established in the Autonomous Republic of Adjara on 24 April 2018, which is the first and, at the moment, only tripartite body at local level.

Long name	Abbreviation	Members	Involved in collective bargaining?
Tripartite Social Partnership Committee	TSPC	Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs; Ministry of Justice; Ministry of Economy and Sustainable Development; Ministry of Regional Development and Infrastructure; Ministry of Education and Science; Georgian Trade Unions Confederation; Georgian Employers' Association	No
Tripartite Territorial Social Partnership Committee of the Autonomous Republic of Adjara	n.a.	Ministry of Health and Social Protection of Adjara; Ministry of Finance and Economy of Adjara; Ministry of Education, Culture and Sport of Adjara; Adjara Employment Agency; Georgian Trade Unions Confederation; Georgian Employers' Association	No

#### Main tripartite and bipartite bodies

Note: n.a., not applicable

#### Workplace-level employee representation

Employees are represented in the workplace by organisations at company level (primary trade unions). There are no works councils or other bodies at company level in Georgia that could ensure employee representation. Trade unions cannot be founded in companies with fewer than 25 employees, leaving workers employed by small companies with no legal representation.

Georgian legislation distinguishes several types of trade unions, such as sectoral trade unions, professionbased trade unions, and city, county or regional trade unions. These trade unions have the right to establish primary trade unions, which are defined as organisations that unite trade union members employed in one enterprise, institution or organisation. Primary trade unions are not subject to registration themselves, but they are guided by the charters of the registered trade unions under which they operate.

Regulation	Composition	Competences of the body	Thresholds/rules
Trade union Law of Georgia on Trade Unions	Unites members of one or more primary unions and operates in the territory of one enterprise, institution, organisation, district, city or region, or the territory of the Autonomous Republics of Abkhazia and Adjara	Protects and represents the labour and socioeconomic rights and interests of trade union members Has the right to participate in collective bargaining	May be established at the initiative of at least 25 people Acquires the status of a legal person once it registers its charter
Primary trade union Law of Georgia on Trade Unions	Unites trade union members employed in one enterprise, institution or organisation, and operates in accordance with the charter of a relevant trade union and the statute of a primary trade union organisation	Protects and represents the labour and socioeconomic rights and interests of trade union members Has the right to participate in collective bargaining	Is not subject to registration

#### Regulation, composition and competences of the representative bodies

# **Collective bargaining**

The central concern of employment relations is the collective governance of work and employment. This section looks into collective bargaining in Georgia.

#### **Bargaining system**

The legal framework for collective bargaining in Georgia is made up of the Labour Code and the Law of Georgia on Trade Unions. The Labour Code defines collective agreements as agreements arranged between one or more employers or groups of employers and one or more employee associations. The definition of collective agreements is somewhat different according to the law on trade unions, which specifies that the parties to such agreements are employers (enterprises) and trade unions. Thus, while the law on trade unions makes explicit reference to trade unions, the Labour Code provides for the possibility of signing collective agreements without mentioning professional associations as such and without specifying in sufficient detail any procedures for regulating the agreements.

Collective bargaining is highly decentralised in Georgia. Out of 32 collective agreements studied by the ILO, 31 were concluded at enterprise level (unpublished contribution to ILO, 2022a). Only one was a sector-level collective agreement, which was concluded between the Educators and Scientists Free Trade Union of Georgia and the Ministry of Education and Science (Beltadze, 2020).

Collective agreements are not legally binding but rather voluntary instruments in Georgia. If one party (an employer or a trade union) initiates the process of formulating a collective agreement, the other party is obliged to participate in the negotiations. However, it is not mandatory for them to reach an agreement. Collective bargaining is not a widespread practice in Georgia. The number of collective agreements has decreased significantly over the last decade. It was 165 in 2013, which is over three times the figure in 2020 (52) (Beltadze, 2020). This can be explained mostly by weak social dialogue and low awareness among companies of the benefits of collective bargaining.

#### Wage bargaining coverage

The collective negotiation of pay is not guaranteed by any law in Georgia. Nevertheless, the negotiation of basic pay rates is an important part of collective bargaining between trade unions and companies. Most of the collective agreements set the rates for hourly and overtime pay, as well as variable pay such as bonuses and premiums. Nevertheless, official data on collective wage bargaining is reported neither by trade unions nor by the National Statistics Office of Georgia. A recent ILO study estimated collective bargaining coverage to be 11% in 2021 (unpublished contribution to ILO, 2022a). Given that the number of collective agreements has been decreasing over the last decade, presumably the coverage has also been decreasing.

Collective wage bargaining coverage of employees at different levels

Level	% (year)	Source
Company	11	ILO, 2022a

#### **Bargaining levels**

Collective bargaining takes place primarily at company level in Georgia. There is only one sector-level agreement, in the field of education. However, this agreement does not regulate the wages of teachers, because they are regulated at ministry level (for instance, the Ministry of Education and Science sets the salary levels in public schools).

#### Levels of collective bargaining

	National level (intersectoral)		Sector level		Company level	
	Wages	Working time	Wages	Working time	Wages	Working time
Principal or dominant level						
Important but not dominant level						
Existing level				х	х	х

#### Articulation

As mentioned previously, the only sector-level collective agreement in the country is operational in the education sector and was reached between the Educators and Scientists Free Trade Union of Georgia and the Ministry of Education and Science. However, it is not mandatory for private schools operating in Georgia to comply with the clauses of this agreement; they cover only workers in public schools, which operate under the ministry.

