



WORKERS' RIGHTS WATCH

The report assesses labor-law aspects of PRC-affiliated companies in Georgia during the 2022 reporting period.

TBILISI, GEORGIA
DECEMBER 2023

A CRIMINAL CASE HAS BEEN INITIATED

Sinohydro Corporation Ltd
Branch in Georgia

Hunan Road & Bridge
Construction Group Co Ltd.
Branch in Georgia

Constant Department of
China Railway 23rd Bureau
Group Co Ltd.

The investigation is ongoing



The case has been referred to the court for a trial



According to NGO Business & Human Rights Resource Centre, 39 Chinese mining companies were implicated in 102 cases of alleged human rights and environmental violations between January 2021 and December 2022.

"Our data shows that human rights and environmental violations are common in the exploration, extraction, and processing of transitional energy minerals", said a spokesperson for the NGO.

Within the framework of the 49th session of the UN Human Rights Council, more than 60 civil society organizations -among them the International Federation for Human Rights (FIDH)- released a new report today that evaluates 26 Chinese projects in nine Latin American countries, finding a pattern of non-compliance with international standards on human rights and the environment by the Chinese government.

The 40-year-old native of China's Henan province, who gave only his surname out of security fears, said a guard kept watch at his door. When the coronavirus ravaged the dorm in November, he developed a 102-degree fever. Still, he could not leave.

China needs to enforce its current structure of labor standards for child laborers. China needs to also adhere to the international labor conventions it has pledged to support. The commitment of China to improve labor standards cannot waver because of intense economic pressure or foreign market demands.

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INTRODUCTION

The People's Republic of China's growing, unrestricted, and unhinged influence in various spheres of state and public life is a significant challenge to our country's security and democratic development. That is why, for the past six years the non-governmental organization "Civic IDEA" has been investigating and monitoring the activities of state institutions of the People's Republic of China as well as associated legal entities operating in Georgia.

Within the scope of this study, the purpose of monitoring Chinese companies is to highlight trends of their labor-law-related actions in Georgia and raise public awareness about them. However, we hope that making information available to the public and decision-makers, together with disclosing found infractions, will assist them in avoiding additional potential violations and will act as a preventive measure.

Unfortunately, the problems related to the protection of labor rights in Georgia are not solely related to Chinese companies, but in this respect, the legal framework, enforcement and monitoring mechanisms, independent courts and other issues remain a challenge and their analysis goes beyond the goals of the presented research. However, in the case of the companies of the People's Republic of China, their specific attitudes towards civil and political, and socio-economic rights are added to problems that exist at the national level in Georgia.¹ In addition, it should be noted that the largest and most important infrastructural projects on the Georgian market, where the occupational safety-related risks are particularly high, are carried out by the companies that have been founded and are operating in the People's Republic of China.

The present study reflects the **activities of eight Chinese companies in Georgia in the context of labor-law-related affairs.**² The document is based on the results and conclusions of the inspections carried out by the LEPL-Labor Inspection Office (LIO) in the 2022 reporting period, and the violations that have been established following our media monitoring and multiple interviews with the victims. We would also like to thank the Labor Inspection Office, which, in contrast to many other state institutions, upholds a high standard of cooperation and access to public information, which is definitely a welcome development.

For the interests of our research, particular importance is given to the results of inspections conducted by the LEPL-Labor Inspection Office of Georgia in those eight companies registered in Georgia, where the Director is a citizen of the People's Republic of China or in the instances of direct investments from the People's Republic of China or its private citizens and where, administrative fines (warning, fine, suspension of the work process) had been applied under the requirements of the Organic Law of Georgia "On Occupational Safety.

As a result of gathering and examining public information received from the Labor Inspection Office of Georgia, it is clear that in the reporting period of 2022, the Labor Inspection Office carried out 2510 inspections under the Law of Georgia "On Occupational Safety" requirements, *including, 42 based on complaints, 192 on the basis of accidents, and also 161 onsite spontaneous inspections.*

¹ See: Africanews article, July 06, 2023: ["Chinese mining companies accused of human rights violations"](#)

International Federation for Human Rights Report, March 23, 2022: ["New report examines rights violations by Chinese business activities in Latin America"](#)

CNN Business article, July 21, 2020 article: ["US sanctions 11 Chinese companies over human rights abuses in Xinjiang"](#)

Washington Post article April 30, 2021 article: ["Chinese workers allege forced labor, abuses in Xi's 'Belt and Road' program."](#)

Dana C. Nicholas December 1 report: ["China's Labor Enforcement Crisis: International Intervention and Corporate Social Responsibility"](#)

² For the purposes of this study, the Chinese company is a company registered in Georgia, and where its Director is a citizen of the People's Republic of China. Also, a company registered in the People's Republic of China, which has a branch in Georgia.

THESE COMPANIES ARE:

- Hunan Road & Bridge Construction Group Co Ltd.
Branch in Georgia (r/n: 205368029)
- China State Construction Engineering Corporation Ltd.
Georgia Branch (r/n 426539178);
- Constant Department of China Railway 23rd Bureau Group Co Ltd.
(r/n: 404385385);
- Guizhou Highway Engineering Group Co Ltd.
(r/n 405373750);
- China Road and Bridge Corporation Georgia branch
(r/n 205368396);
- JSC Hualing International Special Economic Zone
(r/n 404934381);
- Sinohydro Corporation Ltd Branch in Georgia
(r/n: 404859122);
- Georgia Shunxiang Wood Processing Company Kutaisi Fiz Ltd.
(r/n 412712079).



Motorway section	Agreement number	contractor company
Construction of the Zemo Osiauri - Chumateleti km 7 +700 - km 14 + 060 section (track II) of the E-60 high-speed highway	EWHCIP/CW/RFB-01	Sinohydro Corporation Limited
Construction of the Chumateleti - Khevi section of the E-60 high-speed highway	EWHCIP-AF/CW/ICB-01	China State Construction Engineering Corporation Limited
Construction of the Khevi - Ubisa section of the E-60 high-speed highway	KURP/CW/OCB-01	Hunan Road & Bridge Construction Group Co., Ltd
Construction of the Ubisa - Shorapani section E-60 high-speed highway	GTC/CW/ICB-02	China Road and Bridge Corporation
Construction of the Shorapani - Argveta section of the E-60 high-speed highway	SARP/CW/OCB-01	JV Guizhou Highway Engineering Group Co., Ltd and China National Technical Import & Export Corporation
Construction of Kvesheti - Kobi road section (track I)	KKRP/CW/CP-01R	China Railway Tunnel Group Co., Ltd
Construction of Kvesheti - Kobi road section (track II)	KKRP/CW/CP-02	China Railway 23rd Bureau Group Co., Ltd
Construction of the Samtredia - Grigoleti road section, km 30 + 000 - km 42 + 000 (track III)	EWHG/CW/ICB-03/01	Hunan Road & Bridge Construction Group Co., Ltd
Construction of Bakurtsikhe-Tsnori road	BBRP/CW/ICB-01	China Road and Bridge Corporation
Construction of Vaziani-Sagarejo km 4 + 040 - km 27 + 840 section (track 1) of Tbilisi-Bakurtsikhe-Lagodekhi International Road	GOG/CW/RFB-01 track 1	China Road and Bridge Corporation
Repair-reconstruction of track I of the Khulo-Zarzma section of the Batumi (Angisa)- Akhaltsikhe national road (Khulo-Goderdzi pass, km 5 + 195 – km 29 + 732)	BARP/CW/ICB-01 track I	Sinohydro Corporation Limited
Repair-reconstruction of track II of the Khulo-Zarzma section of the Batumi (Angisa) - Akhaltsikhe national road (Goderdzi pass - Zarzma, km 0+000 - km 17+380)	BARP/CW/ICB-01 track II	Sinohydro Corporation Limited
Repair of km 35 - km 43.6 and km 47.2 - km 48 sections of the Sajavakho - Chokhatauri - Ozurgeti - Kobuleti highway	SRAMP/CW/NCB-11 track 1	China Road and Bridge Corporation
Repair of the km 54.0 - km 67.7 section of the Sajavakho - Chokhatauri - Ozurgeti - Kobuleti highway	SRAMP/CW/NCB-11 track 2	China Road and Bridge Corporation
Repair of the Chokhatauri - Bakhmaro highway sections, km 15.9 - km 21.4 and km 22.5 - km 24.5	SRAMP/CW/NCB-11 track 3	China Road and Bridge Corporation
Repair of the Chokhatauri - Zomleti highway section, km 3.5 - km 13.8	SRAMP/CW/NCB-12 track 1	China Road and Bridge Corporation
Repair of km 17 - km 19.5 section of Sajavakho - Chokhatauri - Ozurgeti - Kobuleti highway	SRAMP/CW/NCB-12 track 2	China Road and Bridge Corporation
Repair of the Ozurgeti - Natanebi – Ureki highway section, km 0.0 - km 2.8	SRAMP/CW/NCB-12 track 3	China Road and Bridge Corporation

