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TRADE UNIONS AND PROFESSIONAL ASSOCIATIONS AS CIVIL SOCIETY ACTORS WORKING ON THE ISSUES OF LABOUR RIGHTS AND SOCIAL DIALOGUE IN GEORGIA

AUGUST 2020

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Trade unions and professional associations as civil society actors working on the issues of labour rights and social dialogue in Georgia

Ana Diakonidze, Barbora Holubová and Marta Kahancová

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Abbreviations

CSOCivil Society OrganisationDANIDADanish Development CooperationEaPEastern PartnershipEIEducation InternationalEMCHuman Rights Education and Monitoring CentreESFTUGEducators and Scientists free trade union of GeorgiaETUCEuropean Trade Union ConfederationETUCEEuropean Trade Union ConfederationEUEuropean Trade Union Committee for EducationEUEuropean Union DelegationGDPGross Domestic ProductGEGeorgiaGEAGeorgian Employers' AssociationGELGeorgian LariGSPGeneralised System of PreferenceGTUCGeorgian Trade Union ConfederationGYLAGeorgian Trade Union ConfederationHRHuman ResourcesILOInternational Labour OrganisationITUCInternational CorporationMNCMultinational CorporationMGONon-governmental OrganisationOECDOrganisation for Economic Co-operation and DevelopmentOSHOccupational Safety and HealthPAProfessional AssociationPERCPan-European Regional CouncilRNTURailway New Trade UnionsTSPCTripartite Social Partnership CommitteeTUTrade Union	AC	Acquis Communautaire
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GEGeorgiaGEAGeorgian Employers' AssociationGEAGeorgian LariGSPGeneralised System of PreferenceGTUCGeorgian Trade Union ConfederationGYLAGeorgian Young Lawyers AssociationHRHuman ResourcesILOInternational Labour OrganisationITUCInternational CorporationMNCMultinational CorporationNGONon-governmental OrganisationOECDOrganisation for Economic Co-operation and DevelopmentOSHOccupational Safety and HealthPAProfessional AssociationPERCPan-European Regional CouncilRNTURailway New Trade UnionsTSPCTripartite Social Partnership CommitteeTUTrade Union	EUD	European Union Delegation
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GTUCGeorgian Trade Union ConfederationGYLAGeorgian Young Lawyers AssociationHRHuman ResourcesILOInternational Labour OrganisationITUCInternational Trade Union ConfederationMNCMultinational CorporationNGONon-governmental OrganisationOECDOrganisation for Economic Co-operation and DevelopmentOSHOccupational Safety and HealthPAProfessional AssociationPERCPan-European Regional CouncilRNTURailway New Trade UnionsTSPCTripartite Social Partnership CommitteeTUTrade Union	GEL	Georgian Lari
GYLAGeorgian Young Lawyers AssociationHRHuman ResourcesILOInternational Labour OrganisationITUCInternational Trade Union ConfederationMNCMultinational CorporationNGONon-governmental OrganisationOECDOrganisation for Economic Co-operation and DevelopmentOSHOccupational Safety and HealthPAProfessional AssociationPERCPan-European Regional CouncilRNTURailway New Trade UnionsTSPCTripartite Social Partnership CommitteeTUTrade Union	GSP	Generalised System of Preference
HRHuman ResourcesILOInternational Labour OrganisationITUCInternational Trade Union ConfederationMNCMultinational CorporationNGONon-governmental OrganisationOECDOrganisation for Economic Co-operation and DevelopmentOSHOccupational Safety and HealthPAProfessional AssociationPERCPan-European Regional CouncilRNTURailway New Trade UnionsTSPCTripartite Social Partnership CommitteeTUTrade Union	GTUC	Georgian Trade Union Confederation
ILOInternational Labour OrganisationITUCInternational Trade Union ConfederationMNCMultinational CorporationNGONon-governmental OrganisationOECDOrganisation for Economic Co-operation and DevelopmentOSHOccupational Safety and HealthPAProfessional AssociationPERCPan-European Regional CouncilRNTURailway New Trade UnionsTSPCTripartite Social Partnership CommitteeTUTrade Union	GYLA	Georgian Young Lawyers Association
ITUCInternational Trade Union ConfederationMNCMultinational CorporationNGONon-governmental OrganisationOECDOrganisation for Economic Co-operation and DevelopmentOSHOccupational Safety and HealthPAProfessional AssociationPERCPan-European Regional CouncilRNTURailway New Trade UnionsTSPCTripartite Social Partnership CommitteeTUTrade Union	HR	Human Resources
MNCMultinational CorporationNGONon-governmental OrganisationOECDOrganisation for Economic Co-operation and DevelopmentOSHOccupational Safety and HealthPAProfessional AssociationPERCPan-European Regional CouncilRNTURailway New Trade UnionsTSPCTripartite Social Partnership CommitteeTUTrade Union	ILO	International Labour Organisation
NGONon-governmental OrganisationOECDOrganisation for Economic Co-operation and DevelopmentOSHOccupational Safety and HealthPAProfessional AssociationPERCPan-European Regional CouncilRNTURailway New Trade UnionsTSPCTripartite Social Partnership CommitteeTUTrade Union	ITUC	International Trade Union Confederation
OECDOrganisation for Economic Co-operation and DevelopmentOSHOccupational Safety and HealthPAProfessional AssociationPERCPan-European Regional CouncilRNTURailway New Trade UnionsTSPCTripartite Social Partnership CommitteeTUTrade Union	MNC	Multinational Corporation
OSHOccupational Safety and HealthPAProfessional AssociationPERCPan-European Regional CouncilRNTURailway New Trade UnionsTSPCTripartite Social Partnership CommitteeTUTrade Union	NGO	Non-governmental Organisation
PAProfessional AssociationPERCPan-European Regional CouncilRNTURailway New Trade UnionsTSPCTripartite Social Partnership CommitteeTUTrade Union	OECD	Organisation for Economic Co-operation and Development
PERCPan-European Regional CouncilRNTURailway New Trade UnionsTSPCTripartite Social Partnership CommitteeTUTrade Union	OSH	Occupational Safety and Health
RNTURailway New Trade UnionsTSPCTripartite Social Partnership CommitteeTUTrade Union	РА	Professional Association
TSPC Tripartite Social Partnership Committee TU Trade Union	PERC	Pan-European Regional Council
TU Trade Union	RNTU	Railway New Trade Unions
	TSPC	Tripartite Social Partnership Committee
VET Vocational Education and Training	TU	Trade Union
	VET	Vocational Education and Training

Executive Summary

Georgia has a vital structure of trade unions and professional associations, but their influence and access to the country's policy making is modest. Even though trade unions are officially recognised as a social partner by the government, they lack social support and political power.

The landscape of trade unions is fragmented along two lines. The first line of fragmentation refers to a dichotomy between real trade unions as interest representation organizations and yellow trade unions. The majority of real trade unions are organized in the Georgian Trade Union Confederation (GTUC) and they try to clearly distinguish themselves from yellow unions established by some company managements or even persons involved in political positions in the local government (e.g., railway). The second line of fragmentation refers to differences in power resources and strategies among the "old" and "new/alternative" trade unions. The "old" ones (descendants of Soviet trade unions) and professional associations heavily rely on reasonable membership rates (given the generally low level of union density) that serves as their greatest institutional power resource. New or alternative trade unions have been established only recently as a result of discontent and mistrust towards the "old" unions. While they lack membership as the predominant power resource, their strength lies in their capable leadership and organizing/mobilizing capacity to reach out to previously non-unionized segments of the labour force.

Despite the above fragmentation, all unions are concerned with the same goals of raising awareness among workers about their rights, training trade union leaders to strengthen the unions' role in the regions and increase union membership, monitoring unfair treatment of workers and raise the accountability of government and employers to respect legal regulation, and implementing specific provisions from Georgia's Association Agreement. Recently Georgia implemented a new law on occupational safety and health (hereafter OSH). Acknowledging particular sectoral specificities, unions from all groups mentioned above are involved or have a potential to be involved in an effective enforcement of the new OSH regulations. The issue is that despite all interviewed unions and professional associations share the same goals, there is too little coordination and information sharing between them. Relationships are rather competitive; each union is trying to secure its own position in the labour market with very low union membership and a rather hostile public perception of trade unions.

There are no clear divisions between public vs. private trade unions in Georgia. Trade unions have been established along the industry lines, thus uniting workers in the same field working either in public or private sector. Main problems of trade unions ("old" or "new") and professional associations in Georgia include the following: 1) weak financial capacities (except of the very large Trade Unions), 2) weak staff capacity (majority of organisations suffer from lack of professionals), 3) lack of regional structures (majority of Trade Unions operate in the capital only); 3) weak international connections and 4) absence of legal guarantees. While not all organisations studied during this assessment may experience these problems to a similar level, these are the major constraints holding trade unions and professional associations in Georgia back from effective protection of worker rights and strengthening social dialogue in the country.

Introduction

Countries within the Eastern Partnership region underwent a largescale economic, political and societal transition after the fall of state socialism and gaining independence. Development of a vibrant civil society shall be an inevitable part of the process. The success of building a civil society not only depends on the aims of the country's political leadership, but also on the kind of non-state actors that persist or emerge in these societies. Trade unions and professional associations belong to key interest representation organisations that represent workers in case of trade unions and persons in particular professions/occupations in case of professional associations. Through their focus on the labour market, working conditions, workers' rights and fostering social dialogue, they inevitably contribute to building democracy and a modern way of interest representation in a functioning market economy.