#### Timing of bargaining rounds

No specific timing or frequency of bargaining rounds is provided for by law. Collective bargaining may be initiated at any point in time. In addition, the law does not specify a minimum duration for agreements.

#### Coordination

No specific collective bargaining coordination mechanism exists in Georgia, as it is primarily carried out only at one (company) level. There is no possibility of vertical coordination, as there is no mandatory minimum wage in Georgia (see the section 'Pay').

#### **Extension mechanisms**

Collective agreements in Georgia do not have *erga omnes* status by law, and there is a distinct lack of extension clauses in general in the current legislation. The only extension clause that can be found in the labour legislation is Article 57(7) of the Labour Code, which stipulates that if the number of unionised workers in an enterprise exceeds 50% of the employees in the enterprise, then employees who are not trade union members can request that the conditions negotiated through a collective agreement be extended to them. The company has no right to refuse these requests.

#### **Derogation mechanisms**

The Labour Code does not contain any clauses relating to derogation mechanisms to be applied to collective agreements.

#### **Expiry of collective agreements**

According to the Labour Code, collective agreements can be concluded for a definite or indefinite period. Agreements valid for a definite period should specify the end date. Agreements of an indefinite nature should contain a clause outlining the terms for the revision and suspension of the contract.

#### **Peace clauses**

Peace clauses are not common in collective agreements in Georgia. Such clauses are present in some of the collective agreements concluded in the heavy industry sector. These clauses stipulate that if a strike is organised about issues that are already regulated by a collective agreement, the employer has the right to suspend the agreement (unpublished contribution to ILO, 2022).

#### Other aspects of working life addressed in collective agreements

The main content of collective agreements in Georgia relates to hourly and overtime pay. Generally, the purpose of concluding such agreements is to ensure that workers are guaranteed the benefits that the Labour Code entitles them to. There are some cases, however, when a collective agreement provides improved benefits. For instance, labour legislation sets annual paid leave at 24 days and entitles workers employed in arduous, harmful and hazardous conditions to an additional 10 working days. Most of the collective agreements concluded in the companies where workers perform this type of work have introduced extra days of paid leave for those workers (unpublished contribution to ILO, 2022).

### Industrial action and disputes

#### Legal aspects

The Labour Code distinguishes two types of industrial action: strikes and lockouts. A lockout should not last for more than 90 calendar days, but there is no limit on the number of days for which employees can strike. Striking is allowed based on both individual and collective agreements.

The right to strike and the right to impose lockouts can be implemented only 21 calendar days after a notification is sent to the Minister for Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs, or after the minister appoints a dispute mediator and the mediation has failed to reach an agreement. The parties to the dispute should notify each other and the minister about the time, place and type of the strike or lockout, and the number of people participating in a strike, no later than three calendar days before the strike or the lockout.

Article 66 of the Labour Code specifies:

- 1. In no case shall an employee fully exercise the right to strike if he/she performs work to carry out activities which, if completely interrupted, would pose an obvious and imminent threat to the life, personal safety, or health of society-at-large or a certain part of society.
- 2. The list of critical services ... shall be determined by the Minister after consulting social partners.

The list of critical services was approved by the Minister for Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs in 2021. The list covers medical workers in the emergency services, workers in the electricity sector, communication and transport infrastructure workers, and public service employees in the areas of defence, justice and internal affairs.

Indicator	2018	2019	2020	2021	2022	Source
Working hours lost per employee	n.d.	n.d.	n.d.	n.d.	n.d.	
Number of strikes	0	5	1	8	1	Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs
Number of collective labour disputes registered	n.d.	n.d.	n.d.	n.d.		

Industrial action developments, 2018–2020

#### Note: n.d., no data

#### **Dispute resolution mechanisms**

#### **Collective dispute resolution mechanisms**

The Labour Code (Article 63) regulates the review and resolution of collective disputes. Collective disputes are defined as disputes between an employer and a group of employees (at least 20 employees) or an employee association. Collective disputes should be resolved through conciliation procedures between the parties. This involves direct negotiations between an employer and a group of employees, or an employee association.

Mediation is an alternative dispute resolution mechanism, which is operated by the state and is performed under its supervision. A special department (the Collective Dispute Organising Service) at the Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs has the responsibility of organising collective dispute mediation across all cases nationwide. A decree of the government of Georgia regulates the procedure for review and resolution of a collective dispute by conciliatory procedures. Mediation can be initiated if one of the parties sends an appropriate written notification to the Minister for Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs. In the event of high public interest in the dispute, the minister may, on their own initiative, appoint a dispute mediator at any stage of the dispute without a written application from a party organising collective dispute. This service is responsible for assigning a mediator to the dispute from a special register of mediators. To review and resolve a collective dispute by mediation, parties also need to create a reconciliation commission comprising an equal number of participants from each party.

According to the Law of Georgia on the Labour Inspection Service, collective agreements or agreements reached after mediation can be presented before national courts or the Labour Inspectorate as part of complaints.

#### Individual dispute resolution mechanisms

The Labour Code (Article 62) regulates the review and resolution of individual disputes. Individual disputes should be resolved through conciliation procedures between the parties; if the parties fail to reach an agreement over the dispute within 14 calendar days, a party may refer the dispute to a court. If a party does not participate in the conciliation procedures within 14 calendar days, the burden of proof for the facts of the dispute rests with that party. The parties may agree to refer a dispute to arbitration.

Individual labour disputes can also be taken to the Labour Inspectorate. The inspectorate is responsible for receiving and reviewing complaints of 'interested persons' about possible violations of labour regulations. The Labour Inspectorate may issue a warning or sanction the employer for violating labour regulations.

