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GEORGIA FAIR LABOR PLATFORM

## Wage theft: Adjara construction workers file lawsuit over GEL 27,000 in lost salary

*The Georgia Fair Labor Platform responds to non-payment of salaries stolen from twelve people employed during the construction of a hotel in Gonio by Labau Gonio Ltd:*

Twelve employees were involved in the construction of a hotel in Gonio for about two years under an oral agreement with Labau Gonio Ltd. Employees say that despite their work, the employer company did not pay their full salaries, with arrears totaling approximately GEL 27,000.

# საქართველოს ახალგაზრდა იურისტთა ასოციაცია GEORGIAN YOUNG LAWYERS' ASSOCIATION



The company does not deny paying the employees less than promised, but [claims](#) the disputed amount was deducted from their salaries due to delays in construction work caused by the employees.

The employees, however, say that the delays were caused by the employer's failure to provide construction materials and inventory in a timely manner. As such, they assert that the employer has no legal basis for reducing their wages.

This case is a clear example of wage theft, which is widespread in Georgia, when employers fail to pay some or all of the wages legally owed to workers.

Unfortunately, initial data recently collected through the Fair Labor Platform's Wage Theft Calculator shows that Labau Gonio Ltd's actions are have become the norm in Georgia.

Of the [2,709 people](#) who used the Calculator, [87% reported at least one form of wage theft](#). The total annual losses reported by all users amounted to 21,756,487 GEL, which averages out to 8,031 GEL per employee, per year and GEL 669 per employee, per month.

After fruitless negotiations with Labau Gonio Ltd, the employees applied to court to receive approximately 27,000 GEL in unpaid wages from the company. They will be represented in court by the Georgian Young Lawyers' Association, a member of the Fair Labor Platform.

It should be emphasized that as a result of recent labor law reforms, Georgia's Labor Inspectorate is now empowered to check compliance with all labor standards, which includes investigating wage theft. Previously, the Inspectorate could only verify compliance with workplace safety regulations. They also have the power to hold the employer accountable until workers' labor rights are restored.

***Based on the above, the Fair Labor Platform calls on the Labor Inspectorate to start systematic work towards eliminating the practice of wage theft by employers in Georgia and to thoroughly investigate all labor rights under their new mandate.***

## **Members of the Fair Labor Platform:**

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- Georgian Young Lawyers Association
- The Human Rights Education and Monitoring Center (EMC)
- Union of Social Workers
- Tbilisi Metro Independent Trade Union - "Ertoba 2013"
- Healthcare and Services Trade Union - "Solidarity Network"
- Open Society Foundation-Georgia (OSGF)