



Workers' Voices

The situation
of women
in the Eastern
European
and Turkish
garment
industries

Coordination	Regina Barendt, Bettina Musiolek
Authors/researchers	Regina Barendt, Kerstin Ewald, Vanja Lesić, Katerina Milenkova, Bettina Musiolek, Danica Pop-Mitić, Bilge Seckin, Tim Zülch
Additional researchers	Ania Kaminska, Tsvetomira Lenkova, Ioana Manaila, Juliana Markova, Ayse Ozver, Mariana Petcu, Jakub Rajewicz, Tsvetanka Sharlandjieva, Verka Vassileva
Editor	Chantal Duval
Designer	Antje Seewald
Printing	Stoba Druck Lampertswalde
Photographs, drawings	Antje Hubert, Tim Zülch, Polina Radeva, Bettina Musiolek, Grana Bogdanović, CCC.

Acknowledgements/Authors' note:

The research which forms the basis for this publication was carried out between 2003 and 2005 by a network of researchers in Poland, Romania, the Republic of Macedonia, Serbia, Bulgaria and Turkey. The research was part of the project:

"Developing a Regional Network of Local Expertise in Monitoring Labour Rights and Conditions of Work (with a specific focus on the garment industry) in Eastern Europe and Turkey".

Interviews with workers and other stakeholders – such as trade unions, labour rights' NGOs, management and employers' associations – are the basis for the results presented here. We also include articles by Kerstin Ewald and Tim Zülch, from research they conducted in Republic of Moldova and Romania in 2004. We thank all workers for the time they granted us and for the openness with which they answered our questions.

This is the third publication the Clean Clothes Campaign (CCC) has published on Eastern Europe, following:

- "Made in Eastern Europe", Amsterdam, 1998
- "Made in Eastern Europe – the new fashion colonies"/"Made in ... Osteuropa. Die neuen 'fashion Kolonien'", Berlin, 2002 and the second publication from the CCC to have a focus on Turkey following the "Play Fair at the Olympics" report of 2004.

This publication was made possible through funding from the Human Rights at Work Foundation, based in Geneva.





WORKERS' VOICES

The situation of women in the Eastern European and Turkish garment industries

CONTENTS

1	Summary of findings	The same old story of exploitation	4
2	Introduction	Eastern European & Turkish garments: the role of EU trade	5
3	Giving Workers a Voice	Building local capacity for research and advocacy on women's labour rights	12
4	Country profiles		
4.1	Bulgaria's booming industry built on sub-contracting		14
4.2	Macedonia's garment workers: down but not out		19
4.3	Poland: a powerful industry where only the strong survive		22
4.4	Serbian workers demand "fair wages for dignified lives"		28
4.5	Turkey's garment industry: black economy, grey lives		33
4.6	Romania: widespread abuse in Europe's leading producer		41
4.7	Moldova: poverty wages on the edge of Europe		45
5	Appendix 1: CCC national network partners		48
6	Appendix 2: Description of labour standards		49
7	Appendix 3: Brands, labels and retailers sourcing from the region		51

Summary

1 The same old story of exploitation

The conclusion from 256 interviews with garment workers from 55 workplaces is that all basic labour standards continue to be violated in Eastern Europe and Turkey.

The most common problems are that:

1. Genuine freedom of association and the right to collective bargaining are suppressed, management often acting aggressively towards workers involved in unions.
2. Living wages are not paid. The difference between a living wage and the actual wages paid ranges from 100 to 500%. Workers survive mainly thanks to subsistence agricultural activities shared with their extended families. Wage calculations remain unclear.
3. Excessive, often forced overtime is the rule. Overtime rates are not paid.
4. Working conditions are a hazard to workers' health.
5. Various types of discrimination at work persist.
6. Employment relationships are often not established. Unregistered/informal labour is substantial and on the increase.

The situation is worse in small factories, many of which display sweatshop conditions: child labour and starvation wages were found, as were arbitrary working hours going in some cases over 24 hours in a row and forced overtime. The right to organise in these workplaces is virtually non-existent and there are cases of serious sexual harassment.

Workers are still unaware of the existence of company codes of conduct and, in the few cases that they know about them, they are not aware of the use they can make of them.

It can therefore be concluded that the situation regarding working conditions in the garment industry of the countries researched is essentially unchanged since the first CCC study 8 years ago. The problems are similar throughout the region – except in Turkey, where they are worse. Turkey is

the biggest garment and textile producer in the Euro-Mediterranean zone.

Fair conditions for the women producing Europe's clothes

Research did, however, demonstrate efforts by a few multinational retailers (H&M in particular) and corporate members of multi-stakeholder initiatives – such as the Fair Wear Foundation from the Netherlands, the Fair Labour Association and the Workers' Rights Consortium in the US and the Ethical Trading Initiative in the UK – to carry out improvements. These efforts include taking steps towards making the purchasing practices used by buyers (sometimes as a result of incentives which encourage purchasing at ever lower costs and demanding ever shorter deadlines) more compatible with the requirements of socially responsible sourcing and trading. Most of these activities are concentrated in Turkey.

There are anecdotal reports of some buyers (brands, retailers, mail-order companies) and buyer-driven associations (such as AVE-BSCI¹) putting pressure on suppliers to make basic improvements, mostly in relation to health and safety. These include fire emergency measures, clean workplaces and better lighting. But such improvements are too superficial to be taken as evidence of buyers' commitment to genuine improvements through cooperation with suppliers. What is more, they contrast sharply with the pressures imposed on suppliers by the same buyers, particularly in relation to pricing and delivery lead times.

We therefore urge buyers sourcing from the countries researched to seek sectoral solutions and to engage with multi-stakeholder initiatives in order to ensure respect of national and international labour regulations.

1 AVE – The German Foreign Retail Trade Association – Außenhandelsvereinigung des Deutschen Einzelhandels. BSCI – Business Social Compliance Initiative, Brussels.

Introduction

2 Eastern European¹ & Turkish garments: the role of EU trade

Traditionally, the manufacture of cloth and the manufacture of garments have been two distinct activities. Fibre producers and farmers supplied raw material to yarn manufacturers, who in turn sold yarn to weaving and knitting facilities. Manufactured fabric (either woven or knitted) was then sold to a fabric finisher then to garment manufacturers. In the textile and garment industries of today, operations can be wholly integrated – meaning that one company is in charge of all phases of production. This is very often the case in Turkey, but seldom in Eastern Europe, where the textile industry has been destroyed to a large extent as a result of the EU trade regime.

Amongst the top ten suppliers to the EU, Turkey ranks second, with a share of 11%, behind China with 14%. Poland and Romania are in sixth position with 4%.²

With respect to the garment industry, the main comparative advantage of the region has been:

- its geographical and cultural proximity to the markets of the European Union (EU) and therefore the possibility of quick delivery;
- the availability of sufficient production capacity, a qualified workforce and adequate infrastructure;
- favourable currency rates for those dealing in euros and US dollars;
- the EU trade regime favouring the so-called OPT (outward processing trade) system, whereby only the sewing stage of mostly pre-cut fabric takes place in Eastern European countries;
- and its lack of respect for – and poor implementation of labour standards.

For Eastern Europe and Turkey, the industry is of great importance in terms of trade and employment. The share of textile and garment in manufacturing production is highest

in Turkey (15.5%) and the Baltic States (over 11%), followed by Romania and Slovenia (just under 10%).³ Between 75% and 90% of these countries' exports in garments go to EU member states.⁴ In recent years, there has been a marked trend towards relocation of production facilities from the EU to Eastern Europe and to countries further East. In other words, Eastern European countries have become highly dependent on orders from EU garment companies.

Employment in the Garment Industry

The Eastern European garment industry has been growing steadily since the late 1980s, employing large numbers of workers in thousands of workplaces set up every year. 90 to 95% of workers are women, whereas management is predominantly male and sometimes foreign. More than half of all jobs registered in the industry within the future EU 27 are located in new or future member countries⁵. When Romania and Bulgaria join the EU in 2007, they will contribute roughly half of all textile and garment employment for the whole 12 newly acceded countries⁶.

The industry (overwhelmingly the garment industry) employs 24% of the total manufacturing workforce in Lithuania, 30% in Bulgaria, 40% in Turkey, 15% in Slovakia, 14% in Estonia, 13% in Poland and 10% in the Czech Republic. The average for the EU15 member states was 7.5%.⁷

1 Although the term Eastern Europe (EE) is an umbrella term commonly used to refer to countries previously allied to the ex-Soviet Union, Poland belongs to Central Europe while Bulgaria, Macedonia, Romania and Serbia belong to South Eastern Europe.

2 Gray, Alex (2004): MFA phase out impact on new countries joining the EU, Just style, April 04

3 *ibid.*

4 COM(2003:9) 649 final, Brussels, 29.10.2003, The future of the textiles and garment sector in the enlarged European Union

5 EU communication on Textile and Clothes, 2003

6 Gray, Alex (2004): MFA phase out impact on new countries joining the EU, Just style, April 04

7 Jozef De Coster, 2004, The Apparel Industry in the ten EU Accession States, Management Briefing

Trade in textiles and garments is highly regulated and subject to lobbying by various interest groups – although this does not make the headlines in the way lobbying does, for instance, in the steel industry. Such lobbying has resulted in the Multi-Fibre Agreement (MFA) and the Agreement on Textiles and Clothing (ATC) at the global level, and the OPT system in Europe. Such trade regimes, negotiated from vastly unequal positions, are very similar to one another and their impacts comparable.

Outward Processing Trade – a dead-end road for workers and economies

Similar to US trade policy towards the Caribbean Basin, Central America and AGOA⁸ countries⁹, the EU in the 1990s established a trade and investment mechanism with Eastern European countries which relies predominantly on the EU exporting un-manufactured fabric or semi-manufactured garments to eastern Europe, to be sewn and assembled at low cost. The buyer delivers all materials to the producer, who only provides the labour and the workplace, after which the buyer re-imports the finished merchandise. This specific way of organising garment production, known as Outward Processing Trade (OPT) or 'lohn'system'¹⁰, has been promoted through the EU tariff system: if a retailer or manufacturer exports un-manufactured fabric or semi-manufactured garments abroad then later imports back the assembled garments, tariffs only have to be paid on the value added abroad. Thus, labour-intensive operations like cutting, sewing and packing are transferred to an 'OPT country' whereas design, purchasing and marketing remain in the country where the retailer or manufacturer is based. The first and foremost player in this system is Germany. Approximately 30% of its total garment imports are made under OPT. Approximately 80% of all garment exports from Eastern Europe to Germany are made under the OPT system, accounting in some countries for more than 95% of exports.

