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## **2<sup>nd</sup> International Conference on Social Dialogue and Labour Standards in Georgia**

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**- Minutes -**



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## **1. Opening of Conference**

**George Tsereteli**, Deputy Chairman of Parliament of Georgia

Mr. Tsereteli stressed that the Parliament of Georgia understands and appreciates the importance of Social Dialogue. According to him, Georgia is part of the European community of values and shares the values which are introduced through conventions by the International Labour Organization (ILO) which are based on Fundamental Rights and Freedoms. Therefore, Georgia ratified the European Social Charter, which has also some implications related to employment issues. Mr. Tsereteli mentioned that, nevertheless, one has to bear in mind the “quite heavy heritage of Georgia”. In the past good results were achieved due to radical reforms but still, Georgia does not have the best results in the sphere of Social Dialogue, which is why recommendations are needed and appreciated. He underlined that approximation, standardization and harmonization with Europe should serve the economic growth of Georgia and should lead to the improvement of the Georgian economy. Finally, he promised that the state will do its best to encourage Social Dialogue and will take all the recommendations and proposals submitted during the Conference into consideration.

**David Lomidze**, Deputy Minister of Labour, Health and Social Affairs

According to Mr. Lomidze Georgia still has problems in the labour sphere despite of the establishment of the Tripartite Commission on Social Dialogue. In order to solve these problems, certain results and agreements should be reached through the Social Dialogue. Nevertheless, Georgia does not have a lot of experience and knowledge in this sphere, which is why it has a close relation with the ILO and appreciates the proposals made by it. Moreover, this International Conference on Social Dialogue and Labour Standards will play an important role and the Government will work on the proposals which will be made by this Conference. He expressed his hope that mutual compromise and understanding will be found and thus Social welfare of Georgian citizens will be increased.

**Philip Dimitrov**, Head of the Delegation of the European Union to Georgia

As stated by Mr. Dimitrov, a lot of problems need to be addressed in the sphere of Social Dialogue in Georgia. Social Dialogue has been established some time ago, therefore, many issues have been discussed and revisited a number of times already. According to him, the outcome of the Conference should be, to find common ground for further negotiations. This is crucial because labour standards are European core values and part of the general framework of Human Rights. Moreover, there are several connections to trading issues such as the DCFTA and the GSP+ which are very important for Georgia.

So far, Georgia has ratified the revised European Social Charter but did not manage to comply with several articles of the Charter in the field of labour rights, as it is mentioned in reports by the European Committee of Social Rights (ECSR) of the Council of Europe. Moreover, the eight ILO core conventions were ratified but problems still occur concerning Convention Numbers 87 and 98 – the Freedom of Association and Protection of the Right to Organize and the Right to Collective Bargaining.

The goal of the European Neighborhood Policy (ENP) is to create a space where political cooperation is as close as possible. Moreover, the ENP is seen by the EU as a mutual commitment

to the core values democracy, human rights, rule of law, good governance, market economy and sustainable development. Mr. Dimitrov also mentioned the “More for More” approach of the European Union. The better the results, the larger the support will be and more intense cooperation can take place. Nevertheless, he is convinced that measures have to be home-grown and strict recipes are neither the aim nor the desire. Therefore, Social Dialogue is vital and seeking consensus, avoiding conflict and providing implementable solutions has to be the aim.

He concluded that it would be wise when more understanding would be achieved through Social Dialogue and the technical support by the ILO and other organizations would be used.

## **2. Keynote Speech / Special Comment**

**Guy Ryder**, International Labour Organization, Executive Director, Standards and Fundamental Rights at Work

Guy Ryder expressed his concerns about recent developments in the field of labour rights in Georgia. In order to overcome these problems he identified one precondition: the mutual acceptance of the rights and legitimate roles of the others amongst all three involved parties – Government, Employers and Trade Unions. Moreover, he underlined that “one ingredient is indispensable: the necessary political will”. In addition, tolerance, trust and readiness to compromise are needed. He criticized that the legal framework is in some areas inadequate or not enforced or not properly understood what he illustrated with the “painful experience at the Hercules Steelworks in Kutaisi”. Therefore, he suggests that rules and guarantees need to be clarified and strengthened and trade unionists have to be protected from discrimination and dismissals.

