

Labour Market Profile Georgia - 2021



This profile provides a comprehensive overview of the labour market's structure, development, and challenges.

*Danish Trade Union
Development Agency*



ULANDSSEKRETARIATET – DTDA
DANISH TRADE UNION DEVELOPMENT AGENCY

PREFACE

The Danish Trade Union Development Agency (DTDA) is the development organisation of the Danish trade union movement. The agency was established in 1987 by the two largest Danish confederations – Danish Federation of Trade Unions (Danish acronym: LO) and Danish Confederation of Professionals (Danish acronym: FTF). These confederations merged to become the Danish Trade Union Confederation (Danish acronym: FH) in January 2019. Correspondingly, the organisation changed its former name LO/FTF Council to DTDA.

The work of DTDA is in line with the global Decent Work Agenda (DWA) based on its pillars: creating decent jobs, guaranteeing rights at work, extending social protection, and promoting social dialogue. The overall development objective of DTDA's interventions in the South is to eradicate poverty and support the development of just and democratic societies by furthering the DWA.

DTDA works in partnership collaboration with trade union organisations in Africa, Asia, Latin America, and the Middle East, and potentially Central Asia. The immediate objective of the programme implementation is to assist the partner organisations in becoming change-agents in their own national and regional labour market context, capable of achieving tangible improvements in the national DWA conditions, and towards the achievement of the labour-related Sustainable Development Goals (SDGs).

The format of the Labour Market Profile (LMP) provides a comprehensive overview of the labour market situation in the countries of engagement. The profile is divided into nine thematic sections describing the economic performance, labour legislation, social partners, social dialogue, violations of trade union rights, working conditions, the general status of the workforce, education, and social protection.

In the context of DWA and SDGs, LMPs are following several central indicators addressing aspects of labour

market development, especially the unionism evolution, social dialogue and bi-/tri-partite mechanisms, policy development and legal reforms, status vis-à-vis ILO conventions and labour standards, among others.

Primary sources of data and information for LMPs are:

- This profile is crafted as a desk-study from Copenhagen based on a standard format developed in DTDA, applied on a wide range of countries.
- National statistical institutions and international databanks are applied as sources for collection of general (statistical) data and information such as ILOSTAT and NATLEX, World Bank Open Data, ITUC Survey of Violations of Trade Union Rights, the U.S. Department of State, as well as other international recognised labour-related global indexes.
- Academia and media sources (e.g. LabourStart, national news, among others) are furthermore used in the research on labour market issues.

Labour Market Profiles for more than 30 countries are available on DTDA's website:

<https://www.ulandssekretariatet.dk/>.

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EXECUTIVE SUMMARY

Georgia's economy entered a transition of structural changes since the 1990s. The country joined the upper-middle-income countries in 2015. During the 2010s, the economy experienced substantial growth, but the labour productivity continues with a rift to Europe and Central Asia (upper-middle-income) average. Real wage hikes progressed, which supported a significant drop in the poverty rate and the middle-class was on the rise among the employed. The economic growth dramatically dropped during 2020 as an impact of the global Coronavirus (Covid-19) pandemic. Many Georgians were pushed to balance on the poverty line.

Rebuilding the labour market's institutions in the 2000s resulted in considerably deregulated. Among others, the labour inspection system was abolished in 2006 and working conditions deteriorated. During the 2010s, engagement in central international trade agreements put pressure on reforms to bring the system more in line with international standards to protect workers' rights. Several significant reforms were introduced in recent years, which included to re-establish the labour inspections system and to improve the labour regulations.

Social dialogue at the national level moved slowly from hostile towards more constructive direction during the 2010s. Several collective contracts were signed, new progressive labour policies were launched, and the Trilateral Commission for Social Partnership was established, among others. At the sectoral level, there continue voids for social dialogue. Besides, progress in labour mediation lacks the readiness of the government to make real changes in the collective labour disputes system.

Generally, unionism suffered during the economic transition process since the 1990s. The trade union membership rate increased by 6.7% from 2010 to 2019. This progress did not reach the pace of the hired workers (employees) rate, which implied that the trade union density dropped by three percentage points, achieving 18% in 2019. Generally, trade union rights violations are ranking at 3 out of 5+ (5+ is worst) in the Global Rights Index in 2020.

Changes in the population structure introduced a shrinking workforce during the last decades. Some of the notable shifts are that hired workers' share was on the

rise during the 2010s while self-employment was falling, reaching 50-50% in 2019. The informal economy is widespread that loopholes in the labour and business regulations in practice. Employment is concentrated in low-productivity sectors, but the industrial sector experienced a slow upturn.

The high unemployment rate fell steadily during the 2010s but continued stuck to youth: the youth unemployment rate dropped by twelve percentage points during the 2010s, reaching 30% in 2019. This improvement is shadowed by the fact of the working-age cohort shrunk significantly. Gender equality is partly visible in several aspects but is likewise marred by some inequalities such as entrenched gender wage gap.

The economic and political transformation provided new opportunities boosting alterations in the migration flows. The high-ranked business environment encouraged many Georgian migrants to return home and repatriate part of their capital. This ambience contributed to close the disparity in the net migration rate. The proportion of personal remittances to Georgia increased slightly during the 2010s and stayed elevated, represented 11% of GDP in 2019; additionally, it was significantly higher than the foreign direct investments in recent years, not to mention much higher than the regional average. Personal remittances are likely to be affected negatively by the Covid-19 impact in 2020.

The country demonstrates impressive school enrolment rates on all levels, but a shrinking population supports part of this. Ongoing urbanisation made education in rural areas increasingly inefficient. Child labour persists visible. Enrolment in vocational training is declining, which contrasts the government's ambitious aims to fast increase this segment of students. Nevertheless, more firms in Georgia are starting to offer formal training.

The social protection system went through structural reforms in Georgia. Health care delivery became decentralised, market-driven; for example, health care expenditures were primarily financed through out-of-pocket payments but gradually falling. Reshuffling the pension system in 2019 brought a new saving scheme that still is challenged by bringing informal workers in the fold. Around 97% of Georgians are covered by at least one social protection benefit.

The table below presents key labour market indicators in the framework of the Decent Work Agenda (DWA) that are related to central unionism issues.

In the next page, Page iv, the second table presents an overview of the current value and targets of the Sustainable Development Goals indicators' in relation to the labour market issues.

Status of key labour market indicators in the framework of the Decent Work Agenda (DWA) in Georgia

Creating decent jobs	
Policy reforms addressing creation of decent employment.	During the 2010s, Georgia launched a series of labour-related policies, e.g. relaunched its public employment services, labour market information system and active labour market policies (ALMPs).
ILO standard setting on improvement of status of workers from the informal economy.	The Committee of Experts on the Application of Conventions and Recommendations from ILO reiterated its request that the government provided information concerning the Transition from the Informal to the Formal Economy Recommendation (No. 204) from 2015 in order to monitor the transitions to the formal economy and decent work deficits.
Guaranteeing rights at work	
Growth in trade union members (paying dues), %, 2010-2019.	6.7% *
Ranking in violations of trade union rights.	Ranking in the Global Rights Index at 3 out of 5+ (5+ is worst). **
Labour legislation is improved according to ILO standards.	Georgia's parliament passed a package of widespread reforms to labour regulations in October 2020. Some of the central new provisions concerning limits on work hours, mandatory weekly rest time, breaks between shifts, and better protections for interns, part-time employees, night-shift workers, and strengthening the labour inspectorate by granting it more independence and widening its mandate.
Unionism with minimum 30% women representation in decision-making bodies.	-
Extending social protection	
Persons covered by at least one social protection benefit.	97% (see more in Table 14)
Workers from the informal economy have access to national social security schemes.	Georgia converted its contributory social insurance system into a universal, tax-financed pension in 2006 and increased spending on social protection.
Promoting social dialogue	
Trade union density of hired workers (%).	18% in 2019, which dropped by 3 percentage points from 2010.
Cooperation in labour-employer relations.	Ranking 96 out of 141 countries. ***
Number of Collective Bargaining Agreements (CBAs).	-
Workers' coverage of Collective Bargaining Agreements.	-
Bi-/tri- partite agreements concluded.	The National Strategy 2019-2023 for Labour and Employment Policy of Georgia aims at institutionalisation of social dialogue targets to facilitate for social partners to have opportunities of systematic engagement in social dialogues.
* This estimation is based on GTUC's trade union membership (paying dues) rate in 2010 to the number of members registered by ITUC in 2019, which was assessed at paying dues.	
** This ranking is translated into "regular violations of rights": the government and/or companies are regularly interfering in collective labour rights or are failing to guarantee essential aspects of these rights altogether. There are deficiencies in laws and/or certain practices which make frequent violations possible.	
*** This indicator is based on data from the Global Competitiveness Index that represents employers' opinion from surveys.	
Sources: International Trade Union Confederation; World Economic Forum; DTDA data collection.	

Status of key Sustainable Development Goals in labour market related issues in Georgia

Indicators	Value	Year	SDG Targets
1.1.1: Working poverty rate (percentage of employed living below US\$1.9 PPP)	3.6%	2019	By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than US\$1.9 a day.
1.3.1: The population effectively covered by a social protection system, including social protection floors.	97% *	2019	Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable.
5.5.2: Women share of employment in managerial positions	37%	2019	Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.
8.2.1: Annual growth rate of real GDP per employed person (GDP constant 2011 international \$ in PPP)	5.2%	2019	Achieve higher levels of economic productivity through diversification, technological upgrading and innovation through a focus on high-value added and labour-intensive sectors.
8.3.1: Proportion of informal employment in non-agriculture employment	22%	2019	Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, not to mention encourage the formalisation and growth of micro-, small- and medium-sized enterprises, through access to financial services.
8.3.1: Women	17%	2019	
8.3.1: Men	26%	2019	
8.5.1: Average hourly earnings of women and men employees	-	-	By 2030, achieve full and productive employment and decent work for all women and men, including young people and persons with disabilities, and equal pay for work of equal value.
8.5.2: Unemployment rate (Total, 15+)	12%	2019	
8.5.2: Women, 15+	10%	2019	
8.5.2: Women, 15-24 years	33%	2019	
8.5.2: Men, 15+	13%	2019	
8.5.2: Men, 15-24 years	29%	2019	
8.6.1: Proportion of youth (15-24 years) not in education, employment or training)	26%	2019	By 2020, substantially reduce the proportion of youth not in employment, education or training.
8.7.1: Proportion and number of children aged 5-17 years engaged in economic activity (Total)	1.6%	2015	Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025, end child labour in all its forms.
8.7.1: Girls	1.0%	2015	
8.7.1: Boys	2.1%	2015	
8.8.1: Frequency rates of fatal occupational injuries per 100,000 workers, annual	9.7	2019	Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.
8.8.1: Fatal occupational injuries per 100,000 workers	2.2	2019	
9.2.2: Manufacturing employment as a proportion of total employment	-	-	Promote inclusive and sustainable industrialisation and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries.
10.4.1: Labour income share as a percent of GDP	-	-	Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.

* Population covered by at least one social protection benefit (see more in Table 14 ahead).

Source: ILO, Key Indicators of the Labour Market (KILM).

COUNTRY MAP



Source: CIA, *The World Factbook*

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ECONOMIC PERFORMANCE

Georgia experienced turbulent times during the political transition from the Soviet Union to independent statehood: shifting from a centrally planned economy to a market economy. The country entered the upper-middle-income group in 2015 and demonstrated as one of the fastest-growing countries among the Europe & Central Asia countries. The government increased public spending, implemented structural reforms, and improved integration of the country into the regional and global economies. The economic growth was boosted by the relatively high inflow of foreign direct investment, higher consumption, supported in exports, tourism, and remittances. Entrepreneurship is vibrant.

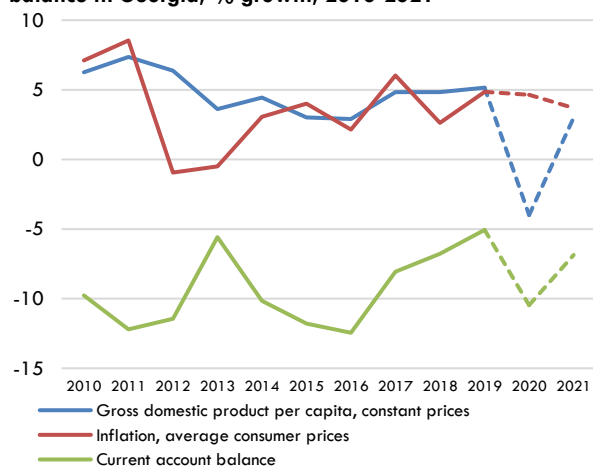
Overall, Georgia's GDP per capita stays significantly lower than the regional average (see Table 1). In 2020, the economy entered a deep recession to around -5% of GDP as an impact of the global coronavirus (Covid-19) pandemic. The GDP growth is projected to pick up in 2021 (see Figure 1).

Table 1: Key economic data in Georgia and Europe & Central Asia (excluding high income), 2019

Values	Georgia	Europe & Central Asia
GDP (current US\$)	US\$17.7 bn	US\$3.2 tn
GDP per capita (current US\$)	US\$ 4,769	US\$ 8,111
GDP per capita growth (2015-2019, av.)	4.2%	2.2%
Export of goods and services (% of GDP) (2015-2019, av.)	47%	31%
Tax revenue (% of GDP) (2014-2018, av.)	22%	14%

Sources: World Bank, World Development Indicators.

Figure 1: GDP per capita, inflation and current account balance in Georgia, % growth, 2010-2021

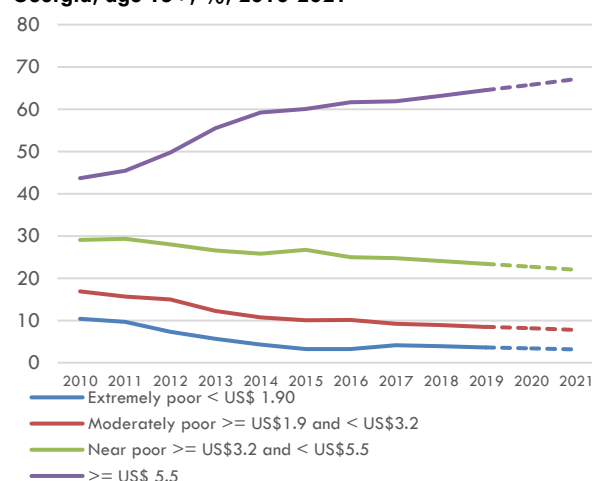


Source: International Monetary Fund, World Economic Outlook Database.

The country's inflation in consumer prices has been relatively stable during the last decade staying below 5%. An exception in 2017 was a peak just above this level since the economy was affected by the Russia-Ukraine crisis, the deepening recession in the Russian Federation, and currency devaluations in trading partner countries (Figure 1). Georgia's inflation rate in the period 2015-2019 was one percentage point higher than the Europe & Central Asia (excluding high income) average, 3.9% and 2.9%, respectively. The inflation rate is expected to stay below 5% in 2020.

Living conditions have been steadily improving in Georgia. The Gini Index (based on 0 represents 'perfect' equality, while an index of 100 implies 'perfect' inequality) measured from 41 in 2000 to 36 in 2018. Table 2 below shows that poverty among employed was slowly marginalised during the last decade, and the middle-class was on the rise, peaking at 83% in 2019. Based on projections, around 41% of the workforce are excluded from the estimation since they are statistically economically inactive. Broader poverty headcount ratio at national poverty line confirmed that it fell steady but at a higher level: from 34% in 2004, peaking at 39% in 2007, and declining afterwards to 18% in 2018. Still, a large portion of the population is only marginally above the poverty line. The declining poverty ratio hints some real wealth gains for the Georgian population. Economic toll and the fast-rising unemployment rate in 2020 suggested that the poverty rate increased, hitting hardest the vulnerable groups such as workers that operate in the informal economy.