Georgia's situation in terms of developing civil society and strengthening labour rights is strongly influenced by the country's association to the EU. In the framework of association, a number of international donors have been active in the country to support the activities of trade unions and professional associations. After a period of neoliberal governance and abolition of certain labour market institutions, the current government is supportive of re-establishing these institutions. This includes support to the reintroduction of Labour Inspectorates abolished in the course of liberalisation reforms, strengthening tripartite social dialogue at the national level, collective bargaining in sectors, and implementation of newly legislated labour standards at workplaces, including occupational health and safety provisions, in order to meet the requirements of the Association Agreement.

Given the importance of the Association Agreement, the EUD is already actively engaged in cooperation with civil society organisations and open to more project-driven collaboration in the near future to continue meeting the requirements of the Acquis Communautaire. Commitment to re-establish labour market institutions and the fact that Georgia is implementing the EU's AC opens diverse opportunities for civil society in building these institutions.

The European Union considers civil society organisations as key political actors in the development and democratisation processes. A strong civil society involved in social, economic and political dialogues and capable of engaging in policy strategy is desirable to make

development more effective and promote and/or strengthen democratisation processes. In order to consider support for strengthening the civil society addressing labour rights, this report is a result of a mapping study of the current situation relating to trade unions and professional associations, as membership-based civil society actors in the Eastern Partnership (EaP) region with a key role in the transition to new economic labour relations and inclusive growth. The purpose of this study is to assess the potential and need for the provision of EU support to this group of civil society and provide recommendations. This report was elaborated within the project "Mapping Studies of Trade Unions and Professional Associations as Civil Society Actors Working on the Issues of Labour Rights and Social Dialogue in six Eastern Partnership Countries" funded by the European Union's "Eastern Partnership Civil Society – Regional Actions" Project and implemented by the Central European Labour Studies Institute (CELSI).

The report is a result of desk research and analysis of interviews with representatives of relevant unions, professional associations and other civil society organisations operating in Georgia. The desk research was implemented by the local expert Ana Diakonidze and interviews were conducted by CELSI researchers and the local expert during a mission to Georgia in June 2019. Overall, 11 personal interviews were undertaken. All respondents were invited to declare they participate voluntarily in the interview by signing a consent form prior to starting the interview. The consent form was translated into Georgian.

The mission was guided by a semi-structured interview questionnaire that included analytical questions. These questions were not raised to the respondent directly but served to guide the researcher to raise the question in a simple and clear way but be able to analyse the answer from the respective analytical perspective. Therefore, interview questions were not strictly those listed in the questionnaire. Experience shows that indeed the respondent provided a more informative and encompassing answer if we raised simple and direct questions. The interview with the EUD and the ILO did not follow the semi-structured questionnaire; instead, questions were individually adjusted. The focus of the EUD interview was the implementation of selected provisions of Georgia's Association Agreement with the EU with relevance to labour market institutions and civil society's role therein, experience with supporting/cooperating with trade unions and professional associations, and expectations on the missions' findings. The interview with ILO representatives evolved around assessing the general role of social dialogue in developing labour market institutions in Georgia, ILO's support of these processes and

assessment of capacities of trade unions and professional associations to play an active role in facilitating these processes. Detailed notes from all interviews are available in English.

The report is structured as follows. First, it presents the societal context in which the trade unions and professional organisations operate. The second chapter depicts the structure, size and position of the main trade unions and professional associations in Georgia. The legislative framework describing the current and proposed legislation related to social dialogue and evaluation of the tripartism is detailed in the third chapter. The assessment of the extent of the particular organisation's influence and independence from political pressure is provided within the fourth chapter. The fifths, sixth and seventh chapter discuss the financial and human resources as well as international cooperation determining the trade unions' and professionals' associations' activities and impact in the country. Finally, based on the mapping study and our analysis, the final section includes recommendations for the EU's role in supporting unions and other civil society organisations Georgia.

1. Brief Overview of the Political, Economic and Social Situation in the Country

Georgia has gone through a significant political and economic transformation process since gaining its independence in 1991. It has largely adopted pro-market development model, following the Rose Revolution in 2003, and has repeatedly expressed interest in membership in the European Union and the Organisation for Economic Co-operation and Development (OECD). In 2012, a new coalition government came to power, which although being in opposition with the previous ruling party, continued the same course in Georgia's foreign affairs. Signing the Association Agreement with the EU in 2014 represented a major landmark event in this regard, which strongly influenced policy directions in number of areas including economy, labour and employment.

Economic reforms since 2000, supported country's economic growth and macroeconomic stability. GDP Annual Growth Rate averaged 4.24% from 2006 until 2018, reaching an all-time high of 12.30% in the fourth quarter of 2007 and a record lowest of -9% in the second quarter of 2009 (due to global financial crisis and the conflict with Russia). In the last 20 years GDP per capita has more than tripled, from USD 3,152 in 1996 to USD17,707 in 2016¹.

Discussions of economic development in Georgia, particularly since 2004, have focused on tourism, energy and agriculture, with a range of other sectors like transport and logistics, finance, food-processing and textiles gaining partial consideration. Though economic progression and growth of GDP income level are still below compared to the regional average; According to the World Bank at this progression rate, it will take Georgia another 24 years to reach the level of productivity of Europe and Central Asia².

However, an increase in GDP rates over the last decade only had a moderate effect on employment rate. This is primarily due to the fact that economic growth was steered by increased productivity, rather than availability of more jobs³. While the unemployment rate has been decreasing over the last couple of years it still remains rather high at 12.7% (as of 2018)⁴.

¹ National Accounts, National Statistics Office of Georgia accessed June 1, 2019

² Georgia at Work: Assessing the Jobs Landscape, The World Bank, 2018

³ ibid

⁴ Employment and Unemployment, National Statistics Office of Georgia, accessed June 1, 2019

High unemployment in Georgia is predetermined by several structural reasons. First of all, we should mention the large share of self-employed (52% in 2017)⁵, absolute majority of which are subsistence farmers in agriculture. The income they generate is hardly enough to satisfy minimum living standards⁶. Respectively, including them in the group of employed individuals artificially decreases the unemployment rate. Presence of almost half of the Georgian labour force in agriculture is even more worrisome considering that this sector contributes very little to GDP (9% in 2016)⁷. This is a clear indication that agriculture is rather low in productivity. According to the World Bank considering the level of economic development of Georgia such a high share of workers in this field is abnormal. Thus, it can be argued that Georgian economy is in dire need of structural transformation and is not able to shift workers from agriculture to more productive economic sectors⁸.

Manufacturing in Georgia is rather small and has been stagnating since 2004. Nevertheless, it contributes significantly to GDP (16.4% in 2017)⁹. As for the service sector, there is a clear positive trend. Namely, the economic growth phase, which started in 2005 was due to the increase in service sector. During 2006-2016 average annual value added by the service sector was 6%. If not counting the agricultural field, the private service sector created the greatest number of jobs during the last decade. At the same time employment in public sector has been decreasing over the same period of time¹⁰.

If compared to the economic policy of the previous government, there are no major changes in the economic doctrine of the existing ruling party. Namely, the latter continue the strategy of liberalisation, deregulation and 'small government'. However, it should be noted that existing government is not as radical in its political-economic policy as the previous one. Obligations taken by the Association Agreement and the Deep and Comprehensive Free Trade Agreement with the EU influence this to a great extent. One of the areas where the difference between the two governments can be observed is the Labour/Employment policy and attitudes towards social partners and the social dialogue. More precisely, previous government abolished labour market institutions altogether in 2006 as it did not see the role of state in intervening in this

⁵ ibid

⁶ Ministry of Economy & Sustainable Development of Georgia, "Labour Market Analysis of Georgia", 2017

⁷ National Statistics Office of Georgia, National Accounts.

⁸ The World Bank. (2018) Georgia at Work.

⁹ National Statistics Office of Georgia, National Accounts.

¹⁰Georgian Foundation for Strategic and International Studies, Structure of Unemployment and Structural Unemployment in Georgia, 2016.

policy domain. Position towards trade unions was openly hostile, and the latter have been oppressed in number of ways during 2004-2012.

In 2012, the newly elected government headed by the "Georgian Dream" coalition changed the approach and started the process of re-introducing labour market institutions in the country. For instance, the Department of Labour & Employment Policy was reinstituted, and the proto Public Employment Service emerged as one of the departments of Social Service Agency. Attitudes towards trade unions are not as hostile and even more so, the government has officially stated their dedication to the dialogue with social partners by establishing a Tripartite Social Partnership Committee in 2013. Nevertheless, it should be noted that trade unions remain largely powerless and their leverage power is weak. This is mainly explained by the fact that the latter remain perceived as remnants of the Soviet past and thus are not taken seriously by general public. However, recent developments (emergence of new type of labour unions in the country) could positively influence and change the socio-political standing of trade unions in Georgia.

2. Mapping Trade Unions and Professional Associations Involved in the Issues of Labour Rights and Social Dialogue

2.1. Landscape of trade unions and professional associations

Structure and organisation type of trade unions/ professional associations

Trade unions in Georgia have been formed at the industry level and most of them are members of the peak-level Georgian Trade Union Confederation (GTUC). Respectively, GTUC is the largest association of unions and has an official status of a social partner – thus representing workers in the social dialogue with the Government and Employers' association. The GTUC is governed by the management council consisting of the heads of the member sectorial unions. The head of the management council is the head of the entire confederation. Thus, the structure of GTUC is top-down and hierarchical. During recent years Georgia has seen emergence of new, so called alternative trade unions, which are not members of the GTUC. These are also industry level unions, except one (Solidarity Network), which is inter-sectorial and open for workers from any sector/industry.