	JSC Hualing International Special Economic Zone	Sinohydro Corporation Ltd Branch in Georgia	Hunan Road & Bridge Construction Group Co Ltd. Branch in Georgia	Constant Department of China Railway 23rd Bureau Group Co Ltd.	Georgia Shunxiang Wood Processing Company Kutaisi Fiz Ltd.	China State Construction Engineering Corporation Ltd. Georgia Branch	China Road and Bridge Corporation Georgia branch	Guizhou Highway Engineering Group Co Ltd.
Violation of construction safety rules			√		√			√
Violation of safety rules for working at heights					√	√	√	√
Violation of safety rules while operating electrical equipment		√		√	√	√	√	
Vague work shifts	√	√	√	√				
Uncertainty about the work to be performed		√	√	√				
Inadequate keeping of working hours	√	√	√	√				
Violations related to overtime work	√		√	√				
Violation of overtime pay rules	√	√	√	√				
Violations related to the right to leave	√	√	√	√				

VIOLATIONS IDENTIFIED AND LIABILITIES IMPOSED

JSC Hualing International Special Economic Zone (r/n: 404934381)³

JSC Hualing International Special Economic Zone (hereinafter referred to as Hualing) has been operating on the Georgian market since March 15, 2012. The company is by far the largest investor among companies affiliated with the People's Republic of China. Most large companies operating in Georgia, unlike Hualing, mainly operate under various contracts and on funds allocated from the state budget. However, Hualing's investment capital is 500 million US dollars and the number of employees in the market exceeds 3000 people.

The scope of the company's activities is multifaceted and includes on the one hand construction and management of swimming pools, sports complexes, fitness clubs, and hotels, and on the other hand, the implementation of development projects, the construction, rentals and management of shopping centers and wholesale markets.⁴ It is through Hualing that such important and major projects as the Tbilisi Sea New City, Tbilisi Sea Plaza⁵, Hualing Hotel in Kutaisi, Hualing Free Industrial Zone⁶ and others⁷ have been implemented or are in progress.

The labor inspection in Hualing took place on August 8, 2022, where the following violations were discovered:

Violations related to the assignment of working time and rest periods - in the company's employment agreements the working time and rest periods of the employees were incomplete or missing altogether. In some cases, there was a contradiction between the texts of the employment agreement and the job descriptions, where the working time and rest periods were also defined.

Subparagraph c) of paragraph 1 of Article 14 of the Labor Code of Georgia

the essential term of the employment agreement is the assignment of working time and rest periods.

Incomplete keeping of records of the hours worked - the employer did not properly manage the timesheets. In particular, it is impossible to identify the organization/institution, as well as to determine the starting and ending dates of the reporting periods, the total number of hours performed at night, the total number of hours of the work performed on weekends/holidays, the total number of rest days/holidays. Besides, it is the proper management of such information that allows employees to receive due benefits specifically provided for by the legislation for performing overtime work.

Paragraph 11 of Article 24 of the Labor Code of Georgia

Employers shall, in writing and/or electronically, keep a record of the hours worked by employees in the working day, and shall make available to the employee the monthly records of the working time (hours worked), unless this is impossible to do due to the specific nature of the organization of work.

³ For more information concerning the company's influence in the Georgian media, see Civic IDEA's research: <https://civicidea.ge/en/civic-ideas-report-chinas-wolf-warrior-policy-in-the-media-the-case-of-georgia/new/>

⁴ <https://www.bia.ge/en/Company/13387>

⁵ [Facebook page of the company](#)

⁶ <https://hualing-kutaisi-free-industrial.business.site/>

⁷ <http://www.hualing.ge/>

Performing overtime work without legal grounds - several employment agreements in the company provided for the obligatory performance of overtime work for reasons other than the exceptional cases stipulated by the Labor Code, such as the sheer necessity to perform this kind of work/needs of the company and when unanticipated/accidental disruptions prevented the completion of the day's work.

Paragraph 1 of Article 27 of the Labor Code of Georgia

overtime work is work performed for a period of time longer than the standard working time. The employee has the obligation to perform it in order to prevent a natural disaster/eliminate its consequences or to prevent an industrial accident/eliminate its consequences.

Inadequate remuneration for overtime work - instead of the hourly rate stipulated by the Labor Code, the employment agreements provided for a fixed amount of payments for overtime work. There are also cases of inadequate remuneration by the company for overtime work performed both on working days and on holidays.

Paragraph 2 of Article 27 of the Labor Code of Georgia

overtime remuneration rules.

Unjustified termination of leave - the internal labor regulations submitted by the employer, provided for the termination of leave based on the sole decision of the employer - not by agreement of the parties, and the postponement/reimbursement of unclaimed leave days based on the agreement.

Paragraph 4 of Article 31 of the Labor Code of Georgia

terms and conditions different from those stipulated in this article may be determined by the employment agreement. An employment agreement may define the terms and conditions different from those provided for by the Labor Code article concerning the leave. Such terms and conditions shall not worsen the condition of an employee.

Overcompensation for damages paid to the employer - the internal labor regulations submitted by the employer specified that in the final settlement upon termination of the employment relations the employer had the right to deduct the full amount of damages caused to the company by the employee instead of the 50 percent, as established by the Labor Code.

Paragraph two of Article 43 of the Labor Code of Georgia

The Joint Stock Company was given 30 calendar days to fix all of the aforementioned infractions/comply with the instructions. In the course of the repeated inspections of the company, it was established that:

The overtime remuneration rules are still violated. JSC "Hualing International Special Economic Zone" had failed to fulfill the obligation outlined in the directives of September 21, 2022, to remunerate overtime work to all those employees with respect to whom the Labor Inspection Office had determined a violation.

Also, there are records of additional overtime work performed after the first inspection, which just like previous ones the company had failed to remunerate for.

Paragraph 2 of Article 27 of the Labor Code of Georgia - *overtime remuneration rules*.

As a result of repeated inspections, JSC "Hualing International Special Economic Zone" was fined **600 GEL**.