Table 2: Projections of employment by economic class in Georgia, age 15+, %, 2010-2021



Note: Data in this table are based on imputed observations and exclude the economically inactive population that cover around 41% of the population (aged 15+).

Sources: ILO, Key Indicators of the Labour Market (KILM).

Georgia took several measures to soften the economic shock of the Covid-19 pandemic, such as imposing a moratorium on collecting property and income taxes in the hospitality sector, easing bank lending regulations, and increasing spending on infrastructure, among others.

Developing transit trade has been one of the government's main strategic initiatives. The country is branded as an alternative transit route into central Asia, competing the routes via China and the Russian Federation. Commonwealth of Independent States (CIS) countries continued to be Georgia's largest trading partners. The country's exports of goods and services increased significantly during the 2010s from 33% of GDP in 2010 to 54% in 2019. The trade deficit deflated from 23 percentage points to 10 in the same period, which supported a significant reduction in the current account imbalance (Figure 1). This positive development also benefitted from declining international prices on energy and commodities. Georgia's export revenues prospect will depend heavily on developments in its trading partners in the aftermath of the Covid-19 pandemic.

An increase in gross fixed capital formation signals how factors of production accumulate – e.g. office buildings, equipment, tools, machinery, computers, office materials, factories, and vehicles – that help an economy to produce more. When this capital formations' value increases (capital stock and aggregate income increase), the production rises that makes the country richer. A country needs to generate savings and investments from household savings or based on government policy, meaning that when people save more, capital formation increases.¹ Data shows that the gross fixed capital formation in Georgia slightly fell by two percentage points from 25% of GDP on average in the 2000s to 23% in the 2010s. It stood in line to the Europe & Central Asia (excluding high income) average at 23% during the 2010s.

Investors' confidence grew, and the country took steps during the 2000s to re-brand itself as a nation open to business and innovation. The country's investment climate became among the best in the region. During the 2000s, foreign direct investment (FDI) grew fast, peaking at 19% of GDP in 2007. Both the 2000s and 2010s experienced an FDI inflow at 9% of GDP on average. In contrast, this rate was just 2.4% of GDP for Europe & Central Asia (excluding high income) average in the 2010s. It is worthwhile to mention that personal remittances are slightly higher by two percentage points than the FDI average (see more in Migration sub-section).

Most of the foreign investment was used into domestic infrastructure (transport, telecoms, energy, real estate) and domestic-oriented services (financial services, retail, and construction). There has been a relatively limited investment in export-oriented agri-business, but there has been significant investment in manufacturing.

In the Doing Business Index, Georgia remained one of the world's most business-friendly countries, ranked 7 out of 190 countries in 2020. It supports the significantly high FDI inflow. Out of the ten indicators, the country's best ranking is in starting a business (2), followed by registering property (5) and protecting minority investors (7). The lowest rankings are trading across borders (45) and getting electricity (42) (see more details in Appendix Table 21). Paying taxes also has a lofty ranking (14), which is backing the country's comparatively high tax revenue (revisit Table 1).

Free Industrial Zones (FIZ)

Free industrial zones (FIZs) operate in Georgia and aim to promote the inflow of capital, technology, know-how, and employment. In these zones, investors may conduct processing activities in connection with the transit of goods benefitted from a special tax regime. FIZ regulations do not impose restrictions regarding foreign ownership of companies. The authorities consider that these trade flow will not only contribute to export diversification and reducing Georgia's current account imbalance, but also add to regional development gathered by the advancement of cargo transportation and related services.²

FIZs are regulated under the Law on Free Industrial Zones, adopted in 2007. Currently, four FIZs are registered: Poti (established in 2009) with more than 10,000 employees, Kutaisi (established in 2009) with more than 20,000 employees, Kulevi (in 2012), and Kutaisi's Hualing (established in 2015).³ Based on the data availability, FTZ employees from Poti and Kutaisi represented around 3.4% of employees in 2015.

The financial and operational advantages for companies operating within FTZs benefit from an exemption from corporate taxation, relatively low labour costs, low energy and cargo costs, simplified customs procedures, free trade opportunities, and a quick business set-up procedure, among others. Goods produced or assembled in FIZs can be sold in the domestic market but must pay 4% of the gross income from the sale to the tax authorities. Some activities are prohibited in the FIZs: arms and munitions, nuclear and radioactive substances,

narcotic and psychotropic substances, and tobacco. There is scarce information available concerning the working conditions in FIZs in Georgia.

LABOUR LEGISLATIONS

International Labour Organisation (ILO) has registered 112 national labour, social security, and human rights-related legislation. Few legal reforms of the labour market were listed in recent years (see Appendix Table 16). The latest and substantial changes were a law on occupational safety and health (OSH) from 2019, the Law on Labor Inspection and a reform of the Labour Code, both in 2020.

During the 2010s, the country took its first steps towards rehabilitating labour market institutions and policies. After a decade of laissez-faire employment policy, and following a change of government in 2013, Georgia launched several labour-related policies. It included relaunching the public employment services, labour market information system, and active labour market policies (ALMPs) (see also Social Partners section).

The status of central labour-related legislation is summarised below.

Constitution

Georgia's constitution from 1995 included citizenship, fundamental human rights, and freedoms, among others. Equality before the law on all levels along with freedom of speech, thought, conscience, religion, and beliefs are guaranteed. Particularly, Article 26 depicts freedom of labour, freedom of trade unions, right to strike, and freedom of enterprise. First, freedom of labour shall be guaranteed. Everyone has the right to choose their employment freely. The organic law shall protect the right to safe working conditions and other labour rights. Second, everyone has the right to establish and join trade unions by the organic law. Third, the right to strike shall be recognised. The organic law shall determine the conditions and procedures for exercising this right. Fourth, freedom of enterprise shall be guaranteed. Monopolistic activities shall be prohibited, except in cases permitted by law. Consumer rights shall be protected by law.⁴

Labour Code

The Labour Code was adopted in 2006. The bill was criticised for imposing restrictions on the right to strike; working hours, maternity protection, compensation for overtime, and night work were insufficiently regulated.

Provisions concerning employment contracts were observed as biased towards the employer.

The Labour Code generally provides for the right of most workers, including government employees, to form and join independent unions, to legally strike, and to bargain collectively. Employers are not obliged to engage in collective bargaining, even if a trade union or a group of employees wishes to do so. The law permits action strikes only in cases of disputes where a collective agreement is already in place. While strikes are not limited in length, the law limits lockouts to 90 days. A court may determine the legality of a strike, and violators of strike rules may face up to two years in prison. Although the law prohibits employers from discriminating against union members or union-organising activities in general terms, it does not explicitly require reinstatement of workers dismissed for union activity.⁵

Georgia's labour bill stayed relatively high deregulated and somewhat not matched to Europe and Central Asia trends. The government took some steps to move toward international labour standards during the 2010s.⁶ For example, the bill was amended in 2010 attempting to tackle some of these omissions, prohibiting discrimination in pre-contractual labour relations, for example.⁷ The labour regulations still did not combat unfair practices in the labour market, though.

Several other changes were launched in 2019. The parliament passed a law on occupational safety and health (OSH) that expanded the mandate of the Labour Inspectorate to inspect for OSH, not just the hazardous professions but to all sectors of economic activity. Employers will be obliged to appoint a certified labour safety specialist if they have more than 20 employees. Employers are also to compensate employees for injuries at the workplace, including injuries resulting from occupational illness. Until now, the law covered only hazardous, harmful, and dangerous fields. Also, the Law of Georgia on Elimination of all Forms of Discrimination was amended. Now it covers labour and pre-contractual relations, education, social protection and healthcare spheres; sets prohibitions on directing one individual to discriminate the other; obliges the employer to protect individual equality principles in labour relations, as well as in pre-contractual relations, among others.⁸

Georgia's parliament also passed a new package of reforms to labour regulations in October 2020. Some of the central new provisions concerning limits on work hours, mandatory weekly rest time, breaks between shifts, and

better protections for interns, part-time employees, and night-shift workers. The changes included non-discriminatory clauses to protect women for pay for equal, not to mention more leverage to pregnant and child-rearing parents. Also, the labour inspectorate was further strengthened by granting it more independence and widening its mandate, e.g. expanded for a solution to the number of occupational injuries and fatalities.

Trade Union Code

The law from 1997 establishes the legal grounds and rights and guarantees for the activities of trade unions. It regulates not only the public relations related to the establishment of trade unions and the realisation of their rights and guarantees for their activities but also the relations of trade unions and federations (associations) of trade unions with state and local self-government bodies, employers, employers' confederations (unions, associations), other public associations and natural and legal persons.⁹

Social Protection Code

The adoption of the Social Protection Code from 2006 entailed the recognition of social assistance as a need assessment-based state-support rather than an unconditional guarantee by the law. It required targeted distribution of resource through the social assistance system to persons in need of special care, low-income families, and people without shelter. Besides, it provided support for the development of alternative means of social service (e.g. prevention of children abandonment, deinstitutionalisation of orphanages, reintegration of children in institutions to their families, among others) (see more in Social Protection section).¹⁰

Observations on Labour Legislation

Some specific flaws are listed of the labour legislation's framework concerning international standards for the rights to organise, the rights to collective bargaining, and the rights to strike:¹¹

- Categories of workers prohibited or limited from forming or joining a union, or from holding a union office, i.e. informal and precarious workers are not within the scope of the labour law.
- Compulsory recourse to arbitration, or too long and complex conciliation and mediation procedures before strike actions, i.e. the right to strike or lockout is acquired 21 calendar days from the moment of sending the written notification to the Minister.

- The Labour Code determines that a collective labour dispute can only be solved between an employer and a group of at least 20 employees.
- Restrictions for the objective of a strike, i.e. Labour Code defines a strike as the "voluntary refusal of the employee in case of a dispute to perform fully or partially the obligations imposed by the employment contract." It implies that sympathy strikes are not permitted.
- Authorities' or employers' power to prohibit unilaterally, limit, suspend or cease a strike action, i.e. a court has a right to postpone or suspend a strike for 30 days if it endangers human life or health, natural environment, the property of a third party or activities of vital importance.
- Discretionary determination or an excessively long list of "essential services" in which the right to strike is prohibited or severely restricted, i.e. the right to strike is prohibited during the working hours of employees engaged in activities related to the safety of human life and health or which activities cannot be suspended due to the technology in use.

Generally, the government did not effectively enforce laws that provide for workers' freedom of association and prohibit antiunion discrimination, and violations of worker rights persisted. There are noted weaknesses of the labour inspectorate and mediation services in the Ministry of Health, Labour, and Social Affairs that made the government unable to enforce collective bargaining agreements (as required by law) or provide government oversight of employers' compliance with labour laws.

Ratified ILO Conventions

ILO conventions cover international principles and rights at work. Currently, the 18 conventions ratified by Georgia are in force, none were denounced. The latest ratifications were the Tripartite Consultation Convention (C144) in 2018 and Seafarers' Identity Documents Convention (C185) in 2015. The status of the ratified conventions is listed in Appendix Table 17. Georgia has the lowest number of ratifications of ILO standards among the neighbouring countries. However, since 2019 the government and social partners in Georgia enhanced social dialogue to promote the ratification of other ILO Conventions.¹²

The list in Appendix Table 17 depicts that eight fundamental conventions are the most important conventions that cover four fundamental principles and rights at work. Georgia has ratified all of them.

ILO has four designated Governance Conventions that are important to build national institutions and capacities that serve to promote employment, i.e. these conventions support a well-regulated and well-functioning labour market. The country has ratified two of them, leaving out the Labour Inspection Convention (C081) and Labour Inspection (Agriculture) Convention (C129).

ILO has 178 Technical Conventions, out of which 73 are “Up-To-Date” and actively promoted. An Up-To-Date Convention is one that is ready for ratification by the Member States and/or has been examined by the ILO Governing Body and deemed still to be relevant.¹³ Georgia has ratified eight Technical Conventions, and five are Up-To-Date and actively promoted.

The independent ILO body known as the Committee of Experts on the Application of Conventions and Recommendations (CEACR) composes of 20 legal experts at the national and international levels. CEACR examines the application of ILO Conventions and Recommendations by ILO member states. CEACR latest direct request forwarded to the Georgia government concerned Seafarers' Identity Documents Convention (C185) in 2019. This request regarded to ensure that the new seafarers' identity documents (SIDs) were fully compliant with the requirements of the convention just as these documents shall remain in the seafarer's possession at all times, except when it is held for safekeeping by the master of the ship concerned, with the seafarer's written consent.

CEACR scrutinised the regulation of freedom of association and the right to collective bargaining since 2006. In 2017, the committee had a direct request to the government concerning several aspects in carrying out strikes legally to comply with the Freedom of Association and Protection of the Right to Organise Convention (C087). In the same year, protection against anti-union discrimination and promotion of collective bargaining was raised by CEACR in line to the Right to Organise and Collective Bargaining Convention (C098).

Trade Agreements

Trade agreements regulate international trade between two or more nations. An agreement may cover all imports and exports, specific categories of goods, or a single category. A trade agreement is an opportunity to open another part of the world to domestic producers. Generally, trade agreements, including labour provisions, are on the rise and becoming progressively more accepted.

Georgia has been a member of the World Trade Organisation (WTO) since June 2000. The latest, and second, review of the trade policies and practices of Georgia took place in January 2016. Georgia has not been involved in any direct or indirect trade disputes in the WTO.¹⁴

Georgia participates in Euro-Atlantic integration. It includes the signing of an Association Agreement with the European Union (EU) in June 2014, which entered into force from July 2016. This agreement introduced a preferential trade regime, i.e. the Deep and Comprehensive Free Trade Area (DCFTA). The DCFTA agreement includes that all Georgian agricultural products can be exported without the tariff to EU markets. In the EU-Georgia Association Agreement, Georgia committed to implementing internationally recognised core labour standards and trade union rights. A short-term priority was to adopt the legal framework defining the supervision functions of the Labour Inspection system in the Occupational Health and Safety (OHS) area and remove restrictions to the powers of inspectors in existing legislation by ILO standards. Medium-term priorities are summarised below (see also more in Working Conditions section):¹⁵

- Implement the Labour Code and bring it as well as other relevant legislation further in line with the ILO standards. Underpin the Labour Code with procedures for resolving labour disputes and developing a negotiation culture by approving a roster of mediators.
- Continue to work on establishing an effective Labour Inspection system with adequate competences and capacities for the inspections of all working conditions and labour relations according to ILO standards.
- Ensure the effective functioning of the Tripartite Social Partnership Commission and continue to improve social dialogue through cooperation with the ILO.

Georgia has struggled to resolve the United States' (U.S.) General System of Preferences (GSP) petition by upholding workers' rights and working conditions in accordance with International Labour Standards (ILS). Back in 2010, three concerns were raised regarding gaps in legislation: i) anti-union discrimination and collective bargaining, ii) the abolition of labour inspectorate, and iii) the government's hostile attitude to unionism and regularly interfered in elections, dues collections, collective negotiations, and other activities. The 2015 follow-up petition cited two continuing and

serious issues. First, the Georgian government insufficiently created a credible, independent labour inspectorate with a mandate to enforce ILS. Second, the labour code, even with its 2013 amendment, still did not conform to internationally recognised workers' rights. In 2018, the government undertook concrete steps to improve further the inspection on working conditions, including pass legislation to protect workers in hazardous industries. Obligations for employers was set to enter effect on January 1, 2019. However, the U.S. GSP petition is not yet resolved and still ongoing.