The OPT system is used by manufacturers rather than retailers. Manufacturers such as Steilmann or Gerry Weber place orders with, say, Romanian OPT suppliers before reselling to retailers like Marks & Spencer or C&A. The advantages for manufacturers are obvious: production

abroad requires hardly any investment (all that is needed is those classic sewing machines found all over the world) and a high level of flexibility is guaranteed for West European buyers. The OPT system exploits the existing garment manufacturing capacities and know-how of Eastern Europe. Whilst there are tens of thousands of sewing factories in these countries, the textile industry and related know-how, the design and marketing know-how virtually died from one day to the next fifteen years ago. The pressures on suppliers, in the form of low profit margins, tight delivery schedules and a high dependency on speed and terms of payment because of the lack of capital, are transferred onto workers and seriously affect their working conditions.

Thus, OPT is a dead-end both for national economies and as far as decent working conditions are concerned¹¹. The OPT system may seem to have created a 'tiger' industry with a booming sector, high growth rates and employment, but in reality it amounts to no more than the out-sourced production of Western European manufacturers.

From OPT-driven downgrading to upgrading – or the buyers go to China

Whilst for a lot of countries, including the Eastern European transformation economies¹², OPT was the only chance to participate in international trade and to do so without taking many risks, it has led to the down-grading of the local textile industry in Eastern Europe¹³. Fabrics, yarns, buttons, zippers etc. are being supplied from abroad along with the design and patterns for clothes and shoes. Vertically integrated factories which produced both fabric and garments cannot use their own fabric in their garment production. The local manufacturing of inputs and the whole textile production know-how have disappeared from the region. Indeed local manufacturers are facing a twofold

8 The African Growth and Opportunity Act (AGOA) was signed in 2000 by 37 African countries. AGOA includes among others agreements on market liberalisation.

9 Clean Clothes Campaign: *Made in Southern Africa*, 2002, p. 9–15

10 From the word 'Lohn' which in German means wages.

11 See "Made in Eastern Europe – the new fashion colonies", Berlin 2002

12 Transformation economies refer to the former socialist countries which were part of – or satellites of – the Soviet Union.

13 With the exception of Latvia and Lithuania

dependency – regarding the inputs (materials, patterns) as well as outputs (quality control, pricing, lead times etc.)¹⁴.

Now that some countries of the region have joined the EU – and that OPT is therefore no longer an option¹⁵ – the EU and the World Bank are recommending an upgrading of their industry. They maintain that OPT represented a chance to begin to construct an industry which it is now time to upgrade. This means that countries previously producing under the OPT system would now get to purchase their own raw materials and be in charge of their own design and marketing in order to develop and market their own brands. Briefly speaking, the idea is to move into those areas of garment production that are more profitable and become more influential players in the market as 'full-package'(or 'semi-lohn') producers.

However, according to this research, the chances of upgrading successfully, for individual companies as well as for the sector as a whole, are small. Upgrading requires knowledge that disappeared years ago – because of OPT. Once the know-how has been lost for fifteen years or more, it is very difficult to regain, all the more so in a world market which has become dominated by global players. In addition, the low profit margins afforded by the OPT system have not allowed suppliers to make investments.

In order to be able to upgrade, ex-OPT suppliers need support – technological and financial support as well as stable orders that will enable them to invest. This kind of support is unlikely to be given since retailers, which are increasingly pricing manufacturers out of the market and taking over as the major buyers in Eastern Europe, do not have the same interests as manufacturers in working with suppliers to upgrade their production: either suppliers become "full-package" on their own initiative or else they can no longer be sourced from.

For Poland, with its extensive garment manufacturing facilities and its focus on exports to Germany, joining the EU has caused considerable restructuring. Although some assembly work still goes on to a small extent, small, ex-OPT producers are dying out. The trend shows that only bigger Polish garment producers are surviving, sub-contracting part of their production further to the east of Europe or even to Asia. In Romania, which is expected to join the EU in 2007, the same development is already noticeable.

On the subject of upgrading

Sergiu Harea of the Chamber of Commerce and Industry in Chişinău in the Republic of Moldova, April 2004:

"The idea is that foreign investors introduce modern technology to our country. The next step would be to move towards a "normal" production system. The OPT system does not provide us with any good opportunities. However, we don't have the choice but to use it. At least some people earn some money and don't have to go abroad".

Sofinceanu Gheorghe, owner and manager of the medium-sized company SCIROMTEX S.A. in Romania:

"In order to export 20,000 pairs of trousers, I have to spend €120.000 on fabric and €60.000 on accessories. Then I have to pay €90.000 in taxes. Altogether I will need €270.000. This is an impossible investment to make without being sure of immediate returns. A delay of one month in payments is enough to bankrupt us.

To make my company profitable, we would have to invest between €300.000 and €400.000. Credits are hard to obtain and the guarantees you have to provide are immense. In this respect the IMF and the EBRD (European Bank for Re-construction and Development) are putting too much pressure on us. To get a credit of €400.000, I would need to own 20 companies, not one! The problem is that only a small number of companies are big enough to survive applying this 'upgrading' strategy.

¹⁴ Graziani 1998, Musiolek 2002 quoted in: Fichter/Hennek/Sander/Winterstein: Die wirtschaftliche Transformation Bulgariens unter bes. Berücksichtigung der Arbeitsbedingungen in der Bekleidungsindustrie, Friedrich Ebert Stiftung, Bonn 2004, p. 87

¹⁵ OPT, a trade arrangement originally entered into with European countries close to but not belonging to the EU, is cancelled as soon as a country joins the EU.

Most important OPT textile and garment suppliers to the Federal Republic of Germany (2004)

	Value of imports
Country of Origin	In €1000 (Dec 2004)
Romania	829,007
Poland	484,241
Czech Republic	307,682
Bulgaria	290,577
Ukraine	241,292
Former Yugoslav. Rep. Macedonia	174,933
Turkey	150,543
Slovak Republic	143,021
Croatia	134,277
Hungary	133,609

Source: Statistisches Bundesamt (Nr. 422-Stat)

Serbia: welcome back to the OPT 'club'

The (old) EU established a foreign trade system with Eastern Europe that looks very much like the system developed for trading with developing countries: Eastern European exporting countries have been forced to submit to conditions set out by the 'old' EU countries which do not allow them to grow into serious competitors.

Serbia, one of the last countries to join the OPT 'club', is a good illustration of this policy. In 2005, it signed an agreement with the EU on trade in garment and textiles. Before

that, its exports to the EU were restricted by quotas¹⁶ which limited its potential to develop garment exports. Serbia must now adopt the EU's trade rules and systems (such as rules of origin for instance) hence produce under rules that were established between Germany and the former Yugoslavia back in the 1970s. It must also open its market to EU garments. Thus for Serbia, one protectionist system, that of quotas, has been replaced by another, that of the OPT system.

Comparing OPT and the WTO Agreement on Textiles and Clothing

The EU's OPT system and the WTO Agreement on Textiles and Clothing (ATC) appear to be very different sets of arrangements. However, they have similar impacts: they create seemingly booming artificial economic structures – like the mushrooming garment industries of Bangladesh or Bulgaria or the maquiladoras of Central America – which bring with them inhumane working conditions and highly dependent, fragile and mobile production systems as a pre-requisite of their existence.

In neither case have these industries led to social development or to the trickle down of some degree of prosperity. In Eastern Europe, a quasi colonial structure has emerged, a process which is described by Hannes Hofbauer as "the peripherisation of Eastern Europe"¹⁷.

The end of OPT for countries that are now or will soon become members of the EU coincides with the phasing out of the ATC, which is having only a limited impact on the region, Turkey included. However, the phase-out is being used by company managers in the region as well as by international buyers to constantly threaten relocation and so exert ever more pressure on suppliers. While some standard garment production is moving to the Far East, the advantage of proximity to markets and costs low enough to compare with those of the Far East remain attractive.

¹⁶ just-style-com, Apparel Sourcing in the 21st century, 10 lessons so far.

¹⁷ Hannes Hofbauer. OSTERWEITERUNG. Vom Drang nach Osten zur peripheren EU-Integration, Promedia Verlagsges, Wien 2003



A whole district of Istanbul devoted to garment production

Turkey – the regional tiger

Unlike Eastern Europe, Turkey is both a major textile and garment production country, the biggest in the whole Euro-Mediterranean zone. The Turkish industry spans the entire production cycle, from cotton fibre production to the last stages of garment manufacture. Turkish manufacturers have also become major providers of production orders to Bulgaria, Romania, Macedonia and even further North. Turkey has managed in the past twenty years to upgrade part of its industry, moving from low quality, mass production to high quality, high value added manufacturing.

However, the contrast between the importance of the Turkish industry and the reality of its working conditions is even more striking than in Eastern Europe. Our research and other studies going on in Turkey show that on top of the 'usual' violations of basic labour standards, child labour occurs to a significant extent, the textile and garment industry is primarily and increasingly informal and trade union rights are seriously hampered – including by Turkey's legislation.

When the phase out of the ATC was being negotiated, the Turkish garment industry lobby raised considerable resistance to the end of quotas, fearing like everybody else

that production would be relocated to China. But early, albeit anecdotal evidence¹⁸ seems to indicate that this is not the case: exports continue to increase.

Shining a Spotlight on buyers

Three categories of buyers share control over garment production and trade in Eastern Europe and Turkey:

- the big multinational retailers (e.g. C&A, H&M, Marks & Spencer, KarstadtQuelle, Carrefour, Metro, IKEA)
- international brands (e.g. adidas, Nike, Puma, Umbro, Lego, Kenzo, Yves Saint Laurent, Givenchy, Hugo Boss, Benetton, Disney)
- and manufacturers (e.g. Steilmann, Miroglio, Seidensticker, Hirsch, Girondella).

