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Legal Nature and Regulatory Models of Zero-Hours Contracts in a Comparative Legal Perspective

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Abstract

A zero-hours contract represents a form of non-standard employment under which the employer does not undertake an obligation to provide the employee with a minimum number of workings hours, while the performance of work depends on the employer's current operational needs and fluctuations in labor demand. In modern doctrine, it is not regarded as a unified and clearly defined legal category, which renders the issue of its labor-law qualification particularly topical. Zero-hours contracts are widely prevalent in numerous European jurisdictions, however, Georgian labor legislation does not provide for their specific regulation. This regulatory gap gives rise to significant theoretical and practical challenges in terms of their labor-law qualification and the effective protection of the employee as the weaker party to the employment relationship.

The purpose of this study is to determine the labor-law qualification of the zero-hours contract and to distinguish it from a Service Agreement (service contract). The research is based on doctrinal, comparative-legal, and functional methods. It analyzes the legal models of the United Kingdom,

Ireland, Germany, and the Netherlands, alongside international labor standards and contemporary doctrinal approaches.

The results of the study demonstrate that the zero-hours contract does not constitute an independent labor-law institution. Its legal qualification shall be executed based on the actual content of the relationship, while in the presence of characteristics inherent to an employment relationship, such a relationship shall be assessed as an employment relationship, regardless of the formal title of the contract. In this regard, the criteria of subordination, personal performance, organizational integration, and economic dependence are of decisive importance.

The current legal framework of Georgia allows for the assessment of relationships arising within the scope of a zero-hours contract based on the general criteria of an employment relationship; however, the absence of specific regulation creates a risk of legal uncertainty in practice.

Keywords: Zero-hours contract, employment relationship, labor-law qualification, subordination, non-standard employment

1. Introduction

The transformation of the labor market, globalization processes, and the development of the digital economy have significantly reshaped traditional forms of employment. Alongside the classic model of indefinite term and full-time employment, various forms of non-standard employment have become widespread. This development has posed new challenges for labor law, particularly with respect to the identification of employment relationships and the effective legal protection of employees (De Stefano, 2017, pp. 185–207).

One of the most prominent manifestations of this process is the zero-hours contract. It is commonly defined as a form of on-call employment characterized by the absence of guaranteed minimum working hours. Unlike other forms of on-call employment, a zero-hours contract does not impose an obligation on the employer to offer the employee a minimum amount of work. Consequently, the existence and extent of work largely depend on the employer's operational needs (Eleveld, 2022, p. 340).

For years, zero-hours contracts have been utilized in certain sectors as a flexible form of labor organization. They can facilitate adaptation to the operational needs of businesses, simplify the recruitment of new employees, promote the integration of young people into the labor market, and, in certain cases, allow employees to combine work with other commitments (Adams, Freedland & Prassl, 2015, p. 17). At the same time, the proliferation of such relationships has underscored the particular importance of the labor-law

qualification of work performed under zero-hours contracts and the determination of the scope of labor law guarantees applicable to them.

As a form of non-standard employment, under a "zero-hours contract," the employer does not undertake an obligation to offer a minimum amount of work to the employee, and the employee's working time is not guaranteed in advance (Atkinson, 2022, pp. 346–365; Adams, 2026, pp. 1–36). While this model provides employers with the opportunity for flexible utilization of labor resources, it simultaneously generates significant issues regarding the social and economic protection of the employee (Brione et al., 2024, pp. 15–18). For this reason, zero-hours contracts are considered one of the most debated and controversial institutions of modern labor law, both in academic doctrine and judicial practice.

The development of non-standard employment became particularly problematic once such relationships ceased to be confined solely to short-term, supplementary, or peripheral work. In the legal assessment of zero-hours contracts, the central problem lies within their labor-law qualification. In practice, these relationships frequently exhibit characteristics inherent to both employment and civil-law relationships, which complicates the determination of their legal nature. Consequently, the criteria through which an employment relationship can be distinguished from other private-law relationships, gain particular significance. In this regard, contemporary doctrine attributes a significant role to economic dependence, organizational integration, and factual subordination (Freedland & Kountouris, 2011, pp. 188–193).

Although zero-hours contracts are widely prevalent in numerous European states (Atkinson, 2022, pp. 346–348), Georgian labor legislation does not provide for their specific regulation. As a result, the legal assessment of relationships where the characteristics of employment and civil-law relationships intersect acquires particular significance.

