



Ways of formalization and protection of labour rights in the care economy

GTUC strategy for trade union protection and service enhancement in the care economy

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Introduction

In the process of achieving equality in the labour market, protecting the labour rights of workers in the care sector is essential for all categories of workers, especially for women, because women make up the largest proportion of those employed in this sector worldwide.

Care activities can be both formal and informal. Formal care activities are mostly carried out by the health sector and represent public services. Public care-related services also include child care, early childhood education (kindergartens), care for people with disabilities, care for the elderly, and more. ¹

“Care economy” can be divided into two parts: 1. State-funded public activities; 2. Activities carried out by private persons.

The purpose of this study is to examine the situation of rights of individuals in the field of care who are employed by households. Such individuals usually operate informally. Accordingly, the target group of the research is nannies, caregivers, cleaners, cooks, tutors, helpers and other persons hired by households.

The International Labour Organization 2019 report - A Quantum Leap for Gender Equality, calls unpaid care work a barrier to formal employment for women, since 21.7% of women aged 18-54 in the world are involved in such activities, while only 1.7% of men provide unpaid care.

It is important that for the state to have a comprehensive care policy, which should include both public care facilities and social guarantees, as well as parental assistance under labour law and support for the private sector in the development of care-related services.

The state should have a social policy in the field of child care, care for the elderly, care for people with disabilities. The state must also have legislation that creates a “family-friendly” environment. Such legislation should provide for both the possibility of paid maternity leave and the existence of a flexible working environment for those with family responsibilities. The work environment should include part-time, flexible-time, remote and other work schedules. In the field of care, especially, the formalization of

¹ [Care work and care jobs for the future of decent work, 2018, ILO](#)

persons employed in households and better protection of their rights should be one of the priorities for both the state and the social partners.

Caring for minors and infants has always been an essential element of life for families and communities. Today, caring for the elderly is also becoming increasingly important as life expectancy increases in many countries.

The share of the population over 65 in the total population in Georgia increased from 13.1% to 15.2% from 2001 to 2021. Consequently, the number of people in need of care is increasing, while the share of the able-bodied, employable population is decreasing. At the same time, the average life expectancy at birth increased from 70.2 to 73.4 years in the same years.

From 2015 to 2030, 17.9% increase in the number of potential care providers (6 billion) is projected in the world. While the growth of those in need of care should be 8.1% (2.3 billion). Among them are 2 billion children under 15 years.²

Currently, 90%³ of the demand for care falls on children under 14 years. Only 10% are people in need of elderly care. However, this is due to the high birth rate in developing countries. In developed countries, on the contrary, there is an aging trend. Georgia is one of the countries where the average life expectancy increases, while the birth rate remains the same or decreases (in 2020, the birth rate decreased). Consequently, the population of Georgia is prone to aging and the number of employees in the field of care is expected to increase in the future.

The essence of care economy

“Care economy” is a very broad concept and combines different sectors of the economy. In a broad sense, it can be thought of as caring for individuals as well as sectors of the economy such as healthcare and education. However, care can be paid or unpaid.

The area of interest of the research is workers whose rights are least protected and whose representation is not provided by trade unions. The study therefore focuses mainly on informally employed people in the care economy.

² [ILO, 2018, Care work and care jobs for the future of decent work](#)

³ As of 2015 condition

Activities in the field of care can be divided into: 1. personal care, which includes feeding the child, caring for the sick, assisting the elderly with movement, health care assistance, teaching children, and 2. Other care-related activities that are not directly (personally) related to human care, however it is aimed at their well-being. Such activities are often referred to as “household chores”, including cleaning, food preparation, laundry, cleaning, and so on. ⁴

Such “homework” sets the stage for personal care services, and often these two types of care are intertwined. Therefore, the employee often has to perform similar but different tasks.

The field of care in the world is quite diverse and includes many different services. Some of them are free activities carried out by relatives of people in need of care or charities. Some are standard jobs for which the employee is paid.