In May 2019 so called *alternative unions* established a Union of Independent Trade Unions, which currently comprises four organisations. The membership and structure of the new union are still under formation, however, as members have stated, it shall have a more horizontal management structure in comparison to GTUC. Last but not least, there is a Union of Farmers and Agricultural Workers, which is not a member of any of the confederations described above. Most of the trade unions in Georgia have no presence in the regions and are concentrated in the capital. Most notable exceptions are the Georgian Trade Union Confederation, the Educators and Scientists Free Trade Union (ESFTUG) and the Farmers and Agricultural Workers Union. The latter has representatives in four regions of Georgia: Samegrelo- Zemo Svaneti, Racha-Lechkhumi & Kvemo Svaneti, Adjara and Shida Kartli. ESFTUG is represented in every region and even at the district level in Georgia. While GTUC has offices in Batumi and Kutaisi.

As for professional associations, there are very few organizations, which operate on membership basis and provide training and networking opportunities to their members. There are a number of NGOs in Georgia which feature the concept of "professional association" in their title (e.g. the Association of Young Economists of Georgia); however, they have not been established with the purpose of representing the profession in discussion with other bodies or creating/maintaining professional standards. Rather, these are organizations formed by a group of certain professionals around specific issues. These are not membership-based organizations and as regular NGOs operate on project basis.

Important to note, the legal notion of "Professional Association" does not exist in Georgia and respectively, organizations described above are registered as "non-profit, non-commercial legal bodies". However, this is not only a matter of legal form, but rather a matter of a completely different approach: the majority of PAs in Georgia operate as NGOs/research institutes or think tanks. *Labour/employment policy issues and social dialogue are not on the agenda of these organizations*.

Number and sizes of trade union/professional associations

The GTUC has 21-member trade unions. The largest sectorial unions among them are the following: the Educators and Scientists Free Trade Union – 35,000 members, the New Trade

Union of the Georgian Railways – 3,000 members¹¹, the Communication Workers' Union – 4,200 members, Metallurgy, Mining and Chemical Workers' Union – 3,600 members. Unfortunately, membership information about each sectorial union is not officially available. GTUC usually provides the overall estimate of their membership, which according to the latest information is around $143,471^{12}$, which is 7% of the Georgian labour force. However, this number is highly contested. For instance, in the latest nation-wide study on this topic, only 3.4% of the survey respondents mentioned that they are member of TU¹³.

As for the alternative trade unions, they have formed in Georgia starting in 2011 and they are not big in size. For instance, "Union 2013" which is the alternative union in the Tbilisi Transport Company has 600 members, Solidarity Network, which is a cross-sectorial union, has mobilised only about 300 workers.

Geographical locations of trade unions/professional associations

The majority of the trade unions except three (Georgian Trade Union Confederation, Farmers and Agricultural Workers Union and ESFTUG) have offices in the capital only and do not operate in the regions. This obviously affects the functionality of the unions: those having a presence in the regions have larger membership base and are more active in general (e.g. organising projects, events etc.). Trade unions that have no regional presence usually send their representatives to the specific locations if strikes are being organised.

Percentage of the unionised workers per industry/area of work

According to the Georgian Law on Trade Unions¹⁴ there are no occupations that are excluded from the possibility of joining the trade union and also there is no obligation for any occupation representatives to form the trade union. The law also specifies that formation of trade unions in the defence, tax administration, internal affairs, judiciary and prosecutor's office, as well as state security service, is subject to specific regulation, defined in the national legislation on the operation of these state bodies.

Given the limited nature of the TU membership data it is hard to estimate the unionisation rate. These statistics are not officially maintained and available.

¹¹ The number of members was 6000 in the time of establishment in 2013, currently the membership decreased to 1000 cause of the pressure of the management, old – yellow trade unions and dismissal threats (interview GE9). ¹² Open Society Foundation (OSF) & International Institute for Democracy and Electoral Assistance (IDEA),

⁽²⁰¹⁹⁾ Georgia - Democracy Assessment report, *Forthcoming*.

¹⁴ Parliament of Georgia, (2018) The Law on Trade Unions.

Presence of any non-trade union organisations active in labour rights

There is a great variation in the focus of CSOs working on labour rights issues in Georgia. The Human Rights Education & Monitoring Centre (EMC) has a distinctive focus on studying workers' conditions and advocating for labour rights. EMC was established in 2013 and it unites researchers, activists and lawyers working in the field of social policy, justice and equality policy. EMC has no working relationship with GTUC, on the other hand they are involved with the alternative trade unions: for instance, during the strike of social workers in April 2019 EMC provided technical & legal support to those on strike and helped them form the trade union. They have been involved in a number of informational and protest campaigns organised by alternative trade unions. The next CSO focusing partly on social and labour rights (such as health and safety and court representation of workers in these issues) is the Georgian Young Lawyers Association (GYLA). GYLA is a known and respected organisation with stable membership, but workers' rights are only one of its several activities. Among others, GYLA is lobbing for independent judiciary and proportional election systems.¹⁵

Yellow trade unions

"Yellow trade unions" in Georgia are commonly understood as trade unions, which have been established through the support of company management and thus are under heavy influence of the latter. Yellow trade unions are thus often used to supress the operation of the real trade unions that operate within the company. Several cases of "yellow trade unions" have been discussed over the past few years in Georgia. The discussion emerged following the conflicts between labour and management in several state-owned companies like the Georgian Post, Georgian Railways, the Tbilisi Transport Company and the Public Broadcaster of Georgia. Labour disputes started with the demand of certain groups of workers for a salary increase and improved working conditions. Respective sectorial trade unions have been involved in the negotiations with the management, however, without much success. Workers blamed the existing primary (company-level) trade unions for being co-opted with the management and not really striving for advocating workers' interests. For instance, according to the "Ertoba 2013" – an independent trade union formed within the Tbilisi Transport Company, the "old" trade union would give concessions to the management on all topics and whenever the workers would request improvements in their working conditions these would be denied¹⁶.

¹⁵ Interview GE3.

¹⁶ OSF and IDEA. (2019) Georgia - Democracy Assessment report.

This opposition resulted into the development of alternative trade unions – workers dissatisfied by the negotiation processes decided to form their trade union, clearly positioning themselves as not being part of GTUC. Such independent trade unions have been formed in 3 out of 4 cases (except the Georgian Post) in the Tbilisi Transport Company ("Ertoba 2013"), Georgian Railway and in the Georgian Public Broadcaster. All of these are primary trade unions.

Formation of alternative trade unions created tensions as the management started oppressing the workers and deterring them from joining newly formed trade unions. The strategy from the management was not that of undermining the legitimacy of independent unions, but they rather aggressively pressured the workers (e.g. dismissal threats were most common)¹⁷. Despite this, Ertoba 2013 managed to organise 600 workers (primarily metro drivers). The case of the Georgian Public Broadcaster is somewhat different: the opposition with the existing "yellow" trade unions resulted in dissolving the old structure and the independent trade unions have been formed in the wake of this process. The fact that all three cases happened in state-owned enterprises suggests that the "yellow" trade unions there were supported by the government.

Trade unions and society

The existence of trade unions remains largely unnoticed by general public. This can be evidenced by the results of the various surveys¹⁸ featuring a question on trade unions. Usually, the outcome is that the majority of the population does not even know about the existence of trade unions and if they do, they immediately connect it to the Soviet past, which *a priori* decreases the level of trust towards them. The emergence of the alternative unions is slowly changing this attitude; however, the reach of these trade unions is so small that it does not translate on a national level change of attitude towards trade unionism. Even though some of the new trade unions, such as the Solidarity Network, are using new ways of organising workers, they are struggling with the old culture that is difficult to change.¹⁹

¹⁷ ibid

¹⁸ Caucasus Research Resource Centres. Nationwide Public Opinion Survey on Georgians' Attitudes towards CSOs, CSR, and the EU.

¹⁹ Interview GE4.

Traditional and modern trade unions

As mentioned above, the establishment of independent/alternative trade unions is a very important process in the country as it gives birth to "Western Style" trade unionism. The five trade unions that can be named as "alternative" have been created under various circumstances. Namely, in two cases these have emerged from the workers (at the company level) themselves who decided to act in defence of their labour rights (cases of Georgian Public Broadcaster and the Metro Drivers). The Social Workers Trade Union was established following a nation-wide strike of social workers (employed mainly by the state Social Service Agency under the Ministry of Labour) as they protested harsh working conditions. They gained legitimacy as they managed to organise social workers in the public sector and call a strike. This resulted in establishment of a trade union.²⁰ The other two cases have a distinctive story.

For instance, the organisation of farmers into a trade union started from Kakheti region, where the "Women Farmer Association" was established²¹. The association had partner organisations in different regions of Georgia. The association was primarily engaged in various agricultural projects, however, gradually it also started tackling labour issues as well and then the decision was made to formally establish a trade union. As for the "Solidarity Network" it was started by a group of young labour activists who went company to company to recruit members at the individual level across sectors, such as retailers, nurses, teachers and farmers. They are supporting exploited working people in general, labelled as urban precariat (and not as low skill workers), trying to establish Shop stewards (employees' representatives) at middle and local level²². They have also supported workers in mobilising strikes and forming primary unions at the company and local level. After a year in operation, the Solidarity Network registered as a trade union to gain more legitimacy and legal power.