Due mostly to the use of a cheap and qualified labour force in Romania, Poland, Ukraine etc., the volume of sales by German garment companies has quadrupled¹⁹: Puma doubled its profit for the third year running, and adidas has broken its own record in 2004 by posting a surplus of 314 million euros. But companies in other countries also benefit: the success story of Sweden's H&M is also the result of sourcing from South Eastern Europe and Turkey. H&M has buying offices in Turkey, Romania and Lithuania among other places. Its latest increase in sales exceeded analysts' expectations in summer 2005.²⁰

Regional wage competition, the debate on labour costs and the creation of poverty

The more companies and countries compete against each other for orders from a decreasing number of buyers, the more local suppliers come under pressure to lower their prices. Buyers are increasingly sourcing from countries further east like Ukraine, Belarus, Moldova and Russia, where the workforce is even cheaper. Manufacturers like

¹⁸ Interviews with trade unionists and industry representatives in October 2005.

¹⁹ This shouldn't hide the fact that traditional German garment retailers for instance experience a decrease in consumer spending and that a concentration process is going on here as well as in other branches (s.WZB-Mitteilungen Heft 107 März 2005).

²⁰ www.diewelt.de, 16 July 05

Steilmann (Germany), having first shifted production from East Germany to Poland and Romania then moved on to Moldova, Ukraine and Macedonia when wages improved in Poland and Romania. Similarly, Lithuanian companies have relocated production to Bulgaria, Belarus and Ukraine.

Production in the region is being shifted around to countries with lower costs, higher unemployment, a more obedient and 'flexible' workforce and more tax breaks. If trade regimes play an important if not dominant role in building up international production networks for garments, very often the 'competitiveness' of a country is reduced to its labour costs. Yet labour costs constitute a minor part of production costs. According to industry analysts, "moving from Germany to Poland reduced labour costs by around 80%, but brought about a reduction in the cost of garments of just 10 to 20%. Throughout the world's low-wage economies, labour has become a minor component of a garment's total cost to the supplier (typically around 7%). But sourcing from low-wage countries incurs other costs – which almost always outweigh the savings in labour costs"²¹

According to Mike Flanagan of "Just-Style", further reductions in wages wouldn't have much of an impact on factory prices. On closer analysis, the central focus on wage levels, a key issue in the sector, turns out to be an obsession which has no basis in the facts.

Foreign companies openly threaten with relocation when they are lobbying for legal changes such as longer working hours or looser employment relationships (so workers can be more easily laid off), or when they face demands from trade unions or labour inspectorates (for instance for regular payment of wages or less overtime). Social dialogue is very effectively hampered by such practices because nobody – neither governments, unions or employers, wants to scare away buyers and risk losing orders and jobs.

Towards asserting worker's rights

In the meantime a race to the bottom is going on which is, as elsewhere in the world, at the expense of workers, in this case Eastern European and Turkish workers. It deprives them of decent working conditions and leads to the establishment of a new social strata: the working poor. The



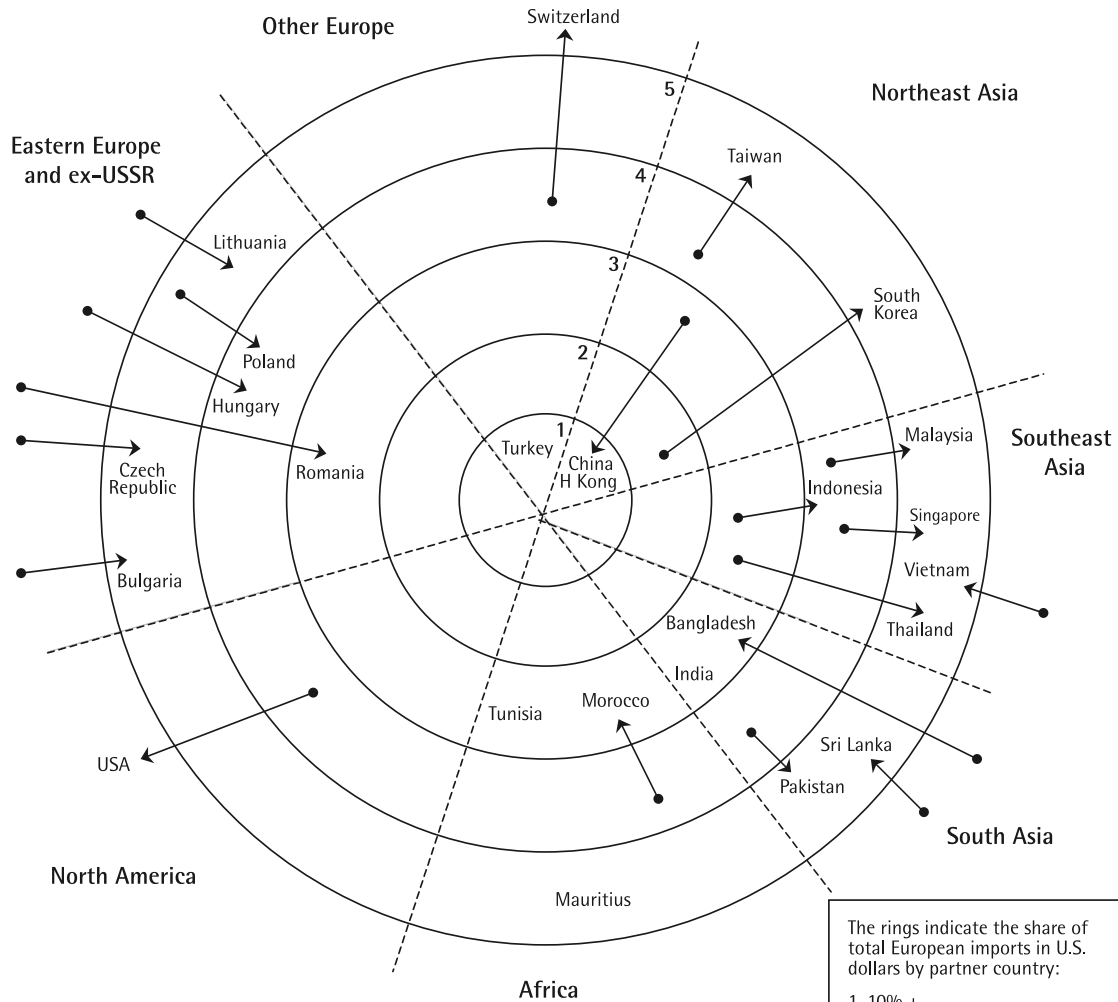
Opening of the exhibition "Fair Conditions for women dressing Europe", Sofia Sep 05

women working at the very bottom of supply chains – regardless of whether they are employed in factories or sweatshops or work from home – have little protection from such exploitation and from violations of the fundamental rights to which they are entitled according to the International Labour Organisation and national labour legislations. As there are almost no unions in the newly established or privatised workplaces, workers have no real bargaining power. Trade union activities, or activities that resemble trade union activities, are often punished with harassment and/or dismissal. To make matters worse, the majority of trade unions in the region are in deep crisis and need to regain vision and the trust of the workforce as well as develop alternative organising strategies in this feminised, primarily informal sector. Persistent gender stereotypes reinforce the difficulties encountered by workers, who remain mostly invisible.

However, those labour rights' NGOs and trade unions which are partners of the Clean Clothes Campaign in the region are working to promote a public debate on labour rights in Eastern Europe and Turkey and to effectively represent the interests of garment workers. They are closely interacting with the International Clean Clothes Campaign, a network of advocacy and solidarity NGOs and trade unions in eleven Western European countries which aims to improve working conditions and empower workers in the global garment industry, in order to end the oppression, exploitation and abuse of its mostly women workers.

21 Just Style, April 04

Shifts in the Regional Structure of EU 15¹ Apparel Imports from 1990 to 2001²



1 This chart excludes intra-European trade among the 15 member states of the EU (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden and the United Kingdom). Total apparel imports are for the EU countries.

2 The 2001 position corresponds to the ring where the country's name is located; the 1990 position, if different, is indicated by a small circle. The arrows represent the magnitude and direction of change over time.

Source: World Trade Analyzer, based on United Nations data for SITC 84 (Article of apparel and clothing accessories).

2003. "The Global Apparel Value Chain: What Prospects for Upgrading by Developing Countries?" (with Olga Memodovic). United Nations Industrial Development Organization (UNIDO), Sectoral Studies Series, available for downloading at <<http://www.unido.org/doc/12218>>.

Updated information for the Europe apparel chart was provided by Gary Gereffi on Sept. 29, 2005.

The rings indicate the share of total European imports in U.S. dollars by partner country:

1. 10% +
2. 6.0% - 9.9%
3. 4.0% - 5.9%
4. 2.0% - 3.9%
5. 1.0% - 1.9%

Total value of extra-regional European clothing imports was \$22.8 billion in 1990 and \$51.3 billion in 2001.

3 Giving workers a voice

Building local capacity for research and advocacy on women's labour rights

For more than 10 years now, the European Clean Clothes Campaign (CCC) and the North American and Australian anti-sweatshop movements have pressured retailers, international brands and manufacturers in the "North" and "West" to improve the conditions in which their goods are produced. In reaction to this, companies have introduced codes of conduct and started to develop their own procedures for implementing these codes and for auditing the social standards of their suppliers. In the region on which this publication focuses, experiments with implementation and social auditing are mainly concentrated in Turkey. However, such activities are beginning to develop in other countries – in reaction to campaigning.

Multinational companies use predominantly commercial social auditors to monitor implementation of the standards contained in their codes. Experience, however, has revealed a number of shortcomings in the audits conducted by commercial social auditors, particularly in relation to interviews with workers and to the monitoring of the living wage standard and the right to organise. Nevertheless, they provide their clients, the retail chains and international brands, with a "clean" image and good PR opportunities. International multi-stakeholder initiatives such as the Fair Wear Foundation in the Netherlands and the Ethical Trading Initiative in the UK on the other hand are taking a different approach, working to develop credible monitoring and verification practices that will eventually improve working and living conditions in the industry.

Against this background and given the weakness of workers' organisations in the Eastern European garment industry, the CCC has initiated the project

Developing a Regional Network of Local Expertise in Monitoring Labour Rights and Conditions at Work (with a specific focus on the garment industry) in Eastern Europe and Turkey.