He welcomed the establishment of the Tripartite Commission. Nevertheless, this body is, according to Mr. Ryder, most efficient and appropriate for discussing policies, strategies and legislation, but it is not well suited for handling specific industrial disputes with all their details and complexity. For this purpose, an independent mediation facility is needed which can be used rapidly for solving problems when and where they arise at workplaces.

Mr. Ryder concluded with four “suggestions for a way forward for Social Dialogue and labour standards in Georgia”: Firstly, the basic statement of mutual acceptance by each key actor of the role and rights of the others as a precondition of real Social Dialogue. Secondly, the agreement to establish effective, accessible and independent mediation facilities. Thirdly, the consideration of possible changes to labour legislation. And lastly, a concerned program of capacity-building for all three ILO constituents.

According to him, strengthening Social Dialogue should not just be a matter of meeting the expectations of the international community but seen as a central plank in Georgia’s strategy for future prosperity.

The full version of Mr Ryders keynote speech is accessible at:

[http://www.fes.ge/images/Fes\\_Files/2011\\_GEO/keynote%20presentation\\_final\\_mr%20guy%20ryder\\_fes%20conference\\_27%20october%202011.pdf](http://www.fes.ge/images/Fes_Files/2011_GEO/keynote%20presentation_final_mr%20guy%20ryder_fes%20conference_27%20october%202011.pdf)

**John R. Bass**, Ambassador of the United States of America to Georgia

Mr. Bass underlined that the US-government strongly supports labour rights, including the rights to organize and bargain collectively. These rights are considered to be basic human rights. Developments in this sphere are one of the key indicators for the evaluation of progress in Georgia by the United States. As Georgia benefited from extraordinary investments by the USA since it regained its independence, he hopes that Georgia will make progress in the very challenging field of Social Dialogue and the ILO together with other international partner can facilitate the continuation of this Dialogue on the basis of mutual respect and understanding. Changing of the existing labour code would not have negative effects on the economic development stated the ambassador. In his opinion economic growth and prosperity and labour rights would go hand in hand, which is why Georgia cannot afford not to address that set of challenges.

Moreover, the ambassador made a link between Social Dialogue and Georgia's aspirations to be a fully integrated partner of the NATO. Hence the NATO is not only a military alliance, but "first and foremost an alliance of countries that share the same values" it is important to make progress in the field of labour standards.

Mr. Bass concluded by expressing hope that progress in the sphere of Social Dialogue will be seen in the near future.

### **3 . PANEL I: Social Dialogue and Labour Standards in Georgia: Perspectives from Abroad**

**Stephen Benedict**, Director Human and Trade Unions Rights, International Trade Union Confederation (ITUC)

Mr. Benedict referred in his statement to the Survey of Violations of Trade Union Rights, which is published annually by the ITUC. This report states that the Georgian labour code is insufficient and not in line with ILO-conventions and the commitments made by the government of Georgia to effectively implement those. In particular, he criticized the "unreasonably high" requirements for the establishment of Trade Unions, the "sketchy and insufficient" provisions in the code with regards to collective bargaining and Article 55 of the code, which "effectively eliminates all mechanism for labour inspection".

Moreover, Mr. Benedict criticized that the labour code opens the door for arbitrary dismissals, interferences in the rights of workers to conduct their affairs and to negotiate collectively, the multiplication of short term employment contracts, the lacking appropriate mechanism to penalize employers who violate the rights of workers and a missing independent, credible and mutually accepted mediation facility.

In the perspective of the international trade union movement Georgia prevails "19<sup>th</sup> century industrial relations" and is a "country at risk". He underlined that a significant number of problems and disputes are not primarily about wages but about labour conditions and safety due to the lacking labour inspections.

Finally, Mr. Benedict proposed a two-pronged approach. On the one hand, anti union discrimination and interference in trade union affairs has to stop, labour inspection services have to be reinstated, collective bargaining has to be promoted and an independent and credible

mediation service needs to be established. On the other hand, the Tripartite Commission should be given the highest possible status within the system. The ITUC looks forward to report in its annual survey in the future the significant progress Georgia will be making.

**Emmanuel Julien**, International Organization of Employers; Deputy Director for Social Affairs in Mouvement des Entreprises de France MEDEF

When it comes to Social Dialogue, one has – according to Mr. Julien – always bear in mind the huge differences between countries. Social Dialogue solutions, which are an essential element of mature democracies, should fit to the particular needs of those who agree upon it. Moreover, “Social Dialogue is both, the chicken and the egg” as it is a tool to find a proper balance between the interests of workers and the constraints of companies and a self educational process, which helps to empower the actors who practice it, at the same time. The destiny has to be self-made and not received from the outside by law, which actually constrains Social Dialogue as Mr. Julien explained.