#### Use of alternative dispute resolution mechanisms

No data have been collected on the number of alternative dispute resolution mechanisms used in Georgia, but the table below shows the number of labour law cases that came before national courts in 2019–2021.

Use of dispute resolution mechanisms, 2019–2021

	2019	2020	2021
Filed	1,380	1,516	1,224
Completed	1,341	1,216	1,270
Examined to make a decision	568	386	525

Source: Supreme Court of Georgia, 2021

## **Individual employment relations**

Individual employment relations are the relationship between the individual worker and their employer. This relationship is shaped by legal regulation and by the outcomes of social partner negotiations over the terms and conditions governing the <u>employment relationship</u>. This section looks into the start and termination of the employment relationship and entitlements and obligations in Georgia.

#### Start and termination of the employment relationship

#### **Requirements regarding an employment contract**

Natural persons have the legal capacity to enter into employment contracts from the age of 16, or 18 if the contract is with a public service. According to the Labour Code, an employment contract may be oral or written, and fixed term or open ended. If the employment relationship lasts longer than a month, the employment contract must be concluded in writing. The employment relationship starts from the moment the employee commences work unless otherwise determined by an employment contract.

The Labour Code does not specify when an employment contract should be issued, but it states that the contract must mention the employees' start date and the duration for which the employee will be involved in the employment relationship. In the case of civil servants, according to the Law of Georgia on Public Service, an individual administrative act appointing the candidate as a civil servant should mention the date they are appointed to the position.

#### **Dismissal and termination procedures**

An employer must notify an employee about the termination of their employment agreement in writing at least 30 calendar days in advance. In this case, the employee must be granted severance pay of at least one month's remuneration. Legal grounds for termination include the downsizing of companies, the employee's long-term incapacity for work, the incompatibility of an employee's qualifications with their role or 'other objective circumstances'.

An employer can also notify an employee in writing about their dismissal at least three calendar days in advance, but in this case the employee must be granted severance pay of at least two months' remuneration.

An employee may, within 30 calendar days of receiving an employer's notification about terminating an employment agreement, request in writing that the employer provide a written statement of the grounds for terminating the employment agreement.

When an employee wants to resign, they must notify the employer in writing at least 30 calendar days in advance.

# **Entitlements and obligations**

#### Parental, maternity and paternity leave

The 2020 Labour Code reform provided additional leave guarantees for parents but did not significantly raise the standards for the protection of labour rights in this area. Major improvements were the differentiation of maternity leave from parental leave and enabling fathers to use the parental leave days that are not used by mothers. But men still do not have an exclusive right to parental leave.

A one-off cash allowance issued from the state budget is the only means of funding maternity and parental leave. The allowance, originally amounting to GEL 1,000 (€351 as at 21 September 2023), was doubled in January 2023. Private sector employers are still not obliged to provide paid maternal or parental leave to their employees. However, public servants (comprising 41,000 workers, of whom 12,000 are women) are potentially eligible for fully remunerated paid leave amounting to 100% of their monthly salary (UN Women Georgia, 2021). According to 2021 data, around 810,000 employees in the Georgian labour market (415,000 of whom are women) are potentially eligible only for the one-off state cash allowance and may not receive any additional benefits from their employers in the event of pregnancy (UN Women Georgia, 2021).

Prior to this year, public school teachers were eligible for only the one-off cash allowance, just like private sector employees. However, since January 2023, their maternity leave has been remunerated the same way as public servants, with their compensation amounting to 100% of their monthly salary.

Maternity leave Maximum A mother can take a total of 730 days' leave from work per child. Her job, whether in duration the public or private sector, is protected (she cannot be fired) during this period. Of the 730 days, 126 days can be taken as maternity leave: time exclusively allotted to the mother for the prenatal and postnatal periods (in the case of complicated childbirth or twin birth, the period is 143 calendar days). Employees may distribute the period of leave at their discretion over the prenatal and postnatal periods. A total of 183 of the calendar days of leave are paid. 126 calendar days are paid exclusively to the mother, and the remaining 57 days can be split between parents as parental leave. Employees who have adopted an infant under the age of 12 months can be granted newborn adoption leave of 550 calendar days from the birth of the child. A total of 90 calendar days of the leave are paid. Reimbursement The cash allowance for the whole period of maternity and parental leave (183 days). and paid newborn adoption leave, has been GEL 2,000 (€702) since 1 January 2023 (GEL 1,000 (€351) previous to that). The mother has the exclusive right to 126 days of paid leave (during which she receives GEL 1,377 (€484). The father can take the 57 remaining paid days (during which he receives GEL 623 (€291)). The Law of Georgia on Public Service states that public servants are granted a total of 183 calendar days of paid maternity leave, or 200 calendar days in the case of complicated childbirth or twin birth. Public servants are paid the full amount of their salary for the duration of their maternity leave.

The National Statistics Office of Georgia does not keep a record of the use of paternity leave so it is not possible to demonstrate any changes in its take-up.