Consequently, care can be provided by family members, through public services, by private employees, volunteers and charities.

Persons in need of care include: infants and minors; persons who have temporary incapacity for work, chronically ill, persons with disabilities, the elderly, etc.

Numerous conventions and recommendations of the International Labour Organization (ILO) are directly or indirectly related to the care economy. These include Maternity Protection Convention N°183⁵, Minimum Standards for Social Protection (Convention N°102⁶, Recommendation N°202⁷), Employees with Family Responsibilities (Convention N°156⁸, Recommendation N°165⁹); “Part-time work” (Convention N° 175)¹⁰, “Working time” (Convention N°30¹¹, Convention N°47¹²).

⁴[ILO, 2018, Care work and care jobs for the future of decent work](#)

⁵[C183 - Maternity Protection Convention, 2000 \(No. 183\)](#)

⁶[C102 - Social Security \(Minimum Standards\) Convention, 1952 \(No. 102\)](#)

⁷[R202 - Social Protection Floors Recommendation, 2012 \(No. 202\)](#)

⁸[C156 - Workers with Family Responsibilities Convention, 1981 \(No. 156\)](#)

⁹[R165 - Workers with Family Responsibilities Recommendation, 1981 \(No. 165\)](#)

¹⁰[C175 - Part-Time Work Convention, 1994 \(No. 175\)](#)

¹¹[C030 - Hours of Work \(Commerce and Offices\) Convention, 1930 \(No. 30\)](#)

¹²[C047 - Forty-Hour Week Convention, 1935 \(No. 47\)](#)

Related to the care economy are also the Recommendation on the Formalization of Informal Employment (Recommendation N° 204)¹³, the On Employment of Households (Convention N° 189)¹⁴, and the Nursing Staff “¹⁵ (Convention N°149).

Georgia has not ratified the above conventions. Ratifying them and putting them into practice can bring about radical changes in improving the protection of the labour rights of those employed in the care economy in the country.

Informal type of employment in households

Officially, the share of informal employees in the formal non-agricultural employment sector is 31,7%.¹⁶ However, there are no informal employment statistics by sectors.

Nevertheless, we can assume an approximate number of people in the field of care, in particular those employed informally by households. In 2020, 4.28% of employees said their main job was a client house.¹⁷ This share corresponds to 53.2 thousand people and most of them are engaged in care-related activities.

The number of employees who indicated a client house as their place of work in 2019 was 57,466. Their number dropped to 53,149 in 2020. Accordingly, there was a certain decrease (7.5%). This decrease in percentage is more than the decrease in the number of employees in 2020 compared to the previous year. In 2020, the number of employees was reduced by 52.3 thousand, which corresponds to a decrease of 5.8%.¹⁸

Since the reduction of 4.3 thousand in the number of employees in the “client house” did not lead to an increase in the number of employees in other places of employment, the loss of these jobs can be considered as a negative result of the Covid pandemic. This result was higher than the national average for those employed in households.

¹³[R204 - Transition from the Informal to the Formal Economy Recommendation, 2015 \(No. 204\)](#)

¹⁴[C189 - Domestic Workers Convention, 2011 \(No. 189\)](#)

¹⁵[C149 - Nursing Personnel Convention, 1977 \(No. 149\)](#)

¹⁶ Geostat, Employment and Unemployment, Informal Employment 2020

¹⁷ Labour force study database 2020, Geostat

¹⁸ Labourforce indicators 2020, Geostat

The Covid pandemic has had significant negative economic consequences. The number of employees decreased by 5.8% in 2020. It is noteworthy that most of the unemployed are women. Of 52.3 thousand reduced jobs, 42 thousand (80.3%) account for jobs that employed women. A similar trend was observed during the 2008 crisis, which indicates a particular vulnerability of women to crises.