Georgia also has other more traditional bilateral and regional trade agreements to Armenia, Azerbaijan, China, Commonwealth of Independent States (CIS), The European Free Trade Association (EFTA), Hong Kong (China), Kazakhstan, Russian Federation, Turkey, Turkmenistan, and Ukraine. Also, in Organisation for Democracy and Economic Development (GUAM) has signatories from Azerbaijan, Georgia, Moldova, and the Republic of Ukraine.

In the framework of Black Sea Economic Cooperation Organization (BSEC), Georgia pays special attention to enhancing cooperation in the areas of railway and vehicle transportation, as well as the energy sector, due to existing and future projects in these fields. Georgia is committed to further cooperation in the following spheres: tourism, telecommunications, agriculture, small and medium enterprises (SMEs), and science and technology.

SOCIAL PARTNERS

Social partners are central to promote the realisation of core labour rights and social justice for workers by protecting freedom of association and collective bargaining. These organisations are usually represented as the government, trade unions, and employers' organisations.

Government

Georgia's Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health, and Social Affairs (MoIDPLSA) operates with the Department of Labour and Employment Policy (DOLEP) and the Department of Inspection of Labour Conditions. The ministry is the highest executive authorities regarding labour matters, e.g. responsible for formulating, implementing, and advising on labour policies, and labour regulations.

The ministry promotes the National Strategy 2019-2023 for Labour and Employment Policy approved on

December 30, 2019, and the Action Plan 2019-2021 of the National Strategy for Labour and Employment Policy. This strategy aims for the state to play a more active role in ensuring high-quality jobs in the labour market and increasing the number of employees. Employment is one of the main factors contributing to overcoming poverty and promoting social equality of the population. It should contribute to the achievement of the country's inclusive socio-economic development goal. The main objectives are i) reducing the discrepancy between demand and supply, ii) strengthening Active Labour Market Policy (ALMP), and iii) promoting the involvement of women and vulnerable groups in the labour market through targeted social and inclusive employment policies.¹⁶ On healthcare and social care, several schemes are implemented, e.g. the state programme of C-hepatitis elimination and the programme for providing medicine for chronic diseases (see more ahead).

The Ministry of Education and Science of Georgia aims at establishing a modern and innovative educational and scientific environment in close cooperation with civil society. The Ministry advocates freedom of choice, fair competition, equal opportunities, civil integrity, and respect for cultural identity. The Ministry also promotes the acquisition and development of knowledge and skills necessary for social success and self-realisation (see more in Education section).

National Statistics Office of Georgia (GeoStat) is the legal entity of public law, carries out its activities independently. It is an institution established to produce the statistics and disseminate the statistical information according to the Georgian legislation. National Statistics Office of Georgia is established by the Law of Georgia, dd 11 December 2009, on Official Statistics.

Employers' Organisations

In 2020, employers constituted around 2.0% of the total employment in Georgia, which was 0.6 percentage point lower than Europe and Central Asia (upper-middle-income) average.

The Global Competitiveness Index provides a wide range of indicators, which includes the competitiveness on the labour market based on values linked to surveys among employers in the country and other statistical data. Concerning the competitiveness on the labour market, Georgia ranked 37 out of 141 countries (1 is best). Table 3 below illustrates the ranking of the twelve indicators applied. It suggests that the country especially has been challenged with internal labour mobility (123)

as well as cooperation in labour-employer relations (96) and active labour market policies (96). In contrast, the country is considered on the top concerning the labour tax rate (1) and ease of hiring foreign labour (9).

Table 3: Labour Market Efficiency in Georgia, 2019

Indicator	Rank
Total	37
Redundancy costs (weeks of salary)	17
Hiring and firing practices *	25
Cooperation in labour-employer relations *	96
Flexibility of wage determination *	47
Active labour market policies *	96
Worker's rights *	34
Ease of hiring foreign labour *	9
Internal labour mobility *	123
Reliance on professional management *	80
Pay and productivity *	89
Ratio of wage and salaried female workers to male workers **	51
Labour tax rate **	1

* Survey data. ** Ranked by per cent.

Note: Rank from 1 to 141 (1 is best).

Source: World Economic Forum, The Global Competitiveness Report, 2019, 8th pillar: Labour market.

Organising employers is functioning in Georgia, and the status of the central organisations involved in social dialogue is summarised below.

Georgian Employers' Association (GEA)

The Georgian Employers' Association (GEA) was founded in 2000. It is located in Tbilisi and has branches in the regions: Batumi, Poti, Telavi, Gori, and Kutaisi. Several hundred companies are involved in the organisation's activities. The core of its members is medium-sized private businesses, out of which about 60% are affiliated to GEA. Some large companies, including state enterprises, are also members. There is almost no micro- and small enterprises among the members of GEA.¹⁷ The association joining the International Organization of Employers (IOE) in 2004 and became its official partner. It also gained recognition from the ILO. The association represents Georgia in these organisations.

The organisation priorities the protection of economic and legal interests of its members, and focusing in four areas: social dialogue, employment policy, work safety and protection, and social protection. For example, GEA represents employers in tripartite commissions and councils, among others (see more in Social Dialogue section).

Business Association of Georgia

The Business Association of Georgia (BAG) was established in 2009. It has a membership of up to 70 leading companies of Georgia (only in a few of them the workers are organised in trade unions). The main function of this association is to represent to the government and protect business interests of the member companies. BAG developed regular communication with government structures and held meetings and discussions on topics important for its members. Moreover, it functions in several thematic committees established to protect the interests of member companies and discuss various economic issues.

Within the tripartite dialogue, the BAG has promoted its interests in retaining the Labour Code from 2006. For example, BAG was an opponent to the new labour bill in 2020, claimed it was a setback for the Georgian economy. Instead, the organisation argued that the EU-Georgia Association Agreement, which includes provisions for labour rights in Georgia, should be implemented with exceptions related to Georgia's economic situation and requires the legal approximation of Georgia's labour legislation with EU standards.

Trade Unions

During the Soviet Union occupation of Georgia, the labour market was based on the system of state industry and its employment system. Although various trade unions started to appear and generated a vast membership, they were mostly inactive during the Soviet Era under Communist Party control. After the break-up of the Soviet Union, Georgia went through a process of civil war (1988–1993), political turmoil, and economic collapse. As part of the overall process of economic transformation and the aftermath of the Rose Revolution in 2003, the government started a profound privatisation process of the economy. This process included abolishing the labour inspectorate, and working conditions became precarious, such as most employees' contractual terms became short-term contracts. Many employers often refused to engage with unions just as the government interfered in major unions regarding collect dues by salary check-off, which challenged the retention of membership. Overall, the changes costed a massive loss of trade union members.

During the 2000s, a fundamental reform of the unionism started. Trade unions generated experience of participation in new types of organisation, which was aided by international actors. Initially, the trade union movement was registered on the lowest levels of confidence: in 2003/04, just 11% of regular surveys'

respondents displayed a positive attitude towards the trade unions. But it was on the rise during the 2000s; by 2011, the attitude peaked to 30%. Nevertheless, it fell during the 2010s, reaching 12% in 2018.¹⁸

The trade union membership rate was registered of 152,000, and the trade union density of hired workers (i.e. employees) was estimated at 18% in 2019. This density dropped by three percentage points since 2010 since the membership rate upsurge did not follow the pace of employees. Based on a broader estimate of the trade union density of the total employment was valued at 9.0% in 2019 (see Table 4). The latter trade union density was around five percentage points lower than the nine Eastern Europe (mean) average registered by the Organisation for Economic Co-operation and Development (OECD).

Table 4: Status of trade unions in Georgia, 2019

Indicator	Values
Confederation	1
Sectoral trade unions	21
Trade union membership	151,872
Trade union density – employed	9.0%
Trade union density – employees (hired)	18%

Source: Georgian Trade Union Confederation; International Trade Union Confederation; and own calculations of membership growth and trade union densities based on employment data from GeoStat.

Unionism was marred by the hostility attitudes and undermining working conditions. Widespread informal economy and the firms' landscape is dominated by micro- and small enterprises furthermore challenging the factor. Besides, the establishment and promotion of "yellow" unions surfaced during the 2000s. For example, the alternative Education Syndicate criticised the main education sector union, Education and Science Workers Free Trade Union (ESFTUG). ESFTUG claimed that teachers were being given financial incentives (i.e. 50% discount on teacher training certificates) to join this rival state-sanctioned union. The development of the trade union movement was also challenged by many workers' passive attitude or lacked awareness or incentives of solidarity action. Many feared to lose their job, partly under the influence of old labour stereotypes and partly out of hopelessness nurtured by the high unemployment rate. Lack of leaders even contested the development of unionism.¹⁹

On the positive side, the trade union movement has initiated to organise workers of the informal economy. It opened for the Self-Employed and Commercial Sector

Workers Union of Georgia (SCWU) from 2009. This union has around 550 members. Also, the organised minibus drivers in Tbilisi are represented in Trade Union of Georgian Motor Transport and Motorway Workers (MTMWETU) and local trade union of minibus drivers. This group advocated reform of the complex and exploitative system of private minibus routes into the tender-based system; conditions of work, including wages, hours, medical insurance, annual leave and safety and health; and employment security issues (see more in Social Dialogue section).

The status of the central organisation of trade unions is summarised below.

Georgian Trade Union Confederation (GTUC)

The GTUC was established in 1992. It is the only trade union centre that unites 21 independent sectoral organisations (see also Appendix Table 18). As depicted in Table 4, GTUC represented around 152,000 workers in 2019. The organisation is registered as a non-profit (non-commercial) legal entity following the Constitution of Georgia. GTUC is affiliated to ITUC, and Pan-European Regional Council (PERC). President of the GTUC was elected as the Vice-President of ITUC in 2018.

The confederation's core principle of its activities is the democratic principles of governance, transparency, and accountability of activities. The highest governing body is the congress, where the president of the confederation is elected in every four years. During the period between the congresses, the governing body consists of leaders of all sectoral trade unions or their delegated representatives. The highest supervisory body of the confederation is the control and revision commission.

The organisation's objectives are to promote further democratisation of the country, protection freedoms and independence of trade unions, the establishment of healthy competition on the labour market, conduction of collective bargaining negotiations and conclusion of collective agreements, establishment of civilised labour relations practices, protection of children and women's labour rights, organising workers' strikes, rallies and demonstrations, protection of gender equality, among others.²⁰

While some of the sectoral organisations are very effective in organising the workers and protecting their rights, others still appear to struggle to become a modern trade union, from inactive to more new active campaigning methods. In 2018, approximately 40% of GTUC members were employed persons under 35. The

confederation has worked on improving the internal structural background, and the youth movement is becoming more active in providing information to the employees and potential workers on their labour rights.²¹

SOCIAL DIALOGUE

The breakdown of the Soviet Union in the 1980s and its aftermath in the 1990s introduced alterations in the social dialogue ambience in many Eastern European countries, especially Georgia. Reshaping the economic framework into a liberal model of the economy provided a higher weight on employers' interests. Often union activists were perceived as the opponent of employers rather than a social partner. It nurtured a hostile ambience of the social dialogue turning into deteriorated labour rights and standards of employees in the country.

During the 2000s, the ILO-led process to initiate the revision of the labour bill based on social dialogue. It led to the formation of the national tripartite council and signing a national tripartite agreement. It only led to marginal changes in the Labour Code, lacking a sustainable foundation.²² The state distanced itself from intervening in collective labour disputes and conflicts. However, during the 2010s, the social dialogue moved toward a more constructive ambience of social dialogue, which was linked to central trade agreements' labour provisions. Trade unions also improved their capacity to deal with labour issues in negotiations with the employers, especially now that employers have to some extent, recognised unions and expressed their readiness for social dialogue.²³ As previously mentioned, employers' view on cooperation in labour-employer relations remains contested.

Progress in social dialogue was illustrated in several signed collective contracts. New progressive labour policies were launched and ratified the ILO Convention on Tripartite Consultation (C144) in 2017. Furthermore, the National Strategy 2019-2023 for Labour and Employment Policy of Georgia promotes institutionalisation of social dialogue that targets to facilitate for social partners to have opportunities for systematic engagement in social dialogues. It entails enhancing the Trilateral Commission for Social Partnership at national and regional level (see ahead). At the sectoral level, there were voids for social dialogue, though. At this intermediary level, there were mainly no business associations which might represent the interests of the business sector in the social dialogue, which is similar for sectoral trade unions.

Although the public servant's sectoral trade union has relatively constructive relations with regional self-governance institutions, within the ministries, trade unions were dismantled. It created an absence of a structure of social dialogue concerning the professional standards for public servants; it stymied the unionism to operate as a social partner. In the more commercialised sectors, sectoral trade unions are oriented towards dialogue with the related companies. According to the mentioned National Strategy 2019-2023, social partnership at the local level is detected as a central issue regarding to reduce the mismatch between supply and demand on the labour market at the policy level. The government gave more emphasis on promoting work-based learning implementation at the enterprise level, improvement of educational programmes, infrastructure, and methodology following the requirements of the labour market, not to mention more emphasis on protecting the collective agreements.

It is interesting to observe that collective bargaining in the informal economy is taken steps ahead in Georgia. For example, reform of the complex and exploitative system of private minibus routes into the tender-based system. Ministry of Regional Development and Infrastructure, League of Passenger Transport Operators and Trade Union of Georgian Motor Transport and Motorway Workers (MTMWETU) established a permanent council for consultation. Protest rallies were held. Tbilisi municipality negotiated with MTMWETU's leader and ad hoc committee of drivers. Memoranda of cooperation concluded between MTMWETU and large companies that won the tender, leading to the signature of collective agreements, which included medical insurance, working hours, paid annual leave, and safety conditions. Drivers registered as individual entrepreneurs with commercial contracts.²⁴

Central Tripartite Institutions

Tripartism implies significant and meaningful consultation and cooperation among representatives from the three central actors in the labour market, i.e. the government, employers' organisations, and trade unions. Ideally, the three partners are treated equally and independently to seek solutions to issues of common concern.

Studies argued that at the national level, the role of businesses in the tripartite institutions and the social dialogue appeared not being fully appreciated. At the company level, the participation of individual enterprises in social dialogue frequently was rational and constructive in this regard. The independent interests of

business were under development and required institutionalisation. Due to ongoing transformations, business is also mostly concerned with sorting out short-term problems, rather than with discussing long-term perspectives.²⁵

Status of the leading central tripartite institutions is summarised below.

Trilateral Commission of Social Partnership

A Tripartite Commission was initiated in 2009 and started working regularly. In December 2012, the parliament passed a law institutionalising the commission under the chairmanship of the Prime Minister, and in June 2013 the amendments to the Labour Code were adopted. This institution functions of improving the social partnership between the trade unions, employers' organisation, and the government, not to mention working out the recommendations on labour issues. The involvement of the representatives of employees and employers at regional and sectoral levels remain meagre. Deficiency of social dialogue and weak social partnership mechanisms in practice has been observed.²⁶

National Vocational Education Council

Several initiatives were initiated to strengthen social partners in developing and implementing Vocational and Education Training (VET) policies focused in the private sector. The initiative included the establishment of sectoral councils as well as supervisory councils at the college level that rely heavily on the private sector and employers' organisations and trade unions.