In seeking answers to these questions, specific importance is granted to the development of international labor standards, European law, and judicial practice. The International Labour Organization (ILO), European Union institutions, and national courts increasingly focus not on the formal title of the contract, but on the actual economic and legal content of the relationship (ILO, 2016, pp. 9–11; De Stefano, 2016, pp. 5–15). It is precisely this functional approach that acquires special importance when assessing zero-hours contracts.

2. Research Methodology

The present study is based on comparative-legal and functional methodologies. On basis of the dogmatic method, the study analyzes the legal nature of the zero-hours contract, the relevant doctrine, legislative

regulations, international labor standards, and judicial practice. Within the framework of the comparative-legal method, the legal models of the United Kingdom, Ireland, and Germany are examined, while the functional method is employed to evaluate diverse approaches to resolving common legal challenges arising from zero-hours contracts. Particular attention is devoted to the criteria for distinguishing employment relationships from civil-law relationships, including subordination, organizational integration, and economic dependence.

3. Literature Review and the Concept of the Zero-Hours Contract

It is widely acknowledged in contemporary doctrine that the "zero-hours contract" does not constitute a unified and clearly defined legal category; rather, it encompasses a range of employment relationships characterized by various legal and factual features. Accordingly, its legal assessment should be based on the substantive content of the specific relationship, rather than on the formal title of the contract (Freedland, Prassl & Adams, 2015, p. 16).

In the literature, zero-hours contracts are generally regarded as a form of on-call work and are associated with practices such as "casual work," and "intermittent employment" (O'Sullivan, 2019, pp. 1–20; Ferrante, 2019, pp. 1–11). Their evaluation is primarily based on two opposing approaches: one views zero-hours contracts as an instrument of labor market flexibility, while the other focuses on the transfer of economic risk to the employee and the consequent weakening of social protection (De Stefano, 2017, pp. 185–207).

Moreover, contemporary literature highlights the circumstance that non-standard and casual forms of employment are increasingly occupying the space that traditionally belonged to stable, full-time employment. In this context, it has been noted that:*"Whereas casual work has long been an important element of the wage-labour economy, since the mid-twentieth century, it had tended to be confined to the periphery, invoked for the performance of short-term tasks, often supplementing the work of a 'core' workforce. Today, by contrast, ZHs have come to replace or function as a 'core workforce', operating in contexts in which one might previously have expected to find full-time, permanently employed employees"*(Adams, 2026, p. 4).

One of the primary directions in the study of zero-hours contracts is their legal classification. Contemporary doctrine widely recognizes that when evaluating a relationship, decisive importance is attached to the criteria of subordination, personal performance, organizational integration, and economic dependence, which are used to distinguish between employment and civil-law relationships (Freedland & Kountouris, 2011, pp. 188–193).

In the same context, it is noted that the problems associated with zero-hours contracts are not limited to this specific contractual form, and that attention should instead be directed toward the broader employment practices to which this term is applied (Adams, Freedland & Prassl, 2015, p. 18).

Some authors also indicate that within the framework of such relationships, the economic risk resulting from the absence of work is frequently transferred to the employee, thereby reducing the chance of their economic security (Adams, 2026, p. 2).

Although the issue of zero-hours contracts has already become a subject of academic inquiry in Georgian legal literature (Varazashvili, 2021, pp. 104–133), the issues concerning their labor-law qualification, differentiation from contracts for service agreement, and their regulation within Georgian law remain insufficiently underworked, which underlines the relevance of the present study. In particular, insufficient attention has been devoted to the distinction between zero-hours contracts and civil-law service arrangements under Georgian law, as well as to the identification of regulatory solutions that could reconcile labour-market flexibility with employee protection.

4. Comparative Legal Analysis of the Regulation of Zero-Hours Contracts

4.1. United Kingdom

The experience of the United Kingdom is of particular importance for the study of zero-hours contracts, as contemporary zero-hours contracts are historically linked to the forms of casual and irregular employment established in the British labor market, which existed as early as the turn of the 19th and 20th centuries. In Britain, zero-hours contracts are a legally permissible and practically widespread form of employment (Atkinson, 2022). Although British legislation does not contain a statutory definition of this institution, it is typically defined as an agreement under which the employer does not undertake an obligation to provide a minimum number of working hours to the worker, and remuneration is dependent upon the actually performed work (McGaughey, 2017, pp. 482–503).

One of the distinctive features of British law is the existence of the intermediate category of the "**worker**," situated between the "**employee**" and the "**self-employed**." Individuals falling within this category are entitled to a subset of employment rights, but do not enjoy the full range of protections granted to an employee (ILO, 2016, p. 86). In this regard, particular importance is attached to the criterion of "mutuality of obligation," which implies the employer's obligation to offer work and the individual's corresponding obligation to accept it (McGaughey, 2017, pp. 482–503). It is

emphasized in the doctrine that a significant part of British labor law is precisely founded upon the determination of employment status, while its content and scope have been predominantly developed by the common law (Adams, Freedland & Prassl, 2015, p. 10).