Based on the existing experience of CCC partners in the South, Bettina Musiolek and Verka Vasileva compiled a training manual which was translated into the six national languages of the participating countries (see below) and adapted to local conditions. The CCC Terminology Guide on Verification in the Garment Industry was also translated into the same six languages and is now available to organisations, experts and institutions in the countries concerned.

Starting in June 2003, a number of labour and human rights NGOs and individual researchers undertook to conduct research at production level and collect information on the situation of garment workers in Poland, Romania, Bulgaria, Serbia, Macedonia and Turkey. The research activities used a common methodology. Six small pools of 37 local researchers based in the various countries undertook training and subsequently conducted 256 interviews with garment workers from a total of 55 workplaces.



Quality and principles of research

At the heart of any research on social standards in the garment industry are interviews with workers. They are key to

obtaining accurate information on working conditions. The selection of local researchers, who have to be able to gain access to the workers, is therefore crucial. In this instance, the gender composition of the researchers involved reflected that of the workers, i.e. 90% female to 10% male. Some were knowledgeable in sociology, economics or legal issues, others were experienced in labour and gender issues. All of them were independent of companies but had an NGO and/or trade union background.

Equally important was the selection of workplaces. A balance was sought between unionised and non-unionised factories, former state-owned and new private companies, small and bigger companies (under or over 50 employees), foreign and domestic ownership, first tier suppliers and sub-contracted facilities and various production locations. Between 1 and 5% of workers were interviewed in each factory, predominantly in groups, but also individually.

A particular focus of the project was the relevance of gender aspects and the monitoring of gender discrimination at work, with specific reference to unprotected, informal work situations.

Some important principles were observed: to meet in a safe place – at home, in a cafe, somewhere where workers felt comfortable, in any case outside the factory premises and outside working hours so that employers, supervisors or anyone else the workers did not trust would not notice. Usually, it took several meetings to build trust with workers. The aims of the research were clearly explained by the interviewer as well as how it could benefit workers. The responses have been treated confidentially, which means that the real names of the workers and of the companies or production units concerned cannot be made public. The interview reports are phrased in such a way that they cannot be traced back to the workers interviewed.

Follow-up

For the region of Central, Eastern and South Eastern Europe and Turkey, the networking partners have identified a number of priority tasks which they intend to follow up. These are:

1. Strengthening the capacity of NGOs and trade unions

which are partners of the Clean Clothes Campaign and act as coordination centres for all activities aiming to improve working conditions in order to:

- collect and process reliable information on the situation of garment workers in the the six countries researched, disseminate it at regional and global levels, and further develop quality databases;
- inform the public on the buying practices of multinationals and working conditions in these countries. Raise awareness of women's human rights at work, of corporate abuse of these rights and of ways to reclaim them, both through legal and transnational advocacy action;
- maintain and if possible expand the networks of local researchers/experts/activists involved in on-going workplace investigations, and:
 - facilitate regional and national exchanges between them;
 - facilitate access of labour groups and organisations such as trade unions to informal, unorganised workplaces;
- strengthen national networks and mount national campaigns for human rights at work supported by coalitions and national platforms by:
 - training staff in how to develop campaign strategies,
 - conducting awareness raising seminars with local NGOs and trade unions
 - building advice/counseling points to inform women workers of their rights and act as contact points in case of labour problems – with priority given to unorganised workplaces.
- strengthen the regional network of CCC partners in Central and South Eastern European countries, including Moldova, Ukraine, Belarus, Bosnia and Herzegovina, Albania and Croatia.

2. Improving communication channels between South, East and West, in order to facilitate exchanges on, for instance, awareness raising, coalition building and the organisation of support to garment workers whose rights are violated.

4 Country profiles

4.1 Bulgaria's booming industry built on sub-contracting

The development of the garment sector in Bulgaria at the end of the 1990s and the beginning of the new millennium is characterised by the following:

1. *a rapid growth in the number of companies in the sector. The figures vary between around 3,000 companies actually functioning and 18,000 registered for "garment manufacture and trade";*
2. *depreciated equipment in the country's big, privatised companies. These are the companies which therefore benefit from foreign investment – in order to increase production capacity and make technological improvements. In small and medium size companies, 'investment' takes the form of imported second-hand equipment, mainly from Greece;*
3. *an increase in the number of workers employed during the last 12 years, by an average 10,000 per year;*
4. *production taking place mostly under the outward processing trade (OPT) system;*
5. *the appearance of a large number of companies acting as sub-contractors for the multinational companies whose branded products dominate the global mar-*

ket or for multinational retailers and distributors. These sub-contractors operate:

- *either by 'exporting' or relocating all or part of their production capacity to Bulgaria;*
- *or by sub-contracting all or part of their orders to a second tier of Bulgarian suppliers;*

6. *an increase in the number of sub-contractors and suppliers operating in the informal economy.*

In garment factories supplying the global market, it is common to find notices about fines and penalties for 'improper' behaviour such as speaking or drinking water during working hours, for sitting idle or resting, or for frequent visits to the toilet.

The women working in the garment industry work 10 to 14 hours a day, six or seven days a week. Serious non-compliance with health and safety regulations often leads to accidents. Workers point out that in Bulgaria, they are under constant pressure to reduce production costs in order to be competitive. The threat of competition is used to justify unpaid overtime and even locking workers inside factories until orders are completed.

Case study 1: a small sewing factory in North-East Bulgaria¹

The factory is owned by a Bulgarian entrepreneur and was set up only a few years ago in a region with very high unemployment and a considerable percentage of ethnic minority populations, both Turkish and Roma. Although this region is not a traditional textile and garment production area, more and more factories have been moved there from the South-Western and South-Eastern parts of Bulgaria, where conditions have improved slightly due to

national and international campaigning.

The factory is typical of the many Bulgarian garment factories producing under the OPT system: precarious working conditions, low salaries and unclear wage calculations, a dependency on buyers which results in vulnerability for suppliers and in excessive overtime and periods with no work and no wages for workers, oppression of those involved in trade union activities and a complete neglect of the codes of conduct of the corporations whose orders it produces.

¹ Workers at this factory were interviewed in September 2004.

Overall production costs of one jacket: €10
Selling price: €50

The factory produces for C&A, the Jones Apparel Group and brands like Timberland and Gerry Weber. It also acts as a sub-contractor for a bigger Bulgarian manufacturer in Plovdiv, which produces for Federated Department Stores in the US and Marks & Spencer in the UK.

Men privileged – women treated badly

Some 50 to 60 workers are employed in the factory, most of them women. Between five and ten men work in the sewing and ironing departments and four out of six supervisors are men. Men have a privileged status. They are considered to be more reliable workers due to having fewer family responsibilities. A worker interviewed reported different pay for equal work, depending entirely on the employer's assessment of the individual, on his preference for men workers but



also on personal relationships (for instance being related to him or accepting to have sexual relations with him). There was no open, direct discrimination on the grounds of gender, ethnic origin or religion, the worker said. But

discrimination was visible in "arbitrary personal preferences" which seemed to be commonly accepted. Workers were treated differently not only with regard to wages: some were given lower production targets for the same money as everyone else.

It is an unwritten law that women have to work two or three years in the company before they are 'allowed' to get pregnant and can take advantage of statutory maternity leave. Women workers must regularly undergo a pregnancy test, carried out by a full-time midwife. Pregnant women

who have not worked there long enough are dismissed in that their short-term contracts are simply not renewed.

Under-age, unregistered workers

According to the Bulgarian Labour Code, the minimum age for employment is 16. There are under-age workers of 14 and 15 years of age working in the factory during school holidays. The worker interviewed had spoken with a 15 year old boy, the son of one of the machinists who had been working 8 hours a day "doing easy jobs". This is a clear violation of the law, and it seems unlikely therefore that these minors would have been registered with the labour inspectorate.

"It would be impossible to form a union"

The worker interviewed had never heard of the existence of a union in the company or of attempts to form one which, she thought, "would be impossible". There are no workers' representatives elected. There is no way of negotiating with the employer regarding wages and limiting excessive overtime.

When an employee decides to quit, her/his workload is distributed among the remaining workers without additional payment. This is seen as "punishment" by other workers and reinforces a spirit of competition among employees, who often argue among themselves and are unable to arrive at a common position with which to approach the employer.

Wages below subsistence level

The worker interviewed received the legal minimum wage in 2004 of €55 a month (€48 after tax). She considered this too low to support even her one-person household, which required at least double, and she had no other sources of income. The wage would be slightly higher (by approx. €10) if the worker reached the daily target of 150 pieces for a period of time the length of which was not clear. There were no additional payments or bonuses. Instead, there were fines for being late as well as for work which was not of good enough quality. Workers could get fired if they failed to produce work of sufficiently high quality.

The way in which wages are calculated was unclear. Overtime was not paid. The worker interviewed assumed that social security contributions were paid by the employer, but based on the minimum wage rather than on the wages actually paid – so as to pay lower contributions. In comparison with other companies, the wages were regarded as "normal" by workers.

Working 36 hours in a row!

Bulgaria's regulations on working hours (eight hours a day, up to ten hours in an 'emergency') are not enforced. Workers are often sent to help other production lines when those are unlikely to reach their targets and don't get remunerated for this additional work. Work starts and stops when the owner decides: sometimes at 6 a.m., sometimes at 8 a.m. He also decides if and when there is a day off. The usual working day is 10 hours minimum but workers never know in advance how long they will have to work. On one occasion, workers sewed sleeves for 36 hours without interruption. Only the cutting department has day and night shifts.

There is a lunch break of 45 minutes and another 15 minute break in the afternoon. When the working day is extended, there is a short break every two hours. When delivery of an order is urgent, workers are denied breaks until the order is ready.

Workers are notified about overtime shortly before 5 p.m. (which is the end of the normal working day). They dare not refuse overtime for fear of getting fired. Workers often have to work overtime when an order is due, Sundays often included. It is therefore common to work six or even seven days a week. Working for 14 days without a day off is not exceptional. Machinists work an average 28 hours' overtime per week.

The women cannot plan holidays or take leave when they need it. They get permission only when there are no orders due for delivery. When there are no orders at all, workers have to stay at home and wait until they are called back to work.