2.2. Trade unions and professional associations in the public and private sectors

Profile of the trade unions/professional associations in the private sector

There is no clear division between the private and public trade unions in Georgia. As noted earlier in the report, GTUC is comprised of sectorial trade unions, meaning that workers from both public and private sectors in the same industry can join this union. For instance, the Educators and Scientists Free Trade Union mobilises members from public as well as private

²⁰ Interview GE6.

²¹ Women Farmers' Association, 2019.

²² They use the perspective to organise workers in the USA/UK.Interview GE4.

educational institutions. It should be noted that recruiting workers from the private sector is more complicated and in practice it may mean that some sectorial trade unions have only members working in public bodies, however, this does not make them any different from other sectorial unions. An exception to this could be the "Public Service Trade Union of Georgia²³" which unites workers in public administration (city councils, local self-governance etc.). Purely private trade unions are the primary unions formed at a company level. While these types of primary unions may exist, there are no statistics available about them.

Recent developments in the private sector

In recent year two sector-wide trade unions have been established: the Trade Union of Social Workers and the Trade Union of Translators & Interpreters. Given the fact that social workers jobs are primarily concentrated in public or non-governmental sector in Georgia, the latter can be considered a quasi-public trade union. However, they only count several months of existence and at the moment no further judgement can be made about them. As for the Translators and Interpreters Trade Unions, it has been formed in 2017 with support of the alternative trade union "Solidarity Network". Freelance translators had approached the Solidarity Network for support, as they had a dispute with a private company, which would not provide payment for the services rendered by translators. While Solidarity Networked helped them file a legal case about this issue, they have also been mobilized to become union members.

Despite the marginal presence of professional associations explained earlier, several professional associations have emerged in recent years in Georgia. These are primarily in the field of HR (for instance, HR Professionals' Guild, HR Hub) and they unite professionals primarily from the private sector.

Multinational corporations and social dialogue

Multinational Corporations (MNCs) conduct diverse business activities in Georgia. Examples include oil and gas suppliers, textile industry, mining, automotive sellers and retailers (Carrefour and Spar). Due to the fact that the Georgian legislation considers almost all business information as a 'commercial secret', there is a lack of available data on their activities. Even

²³ Public Service Trade Union of Georgia, 2019.

the list is not disclosed. Respectively, there is no documented information about their involvement in social dialogue. Nevertheless, interviews with local CSOs indicate that working conditions in these corporations are dire and labour rights frequently violated. A recent publication²⁴ by EMC has shown exploitative working conditions in sewing factories operating in Western Georgia (which are suppliers of brands like Zara). In the last years, the Solidarity Network organised a public campaign against Spar, to denounce the harsh working conditions and violation of labour rights there. Primary reason for MNCs to operate in Georgia is cheap labour. The textile industry, retailers, as well as mining industry primarily employ low-skilled labour, which are easily substitutable. This is the primary reason why workers in these sectors are not unionized: all attempts of unionization are met by dismissal threats. Solidarity Network has noted that workers would feel very scared to join the union because they would be easily dismissed. Thus, one can argue that MNCs do not play any role in supporting social dialogue in Georgia, on the contrary, they are taking advantage of low labour standards.

Profile of trade unions in the public sector

As mentioned earlier, trade unions in Georgia cannot be divided along the public/private lines. Trade unions are primarily sectoral in nature, meaning workers in a particular sector (i.e., education) working at public as well as private institutions would be joining the same union.

Main differences between trade unions and associations active in the public sector and in the private sector

Some of the sectoral trade unions operate in the private sector only. For instance, the Metallurgy, Mining and Chemical Workers trade union has members only from the private companies. However, trade unions both in public and private sector face similar challenges. The only difference could be that trade unions which unionize workers in the private sector find it more difficult to counter the private employer, whilst public bodies and state institutions could be held more accountable for upholding labour standards.

²⁴ The Human Rights Education and Monitoring Centre (EMC), (2017) An Assessment of the Labour Inspection Mechanism and a Study of Labour Rights Conditions in Georgia.

3. Legislative Framework that Governs the Activities of Trade Unions and Professional Associations

3.1. Legislative framework governing the role and functions of trade unions and professional associations in the country

(The missing) Legislation governing professional associations

Since it is exclusively the trade unions that are recognized in the legislation as social partners to represent the workers' interests and engage in social dialogue and collective bargaining, professional associations are not subject to the same legislative stipulations despite being a membership-based type of organization. Interestingly, the Georgian legislation currently does not recognise the status of "Professional Associations". If representatives of certain a vocation would like to register an association, this would have to be under the legal status of non-commercial, non-profit legal body without granting them a special status or competences in labour issues. Alternatively, since PAs are in the international context also a membership-based organization (however with distinct activities compared to trade unions, and not recognized a s a social partner for bargaining and social dialogue), in the Georgian legislative context they can register as a 'trade union' (this is similar to Ukraine). But in fact, these organisations act as non-governmental organisations and claim that their opinions sometimes derogate from opinions and strategies of trade unions.²⁵

For instance, the Georgian Young Lawyers Association is active in the field of promoting human rights and justice; the Young Economists Association is conducting wide-range research in the field of social and economic policy. One of these associations have advancement of labour rights issues as their core mandate, GYLA prioritises the regulation of particular labour-related rights, most recently, working time issues and health and safety at the workplace. GYLA cannot be a member of a tripartite committee (which is an exclusive right of trade unions), but expressed interest in joining a Parliament-organised working group on occupational health and safety issues. Due to the political challenges of this topic and the postponement of the implementation of new legislation on occupational health and safety, this committee has not

²⁵ Interview GE3.

started to operate yet at the time of research.²⁶ If such a committee will eventually operate and organisations like GYLA would be part of it, it is an opportunity for establishing a more institutionalised platform for civil dialogue involving not only representative social partners (trade unions and employers' associations) but also CSOs in labour rights.

Main legislation governing trade unions and social dialogue

Trade unions enjoy institutional resources derived from legislative underpinning of their activities. The normative base of Trade Union activity in the country is set by the Georgian Constitution and the Law on Trade Unions. According to the Georgian Constitution, everyone has the right to establish and join a trade union. Apart from the freedom of association, the right to collective bargaining, right to trade union representation and the right to strike are also guaranteed by the Law on Trade Unions. It is important to note that according to ILO²⁷ provisions, the Trade Union Law on collective bargaining are not fully aligned with international standards. Namely, the law does not specify the role of Trade Unions in initiating collective agreements, any association of workers can have this right. Essentially, the only difference between the individual and collective agreement, according to existing provisions, boils down to a quantitative difference in the number of workers signing the agreement. In addition to these, the Georgian Labour Code prohibits discrimination during pre-contractual, as well as contractual relations and the forced labour.

Besides the national legislation, one should also mention that Georgia has ratified all respective key ILO conventions. Namely, ILO convention #87 – Freedom of Association and Protection of the Right to Organise, Convention #98- Right to Organise and Collective Bargaining, as well as the Convention #111 on Discrimination in Respect of Employment & Occupation and Convention 029 on Forced Labour. It is also important to note that Georgia has recently ratified ILO convention 144 on Tripartite Consultation.

Evolution of tripartism in the country and its current state

A tripartite social partnership committee (TSPC) was established in Georgia in 2013. This has happened in the wake of intense labour conflicts in several regions of the country starting in

²⁶ Interview GE3.

²⁷ International Labour Organisation, 2019.

2012²⁸. The TSPC is chaired by the prime minister and has three main parties: the government, employers and employee associations. Each party has 6 members represented in the council. Worth noting that the employee associations are presented by GTUC representatives only and no members from "independent unions" are present there.

According to the state decree on Social Partnership (#258) the TSPC is supposed to meet on a quarterly basis. In practice, however, their meetings are much less frequent and organised on an ad-hoc basis. For instance, during 2018 the council met only twice²⁹. Thus, there is no systematic approach towards the work of TSPC to advance any labour agenda or to elaborate a strategy on improving labour conditions in the country. The council only assembles when something extraordinary happens in the field of labour relations (e.g. major strike is organised, or a piece of legislation has to be approved by the Government). The main topic during the last years' discussion was the Law on Occupational Health and Safety, which was to be adopted by the Parliament. The employers' association hotly debated the provisions of the law and respectively the adoption of the law gained high political importance.

Another main challenge of the TSPC operation relates to the fact that it is only a national level structure without regional representations. Respectively, there is very low capacity for issues/problems being communicated from the bottom to the top and account for regionally specific challenges.

Implementation and oversight of legal frameworks

Trade union rights described in the earlier section, although guaranteed on paper, in reality remain grossly violated. Starting from 2006, the ILO and the EU have been critical of the fact that freedom of association and right to collective bargaining have been persistently neglected in Georgia. GTUC has even filed a petition at the US Trade Representative to remove Georgia from the GSP+ beneficiary list, since the country was violating its core labour rights (freedom of association and collective bargaining) that were part of the trade agreement. The situation has improved somewhat since 2012, with the change of the ruling party. The new Government headed by Georgian Dream Coalition decided that compliance with the EU norms and regulations in the field of labour/social dialogue was important. As a result of this

²⁸ Muskhelishvili M. (2017) Social Dialogue in Georgia. Friedrich Ebert Stiftung.