It is important to highlight that for such a large company as JSC "Hualing International Special Economic Zone," the amount of the above fine does not represent a real financial burden for the company in order to fix the infractions that had been found during the inspections. As already mentioned, the Hualing Group incorporates many high-income companies and executes numerous large-scale projects throughout the country. To impose liability in the amount of 600 GEL, particularly during a repeated inspection, when a warning and additional time to correct the wrongdoings had already been given, will be quite a symbolic act and will not bring about effective changes.

Moreover, one has to consider the scale of the moral, physical, or material damage or the damage to the health of each of the employees. It is impossible for a fine of 600 GEL to be a proportional measure for labor-right violations of this scale and nature.



SinoHydro Corporation Ltd Branch in Georgia (r/n: 404859122) ⁸

The highway development is being carried out on the Georgian territory by several Chinese companies.⁹ However, only those that were examined as part of this monitoring will be reviewed within the scope of this study.

SinoHydro Corporation Ltd branch in Georgia has been operating on the market since April 8, 2010. Its area of activities includes designing, building, and maintaining roads, as well as constructing, repairing, and maintaining bridges.¹⁰ We should also bear in mind here that to carry out road construction works effectively, the company was granted the right to extract minerals (sand-gravel) without the need to obtain a license.¹¹

This company is one of the largest contractors of the Georgian government. Actually, it specializes in the construction of hydropower facilities, however, it is engaged in the construction of highways in Georgia. Activities of SinoHydro in Georgia are financed almost entirely from the State budget within the framework of various international infrastructural projects.

⁸ For more information and studies concerning this company, you may wish to visit: <https://civicidea.ge/en/civic-ideas-third-china-watch-report-covers-the-controversies-over-sinohydro-china-railway-23rd-bureau-group-co/new/>

⁹ see Appendix 2 (table)

¹⁰ see <https://www.bia.ge/company/6555>

¹¹ See the Order N2138 of the Government of Georgia of December 20, 2013 <https://matsne.gov.ge/ka/document/view/2197138?publication=0>

These projects are:

- ✓ 12.4-kilometer section of Kobuleti bypass;
- ✓ Construction of the first and third segments of the Tbilisi-Rustavi section;
- ✓ Construction works carried out on the Zemo-Osiauri-Chumateleti high-speed highway 5.8-km section;
- ✓ Construction of the 19.5 km Samtredia-Grigoleti section.¹²

It's worth mentioning that the "Civic IDEA" has studied the Corporation Sinohydro branch in Georgia within the framework of a separate study, independent of this report. Thus, for detailed information, you can check the following report: Companies of the People's Republic of China in Georgia/Monitoring Report N3 (Sinohydro & China Railway 23rd Bureau in Georgia).¹³

On July 1, 2022, following the inspections of Sinohydro, the Labor Inspection Office detected the following violations:

Ambiguous work shift - the employment agreements submitted by the company do not specify in detail such important terms as working hours, workdays, and holidays.

Subparagraph c) of paragraph 1 of Article 14 of the Labor Code of Georgia

the essential term of the employment agreement is the assignment of the working time and rest periods.

Unspecified workload - the employment agreements submitted by the company do not specify the type and description of the work to be performed.

Subparagraph e) of paragraph 1 of Article 14 of the Labor Code of Georgia

the essential term of the employment agreement is the post (where applicable, with an indication of a rank, a grade, a category, etc.), the type and description of work to be performed.

Inaccurate keeping of records of hours worked - the timesheets submitted by the employer do not contain all the necessary data, which are mandatory by the Minister's Order.

Paragraph 11 of Article 24 of the Labor Code of Georgia

Under these obligations, the employers shall "in writing and/or electronically, keep a record of the hours worked by employees in the working day, and shall make available to the employee the monthly records of the working time (hours worked), unless this is impossible to do due to the specific nature of the organization of work."

¹² <https://bm.ge/ka/article/5-georgian-entrepreneurs-launch-a-new-app-in-the-uk/72001>

¹³ [Companies of the People's Republic of China in Georgia/Monitoring Report N3 \(Sinohydro & China Railway 23rd Bureau in Georgia\)](#)

Inadequate remuneration for overtime work - according to the documentations produced by the employer, work carried out on holidays by the employees is not considered overtime work and is not remunerated at all or the payment is made at the standard rate.

paragraph 2 of Article 27 of the Labor Code of Georgia

Inaccurate keeping of records of hours worked - the timesheets submitted by the employer do not contain all the necessary data, which are mandatory by the Minister's Order.

Paragraph 11 of Article 24 of the Labor Code of Georgia

Under these obligations, the employers shall "in writing and/or electronically, keep a record of the hours worked by employees in the working day, and shall make available to the employee the monthly records of the working time (hours worked), unless this is impossible to do due to the specific nature of the organization of work."

Right to unused leave - interviews with the employees reveal that they do not have the right to take paid leave. According to the information provided by the employer, the employees did not enjoy the right to paid leave during the studied periods, which is naturally a gross violation of the labor legislation.

Article 31 of the Labor Code of Georgia

Inadequate compensation for incapacity for work - according to the employment agreements submitted by the company, the employee is granted compensation for temporary incapacity for work for a period of no more than 40 calendar days, while in reality, under the Labor Code of Georgia, compensations for temporary incapacity are granted either for a period of up to 40 consecutive calendar days or for a total period of 60 calendar days per period of 6 months (for the entire period until there is a reason to just suspend the agreement due to temporary incapacity for work in accordance with the Labor Code of Georgia). Naturally, the Joint Stock Company was given 30 calendar days to fix all the infractions/ comply with the instructions.

Paragraph 4 of Article 46 of the Labor Code of Georgia

The following circumstances have been established as part of the repeated inspections:

During the repeated inspections, the employer was unable to confirm that all the employees had been informed about the work registration forms, and it was also found that the working shifts of some of the employees did not correspond to the data entered in the registration forms, therefore, paragraph 11 of Article 24 of the Labor Code of Georgia had been violated.

Following the repeated inspections, the Sinohydro Corporation Ltd. Branch in Georgia was fined 600 GEL.

It is worth noting that in 2021, according to the information circulated in the media, the Sinohydro Corporation Ltd. Branch in Georgia was also exposed for violating occupational safety rules, which led to the death of a person.¹⁴ With the help of the media, it also became known that the incident was followed by protests calling for the improvement of occupational safety conditions. In connection with the above the Ministry of Internal Affairs has started an investigation under the breach of the workplace safety rules article, which is still ongoing.¹⁵ It is worth noting that the violation of the occupational safety rule and the death of a person happened in 2021, the relevant authorities began to react back then, however, today, in 2024, the case has not yet been referred to the court, and is still under investigation.

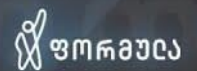
Accident in Surami.

Source: [Story from the Formula News](#)

სურამი



უბაღურნი შავთხვავა სურამში



ვებგვერდი: www.formula.ge

12:33

¹⁴ <https://netgazeti.ge/news/582887/>

¹⁵ <https://reginfo.ge/people/item/24672-suramshi-avtomagistralis-msheneblobaze-33-xlis-musha-daigupa>

Also public information that was provided to Civic IDEA by the Ministry of Internal Affairs.