The Georgian labour code might be sometimes vague and will probably need substantial improvement in the future but at the moment it should be accepted as a working basis. However, Mr. Julien pointed out that he prefers labour conditions to be defined by Social Dialogue rather than by law. In order to enable the Social Partners in Georgia to effectively participate in a proper dialogue, they have to be strengthened, encouraged and empowered. Though, this cannot be achieved by artificial means, instead, things have to be real.

He is convinced that Social Dialogue on the company level is particularly important and has to be supported. Even though, every country has to go its own way. In his opinion, it cannot be the task of the ILO to tell 183 member countries how they should define their Social Dialogue or their labour standards. Instead, the ILO can be “a unique facilitator” which assists and helps countries to identify their own challenges and give consultations.

Mr. Julien concluded with the statement that he “believes in Social Dialogue” because it can have benefits to many people and the whole society. Social Partners know best what they need; therefore better results can be achieved through Social Dialogue than by law. Moreover, Social Dialogue can also be a mediation and advocacy tool. Tripartite can help but is not the same as Social Dialogue, which is independent from the state.

**Kari Tapiola**, International Labour Organization, Special Adviser to the Director General

Mr. Tapiola stated that the situations in the post-soviet countries are very different from one country to another, but many of the problems are similar. Problems in the labour sphere mainly arise from insufficient, unachieved transition. Key issues are the lack of knowledge how the organizations of employers’ and workers’ and their members can function independently – independently from the state and from one another.

In the old system trade unions were part of the state apparatus facing the workers. Transition should have reversed the situation: the workers authorize their leaders to represent them in face of management and the employers. To fully implement this, fundamental guarantees and protection against discrimination, including dismissals, for unionists are needed so that they can speak openly with management and present justified demands on occupational safety and health, wages, working time and so on.

Addressing the concerns that Social Dialogue might frighten away foreign investors, Mr. Tapiola underlined that, in fact, a functional Social Dialogue is a further measure of confidence for employers, including foreign investors, that there are systems which either prevent labour conflicts or can solve them if they arise. Real obstacles to investment include instead a lack of political stability, unpredictability of the legal framework, weak law enforcement and unclear tax rules.

After all, he made clear that labour relations are always about different interests which have to be brought together, which is why there is the potential of conflict. This underlines the necessity to have rules of the game on labour relations that are understandable, accepted and respected by all. In his opinion trade unions are a fundamental part of a market economy in a democratic society and a democracy has to come with tolerance for divergent views and their free expression. Therefore, unionists have to be sheltered by laws and fair procedures and institutions. In the end, the economy will benefit from the full cooperation between employers and employees.

#### **4. PANEL II: Social Dialogue and Labour Standards in Georgia – Achievements, Problems, Challenges**

**Andrew Urushadze**, Minister of Labour, Health and Social Affairs

According to Andrew Urushadze, the main problem regarding the Social Dialogue in Georgia is not the labour code which indeed introduces minimum norms, but provides an equal position to employers and employees. The main problem is the lack of confidence and trust between the parties involved in the Social Dialogue.

For improving the Social Dialogue, Mr. Urushadze identified two major tasks. Firstly, the partners have to elaborate their expectations of the Social Dialogue and, secondly, confidence has to be built. So far, there is a big gap between the partners, even though, they have much more in common than they might think. In this process, ILO-publications can be very helpful and also the Government can play a role as mediator between employers and workers. He admitted that a joint agreement between employers and employees is not so easy because of the challenges Georgia is facing. Nevertheless, Mr. Urushadze appealed to the Social Partners to reach an agreement because more cooperation is needed and only by joint efforts major problems such as unemployment, barriers in education and social spheres and medical healthcare provisions can be overcome.

Concerning the Kutaisi-case, Mr. Urushadze stated that he is aware of the fact that the situation escalated. Nevertheless, he was trying to refrain from taking any position because he wants to wait for fact-based conclusions of the investigation. In any case, he thinks it is not fair to make the Government responsible and blame it for what happened. He underlined that the Georgian Government is not the owner of this plant and the company has its own management.