²⁹ ibid

Government's relation towards Trade Unions has changed. This was manifested in 2013 by inviting them as social partners in the TSPC (see section above). Open hostility and pressure on trade unions have also stopped. While trade unions have gained some political leverage through TSPC this has not improved their social status. Respectively, several challenges remain. For instance, there are only 57 collective agreements in total in the country. These are primarily concluded at the company level in the private sector. The only sectorial collective agreement has been signed by the Education and Science Free Trade Union. As TU representatives explain this is due to the very weak provisions in the law. The law on trade unions obliges the employer to enter into negotiation regarding collective agreements if the initiative is raised by workers. However, there is no obligation to achieve some result. Furthermore, there are almost no provisions regarding the content of the collective agreement, and it is left upon the agreement between the employer and employees. In reality, even these weak provisions are not fulfilled. It is very difficult to initiate the demand for collective agreement, since employers refer to the fact that they have no obligation to enter such agreements. Often management reacts by dismissal threats and other forms of pressure on workers. Even in case when collective agreements are negotiated and formally valid, commitment to their implementation is challenged. For example, the Railway New Trade Unions (RNTU) managed to negotiate a collective agreement with a 37% wage increase after a massive strike in 2013-2014. This is a formal achievement, however, in the opinion of the RNTU practically a large share of wage increases was used for management, trade union members became threatened with dismissals and some were even dismissed.³⁰ RNTU perceived that being a member of this union exposed the workers to various forms of threats, while being a member of a 'yellow' trade union at the same company granted workers the expected protection. In sum, the stipulations of the collective agreement were never fully implemented despite of the fact that the legal agreement is still valid even after 2 years after its negotiation. Currently, the RNTU plans to engage in a dispute with the management on this collective agreement.³¹

The workers' rights situation in Georgia leaves much to be desired. A number of studies³² reveal that labour rights are permanently violated both in the public and private sector. Some of the

³⁰ Interview GE9.

³¹ Interview GE9.

³² EMC. (2017) An Assessment of the Labour Inspection Mechanism and a Study of Labour Rights Conditions in Georgia.

most prevalent violations refer to the inadequate protection in the workplace, employment without written contracts, inadequate payment, neglecting the duty to pay overtime and denial of annual paid holidays. A study by EMC³³ revealed that the majority of workers in the Georgian heavy industry are exposed daily to deadly dangers due to the operating machinery which is a remnant of Soviet times and which has not even been repaired since. Neglecting the Occupational Health and Safety standards are also prevalent in the construction sector. Over the course of last 6 years, more than 700 workers have been injured and more than 200 have been killed because of non-existent Occupational Safety and Health (OSH) measures at work, the majority of which has been in the construction and mining sectors³⁴. Some of the interviews³⁵ also provided information in support of this argument, e.g. related to violations in working time length, health and safety at the workplace and accidents at the workplace that are especially alarming in the construction sector.³⁶

The problem with contracts is applicable not only to heavy industry, but to the entire service sector. Mineworkers stated that they have not even seen the contracts and are not aware of the rights, responsibilities or any other issues regarding their employment. The same has been reported by the women working in large sewing factories in West Georgia. In many cases, employers abuse the opportunity of concluding oral agreements for short-term employment³⁷. While their intention is to hire people on a long-term basis, they renew short-term oral contracts over years with them, avoiding signature of written agreement.

The major concerns of sales consultants in the supermarket chains related to the fact that the idea of paid holidays does not apply to them as the employers are deducting payment for every day not spent at work. Overtime pay is not even discussed. The conditions are so oppressive that consultants are charged for expired products or any damage taking place in the shop.

The rampant abuse of workers' rights is so mainstream that it is taken for granted, especially by workers who are not aware of their labour rights. The limited mandate of the labour inspection and mass unemployment are the major culprits for generating the impunity syndrome among employers. The recently established labour inspectorate can only assess the OSH

³³ ibid.

³⁴ ibid

³⁵ Interviews GE3, GE4 and GE8

³⁶ Interview GE3 and GE4.

³⁷ According to the Georgian labour code agreement can be made orally if employment lasts less than 3 months.

conditions at the workplace, however, monitoring labour rights is not part of their mandate. Moreover, there is a severe lack of OSH specialists in the Georgian labour market and training possibilities (interviews GE5 and GE7).

3.2. Recent or proposed legislative amendments to labour legislation in the country

Effects on workers' rights

A landmark event in the labour legislation has been the adoption of the Law on Occupational Safety on the 8th of March, 2018. The law was initiated by the Department of Labour & Employment Policy at the Ministry of Internally Displaced Persons, Labour, Health and Social Affairs and it is linked with the obligations taken by Georgian Government by signing the Association Agreement with the EU. The draft law was in discussion for almost 2 years and was the most hotly debated topic among policymakers. Employers' associations and chambers of commerce vehemently opposed the adoption of the law, counterarguing with the high expenditure and lack of safety specialist – managers.³⁸ The law introduced a number of obligations³⁹ for the employers such as insuring the workers against work accidents, monitoring and upgrading working equipment, registering work accidents and notifying the department of Labour & Employment Policy, as well as employing an OSH specialist. However, the scope of the law still remains limited. During 2018 no financial sanctions could be imposed on the companies who were falling short of implementing the recommendations from labour inspectors. The financial sanctioning mechanism is active since January 2019. While adoption of the law is a significant step towards bringing Georgian labour legislation closer to the European and international standards, there are number of issues which make the effectiveness of the law questionable. First of all, it should be mentioned that the law only applies to the working environment which is classified as hard, harmful and hazardous. Despite initial discussions that the law should, after certain a period of time, be expanded to all workers and economic sectors, such a provision is not included in the adopted version. Other than this, civil society has voiced concerns regarding the effectiveness of the sanctioning system introduced by the law, which they consider, should be harsher in case of large employers.

³⁸ Interview GE7.

³⁹ Parliament of Georgia, (2019) Law on Labour Safety.

Other changes include the introduction of anti-discrimination clauses in the labour code. Namely, based on ILO recommendations, a clause on prohibition of any kind of discrimination during pre-contractual relations has been added to the article 5 of the labour code. Also, the labour code now defines and prohibits sexual harassment at the workplace.

The changes described above can only be viewed in a positive light. It might be difficult to assess the extent it affected workers' rights, as all of these changes are very recent. While the propositions can only have a positive effect on workers' rights, the real impact potential hinges on the enforcement of these legislative changes, which is the weakest point of Georgian labour regulation in general.

Attitudes of national trade union organisations

Trade Unions (namely GTUC) were heavily involved in the preparation of OSH law as members of the TSPC. While they have not proposed their version of this law, they have provided extensive comments on the law and they share the criticism described in the previous section.

Alternatively, GTUC has worked on several other proposals relating to introduction of Unemployment Benefits and the minimum wage in Georgia. These have not been issued as a draft law but are published as analytical papers. GTUC strongly opposed the pension reform implemented by the government in 2018. They have elaborated an alternative pension scheme,⁴⁰ however, the latter has not been taken into consideration by the respective policymakers.

4. Political Influence of Trade Unions/ Professional Associations

4.1. The relationship between trade unions/professional associations and political parties

Form of cooperation

⁴⁰ "Pension Reform in Georgia", Georgian Trade Union Confederation, 2019.

GTUC leaders have constantly stressed their standing clear of any influence of political parties, especially during public actions. Public actions organised by the Trade Unions and by political parties never coincide. The Trade Unions do not join political rallies and as a rule, prohibit political parties to attend TU demonstrations⁴¹. Alternative trade unions and professional associations are clearly not related to political parties either.

The only interesting point worth mentioning is that the emergence of alternative trade unions as mentioned earlier was largely predetermined by their dissatisfaction with the GTUC operation. One of the reasons for their dissatisfaction was that in their opinion GTUC was making concessions to the Government (here we refer to the period from 2012 onwards, because, until this the GTUC and ruling party relations were obviously hostile). For instance, the claims referred to the GTUC not being able and willing to negotiate stronger at TSPC and fighting for the better OSH law. In that sense, GTUC is often portrayed as being the right hand of the Government and agreeing to whatever proposals are made by them.

Effect on the legislative process

As analysts explain, having such a public image of not being aligned with any political party positively influences the independence of the GTUC, but it may also reduce their influence on political parties and their agenda referring to labour relations. As noted in the previous section, being too dismissive of the government and business association coalition obviously has had a negative effect on the recent elaboration of the OSH law. According to alternative trade unions and civil society organisations, the law could have been much more comprehensive.

Cooperation with other social partners

The relationship between the GTUC and employers' association is established and functioning. The main social partner for GTUC is the Georgian Employers' Association (GEA). It was founded in 2000 as a non-governmental organisation. It engaged in a broad range of activities in 2005-2006, after joining the International Organisation of Employers in 2004 and becoming its official partner. Respectively, it gained recognition from the ILO. GEA is actively engaged in social dialogue and labour/employment policy. Being social partners and members of the

⁴¹ Muskhelishvili M. (2017) Social Dialogue in Georgia.

tripartite committee, GTUC and GEA are cooperating on a close basis. This cooperation has been full of challenges and confrontations on all major policy developments in the recent past.