Who pays?	Maternity leave, parental leave and newborn adoption leave are paid from the state budget of Georgia. Employers and employees may agree on extra pay for these periods of leave.
	Public servants do not receive the cash allowance of GEL 2,000 (€702) from the state budget. <sup>1</sup> Their compensation is paid from the budget of the public institution concerned based on their official salary and class-based increment. A public servant with a military rank or a special rank is paid a length-of-service increment and a rank salary in addition to their official salary, which are also considered in determining compensation.
Legal basis	Labour Code and Law of Georgia on Public Service
	Parental leave
Maximum duration	604 days <sup>2</sup> are available to parents as parental leave (in the event of complications occurring during childbirth or the birth of twins, 587 days <sup>3</sup> of parental leave are awarded). A total of 57 out of the 604 days of leave are paid.
	A period of parental leave may be taken in whole or in part by the mother or the father of the child. The father can take more than 57 (paid) days of leave, and his job is protected throughout the period of parental leave (for example, 604 calendar days).
Reimbursement	Please see the above section on maternity leave.
Who pays?	Please see the above section on maternity leave.
Legal basis	Please see the above section on maternity leave.
	Paternity leave
Maximum duration	There are no national regulations on paternity leave in Georgia. A father can only take a share of parental leave days if the mother decides not to use all the days of parental leave she is allocated.
Reimbursement	Please see the above section on maternity leave.
Who pays?	Please see the above section on maternity leave.
Legal basis	Please see the above section on maternity leave.

<sup>&</sup>lt;sup>1</sup> It is as yet unclear whether the GEL 2,000 allowance for public school teachers will be replaced with full-salary maternity leave, as amendments to the legislation are not yet publicly available. <sup>2</sup> This number of days is derived from 730 (total amount of eligible leave days) – 126 (days exclusively allotted to the

mother). <sup>3</sup> This number is lower than general parental leave (604) because in case of birth of twins or complications occurring <sup>3</sup> This number is lower than general parental leave (604) because in case of birth of twins or complications occurring

#### **Statutory leave arrangements**

Employees have the right to at least 24 working days of paid leave and 15 working days of unpaid leave annually. Employees working under arduous, harmful or hazardous conditions are granted an additional 10 calendar days of paid leave annually. An employee has the right to request this leave after having worked for 11 months. The Labour Code does not specify whether probation periods for new employees can be included in these months. An employee may be granted leave even before this period elapses by agreement with their employer. Starting from their second year of work, an employee may be granted leave at any time during the working year. Statutory leave does not include periods of temporary incapacity for work, maternity or parental leave (including additional parental leave), or newborn adoption leave.

#### **Sick leave**

According to the Labour Code, temporary incapacity for work can be a ground for only the suspension of the employment relationship. However, long-term incapacity for work can be a ground for terminating an employment contract. Long-term incapacity is defined as a period of incapacity exceeding 40 consecutive calendar days, or a period of incapacity exceeding 60 calendar days within 6 months, when the employee has already used their statutory leave allowance. The short-term incapacity of public service employees can result in the suspension of their official powers, while long-term incapacity is a ground for their dismissal, as stated by the Law of Georgia on Public Service. According to this law, long-term absence refers to an absence of four consecutive months or six months during a calendar year. According to the Labour Code, employees whose employment relationship is suspended are not remunerated unless otherwise stated by the legislation or by an employment contract. Unlike the Labour Code, the public service law states that during the suspension of official powers, a public servant will retain their official salary and the class-based increment.

A separate minister's order regulates the policy for claiming 'special assistance' from an employer from day one in the event of temporary incapacity for work. This order is applicable to all employees; both public and private sector employees can claim this assistance, but there is no private or state fund for insurance contributions. The order states that a person qualifies for such assistance in the following instances: (a) their incapacity is caused by sickness or injury, (b) one of their family members is ill, (c) they are required to quarantine or (d) they are undergoing prosthetic procedures. The order also states that assistance required due to incapacity for work is provided by the employer or institution for the entire period of temporary incapacity. The amount of assistance is calculated from the employee's salary, by multiplying 100% of the employee's average daily salary by the number of days of temporary incapacity. If the employment contract does not state the salary amount, the amount of sick leave assistance is calculated from the average salary received during the previous three months. However, if the employee was not paid in the previous three months, the average salary is calculated based on the salaries of workers in equivalent professions and with equivalent qualifications on the market.

#### **Retirement age**

The retirement age is 65 for men and 60 for women in both the public and private sectors. If a person works for a public service, they can claim their pension only after they retire. The pension is universal and permanent. According to Article 1 of the Law of Georgia on State Pensions, people eligible for a pension include (a) citizens of Georgia, (b) stateless people with a status in Georgia and (c) immigrants who have legally resided in the territory of Georgia for the previous 10 years at the time of applying for the pension. According to the Law of Georgia on Funded Pensions, a person is entitled to receive the total amount of the pension assets from their individual retirement account if they reached retirement age not less than five years after the date they started making pension contributions.

Since 2018, Georgia has operated a pension contribution scheme since 2018 and joining is mandatory for all employees. Only employees who had reached the age of 40 before the entry into force of the law were given the chance to opt out of the scheme. Joining the scheme is voluntary for self-employed people. Pension contributions are made by the employer (2% of the employee's taxable salary), the employee (2% of the employee's taxable salary). Self-employed people make a pension contribution of 4% of their annual income.

The state pays 1% of the employee's taxable salary/income into the pension contribution scheme if their annual taxable salary/income is between GEL 24,000 ( $\in$ 8,448) and GEL 60,000 ( $\in$ 21,120), but 2% if their annual taxable salary/income is lower than GEL 24,000. The state does not make a pension contribution if the annual taxable salary of an employed person or the income of a self-employed person exceeds GEL 60,000.

The Georgian Trade Unions Confederation is campaigning for workers employed in arduous, harmful and hazardous positions to have a lower retirement age (55), at which they can access both universal and contribution-based pensions. However, this was not achieved through the pension reform (2018) or the Labour Code reform (2020).

### Pay

Pay: For workers, the reward for work and main source of income; for employers, a cost of production and focus of bargaining and legislation. This section looks into minimum wage setting in Georgia and guides the reader to further material on collective wage bargaining.