As a result of the crisis, the sectors where women are employed have suffered the most, such as the service sector - hotels, restaurants, trade sector. The loss of jobs by women and their relocation to family activities has had a chain effect, leaving women employed on households - housekeepers, babysitters, caregivers, cooks, etc. - unemployed. The employment rate for women decreased by 3%. Consequently, women who were previously employed became those doing household chores. This, in turn, led to job losses for employees hired by these individuals to do household chores and care-related tasks.

Unpaid Labour

The work that people do for free in families is mainly child care and other family activities that are most often done by women.

21.7% of women aged 18-54 in the world are involved in such activities, while only 1.7% of men are engaged in unpaid care.¹⁹

Unpaid care is one of the reasons why women are often excluded from the workforce for quite long periods of time. This, in addition to affecting women's disposable income, worsens the situation of women after their return in the labour market, as missed time affects their skills and competitiveness.

Women's salaries are 32.4% lower²⁰ than that of men in Georgia. This can be explained by the fact that women have less time to develop work skills and spend less time in the workforce (which affects their experience), on the other hand because of low wages women families almost always prefer a man with a high salary to work while a woman performs unpaid family activities. Accordingly, this creates a kind of circle, which always puts women in a non-profit position. The only way to remedy this is through state-set regulations that

¹⁹[Francis Kuriakose / Deepa Iyer 2019, Article 'Care' economy uncharitable to women](#)

²⁰ 2020

force employers to pay women equal pay for equal work, creating an environment in the country where the gap between men and women in unpaid care is reduced.

Strategy for trade unions to activate their role in the process of organizing employees in the “care economy” and formalizing labour relations in this field.

Informally employed people are the most difficult to organize individuals for trade unions. The reason why it is difficult for them to join trade unions is as follows: they do not have a clear employer with whom the trade union would be able to help. Informal employment is mostly characterized by short-term employment relationships. Care-related activities are more long-term than other informal employment, although there is another difficulty here - the employer is the household and not the enterprise. Employees in such an environment often perceive themselves as a member of this “family” and find it difficult to apply for their labour rights. However, on the other hand, the employer family does not perceive itself as an employer and therefore does not consider the protection of labour rights as its obligation. Informally employed people seldom turn to trade unions and do not even go to court because they are accustomed to the fact that their workplace is short-lived and they perceive this employment relationship as more of a service delivery.

Another important reason is the problem of perception of the household / family as a workplace by the state, in particular by labour market institutions (primarily the Labour Inspection). Consequently, the state, consciously or unconsciously, rejects control over the enforcement of labour and social protection legislation with regards to domestic workers.

Such attitudes put informal household workers, especially in the care sector, in difficult conditions. They often have to work overtime without extra pay. The pay they get is small. The environment is degrading in some cases. Also, they do not benefit from almost any of the 9 basic measures of social protection of workers defined by ILO Convention 102.

Formalization of the field requires a formal relationship between the employer and the employee. One way to do this is to hire an organization that will provide further services to the household. However, there is a more effective practice when employees unite in cooperatives and provide better protected labour rights with their own resources.

Cooperative and care related activities. Cooperatives are one of the best ways to formalize informal employment. The International Labour Organization has adopted a separate convention on cooperatives and also has a separate unit dealing with cooperatives.

In Georgia, based on the experience in the past, a cooperative is perceived as an organizational-legal form operating only in agriculture and is less popular. However, it is used much more effectively in the world and this form of organization is based on solidarity, distribution of resources and management of its own capabilities by members of the cooperative, without third party.

Encouraging cooperatives as an organizational form is important for trade unions in several ways. First of all, a cooperative is an organizational form of an enterprise, which means that the persons who are members of it, if they have previously been engaged in informal activities, become formally employed. In addition, it is the only organizational-legal form of the enterprise that is membership-based and managed by members. Accordingly, the employee is the decision maker, and that is reflected in better working conditions. At the same time, the profit is distributed more fairly according to the participation and there is no businessman behind the organization who is focused on his/her own profit.

Such a form is especially acceptable for people who are interested in a flexible work schedule, or are accustomed to such a schedule during informal employment.