A good example of this can be the history of establishment of Labour Inspection in Georgia in 2014. Labour inspection was abolished in 2006 following the radical liberalisation of labour policy. As noted in the introduction to this report, the new government which came to power in 2012, changed the stance and started re-introducing labour market institutions. Re-introduction of labour inspection came to an agenda in 2012 and it was initially vehemently opposed not only by GEA but all the major business associations (e.g. American Chamber of Commerce, Business Association of Georgia). The topic was so high on public/political agenda that the head of the International Chamber of Commerce sent an official letter to the European Union Delegation to Georgia requesting them to stop imposing the obligation on Georgian government to reinstitute labour inspection. International Labour Organisation played an active role in providing technical support to the government in this process and also in mediating among the social partners. In the end, the department of monitoring labour conditions has been established and initially labour inspectors were physically located at GEA office, where they went through extensive training. In contrast to GTUC and its members, alternative trade unions beyond GTUC do not engage with employers' associations. This could be explained by the fact that firstly, they are very new to the public agenda and secondly, they are not officially members of the TSPC. Their low membership and advocacy type of work are mostly based on a small number of committed individuals and volunteers that run organising campaigns, but these organisations have not yet reached the status of a recognised social partner by business associations. It remains to be seen how the status of alternative unions will change in time after they gain higher membership and more influence on policy agendas and in representing workers' interests.

Level of engagement of trade unions and professional association at public debates on sociopolitical issues and its correlation to the achievement of necessary reforms

Trade unions in Georgia use four main strategies to reach their goals: collective bargaining, strikes, public protests/manifestation and court appeals. In its 2018 annual report⁴² GTUC notes that they have won 31 cases in court and the workers have received 1,600,000 GEL in

⁴² Annual Report, Georgian Trade Union Confederation, 2019.

compensation. However, court appeals are not considered in general very successful, because they usually take long and even if individual workers are reinstated at workplaces, it does not alter the overall condition of labour in the country. Public protests are held very seldom, while there have been several major strikes in the country over the past couple of years. In May 2019, a major strike was initiated by mineworkers in the city of Chiatura, which was supported by the entire city. Critical to note, strikers refused to cooperate with any trade union representatives and started negotiation directly with the company. The workers won 25% increase in wages, which is an unprecedented success for the strike histories in Georgia.

The alternative trade union "Solidarity Network" has introduced a new mechanism of "naming and shaming" the employers and initiating massive public campaigns about the most notorious employers that breach legally stipulated labour conditions. These campaigns have been rather successful in raising public attention towards labour rights issues. In several cases it has also resulted in company management introducing more humane working shifts and working conditions (primarily in supermarket chains).

To summarise, TUs in Georgia are active, but to a moderate level. While traditional trade unions consider collective bargaining and policy influence via interaction with the government an important strategy to reach their goals,⁴³ some newer and alternative trade unions adopt more radical strategies and are also more vocal via public protests, naming and shaming, and strikes. However, altogether they are not taken as serious social partner by the government and they can rarely influence change at the policy level. Finally, as mentioned earlier, professional associations tend not to engage in public debates on policy issues.

Political pressures on trade unions and professional associations

Political pressure on union activities was strong during 2006-2012. The Educators & Scientists' Free Trade Union described this period as extremely hostile towards trade unions where the union lost all its members and basically stopped existing.⁴⁴ However, after the change in government in 2012, trade unions are operating freely, and no political pressure has been reported by them. The organisational capacity and the power of leadership in particular trade unions were needed to revive unionization again. While some trade unions experience a

⁴³ Interview GE1 and GE10.

⁴⁴ Interview GE10.

declining membership due to obstacles and threats on the employer side (e.g. the new railway trade union).⁴⁵, others managed to build their membership virtually from zero and develop into a functioning organisation, with regional units and influence on the education policy (e.g. the Educators & Scientists' Free Trade Union).⁴⁶

⁴⁵ Interview GE9.

⁴⁶ Interview GE11

5. Finances and Funding of Trade Unions and Professional Associations

5.1. Sources of funding of trade unions and professional associations

Membership fees

The main source of funding for trade unions in Georgia are the membership fees. This applies to both old and alternative unions. The latter is usually 1% of the worker's monthly salary. However, there are several exceptions as well. For instance, in the alternative trade union of the Georgian Public Broadcaster the membership fee is 0.5% of the monthly wage⁴⁷. According to article 25 of the Law on Trade Unions, the employer transfers the TU membership fees based on the written statement of the workers and in accordance with a particular collective agreement. Such administration of the membership fees has advantages, as well as disadvantages. The positive side is that the system is well organised and TUs do not have to take additional efforts to collect the fees. The advantages of such system can be exemplified by the case of "Solidarity Network". The latter faces considerable challenge in collecting membership fees, since they organise workers from many different employers. "Solidarity Network" is not entering into an agreement with the employer, nor are collective agreements concluded with them. They are mobilising individual workers from various companies. Respectively, they have to rely on the members themselves to make the actual transfer every month. According to the head of the organisation this is quite challenging because workers often forget about it or are lazy to make the payments⁴⁸. So, TU administration has to call and remind them.

On the other hand, however, the system can also cause a challenge because the main source of TU's finances is in the hands of employers. There have been cases when the company management, who are antagonistic to TUs ceased the transfer of membership fees causing significant damage to TU operations and weakening their power. All trade unions note that through the membership fees they can only accumulate very modest financial resources. Thus,

⁴⁷ OSF and IDEA, (2019) Georgia – Democracy Assessment

⁴⁸ ibid

they rely heavily on financial support from international organisations (partners) and in the case of GTUC members funding from GTUC.

As for the professional associations, it is common in other countries that they are a membershipbased organization. However, due to a lacking legislation in Georgia recognizing the specific status of PAs, they do not operate with membership fees. As mentioned earlier, they operate as non-governmental organisations i.e. their funding is project based. Respectively, they depend on donor funding and need to keep projects running to maintain staff and facilities. In rare cases they engage in income-generating activities. For instance, the interviewed organization HR Hub annually organizes a large conference for human resource managers, with presentations, training sessions, networking and exchange of information. This event is growing in importance and represents an income-generating activity for the organization. Due to the recently introduced legislative stipulations on occupational health and safety, in 2019 this topic has sparked the interests of human resource managers and the HR Hub centred its debates during the conference exactly on this topic.⁴⁹

The distribution of finances within some TUs is two-directional. 1% of the salary is collected by the sectoral branches of GTUC as a membership fee. Out of this amount, 5% is sent to GTUC and 30 - 50% of the collected membership fees are sent to lower Tus (base union organizations).⁵⁰ This leaves the sectoral union with roughly 45-65% of the total collected membership fees. Some trade unions, for example the Educators and Scientists Free Trade Union (ESFTUG), have a different model of membership fee collection. ESFTUG has 65 country offices; each of them has its own bank account and collects fees (1% from the salary). The base organizations (country offices) keep 70% of the fees for their activities, and 30% is sent to sectoral headquarters.⁵¹ ESFTUG also had additional income via grants/projects, but since 2016 their income from project activities is marginal.

Assets owned by trade unions and professional associations

During Soviet times Trade Unions used to possess significant assets. After the dissolution of the Soviet Union the descendant union confederation (GTUC) inherited all of these properties. The list of property included 55 objects, primarily resorts and sports complexes all around

⁴⁹ Interview GE5.

⁵⁰ Interview GE2.

⁵¹ Interview GE10.

Georgia. In 2005 when the Parliament started discussion of the law on expropriation of property from Trade Unions, GTUC transferred 90% of its assets to the state "in their own will". Obviously, this was not a manifestation of free will rather GTUC avoided further complication of the situation.

As for alternative trade unions, they are not rich in assets. Most of them struggle to keep office spaces (paying rent), while one of them has no office at all (Trade Union of Social Workers).

Financial independence

Trade unions claim that funds mobilised through membership payments are not sufficient for their effective functioning. Due to this reason, both old and alternative trade unions seek other sources of funding, which primarily are the sources by international organisations, partners and associations. GTUC, as a largest association of TUs and a social partner is particularly privileged in this sense, due to enjoying stronger/better international contacts and from time to time running donor-funded projects (for instance, GTUC implemented a project funded through US Department of Labour in 2016, currently they are operating a project funded by Austrian Development Agency). In some cases, sectorial trade unions take part in these projects as well. The Educators & Scientists' Free Trade Union obtained two grants in competitive calls for proposals after consulting their proposals with the European Trade Union Committee for Education (ETUCE) of which they are a member.⁵²

As for alternative trade unions, they are especially exposed to financial constraints and a high share of their activities is run by volunteers.⁵³ Considering that they are very new and inexperienced maintaining sound finances is especially challenging for them. No instances of bribery and/or fund embezzlement have been reported during recent years.

Professional associations receive some sponsoring from private companies and engage in profit-making activities. HR Hub enjoys sponsoring from a media holding company to disseminate information about their project activities by reaching relevant media portals. Another sponsorship has been reported from private companies to support the HR Business

⁵² Interview GE11.

⁵³ Interviews GE4 and GE6.

Summit, the largest event for human resource professionals that the HR Hub organises. Additional funds are collected via a summit participation fee.⁵⁴

Financial reporting

There are no special/strict requirements for financial reporting. Article 22 of the Law on Trade Unions⁵⁵ states: financial activities of the trade unions, implemented in accordance with their mandate, is not a subject of reporting to the government. No reports about corruption or misuse of funds by trade unions has appeared in national media for the last few years. As for the professional associations, they carry out financial reporting as all other non-profit bodies adherent to the Georgian legislation.

Other issues

There have been no instances reported of "yellow trade unions" abusing their status of being non-profit. It should be noted however, that trade unions in Georgia are allowed to carry out for-profit activities (e.g. establish a for-profit company). Income from for-profit activities is subject to regular taxation.

The organisations differ in the forms of their resources and ways of funding, some are more dependent on grants than others, but in general, grants do not comprise a high share of unions' and professional associations' financial resources. Some organisation proved to launch successful campaigns even with limited resources, but their sustainability is the challenge if they do not manage to generate sufficient resources for a sustainable operation. On the other hand, some organisations have sufficient resources but instead seem to lack a long-term strategy and a strategic vision of their activities.⁵⁶

⁵⁴ Interview GE6.