Hunan Road & Bridge Construction Group Company Ltd Branch in Georgia (r/n: 205368029)¹⁶

Hunan Road & Bridge Construction Group Company Ltd. Branch in Georgia has been operating on the Georgian market since May 10, 2019.¹⁷ It performs the construction works of the Khevi-Ubisa segment of the Rikoti pass section of the E-60 highway.¹⁸

The "Civic IDEA" has also examined the activities of this company within the framework of a separate study, independent of this report. For detailed information, you can read the following report: "China Watch N12: Report Hunan Road and Bridge Construction Group Co Ltd in Georgia".¹⁹

On August 8, 2022, inspections of the company by the Labor Inspection Office showed that the company did not meet the minimum standards of employment guidelines, and violations similar to the companies discussed above have been observed:

The *essential term* of the employment agreement is the assignment of working time and rest periods; therefore, the **obscure work shifts** are incompatible with the requirements of our legislation - the employment agreements submitted by the employer, did not designate the working time and rest periods in detail. In some cases, the duration of holidays or work shifts was not specified.

subparagraph c) of paragraph 1 of Article 14 of the Labor Code of Georgia

Another important term omitted from the employment agreements and, therefore, regularly violating the legislation, is **unspecified workload**, as well as the type and description of work to be performed at the company.

subparagraph e) of paragraph one of Article 14 of the Labor Code of Georgia

the essential term of the employment agreement is the post (where applicable, with an indication of a rank, a grade, a category, etc.), the type and description of work to be performed.

Fixing remuneration without consent from the employee - under the employment agreements submitted by the company, daily or hourly remuneration for the work performed by the employees is described in Appendix 1. Although being an integral part of the employment agreement, in some cases it is clear that it is not signed by both parties.

Subparagraph f) of paragraph 1 of Article 14 of the Labor Code of Georgia

the essential term of the employment agreement is the designation of the remuneration (with an indication of a salary and, where applicable, an increment), and the procedure for the payment thereof.

¹⁶ For more information and studies concerning this company, you may wish to visit:

<https://civicidea.ge/en/china-watch-report-12-hunan-road-and-bridge-construction-group-co-ltd-in-georgia/new/>

¹⁷ See extract from the registry for entrepreneurial and non-entrepreneurial entities:

[https://bs.napr.gov.ge/GetBlob?pid=400&bid=boVlyOwlsX3qmYsntmLmFFXkwKzksG\[RUwQJIXsXB6pvHMxB3kXPAQ62BcPaKH3u](https://bs.napr.gov.ge/GetBlob?pid=400&bid=boVlyOwlsX3qmYsntmLmFFXkwKzksG[RUwQJIXsXB6pvHMxB3kXPAQ62BcPaKH3u)

¹⁸ <https://bm.ge/ka/article/rikotze-momushave-chinuri-samsheneblo-kompaniis-tanamshromlebi-gaificnen-ancxadeba/65887/>

¹⁹ [China Watch report N12 Hunan Road and Bridge Construction Group Co Ltd in Georgia](#)

Vague rules for overtime remuneration - according to the employment agreement texts submitted by the company, the work performed on holidays is considered overtime work and is also paid with an increased rate, however, the amount is not specified anywhere. However, the Labor Code of Georgia imperatively requires a clear designation of the procedure for overtime remunerations in the essential terms of the employment agreement.

subparagraph g) of paragraph 1 of Article 14 of the Labor Code of Georgia

Unspecified number of leave days - in the employment agreements provided by the employer, the durations of paid and unpaid leaves and the manner they are granted are not specified. In addition, we need to keep in mind that the company is engaged in the construction of roads and highways, which is heavy, harmful, and dangerous work. This leads to the designation of additional terms in the agreements. Therefore, in the example of a number of employees, where the work to be performed is of this kind, it is necessary for the company to provide for the obligation to grant an additional 10 days of paid leave.

Subparagraph h) of paragraph 1 of Article 14 of the Labor Code of Georgia

the essential term of the employment agreement is to define the duration of paid and unpaid leave and the procedure for granting said leave.

Flaws related to the termination of the agreement are an important problem since the absence of termination terms in the agreements often causes litigations and conflicts. The terms of termination of the agreement, as well as the obligation to issue a warning and award compensation, are not defined in the agreements submitted by the company. However, the legislation.

Subparagraph i) of paragraph 1 of Article 14 of the Labor Code of Georgia

explicitly requires that an essential term of the employment agreement be the prescription of the procedure for the termination of labor relations by the employer and the employee.

Inaccurate keeping of records of hours worked - the form of work recording submitted to the labor Inspection Office, which the employer keeps for each individual employee, is incomplete and does not contain all the mandatory data required by the Order. For example, the start and end dates of the accounting period, the total number of hours accrued during the month, the identification number, etc.

paragraph 11 of Article 24 of the Labor Code of Georgia

obliges the employer to keep a record of the hours worked by the employees in writing and/or electronically on the working day and to make available to the employee the monthly records of the working time (hours worked), unless this is impossible to do due to the specific nature of the organization of work.

Exceeding the duration of the working day - according to the texts of the employment agreements submitted by the company, working more than 8 hours a day constitutes overtime work, and at the same time, other records of the same agreement establish a nine-hour work shift. This means that the employer makes overtime work the accepted standard, while the Labor Code, posits other principles concerning the latter.

paragraph 2 of Article 24
paragraph 6 of Article 23
of the Labor Code of Georgia

Inaccurate keeping of records of hours worked and the remunerations - hours worked by employees are not recorded in full, especially when it comes to overtime work, and therefore, in many cases, overtime work is not fully remunerated, even though the second paragraph of Article 27 of the Labor Code clearly establishes the procedure for overtime remuneration and, the obligation to make payments thereof.

paragraph 2 of Article 27
of the Labor Code of Georgia

Unreasonable termination of leave - the practice where the employer grants leave to employees infringes the rights of employees as prescribed by the Code because there is a practice of calling the employees back to work without any justification. In such cases, the days worked are still deducted from the requested leave days - with the corresponding remuneration. Although the legislation allows the employment agreements to define different terms and conditions from those provided for by the Labor Code, it is necessary that such terms and conditions shall not worsen the condition of an employee.

paragraph 4 of Article 31
of the Labor Code of Georgia

Inadequate leave pay - the company has its own ways of calculating wages for the employees, so wages are not fixed. However, the leave pay is calculated based on the fixed salary and does not correlate with the salaries of the previous 3 months. In this regard, the Labor Code of Georgia (Article 36) specifically defines the employee's leave pay to be a benefit calculated from the average remuneration of the 3 months preceding the leave.

Article 36
of the Labor Code of Georgia

The law also provides for other cases. Namely, if a person's working time is less than 3 months after the start of work or after the last leave, leave pay shall be determined based on the average remuneration of months worked, and where an employee is paid fixed remuneration on a monthly basis, leave pay shall be determined based on the remuneration for the last month.

Inadequate remuneration for work - in some cases, the employer does not pay employees based on individual electronic table records.

paragraph 1 of Article 41
of the Labor Code of Georgia

Delayed payment - The employer shall pay employees 0.07% of the delayed sum for each day of any delayed payment or settlement, although the company has never adhered to this rule when it comes to late payments.

paragraph 4 of Article 41
of the Labor Code of Georgia

Unclear rules for remuneration during idle times - in the submitted employment agreements, the rules or amount of remuneration for idle times caused through the fault of an employer are not clearly outlined - the obligation to reflect these rules in the agreements is explicitly stated by law.

Article 42
of the Labor Code of Georgia

Overcompensation for damages paid to the employer - the employment agreements submitted to the Labor Inspection Office which we are very familiar with define the obligation of the employee to give 1 month's notice in case of termination of the agreement, and where this term is violated, prescribe possibilities of deducting the remuneration in full for the last month or paying one month's salary as a compensation, which is against the requirements of the law, since the total amount of a lump-sum deduction from remuneration cannot exceed 50% of the remuneration.