In the contemporary British labor market, zero-hours contracts are particularly widely used in the service, retail, care, and gig economy sectors, where demand for labor is inherently fluctuating. This circumstance affords employers organizational flexibility; however, for workers, it is frequently associated with income instability and reduced economic security, given that a minimum amount of working time and income is not guaranteed in advance (Ries & Halcrow, 2024, p. 55).

The modern regulatory trend concerning zero-hours contracts is directed not toward their prohibition, but toward limiting their abuse. For this purpose, exclusivity clauses have been prohibited (*Employment Rights Act 1996*, s. 27A), and subsequent legislative amendments have focused on ensuring more predictable working conditions (*Workers (Predictable Terms and Conditions) Act 2023*). However, it has been noted that such regulations do not encompass all instances where an individual has the right to refuse offered work, due to which certain forms of "casual work" remain lawful (Adams, 2026, p. 19).

In judicial practice, particular significance is attached to the case *Pulse Healthcare Ltd v Carewatch Care Services Ltd & Others (2012)*, in which the Employment *Appeal* Tribunal established that the regular nature of the work performed and the factual relationship between the parties gave rise to characteristics inherent to an employment relationship, notwithstanding the fact that the contract was structured on a zero-hours basis. This case clearly demonstrates the essence of the British approach, according to which the legal assessment of a relationship depends not on the formal designation of the contract, but on its actual content.

The same approach is confirmed by the case *Pimlico Plumbers Ltd v Smith ([2018] UKSC 29)*, in which the Supreme Court clarified that the obligation of personal performance, the ability of control, and the factual organization of the relationship has decisive significance in determining an individual's status. Although the case did not directly concern a zero-hours contract, the criteria developed by the court in this certain case, have been frequently applied in the legal assessment of various forms of non-standard employment, including zero-hours employment (Pimlico Plumbers Ltd v Smith, 2018, para. 35).

In the context of the legal qualification of platform-based employment, the judgment of the Supreme Court of the United Kingdom in the case *Uber BV and Others v Aslam and Others* [2021] UKSC 5 is noteworthy. The subject matter of the dispute was the legal status of Uber

drivers and the question of whether they should be classified as “workers” for the purposes of British labor legislation. The company argued that it merely operated a technological platform, while the drivers carried out their activities independently. The Supreme Court clarified that in determining employment status, decisive importance could not be attributed solely to the formal terms of the contract, since the purpose of labor legislation is the protection of individuals who, in practice, find themselves in a position of subordination or dependence. The court emphasized that Uber determined the price of the service, established the essential terms of the contractual relationship, exercised significant influence over the process of service delivery, and controlled the drivers' activities via a rating system. Taking these circumstances into account, the court concluded that the drivers fell within the category of “workers” for the purposes of British legislation. The significance of the judgment lies in the fact that the court, when assessing employment status, prioritized the factual nature and practical operation of the relationship rather than to the formal legal constructions utilized by the parties in the contract (*Uber BV v Aslam*, 2021, paras. 68–76).

The principal significance of this judgment lies in the fact that, in determining employment status, the court gave precedence to the economic and organizational reality of the relationship, thereby reaffirming the principle that the substantive nature of a relationship prevails over its formal designation.

The experience of the United Kingdom demonstrates that the legal assessment of a zero-hours contract is not based on the formal designation of the agreement. Rather, the focus of regulation lies in evaluating the individual’s employment status and the factual substance of the relationship. Accordingly, a zero-hours contract is not treated as an autonomous legal category, but as a relationship the qualification of which requires an individual assessment in each specific case.

4.2. Ireland

Ireland has adopted an approach to the regulation of zero-hours contracts that differs from the British model. A pivotal development was the enactment of the ***Employment (Miscellaneous Provisions) Act 2018***, the purpose of which was to restrict contractual models requiring employees to remain continuously available without guaranteeing minimum working time or corresponding remuneration. As a result, the utilization of zero-hours contracts was substantially restricted and became permissible only in exceptional cases (Workplace Relations Commission, 2019).

A significant element of the Irish model is the compensation mechanism, according to which an employee's availability is recognized as having independent economic value. Accordingly, if the employee was

available to perform work but the employer failed to provide it, the legislation provides for corresponding compensation. Furthermore, within the framework of the so-called **"banded hours"** system, an employee is entitled to request the determination of a band of working hours that reflects their actual working pattern. This mechanism aims to eliminate the discrepancy existing between formally established and factually performed working time.