⁵⁵ Parliament of Georgia, (2018) Low on Trade Unions

⁵⁶ Outcome of the interviews GE1 – GE10

6. Human Resources of Trade Unions and Professional Associations

Staff capacities and needs

The headquarter of GTUC, not sectoral organisations, has an available staff of 27 internal employees, that have to cover all issues of 21 affiliated members, for example independent legal units, financial and analytical services. They reveal that they need specialist in workers' organising, lobbing and labour safety issues. Currently they have only 2 OSH specialists capable to monitor the new OSH law. Lawyers capable to oppose the policymakers by using the argument based on meeting international labour standards are also lacking.⁵⁷

The EMC is running 3 broadly designed programmes with 30 people of internal staff. The social policy and rights department has 6 employees, 4 layers and two researchers. They have to expand for more social rights issues in other regions of the country and to get closer to the community. They want to open a legal clinic to mobilise other regions and sectors, for example in services – retailers and initiate a case law against supermarkets.⁵⁸

The Solidarity Network's staff is so far working by volunteering. Four people are volunteering full time to do the campaign. People are changing all the time.⁵⁹ The professional association HR Hub is operating only thanks to two persons and one student who is managing a new project. They plan to gain some grants to strengthen their support in the regions and raise awareness of the HR profession.⁶⁰

The Educators & Scientists' Free Trade Union as a sectoral union has 16 staff members, which is according to the interviewed ESFTUG representatives very small for serving 32,000 members. The structure of the staff is as follows. The legal department with 3 lawyers is dealing with court cases and providing legal consultation. The organisational department currently of 1 person needs to be supported by at least 4 members to cover the Eastern and Western regions, pre-school and other school levels. The international relations department, which is staffed

⁵⁷ Interview GE2.

⁵⁸ Interview GE1.

⁵⁹ Interview GE4.

⁶⁰ Interview GE5.

with the union's Vice President, does not have any assistant or technical administrative staff member. Two people are operating in the media department and three in the financial department. The organisation has one in-house educational expert that is a counsellor to the president. They plan to launch VET activities and organise young people in the regions.⁶¹

Increased staff capacity is demanded by all interviewed organisations, in particular, increased presence of lawyers and OSH experts.

Staff attitudes

The GTUC is undergoing an internal reform regarding the activities form of mobilising the workers, and rejuvenation of the membership.⁶² The Trade Union Youth Movement is operating within the organisation, a union-based group of volunteers, students and young workers having the aim to encourage the mobilisation and involvement of youngsters in the trade union activities. However, the GTUC confesses that not all the members of sectoral unions agree and are committed to the changes and promotion of reforms, and thus jeopardising the desired image of a progressive and ambitious union.⁶³

Staff education

Within the constrained economic, societal and organisational environment described throughout this report, trade unions and professional associations pay attention to staff education. Skills regarding labour law legislation are mostly secured by labour lawyers in the organisation. In addition, unions with international contacts such as GTUC and the Educators' and Scientists' Free trade union enjoy access to possible training by their international counterparts such as EU-level trade union organisations. The ILO has also provided training sessions to trade unions in the region.⁶⁴ Nevertheless, in comparison to neighbouring Azerbaijan, the role of the ILO has been weakening over the past years in light of political changes after 2012 and the fact that Georgian organisations have access to more project-based funding and the overall conditions for trade unionism are more democratic. The role of ILO in

⁶¹ Interview GE10.

⁶² Interview GE2.

⁶³ Georgian Trade Union Confederation, (2018) Annual Report

⁶⁴ Interview GE11.

Azerbaijan is significantly stronger as it is largely the only source for training trade union professionals on labour rights, which is not the case in Georgia.

Potential differences in HR profiles

Our research did not yield differences in HR profiles of organisations in various sectors and various types of organisations. Both 'traditional' and alternative trade unions recognise the importance of qualified labour lawyers in the team and act accordingly.

TU training schemes for the staff and members

Due to the limited financial resources, trade unions in Georgia do not provide any elaborate training schemes to their staff and members. Training mostly happens sporadically and is project-based. Even in the largest and strongest unions like GTUC staff training primarily depends on the donor-funded or bilateral projects. For instance, GTUC mentioned that through the support of Austrian Government and Austrian Trade Unions, they have launched a yearlong educational project for young trade union activists which includes trainings on wide range of topics like labour legislation, social policy etc.

7. International Relations

International cooperation

Direct engagement of Georgian trade unions in international cooperation is currently not yet developed to its full potential. While GTUC and ESFTUG are the most active in the international area, other act like satellites of GTUC. These sectoral unions may be involved in projects implemented by GTUC through international partners, but they themselves are not present in these networks.

The Georgian Trade Union Confederation (GTUC) is a member of:

- International Trade Union Confederation (ITUC) since 2006
- European Trade Union Confederation (ETUC) since 2007

- Pan-European Regional Council (PERC). The head of GTUC (Irakli Petriashvili) is at the same time the President of PERC.

The Educators and Scientists Free Trade Union of Georgia (ESFTUG) is a member of:

- European Trade Union Committee for Education (ETUCE)
- Education International (EI)

Alternative trade unions do not enjoy wide international connections. Again, the "Solidarity Network" stands out as the most active one in this regard. For instance, at the beginning of June 2019 they organised a two-day workshop on "Social Rights" with the financial support of Rosa Luxembourg Foundation. They are actively expanding their connections, not necessarily through membership in international networks, but by engaging with individual members of these organisations (e.g. inviting their representatives to conferences etc.)

It is critical to note that the Georgian Trade Union Confederation (GTUC), as well as several professional associations are members of the EU-Georgia Civil Society Platform and Eastern Partnership Civil Society Forum. However, none of the alternative trade unions or the sectorial trade unions (part of GTUC) are actively engaging and their (potential) activities in these network lack public visibility.

Bilateral co-operation

GTUC has bilateral cooperation with:

- Austrian Trade Union Confederation (they organise a summer school starting Sep 2019)
- International Labour Organization
- Friedrich Ebert Foundation
- Solidarity Centre
- Danish Government DANIDA (Danish Development Cooperation)
- Austrian Development Agency

Areas of possible cooperation

An overview of the situation reveals that Georgian trade unions, especially the alternative trade unions, do not enjoy membership in international networks. GTUC as the most powerful body performs best in this regard. As for the members of the GTUC, unless they are equally large and powerful (like ESFTUG), they are receiving support through GTUC. This reinforces their subordinate status. Thus, it can be argued that bilateral cooperation with foreign partners would positively affect sectorial and alternative trade unions and make them stronger.

Potential differences between the public and private sectors

No major differences. As noted earlier, there is only one Trade Union mobilising workers from the public sector. However, their activities are closely linked to GTUC projects and they are not implementing any projects independently.

8. Analytical Summary

The findings presented in this report indicate that (a) trade unions and professional associations are weak as civil society actors defending and improving labour rights in Georgia and (b) in general there is a lack of CSOs focusing on labour rights and policy issues. While in quantitative terms there are a number of TUs and PAs existing in the country, their power and resources are rather limited. The weakness of trade unions is then logically reflected in a weak impact of social dialogue on policy changes and a poor enforcement of labour legislation.

A peculiar characteristic of the Georgian context is the absence of Professional Associations defined as membership-based organizations with the primary purpose of advancing the conditions in which particular professions operate. The legal notion of "Professional Association" does not exist and respectively, organizations, which feature this concept in their titles, are registered as NGOs. However, this is not only a matter of legal form, but also a matter of a completely different approach: The majority of PAs in Georgia operate as NGOs/research institutes or think tanks (e.g. the Young Economists Association of Georgia) and they are not membership-based organizations. There are only few examples of such NGOs (e.g. HR Professionals Guild), which provide training and networking opportunity to their members. However, even in this case they are not collecting membership fees and operate on a project basis instead. Importantly, in this current structure without the recognition of PAs as distinct organizations, PAs in Georgia actually do not have access for involvement in labour rights/policy discussion and unless the legislative conditions for their operation change, they also do not plan to deepen their involvement.

The power and resources of trade unions in Georgia are very limited. In comparative terms, Trade Unions' institutional resources are moderately stronger than their structural and organizational resources due to dedicated legislation and the exclusive position of trade unions as workers' representatives in social dialogue and collective bargaining. Respectively, these can be identified as their strengths. Namely, the Georgian Trade Union Confederation (GTUC) is officially recognized as a partner in a National Tripartite Social Partnership Committee, which provides the opportunity to directly shape and influence policy development. At the same time, GTUC is well connected to international confederations like ITUC & ETUC and has other bilateral partnerships.

However, the strong points described above can be questionable considering that it is only GTUC, which enjoys them. Alternative (new) trade unions are not represented in TSPC and they are not in general considered as "social partners" in the country due to very low membership and likely also the effort of GTUC to defend its unique position (which is a common practice in other CEE countries where existing confederations hold on to their exclusive positions in tripartite committee avoiding cooperation with smaller unions that are outside of the scope of the confederation). Just like the sectorial unions that are part of GTUC, new Trade Unions do not have strong international connections and donor-funded projects, which are again privilege of GTUC. This cleavage between "old" and "new" trade unions is the biggest weakness of trade unions in Georgia. The old trade unions did not manage to overcome the soviet legacy and they still need support to fully modernize themselves, while they enjoy exclusive access to policy dialogue. On the other hand, new trade unions have adopted new and more democratic style of leadership, are more proactive and effective in defending workers' rights, despite of the fact that their organizational resources are much weaker than that of old trade unions and they lack access to national policy dialogue. Overall, this cleavage generates competition and tensions instead of cooperation and concerted efforts for protecting worker rights.