Article 43
of the Labor Code of Georgia

Unjustified procedure for establishing temporary incapacity for work - in the case of temporary incapacity for work the employment agreements submitted by the employer determine the obligation to submit the relevant notice within one calendar day, while under paragraph 3 of Article 7 of the Order N87/n of the Minister of Labor, Health and Social Protection of Georgia of February 20, 2009, the employee is obliged to submit the mentioned document within 3 months from when the hospital paper is finalized.

paragraph 4 of Article 46 of the Labor
Code of Georgia

*the procedure for remuneration
when the employment agreement
is suspended*

Like other companies, **Hunan Roads and Bridges Construction Group Co Ltd Branch in Georgia** was given 30 calendar days to comply with the instructions, and like in other cases, this company too did not make any special efforts to address the issues. There are various reasons for this kind of attitude, but it is important to remember that in any case where the coercive system of the state intervenes to enforce the law, it is essential the company anticipates an adequate punishment. The 600 GEL fine, which we have already mentioned several times in this report, against many thousands of violations and disrespect for work performed by many individuals, naturally cannot give us the results that entail fundamental rectification of these problems.

The following circumstances have been established as part of the repeated inspections:

Based on the individual electronic working time record tables, it was established that the majority of employees still work round-the-clock, in continuous shifts, without a rest period of at least 24 hours in a 7-day period.

paragraph 7 of Article 24 of the Labor Code of Georgia

has been violated

The employer not only failed to compensate for the flaws detected within the first inspections but there are also facts of overtime work performed after the initial inspection, which has not been fully remunerated.

paragraph 2 of Article 27 of the Labor Code of Georgia

has been violated

Leave pay by the employer is still based on a fixed salary, while in reality the salaries are not fixed, and the leave pay had to be calculated based on the salary of the last 3 months.

Article 36 of the Labor Code of Georgia

has been violated

Following the repeated inspections, Hunan Roads and Bridges Construction Group Co Ltd Branch in Georgia was fined **600 GEL** for each of the violations – **1800 GEL** in total.

With assistance from the media, it has also become known that this company had violated the labor safety rules in previous years, which had resulted in damages to health and caused the deaths of several employees. “3 Georgian and 3 Chinese citizens have been injured and taken to hospital. Search and rescue operations are continuing at the site. According to the initial account, the collapse of the iron structure was caused by a heavy snowfall²⁰” - Kharagauli Municipality told Radio Freedom. On December 22, 2021, the Ministry of Internal Affairs launched an investigation under Article 240 of the Criminal Code, which provides for the breach of safety regulations during mining, construction, or other works, that resulted in damages to health or caused death. The case was also referred to the court.²¹



²⁰ <https://www.radiotavisupleba.ge/a/31620887.html>

²¹ Public information that was provided to Civic IDEA by the Ministry of Internal Affairs.



Constant Department of China Railway 23rd Bureau Group
Co Ltd. (r/n: 404385385)

The Constant Department of China Railway 23rd Bureau Group Co Ltd. has been operating on the Georgian market since July 30, 2010, and its areas of activities are the construction of railways, roads, and highways.²²

- ✓ The company's projects include the railway modernization project,
- ✓ Construction of the 4th tract section of Samtredia-Grigoleti
- ✓ Construction of the Kvasheti-Kobi road section.²³

The inspections of Constant Department of China Railway 23rd Bureau Group Co Ltd. were carried out on November 25, 2021, where the Labor Inspection Office found the following violations:

Discrimination - in addition to the fact that there is a requirement of "qualification" for all Chinese citizen-employees, which is not the case with Georgian employees, there is also a fundamental difference between their salaries – the difference not substantiated by the employer. The law explicitly requires the employer to take measures to ensure compliance with the principle of equal treatment between employees at an institution including anti-discrimination provisions in the internal labor regulations and other documents of the institution, and ensure their observance.

paragraph 4 of Article 23 of the Labor Code of Georgia

Language barrier in employment relations - employment agreements are drawn up in multiple copies in Georgian, English, and Chinese languages, there is no mention anywhere that one has priority among others. Also, there is a language barrier in the workplace, resulting in employees being unable to effectively communicate with managers concerning their work needs.

Article 17 of the Labor Code of Georgia

We do not need the law to dictate to us the following utter truth - although a written employment agreement can be concluded in several languages, it is necessary to have a binding copy in a language understood by the parties. Accordingly, if a written employment agreement is concluded in several languages, it must contain a reservation stating which language of employment agreements shall take precedence in the event of a discrepancy between the provisions of the employment agreements.

Flaws related to the duration of the agreement - the submitted employment agreements do not specify the date the work starts and the duration of the employment relations.

subparagraph b) of paragraph 1 of Article 14 of the Labor Code of Georgia

Vague work shift - submitted employment agreements do not describe the working time and rest periods.

subparagraph c) of paragraph 1 of Article 14 of the Labor Code of Georgia

²² <https://www.bia.ge/company/17868>

²³ <https://bm.ge/ka/article/5-georgian-entrepreneurs-launch-a-new-app-in-the-uk/72001>

<p>Unspecified workplace - submitted employment agreements do not include a record concerning the workplace.</p>	<p>subparagraph d) of paragraph 1 of Article 14 of the Labor Code of Georgia</p>
<p>Unspecified workload - submitted employment agreements do not include a record of the type of work to be performed and its description.</p>	<p>subparagraph e) of paragraph 1 of Article 14 of the Labor Code of Georgia</p>
<p>Absence of the procedure for overtime remuneration - submitted employment agreements do not specify the procedure for overtime remuneration.</p>	<p>subparagraph e) of paragraph 1 of Article 14 of the Labor Code of Georgia</p>
<p>Violations related to the right to leave - submitted employment agreements do not specify the duration of paid and unpaid leave and the manner they are granted.</p>	<p>subparagraph h) of paragraph 1 of Article 14 of the Labor Code of Georgia</p>
<p>Performance of work outside the scope of duties - according to the submitted employment agreements, the employee may have to perform work not directly provided for by the job description. In this regard, the employees testify that they have to perform work that is not related to the kind of work they do.</p>	<p>paragraph 2 of Article 20 of the Labor Code of Georgia</p>
<p>Inaccurate keeping of records of hours worked - contrary to the requirements of the law, the form in which the working time records are kept is not extensive, does not comply with the requirements of the Order, and does not incorporate all the necessary components.</p>	<p>paragraph 11 of Article 24 of the Labor Code of Georgia</p> <p><i>states that the employer shall, in writing and/or electronically, keep a record of the hours worked by employees in the working day, and shall make available to the employee the monthly records of the working time (hours worked), unless this is impossible to do due to the specific nature of the organization of work.</i></p>
<p>Performing excessive amount of overtime work - based on the studies of the documents showing the reporting to work by the employees (attendance sheet) and interviews with them, it was established that the employees cannot enjoy an uninterrupted rest period of at least 24 hours under continuous 7-day work. This obligation is directly prescribed by the Labor Code of Georgia.</p>	<p>paragraph 7 of Article 24 of the Labor Code of Georgia</p>
<p>Right to unused leave - the company does not provide employees with the right to paid leave, within the established period and procedure. Furthermore, activities in the company are hard, harmful, and dangerous to perform, therefore, certain employees should additionally have the right to request 10 days of paid leave.</p>	<p>paragraphs one of Article 31 and subparagraph a) of paragraph 3 of Article 31 of the Labor Code of Georgia</p>

Inadequate remuneration for overtime work – following the examination of documents (agreements, proof of salary payment) and interviews with the employees, it was established that the employees have to work on holidays, which is not considered by the company as overtime work, and therefore, remuneration was paid in the standard amount.