Deep and Comprehensive Free Trade Area (DCFTA) Advisory Group

Ministry of Economy and Sustainable Development (MoESD) established a DCFTA Advisory Group, which supported consultation platform to bring together representatives from the Georgian government, employers' and business associations, trade unions, and Non-Governance Organisations.

Dispute settlement

The Labour Code defines a labour dispute as a disagreement arisen during labour relations. The resolution of disputes shall fall within legal interests of the parties to a labour agreement as well as in the framework of several characters, for example, violation of the conditions of an individual/collective agreement, or violation of labour conditions. The disagreement must be resolved in compliance with the corresponding individual or collective conciliation procedures.

Reviewing a dispute shall not entail suspending labour relations. There are no effective penalties or remedies to address arbitrary dismissal, and legal disputes regarding labour rights are subject to lengthy delays. In 2019, Georgia made enforcing contracts easier by introducing random and automatic assignment of cases to judges throughout the courts.

A study of the labour disputes in Civil Service found that most labour disputes are decided against a public agency. Restoration of the employees' rights is often impossible in practice, though. Conflicts mostly occur in cases of dismissal about restructuring or disciplinary proceedings. Disputes concerning the fairness of the competition for a position are also frequent. Procedural violations made by public agencies are often identified in the disputes, for example, shortcomings of the examination of the case and its justification. Public agencies lack useful tools that could prevent conflicts and promote their sufficient resolution on time and at lower costs.²⁷ Data from the Tbilisi City Court provides a picture of official disputes and the results of their completion. Over the period from 2013 to 2017, 403 cases were filed on average (mean) per year. Relatively few were refused, and 77% were approved on average (see more details in Table 5).

Table 5: Labour disputes carried out in Administrative Cases Panel of Tbilisi City Court, 2013-2017

	2013	2014	2015	2016	2017
Filed law suits	537	431	282	291	474
Refused for acceptance	10	8	2	10	10
Considered with decision	341	318	173	163	302
Approved	289	244	141	125	202
Discontinued	50	24	21	20	36
Unconsidered	17	25	22	27	32

Source: Sophio Tkhemaladze and Sophio Chachava, *Management and Efficient Resolution of Service/Labour Disputes in Civil Service, Situational Analysis and Needs Assessment*.

The mechanism of collective discussions and mediation of labour arguments between an employer and employee is operated in the form of the independent mediators selected from a recognised registry. Subsidising of which is carried out by the state. In the period from 2014 to 2018, 38 mediation requirement cases were recorded, out of which 52% ended in agreement.²⁸ According to the Criminal Justice Statistics concerning breach of safety regulations at work, 564 cases were listed in 2019-2020 (January-August), just two were registered as solved.²⁹

In the development of projects geared to improve the compliance with Labour Code in Georgia, the least

successful component was on labour mediation. It was due to the lack of readiness of the Georgian government to make real changes in the collective labour disputes system, which prevented the project to achieve tangible progress in addressing mediation requests more effectively.³⁰

In May 2019, the parliament passed amendments to the labour code that strengthened protections against sexual harassment in the workplace and empowered the Public Defender's Office (PDO) to investigate cases upon referral. The country continued to lack a body capable of proactively investigating workplaces to identify discriminatory practices.

TRADE UNION RIGHTS VIOLATIONS

Georgia is ranking in the Global Rights Index at 3 out of 5+ (5+ indicates a complete breakdown in the rule of law). This ranking rendering "regular violations of rights": governments and/or companies are regularly interfering in collective labour rights or are failing to guarantee important aspects of these rights fully. There are deficiencies in laws and/or certain practices which make frequent violations possible.³¹

On the survey of violations of trade union rights, International Trade Union Confederation (ITUC) registered several cases in practices in recent years dealing with justice for 56 illegally dismissed chemical workers; Czech energy company denies rights to Georgian workers; court imposes an indefinite ban on striking during working hours for metro workers; energy workers in Georgia campaign for respect and decent salaries; government interference in GTUC Affairs (i.e. politically motivated defamation campaign); violence and lack of respect for social dialogue; protesters clash with police after four miners die in coal shaft; Rustavi Azot management cancels a collective agreement and refuses to apply the check-off system of union dues; trade union secretary dismissed by Public Broadcaster because he created a union, and police violently disperse workers of a chemical factory in Georgia.³²

Workers exercised their right to strike in line with the Labour Code, but at times they faced management retribution. The GTUC reported that the influence of employer-sponsored "yellow" unions in the Georgian Post and Georgian Railways continued and impeded the ability of independent unions to operate. The Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health, and Social Affairs reported that, as of August 2019, it had inspected 100 companies

on suspicions of human trafficking and forced labour. However, the GTUC claimed that the scope of the labour inspectorate still lacked enough inspectors to cover the country effectively.³³

The GTUC also reported widespread instances of harassment in both the public and private sectors based on union affiliation, notably in the railway and postal services.

The ILO's Committee on Freedom of Association has not registered any active complaints procedures in the 2010s. The four closed cases are from the 2000s (see Table 6).

Table 6: Freedom of Association cases in Georgia, 2020

ILO Complaints Procedure	No. of cases
Active	0
Follow-up	0
Closed	4

Source: ILO, NORMLEX, *International Labour Standards country profile, Georgia*

WORKING CONDITIONS

Although the minimum wage was introduced in 1999, it was not adjusted afterwards to the inflation in consumer prices nor be in line with the standard of living in the country. Thus, the minimum wage stood at 20 lari (US\$7.1) per month since 1999, which supports the fact that it is too low and outdated. Besides, the minimum wage was side-lined in the Labour Code from 2006. Currently, it is at least nine times less and beyond than its neighbouring countries in the Caucasus region, e.g. Azerbaijan (US\$76), Armenia (US\$114), Moldova (US\$115), Ukraine (US\$123), Russian Federation (US\$132), and Belarus (US\$155).³⁴ Georgia's parliament initiated to discuss determining a minimum wage in 2018 but entered an uphill battle.

The Subsistence Minimum (i.e. pension for the elderly and all other social benefits) are much higher than the current minimum wage, which was 200 lari (US\$63) in April 2020. The minimum subsistence level is calculated based on the minimum cost of items in the food basket. For the average consumer, the minimum subsistence level was 177 lari (US\$55) in April 2020, while an average family needed at least 335 lari (US\$105) to survive. The average earning for 2020 (I + II quarter average) reached 1,177 lari per month (US\$384). The average real earning (deducted in inflation) was on the rise during the 2010s and during the 2020 I-quarter. However, it

got hit during the 2020 II-quarter costing the impact of Covid-19 pandemic (see Table 7 and Figure 2).

Table 7: Status of minimum wage and earnings per month in Georgia

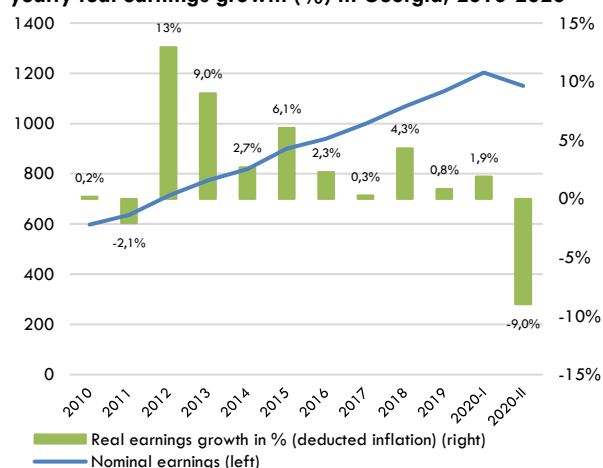
	Current Georgia lari (GEL)	Current US\$
Minimum wage (1999-current)	20	7.1
Average earning (2020)	1,177 *	384
Real earnings yearly growth on average, 2010-2019	3.6%	
Average earnings gender gab	36% **	

* Nominal earnings based on the trimester I and II 2020 average.

** Ratio of earnings from women to men.

Source: GEOSTAT and own calculations on real earnings growth and gender gap.

Figure 2: Average monthly nominal earnings (lari) and yearly real earnings growth (%) in Georgia, 2010-2020



Source: GeoStat and own calculations on real earnings growth.

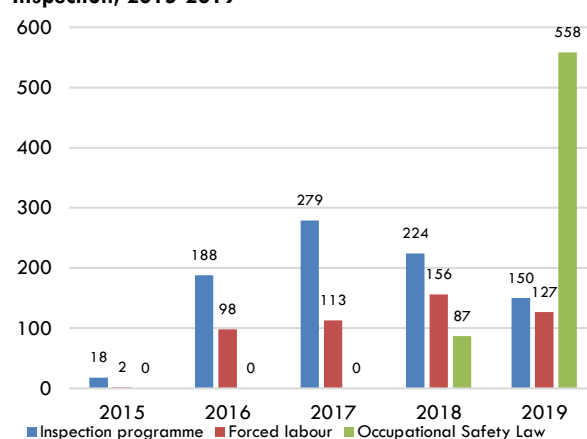
The informal economy is widespread and loopholes in labour and business regulations, such as wages. Another critical aspect is that earnings encounter significant gender gaps that favour men: the gender earnings gap was estimated at 36% on average in 2019. It is mirrored in women's overrepresented in low-paying, low-skilled positions, regardless of their professional and academic qualifications (see more in Workforce section).

The highest earning was in financial and insurance activities at 2,030 lari (US\$721) per month in 2019. In contrast, the lowest monthly earnings were in the education at GEL 652 (US\$232) and agriculture at 704 lari (US\$250). Manufacturing received 1,037 lari (US\$368) per month. The sectors with the highest upturn in earnings during the 2010s were among accommodation and food service activities, construction, professional, scientific and technical activities, and arts, entertainment and recreation (see more details in Appendix Table 19).

Discrimination in workplaces has been pervasive. Among others, the trade union movement registered cases of discrimination based on age, sexual orientation, and union affiliation. Companies and public workplaces frequently reorganised staff to dismiss employees who had reached the qualifying age to receive a pension. In addition, vacancy announcements often included age requirements as preconditions to apply for a particular position.³⁵

The labour inspection was abolished in 2006 in Georgia. The system was marred by corruption linked to the former Soviet Union structure, which hindered business activities. For almost ten years, there was no oversight system to supervise compliance with the Labour Code and technical regulations. As part of the EU-Georgia Association Agreement, the country started to install a new labour inspection system in 2015. In 2017, Georgia's highest court, the Constitutional Court, ruled not publishing the results of labour inspections to be unconstitutional. Thus, once the government passes new legislation to comply with the judgement, the results of all labour inspections will be publicly accessible. A bill on occupational safety and health (OSH) was prepared in 2018/19, which provided an obligatory mandate of implementation to inspect facilities and established the right of the supervisory body to inspect any workplace without previous notice at any hour of the day or night. Moreover, its authority extended to all sectors of economic activity. The establishment of the new Labour Inspection Management system has made some progressive developments, especially in OSH inspections since 2018 (Figure 3).

Figure 3: Number of facilities inspected by the Labour Inspection, 2015-2019



Source: Georgian Labour Conditions Inspection Department, Annual Report 2019.

Labour Conditions Inspection Department (LCID) registered the number of occupational injuries decreased

by 16% from 2018 to 2019, while the number of fatal accidents dropped by 25%. The report also indicates a total of 1,575 inspection visits to construction sites in 2019, which is nine times more compared to the previous year.³⁶

LCID listed 40 staff in 2019, conducted state supervision over the enforcement of occupational safety norms, elimination of forced labour and labour exploitation and protection of labour rights under the state programme of inspections. It suggests one inspector per around 48,000 workers (1 per 21,000 per hired). It appears to be relatively low inspections' scope since the ILO recommends 1 per 10,000 workers in industrial market economies and one inspector per 20,000 workers in transition economies.³⁷ It supports the fact that the Labour Inspection Management system was still contested to expand inspection in workplaces, or levy fines or other penalties on employers for overtime or wage violations. The inspection system is still challenged in practice due to dominated micro-enterprises, informality, and lack of awareness or incentives of applying the labour and business regulations among employers and workers. Penalties were inadequate to deter violations.

Georgian labour regulations provide for a 40-hour workweek and a weekly 24-hour rest period unless otherwise determined by a labour contract. Overtime is defined as work by an adult employee more than the regular 40-hour workweek, based on an agreement between the parties. Pregnant women or women who have recently given birth may not be required to work overtime without their consent. Overtime is only required to be reimbursed at an increased rate of the standard hourly wage, defined by agreement between the parties. The law does not explicitly prohibit excessive overtime (see more in Table 8).

Table 8: Working Conditions in Georgia

Theme	Value
Fixed-Term Contracts Prohibited for Permanent Tasks	No
Maximum Length of a Single Fixed-Term Contract	30
Incentives for employing workers under age 25?	No
Maximum Number of Working Days per Week	7
Premium for Overtime Work (% of Hourly Pay)	0
Paid Annual Leave (Average Working Days)	24
Paid or unpaid maternity leave mandated by law	Yes
Minimum length of maternity leave (calendar days)	183
Amount of Maternity Leave Benefits of Wages	100%
Unemployment protection after one year of employment	No

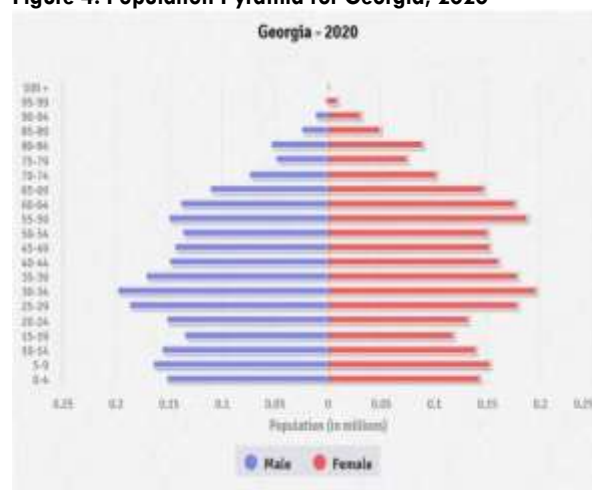
Source: World Bank, Labour Market Regulations, Georgia.

WORKFORCE

Georgian's population was estimated at 3.7 million in 2020, and the workforce represented 1.9 million. The country is ethnically and linguistically diverse. The country's population peaked in the early 1990s and the working-age cohort shrunk since then, dropped by 1.2 million from 1994 to 2018. The median age increased from 28 in 1970 to 38 in 2020. The fertility rate changed from 2.8 to 2.1 from 1970 to 2020. It is worthwhile to mention that this rate fell significantly in the 2000s but rebounded in the 2010s. These shifts were fuelled by armed conflicts in the early 1990s, external migration flow, and socio-economic difficulties by the transition to a market economy.

Figure 4 visualises the population pyramid. One of the central observations is the current small share of the youth generation, which prompted the government to reform the pension system.