Median wages were on the rise in Georgia in 2018–2021 (see the table below). The increases were particularly pronounced in the wholesale and retail, transport and storage, and information and communication sectors. The National Statistics Office of Georgia does not publish gender-disaggregated data on median wages.

NACE sector	2018		2021	
	National currency (GEL)	€	National currency (GEL)	€
A. Agriculture, forestry and fishing	697	258	800	296
B. Mining and quarrying	1,024	379	1,386	513
C. Manufacturing	683	253	883	327
D. Electricity, gas, steam and air conditioning supply	1,063	394	1,298	480
E. Water supply, sewerage, waste management and remediation activities	625	231	625	231
F. Construction	1,200	444	1,276	473
G. Wholesale and retail	633	234	800	296
H. Transport and storage	943	349	1,125	416
I. Accommodation and food service activities	585	216	750	278
K. Information and communication	1,088	403	1,509	559
L. Financial and insurance activities	1,002	371	1,254	464
M. Real estate activities	625	231	702	260
N. Professional, scientific and technical activities	1,125	417	1,230	455
O. Administrative and support service activities	610	226	650	240
P. Public administration and defence, compulsory social security	1,163	431	1,273	471
Q. Education	506	187	649	240
R. Human health and social work activities	546	202	774	287
S. Arts, entertainment and recreation	625	231	645	239
T. Other service activities	300	111	500	185

Source: National Statistics Office of Georgia, 2023c

#### **Minimum wages**

Georgia introduced a minimum wage in 1999 and has not adjusted it for inflation in consumer prices or in line with the cost of living. Therefore, the minimum wage currently stands at GEL 20 (€7.40) per month. For this reason, it is considered outdated and does not really feature in policy discussions. There has been some discussion about introducing a meaningful minimum wage, but there have been no tangible results. Meanwhile, the Georgia Fair Labour Platform started promoting the idea of a living wage in Georgia, calculating a level for 2022 of GEL 1,770 (€655) per month.

#### **Collectively agreed pay outcomes**

Collective bargaining is highly decentralised and plays a marginal role in wage setting. There is no consolidated source of data on single-employer collective agreements to which one could refer when searching for collective bargaining-related pay outcomes. For more details, please refer to the section 'Collective bargaining'.

### **Working time**

Working time: 'Any period during which the worker is working, at the employer's disposal and carrying out his activities or duties, in accordance with national laws and/or practice' (Directive 2003/88/EC). This section briefly summarises regulation and issues regarding working time, overtime, part-time work as well as working time flexibility in Georgia.

#### Working time regulation

Working time is an aspect of employment contracts and is regulated by Article 24 of the Labour Code. No employment contract, whether individual or collective, can deviate from the following Labour Code standards: working time should not exceed 40 hours a week; and the duration of standard working time in enterprises with specific operating conditions requiring more than 8 hours of uninterrupted production or work processes should not exceed 48 hours a week. The government, after consulting with social partners, compiled a list of industries with specific operating conditions.

The Law of Georgia on Public Service also regulates working time. According to it, a civil servant should work five days a week, and the duration of working time should not exceed 8 hours a day and 40 hours per week.

The Labour Code also sets the maximum duration of working time for minors from the age of 16 to 18 as 36 hours per week and 6 hours per working day. The duration of working time for minors from the age of 14 to 16 should not exceed 24 hours per week and 4 hours per working day. While the code states that the legal age for entering into an employment relationship is 16, it also stipulates that people under the age of 16 may enter into an employment relationship with the consent of their legal representative or a custody or guardianship authority.

#### **Overtime regulation**

Overtime is regulated by the Labour Code (Article 27) and the Law of Georgia on Public Service (Article 61). The Labour Code does not limit the total amount of overtime that adults can work, but it does limit the amount of overtime worked by minors, which should not exceed two hours per working day and four hours per working week. On the other hand, the public service law states that the total duration of regular working time and overtime working time of a civil servant should not exceed 48 hours a week.

According to the Labour Code, overtime work should be paid for at an increased hourly rate, and the amount is determined by the employment contract between the parties and not by law. Instead of remuneration, parties may agree on employers granting an additional proportional rest period to employees to compensate for overtime work.

When legal regulations are not sufficient to determine the overtime payment amount, a court can set a decent increased tariff, in accordance with which the employee's overtime must be paid. General case law regarding the rate of overtime pay is mixed in Georgia. On the one hand, on 31 May 2021, the Supreme Court upheld an absentee decision made by the Court of Appeals that agreed to the plaintiff's request and ordered the employer to pay twice the normal hourly compensation for each overtime hour worked (Case No. AS-44-2021). However, in a more recent decision, the Supreme Court determined the overtime rate to be 125%, the minimum standard set by the ILO (Social Justice Center, 2023).

According to the public service law, overtime work performed by a civil servant should be remunerated based on the civil servant's choice of either a salary increment or additional rest time proportionate to the overtime work (Article 61, paragraph 2). And the total amount of the salary increment is determined by the Law of Georgia on Remuneration in Public Institutions.

According to the Labour Code, there is one precondition for overtime work: the employer must notify the employee of the overtime work to be performed one week prior to the work being conducted (unless such notification is impossible due to the employer's objective need for the work to be carried out), and the parties need to agree the conditions of the overtime work. However, the precondition set by the law on public service law is that overtime work should be performed by a civil servant only on the basis of a written instruction from a superior official.