From the perspective of the legal assessment of zero-hours and other non-standard forms of employment, the case *Revenue Commissioners v Karshan (Midlands) Ltd t/a Domino's Pizza* acquired particular significance. In this case, the Supreme Court of Ireland rejected the approach according to which "mutuality of obligation" constitutes a necessary and independent prerequisite for the existence of an employment relationship. The court clarified that the determination of labor-law status cannot be founded solely upon the formal terms of the contract and its legal qualification. The assessment of an individual's status must be executed on the basis of a joint analysis of the contractual terms, the factual circumstances of the relationship, and the question of whether the individual operates independently or is economically integrated into the employer's business (MacMahon & O'Sullivan, 2024, p. 67).

The Irish model, unlike the British one, more actively utilizes legislative mechanisms to ensure the economic security of the employee. Furthermore, judicial practice confirms that the issue of labor-law qualification is likewise determined on the basis of the factual content of the relationship rather the formal designation of the contract. Accordingly, the Irish experience shows that the regulation of zero-hours employment is possible both through specific statutory safeguards and through the assessment of the actual content of the employment relationship.

4.3. Germany

The research significance of German law is conditioned by the circumstance that the concept of the Civil Code of Georgia is substantially based on the German legal tradition. It is for this reason that the commission working on the Civil Code of Georgia, established in 1992, envisioned the Civil Code of Germany (*Bürgerliches Gesetzbuch* – BGB) as one of the primary sources for the Georgian code (Kropholler, 2014, p. 12; Shamatava, 2022, p. 44). Therefore, the analysis of the German experience is important for the study of zero-hours contracts and related private and labor-law issues.

The German legal approach differs fundamentally from both the British and Irish models. German law does not prohibit employment based on the on-call principle *(Arbeit auf Abruf*); however, it places it within a strictly defined legal framework. These relationships are regulated by the Act

on Part-Time Work and Fixed-Term Employment Contracts (*Teilzeit- und Befristungsgesetz* – TzBfG), the purpose of which is to permit flexible forms of employment alongside ensuring a minimum predictability of working time and remuneration (TzBfG, §12; Ferrante, 2019, pp. 4–6).

German law considers the utilization of variable working time permissible; however, if the contract does not contain an agreement regarding the amount of working time, a statutory presumption applies according to which the parties are deemed to have agreed upon a 20-hour weekly working time (TzBfG, §12). Furthermore, the legislation restricts the scope of fluctuations in working hours and obliges the employer to give the employee advance notice regarding the request to perform work. These regulations preclude a situation where working time is entirely dependent upon the unilateral decision of the employer.

The importance of certainty in working time and remuneration is also underscored by the practice of the Federal Labor Court of Germany (*Bundesarbeitsgericht, 24 September 2014, 5 AZR 1024/12*). The court clarified that employment based on the on-call principle is permissible only if a minimum predictability of working time and remuneration is ensured. Accordingly, the economic risk arising from the absence of work cannot be transferred entirely to the employee.

This approach aligns with a more general principle of German labor law reflected in **§**615 of the German Civil Code (BGB). This provision regulates the issue of remuneration in cases of employer delay in accepting work and in situations involving operational risk, and it is based on the principle that the economic risk arising from non-provision of work, as a rule, should not be transferred entirely to the employee (BGB, §615).

The German experience demonstrates that labor market flexibility can be ensured without fully transferring the economic risk of non-provision of work to the employee. In this regard, German law differs significantly from the classic zero-hours contract model and prioritizes ensuring a minimum predictability of working time and remuneration. Consequently, the German model represents one of the clearest European examples of balancing flexibility and the economic security of the employee.

4.4. Netherlands

In the Netherlands, the legal development of zero-hours contracts was historically linked to the transfer of the economic risk caused by a shortage of work to the employee (Eleveld, 2022, p. 346). In Dutch law, on-call employment can be executed both on the basis of determining minimum and maximum working hours (**min-max contract**) and via a zero-hours contract. Furthermore, judicial practice distinguishes between situations in which the employer assumes no obligation to offer work at all (*voorovereenkomst*) and

arrangements in which there is an obligation to provide work in the future (*arbeidsovereenkomst met uitgestelde prestatieplicht*). In both cases, employees are subject to the regulatory framework governing fixed-term and part-time employment, including the possibility of conversion into an indefinite-term contract where the statutory conditions are met (Ferrante, 2019, p. 7).