Paragraphs one and two of Article 27 of the Labor Code of Georgia

performing work in a period of time longer than the standard working time constitutes overtime work. Overtime is paid at an increased hourly rate.

Violation related to temporary incapacity for work benefits - the employer failed to submit relevant payment documentation proving payment of benefits during the period of temporary incapacity for work.

subparagraph i) of paragraph 2 of Article 46 of the Labor Code of Georgia

the ground for suspending an employment agreement is temporary incapacity for work, unless the incapacity period exceeds 40 consecutive calendar days, or the total incapacity period exceeds 60 calendar days per period of 6 months; Here, the employer is obliged to pay wages.

The company was given 30 calendar days to comply with the instructions.

Following the repeated inspection, it is established that only the following instructions have been observed:

In the agreements, the employer has indicated the starting times and duration of work.

subparagraph b) of paragraph 1 of Article 14 of the Labor Code of Georgia

The employer has taken appropriate measures to ensure the principle of equal treatment, which was mainly manifested in the difference between the salaries of the employees and the “qualification” requirements.

paragraph 4 of Article 23 of the Labor Code of Georgia

Overtime work has been remunerated

paragraphs 1 and 2 of Article 27 of the Labor Code of Georgia

Remuneration for the full period of temporary incapacity for work has been granted

subsection i) of paragraph 2 of Article 46 of the Labor Code of Georgia.

For not addressing all the violations, the Constant Department of China Railway 23rd Bureau Group Co Ltd. was fined **6,000 GEL** following repeated inspections.

According to the information circulating in the media, the company repeatedly violated the standards of labor safety in previous years, causing the death of a person.²⁴ In one of these cases, on October 6, 2019, the Khashuri District Division of the Ministry of Internal Affairs initiated an investigation under Article 276 of the Criminal Code, which provides for the violation of traffic safety rules or rules for operating transport, which results in death. This case was then referred to the court.²⁵

²⁴ see <http://kvira.ge/505277> as well as <https://reginfo.ge/people/item/10224-xaragaulshi-rkinigzis-msheneblobaze-musha-daigupa>

²⁵ Public information that was provided to Civic IDEA by the Ministry of Internal Affairs.

**Georgia Shunxiang Wood Processing Company Kutaisi Fiz Ltd.
(r/n 412712079)**

Georgia Shunxiang Wood Processing Company Kutaisi Fiz Ltd. has been operating on the Georgian market since October 9, 2015.²⁶ Together with Hualing, it is one of the largest Chinese investors in Georgia as of the first quarter of 2020.²⁷ Its main activities are wood processing, production, imports, and exports. It is worth noting that the Georgia Shunxiang Wood Processing Company Kutaisi Fiz Ltd. has been registered with the Kutaisi Free Industrial Zone since 2015, which in turn exempts the company from profit, property, import, and VAT taxes and, accordingly, creates a special comfort zone for the company.²⁸

The inspections of the company took place on March 4, 2022, and the Labor Inspection Office found a violation of occupational safety norms as defined by the technical regulation (regulations) approved by the Government of Georgia. Since the circumstances were not grave, the Georgia Shunxiang Wood Processing Company Kutaisi Fiz Ltd. was given a warning and forty days to fix the infractions.

There was a repeated inspection on September 28, 2022, which exposed the following violations:

- Violation of safety rules for working at heights;
- Violation of construction safety rules;
- Violation of safety rules while operating electrical equipment.

Based on the above, Georgia Shunxiang Wood Processing Company Kutaisi Fiz Ltd. was fined 14,000 GEL and given a rectification period of 15 days.



**China State Construction Engineering Corporation Ltd.
Georgia Branch (r/n 426539178)²⁹**

The China State Construction Engineering Corporation Ltd. Georgia Branch has been registered and has been operating on the Georgian market since October 11, 2019.³⁰ It is responsible for the construction of the Chumateleti-Khevi section of the E-60 highway.³¹ It has previously been inspected numerous times by the Labor Inspection Office under the Organic Law of Georgia's "On Occupational Safety":

- On January 31, 2021, where violations of technical regulations on safety requirements for working at heights, technical regulations on operating electrical equipment, technical regulations on installation, and safe operation of hoisting equipment were discovered. The company was given a warning and a forty-day period to correct the infractions.

²⁶ see extract from the registry for entrepreneurial and non-entrepreneurial entities:

[https://bs.napr.gov.ge/GetBlob?pid=400&bid=boVlyOwlsX3qmYsntmLmFASlusTds1RYS0JyF87\]povq08i\]o4jaNee5wGLjcvvn](https://bs.napr.gov.ge/GetBlob?pid=400&bid=boVlyOwlsX3qmYsntmLmFASlusTds1RYS0JyF87]povq08i]o4jaNee5wGLjcvvn)

²⁷ <https://bm.ge/ka/article/umsxvilesi-chinuri-investori-kompaniebi-saqartveloshi/63323>

²⁸ <https://ifact.ge/tiz/>

²⁹ For more information and studies concerning this company, you may wish to visit:

<https://civicidea.ge/en/10th-china-watch-report-cscec-in-georgia/new/>

³⁰ see extract from the registry for entrepreneurial and non-entrepreneurial entities: <https://bs.napr.gov.ge/GetBlob?pid=400&bid=boVlyOwlsX3qmYsntmLmFNROvNWHW9LCYHuETDxoDSnW5FwgI5yuW36LBWz0alpZ>

³¹ see <https://bm.ge/ka/article/34-kompanias-romelic-infrastruqturul-proeqtebs-ashenebs-saqmianobis-ufleba-mieca/53158>

- On February 02, 2021, following an accident that occurred on January 31, 2021. (an employee was injured); the Labor Inspection Office found a violation of the technical regulations on safety requirements for working at heights, and consequently, the work was completely suspended.

- On February 23, 2021, the China State Construction Engineering Corporation Ltd. Georgia Branch was again inspected because the company failed to provide a report on an accident that had occurred in the workplace. It did not report to the supervisory authority about the accident of January 31, 2021, either. The Labor Inspection Office gave a rectification period of 5 days and fined the company 1000 GEL.

- On May 27, 2021, a repeated inspection took place, which established that the occupational safety norms defined by the technical regulation (regulations) approved by the Government of Georgia had been violated again. This time, the Labor Inspection Office set a rectification period of 25 days and fined the company 8,000 GEL.

- Following the inspection on June 11, 2021, the Labor Inspection Office gave the company a mere warning and a rectification period of 25 days for violating occupational safety norms.

- On July 1, 2021, an accident happened again. The company failed to report the accident, which was its obligation under Article 23 of the Labor Safety of Georgia.

Accordingly, the company was fined 1000 GEL and was given a rectification period of 5 days.

- As a result of the inspection conducted on July 13, 2021, it was established that the working at heights safety requirements had been violated.

The Labor Inspection Office fined the company 1000 GEL for the aforementioned violations and gave 14 days of rectification period.

At the same time, during the same inspection, the Labor Inspection Office found a light (non-critical) recurrent violation of the occupational safety norms (non-compliance with the previous instructions) established by the technical regulation (regulations) approved by the Government of Georgia, and based on these findings it imposed a fourteen-day rectification period and fined the company 9,000 GEL.

- On August 9, 2021, a light (non-critical) recurrent violation of occupational safety norms established by the technical regulation (regulations) as approved by the Government of Georgia (failure to comply with the previous instructions) was again recorded.