#### **Part-time work**

Part-time work is defined by Article 16 of the Labour Code as follows: a part-time employee is an employee whose standard working time is less than the standard working time of a comparable full-time employee on a weekly basis or on average over a period of an employment relationship of up to one year. The code also states that 'part-time employees shall not be treated in a less favourable manner than comparable full-time employees solely because they work part time, unless different treatment is justified on objective grounds'.

The National Statistics Office of Georgia does not record the number of part-time workers.

#### **Involuntary part-time**

Involuntary part-time workers can be defined as those working part time because they could not find a full-time job. Data from EU-LFS show an increase for both women and men in the EU27 for the last decade.

Since 2020, the National Statistics Office of Georgia has published the rate of underemployment. A worker is considered underemployed if they satisfy the following three criteria: (a) they worked part time during a reference period, (b) they searched for an alternative or additional job or tried to start their own business in the previous four weeks, or (c) they wanted to work more hours in the coming two weeks. The underemployment rate stood at 39.5% in 2020 and 39.3% in 2021 (National Statistics Office of Georgia, 2023d).

#### **Night work**

The Labour Code (Article 28) defines night work as work conducted between 22:00 and 06:00. A night worker is a person who works at least three hours of their standard working time at night time on a regular basis, and any worker who works at night time for a certain proportion of their annual working time. The Labour Code also states that the proportion of annual working time involving night work should be determined by the Minister for Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs after consulting the social partners. This figure was approved by an order of the minister in September 2021. The maximum working time for night workers who perform arduous, harmful or hazardous work should not exceed 8 hours in a 24-hour period. This rule does not apply to shift work.

Article 28 also sets limits on night work: minors, pregnant women and women who have recently given birth or are breastfeeding should not carry out night work. People with disabilities or people who have children under the age of three years should not be required to perform night work unless they consent to it. If a night worker who, according to a medical report, has a health problem due to performing night work, the employer should, where possible, transfer them to a suitable day job.

#### Shift work

Article 25 of the Labour Code defines shift work as a method of organising work in shifts whereby workers succeed each other at the same work stations according to a certain schedule, including in a rotating pattern, to enable a production or work process to continue for longer than the employee's working week. Working two shifts in a row is prohibited. The Labour Code also states that shift work and switching from one shift to another is determined by a shift schedule approved by an employer, based on the specific nature of the work. The employee should be notified of a change in the shift schedule at least 10 days before the change is made, unless this is impossible due to an urgent need.

According to the Labour Code, the rules governing working time in the mining sector are determined by the Minister for Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs after consulting social partners. Nonetheless, no document setting out such rules has been made publicly available.

#### Weekend work

The Labour Code does not regulate weekend work in Georgia. The regulations on working time suggest that employers are required to provide only one rest day instead of two, by law, within a seven-day period. Article 24 of the Labour Code states that 'employers shall ensure that, per each seven-day period, every employee is entitled to a minimum uninterrupted rest period of 24 hours'. For example, for a period of 14 days of work, the employee is entitled to 2 days off work.

#### **Rest and breaks**

**Weekly rest period:** Article 24 of the Labour Code on the duration of working time states that, for all kinds of work (including shift work), 'the duration of uninterrupted rest between working days (or shifts) shall not be less than 12 hours'. In addition, for all types of employees, 'employers shall ensure that, per each seven-day period, every employee is entitled to a minimum uninterrupted rest period of 24 hours. By agreement between the parties, the employee may enjoy a rest period of 24 hours twice in a row within not more than 14 days.'

**Daily rest period:** Article 24 states: 'Where the working day is longer than 6 hours, an employee shall be entitled to a break. The duration of a break shall be determined by agreement between the parties. Where the working day is no longer than 6 hours, the duration of a break shall be at least 60 minutes.' Employees breastfeeding infants under the age of 12 months can request an additional break of at least one hour.

The Labour Code has separate regulations for working minors (aged 14 to 16 and 16 to 18), as described in the section 'Working time regulation'.

#### Working time flexibility

The Labour Code does not set out fixed start and finishing times for work. Rather, flexible working is made possible by a clause that defines working time and rest periods as a subject of employment agreements (Article 14(1)(c)).

### Health and well-being

Maintaining health and well-being should be a high priority for workers and employers alike. Health is an asset closely associated with a person's quality of life and longevity, as well as their ability to work. A healthy economy depends on a healthy workforce: organisations can experience loss of productivity through the ill-health of their workers. This section looks into health and safety and psychosocial risks in Georgia.

#### Health and safety at work

Employees' right to a safe and healthy working environment is enshrined in the Labour Code of Georgia (Article 45). Georgia has also adopted a law on occupational safety. Since 1 September 2019, this law has applied to all spheres of work regulated by the Labour Code and the Law of Georgia on Public Service. These regulations do not apply to the Ministry of Internal Affairs, the Ministry of Defence, the Special Defence Force, the Georgian Intelligence Service or the State Security Service of Georgia in cases when safety at work is already regulated by special regulations in these systems.

The Law of Georgia on Occupational Safety requires employers to hire or appoint specialists or services specialising in safety at work in their workplaces. Employers with fewer than 20 employees may fulfil these obligations on their own if an employee is trained as a specialist through a state-accredited programme. Employers with 20–100 employees should hire one specialist in safety at work, and employers with 100 or more employees should hire two specialists.

The Labour Code obliges employers to record, research and report on workplace injuries and fatalities, along with occupational diseases and employees with an incapacity for work for more than 40 calendar days. Workplace incidents are investigated by both the Ministry of Internal Affairs and the Labour Inspectorate. A list of occupational diseases and a list of professions with the potential to cause individuals to develop occupational diseases is provided by an order of the minister. A procedure for periodic medical examinations paid for by the employer for employees who need them is also set out in legislation.