Creating cooperatives is one of the most painless ways to formalize. The members of the cooperative combine their capabilities, although they still do not have employers and still make their own decisions. (However, this does not rule out the use of labour hired by the cooperative). The use of cooperatives is advisable since better results can be achieved by bringing together resources. Resources can be both material and human. Combining human resources allows employees to negotiate with employers on better terms and to better protect their labour rights.

Formalization of employment through cooperatives allows trade unions to attract already formally employed cooperative members in the trade union and help them protect their labour rights.

However, in this case, the role of the trade union is different from the traditional one. The reason for this is that the members of the cooperative are both the founders of the organization and the employees. The cooperative members need help not in their own organization, in their relationship with the employer, but in the process of negotiating with a third party. They can use the help of trade unions at the pre-contract stage (here it is important to sign a written contract with the family that hires the care provider) in the contract preparation process, in consultations in the period after the contract is already concluded, and in court, if necessary.

Digital labour platforms. Digital work platforms are often presented as a way of future development of the areas, which provide services mainly in an informal way. Such platforms act as mediators between the employee and the employer, although in some cases the company that owns the platform is essentially the employer itself. Employees in the “care economy” also fall into the category of “platform employment”. On the one hand, platform-mediated employment allows citizens to find jobs more easily and have the opportunity to negotiate with more employers. However, all this does not improve the situation of employees with regards to their rights. Such platform, which connects job seekers and families, already operates in Georgia. They largely function as employment agencies.

The strategy of trade unions can be based on encouraging the formalization of caregivers by creating their own cooperatives, which is relatively long-term and requires significant awareness-raising campaigns about cooperatives in both target groups and society at large. Trade unions can also choose a relatively fast-track path and collaborate with intermediary platforms that connect job seekers with employers, although they no longer control the existence of the contract and its terms. In the event that an agreement is reached with the owner of the platform regarding the mandatory conclusion of an employment contract, the condition of the workers will be significantly improved. Cooperation with the company that owns the platform depends in part on the goodwill of that company, which may complicate the process. It is possible to consider concluding a memorandum with them. In addition, there are examples when job seekers, after uniting through a cooperative, create an electronic platform themselves which along with

flexibility allows them to operate completely independently. Once they become members of the union, the union may consider assisting them in setting up a platform.

Employment through cooperatives or a platform (which checks the qualifications of a job seeker) on the one hand ensures better protection of workers' rights, on the other hand the employer hires qualified staff whose qualifications are verified. At the same time, the employee has more opportunities to undergo training in the relevant field.

The need for private sector development. The state should take care to expand the field of care and add directions that are not yet widespread in the country. In parallel with the care services organized by the state, it is necessary to develop the private sector in these areas. The development of the private sector related to care represents the emergence of formal employment opportunities. Most of the informally employed in this field are employed in jobs that have no alternative, neither public nor private. The state can provide some kind of care-related services through private organizations - fund these private organizations and make services they offer part of the state's social policy. But this requires the development of the private sector in the care economy and introduction of new services.

Benefits for care workers. It is important that trade unions take an active role in formalizing those employed in the care sector and protecting their labour rights. Formalization of those employed in the care sector as well as employees in other sectors is impossible without the active intervention of the state. Workers need to be encouraged to formalize their activities. The main incentive mechanism is tax incentives. For example, agriculture, which is characterized by mostly informal activities, is exempt from income tax. Agricultural cooperatives are also exempt from tax. A similar approach can be applied to the care sector. It is possible to fully or partially exempt cooperatives operating in the care sector or workers in this field entirely from income tax. At the same time, the labour rights and social guarantees of the workers in this field should be provided.

Raising awareness of labour rights and legislation for employing households. Households often do not realize that they are the employer and are subject to all the obligations that employers generally have under the Labour Code. It is important to raise public awareness of the fact that despite the informal nature of employment, these workers have the same labour rights as all other employees. Employees should also know their labour rights. Among them, it is important to determine the following at the moment of

concluding the contract: type of work; normalized working hours; overtime pay; daily and weekly rest time; annual paid leave; terms of contract termination, etc.