Dutch law makes particular focus on the protection of the employee's private life and the predictability of working time. For this purpose, the principle of the **"good employer"** applies, according to which an employee should not be required to constantly adapt their private life to potential call-outs. As a rule, the employee must be provided with information regarding the request to perform work at least four days in advance, and the employer must take into account their personal situation. Additionally, the **Flexible Working Act** (*Wet flexibel werken*) grants employees the right to request an adjustment of working time and working hours, which must be considered by the employer in good faith (Ferrante, 2019, pp. 7–8).

The Netherland model is traditionally associated with the concept of **"flexicurity,"** which aims to achieve a balance between labor market flexibility and employee security. However, contemporary doctrine notes that in practice, this balance has often been tilted in favor of flexibility, resulting in increased economic insecurity among employees and growing concerns regarding the predictability of working conditions (Eleveld, 2022, pp. 387–388).

According to planned legislative reforms in the Netherlands, from 1st January 2027, Zero Hours Contracts will be replaced by so-called 'bandwidth contracts' which guarantee a minimum number of hours. In such bandwidth contracts, minimum and maximum hours must be agreed, with the difference being a maximum of 130%. This means that for a minimum of 10 hours, the maximum will be 13hours. Zero Hours contracts will only be lawful for students (Adams, 2026, p. 19).

The Netherland experience demonstrates that in the legal assessment of zero-hours employment, decisive importance is attached not only to the formal title of the contract, but also to the scope of the employer's obligations and the actual content of the relationship. It is noteworthy that in Dutch law, the qualification of the relationship depends on the factual content of the obligations existing between the parties, which constitutes the primary criterion for distinguishing diverse forms of zero-hours employment from one another. In this respect, the Dutch model represents one of the most developed European examples of balancing flexibility and the interests of employee protection.

The analysis of the examined legal models confirms that the legal assessment of a zero-hours contracts should not be based on their formal

designation. Conversely, both judicial practice and international labor standards prioritize the substantive content of the relationship. Consequently, the primary objective of contemporary regulation is to identify the factual nature of the employment relationship and to ensure a balance between labor market flexibility and the requirements of employee protection.

4.5. Zero-Hours Contracts Under the Standards of the International Labour Organization (ILO)

The primary sources of international labor law are the conventions and recommendations of the ILO, not because of their quantity, but due to the enhancing space of their regulation. This is explained by the broad and expanding scope of these instruments, as well as the detailed regulation of issues they provide (Bakakuri et al., 2017, p. 24). According to the ILO, a zero-hours contract represents an agreement under which the employee has no guaranteed working hours, although they may be obliged to be available to perform work for the employer. Furthermore, the employer is not obliged to offer any fixed number of working hours during a day, week, or month (ILO, 2016, p. 85).

Over the past decades, the International Labour Organization has devoted specific attention to forms of non-standard employment, among which zero-hours contracts occupy a significant place. The ILO notes that the increase in labor market flexibility has substantially expanded the utilization of forms of employment that do not provide the employee with sufficient predictability of working time and income (ILO, 2016, pp. 9–11).

The ILO views zero-hours contracts as a form of on-call work, within the framework of which the employer does not undertake an obligation to ensure a specific volume of work, although the employee is frequently obliged to maintain readiness to perform work (ILO, 2018, pp. 5–7). It is precisely this circumstance that gives rise to the question of the extent to which such a model corresponds to the concept of decent work.

According to the ILO approach, the non-standard nature of an employment form does not in itself constitute a problem if the protection of the employee's fundamental labor and social rights is ensured. The organization attaches particular importance to the predictability of working time, fair remuneration, and access to social protection mechanisms (ILO, 2016, pp. 32–35).

In this context, **ILO Recommendation No. 198** should be mentioned. It grants decisive importance to the substantive reality of the employment relationship rather than its formal contractual designation, when identifying the existence of an employment relationship. This approach aims to prevent practices whereby employment relationships are formally framed under alternative legal constructions in order to circumvent the protective

mechanisms afforded to employees (*ILO Recommendation No. 198*, 2006). This recommendation represents the outcome of long-standing discussions within the ILO linked to defining the scope of the employment relationship and the problem of protecting workers who are formally self-employed but substantively dependent (Creighton & McCrystal, 2016). It is emphasized in the definitions of this recommendation, that an indicator of the existence of an employment relationship can be not only legal subordination but also economic dependence, which should be taken into account as an additional criterion in defining the scope of an employment relationship (Hajn, 2024, p. 43).