He concluded with expressing his optimism about the upcoming process. No one thinks that the labour code is ideal because everything is developing and thus it is not a kind of document that cannot be changed and improved. Nevertheless, privileges cannot be granted to any side or party and the balance has to be kept. For improving the Social Dialogue three things are needed: confidence, respect and patience. The Government is ready to cooperate with any side.

**Irakli Petriashvili**, President, Georgian Trade Union Confederation

Mr. Petriashvili is pleased that everyone – including international actors – is aware of the existing problems. It is good that these issues are discussed. According to him, the 1<sup>st</sup> part of the conference has also shown that the GTUC is on the right track so far. The GTUC wants to solve all these issues without any kind of prejudgments. Moreover, the trade unions do not ask for any help which cannot be provided.

Anyhow, the unions are, according to Mr. Petriashvili, not very happy with the development of the Social Dialogue so far. The existing one is not a good example of how it should look like. Already one year passed, meetings actually took place and many things have been discussed entirely but sadly that does not mean that issues are solved through the Tripartite Commission. Moreover, the Government is not discussing important issues with trade unions. Up to today, Georgia fails in realizing ILO recommendations and the labour code is still not in line with the European Social Charter. Everything should be improved in compliance with the labour conventions of the ILO. Also the international body should do more to improve the situation. The position of the trade unions is quite clear in that.

Mr. Petriashvili pointed out the case of the strike of steel workers in Kutaisi. In his opinion, this case is a vivid example that the different sides do not respect each other and trust and confidence is very low. It also showed that there is a need for some kind of structure or agency for mediation because it is not possible for the government to mediate in a case like this.

He underlined that the existence of trade unions is actually beneficial for both sides, the employers as well as the workers by mentioning a spontaneous and unauthorized strike by non union members. Trade unions first and foremost try to solve conflicts on the level of dialogue rather than by striking. Nevertheless, the situation is becoming more and more tense and many people are witnessing this. There have been several occurrences of trade union members who were pressured to leave the union or dismissed because of their trade union membership. This is not acceptable for the GTUC and there is still the possibility for trade unions to change to opposition.

Mr. Petriashvili closed with the statement that trade unions are ready and keen to help establishing a functioning, real and genuine Social Dialogue. To achieve this, guaranteed inviolability and inadmissibility of interference in the work of trade unions are needed. The development in this sphere would be very important for the entire society.

**Elguja Meladze**, President, Georgian Employers' Association

Mr. Meladze pointed out the special role of the ILO and its assistance in establishing the Tripartite Commission in Georgia. So far, it might neither be a comprehensive nor a genuine Social Dialogue, as many international organizations would like it to be, but nevertheless the institution exists. Only a few years ago, Social Partnership and Dialogue on a national level was not evident at all and hardly imaginable. But through joint efforts it was managed to push this issue forward and successful in order to prevent negative developments and to avoid conflicts and disputes.

Nevertheless, it has to be acknowledged that the Tripartite Commission exists only for 1 ½ years. For further improvement and compliance with international demands and requirements more time is needed. Mr. Meladze suggested that the commission should work in a more precise manner,

especially on the lower levels, and initiatives and activities should be transferred down to the regional level.

Employers do not welcome violations of human rights, committed by whoever and support the Social Dialogue. In the past there have been regretful cases, but at least within the Commission there is the possibility of an assessment. Mr. Meladze expects a deep confidence, firm relations, respect and consensus between the partners for the future because it is needed for an improvement of the situation.

The labour code is in use for only a brief period of time so far, therefore previous cases should be analyzed and conclusions should be drawn. It has to be examined which impediments of the development of labour relations and Social Dialogue exist and what needs to be changed in order to better apply the needs of all stakeholders.

He concluded with the pledge that the employers understand the obligations they have, are always welcoming Social Dialogue and are ready to discuss any issues on labour relations to make maximum compliance with the requirements. Though interests of employers have always been taken into account as well.

## **5. PANEL III: Is there a Social Dimension in the ENP and Eastern Partnership? Assessing Action Plans and GSP/DCFTA processes**

**Tamar Beruchashvili**, Senior Advisor of State Minister for European and Euro-Atlantic Integration

At the present EU-Georgia relations are in its most intensive phase and cover many aspects of cooperation, stated Ms. Beruchashvili. Georgia is successfully implementing the ENP-action-plan and is well aware of the fact that the Social Dimension is one of the most important issues regarding Georgia's European integration agenda. Special attention is paid to the development of Social Partnership and labour law and standards as it is, according to recent communication with the European Commission, equally important as democratic and economic priorities. Moreover, all these issues are main components of GSP+ requirements and the importance of these issues are stressed within the EaP.