The Labour Inspectorate is granted unrestricted access to workplaces to inspect their compliance with health and safety regulations.

It is important to mention that the Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs has incorporated five EU directives into national legislation in 2022–2023. These are:

- Council Directive 89/654/EEC of 30 November 1989 concerning the minimum safety and health requirements for the workplace (first individual directive within the meaning of Article 16(1) of Directive 89/391/EEC)
- Council Directive 89/656/EEC of 30 November 1989 on the minimum health and safety requirements for the use by workers of personal protective equipment at the workplace (third individual directive within the meaning of Article 16(1) of Directive 89/391/EEC)
- Council Directive 90/269/EEC of 29 May 1990 on the minimum health and safety requirements for the manual handling of loads where there is a risk particularly of back injury to workers (fourth individual directive within the meaning of Article 16(1) of Directive 89/391/EEC)
- Council Directive 90/270/EEC of 29 May 1990 on the minimum safety and health requirements for work with display screen equipment (fifth individual directive within the meaning of Article 16(1) of Directive 89/391/EEC)
- Council Directive 92/58/EEC of 24 June 1992 on the minimum requirements for the provision of safety and/or health signs at work (ninth individual directive within the meaning of Article 16(1) of Directive 89/391/EEC)

#### Accidents at work with four days' absence or more - working days lost

Between 2011 and 2021, 1,767 workplace injuries and 514 workplace deaths were recorded (Social Justice Center, 2022). The majority of workplace fatalities happen in extractive industries, followed by construction businesses (Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs, 2020). Since 2015, when the Labour Inspectorate was first re-established in the form of a department of the Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs, the number of workplace injuries reported has increased annually. The number of workplace fatalities decreased from 45 in 2019 to 39 in 2020 and 33 in 2021, as the Labour Inspectorate became an independent institution with a stronger mandate.

#### Accidents per 1,000 employees and % change from previous year, 2018–2022

	2018	2019	2020	2021	2022
All accidents	258	213	288	290	365
Percent change on previous year		-17	35	1	26
Per 1,000 employees	0.2	0.2	0.2	0.2	0.3

**Source:** Response of the Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs of Georgia to an official request for data, 2023

#### **Psychosocial risks**

There are no specific regulations in Georgia to protect workers against psychosocial risks.

## Skills, learning and employability

Skills are the passport to employment; the better skilled an individual, the more employable they are. Good skills also tend to secure better-quality jobs and better earnings. This section briefly summarises the Georgian system for ensuring skills and employability and looks into the extent of training.

#### National system for ensuring skills and employability

In 2022, the government of Georgia adopted the Unified National Strategy of Education and Science for 2022–2030, covering both initial and continuing education and training in the context of lifelong learning. Social partnership in skills development was strengthened in 2022 through the establishment of sectoral skills organisations (SSOs), replacing previous ad hoc sectoral committees. By the end of 2022, nine SSOs had been established. The Vocational Skills Agency provides the funding (from the state budget) for development of qualifications by SSOs, thus securing the role of the social partners in setting learning outcomes, standards and assessment criteria. In addition, the agency supports skills development through the consolidation of quality-assured vocational education and training (VET) programmes and the transformation of existing VET colleges into skills hubs, which in future will play a major role in sector-based skills development. The supervisory board of the Vocational Skills Agency is expected to form a platform to revive social dialogue in the area of skills development (ETF, 2023).

As regards efforts to secure a proper information base for education and training planning, including qualifications and skills development, the Ministry of Economy and Sustainable Development is tasked with developing labour market-related information to inform career guidance and the development of occupational profiles. The Labour Market Information System provides evidence for analytical reports, job vacancy monitoring, and information concerning occupational trends based on public and private job portals. A number of sector-focused research studies have been completed so far, and in 2023, the first national skills forecast was produced. The National Qualifications Framework was consolidated in 2019 through the adoption of several legal acts regulating the unified eight-level structure, which is compatible with the European Qualification Framework, and improving the alignment of qualifications with labour market demand.

#### Training

Continuing training in Georgia is provided by vocational education colleges and authorised private providers (which may include private companies). According to Government Decree No. 131 on the procedures for obtaining the right to implement short-term vocational training or retraining courses and rules and conditions to be acknowledged as a training provider, short-term vocational courses can be implemented by any legal body, providing that they meet the quality standards. The decree sets out the steps and procedures that the applicant must follow. The National Center for Educational Quality Enhancement is in charge of ensuring that training programmes submitted to it meet national standards. In addition to these programmes, private training providers provide training courses without state authorisation. However, these providers are not in a position to provide state certificates or diplomas. In 2019, changes to legislation and procedures for the recognition of prior learning resulted in the implementation of a specific certification procedure for providers of such services. A network of certified assessors was also established in order to ensure trusted and quality-assured procedures for recognition of prior learning and skills certification. However, some shortcomings deter greater use of recognition of prior learning services, such as a lack of awareness of the services, low confidence in the services and a demand for formal VET credentials among learners and employers (ETF, 2023).

Although people's participation in lifelong learning increased from 0.7% in 2015 to 1.2% in 2021, it remains at a very low level; women tend to participate more in further training (based on Labour Force Survey data). Several formal and non-formal training providers address the need for the upskilling and reskilling of workers and other groups, but overall adult learning opportunities and their take-up are very limited. The State Employment Support Agency provides, as part of its active labour market policy portfolio, vocational training and retraining opportunities, core competency training, and foreign language and digital skills courses. These training opportunities are open to all jobseekers registered with the agency and, depending on the definition applied, a jobseeker can be an unemployed person or an employed person looking for another job.