The analysis of ILO documents indicates that in the legal assessment of zero-hours contracts, particular attention must be paid not only to the contractual form, but also to the economic status of the employee, the degree of dependence upon the employer, and the availability of social protection. This approach is closely linked to the fundamental principle of modern labor law, according to which the existence of an employment relationship is determined by its factual content and not solely by its formal legal construction.

The analysis of international labor standards demonstrates that the ILO does not demand the prohibition of zero-hours contracts; however, it underscores the necessity of the existence of legal mechanisms that ensure minimum economic security for the employee, predictability of working conditions, and effective access to social protection systems (ILO, 2016, pp. 18–20; ILO, 2018, pp. 7–10).

Contemporary approaches of the ILO and the European Union demonstrate that when evaluating an employment relationship, the actual economic and organizational substance of the relationship acquires decisive importance. This trend was reflected with particular clarity in the 2024 European Union Directive on Platform Work, which reaffirmed the significance of the *primacy of facts* principle in determining employment status (Adams-Prassl et al., 2025, p. 428).

In European Union law, an important source for regulating unpredictable working conditions is Directive (EU) 2019/1152 of the European Parliament and of the Council on transparent and predictable working conditions. The Directive does not directly prohibit zero-hours or demand-based work; however, it establishes minimum guarantees for instances where the work schedule is entirely or mostly unpredictable. In such cases, the employee must be provided with information regarding the expected timeframe of work, guaranteed paid hours, and notice period. Furthermore, the worker is not obliged to perform an assignment if it falls outside the predetermined reference days and hours or if they have not received reasonable advance notice. The Directive also protects the

possibility of parallel employment and provides for specific mechanisms to prevent the abuse of demand-based and other unpredictable forms of employment (*Directive (EU) 2019/1152*, Arts. 4(2)(m), 9–12)

Particular importance is attached to Articles 11 and 12 of the Directive: Article 11 imposes an obligation on Member States to take effective measures to prevent the abuse of contractual models under which working time is entirely or mostly dependent upon the discretion of the employer. For this purpose, the Directive provides for various regulatory mechanisms, including ensuring a minimum predictability of working hours, establishing presumptions regarding the determination of working time, and introducing other equivalent protective measures (*Directive (EU) 2019/1152*, Art. 11), Article 12 grants the employee the right to request a transition to more predictable and secure working conditions, and it imposes an obligation on the employer to provide a reasoned written reply to such a request (*Directive (EU) 2019/1152*, Art. 12). A joint analysis of these norms demonstrates that contemporary European labor law favors a model of creating minimum legal and economic guarantees for the employee rather than a model of absolute prohibition in respect of unpredictable forms of employment.

5. Legal Status of Zero-Hours Contracts in Georgia

A zero-hours contract, as an independent form of employment relationship, is not explicitly regulated under current Georgian legislation. The Labor Code of Georgia does not contain a definition of this institution, nor does it include special provisions establishing the conditions of its application, minimum guarantees for working hours, or protection mechanisms for the employee in the event of failure to provide work. Nevertheless, the existing legal framework does not preclude the existence of employment relationships in which the amount of work and working hours are not predetermined and depend entirely on the employer's demands.

This circumstance derives from the principle of contractual freedom, according to which the parties are authorized to determine the terms of the employment relationship by mutual agreement, provided they do not contradict the law (Labor Code of Georgia, Article 13). Consequently, within Georgian law, decisive importance is attached not to the formal nomenclature of the contract, but to the actual legal and economic substance of the relationship.

In evaluating the legal nature of a zero-hours contract, the factual substance of the relationship shall be emphasized. In cases where the relationship exhibits characteristics typical of an employment relationship – including subordination, the obligation of personal performance, organizational integration, and economic dependence – there exists a strong

basis for its qualification as an employment relationship, regardless of the formal designation of the contract. This approach is widely recognized in contemporary doctrine and international labor standards.

Although the Labor Code of Georgia does not contain specific regulations for zero-hours contracts, certain significance can be attributed to the provisions on part-time employment. In particular, Article 16 of the Code is based on the principle that the specific nature of working time should not, in itself, lead to the deterioration of the employee's legal status. Although, a zero-hours contract does not constitute a classic form of part-time employment, this approach indicates that the reduced or variable nature of working hours cannot serve as an independent ground for restricting labor rights.

Despite the fact that Georgian law does not preclude the existence of zero-hours contracts, the absence of specific regulations governing them creates significant legal problems.

First and foremost, the legal assessment of periods during which no work is provided remains unclear. The current legislation does not specify whether a prolonged period in which an employee is not provided with any work should be regarded as a continuation, suspension, or factual termination of the employment relationship. This issue becomes particularly significant in situations where the employee formally maintains the employment relationship, yet is effectively deprived of both work and income. It is precisely this legal uncertainty that distinguishes the Georgian model from states where specific elements of zero-hours employment are subject to specific statutory regulation.