Use of the toilets is limited: if the supervisor considers that it is being used too often, workers get a warning. The same applies if workers leave their workplaces too often to get a drink of water.



Drawing from the exhibition "Fair Conditions for women dressing Europe", Serbia Sep 05

Heart attack at the sewing machine

Injuries occur when machinists work without needle guards. One was injured in the eye by a broken needle and had to be taken to hospital. A medical doctor is said to be available at the factory after 5 p.m. but no doctor had ever been seen by the worker interviewed.

Many of the workers suffer from health problems resulting from excessive overtime and hazardous working conditions: pain in the lumbar spine area and in the arms and hands, and high blood pressure. The worker interviewed herself suffered from high blood pressure as a result of stress and the lack of sufficient time for sleep and recreation. The previous year, a worker suffered a heart attack while working and collapsed at her machine. Workers in the ironing section faint due to high temperatures but emergency doctors are never called inside the factory.

The workers sit on simple wooden chairs and work with old machinery that often breaks down and has to be repaired. Modern equipment is available for one operation only – attaching sleeves to a jacket – this for the sake of higher productivity and better quality. The worker interviewed complained about being cold in winter, because the doors

enter directly into the main hall and the walls are not sufficiently insulated. In summer it gets very hot. Air conditioning is available only inside managers' offices. The ironing department only has ventilators.

Nobody has ever received instructions regarding occupational health and safety, which is illegal. It is unclear whether there are emergency exits and whether the external staircase can be used for such purposes. Two fire extinguishers are visible but workers do not know how to use them.

Short-term contracts and 'flexibility'

When she started at the factory, the worker interviewed did not have a contract. She later signed a short-term contract which stated that she was willing to work overtime. Some older women in receipt of a pension continue to work there without a contract.

Despite the high number of unemployed people registered with the local employment office, the factory owner does not use its services to fill vacancies. This is in order to



avoid possible control of working conditions, paying social contributions and establishing employment relationships such as are required by law.

"Nothing ever changes"

The priorities of the worker interviewed were an increase in salary so as to be able to cover basic needs and having a regular working day with limited overtime. She had never heard of corporate codes of conduct, and she would never bother to file complaints, either with foreign auditors or with the local labour inspectorate, because, she said, "they do write down the violations but nothing ever changes".

Case study 2: a small sewing factory in North-West Bulgaria²

This factory is also Bulgarian-owned and located in a region with high unemployment and a high ethnic minority population (Roma). The region has a tradition of garment production, established under the socialist regime to develop structurally disadvantaged rural areas. The factory produces garments for brands like Inditex (Zara) and Induyco in Spain, Quelle and Neckermann in Germany, Lacoste in France, Fanco in Greece and Barbour in the UK.

"Wages are set as the owner pleases"

Some 60 workers are employed in the factory, all of them women. There are six supervisors. According to one of the workers interviewed, there is no discrimination at work, or at least nothing she would be able to identify. On the other hand, wages are set at the owner's discretion and relatives are treated preferentially. Pregnant women are refused employment right away, which is considered to be normal nowadays. In the high season, the women earn between €61 and €71, i.e. slightly above the legal minimum wage. The wage set in the contract just equals the legal minimum and is used as the basis for calculating the social security contributions to be paid by the owner. The rest of the women's wages (€5–15) is paid in cash and

² Workers at this factory were interviewed in September 2004.

does not show in the company's accounts. This is a typical arrangement between workers and employer that is often found in small and medium size companies. Workers agree to lower social security contributions, hence to lower pensions and limited medical insurance, for the sake of higher immediate remuneration.

Nevertheless, workers cannot live on the wages they receive. One of the workers interviewed said that she needed a wage at least double to be able to support a two-person household (her husband probably being unemployed). She considered her wage "normal" in comparison with other wages found in the region.

"No such thing" as unions and collective bargaining

The worker interviewed knew of no unions in the factory nor of any attempts to form one. There was simply "no such thing". Every worker has to bargain herself with the employer. Still, she believed that they would stand a better chance of getting "just remuneration" for their work if there was some kind of collective representation of the workers with which to approach the owner. The workers had once requested an air-conditioner to lower the high temperatures in the work space. The owner notified them that this was impossible because he had no money.



At the office of Women's Alliance for Development, Sofia



Never knowing when the working day ends

In the month preceding the interview, one worker had her 51 hours' overtime paid at the normal hourly rate. Overtime is not announced in advance and workers never know when their working day will end. Nobody dares say no to overtime because they would risk getting dismissed, usually on some disciplinary ground as workers cannot be fired for refusing overtime. Sometimes, the women have to work 24 hours with only short breaks. Official working hours are from 8 a.m. to 5 p.m. The usual working week is 6 days, with Fridays and Saturdays especially hard work as orders are due for completion. These days, the working day almost always runs beyond eight hours. To get the legal annual leave of 20 working days a year is almost impossible.

Women fainting in the heat

Nobody has ever received any instructions regarding occupational health and safety, though this is required by law. There is no health and safety committee or occupational health and safety plan, both of which are also required under Bulgarian law. No medical consultation is available on site, but in cases of sickness workers are allowed to see a doctor outside. One worker interviewed, while hesitant to say anything on the issue of health and safety, admitted that "women had fainted due to too much heat and tiredness after working 24 hours" which, she said, "was too much". Those women were granted one day off after the incident. They then had to continue working. She had her own health problems, but did not specify.

4.2 Macedonia's garment workers: down but not out

During the period of transition in the 1990s, privatisation and civil war in Yugoslavia caused a lot of factories to close down, leading to lost markets and an increase in the informal economy, poverty and unemployment. According to research conducted by the World Bank, Macedonia has the biggest informal economy in the Balkans, generating 43% of the country's GDP¹. According to the latest information from the Bureau of Statistics, the unemployment rate is 37.2%. The proportion of the population living in poverty increased from 19% in the 1990s to 30.2% in 2005. The food basket for a family of four cost 9857 denars (€160) a month in April 2005 (figures are only available for basic food costs). After consulting garment workers and activists on an informal basis, we calculated that a living wage (which would cover food, rent, electricity, water, telephone, health care, transport and education for a family of four) would need to be approx. €400 a month.

The 1990s also had a devastating impact on the textile and garment industry. Within Yugoslavia, Macedonia had 'specialised' in the textile and garment industries and was supplying the Yugoslavian and foreign markets. Factories had their own design and marketing departments, their own textile processing (weaving, spinning, etc.) and their own manufacturing facilities. For example Shtip, the Macedonian equivalent of Manchester, had two state-owned factories with around 6000 employees between them, which nowadays have been replaced by around 50 privately-owned, mainly sewing factories employing 30 to 500 workers per factory.

Macedonia's garment industry: crucial in terms of employment and exports – but trapped by the OPT system

Almost all factories operate under the outward processing trade (OPT) system, producing for manufacturers in Germany, Greece, the Netherlands and Italy, rarely for the domestic market. The brands for which they produce are: Steilmann, C&A, H&M, Liz Claiborne, Mexx, Mango, Lego, Van Winkel,

adidas and Feldhues². At present, 26% of all Macedonian workers are employed in the garment industry. The value added generated amounts to 11% of the total value added in the industrial sector³.

90% of all employees in the garment industry of Macedonia are women. These women are in many cases the family's sole breadwinner, as well as mother and the person who takes care of the household.

Responsibilities: breadwinner, mother, house-keeper. Rewards: low wages, excessive overtime and occupational diseases

During the transition period, the price for the labour of machinists dropped rapidly. Our research in 2004 shows that their wages were between €50–200 depending on the town and the position of the factory in the supply chain. In Shtip, Tetovo, Skopje, Probishtip or Kocani, the daily pay was 370–400 denars (€6–6.5), while in smaller towns it was 270 denars (€4.4), if production targets had been reached.

In most factories, the workers work from 7 a.m. to 3 p.m. but often have to work overtime afterwards. Some of the workers said they had to work 230 hours per month. While until July 2005, Macedonia's labour law limited overtime to ten hours per month, the new legislation allows for 10 hours overtime per week – or 190 hours per year!

The way in which wages are calculated is not clear to workers, who sometimes do not even receive pay slips. There are still workers who are not registered under the social security system or whose contributions are based on the legal minimum wage, which will be worth in future a pension of approximately €100 a month.

1 Bulletin, 4–5 2004, Ministry for the Economy, page 28

2 According to interviews with management and with workers. See also www.fashionmk.com

3 Bulletin 4–5 2004, Ministry for the Economy

Most workers suffer from back pain and rheumatism and many have eye problems due to poor lighting.

There are three federations of trade unions. Of the six garment factories investigated, only one had a trade union. But workers in that factory did not even know the names of their trade union representatives and were not satisfied with the work of the union.

"We don't believe in trade unions".

"Even if we form a union, our representatives will be people of the employer".

In contrast, employers are well organised in different associations such as trade associations, chambers of commerce, company clusters, etc.

The working conditions described here are to an extent tolerated by the government because of the high rate of unemployment and the possibilities for employment that the industry continues to provide. For example, after the mining industry which made an industrial town of Probishtip went bankrupt, the only possible employment remaining was in the garment sector.

During the last three years, there were several strikes in garment factories in Demir Kapija, Kavadarci and Negotino. All of them ended unsuccessfully. The workers were demanding paid overtime, living wages and longer paid annual holidays – all of which are basic provisions under ILO conventions and national labour law. After that, garment wor-

kers lost confidence and the hope that their situation could be improved.

The example of supplier X⁴

Factory X is a privately-owned factory founded in 1994, that produces (mostly shirts) under the OPT system. It sells to C&A, Steilmann and Lego and sub-contracts some of its work.

Workers report discrimination in that employees who are relatives of the owner are assigned better positions and often earn better wages.

There is no trade union. The workers said that if there was a trade union, their representatives would be closer to managers than to workers and it would not be a trade union in the real sense. There is no collective bargaining in the factory. Workers would like to set up a union but they are afraid that managers will not allow them to organise.