# Equality and non-discrimination at work

The principle of <u>equal treatment</u> requires that all people, and in the context of the workplace all workers, have the right to receive the same treatment, and will not be discriminated against on the basis of criteria such as age, disability, nationality, sex, race and religion.

Equality and non-discrimination at work are ensured by the Law of Georgia on the Elimination of All Forms of Discrimination. The Law of Georgia on Gender Equality also ensures gender equality in labour relations (Article 6). In addition, Chapter II of the Labour Code prohibits any form of discrimination in precontractual or labour relations. Furthermore, the Law of Georgia on Public Service prohibits discrimination and requires the observance of the principle of equal treatment for all people in the workplace (in Chapter VII on the rights, guarantees and obligations of officers).

As for the bodies ensuring equality, the first is the Public Defender's Office of Georgia. The office monitors issues regarding the elimination of discrimination. It discusses applications and complaints in this area and prepares recommendations for the relevant institutions to restore the human rights of victims. In addition, the fight against discrimination in precontractual and labour relations is currently within the Labour Inspectorate's scope of work and is a priority area.

But, according to an institutional assessment of the labour inspection service of Georgia, the Labour Inspectorate does not deal with possible cases of discrimination by colleagues at the same level (by a non-supervisor) (Council of Europe, 2022). It refers such cases to public defenders to reduce the inspectorate's workload and eliminate the need to ensure inspectors have the relevant competencies. Last but not least, national courts in Georgia deal with labour disputes arising on the grounds of discrimination.

#### Equal pay and gender pay gap

According to the Labour Code (Article 4, paragraph 4), 'Employers shall ensure equal remuneration of female and male employees for equal work performed.' According to the Law of Georgia on Public Service (Article 57, paragraph 1), 'The remuneration system for officers shall be based on the principles of transparency and fairness, which means equal pay for equal work performed.'<sup>3</sup>

The National Strategy 2019–2023 for Labour and Employment Policy contains an action plan to ensure that at both legislative and practical levels employees receive equal remuneration for 'equally valuable work'. In addition, the Gender Equality Council is working on drafting a methodology to calculate the gender pay gap and decrease inequality. The gender pay gap was a significant part of its action plan in 2018–2020 (no data are available about its newest action plan, for 2022–2024).

In addition, in 2022, the Parliament of Georgia approved a resolution on the state concept of gender equality. In this, the chapter on Economic empowerment, labour rights and their protection contains clauses on equal pay. Currently, the Parliament is discussing the approval of a resolution on the state concept of women's economic empowerment, which also discusses the importance of closing the gender wage gap. In addition, since 2021, Georgia has been a member of the Equal Pay International Coalition.

The ILO carried out an extensive study on the gender wage gap in Georgia in 2022. Its report on the study states that gender wage gap is very high by all kinds of comparison but that the gap has been decreasing in size in the last decade. The report also says that average unadjusted data about the gender pay gap show that the gap was 50% in 2001 and decreased to 35.7% in 2017. This could mostly be explained by the fact that women's salaries are increasing at higher rates than men's salaries.

In 2020, UN Women Georgia also published an analysis of the gender pay gap in Georgia. The analysis showed the hourly unadjusted gender pay gap by level of education, sector and occupation. The gap is highest among workers with vocational qualifications (38%), workers in the agriculture sector (37%), and craft

<sup>&</sup>lt;sup>3</sup> In its 2021 report, the ILO Committee of Experts on the Application of Conventions and Recommendations observed that the provisions of the Law of Georgia on Public Service are more specific than the principles set out in the Equal Remuneration Convention (ratified by Georgia in 1993) and do not expressly include the concept of 'work of equal value'. This hinders Georgia's progress in eradicating gender-based pay discrimination.

and related trades workers (43.6%). In 2022, the National Statistics Office of Georgia started publishing information on the adjusted gender wage gap (UN Women Georgia, 2022). Adjusted data are now available for two years, 2020 and 2021, including sectoral data. The hourly wage gap was 15.9% in 2020 and 15.7% in 2021, and the monthly wage gap was 21.4% in both 2020 and 2021 (National Statistics Office of Georgia, 2023c).

Since January 2021, the Labour Inspectorate has been mandated to inspect equal pay violations and respond to complaints of employees in relation to equal pay. The results of these inspections are not publicly available.

In the ILO's publication on the gender wage gap in Georgia, it recommended the introduction of special support measures (such as gender equality awards) in order to promote gender equality in the workplace (ILO, 2022b, p. 71). The GTUC is currently one of the major stakeholders, among the social partners, advocating gender equality in the country. However, neither trade unions nor other groups have proposed any special measures for addressing the gender pay gap, besides calls to ensure that wages comply with the Equal Remuneration Convention of the ILO.

#### **Quota regulations**

Gender quotas are established by the Election Code of Georgia. The 2020 amendments to the code state that at least one in four people in party lists should be a woman by the 2024 parliamentary elections. And by 2028, parties competing in parliamentary elections must ensure that at least one person in every three on the party list is a woman.

The Law of Georgia on Political Association of Citizens also contains a measure promoting women's political participation. After the parliamentary elections of 2028, parties that qualify for state funding will receive 30% more funding if every third person on the party list is a representative of the opposite sex. And the money is to be used to fund women's organisations.

As for private sector entities, the Corporate Governance Code for Commercial Banks states that at least 40% of supervisory board members should be female.

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