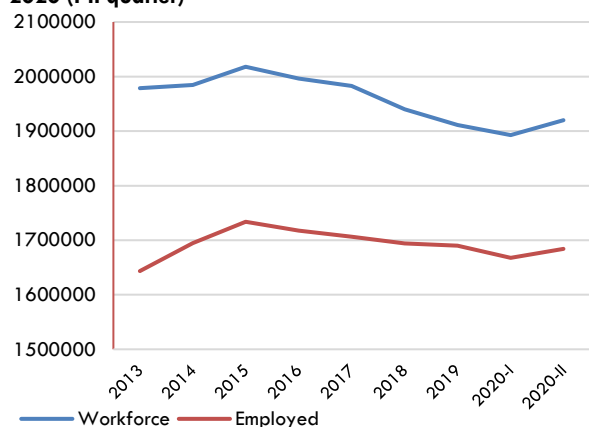
Figure 4: Population Pyramid for Georgia, 2020



Source: CIA, The World Factbook: Georgia.

The workforce was on a significant declining trend since 2016, which was followed by the employment rate but at a slower pace. Official data suggested that the employment rebounded during 2020 despite the impact of Covid-19 (see more in Figure 5). In 2019, 18% of the employment in Georgia was operating in public ownership and 82% in non-public ownership.

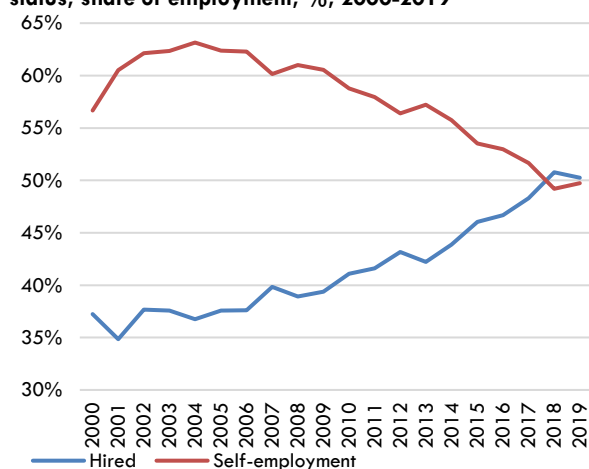
Figure 5: Workforce and employment rates in Georgia, 2013-2020 (I-II quarter)



Source: GeoStat.

Figure 6 depicts changes in the status of employment. The hired workers (i.e. employees) were on the rise, especially during the 2010s, reaching a share of 50%. Self-employment workers dropped significantly to 50%. Workers in self-employment are placed in vulnerable conditions such as lacking access to social security and application of labour regulations.

Figure 6: Distribution of population aged 15+ by economic status, share of employment, %, 2000-2019

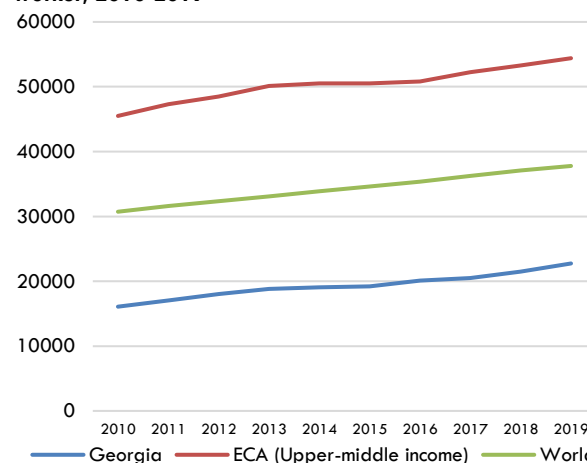


Note: estimations exclude the segment of non-identified workers-
Source: GeoStat.

Labour productivity is rising, but it stays significantly lower than world along with Europe and Central Asia (ECA) (upper-middle-income) averages (Figure 7). It is important to realise that labour productivity is not low because of a lack of skills; the country has a relatively well-educated workforce (see more in Education section). Instead, the available skilled jobs mismatch the types demanded in the private sector. Georgian businesses reported difficulties in hiring and retaining skilled workers because they use outdated technology or do not have the necessary scale to provide remuneration that

would be competitive by international standards.³⁸ To some extent, it is backing the fact of the private sector's weak competitiveness and marred by the relatively high and persistent unemployment rate.

Figure 7: Projections of labour productivity output per worker, 2010-2019



Note: Labour Productivity is defined as output per worker in GDP Constant 2011 international \$ in PPP. Indexed year 2011=100.
Source: ILO, Key Indicators of the Labour Market (KILM).

The economy is considered too small to absorb all those workers, and many highly educated workers are unemployed or employed in low-skilled jobs. Survey data suggested that two out of three of Georgia's urban workers were relatively well matched to their jobs. Just 4% of all urban workers are under-educated. Instead, too many urban workers underuse their skills in their current jobs. Likewise, women and workers from the informal economy are more likely to be over-educated for their current jobs.³⁹

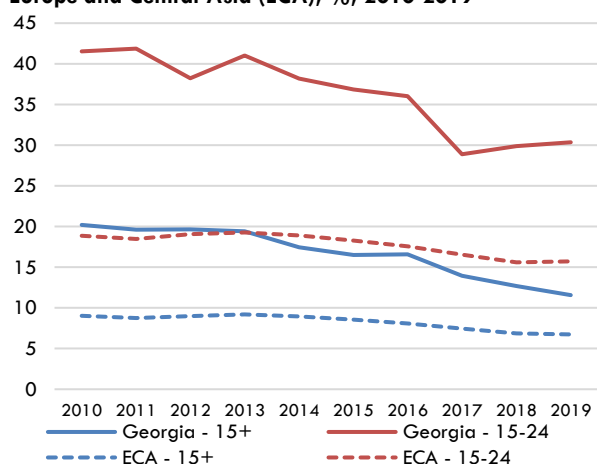
Another aspect of the labour market is that most firms (99.7%) in Georgia, based on new definitions and methodology, were Small and Medium Enterprises (SMEs), accounting for 62% of total employment and generated 59% of gross value added. Employment in large companies is on the rise, though. Concerning the sectoral distribution, SMEs tend to be concentrated in low value-added sectors, such as trade and construction. Geographically, almost half of all SMEs are in the capital, while the rest are distributed mainly in the three larger regions of Georgia: Imereti (14%), Adjara (8.6%) and Samegrelo-Zemo Svaneti (8%). In 2015, the Government of Georgia embarked on an ambitious effort to improve business environment conditions and tackle market failures that make it harder for entrepreneurs and managers of small and medium-sized companies to start, run, and grow their businesses. Among

others, it resulted in the adoption by the SME Development Strategy 2016-2020.⁴⁰

Unemployment

Georgia has been struggling to curb the high unemployment rate, which notably was stuck to youth. On the positive side, the youth unemployment rate dropped by twelve percentage points during the 2010s, reaching 30% in 2019. On the negative side, it stays around fifteen percentage points higher than Europe and Central Asia average (Figure 8). The general unemployment rate grew slightly in 2020 second quarter reached 12.3% (236,000 workers) as an impact of the Covid-19 pandemic.

Figure 8: The unemployment rate trend in Georgia and Europe and Central Asia (ECA), %, 2010-2019



Source: ILO, Key Indicators of the Labour Market (KILM).

The significant drop in the youth unemployment rate is not only due to formal job creation but rather owing to declining workforce participation (revisit Figure 5). As previously mentioned, the labour market is intensely challenged by generating high economic growth that generates new formal, hired jobs.

The unemployment rate is shadowed by the scope of underemployment. Statistically, a person aged 15+ is unemployed if they have not worked for more than one hour per week and have been actively seeking employment for at least one month. As shown in Figure 6 above, the self-employment segment remains high at 50%, and it is known as operating in vulnerable employment. It is mostly in agriculture or as own-account workers (e.g. private tutors, taxi drivers, independent salespeople) who have worked for at least one hour per week to generate income but much lower than formal hired workers. Around 1.1 million people are not seeking jobs or working at all and considered as economically

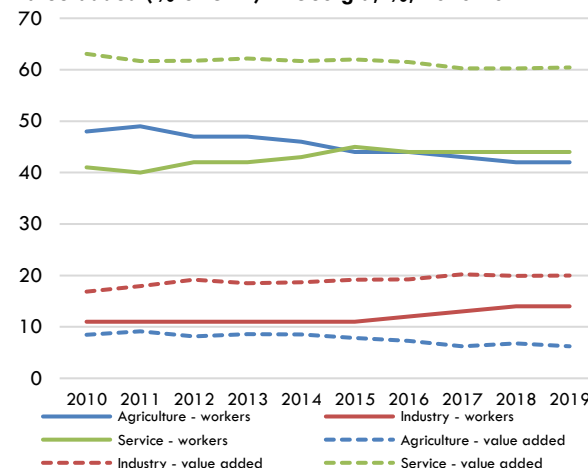
inactive. This latter group is excluded from the employment statistics, including the unemployment rate. Many of those were either aged 15-19 and in education or others reached the pension age and not interested in finding jobs, not to mention many other simply stay home doing family/housework or simply stopped looking for work. The economically inactive group represented around 37% of the total Georgian population aged 15+ in 2019. Stated differently, this latter population group is close to five times higher than the unemployment group.

To reduce unemployment during 2020, the Georgian government allowed the Georgian citizens to travel for work to Turkey, provided they have at least 3-month invitation from the perspective employer. Upon return, they will have to quarantine themselves.

Sectoral Employment

Sectoral employment shifts are moving in Georgia. First, the employment share in the agricultural sector fell during the 2010s and became superseded by the service sector since 2017. Second, the employment share in the industrial and service sectors was rising on the margin (Figure 9).

Figure 9: Aggregate sector employment share (%) and value-added (% of GDP) in Georgia, %, 2010-2019



Source: ILO, Key Indicators of the Labour Market (KILM) and World Bank, World Development Indicators.

The agricultural employment share is significantly higher than the sector's value-added in GDP. It supports the fact of the relatively low labour productivity in the country. Currently, the agricultural sector contributes 6.2% to GDP and employs 43% of the working population. Most (98%) farmers are self-employed, and production is mostly for self-consumption. Besides, women are slightly more present in this sector than men, 44% and 40%, respectively.

The industrial sector includes mainly food processing and the manufacture of transportation equipment, electric motors, iron, steel, aircraft, chemicals, and textiles. Mineral extraction concerns manganese, copper, tungsten, marble, and oil. Although Georgia has significant hydroelectric power generation capacity, it needs to import a significant amount of fuel, which is challenging the industrial sector. The employment distribution by economic activity in the industry sector has a profound gender gap: 21% for men vs. 5.7% for women in 2019. Besides, the sector's value-added of GDP was not followed by the same pace in the rise of employment. The country is ranked at 96 out of 152 countries in 2018 in the Competitive Industrial Performance Index, which benchmarks the ability of countries to produce and export manufactured goods competitively.⁴¹ In 2020 (second quarter), the employment in the industry sector dropped by -6.3% since 2019, which was an impact of the national state of emergency triggered by Covid-19 pandemic.

The country's economy and employment are dominated by the tertiary (service) sector, and it is the most dynamic. This sector's value-added of GDP accounts for 60% and employs 44% of the workforce. The development is mainly boosted by the hotel, restaurant, transport, and telecommunications industries. The tourism sector is booming and has become one of the government's priorities with the development of coastal infrastructures. Again, during 2020, the tourist sector is especially hit hard: only about 48,000 foreign nationals visited Georgia in August 2020, a staggering 96% drop from the year before. The employment distribution by economic activity in the service sector also has a significant gender gap, but it reverts from the industry sector's: 39% for men vs. 50% for women in 2019.

Migration

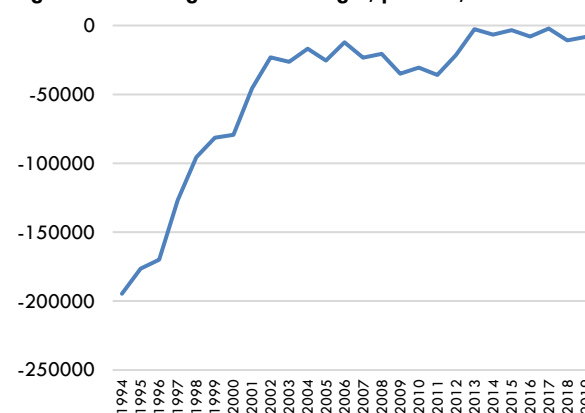
Migration flows can be distinguished as internal migration (within the country) or net-migration (cross-border). Refugees and illegal labour migration must be understood as different from migrant workers.

Migration has been a central political issue in Georgia and experienced large shifts in population. Results from the latest 2014 General Population Census pointed out that the population dropped of around 640,000 persons since the 2002 census. Not to mention, the urbanisation rate increased from 55% in 2009 to 59% in 2019, which was slightly higher than Azerbaijan's rate at 56%, but lower than Armenia (63%), Russia (74%), and Turkey (76%).

Georgia has a large internally displaced persons (IDPs) population, which was around 283,000 persons from Abkhazia and Tskhinvali regions during the 1992-1993 and the armed conflicts in 2008. There were no direct IDP camps. Instead, many of them lived in buildings that were previously used for public purposes, e.g. schools and dormitories. In recent years, the Government has invested in providing individual housing to IDPs. According to the Public Defender's report, out of 89,970 IDP households, 39,782 have been provided with individual housing and 50,188 households are on the waiting list. As for the access to public services (e.g. health, education, protection), the IDPs are fully integrated into the mainstream services and accordingly have the same access as the rest of the population.⁴²

Georgia has a geopolitical position as a Western outpost in the Caucasus and Central Asian region. It locates the country as a central trade and transportation hub. During the 1990s, the country experienced a high out-migration (emigration) motivated by the lack of economic opportunities at home and searching for better education. During the 2000s, nearly 10% of the population moved to another country. The declining number of the population was more visible in villages at three times more than in cities. A rapid economic and political transformation provided new opportunities in the aftermath of the 2003 Rose Revolution. The relatively smooth bureaucracy also supported the flow of migration processes, turning migration into a significant factor in modernising the country. Among others, the improved business environment encouraged many Georgian migrants to return home and repatriate part of their capital. On this background, Georgia received a growing in-migration (i.e. immigration) and closing the gap in the net migration rate (see details in Figure 10).

Figure 10: Net Migration in Georgia, persons, 1994-2019



Note: Net migration is the total number of immigrants minus the annual number of emigrants, including both citizens and noncitizens.
Source: GeoStat.

Georgians who left the country are mostly residing in the Russian Federation, but sizeable groups also are in Ukraine, Greece, and Armenia. Others target the U.S. and EU member states such as France, Spain, Germany, and Austria. This group is dominated by the younger population driven by the pull-factor of the education systems. Russians, Azerbaijanis, Armenians, Ukrainians, Kazakhs, Belarusians, Chinese, Turks, and Indians are among the main groups of immigrants living in Georgia.

Personal remittances to Georgia have shown steady growth and amounted to a record sum of US\$2.3 billion in 2019, which was an increase of 91% since 2010. The scope of these remittances represented 11% of GDP; thus, it is an integral part of the economy. It has furthermore been significantly higher than the foreign direct investments in recent years at 7.0% of GDP on average from 2018 to 2019. It is interesting to observe that personal remittances are more than six times higher than Europe and Central Asia (excluding high income) average, at 1.7% in the period from 2015 to 2019.

The number of refugees in Georgia is small (1,513 persons). Some groups from Georgia have been recognised as refugees abroad, e.g. other forms of protection (6,700) and asylum seekers (11,600). There were reports of informal discrimination against members of Romani and Azerbaijani Kurdish populations in Georgia's labour market.