Wages are between 8000 and 9000 denars (€130–146) a month. Workers are not given payslips. They receive their salaries in cash in an envelope. None of the workers know how much other workers get. Wages consist of a fixed, base rate and of a piece-rate payment based on points. The awarding of points is determined by the employer. They don't know if overtime is paid. The daily rate is 400 denars (€6.5) for ironers and 370 (€6) for machinists. The workers think that the employer does not remunerate them correctly. Transport is provided but workers don't know whether its cost is deducted from their wages. Often when they take leave, for instance sick leave, employers make deductions from their wages. They have no other income and say that the wages are not enough to make ends meet.

Workers usually work from 7 a.m. to 3 p.m., but when there is a big order pending, they have to work longer. Often they stay an extra 3 to 4 hours. For the two months prior to the interviews being conducted (in May and June 2004), workers had been working seven days a week. Annual leave is very short, often just seven days per year. Workers have 20 minutes break for breakfast and 10 minutes in the afternoon. On average, they work 24 hours overtime per month.



⁴ Based on interviews with workers and employers in June 2004.

Garment worker stories:

1. Mrs X has been working as a machinist in garment factories for the past 28 years. Until 15 years ago, she had paid annual leave, could save some money and had time for housework and for looking after her children. Nowadays, she works every Saturday, sometimes on Sundays too, and what bothers her is that she doesn't even know what her wage is. Her efforts and her time are never properly remunerated and she never knows when she will get back from work as this depends on her employer. In winter she is often sick because the employer wants to save money on heating. No one has ever asked her whether she is able to work overtime or whether she feels well. When she is free on a Sunday, she has to clean her house and prepare food for a family of five.

2. Mrs Z has been working in a garment factory for about 5 years. Her child was sick and she had to be with him in hospital for three days. Her employer deducted 500 denars (€8) a day from her wages because she was not at work.

There is a lot of dust in the workplace but workers do not have masks or any other form of protection. There is no training of workers on occupational health hazards. Toilets, however, are clean. There are enough lights in the factory and there is good temperature regulation. In previous years, they worked in temperatures of up to 50°. Workers complain about back pain due to un-ergonomic seating. There are no time limits on going to the toilet.

The workers have signed work contracts but they have no copy of the contract. Some of the workers are not formally employed.

Recommendations

It is important to raise workers' awareness of their rights. It would be good to start with a national campaign of information about working conditions in garment factories, using activities such as exhibitions and publications,

and to introduce instruments such as internationally-agreed labour standards, urgent appeals systems and various strategies for the implementation of corporate social responsibility in company supply chains.

There is need to further develop and broaden the local, regional and national networks of activists and organisations, which is already happening, and to collect and process more information on labour conditions in the garment industry. Workers, trade unions and local activists' understanding must be increased, of the impact, for instance, which the new labour law could have on their situation.

We need to work on raising the credibility of trade unions within society, to improve trust in the existing unions and to form women's unions or associations of women workers in the industry. There is an urgent need for a collective representation of the interests of garment workers.

Providing concrete assistance and support to workers when their rights are violated, either at the local or national levels through trade unions and NGOs or at the international level through the CCC Urgent Appeals system and the complaint mechanisms of multi-stakeholder initiatives⁵, is also necessary.

At a national level, it is also very important to develop initiatives for the determination of a legal minimum wage and for the formulation of equal pay for equal work legislation.



Activists at work, Shtip, Republic of Macedonia

⁵ The Fair Wear Foundation, the Fair Labour Association, etc.

4.3 Poland: a powerful industry where only the strong survive

The findings of surveys conducted in Polish garment factories clearly indicate that the standards of the Clean Clothes Campaign model code are not adhered to. The most frequent violations concern remuneration, working hours and working conditions. These violations are not only the result of the financial problems experienced by the majority of garment companies – they also result from a tacit approval of the fact that breaching workers' rights is an inevitable consequence of the transition to a free market economy. As a result of liberal economic policies implemented by successive governments, workers' rights and social benefits are now looked upon as relics of the previous system, which should be given up in order to make companies more competitive.



Employees themselves are mostly passive and trade unions not sufficiently active. It seems that trade unions have neglected the garment sector, focusing their attentions on heavy industry. This can be attributed to, on the one hand, to trade unions' low income due to low unionisation in the industry, but also to the fact that the garment industry is predominantly a female industry: it is traditionally regarded

as less important to organise women as they are not seen as breadwinners. Women in any case are more reluctant to join a trade union and to actively support its work. Where they are organised, their voice is not taken seriously by trade union decision-makers, who do not take into account the specificities of a feminised industrial sector. The unequal participation of women in the unions' leadership structures also makes it harder to push issues affecting women workers.

While the problem of violations of workers' rights in the supply chains of supermarkets has been publicised by the Polish media and are known about, no such attention has so far been paid to the situation of garment workers. Individual protests, even if publicised, do not generate much interest among journalists, who rarely investigate these cases.

During June and July 2004, 19 workers were interviewed in four Polish garment factories. All factories covered by the research operated under the OPT system, manufacturing mainly for German, British, Dutch and Belgian companies.

There were no cases of forced or bonded labour in any of the factories although in two of them workers were unable to refuse overtime. If they did, they faced re-assignment to another department and a lower paid position, no bonuses, mistreatment by their supervisors and the risk of losing their job. In one of the factories, a group of women workers was employed as part of an employee leasing scheme: they had been moved to this other employer without their knowledge or consent.

On the issue of discrimination in employment, the following discriminatory behaviour could be observed:

- the better paid departments (ironing, cutting) were staffed mainly by men. This was justified by the fact that this work requires greater physical strength;
- although female employees were not asked to prove that they were not pregnant prior to signing an employment contract, according to workers, pregnant employees were not welcome in the factories. In one case, an employee hid her pregnancy from her fellow workers and managers until the very end;
- no cases of sexual harassment were noted;
- verbal abuse and intimidation were common (employees were verbally assaulted and shouted at).

Two of the factories had no trade union or any other form of workers' organisation. The workers were not sure that the



employer would not oppose and hinder the establishment of a trade union should they decide to form one. One factory had a trade union to which half of the workforce belonged, but the workers interviewed were unable to name the union or provide any information about its activities. According to them, the union co-operates with the employer and does not fulfil its role. Only one factory had a trade union that operated actively and fought for the enforcement of labour standards. The employer, however, did not welcome workers' involvement in trade union activities.

Two of the factories had experienced strikes and protests – but only in one case had workers been successful with their demands (the employer went back on a decision to cut wages). In the other case, management refused to enter into talks with the protesting workers. However, no force was used against the striking workers.

Generally, workers were not aware of what collective bargaining involves and did not know whether such an agreement existed in their factories. They did not know their rights in detail but guessed that some of them had been violated.

In two factories, there were severe problems with working hours. Workers were unable to refuse overtime work and in the high season had to work 10 or more hours a day. Workers were not informed in advance of how long they were required to work and found out on a daily basis how long they would have to stay. Nor were they allowed to convert overtime into days off. Those workers who tried to do so lost their jobs. All four factories have a piecework system. The daily quota is often raised so that workers can-

not reach their targets within the basic working hours and have to work longer. They are then not paid in full for all the extra hours they have worked and overtime is often not entered into the accounts. Regulations relating to overtime were probably the most violated.

In all factories, the fixed, basic pay is the minimum wage (currently €189 a month before deductions), which is barely more than Poland's subsistence level of €181. The remainder of the salary is earned on a piecework basis, the rates depending on the type of work and task: the lowest rate amounted to 4 euro cents, for marking garment pieces prior to cutting. The average monthly pay stood at PLN 800–900 net (€184–207); in times of maximum overtime, workers can earn up to PLN 1000–1100 (€230–253). In one of the factories, there were delays in paying salaries – payment could be as much as 16 days late. Even single workers without a family to support found it difficult to support themselves on just one salary and said that in order to maintain a minimum standard of living they needed a net income of approximately €350 a month.

In two of the factories investigated, workers complained about the working environment – the temperature on the factory floor, noise and dust. The factories lack ergonomic chairs, as a consequence of which many workers complain of back pain. There are accidents at work (in one factory they are quite common as the machinery is faulty and lacks proper security devices). In two of the factories, workers reported cases of intimidation.

The majority of workers in old factories have permanent employment contracts. New workers and young employees, however, are mainly offered fixed-term contracts. In one of the factories investigated, the majority of workers were formally employed as part-time staff while working a full, eight hour day, which enabled the employer to pay less than full social security contributions. There were outstanding social security payments by employers. Some of the workers did not have a contract at all.

Two factories have been selected to be looked at in greater depth for the purposes of this publication, from two traditional yet typical garment production areas of Poland: the Lodz-Poznan region and lower Silesia.

Company A

The company was set up in 1970. In 1990, it moved from being a state-owned manufacturer to producing and selling independently. In 1994, following financial problems, it became owned by its employees as part of outstanding pay was converted into shares. In 1998, the company was privatised, employees receiving 15% of shares. The other investors were financially and politically extremely influential Polish people. In 2001, as the company's financial difficulties worsened, the collective bargaining agreement was suspended and replaced by interim measures imposed by the employer. In 2002, the company was declared bankrupt and put into the hands of the receiver. In September of the same year, it was bought by a former shareholder. One month after the takeover, workers' salaries were dramatically cut, which resulted in a wildcat strike. Workers managed to recover part of the money owed to them and the employer blamed a computer error for the wage cuts. The collective bargaining agreement was reinstated but is not respected by management. The workers are not fully aware of what the agreement involves.

Approximately 300 employees work in the factory, which produces all types of garments exclusively for Hugo Boss (coats, jackets, summer clothing ...).

On the factory floor, insults and verbal abuse are commonly directed at workers, especially women. Workers are called "morons" and made to work faster and faster. Team leaders are virtually terrorised by the quality controller employed by Hugo Boss. There have been cases of discrimination against individuals who "look different". Workers remember a young employee who dressed in "too youthful" a style. Supervisors picked on him for so long that the insults eventually forced him to hand in his resignation.

There is a trade union in the factory which has 104 members. The attitude of managerial staff towards the trade union is one of mistrust and hostility. The workers do not believe that the trade union fulfils its objectives but blame management rather than trade union activists as management makes it impossible for the trade union to protect the workers. In conversations with factory management, some workers were asked whether they belonged to the

trade union and feared that they might suffer intimidation if they admitted membership. Access to the union's factory-based premises is being made difficult. Trade union members are prohibited to talk to other workers on the factory floor. The trade union is wanting to hold negotiations concerning a social fund that it wants used in accordance with workers' wishes. The trade union otherwise focuses mainly on defending the status quo and does not dare put forward new demands. The union is being pushed to the sidelines and is getting more and more isolated from the workers.