Formally recognizing household employees as hired employees. Those employed in households are often considered as self-employed, which is not true. Those employed in households are and should be considered employed by this family. Recognition of employees as officially hired employees strengthens the protection of their labour rights. Also, the Labour Inspection will be able to respond to violations of employee rights.

Providing maternity leave payment for household employees. Mechanisms related to maternity leave and maternity protection for household employees are particularly relevant due to the feminized nature of this sector. However, since the employer in this case is not the “employer” in the classical sense, but a family that can employ only one person, it is particularly difficult to identify discrimination, including on the basis of gender, during pre-employment or subsequent employment period. Therefore, in order for the women employed here not to be left without a job on the grounds of taking maternity leave, it is desirable that the pay for the maternity leave period be borne by the state or shared in some proportion with the employer household / family.

Nursing staff rights. In a broad sense, medical staff are fully included in the care economy. However, due to the context of Georgia, it is necessary to focus on the rights of nurses. In addition to the hospital and outpatient sector, nurses in developed countries also represent caregivers as professionals in the field. Such services are less developed in Georgia and caregivers are characterized by more informal education and, consequently, informal employment. However, the care sector is growing from year to year and sooner or later more diverse services will be developed in Georgia as well.

The role of nurses in both hospital and outpatient care and care is particularly important, and the ratification of the ILO Convention on Nursing Staff 1977 (№149) is a necessary step for the country in this regard.

Ratification of ILO conventions and recommendations. The state of rights of care workers in Georgia has not changed significantly in recent years. This is due to the fact that with care-related activities are still mostly informal. It is therefore important for the country to ratify the №189 Convention on Domestic Employees and to apply ILO №204 Recommendation on the formalization of informal employment in practice. At the same time, it is important to ratify the №149 Convention on Nursing Staff, which deals with

the strengthening of nurses' labor rights. It is also important to ratify the Convention on Minimum Standards of Social Protection №102 and its accompanying recommendation to introduce the norms of №202 (lower limit of social protection). This convention and recommendation set minimum standards for social protection, which should motivate informal employees to formalize. It is also necessary to ratify Convention №156 and its Recommendation¹⁶⁵ on Employees with Family Responsibilities. Reflecting the requirements of this Convention and Recommendation in the legislation provides an opportunity for employees to combine family responsibilities, especially childcare, with work. This, among other things, will contribute to the growth and maintenance of women's economic activity and employment in the economy in general.

Strategic management of lobbying and advocacy. Violations of the rights of care workers, including by households, are quite common. However, information on the response from the Labour Inspection and the judiciary system to such facts is extremely scarce. It is necessary for the trade unions to take effective and strategic legal measures in this direction and try to improve the labour legislation and eliminate shortcomings in its implementation by analyzing the results and lobbying.

Recommendations for national policy:

- Carry out and consider statistics on all forms of care-related labour, including unpaid labour, in the state policy planning process.
- Invest in quality care services and related infrastructure.
- Develop an active labour market policy that should help those involved in unpaid care activities to return to the workforce.
- Provide a “friendly” work environment for people with family responsibilities. This implies existence of benefits for such persons in the legislation. Including the financing of maternity leave by the state to all employees or sharing financial responsibilities with employer households.
- Existence of universal guarantee of access to quality care services across the country.
- Expand the share of care services in the state social protection system.
- Provide awareness-raising of the community and the workplace to encourage more gender-equitable households.

Ways of formalization and protection of labour rights in the care economy

- Introduce and implement the principle of equal pay for equal value labour.
- Encourage women and create equal opportunities for them to take leadership positions.
- Effective provision of freedom of association for employees in the care economy.
- Strengthen social dialogue and collective bargaining in the care economy.
- Exercise effective oversight of the labour legislation implementation in the field of care, including in households. For this purpose, to more clearly include this field under the Labour Inspection mandate and use digital technologies for practical activities.