As an impact of the Covid-19 pandemic, travel restrictions and border closures during 2020 left thousands of migrants stranded around the world, from workers to international students, in need of assistance and often precarious situations. It challenged the international trade and travel flows. This situation is not limited to migrant workers but also affects tourists, businesspersons, students, cross-border trade, as well as free movement and regional integration regimes. The closure of borders has widespread implications, including for future migration dynamics. Where and when travel and mobility resume, additional health requirements will be put in place starting from the origin, and including transit and destination countries, applying to a more extensive and diverse group of migrants than before the Covid-19 pandemic.⁴³

Informal Economy

In the aftermath of the Soviet Union's break-up during the 1980s, Georgia entered a significant structural economic and social transformation moving towards European development models. Economic output

downturns and large-scale privatisation resulted in a severe fiscal crisis, crippling the government's ability to provide social security. Formal jobs contracted along with a reduction in real wages, not to mention severe restrictions of eligibility conditions, decreasing amount of benefits, and eventually in the cancellation of such schemes altogether (see more in Social Protection section). This situation forced many workers to informal, low-skilled, precarious activities as a strategy to survive.⁴⁴

The Labour Code is not in compliance with international standards concerning informal employment. The Committee of Experts on the Application of Conventions and Recommendations from ILO reiterated its request that the government provided information concerning the Transition from the Informal to the Formal Economy Recommendation (No. 204) from 2015 to monitor the transitions to the formal economy and decent work deficits.

Despite the relatively smooth business regulations, many firms still operate in the informal economy, with limited growth opportunities. They often lack awareness or incentives to formalise their enterprise. The relatively high unemployment rate could furthermore hinder the tempo of considerably reducing the informal employment rate. Especially skills and knowledge deficits among Georgia's rural population are often shadowed by weak incentive to learn, a culture of informal business dealings between friends and relatives, as well as inadequate capacity of the public sector to deliver modern services.⁴⁵

As indicated, the informal economy remains widespread in Georgia. On the positive side, the central condition for encouraging the formalisation of economic transactions is improving during the last two decades. It was supported by the strong economic growth in combination with policies to reduce corruption and to drive down the regulatory and fiscal burden on businesses.⁴⁶ This development is furthermore reflected in the employment structure: the share of workers in 'self-employment' dropped by 12% from 2010 to 2019 (revisit Figure 6), reaching 50% of employment in 2019. Other national statistics suggested that informal employment in total non-agricultural employment increased by 0.8% points from 2017 to 2019, reaching a share of 35% in 2019 (see details in Table 9). Share of informal employment in total non-agricultural employment is more prevalent among men than women, 39% vs 29% in 2019, respectively; not to mention, it is slightly more frequent in the rural area than urban, 37% vs 34%, respectively.

Table 9: Status of the informal economy in Georgia

Indicator	Value
Size of 'shadow economy' (% of GDP) (2015) *	65%
Share of informal employment in total non-agricultural employment (2019)	35%
Informal employment in total non-agricultural employment growth, 2017-2019	0.8 p.p. ***
Vulnerable employment (2019) **	49%
Vulnerable employment growth, 2010-2019	-8.3 p.p. ***

* The 'shadow economy' includes all economic activities, which are hidden from official authorities for monetary, regulatory, and institutional reasons. Monetary reasons include avoiding paying taxes and all social security contributions, regulatory reasons include avoiding governmental bureaucracy or the burden of regulatory framework, while institutional reasons include corruption law, the quality of political institutions and weak rule of law.

** Vulnerable employment aggregated own-account workers and contributing family workers. This segment is less likely to have formal work arrangements and are therefore more likely to lack decent working conditions, adequate social security, and 'voice' through effective representation by trade unions and similar organizations.

*** Percentage point (p.p.).

Source: IMF, GeoStat and own calculations on vulnerable employment based on data from ILOSTAT.

Globally, informal economy workers and units are highly impacted by Covid-19 pandemic. Around 61% of affected workers are in Eastern Europe and their proportion reaches 90% in Central and Western Asia. For example, the State Employment Agency of Georgia described the approach used for self-identification of workers in informal economy eligible for unemployment assistance and registration in the country.⁴⁷

Child Labour

Georgia has ratified the central international conventions concerning child labour. According to the Civil Code of Georgia, a person shall be considered a minor/child from the moment of birth to 18 years of age, while the Labour Code prohibits entering into an employment contract with a minor to perform unhealthy and hazardous work. Generally, the country made a moderate advancement in efforts to eliminate the worst forms of child labour.⁴⁸ As previously mentioned, the government passed and implemented the Law on Occupational Safety from 2019, which grants labour inspectors the ability to enter any business for occupational health and safety reasons without prior notification. Agencies increased their efforts to combat child begging by investigating, prosecuting, and convicting individuals who force children to beg and providing services to child victims of forced begging. The government has launched a campaign Working is Not a Child's Task, aiming to prevent and eliminate child labour

through awareness-raising efforts. By law, minors who are 16 to 18 may not work more than 36 hours per week. Minors who are 14 or 15 may not work more than 24 hours per week.

Around 4.2% of Georgian children between 5-17 years were registered as child labour in 2015, which was in line with the Europe and Central Asia average. It was slightly lower concerning children in employment, also known as 'working children' (Table 10). 'Working children' and 'child labour' need to be distinguished from each other, though. The latter refers to the involvement of a child in prohibited work and, more generally, in types of work that should be eliminated as socially and morally undesirable. More critical hazardous work (i.e. unhealthy conditions and long hours) for Georgian children was estimated at 2.7%; 16% of children in this group were due to dropped-out of school. Other data suggested that children engaged in economic acidity was down at 1.6% (see more in SDG table on Page iv).

Table 10: Status of Child Labour in Georgia and Europe & Central Asia, 2015

Country/ Region	Type	Rate
Georgia	Children in employment	5.8 %
	Child labour	4.2 %
	Hazardous work	2.7 %
Europe and Central Asia	Children in employment	6.5 %
	Child labourers	4.1 %
	Hazardous work	4.0 %

Source: ILO & GeoStat, Georgia National Child Labour Survey 2015: Analytical Report; and ILO, Global estimates of child labour: Results and trends, 2012-2016.

There are more boys engaged in labour compared to girls, 6.3% vs 1.9%, respectively. Around 8 out of every 10 working children are employed in agriculture, mainly helping self-employed family members in a family enterprise/farm. The number of children working unpaid in a family enterprise/farm is approximately eight times higher than the number of children engaged in hired labour. In the older age groups, children are increasingly involved in other industries and as a result the percentage of children working unpaid in a family enterprise/farm is decreasing. The educational level of parents of children in child labour is relatively low compared to the educational level of non-working children. Overall, poverty and low income are among the main causes of child labour.⁴⁹

The worst forms of child labour in Georgia include in forced begging, sometimes as a result of human trafficking. It is important to realise that the labour

inspectorate did not conduct inspections in the agriculture sector. Besides, the compulsory education age leaves children who are 15 years of age vulnerable to the worst forms of child labour, as they are not required to be in school but are not legally permitted to work full time. There are reports of internally displaced persons children drop out of schools early to work to supplement family income. Adolescent girls are sometimes forced to give up their education due to early marriages. National mechanisms responding to child labour or those which securing education, rest and leisure for children are considered weak.⁵⁰

Gender

Georgia's legal framework attempts to create gender equality. First, the constitution of Georgia guarantees equality between women and men. Second, the Labour Code prohibits discrimination of any kind, including gender discrimination. Third, the law on Gender Equality from 2010 determines main directions and guarantees for the provision of equal rights, freedoms and opportunities for men and women provided by the Georgian constitution, as well as define legal mechanisms and conditions for their implementation in the relevant spheres of public life. Under this law, the state is responsible for ensuring equal employment opportunities for women and men. The state must guarantee: i) the freedom to choose a profession and place of work, ii) professional support, iii) vocational training, iv) civil service positions based on qualifications and professional abilities, and v) equal treatment in evaluating the work performed. Finally, the international trade agreement with the EU, which is known as the Association Agenda, introduced two lines to equality between women and men.

The present gender equality gaps in Georgia reflect women's roles, opportunities, and rights often are constrained by conservative gender stereotypes and norms. For example, women are often expected to undertake the majority of unpaid care-work within the household, which may include food preparation, getting water and fuel in poorer or more remote households, and looking after young children, often in addition to engaging in paid employment or unpaid farm work. It is worthwhile to mention that these traditional socio-cultural norms are more prevalent in rural areas, particularly among conflict-affected people and ethnic minorities; but also remains stretched by Georgia's women in urban areas.⁵¹ Moreover, the pervasive use of informal jobs stymied the laws' rights on equality and prohibit gender-based discrimination in practice.

Although gender equality is partly visible in several aspects in Georgia, it is likewise marred by some disparities. As depicted in Table 11, there is a significant gender gap in the employment rate at 16 percentage points, favouring men. On the other hand, even though women are lagging participation in employment, they are in line with men about employees and vulnerable employment segments. The composition of the workforce by educational attainment is similar among women and men. Employers are relatively dominating by men (see more ahead), and higher in the margin regarding the unemployment rate.

Table 11: Gender gaps in key indicators of workforce in Georgia, 2020

	Men	Women	Men-to-women ratio gender gap, percentage point (p.p.)
Economic activity	74 %	54 %	+20 p.p.
Employment rate	64 %	48 %	+16 p.p.
Unemployment	13 %	11 %	+2 p.p.
Employees	49 %	50 %	-1 p.p.
Employers	2.6 %	1.2 %	+1 p.p.
Vulnerable employment *	49 %	49 %	0 p.p.

* Aggregated own-account workers and contributing family workers.

Note: Data from economic activity, employment rate, and unemployment are based on average from 2020 quarter I + II.

Source: GeoStat and ILO, Key Indicators of the Labour Market (KILM).

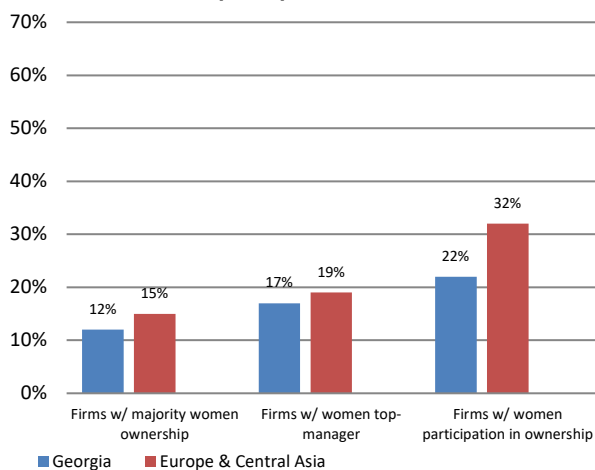
Women's lower participation in employment rate and entrepreneurship suggests a misallocation of the country's human resource potential. Evidence shows that these illustrated labour-related gender gaps result in a loss in economic output equivalent to 11% of GDP. Furthermore, gender gaps in earnings are large in many employment sectors. Gender wage differences can be partly attributed to industrial and occupational segregation and fewer hours of employment among women. An unadjusted gender wage gap was estimated at around 37%.⁵²

On a broader view, the Global Gender Gap Index 2020 from the World Economic Forum – gender-based gaps along specific dimensions (health, education, economy and politics) – ranking the country as 74 out of 153 countries (1 is best); and as number 19 out of 26 Eastern Europe and Central Asia countries. It was primarily supported by high ranking in educational attainment and high-medium ranking in economic participation and opportunities, and health issues. The country is still lagging in political empowerment. Similarly, the Gender Inequality Index from United Nation Development Programme – focusing on maternal mortality, adolescent birth, the share of seats in parliament, population with at least some secondary

education, and workforce participation – located the country as 70 out of 189 countries (1 is best) in 2018.

Based on the latest Enterprise Survey from 2019, only 17% of firms with five or more employees in Georgia have a woman top-manager, and 22% of firms count women in the ownership, which are significantly lower than the regional averages (Figure 11). Women entrepreneurs in Georgia are concentrated in retail and service firms, which is a standard profile around the world. It suggests that the country is challenged in reaching the SDG's goal regarding women's share of employment in managerial positions (see also SDG Table, Indicator 5.2.2, in Page iv).

Figure 11: Enterprise Survey in Georgia and Europe and Central Asia, Women participation, %, 2019



Source: World Bank, Georgia Enterprise Survey, 2019.

It is interesting to observe that older age-groups have more than twice as many women as men. While women over 65 represent 17% of the total women population, men over 65 make up just 11% of the men population. This pattern is linked to higher migration by men and gender differences in life expectancy: women's life expectancy at birth exceeds men's, 78 years and 71 years, respectively.⁵³

Youth

As demonstrated in the Population Pyramid for Georgia in Figure 4 above, the youth population (15-24 years) shrunk substantially. This demographic stance is challenging the economic growth and the future's public financing sustainability for the social system (e.g. education, health, and social protection) unless some remedy in labour productivity is found.

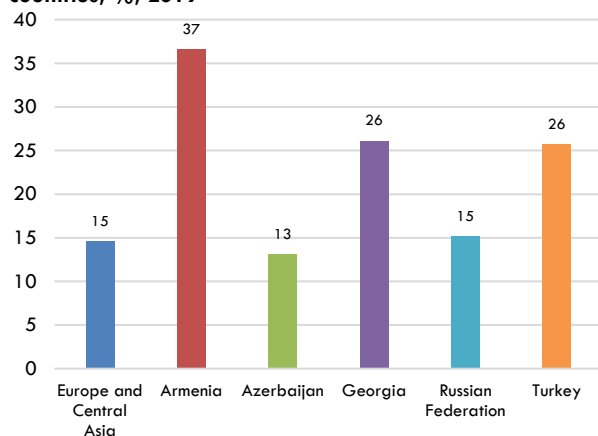
The current National Youth Policy from 2014 proposed a comprehensive regulatory framework for the development of youth, aged 14-29 years, and in the authority of the Ministry of Youth and Sports Affairs of Georgia. The policy aims to create social, economic, cultural and political opportunities for the youth; to ensure education, employment and professional growth for youth of high quality; to have a healthy youth population which has access to adequate medical care, and to shape a safe and secure environment in which youth know their civic rights and responsibilities. The implementation of the Youth Policy has been somewhat side-lined due to several other social-economical and general problems in the country. The policy by itself was criticised of being fragmented of youth policies between several strategies, acts, bodies, and structures, without any comprehensive framework, in order to collaborate. Generally, the majority of youth lack awareness about the Youth Policy and their rights.⁵⁴

The National Council of Youth Organizations of Georgia (NCYOG) was established in 1995. The council aims at the development of the non-governmental sector; coordination of activities of member organisations; fostering cooperation among youth and children associations; fostering active involvement of youth organisations in social life; and supporting youth initiatives and youth leaders. NCYOG is a full member of the European Youth Forum.

The transition from education-to-employment is a vulnerable period and often rather challenging for young people. Finding employment upon finishing school in a competitive labour market can be both an exciting and frustrating phase for many. In Georgia, the occupational categories with the largest share of working youth are subsistence agricultural and fishery worker. It signals that most other occupational categories are more challenging to enter for the youth. It is furthermore reflected in the high youth unemployment rate, standing at 30% in 2019. Youth unemployment was not just restricted to persons with low educational attainment; a third of unemployed young people had received higher education. Unemployment among young people is two and a half times higher in urban areas than in rural areas. It clearly shows that Georgia is challenged by reaching the SDG goal by 2030, achieving full and productive employment and decent work for all women and men, including young people and persons with disabilities, and equal pay for work (see also SDG Table, Indicator 8.5.2, in page iv).