The issue of predictability of working time and remuneration is equally problematic. Due to the inherent nature of a zero-hours contract, an employee may have no minimum guarantee regarding either working hours or income, which significantly increases the risk of economic insecurity. Despite their flexibility, zero-hours contracts give rise to a range of legal and social challenges. The inability to predetermine working hours and earnings places the employee in a state of economic uncertainty, while a substantial portion of the risks associated with the organization of the employment relationship is practically shifted from the employer to the employee. Furthermore, an unpredictable work schedule complicates the planning of private and professional life and reduces the level of the employee's economic security (Varazashvili, 2021, pp. 108–115).

In this context, it is justly argued that the economic burden of maintaining labor market flexibility should not fall entirely on the employee. If the state considers the competitiveness of certain economic sectors or the availability of specific services to be a matter of public interest, the bearing

of the corresponding costs should not be imposed solely on the worker (Adams, 2026, p. 35).

From this perspective, the International Labour Organization indicates that non-standard forms of employment require special legal protection precisely to ensure the economic security of the worker (ILO, 2016, pp. 12–13, 137). Furthermore, a uniform approach toward the legal evaluation of zero-hours contracts has not yet been established in Georgian judicial practice. The absence of relevant case law increases legal uncertainty and complicates the predetermination of rights and obligations for both employees and employers.

Trends in the development of modern European labor law indicate that flexibility in working relationships must be balanced with effective mechanisms for the employee's legal protection. In this regard, particular importance is attached to Directive (EU) 2019/1152 of the European Parliament and of the Council on transparent and predictable working conditions, which emphasizes the significance of employee awareness, the definiteness of working conditions, and the predictability of working time (Directive (EU) 2019/1152).

Comparative legal research demonstrates that the effective regulation of zero-hours contracts is based not on a model of their complete prohibition, but rather on the establishment of minimum guarantees for employee protection. The complete prohibition of zero-hours contracts is less compatible with the demands of the modern labor market; however, their uncontrolled use creates significant risks of economic and social insecurity for employees. Accordingly, it is advisable to develop a regulatory framework that balances labor market flexibility with the legal protection of employees. Comparative experience suggests that the most effective regulatory models are those that preserve contractual flexibility while simultaneously ensuring minimum guarantees of predictability and economic security for employees.

An optimal model for Georgia could be based on several core elements: the prior written determination of working conditions, the obligation of notification regarding work call-outs, ensuring minimum predictability of working time, introducing a compensation mechanism in the event of canceled work, and restricting contractual terms that unjustifiably limit the employee's ability to engage in activities with another employer.

Such an approach would, on the one hand, preserve the flexibility necessary for employment relationships and, on the other hand, ensure the existence of minimum legal and economic guarantees for employees, which constitutes a fundamental requirement of contemporary European and international labor standards.

This approach acquires particular significance for the Georgian legal system. Since the current legislation lacks specific regulations for zero-hours contracts, ILO standards and European experience serve as an important benchmark both in the process of identifying employment relationships and in defining minimum guarantees for worker protection.

7. Distinguishing Zero-Hours Contracts from a Service Agreement

A central problem in the labor-law qualification of a zero-hours contract is its differentiation from a Service Agreement. In practice, performing tasks on a call-out basis, within a flexible schedule, or with irregular intensity often creates the impression that a civil-law relationship exists between the parties; however, the actual substance of the relationship may exhibit characteristics typical of an employment relationship.

According to the Civil Code of Georgia, under a contract for work, the contractor undertakes to perform the work stipulated in the contract, while the customer undertakes to pay the agreed remuneration (Civil Code of Georgia, Article 629). A characteristic feature of the legal construction of a contract for work is that the result of the performed work, rather than the organization of the work process, stands at the center of the relationship. German legal doctrine also emphasizes that the purpose of a contract for work is the achievement of a specific result, whereas a service contract is related to the execution of an activity (Kropholler, 2014, pp. 469–470). Consequently, the contractor is, as a rule, organizationally independent and determines the time, place, and form of the performance of work. Furthermore, according to Article 632 of the Civil Code of Georgia, the contractor is obliged to perform the work personally only when this derives from specific circumstances or the nature of the work.