Fewer and fewer workers turn to the unions when they have a problem as they are convinced the union's support will be ineffectual. Of the individuals surveyed, only one declared herself willing to join the union, but cannot do so for legal reasons as she works for company A as part of an employee-leasing scheme. The trade union elections were democratic. The last election was held in 2002 – and the next one is due in 2006.

When it comes to their future prospects, workers believe the current situation requires a strike but are too intimidated and in too much disagreement to accomplish anything together.

In the high season, they work 10 hours a day from 6 a.m. to 4 p.m., Monday to Friday. The going rate is a collective piecework rate. The daily quota is calculated for 10, not 8 hours, so in order to meet the quota workers have to stay longer. Only when they have to work on Saturday (usually twice a month) are workers allowed to finish at 2 p.m. on Fridays. Workers do not know in advance about overtime: they find out on the day how late they will have to work. Overtime is compulsory for the whole staff. Workers cannot convert their overtime into days off. Those who tried to do so were dismissed. The workers may not choose the dates of their holidays – they are given holidays when there are no orders, therefore it is virtually impossible for any of them to have a holiday in the summer.

The union is lobbying the labour inspectorate for the introduction of regular working hours in order to avoid excessive working hours.

Workers earn an average monthly salary of PLN 1000–1100 net (€230–253) in the summer season and are paid a lower rate off-season. The pay is calculated correctly and the pay slips are clear. The workers also receive incentive bonuses, paid in cash on a discretionary basis. They lose these bonuses, however, for taking sick leave and for other absences.

Workers without a spouse in a well-paid job say they cannot live on their wages. They are usually in debt or periodically fail to pay their rent and other bills. One employee had a garden allotment which enabled her to spend less on food.

If a worker is not feeling well, theoretically s/he is allowed to rest but workers say that a woman who had fainted was picked on for "being already tired at 7 a.m.". Workers may see a doctor, but this is not good for the worker's reputation. The factory pays for medical check-ups but not for treatment. Workers who take sick leave "are first in line to be dismissed on disciplinary grounds". Back problems and allergies are not considered illnesses either by the workers or by management. The employer pressures workers into not reporting accidents. One person who reported an accident was later dismissed from her position.

There is ventilation, but no air-conditioning. In summer, the temperature reaches 30 degrees, while in winter it drops to 3 to 5 degrees.

Psychological abuse, insults and humiliation of the workers are common and also practised by the client company's quality controller.

Seating is uncomfortable and only one team has new chairs. Some of the work has to be performed standing up. The workers concerned are given chairs to rest on before checks are carried out by the state labour inspectorate, but they are forbidden to use them. New chairs are slowly being distributed.

The majority of workers have permanent employment contracts. New employees are always hired on a fixed-term contract (e.g. for a period of one year). There are also workers subsidised by job centres or leased by another company. Those on employee-leasing schemes are moved without their knowledge or consent. While they are guaranteed the same benefits as other employees, they may not join a union.

Conclusions

The employer wants to isolate the trade union and get rid of the collective bargaining agreement (which is not respected anyway).

The greatest problems concern forced overtime, low pay and verbal abuse of workers. Divisive management methods are used: the workers stress that the collective piece-work system prevents the building of solidarity between colleagues. It seems the employer wants the workers to be in conflict so that they cannot organise. Some workers, for instance, are shown other workers' pay slips, which leads to arguments and envy.

The only sensible solution seems to be for Hugo Boss to force the Polish managers to treat workers with respect, especially the quality controller representing Hugo Boss who actively intimidates workers. However, both workers and the trade union are afraid to contact the company for fear of losing their orders, which would mean bankruptcy of the factory.

It is difficult to assess whether the factory can afford to pay higher wages. The workers are convinced that the owner took out a loan to buy the factory this year and needs the profits to repay it. Without a thorough financial audit, it is hard to predict the consequences of potential pay rises. However, comparing the wages paid when the factory was under receivership with current wages suggests that an increase would be possible. This would require the intervention of Hugo Boss, who could force management to sign a decent collective agreement respected by all parties, which would be of benefit to all stakeholders.

Factory B

The factory was set up in 1948. It now has over 500 employees and manufactures coats, men's and women's suits, jackets, sweaters, skirts and uniforms, mainly produced under the OPT system. Labels and clients include: Ascot, Aston, Slima (UK), Kentucky, and the German military, police and border police. Sometimes work is sub-contracted to homeworkers. The fact that the workers in this factory are mistreated is widely known. However, as this

region suffers from structural unemployment and over the past few years all large manufacturing plants have gone bankrupt, working for this company is considered the lesser of two evils.

The workers feel that there is forced labour in the factory in that they are not allowed to refuse overtime work. Refusing can lead to monetary fines, re-assignment to a lower-paid position, a reprimand entered in record books or even disciplinary dismissal.

When women are employed, they are asked about their marital status and the number of children they have, but they are not required to present a doctor's certificate proving that they are not pregnant. Pregnant workers are not dismissed, but many try to hide the fact that they are pregnant. There have been cases of women hiding their pregnancy until two weeks before delivery. This means they are unable to benefit from the special measures provided for pregnant workers in the country's Labour Code but they feel that they are at least minimising the risk of dismissal.

Women workers notice that the few men employed in the factory receive better treatment and hold better paid positions (for instance in the cutting and ironing rooms). There have been cases of verbal and physical abuse: workers are insulted and humiliated, shouted at by their supervisors and there have been cases of workers being pushed, though few of them.

Officially there is a trade union in the factory, but none of the workers interviewed was able to give its name. They believe half of the older workforce belongs to the trade union. When workers are recruited, the human resources department informs them of the opportunity to join the trade union. The workers feel that the union collaborates with management: when the president dismissed workers and re-employed them under new conditions, it was the trade union members who handed out new contracts to the workers.

The workers interviewed were not familiar with the notion of collective bargaining agreements and did not know whether such an agreement existed in the factory. There

were some cases of wildcat strikes (over unpaid overtime and low wages). Management refused to talk to the protesting workers and the strikes eventually ended. Workers were not paid for the time they were on strike.

Workers lack detailed knowledge of how to lodge complaints and admit they would have problems formulating such a complaint. In any case, they do not believe such action would be effective.

Since 2004, the factory's employees have been working five days a week, six when there is a large order, and sometimes nights as well. In April 2004, the workers interviewed had worked every Saturday and a few nights. It is very difficult to take a holiday – one of the workers interviewed still had 20 days holiday left from 2002 and 23 days from 2003. Sometimes workers are allowed to take unpaid leave, which is often the only way they can take time off if they need to.

Pay is low as piecework is undervalued. All workers earn the legal minimum wage of PLN 824 gross (€189). This is supplemented by piecework rates, an attendance bonus of PLN 80 (€19) and a discretionary bonus of PLN 20–30 (€5–7). According to the workers, overtime is not calculated and paid correctly. At best, they can earn up to PLN 900–1000 net (€209–230). It is impossible to meet the daily quota working at a normal speed. Workers with lower efficiency are dismissed after a few months. The workers (single workers as well as workers with families to support) are unable to support themselves from a single salary. Some of them have garden allotments to supplement their wages. Salaries are paid 8 to 10 days late on average (16 days in May 2004).

If a worker is not feeling well (if she falls or faints), she is allowed to rest. But if such a worker wants to take a day off due to feeling unwell, there are problems. Workers are allowed to take sick leave but will lose their attendance bonus as a result. They are also allowed to take maternity leave, but there is a risk of dismissal after they return. There are too few toilets (2 for around 60 workers), they are dirty and there is no toilet paper, soap or towels. When workers use the toilet too frequently, they are reprimanded by the woman supervisor. Lighting is insufficient. The fac-

tory is stuffy, some sections are dusty and there is no air-conditioning. In summer it is very hot, while in winter it gets cold. There is not enough drinking water or cold drinks in summer.

The factory is also very noisy: one worker said that when she stitched through her finger and screamed in pain no one heard her. The factory is dirty and infested with cockroaches. Workers complain of back pain, which they consider to be an occupational illness.



Workers endure insults, shouting, harassment and a poor working atmosphere. There have been accidents at work – stitching through the hand and fingers, burns and electric shocks – the workers interviewed blame old and faulty equipment. The sewing machines lack protective guards. In May 2004, protective guards made of ... paper clips were put on, which fell off after a few hours. Victims of serious injuries are taken to see a doctor but management discourages workers from reporting accidents to the insurance company. There is a fire exit, though not all workers interviewed knew where it was and there are no signs. Fire extinguishers are placed in visible locations.

Some workers have permanent employment contracts, some have fixed-term contracts for 10 years with a 2-week notice period. In July 2003, some of the workers had their old employment contracts terminated and were given either new fixed-term contracts (for 10 years) or permanent part-time contracts. Those on permanent part-time contracts are still expected to work 8 hours a day but the employer does not need to pay full social security contributions. The workers say that social security contributions and health insurance premiums are not paid regularly.

Workers endure insults, shouting, harassment and a poor working atmosphere. There have been accidents at work – stitching through the hand and fingers, burns and electric shocks – the workers interviewed blame old and faulty equipment. The sewing machines lack protective guards. In May 2004, protective guards made of ... paper clips were put on, which fell off after a few hours. Victims of serious injuries are taken to see a doctor but management discourages workers from reporting accidents to the insurance company. There is a fire exit, though not all workers interviewed knew where it was and there are no signs. Fire extinguishers are placed in visible locations.

Conclusions

The fact that the factory is the region's biggest employer and has a variety of clients makes it difficult to exert any pressure on the management and force them to implement any changes. The workers are intimidated and do not believe that their working conditions can be improved.

The biggest problems are health and safety, forced overtime, low wages and abuse. There are no organisations to which the workers can turn for help (none of the workers interviewed trust the trade union). The company uses the factory's financial difficulties to justify late payment of salaries. Workers, however, point to the director and his family's high standard of living.