The problematic circumstances the youth is facing on the labour market is manifested by the proportion of youth, not in employment, education or training (i.e. NEET rate). This indicator projected Georgian youth at 26% in 2019, which is significantly higher than Europe and Central Asia average but in line with Turkey (see more details in Figure 12). The NEET group is neither improving their future employability through investment in skills nor gaining experience through employment, and they are therefore especially vulnerable to both the labour market and social exclusion. On the positive side, Georgia's NEET rate fell by seven percentage points in the period from 2012 to 2019. It indicates that the country is moving in the right direction to the SDG goal that aims by 2020, substantially reduce the proportion of youth not in employment, education or training (see more in Table SDG, Indicator 8.6.1, Page iv).

Figure 12: Youth NEET rate in Georgia and neighbouring countries, %, 2019



Source: ILO, Key Indicators of the Labour Market (KILM).

Young people are facing multiple shocks from the Covid-19 pandemic, which could lead to the emergence of a “lockdown generation”. Global studies showed that young people are even disproportionately affected by the crisis, including disruption to education and training, employment and income losses, and greater difficulties in finding a job.⁵⁵

EDUCATION

The Georgian education system has experienced significant progress during the last decade regarding a swift massification of school enrolment at higher levels; supported by the demographic transformation (revisit Figure 4). The government raised expenditure in the education sector, e.g. it grew from 2.6% of GDP on average in the 2000s to 3.8% of GDP in recent years, which is up to 13% of total government expenditure. This

stance reached the Europe & Central Asia (excluding high income) average.

The legal and institutional framework of the general education system is based on a series of legislative acts, international conventions, and agreements. By law, the citizens have an opportunity to receive continuous general education. Legal regulation of education experienced significant changes during the 2010s. For example, the law on early and pre-school education was adopted in 2016. It made it possible to return educational functions to kindergartens after almost seven years gap, which is a necessary condition for achieving high-quality school readiness. Changes in higher education introduced furthermore support to the integration of learning and research, the use of the scientific potential of scientific research institutes at all stages of higher education, and creation of possibilities for the implementation of joint educational programmes. Besides, separate sections of the Association Agreement between Georgia and the EU determined cooperation in the fields of science and education. It includes collaboration in the field of research, technology development and demonstration, and in the direction of education, training, and youth.

A significant share of the employment by education at the advanced level reached 36% and intermediate level at 56%. Women's share is more extensive than men at the advanced education level. In contrast, women's share is lower at the intermediate level (see more details in Table 12). Generally, very few are working with less than basic education. The country is presenting significantly higher employment by education at the advanced level compared to Armenia (app. 15%), and Azerbaijan (27%), and Turkey (25%), but superseded by the Russian Federation (51%).

Table 12: Employment by education in Georgia, % of employment distribution, age 15+, %, 2019

	Less than basic	Basic	Intermediate	Advanced
Total	0.2 %	6.3 %	59 %	36 %
Men	0.2 %	6.7 %	62 %	32 %
Women	0.3 %	5.7 %	56 %	38 %

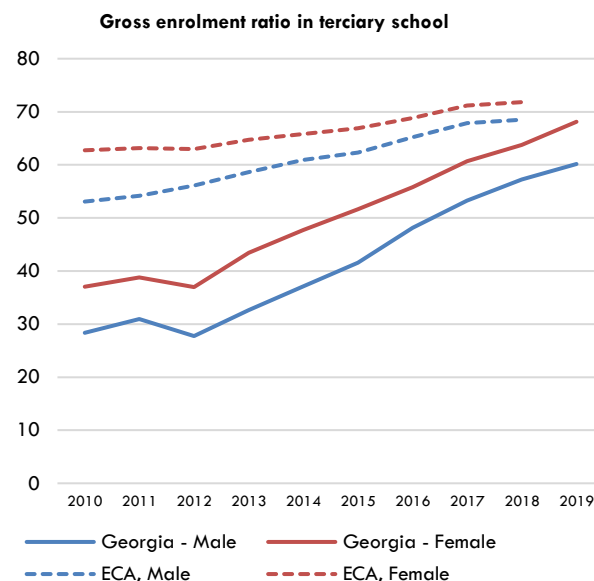
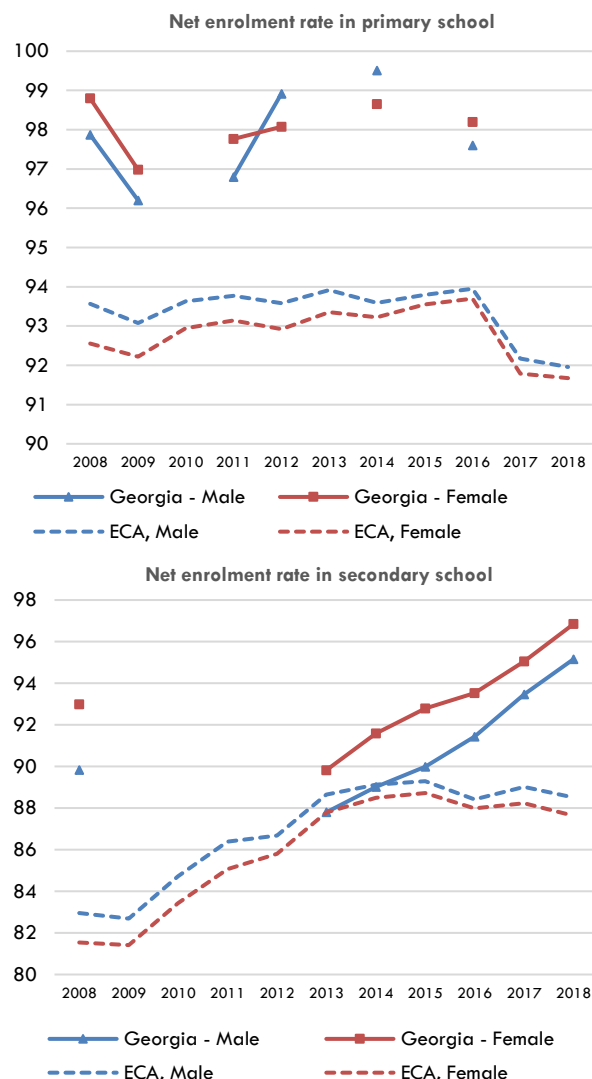
Source: ILO, Key Indicators of the Labour Market (KILM).

In Georgia, there are around 2,085 public and 236 private schools. Nine out of ten (90%) pupils are in the public sector and 10% in the private sector. Most schools teach students from Grades 1 through 12, and a large number are small schools with low student-teacher ratios (see more in Vocational Training sub-section). Compulsory education in Georgia currently lasts nine

years, covering primary and lower secondary education (early childhood education is not compulsory). Teachers are in oversupply and modernising the profession through the Teacher Professional Development Scheme has resulted in mixed success.

Figure 13 below outlines the school enrolment rate trends on all levels. First, the relatively high net enrolment rate in primary education was hovering above the regional averages for both boys and girls. Second, the secondary school enrolment rate accelerated during the 2010s and became significantly above the regional averages. Third, similarly, the tertiary school enrolment rate grew fast and got closer to the regional averages. Georgian females have higher enrolment rates on all levels.

Figure 13: Enrolment in Primary, Secondary and Tertiary Education in Georgia and Europe & Central Asia (ECA) (excluding high income), %, 2000-2019



Note: Net enrolment is the ratio of children of official school age, who are enrolled in school to the population of the corresponding official school age. Gross enrolment is the ratio of total enrolment, regardless of age, to the population of the corresponding official school age.
Source: World Bank, Education Statistics.

Despite reforms and improvement in educational participation, there are still many challenges regarding quality and equal access to education and training services. Part of the shrinking population and ongoing urbanisation made education in rural areas increasingly inefficient: rural schools find themselves with fewer students, but the government cannot easily remove teachers from these schools for political reasons. Higher education receives more per-student funding, which poses concerns about equity. Vouchers are the schools' primary source of funding, but the amount is inadequate to cover costs in most small schools based on variable amounts directly from the ministry. Most funding is spent on teacher salaries.⁵⁶

Vocational training

In contrast to the rapid expansion of enrolment at higher levels of education, vocational education has been under-developed. This condition echoed in the mismatch between labour market needs and jobseekers demands. Results from the 2015 Programme for International Student Assessment (PISA) showed alarming data that less than 2% of 15-year-olds were enrolled in vocational programmes in Georgia, compared to 14% in OECD countries on average. Not to mention, the high youth unemployment rate stuck to higher educated graduates indicated that the education system is poorly prepared for preparing vocational capacities to demand technical jobs. Part of this, VET in Georgia has struggled by being

a type of education with lower quality and prestige in comparison to other types. It is often considered that VET is chosen by those who were not admitted to university education.

At the beginning of the 2010s, the Ministry of Education, Science, Culture and Sport (MoESCS) aimed to meet the needs of the labour market better. It gave focus on the skills of graduating students by expanding the coverage of vocational education and training (VET) institutions across the country and promote communication campaigns to boost the VET's popularity.

The Vocational Education Reform Strategy was adopted in 2013 aimed at a systematic transformation in vocational education. The government focused on ensuring compatibility between the vocational education and labour market demands; elaboration of new professional programmes with employers' engagement; and promoting innovative learning by equipping the state professional education institutions with innovative training laboratories.

Data suggest that current spending shrunk from 4% of total education expenditure in 2007 to 1% in 2012, but from 2013 the state fully funded learning in the state vocational education institutions. The government promoted an ambitious target to increase the number of students by 40,000 by 2023.

The vocational education programmes are carried out by 39 public and 78 private institutions. Data demonstrated that the enrolment in vocational training dropped by 50% from 2013 to 2018, reaching close to 11,000 students, which was an impact of the diminishing youth population (revisit Figure 4). Thus, so far, this enrolment rate is far below the MoESCS's aims.

The ratio of pupils in vocational training to all pupils in secondary education even dropped in the margin, reaching 3.1% in 2018, not to mention the country was placed significantly lower in compared to Europa and Central Asia (excluding high income) average. Other data suggest that the ratio of teachers in secondary vocational education to vocational students became very concentrated from 1 per 7.7 in 2013 to 1 per 2.6 in 2018, which was associated to the mentioned political issues protecting teachers in rural schools (see more details in Table 13 and Figure 14).

Table 13: Status of Vocational Training

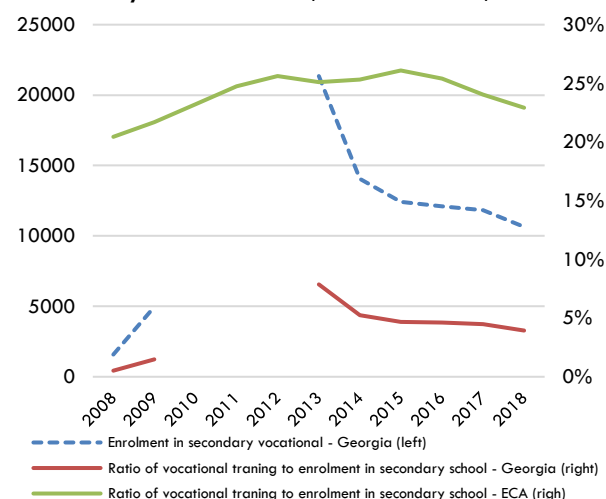
Georgia		Values
Pupils in vocational training (2018)		10,653
Growth in pupils in vocational training, 2013-2018		-50 %
Ratio of females in secondary vocational to all secondary vocational (2018)		42 %
Ratio of teachers in secondary vocational education to vocational students (2018)		1 : 2.6
Comparative estimations	Country/region	%
Ratio of pupils in vocational to all pupils in secondary education, 2013-2018, average	Georgia	5.1 %
	ECA *	25 %

* Europe and Central Asia (excluding high income).

Note: Secondary vocational pupils represent the number of secondary students enrolled in technical and vocational education programmes, including teacher training.

Source: World Bank, Education Statistics.

Figure 14: Enrolment in secondary vocational and the ratio to secondary education trends, numbers and %, 2008-2018



Source: World Bank, Education Statistics.

The National Centre for Education Quality Enhancement (NCEQE) was established to accredit programmes in vocational and higher education institutes. Its responsibilities have expanded, and it now oversees school authorisation. The capacity of NCEQE is a concern, though. School authorisation currently applies only to private schools and plans to authorise and evaluate public schools are limited by NCEQE's inability to review over 2,000 schools in a limited time.⁵⁷

In 2019, 32% of firms in Georgia offered formal training, which was a significant increase compared to 15% in 2008.⁵⁸ This improvement is part of the national SME Development Strategy 2016-2020 that supported an improvement in business environment conditions.

SOCIAL PROTECTION

The constitution of Georgia includes several provisions regarding economic and social protection. Other legislations outline the social protection system. Some of the central pieces are the Law of Georgian Social Assistance, which introduced targeted assistance to people by a regulated system of social assistance and set administrative bodies authorised in the field of social assistance. There is no formal definition of social protection in the country. The Law on State Pensions from 2005 eliminated the contributory pension system. Instead, the implementation of a flat-rate basic pension based on old age, disability, and survivor pension was initiated. In 2015, the flat-rate monthly benefit amounted to 160 lari (US\$67). The latter bill outlines the universal nature of the old-age pension. The establishment of this non-contributory flat-rate pension was primarily driven by the need to reduce Georgia's substantial poverty rate. In 2019, a new law on accumulative pensions was launched. In the first phase, all people working in Georgia under the age of 40 enrol, apart from self-employed people, into the new pension scheme. Workers 40 years and older and self-employed people can choose to participate (see more ahead). There are no social security/social insurance taxes in Georgia.

The social protection system is categorised in several components: i) social insurance (old-age insurance, programmes for the disabled, and health expenditure on insurance and pensions), ii) social assistance (non-contributory health insurance, conditional cash transfers, child protection, and unconditional cash transfers), and iii) labour market programmes (public works programmes, loan-based programmes, labour exchanges and other employment services, unemployment benefits, and skills development and training). Microfinance is not considered as a form of social protection since it does not involve a transfer in cash or kind and beneficiaries incur loans or debt instead of transfers.

The scope of the population's coverage of social protection is exemplified in Table 14. For example, close to all persons are covered by at least one social protection benefit, and nine out of ten (92%) above retirement age receive a pension. Other social assistance schemes covering poor or persons with severe disability are fully covered. However, labour market programmes have much lower coverages, e.g. just 26% of mothers with new borne receiving maternity benefits, and unemployed do not receive unemployment benefits.

Table 14: Proportion of population covered by social protection in Georgia, %, 2019

Group	Coverage
Persons covered by at least one social protection benefit	97 %
Persons above retirement age receiving a pension	92 %
Persons with severe disabilities collecting disability social protection benefits	100 %
Unemployed receiving unemployment benefits	0 %
Mothers with newborns receiving maternity benefits	26 %
Employed covered in the event of work injury	49 %
Children and households receiving child and family cash benefits	48 %
Poor persons covered by social protection systems	100 %
Vulnerable persons covered by social assistance	93 %

Source: ILO, SDG labour market indicators.