Another crucial factor is the development of a labour market information system and employment services to facilitate the mediation between job seekers and employers. The current job mismatch has to be decreased. Even though, Georgia has done some steps in this direction, more achievements are needed. Multilateral dialogue between the partner countries will be enhanced in the sphere of labour market and social policies in the framework of EaP.

In the past, visible developments have been achieved in the sphere of Social Dialogue but, unsurprisingly, problems still exist. Though, this is, according to Ms. Beruchashvili, normal because Georgia has been entering the process of modernizing its legislation up to the norms and standards of the European approaches. Moreover, she pointed out that "we need to consider that there will be no results overnight".

The major task for the future will be to find a balance between economic and social development, because both, economic and rational aspects have always be taken into account. Assistance by the EU as well as by the ILO and other international organizations to ensure progress in this direction is very much appreciated.

**Charlotte Olsson-Altansunar**, European Commission, DG Employment, Social Affairs and Equal Opportunities, Policy Coordinator European Neighborhood Policy

Ms. Olsson-Altansunar underlined in her statement that the “European Social Model is still alive and kicking – even in the current difficult climate”. The European integration project has always been underpinned by the will to ensure that economic development and social progress go hand in hand, which calls for a policy mix which promotes economic efficiency and social justice as mutually reinforcing objectives. In this context, the importance of Social Dialogue as a tool of better governance and of change-management has to be recognized. Of course, the models for Social Dialogue differ between Member States but the aim and core provisions of EU legislation, such as workers' fundamental rights, labour laws, health and safety and equal opportunities and anti-discrimination, remain the same. Improving living and working conditions depends on national legislation, but also to a large extent on agreements concluded by the Social Partners at all levels, as she pointed out. This is why Social Partners should be closely consulted on and involved in the preparation of labour law initiatives.

Ms. Olsson-Altansunar also mentioned the Treaty of Lisbon which contains a "social clause" whereby the social issues (promotion of a high level of employment, adequate social protection, fight against social exclusion, etc) must be taken into account when defining and implementing all policies. Fundamental rights are also recognised in the EU Treaty through the incorporation of a legally binding reference to the Charter of Fundamental rights. The Charter contains a section which lists a number of rights and principle directly relevant to the social field, including the right to information and consultation, the right to negotiate collective agreements and to take collective action, the right to access to free placement services and protection against unjustified dismissals and the right to have access to social security and social assistance.

Ms. Olsson-Altansunar also mentioned the Treaty of Lisbon which contains a legally binding reference to the Charter of Fundamental rights. The Charter contains a section which lists a number of rights and principle directly relevant to the social field, including the right to information and consultation, the right to negotiate collective agreements and to take collective action, the right to access to free placement services and protection against unjustified dismissals and the right to have access to social security and social assistance.

Since the social dimension in the EU was strengthened through the Treaty of Lisbon, this applies to the ENP as well, as she continued. The social dimension of the European Neighborhood Policy includes policy dialogue in the field of socio-economic development, employment, social policy and structural reforms to reduce poverty, create employment, promote core labour standards, promote Social Dialogue and improve working conditions. One aim of the ENP is to support inclusive economic development, so that ENP partners can trade, invest and grow in a sustainable way, reduce social and regional inequalities, create jobs for workers and higher standards of living. For achieving this, social partners are pointed out in the Communicaiton 'A New Response to a Changing Neighbourhood' as key partners and there is a clear commitment to work with civil society and with social partners.

EU-support will be tailored to partners' reform process and initiatives, which have to reflect a clear commitment to universal values, in accordance with the principle of mutual accountability, the so called “More for More”-principle. Cooperation will continue with policy dialogue on employment and social policies, among others. Though, she noted that in the case of Georgia and the other Southern Caucasus countries, the Sub-Committee for policy dialogue and exchange of good practices on Employment and Social Policies was established on paper in 2010, but no meeting has yet taken place.