The company was fined 9000 GEL and was given a rectification period of 14 days.

- August 09, 2021, a light (non-critical) repeated violation of occupational safety norms prescribed by the technical regulation (regulations) as approved by the Government of Georgia (non-compliance with previous instructions) is established again.

The Labor Inspection Office set a rectification period of 14 days and fined the company 7000 GEL.

- During the inspections conducted on September 28, 2021, a violation of the rules for working at heights was established and resulted in the company being fined 1000 GEL.

Besides, the Labor Inspection Office set a ten-day rectification period.

- October 28, 2021 – there was a recurrent violation of the rules for working at heights (failure to comply with previous instructions).

The company was fined 4000 GEL and was given 10 days to fix the issues.

- On January 13, 2022, the rules for working at heights were violated again.

The Labor Inspection Office gave the company 5 days to rectify the infractions and fined the company 1000 GEL.

- On December 7, 2022, the norms for working at heights are still neglected.

This time, the labor inspection office only gave the company a warning and set a rectification period of 14 days.



China Road and Bridge Corporation Georgia Branch (r/n 205368396)³²

The China Road and Bridge Corporation Georgia Branch commenced its activities on the Georgian market on February 19, 2019.³³ It is mainly engaged in the construction of roads. The company is responsible for the construction of the Ubisa-Shorapani section on the Vaziani-Sagarejo highway and the Rikoti pass, which includes the construction of 13 kilometers of roads, 27 bridges, and 18 tunnels.³⁴

Initially, the company was inspected by the Labor Inspection Office on August 11, 2021, where it was established that several obligations of the employer related to the size of the enterprise, the number of employees, working conditions, degree of danger, nature and structure and relevant risks, had been violated, including the absence of preventive measures and also the existing norms for first aid, fire safety, evacuation during the increased danger had not been observed.

The rules for working at heights had also been violated.

Based on the above violations and under Article 22 of the Occupational Safety Law, the company was fined 4000 GEL and was given a rectification period of 14 days.

- It was then revisited on October 17, 2022, because of an industrial accident, in which the employers had been injured.

Following the inspection, the company was fined 1000 GEL and was given 5 days to fix the infractions.

- During the inspection on October 19, 2022, a violation of the rules of safety while operating equipment was established.

The Labor Inspection Office gave the company a mere warning and a rectification period of 20 days.

- During the inspection on October 28, 2022, a violation of safety rules for working at heights and operating electrical equipment was established.

The company was given a warning and a rectification period of 20 days.

- On December 20, 2022, the Labor Inspection Office checked the company again, and this time again the safety rules for working at heights and operating electrical equipment had been violated.

As a result, the company was fined 14,000 GEL and was given 10 days to correct the infractions.

³² For more information and studies concerning this company, you may wish to visit:

<https://civicidea.ge/en/3306-2/new/>

³³ see extract from the registry for entrepreneurial and non-entrepreneurial entities:

<https://bs.napr.gov.ge/GetBlob?pid=400&bid=boVlyOwlsX3qmYsntmLmFOnTuulrc1slcuBbOBbc43vG5d5g9vs3p3CAW4fsdxmz>

³⁴ <https://bm.ge/ka/article/ramdeni-milioni-shemosavali-aqvt-mtavrobis-kontraqtora-chinur-kompaniebs/122360/>



Guizhou Highway Engineering Group Co Ltd. began its activities on the Georgian market on January 17, 2020,³⁵ and the construction of the Shorapani-Argveta section of the E-60 highway is one of its important projects.³⁶

- On April 17, 2022, one person died due to the violation of the rules stipulated in the regulations on working at heights and construction safety.

Because of that, the work process was suspended on April 18, 2022.

- On May 4, 2022, a repeated inspection took place and this time it was established that the occupational safety norms determined by the technical regulation (regulations) as approved by the Government of Georgia had been lightly (non-critically) violated.

Accordingly, the company was only given a warning, and a rectification period of 14 days was set.

- During the inspection on September 13-14, 2022, it was established that the safety rules for working at heights had been violated.

As a result, the work process at the heights was suspended. Later, the work was completely stopped.

2022 On October 21, the Labor Inspection Office found that occupational safety norms prescribed by the technical regulation (regulations) as approved by the Government of Georgia had been violated (lightly, non-critically).

Accordingly, the company was again given only a warning and a rectification period of 20 days.

This was followed by an inspection following an accident where one of the employees was injured. Guizhou Highway Engineering Group Co Ltd. did not inform the Ministry of IDPs from the occupied territories of Georgia, Labor, Health, and Social Protection about the incident, as was its obligation under the Minister's Order.

³⁵ see extract from the registry for entrepreneurial and non-entrepreneurial entities:

[https://bs.napr.gov.ge/GetBlob?pid=400&bid=boVlyOwlsX3qmYsntmLmFGFmZ3wpypOglUT77Q9kx1e\[DFjzRtPXUtoG4NTOs9YU](https://bs.napr.gov.ge/GetBlob?pid=400&bid=boVlyOwlsX3qmYsntmLmFGFmZ3wpypOglUT77Q9kx1e[DFjzRtPXUtoG4NTOs9YU)

³⁶ <https://bm.ge/ka/article/34-kompanias-romelic-infrastruqturul-proeqtebs-ashenebs-saqmianobis-ufleba-mieca/53158>

CONCLUSION

Based on materials provided by the LEPL-Labor Inspection Office of Georgia as well as various media reports, our research shows that Georgia faces significant challenges when it comes to the labor-law-related actions of Chinese companies. Violations that were detected were related to employment agreements, wages, timekeeping of the hours worked, as well as occupational safety problems, such as failing to use collective protective equipment, failing to inspect technical equipment, absence of individual protective equipment, neglecting necessary measures for providing first aid, etc. **The problem deserves special attention, since the latter is related to the fundamental rights to life and health, and their violations may lead to irreparable consequences.**

When studying the activities of these companies, we saw a tendency to ignore warnings and recommendations. Neither fines nor work suspensions from the LEPL-Labor Inspection Office of Georgia have been effective.

It is worth noting that the amount of fines imposed by the Labor Inspection Office on companies linked to China is profoundly small in contrast to their annual profits or turnover.³⁷ Which in turn explains to some extent why companies choose such practices.

Additionally, it is necessary to remember that as a result of the policies of these companies, each employee systematically suffers from moral, physical, or material damage. In such cases, the fines mentioned in the report cannot be a proportional measure to compensate for the damages caused.

The goal of this study was to raise public awareness concerning the challenges in employment relations with Chinese companies, which in turn will help to open a dialogue about effective solutions for the elimination and prevention of violations, or at least the willingness of more people to talk about the existing problems and rather than accepting their fate, actively fight for their rights.

It is necessary to take such measures that will not allow companies to ignore the labor-law-related norms and thus disregard the standards of protection of the socio-economic rights of certain employees.³⁸

³⁷ see <https://bm.ge/ka/article/ramdeni-milionis-wminda-mogeba-aqvt-saqartveloshi-mtavrobis-kontraqtორ-chinur-kompaniebs/72001>, see also <https://bm.ge/ka/article/mtavrobis-chinuri-kontraqtორi-kompania-12-milionian-mogebazea/116390>

³⁸ *ibid.*

APPENDIX 1

INDIVIDUAL CASES

JSC Hualing International Special Economic Zone (r/n 404934381)

1. The fixed salary of one of the employees is 1125 GEL. His working time consists of 5 working days a week, a maximum of 40 hours a week and 8 hours a day. In addition, the employee enjoys a 1-hour rest period, not counted in working hours. As for overtime remuneration, the agreement states that overtime will be paid at 0.01 percent of the hourly wage rate. According to the submitted timesheets, the employee accrued 192 work hours last February, of which the total amount of overtime hours was 32 hours. However, as it is clearly evident from the payroll and the tax order submitted by the company, he not only has not been remunerated with a relevant increased rate for the overtime hours worked but instead, the payment has been calculated and paid in an amount less than the standard hourly compensation, namely in 149.13 GEL.

