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How Work Sets Georgians Free

By Paul Rimple

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The Heritage Foundation's Freedom Index for 2011 has been released, and Georgia has maintained its ranking of the 29th-freest economy in the world. In categories that score business, trade, fiscal and monetary freedoms, Georgia's high score remains "labor freedom," at 92.1 again this year.

For an investor, this means that there are very few labor regulations. You can work an employee to death without paying overtime. You can pay him in beans and fire him if you don't like his mustache. By the Heritage Foundation's criteria, 100 percent "labor freedom" would be slavery.

On Thursday, a group of metallurgical workers had the gall to go on strike in Kutaisi to demand "basic working conditions" and the reinstatement of some workers who they claim were fired for cooperating with trade unions. The plant responded by calling the police, who came and took away 30 strikers and effectively busted the strike.

Tamaz Dolaberidze, president of the Metallurgical, Mining and Chemical Industry Workers'

Trade Union, told the civil.ge news site that the plant brought in 40 workers to replace the strikers, and that now he does not know how he will continue the protest. Of the plant's 400 employees, 150 went out on a limb to protest. Now they will either have to suck up to their bosses or walk. Of course, they may just get fired.

Technically, workers have every right to engage in collective bargaining and organize, and the constitution protects citizens from discrimination. But when Georgia amended its Soviet-era labor code in 2006, it left a gaping hole that allows an employer to terminate a contract without stating a reason. So it is against the law to say, "I'm firing you because you are a union agitator." All the employer must remember is to drop the subordinate clause when dismissing someone.

Such disregard for international labor norms has not gone unnoticed. In June 2011, the International Trade Union Confederation and the European Trade Union Confederation sent a letter to the European Commissioner of Trade, Karel De Gucht, describing Georgia's "legal limitations to form a union, obstacles to perform collective bargaining, lack of protection against union and gender discrimination, interferences in union autonomy, restrictions on the ability to strike and widespread child labor."

The International Trade Union Confederation and European Trade Union Confederation feel that Georgian labor legislation does not meet the requirements of the European Union's General System of Preferences, which provides some tariff benefits if Georgia enacts "core human and labor rights, good governance and environmental conventions."

The government says with a straight face that the problem is not with the code, it is that workers do not know their rights. They describe the existing code as "modern" and "close to [the] Danish [equivalent] — a liberal approach." Business associations are steadfastly opposed to tinkering with the labor code because protecting workers' rights will scare investors away from Georgia, which was hit hard by the global economic downturn and the 2008 war with Russia. "The economy will regulate itself if we let it," business leaders say from their bubbles as they compete for skilled labor.

There is a completely different reality in Georgia, where thousands of unskilled laborers must humbly compete for crumbs seven days a week, because if workers complain they will be replaced by somebody who will not. Try telling them their labor freedom score is 92.1.

Paul Rimple is a journalist in Tbilisi.

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