Every retired Georgian is eligible to receive the standard state pension, which is currently monthly 180 lari (US\$67). Regarding the new law on accumulative pensions from 2019, employees, employers, and the government contribute 2% of the pre-tax salary, respectively (i.e. 2+2+2 scheme). However, in case the employee's salary is higher than 24,000 lari (US\$8,888) per year, the government contributes only 1%, or when an employee's salary is greater than 60,000 lari (US\$22,222) per year, the government does not contribute. An opt-out possibility was introduced in June 2019, which will return the pension contributions on behalf of the employee to the respective parties. Georgians will have access to their pensions funds when they hit the official state retirement age – 60 for men and 55 for women. Self-employed people will have the choice to participate in the pension scheme but at 4% personal contribution. This new pension system envisions a new pension savings scheme that is based on personal accounts that to some extent evaporating elements of solidarity. On January 1, 2018, pensions increased from 180 lari (US\$71) to 200 lari (US\$79) monthly, which was significantly higher than the minimum subsistence level at 177 lari (US\$55).

Eight social assistance programs operate in Georgia: i) social allowance for families under the poverty line or the subsistence benefit, ii) social allowance for helpless families or family allowance, iii) state compensation and academic scholarship, iv) maternity, childcare and adoption leave, v) internally displaced persons or IDP allowance, vi) cash benefit to IDPs, vii) child care state program, and viii) sub-programs of child care. Overall, the coverage of social protection and labour

programmes was registered at 64% of the population in 2016. In contrast, it was down to 14% of the population in the coverage of safety net programmes.

Total health expenditure has been stable and estimated at 7.6% of GDP in 2017, which was significantly higher than Europe and Central Asia average, but lower relative to per capita value. Public social protection expenditure grew from 5.7% of GDP in 1995 to 11% in 2015. It became higher than the neighbouring countries such as Armenia (7.6%) and Azerbaijan (8.2%), but lower than Turkey (14%) and the Russian Federation (16%) (see more in Table 15). This expenditure is concentrated in health; public social protection expenditure (excluding health) on people of working age was down to 1.0% of GDP.

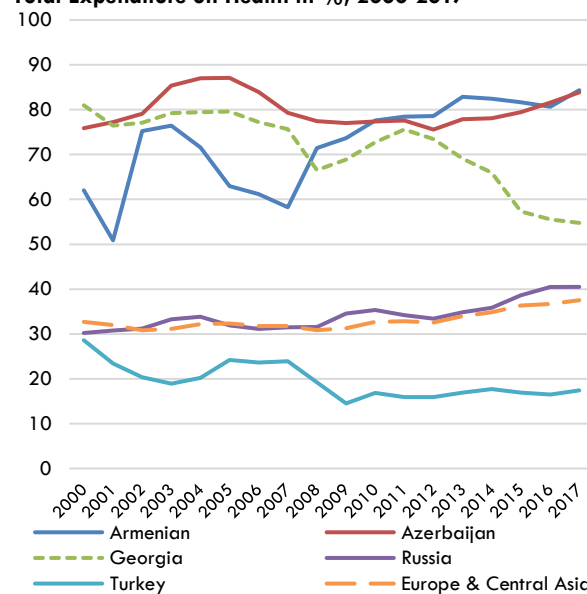
Table 15: Expenditure of health and social protection issues in Georgia and Europe & Central Asia (ECA), 2017

Service	Georgia	ECA
Total health expenditure (% of GDP)	7.6 %	5.2 %
Current health expenditure per capita (current US\$)	US\$ 298	US\$ 410
Public social protection expenditure (% of GDP) (2015)	11 %	-
Social contributions (% of revenue) (2000s av.) *	20 %	29 %

* Social contributions include social security contributions by employees, employers, and self-employed individuals, and other contributions whose source cannot be determined. They also include actual or imputed contributions to social insurance schemes operated by governments.
Source: World Bank, World Development Indicators; and ILO, World Social Protection Report 2017-2019.

In the 1990s, Georgia instituted health care reforms to convert the centralised, state-operated health care system inherited from the Soviet Union to a decentralised, market-driven system of health care delivery. Under the new system, 87% of health care expenditures were financed through out-of-pocket payments at the point of service. In Figure 15, it is apparent that this relatively high payment fell during the 2010s, which is becoming much lower than the neighbouring countries Armenia and Azerbaijan. Having a low out-of-pocket expenditure is usually considered positive, as high numbers of out-of-pocket payments are associated with impoverishing spending.⁵⁹

Figure 15: Out-of-Pocket Expenditure as a Percentage of Total Expenditure on Health in %, 2000-2017



Source: World Bank, World Development indicators.

As mentioned, there is no financial unemployment benefit for unemployed persons in Georgia. The unemployed must register on the national website independently or with support by the Social Services Agency (SSA). SSA can support the process of job seeking and provide wage subsidies for specific groups (for up to 4 months) as well as training assistance. The trade union movement also initiated the introduction of “unemployment allowance” since 2018.

The Covid-19 pandemic affected Georgia on many fronts. During March-May 2020, Georgia entered the national state of emergency. Strict containment measures were imposed, including social distancing, the lockdown of high-risk districts, closure of border crossing, travel ban for foreign visitors, quarantine for nationals returning to Georgia, closure of shops (other than groceries and gas stations) and schools, among others. Various forms of the economic activity, including tourism, came to a standstill. Since May 2020, the economy activities were gradually opened, and a series of emergency Covid-19 response programmes were launched. For example, public schools were resumed in-house classes on October 1, 2020, for the classes from 1 to 6. Due to the rapid worsening of the epidemic situation in Georgia, on October 22, 2020, the EU removed Georgia from the list of 15 safe countries.⁶⁰

APPENDIX: ADDITIONAL DATA

Table 16: List of approved labour related legislations in Georgia, 2014-2020

Type of legislation	Legislation
2014	
General provisions	Law No. 2697 of 17 October 2014 to Amend and Supplement the Law on Elimination of Domestic Violence, Protection and Support of Victims of Domestic Violence.
	Organic Law of Georgia on Georgian Citizenship (No. 2319-Il of 30 April 2014).
	Law of Georgia on Internally Displaced Persons - Persecuted from the Occupied Territories of Georgia (No. 1982-Il of 6 February 2014).
Equality of opportunity and treatment	Law on the Elimination of All Forms of Discrimination (No. 2391-II of 2 May 2014).
Freedom of association, collective bargaining, and industrial relations	Law No. 6538-Is of 22 June 2012 to Amend the Law of Georgia on Trade Unions.
Migrant workers	Law of Georgia on the Legal Status of Aliens and Stateless Persons (No. 2085 of 5 March 2014).
2015	
General provisions	Law of Georgia on the Development of High Mountainous Regions No. 4036-RS.
	Juvenile Justice Code of Georgia No. 3708-IIS.
	Law of Georgia on Business Ombudsman of Georgia No. 3612-IIS.
Conditions on employment	Law of Georgia on Special Penitentiary Service No. 3524-IIS.
Elimination of forced labour	Law of Georgia on Volunteering No. 4717-RS.
International agreements	Accord entre l'Agence exécutive "Administration maritime" du Ministère du transport, des technologies de l'information et des communications de la République de Bulgarie et l'Agence pour le transport maritime du Ministère de l'économie et du développement durable de Géorgie sur la reconnaissance mutuelle des brevets des gens de mer, conformément à la Règle 1/10 de la Convention internationale sur les normes de formation des gens de mer, de délivrance des brevets et de veille (STCW), telle que modifiée.
Migrant workers	Ordinance of the Government of Georgia on Approval of the List of Countries Whose Citizens May Enter Georgia without a Visa No. 255, issued on 5 June 2015.
	Ordinance of the Government of Georgia on Approval of the List of Countries, Whose Visa and/or Residence Permit Holders May Enter Georgia without a Visa for an Appropriate Period and under Appropriate Conditions No. 256, issued on 5 June 2015.
Occupational safety and health	Law of Georgia on Radioactive Waste No. 4487-IS.
Public and civil servants	Law of Georgia on Public Service No. 4346-IS.
	Law of Georgia on the State Security Service of Georgia No. 3921-RS.
Social security (general standards)	Ordinance of the Government of Georgia on Approval of the Procedures for Issuing, Extending, and Terminating Georgian Visas No. 280, issued on 23 June 2015.
2016	
General provisions	Law of Georgia on Innovation No. 5501-IIS, adopted on 22 June 2016.
Education, vocational guidance, and training	Law of Georgia on Early and Preschool Education No. 5366-IIS.
Migrant workers	Law of Georgia on International Protection No. 42-IS.
2017	
General provisions	Law of Georgia on Electronic Documents and Electronic Trusted Services No. 639-IIS.
Conditions on employment	Law on Remuneration in Public Institutions (N1825).
Elimination of child labour, protection of children and young persons	Law of Georgia on Adoption and Foster Care No. 746-IIS
2018	
Education, vocational guidance and training	Law of Georgia on Vocational Education (N3442-Il).
Social security (general standards)	Law of Georgia on Funded Pension (N3303-რს).

Social security (general standards)	Law of Georgia on Social Work (N2519-Ilb).
2019	
Elimination of child labour, protection of children and young persons	The Code on the Rights of the Child (N5004-Ilb).
Occupational safety and health	Law of Georgia on Occupational Safety (Law No. 4283).
2020	
General provisions	Ordinance of the Government of Georgia on the Approval of Isolation and Quarantine Rules (N322).
Labour administration	Law of Georgia on Labor Inspection (Law No. 7178).

Source: ILO, NATLEX, Country Profile Colombia, Basic Laws.

Table 17: Ratified ILO Conventions in Georgia

Subject and/or right	Convention	Ratification year
Fundamental Conventions		
Freedom of association and collective bargaining	C087 - Freedom of Association and Protection of the Right to Organise, 1948	1999
	C098 - Right to Organise and Collective Bargaining Convention, 1949	1993
Elimination of all forms of forced labour	C029 - Forced Labour Convention, 1930	1993
	C105 - Abolition of Forced Labour Convention, 1957	1996
Effective abolition of child labour	C138 - Minimum Age Convention, 1973	1996
	C182 - Worst Forms of Child Labour Convention, 1999	2002
Elimination of discrimination in employment	C100 - Equal Remuneration Convention, 1951	1993
	C111 - Discrimination (Employment and Occupation) Convention, 1958	1993
Governance Conventions		
Labour inspection	C081 - Labour Inspection Convention, 1947	-
	C129 - Labour Inspection (Agriculture) Convention, 1969	-
Employment policy	C122 - Employment Policy Convention, 1964	1993
Tripartism	C144 - Tripartite Consultation (International Labour Standards) Convention, 1976	2018
Technical Conventions (Up-to-date and in force)		
Vocational guidance and training	C142 - Human Resources Development Convention, 1975	1993
Free of association, collective bargaining, and industrial relations	C151 - Labour Relations (Public Service) Convention, 1978	2003
Occupational safety and health	C163 - Seafarers' Welfare Convention, 1987	2004
Employment policy and promotion	C181 - Private Employment Agencies Convention, 1997	2002
Seafarers	C185 - Seafarers' Identity Documents Convention (Revised), 2003, as amended	2015

Note: Fundamental Conventions are the eight most important ILO conventions that cover four fundamental principles and rights at work. Governance Conventions are four conventions that the ILO has designated as important to building national institutions and capacities that serve to promote employment. There are also 73 Technical Conventions, which ILO considers "up-to-date" and actively promoted.
Source: ILO, NORMLEX, Ratification for Georgia.

Table 18: Number of Sectoral Union Organisations in Georgia, 2020

Nr.	Sectoral Union Organisations
1.	Adjarian Trade Union (regional brunch)
2.	Abkhazian Trade Union Confederation (regional brunch)
3.	Aviation Workers' Trade Union
4.	Georgian Constructors and Foresters Independent Trade Union
5.	Georgian Energy Workers' Trade Union
6.	Self-employed Workers' Trade Union
7.	Communication worker's Trade Union of Georgia
8.	Metallurgy, Mining and Chemical Worker's Trade Union
9.	Metro Workers' Trade Union
10.	The Trade Union of Service Sector, Local and Communal Services Workers' of Georgia
11.	Coal, Oil and Gas distribution Workers Trade Union
12.	Education and Science Workers Free Trade Union
13.	New Trade Union of Georgian Railways
14.	Trade Union of Georgian Automobile Transport and Highways' workers
15.	Confederation of marine shipping and fishing industries trade union
16.	Public Servants Trade Union of Georgia
17.	Agriculture Workers' Trade Union
18.	Footballers' Trade Union
19.	Tskhinvali Regional Trade Union Centre
20.	Health, Pharmaceutical and Social Care Workers' Independent Trade Union
21.	Artists' Trade Union

Source: Georgian Trade Union Confederation, Member Organisations.

Table 19: Average monthly nominal earnings of employees by economic activity in Georgia, Georgia lari and percent change, %, 2014-2019

Economic sectors	2014	2015	2016	2017	2018	2019	Growth, 2014-2019
Total	818	900	940	999	1,068	1,129	38%
Agriculture, forestry and fishing	501	588	570	643	701	704	41%
Mining and quarrying	903	1,047	1,154	1,260	1,379	1,385	53%
Manufacturing	721	777	783	868	930	1,037	44%
Electricity, gas, steam, and air conditioning supply	1,148	1,257	1,348	1,414	1,507	1,560	36%
Water supply, sewerage, waste management and remediation activities	654	680	711	753	774	817	25%
Construction	944	1,185	1,266	1,466	1,552	1,631	73%
Wholesale and retail trade; repair of motor vehicles and motorcycles	703	784	790	844	951	971	38%
Transportation and storage	1,048	1,153	1,156	1,238	1,296	1,382	32%
Accommodation and food service activities	477	563	626	672	825	851	78%
Information and communication	1,171	1,332	1,339	1,426	1,489	1,621	38%
Financial and insurance activities	1,590	1,691	1,835	2,008	2,236	2,030	28%
Real estate activities	899	962	1,017	1,093	1,106	1,193	33%
Professional, scientific, and technical activities	1,145	1,277	1,464	1,595	1,712	1,896	66%
Administrative and support service activities	698	675	740	768	802	853	22%
Public administration and defence; compulsory social security	1,162	1,259	1,255	1,236	1,267	1,421	22%
Education	455	482	534	577	596	652	43%
Human health and social work activities	742	846	915	953	984	1,050	41%
Arts, entertainment, and recreation	682	751	834	877	994	1,130	66%
Other service activities	632	881	730	685	831	771	22%

Source: GEOSTAT.

Table 20: Distribution of population aged 15 and older by economic status ('000) and changes (%), 2019-2020 (I-II)

	2019	2020 (I-II)	Changes
Total 15+ population	3037.1	3018.3	-0.6%
Active population	1911.2	1906.3	-0.3%
Employed	1690.2	1675.8	-0.9%
Hired	849.3	833.3	-1.9%
Self-employed	840.4	841.2	0.1%
Not-identified worker	0.5	1.2	155%
Unemployed	221.0	230.5	4.3%
Population outside labour force	1125.9	1112.0	-1.2%
Unemployment rate (%)	11.6%	12.1%	4.6%
Economic activity rate (%)	62.9%	63.2%	0.4%
Employment rate (%)	55.6%	55.5%	-0.2%

Source: GEOSTAT.

Table 21: Ease of Doing Business in Georgia, 2020

Topics	2020
Overall	7
Starting a Business	2
Dealing with Construction Permits	21
Getting Electricity	42
Registering Property	5
Getting Credit	15
Protecting Minority Investors	7
Paying Taxes	14
Trading Across Borders	45
Enforcing Contracts	12
Resolving Insolvency	64

Note: Doing Business 2019-2020 indicators are ranking from 1 (top) to 190 (bottom) among countries.

Source: World Bank, Ease of Doing Business 2020 in Georgia.

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