2. Under the employment agreement of December 1, 2021, the employee is paid 875 GEL. According to the submitted timesheets, he worked on a holiday on May 26 last year, but his salary for that month has only brought him the amount determined by the employment agreement - 875 GEL.

3. In December 2022, the employee working as a security guard did 264 hours, but only 16 hours of overtime have been paid to him.

Sinohydro Corporation Ltd Branch in Georgia (r/n: 404859122)

1. Under the employment agreement, the hourly salary of the employee is 3.196 GEL, including the taxes stipulated by the legislation of Georgia. According to the same agreement, the hourly wage for overtime work is 4.00 GEL, including taxes stipulated by the legislation of Georgia, and as for the hours worked on a holiday, the employee shall be paid twice the hourly rate.

The employee's timesheets confirm that he worked on a holiday in May 2022 with a standard work shift from 09:00 to 18:00 and an additional 1 hour and 30 minutes. According to the payroll for June 2022 (reporting period - from May 21, 2022, to June 20, 2022), the hours worked overtime during the reporting month are 9 hours and 30 minutes, which is confirmed by the timesheets. In return for those hours, he got remuneration with the overtime work rate established by the employment agreement - 4 GEL in an hour, totaling 37.95 GEL.

In this example, it is evident that the time worked by the employee on a holiday day - May 26, 2022 (09:00-18:00) is not considered overtime and therefore is not paid. As for the time worked after 6:00 p.m. on May 26 (1 hour and 30 minutes), this time was remunerated not by the rate fixed for holidays (double the amount of the hourly rate), but by the rate fixed for standard overtime work (4 GEL per hour).

Hunan Road & Bridge Construction Group Co Ltd. Branch in Georgia (r/n: 205368029)

1. Several individuals employed in the company worked for 31 consecutive days in July 2022.

2. As it is clear from the working time registration individual electronic tables in June 2022, one of the employees accrued 74 hours of overtime work, but overtime was remunerated for 73 hours only.

3. On April 21, 2022, the employee worked from 08:00 to 21:00, i.e. 4 hours of overtime, although in the table for the overtime hours worked only 1 hour of overtime work is indicated. The same person has a total of 33 hours of work on holidays in the same month (April 9 - 08:00-21:00, April 22 - 08:00-18:00, April 23 - 08:00-21:00), but overtime was remunerated for 30 hours only.

4. In May 2022, the employee requested a leave from May 1 to May 24, in the mentioned period his vacation pay was calculated in the following manner: daily salary multiplied by 24 days (24X39=936), while it should have been calculated based on the average salary of the last 3 months.

5. The employee worked for 27 days in July 2022, but his salary was calculated and paid for 25 days only. He received a salary for 19 days in August, when according to the electronic table he had worked for more than 19 days.

6. A person working as an electrician has 30 working days in November 2022.

Constant Department of China Railway 23rd Bureau Group Co Ltd. (r/n: 404385385)

1. The monthly fixed salary of a Chinese driver of an excavator machine is 5121.95 GEL, but in the case of Georgian drivers, their daily fixed salary is 79 GEL.

APPENDIX 2

THE MOST FREQUENTLY USED ARTICLES OF THE LABOR CODE OF GEORGIA

Paragraph one of Article 14 Labor Code of Georgia

The essential terms of an employment agreement shall be:

- a) information on the parties to the employment agreement;
- b) the employment commencement date and the duration of labour relations;
- c) the working time and rest periods;
- d) the place of work, and information on the different places of work of the employee if his/her regular or primary places of work are not determined;
- e) the post (where applicable, with an indication of a rank, a grade, a category, etc.), the type and description of work to be performed;
- f) the remuneration (with an indication of a salary and, where applicable, an increment), and the procedure for the payment thereof;
- g) the procedure for compensating overtime work;
- h) the duration of paid and unpaid leave and the procedure for granting said leave;
- i) the procedure for the termination of labour relations by the employer and the employee;
- j) the provisions of a collective agreement, provided that the employment conditions of employees are regulated differently under said provisions.

Paragraph 11 of Article 14 of the Labor Code of Georgia

Employers shall, in writing and/or electronically, keep a record of the hours worked by employees in the working day, and shall make available to the employee the monthly records of the working time (hours worked), unless this is impossible to do due to the specific nature of the organisation of work. Employers shall store the records of working time (hours worked) for 1 year. The form of records of working time shall be determined by the Minister of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs of Georgia ('the Minister') after consulting social partners.

Paragraph 7 of Article 24 of the Labor Code of Georgia

In addition to the 12 hours' daily rest period referred to paragraph 4 of this article, employers shall ensure that, per each seven-day period, every employee is entitled to a minimum uninterrupted rest

period of 24 hours. By agreement between the parties, the employee may enjoy a rest period of 24 hours twice in a row within not more than 14 days.

Paragraph one of Article 27 of the Labor Code of Georgia

Overtime work is work performed by an employee by agreement between the parties for a period of time longer than the standard working time. The total overtime work performed by minors shall not exceed 2 hours per working day, and 4 hours per working week.

Paragraph 2 of Article 27 of the Labor Code of Georgia

Overtime work shall be paid for at an increased hourly rate of remuneration. The amount of the said payment shall be determined by agreement between the parties. Overtime work shall be paid for together with monthly remuneration payable after the performance of overtime work

Paragraph one of Article 31 of the Labor Code of Georgia

An employee shall have the right to enjoy paid leave of at least 24 working days annually.

Paragraph 2 of Article 31 of the Labor Code of Georgia

An employee shall have the right to enjoy unpaid leave of at least 15 working days annually.

Paragraph 3 of Article 31 of the Labor Code of Georgia

An employee shall be granted additional paid leave:

- a) for working under arduous, harmful, or hazardous labour conditions - 10 calendar days annually;
- b) for participating in martial law and/or state of emergency, emergency measures - only once after their completion and for no more than 15 calendar days;
- c) following the return to Georgia after expiration of the rotation period in the peace operation - 30 calendar days.

Paragraph 4 of Article 31 of the Labor Code of Georgia

An employment agreement may define the terms and conditions different from those provided for by this article³⁹. Such terms and conditions shall not worsen the condition of an employee.

Article 36 of the Labor Code of Georgia

An employee's leave pay shall be determined based on the average remuneration for the previous 3 months, and where the time worked by the employee from the start of work or after the last period of leave is less than 3 months, leave pay shall be determined based on the average remuneration of months worked. Where an employee is paid fixed remuneration on a monthly basis, leave pay shall be determined based on the remuneration for the last month.

Article 36 of the Labor Code of Georgia

The total amount of a lump-sum deduction from remuneration shall not exceed 50% of the remuneration.

³⁹ Previously mentioned rules regarding the duration of leave.

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The views and opinions expressed in this report are those of the authors and do not necessarily reflect the views or positions of any entities supporting activities of the Civic IDEA.

We are utterly grateful to the Labour Inspection Office, which, compared to other state institutions, upholds a high standard of cooperation and follows public information access rules.



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