Ms. Olsson-Altansunar reminded that Georgia has committed to continue efforts to ensure implementation of the standards set in the European Social Charter and ensure trade union rights

and core labour standards in accordance with relevant ILO conventions. This is also important in relation to the Internal Market because social policies are important accompanying measures in this context. Likewise, under a future DCFTA, a chapter on sustainable development is foreseen, which will have a social dimension.

Regarding the GSP-scheme she mentioned that the current one expires at the end of 2011 though to avoid the system lapsing, the Commission extend it as it is until the end of 2013. Anyway, in order to keep the GSP+ preferences Georgia needs to ensure the continued ratification and effective implementation of the GSP+ relevant Conventions. In this context, she re-emphasized the Commission's "very serious concerns about Georgia's persisting problems with effective implementation of the ILO Core Conventions". Therefore, she encouraged the authorities of Georgia to further intensify their efforts concerning the implementation of the GSP+ relevant Conventions.

The GSP+ scheme, for which all current beneficiaries will have to re-apply, will provide more incentives in that there will be extra space for exports from low income economies. The entry mechanism will be made more flexible in terms of economic criteria, but countries will still have to ratify all the relevant Conventions and implement them effectively. At the same time, the EU will reinforce monitoring to ensure implementation of international Conventions. Ms. Olsson-Altansunar highlighted that countries which are not serious about implementation will be withdrawn.

She concluded with the statement that social policy should be seen as a long-term investment, not merely as a cost. It is in everybody's interest that at least minimum standards are maintained. If Social Dialogue functions well, it is, according to her, an invaluable tool for policy design and monitoring. By undermining or weakening the social partners "governments basically shoot themselves in the foot" as they undermine a valuable contribution to policy making and to making systems more effective.

**Józef Niemiec**, European Trade Union Confederation, Deputy General Secretary

Mr. Niemiec acknowledged that the process of transition to market economy and real democracy is very difficult for post-soviet countries. One of the reasons is the different role of trade unions and Social Partners compared with soviet-times. Nevertheless, the European Trade Union Confederation (ETUC) sees comparably big problems in Georgia concerning the social sphere. Therefore, he supports the approach of the European Union to make a link between economic and trade policy with core labour rights. The past has shown that this leads to positive developments. Moreover, Mr. Niemiec underlined that worker's rights are important as such and there is also a close link to productivity and growth.

By quoting a research paper about international trade and core labour standards by the OECD, he stated "countries which strengthen their core labour standards can increase efficiency by rising skill level in the workforce and by creating an environment which encourages innovation and higher productivity". Due to this, the fear of developing countries that better core standards would negatively affect either economic performance or their competitiveness in the world market has no economic rationale. As a concrete example he mentioned the Nordic countries and Germany, in particular Volkswagen.

According to Mr. Niemiec the ETUC is not only unhappy with the general development in Georgia, but also with the reaction of the European Commission (EC). The Commission recognizes that there are problems in terms of the implementation of core labour standards but,

nevertheless, it does not change its policy or approach towards Georgia. In this relation he identified a scope for improvement in the future.

In the opinion of Mr. Niemiec, the EC could play a more vital role in promoting the implementation of core labour standards, especially within the negotiations of GSP+ and DCFTA. The instrument of linking economic and trade policies with core labour rights should be used in a more flexible way in the future and not only in extreme cases like in the past.

The ETUC monitors carefully what kind of instruments the Commission uses to improve the situation. Moreover, the ETUC hopes that the European Parliament will be helpful in this process as it is normally very keen to put pressure about the Social Dimension and the respect of Fundamental Rights.

Finally, the ETUC hopes that there will be an improvement of the proposal made by the EC to reach an instrument in the end which could be much more useful in terms of making the implementation of the core labour standards reality. Mr. Niemiec pointed out that this would be in the interest of business and workers and useful to the whole society. The ETUC will be very active in monitoring this process.

**Irakli Kenchoshvili**, Member of Parliament, First Deputy Chairman of the Committee on European Integration

Mr. Kenchoshvili pointed out that Georgia's Government regards the cooperation with the EU as one of its main priorities of national security and of the restoration of its territorial and civil integrity. He is well aware of the fact that the respect for human rights and fundamental freedoms and the rapprochement of social rights and labour relations with common European practice, as well as guaranteeing the protection of trade union rights and core labour standards in accordance with relevant ILO Conventions ratified by Georgia are one of the top priorities of the European Neighborhood Policy Action Plan and the European Social Charter.