Other weaknesses reflect the lack of structural and organizational resources. For instance, the unionization rate is low in Georgia and TUs are not effective in mobilizing new members. This is strongly influenced by the general economic policy in the country, which perceives liberalization and deregulation as a main driver of economic growth. Employment is concentrated in low-productive service sectors, were workers are easily replaceable and hence are reluctant to engage with trade unions as they fear losing their jobs. These structural reasons together with the lack of organizational resources (primarily finances and human capital) make it very difficult for trade unions to be meaningfully involved in policy dialogue and support the development of civil society in Georgia.

Some of the other elements in the environment that hinder Trade Unions from fulfilling their function (e.g. threats) include low level of trust and public support, lack of enforcement of the labour and trade union legislation. For instance, while the rights of collective bargaining are guaranteed on paper they are not translating into practice. This is primarily due to the fact that

there are gaps in legislation, which employers use to avoid additional obligations. As noted earlier in general they do not perceive TUs as a stakeholder in labour relations.

Despite of a rather challenging environment described above there are number of opportunities, which trade unions can exploit to their advantage in the future to strengthen their position as policy players. Namely, the Georgia-EU Association Agreement focuses inter alia on upholding labour rights and improved social/employment policies. Other than this, there are a number of international partner organizations in Georgia with vested interest in the topic. The latter could be important allies and supporters. Fulfilment of the provisions of national legislation, as well as international conventions provides a further opportunity for TUs to press the government for their implementation. However, significant amendments to the labour legislation are still required. Last but not least the emergence of "new" trade unions is the most critical development in the trade union landscape of Georgia for the last couple of years. These TUs show that worker discontent over working conditions and labour rights violations can be effectively exploited to mobilize them. But in order to do so trade unions themselves need to be more proactive and change their leadership style to be able to capture such windows of opportunity.

The findings of this report can be summarized in form of an analysis of strengths, weaknesses, opportunities and threats (SWOT analysis) of the studied types of organizations (see Table 1) SWOT analysis GEORGIA Trade unions of the TUs, PAs and other CSOs in terms of their involvement in development of civil society, enhancing democracy and involvement in policy dialogue with the government

Strength	Weakness		
TRADE UNIONS	TRADE UNIONS		
pTrade Unions enjoy a special status of the only	 Overall unionization rate is very low; 		
representative worker organization in social dialogue	o Old TUs have not fully modernized and remain		
and entitled to conduct collective bargaining	legacy unions;		
o Georgian Trade Union Confederation (GTUC)	• Structure of GTUC is top-down & hierarchical;		
represented as social partner in national Tripartite	o TUs landscape is fragmented and divided (old vs.		
Social Partnership Committee (TSPC), also good	new; real vs. yellow), which generate more		
international connections and membership in	competitive than cooperative environment;		
international trade union bodies;	• Most of the TUs are concentrated in the capital		
o Some organizational strength among ,old' unions due to	without presence in the regions;		
maintaining assets and membership from soviet times	 Lack of financial resources; 		
pencompassing sector-specific unions covering both the	○ Lack of qualified staff & human capacity building		
public and private sectors	opportunities;		
PROFESSIONAL ASSOCIATIONS			

Table 1: SWOT Analysis Georgia

ocurrently no particular strength due to the lack of	• Sectoral and new trade unions have very limited
anchoring of the specificity of these organizations in the	international connections and partnerships;
legal system	PROFESSIONAL ASSOCIATIONS
	 Legal status of "Professional Association" does not
	exist in Georgia. Nevertheless, there are two types
	of organizations, which feature the name of
	"association" in their title: (a) associations, which
	primarily aim at providing networking and training
	opportunities to their members (e.g. HR Hub), but
	labour rights and policy issues are not at the
	agenda; and (b) associations of certain
	professionals - not membership-based, acting as
	regular NGOs, primary objective is not capacity
	development in labour rights (exception e.g.,
	Georgian Young Lawyers Association is active in
	the field of human rights).
Opportunities	Threats
TRADE UNIONS	TRADE UNIONS
o Government of Georgia puts high importance on	• Very low levels of trust and public support towards
labour issues and the latter form important part of	TUs;
Georgia-EU bilateral cooperation;	oLegislation needs further improvements to fully
o National Legislation guarantees basic Trade Union	ensure trade unions rights;
rights;	◦ Low level of enforcement of existing legislation;
o Georgia has signed international ILO conventions	○ Aggressive approach from the employers: they do
guaranteeing TU and worker rights;	not treat TUs as cooperation partners and dismissal
• Alternative Trade Unions are emerging which may	threats towards TU members are frequent;
help in changing people's attitudes towards TUs;	\circ TSPC has a rather top-down approach and is not
• Workers' discontent with violation of labour rights;	effective in addressing labour rights/policy issues;
o Presence of international partners (donor agencies,	PROFESSIONAL ASSOCIATIONS
think-tanks etc.) focusing on labour rights issues.	\circ If no legislative measures will be taken to
• Via EUD support, trade unions can strengthen their	recognize PAs, their potential expertise in
regional presence while also catering to the interests	extending occupation-specific skills, training
of the EUD and goals derived from the Association	needs and certification, which contribute to the
Agreement, e.g., better enforcement of health and	overall quality of the labour market, will be lost (if
safety issues at workplaces, better monitoring of	this agenda is not embraced by trade unions, which
working conditions.	is unlikely due to their limited capacities.
\circ In cooperation with the EUD, trade unions can	Exception: ESFTUG union, which currently
strengthen their core competences while being more	addresses also the topics of professional
engaged in the EaP civil society platforms, which are	1 1
	development and thus acts both as a union and as a
currently not in their extensive interest/capacity	PA). CIVIL SOCIETY OPCANIZATIONS
PROFESSIONAL ASSOCIATIONS	CIVIL SOCIETY ORGANIZATIONS
• Upon legislative acknowledgement, PAs are likely to	• CSOs working on labour rights issues are very rare
be eager to be involved in policy dialogue both with	in Georgia. This exercise has identified only one
the EUD and with the national government, in order	organization (EMC) whose primary target is
to transpose the EU standards on job descriptions,	worker rights and labour conditions in the country.
skill requirements and creating standards of certified	
occupations, which will in general improve the labour	
market situation and working conditions.	
•PAs could also be involved in future legislation	
making regarding job content, vocational training and	
education, in order to provide for a better matching	
between the education system and labour market	
demands	
\circ There exists a great potential for cooperation between	
TUs and PAs, both at the legislative level and at the	
level of implementation at workplaces.	
\circ Cooperation between TUs and PAs, with the EUD and	
the government connects the workplace experience	
with policy making a the national and the regional	
level, drawing on workplace-specific needs and	

experiences, which can then be reflected in the policy dialogue	

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Annexes

A.	List of key	trade unions.	professional	associations	and other	organisations
1 .	List of Key	trade unions,	protessional	associations	and other	or Samparions

Name of the organisation	Type of organisation	Private/public
Association of Young Economists of Georgia	РА	Mixed
Educators & Scientists' Free Trade Union	TU	Public
Ertoba (Union) 2013	TU	Public
European Union Delegation to Georgia	Intern. Org.	N/A
Farmers' and Agricultural Workers' Trade Union	TU	N/A (Self-employed)
Georgian Employers' Association	CSO	Mixed
Georgian Trade Union Confederation (GTUC)	TU	Mixed
Georgian Young Lawyers Association	PA/CSO	Mixed
HR Hub	PA	Mixed
HR Professionals' Hub	РА	Mixed (mostly private)
Human Rights Education & Monitoring centre (EMC)	CSO	N/A
International Labour Organization	Intern. org.	Public
Metallurgy, Mining & Chemical Workers Union	TU	Mixed
Railway New Trade Union	TU	Mixed
Social Workers Trade Union	TU	Mixed (mostly public)
Solidarity Network	TU	Mixed

Notes: TU = trade unions; PA= professional association; CSO = civil society organisation; other specified = e.g. governmental agency, international, etc.

B. List of interview and codes

The interviews were conducted in June 2019, in a face-to-face, semi-structured format, in English or Georgian language translated by the national expert for Georgia. The interviewees signed a form of consent agreeing on voluntary participation in the research and using their input anonymously for the analytical purpose solely.

Code	Interviewee - name of the organisation	Type of organisation	Private/public
GE0	European Union Delegation to Georgia	Intern. Org.	N/A
GE1	Human Rights Education & Monitoring centre (EMC)	CSO	N/A
GE2	Georgian Trade Union Confederation (GTUC)	TU	Mixed
GE3	Georgian Young Lawyers Association	PA/CSO	Mixed
GE4	Solidarity Network	TU	Mixed
GE5	HR Hub	PA	Mixed
GE6	Social Workers Trade Union	TU	Mixed (mostly public)

GE7	Georgian Employers' Association	CSO	Mixed
GE8	Metallurgy, Mining & Chemical Workers Union	TU	Mixed
GE9	Railway New Trade Union	TU	Mixed
GE10	Educators & Scientists' Free Trade Union	TU	Public
GE11	International Labour Organization	Intern. org.	Public

Notes: TU = trade unions; PA= professional association; CSO = civil society organisation; other = specify the organisation the interviewee is from, e.g. governmental agency, international, etc.