As clarified by the court, “the subject matter of a Service agreement is the result of the contractor's labor. The contractor is financially and organizationally independent from the customer and is not subordinate to them” (Supreme Court of Georgia, Decision on Case No. As-1129-1156-2011, October 11, 2011). This clarification confirms that when distinguishing between a Service Agreement and an employment relationship, decisive importance is attached not only to the fact of the performed work, but also to the legal and organizational environment within which it is carried out.

Conversely, despite the lack of a prior guarantee of working hours, a zero-hours contract often contains the features typical of an employment relationship. The International Labour Organization (ILO) classifies zero-hours contracts as forms of non-standard employment and draws attention to the circumstance that their legal evaluation must be carried out by taking into

account the actual substance of the relationship and the protection needs of the employee (ILO, 2016, pp. 18–20).

Comparative legal analysis indicates that when distinguishing between a zero-hours contract and a service agreement, decisive importance is attached not to the frequency of work performance or the volume of working hours, but rather to the factual substance of the relationship. From this perspective, the criteria of subordination, personal performance, and organizational integration are of particular importance. In contemporary doctrine, additional attention is paid to the criterion of economic dependency. This circumstance is particularly important in the case of non-standard forms of employment where an individual – despite the incomplete manifestation of traditional signs of subordination – is substantially dependent on a single employer or economic client for generating income (Freedland & Kountouris, 2011, p. 189). In the case of zero-hours contracts, economic dependency is often manifested by the fact that the individual is factually bound to a single employer, even though working hours are not guaranteed in advance. However, economic dependence does not in itself constitute an independent basis for the existence of an employment relationship. Its significance emerges only when it is assessed in conjunction with the criteria of subordination, personal performance, and organizational integration.

Another significant sign of an employment relationship is the obligation to perform the work personally. The employee is obliged to perform the work themselves and, as a rule, does not have the right to substitute another person on their own initiative. The situation differs in the case of a Service Agreement. Under the Civil Code of Georgia, the contractor may generally entrust the performance of the work to a third party, unless the obligation of personal performance follows from the contract or from the nature of the work itself (Civil Code of Georgia, Article 632).

Practical analysis of zero-hours contracts reveals that, in most cases, personal performance of the work constitutes a requirement of the employer. The obligation to perform the work is tied to a specific person, their qualifications, experience, and skills. This circumstance brings the zero-hours contract even closer to an employment relationship and distinguishes it from an independent civil-law service.

Conclusion

The conducted research demonstrates that a zero-hours contract cannot be regarded as an autonomous legal institution with a predetermined legal nature. Comparative legal analysis, international labour standards, and contemporary doctrine consistently confirm that the legal qualification of

such relationships depends not on the formal title of the contract but on the actual substance of the relationship established between the parties.

The study has shown that the decisive criteria for the legal assessment of a zero-hours contract are subordination, personal performance, organisational integration, and economic dependence. Where these characteristics are present, the relationship must be classified as an employment relationship and be subject to the guarantees of labour legislation, irrespective of the contractual form chosen by the parties. Consequently, the absence of guaranteed working hours cannot, in itself, serve as a basis for excluding the application of labour-law protection. Accordingly, the legal significance of a zero-hours contract lies not in its contractual label, but in the factual distribution of rights, obligations, and economic power between the parties.

The comparative experience of the United Kingdom, Ireland, Germany, and the Netherlands further demonstrates that contemporary labour law does not favour the complete prohibition of zero-hours contracts. Instead, the prevailing tendency is to combine labour-market flexibility with minimum guarantees of predictability, economic security, and protection against the transfer of business risks to employees. In this respect, the German and Dutch approaches provide particularly valuable guidance, as they illustrate that flexibility and employee protection are not mutually exclusive objectives but can be effectively balanced through carefully designed legal mechanisms. The comparative analysis therefore confirms that the central regulatory challenge is not whether zero-hours contracts should be permitted, but how the risks inherent in such arrangements should be allocated between employers and employees.

Although Georgian legislation does not currently contain specific rules governing zero-hours contracts, the existing legal framework provides sufficient normative grounds for assessing such relationships through the general criteria of an employment relationship. At the same time, the absence of specific regulation creates a degree of legal uncertainty that may adversely affect both employees and employers. For this reason, future legislative development should focus on introducing safeguards aimed at ensuring greater predictability of working conditions, fair allocation of economic risks, and effective protection of workers engaged in non-standard forms of employment. The adoption of a clear regulatory framework would contribute not only to the protection of employees but also to greater legal certainty and predictability for employers. The present study is limited to doctrinal, comparative, and normative analysis. Accordingly, future research may examine the practical prevalence of zero-hours employment in Georgia, its socio-economic implications, and the potential effects of introducing specific legislative mechanisms governing this form of work.

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