The Social Dialogue in Georgia includes all types of negotiations, consultations and exchange of information between representatives of government, employers and employees and plays a decisive role in enhancing relations between parties. The decision of the Government of Georgia to engage more actively in Social Dialogue with all respective actors reflects its will and readiness to strengthen the Social Dialog format and further institutionalize the cooperation. The Tripartite Commission aims to address all concerns raised by the Social Partners and to reach adequate solutions. Its activities are based on several principles, such as legality, independence, equality, consensus and liability.

Mr. Kenchoshvili stated that the years of cooperation with the ILO have been "very significant for the Government of Georgia". During recent years, the communication between the Government and ILO has intensified and the Georgian Government pays great attention to ILO recommendations and observations. The ILO welcomed the institutionalization of the Social Dialogue and urged Georgia to intensify this Dialogue. Accordingly, he promised that "the government actively works to promote further constructive Social Dialogue and discuss labour and social related issues with Social Partners".

According to Mr. Kenchoshvili, the current legislation enables the establishment of any kind of association and membership in any association, including trade unions. Moreover, according to the Law of Trade Unions of Georgia, employers are authorized to carry out collective negotiations with trade unions on labour and social-economic issues, while employers do not

have obligation to start collective negotiations with non-unionized workers. He highlighted that Georgia has a collective agreement tradition and “the top 20 companies have collective agreements with trade unions”.

He concluded that the multiparty discussion for improving legal and social frameworks in the field must be continued and further promoted in order to address the concerns and challenges that remain in the field. In addition, the labour law and social rules should reflect the demands of market economy and labour market.

**Kakha Gogolashvili**, GFSIS, EaP Civil Society Forum, National Platform Georgia, Working Group II

Mr. Gogolashvili assesses the development of a functioning Social Dialogue as one of the major issues of the Europeanization-process of Georgia. According to him, the EU is not a fully homogeneous space and different approaches regarding the social models can be observed. Such differences are very well examined different scholars who mainly use three major parameters for explaining these varieties: the level and type of taxation policy, the intensity of distribution and the extent of commodification of labour.

Especially regarding the last parameter, some actors in Georgia have “very extreme positions”, as Mr. Gogolashvili mentioned. The approach the government followed for years is that labour force is a commodity and therefore the labour market can be treated the same way as any other commodity market. In opposite, the EU and modern societies as such have a different view. The Welfare state “is dedicated to de-commoditize” labour because the labour force is the population itself who is the target of any kind of economic process.

Mr. Gogolashvili continued with explaining the three types of Welfare capitalism according to Esping-Andersen, who differentiated between the liberal, the cooperative and the social-democratic Welfare state. Though, this distinction applied before the development of the EU to the level it is now. In the past the models start to converge and nowadays there is no member country of the EU which is a pro-liberal example in nature.

Nevertheless, according to Mr. Gogolashvili, Georgia still supports the liberal model and wants to be European at the same time. He thinks that this is not a correct approach because today “normal European means also that the state takes care”. Consequently, the EU tries to assist Georgia through various instruments to become a “real democratic Welfare state“. Asking himself, why there is such reluctance towards these approaches on the Georgian side, Mr. Gogolashvili found out that the interests of few very big enterprises, which produce the vast majority of the GDP, should be defended. According to him, small and medium sized enterprises do not reject approaches which aim to establish a Social Dialogue. Moreover, there is no policy which is helping small and medium sized enterprises to develop in Georgia. The government only supports big enterprises and companies. Mr. Gogolashvili thinks that this is not a long term vision because without the development of small and medium sized enterprises there will be no stable and sustainable growth.

Referring to the ENP Action Plan, which in the opinion of Mr. Gogolashvili is the strongest instrument of pushing Georgia into reforms, and its annually progress reports, it is obvious that no improvement took place during the last years. Even the establishment of Social Dialogue did not lead to concrete results and a new legislation. Therefore, Mr. Gogolashvili stated that he cannot support the consideration that the establishment of a Tripartite Commission is a progress because “Social Dialogue is just a formality if it leads to nothing“.

He concluded by calling the Government to take the necessity of changing the labour code serious and adopt it to EU requirements. In his opinion, also the DCFTA can only be signed when labour standards are adhered by the Georgian side.

## **6. Final Remarks**

**Irakli Petriashvili**, President, Georgian Trade Union Confederation

Mr. Petriashvili pointed out in his final statement that with regard to the establishment of a mediation facility there is trust and confidence between the parties and no one is against it. Therefore, he hopes that the establishment will happen soon because it is not done with rhetoric only.

Regarding the Tripartite Commission he reemphasized that the trade unions will not leave the Commission because there are many cases which need to be solved. Nevertheless, he reinforced his postulation that the destruction of trade unions has to stop and the commitments under the certain Conventions need to be fulfilled. He underlined that Georgia has the obligation to be in compliance with the European Social Charter and ILO Conventions. If Georgia wants to be part of the European family it should accept the offered help and adopt the European standards.

**Elguja Meladze**, President, Georgian Employers' Association

Mr. Meladze underlined in his closing remarks that employers are interested in a well-functioning Social Dialogue and Social Partnership system in Georgia. In this regard, trade unions and employers have very good agreements. He stated that it is not simply about change of legislation. instead, many topics should be taken into account.

He is optimistic that the problems can be solved, because all stakeholders have common goals related to the EU and labour standards. Finally, Mr. Meladze reaffirmed the respect and commitment of employers to cooperate with the Social Partners and the readiness to discuss any issue and topic.

## Annex: Conference Agenda

# 2<sup>nd</sup> International Conference on Social Dialogue and Labour Standards in Georgia

October 27<sup>th</sup>, 2011 Tbilisi  
Sheraton Metechi Palace

## Agenda

- 10:00 – 10:30 Registration of Participants/ Welcome Coffee
- 10:30 – 10:45 Opening of Conference
- George Tsereteli**, Deputy Chairman of Parliament of Georgia  
**David Lomidze**, Deputy Minister of Labour, Health and Social Affairs  
**Philip Dimitrov**, Head of the Delegation of the European Union to Georgia
- 10:45 – 11:00 Keynote Speech
- Guy Ryder**, International Labour Organization, Executive Director, Standards and Fundamental Rights at Work
- 11:00 – 11:10 Special Comment
- John R. Bass**, Ambassador of the United States of America to Georgia
- 11:10 – 11:55 PANEL 1:  
**Social Dialogue and Labour Standards in Georgia: Perspectives from Abroad**
- Moderator:  
**Oliver Reisner**, Delegation of the European Union to Georgia
- Speakers:  
**Stephen Benedict**, Director Human and Trade Unions Rights, International Trade Union Confederation (ITUC)  
**Emmanuel Julien**, International Organization of Employers; Deputy Director for Social Affairs in Mouvement des Entreprises de France MEDEF  
**Kari Tapiola**, International Labour Organization, Special Adviser to the Director General
- 11:55 – 12:30 Comments and Discussion
- 12:30 – 13:30 Lunch
- 13:30 – 14:15 PANEL 2:  
**Social Dialogue and Labour Standards in Georgia - Achievements, Problems, Challenges**
- Moderator:  
**Ia Tikanadze**, Friedrich-Ebert-Stiftung, Country Director Georgia
- Speakers:  
**Andria Urushadze**, Minister of Labour, Health

and Social Affairs  
**Irakli Petriashvili**, President,  
Georgian Trade Union Confederation  
**Elguja Meladze**, President,  
Georgian Employers' Association

14:15 – 15.00 Comments and Discussion

15:00 – 15.30 Tea/Coffee

15:30 – 16.20 **PANEL 3:**  
**Is there a Social Dimension in**  
**the ENP and Eastern**  
**Partnership? Assessing Action**  
**Plans and GSP/DCFTA**  
**processes**

Moderator:  
**Matthias Jobelius**, Friedrich-Ebert-Stiftung,  
Regional Director South Caucasus

Speakers:  
**Tamar Beruchashvili**, Senior Advisor of State  
Minister for European and Euro-Atlantic Integration  
**Charlotte Olsson-Altansunar**, European  
Commission, DG Employment, Social Affairs and  
Equal Opportunities, Policy Coordinator European  
Neighbourhood Policy  
**Józef Niemiec**, European Trade Union  
Confederation, Deputy General Secretary  
**Irakli Kenchoshvili**, Member of Parliament, First  
Deputy Chairman of the Committee on European  
Integration  
**Kakha Gogolashvili**, GFSIS, EaP Civil Society  
Forum, National Platform Georgia, Working Group  
II

16:20 – 17.00 Comments and Discussion

17:00 – 17:15 **Final Remarks:**  
Wrap-Up

Social Partners