A few of the workers received notice from the District Labour Inspectorate that a court case against the company's director could be filed with the District Court. This "notice to the injured party (ie the workers) about transferring a motion to court" suggests that workers may act as auxiliary prosecutors in the proceedings, the District Labour Inspector acting as public prosecutor. None of the workers, however, intended to get involved as they could not remain anonymous and acting openly was sure to lose them their job.

Two years ago, the company received a special award by the *Puls Biznesu* magazine, for "operating in accordance with the principles of business ethics and commercial law". The question arises as to the meaning of business ethics in Poland and its relation to the enforcement of internationally recognised workers' rights.



4.4 Serbian workers demand "fair wages for dignified lives"

The macro-economic background

The garment industry in Serbia is a major loser in the process of destruction which is afflicting the national economy. The recovery in production which started in 2001 was short-lived. Currently, a lot of Serbian factories are functioning at only 30% of capacity. Production is mostly through the OTP system, which allows for little profit. Companies which were once important and successful are slowly dying because of huge tax and social security debts as well as debts to other creditors. Most of the garment sector is technologically obsolete and very dependent on the import of raw materials.

According to estimates, as much as 50% of the clothes Serbian people buy come from informal domestic production or are imported from China and Turkey via the black economy.

Research was conducted in six companies in four different regions of Serbia. We singled out one company to illustrate the working conditions prevailing in the Serbian garment industry¹, from now on referred to as company A.

This company has existed for several decades and was one of the biggest and best known garment companies in the former Yugoslavia. Apart from operating under the OPT system like most other garment companies in Yugoslavia, the company had its own label. It used to supply the market of the former Yugoslavia as well as export a substantial proportion of its production. It used to employ several thousand people in its many factories.

The beginning of the Yugoslavian crisis and the subsequent state breakdown led this company (as well as many others) to ruin. Markets were lost both at home and abroad, which resulted in the insolvency of the company and its inability

to meet obligations towards its suppliers, workers or the state. In order to avoid labour unrest and massive lay-offs of employees and to continue to pay workers their wages, the government of Serbia exempted companies from paying the mandatory pension, social security and unemployment contributions.

However, by making use of this option, many companies in effect incurred debts to the state and their employees: the workers of company A suffered an interruption of 13 years in the payment of their pension contributions! This led to very complicated situations. Instead of retiring when they reached retirement age, workers had to wait until their company had paid the arrears in pension and social security contributions. Before being privatised, company A had to pay off at least part of those debts and submit a plan for how it proposed to deal with workers it was to make redundant.

Production at company A is conducted under the OPT system and the orders are sub-contracted from other, first tier suppliers. Buyers and customer labels include: Vitale Barberis, Canonico, Cacharel, Mercatus, Zekstra, Resilient BY Guabello, Induyco S.A. for the Spanish Army (the label says 'made in Spain'), Bernini by Rienzi, DressMaster and Boss.

Before the Balkan crisis, the factory was known to respect all standards relating to health and safety. Nowadays, these are completely ignored. Researchers found faulty irons, broken chairs, neglected and defective toilets, poor temperature regulation and some empty or broken fire extinguishers. All that remains from better times are the health centres where workers can consult a general practitioner, a gynaecologist or a dentist.

While Serbian law includes anti-discrimination legislation and regulations concerning relations between management and workers/trade unions, it is not implemented. The

¹ The interviews took place in June 2004. Four workers at company A were interviewed again in June 2005 in a group interview.

research conducted shows that different forms of discrimination and violations of labour and human rights take place in company A.

"Men are not blackmailed as women are; and they are not yelled at"

Regarding gender discrimination, it was observed that women are found only at lower management levels, to be more precise at the production control level (ie on the production line); they are not found at decision- and policy-making levels. Statements by workers build a coherent picture of management's attitudes towards men and women workers: "You reach an agreement with men, while women have to obey"; "Men are partners, women are for having sex"; "Men are not blackmailed like women, and they are not yelled at". Statements by the employees interviewed confirm that there is verbal abuse on the part of supervisors. Numerous statements point to sexual harassment and abuse, not as direct and open coercion but rather as a perfidious game of "cat and mouse". No cases have been recorded of women losing their jobs for denying sexual favours, but some women workers were transferred to worse jobs as a result of refusing. On the other hand, those who accepted were "rewarded" with a transfer to a better job, higher wages and even an apartment: "Yes", said one worker, "this is how I got an apartment, because I knew who to lean on until I got it".

Police arrest strikers

The three leading trade unions are represented at company A, just as they are in other companies with a large number of employees. However, while management has good relations and cooperates with two of these unions, the third, Nezavisnost (Independence), is seen as a threat and treated as an enemy. When this trade union organised a strike calling for higher wages, management called in the police who broke up the strike and arrested the strikers. Management prohibited this trade union from pursuing its activities in the factory and fired those who had participated in the strike and/or refused to distance themselves from both union and strike. By putting out threatening

messages, the company forced other members of this trade union to cancel their membership. In order to ensure that the subsequent lay-offs would not be deemed illegal, management presented them as part of a rationalisation programme in preparation for privatisation.

Some of the workers interviewed said that they do not believe in trade unions because the union representatives do not fight for the rights of workers but to advance their own careers .

"This is the first time that somebody has asked for my opinion about work"

In common with many factories, workers do not know much about their rights and are unaware of the value of knowing more. A minority has heard – or knows something – about collective bargaining agreements. Only 5 out of 40 workers had "heard something" about codes of conduct. The majority found out about their labour rights and how to better protect them during the research interviews and the discussions with researchers.

"This is the first time that somebody has asked for my opinion about work", were the words of a machinist who has been working at company A for 25 years. After discussions, workers are somewhat clearer about their rights, but they do not believe that they can change anything because they think that nobody in society is interested in their situation.

Another machinist, aged 37, was more hopeful: "Something could perhaps be done", she reflected, "but only if we try to act collectively. An individual cannot accomplish anything". This has to be our starting point: we must encourage these women who are mostly depressed and afraid, show them how to take advantage of an organised approach to negotiations and help them recover their faith in trade union organising. Organising, however, must be based on totally different principles, according to which the value of unions is not in the existence of unions per se but in what they accomplish for their members.

The main demands of the workers interviewed were to be paid for the work they do and to earn wages that allow them to live dignified lives.

The following table compares national and ILO standards with company A practice.

ILO Standards and labour law	Company A Practices
<p>1. No forced or bonded labour</p>	<p>There is no forced or bonded labour.</p>
<p>2. No discrimination in employment</p> <p>Any kind of discrimination regarding the recruitment and working conditions of workers, the exercise of labour rights (including trade union rights), admittance to training and worker education programmes, policies for employee promotion and employment termination, shall be forbidden.</p> <p>The employer shall not ask the candidate to disclose any information about her/his family, marital status and family planning, nor make any conditions regarding employment.</p>	<p>There is gender discrimination in working conditions, the exercise of labour rights, worker education and training and promotion at work. Verbal abuse and sexual harassment occur. Discrimination based on trade union membership also occurs.</p>
<p>3. No child labour</p> <p>Conditions for the recruitment of individuals between 15 and 18 years of age are strictly defined: parents' written consent and evidence of the health of the minor are required and special protection and security measures must apply.</p>	<p>There is no child labour.</p>
<p>4. The right to freedom of association and to collective bargaining</p> <p>Employees shall have the right to associate and to participate in negotiating collective bargaining agreements and in the peaceful resolution of labour disputes.</p> <p>Employees shall not be held accountable nor placed in unfavourable positions regarding working conditions due to the above-mentioned activities if they act in compliance with the law and collective bargaining agreements.</p>	<p>This standard is systematically violated.</p> <p>Management has opted to cooperate with two out of the three unions present in the factory, while the activities of the third union were banned after an unsuccessful strike attempt. Its members are constantly being harassed. The workers who went on strike were fired (a fact disguised as rationalisation of the workforce prior to privatisation), while other trade union members were "advised" to leave this union and join one of the other two.</p>

ILO Standards and labour law	Company A Practices
<p>5. Living wages are paid</p> <p>Employees are entitled to a decent wage. Government, workers' and employers' representatives shall determine together the minimum wage in accordance with living costs, the basic needs of workers and the general economic situation in the country. Fines shall be abolished and an employee who is temporarily suspended due to disciplinary measures shall be entitled to some compensation.</p> <p>The legal minimum wage in June 2004 was 5600 dinars a month (€80 at an exchange rate of 70 dinars per euro) and in June 2005 between 6500 and 6800 dinars a month (still €80 at an exchange rate of 85 din/1 euro).</p> <p>The estimated living wage for a family of three is more than three times the legal minimum wage.</p> <p>Pay slips are obligatory.</p>	<p>Assessing the wages paid is very difficult because workers have to go on strike to get their wages paid at all and are not paid for every month that they work. In 2004, they were paid for only 10 months. Wages are several months in arrears.</p> <p>Wages amount to some 7000 Dinars (€100) a month, although some workers are paid less than the legal minimum wage.</p> <p>Workers are given pay slips but do not fully understand the calculations. Wages are calculated according to quotas (which are set quite high), yet are almost always the same regardless of whether quotas were fulfilled or not.</p> <p>Mistakes are penalised by wage deductions of some 5% of the total wage. Out of 30 women interviewed, 28 had to have a second job, doing 3 to 5 hours' cleaning or sewing from home at the end of the working day in order to survive. Only 8 have their own apartments. They are not sure whether their social security contributions have been paid regularly since the 13-year interruption.</p>
<p>6. No excessive working hours</p> <p>Working hours shall be limited to a maximum 40 hours per week – 35 hours for workers below 18 years of age. In June 2004, maximum overtime was 4 hours a day and 240 hours per year. This was changed in June 2005 to 4 hours a day but up to no more than 8 hours per week. The working week is 5 days.</p>	<p>Working hours are 8 hours a day, 5 days a week. Limited orders mean that there is no evening or weekend work or any other type of overtime.</p> <p>If workers make use of their entitlement to sick leave, they are given harder work to do when they get back to work. Part of the 20 days' paid holidays to which workers are entitled is taken during the company's annual closure. The rest is used during the year at a time chosen by workers. Holidays are paid at only 80% of the regular wage, which is against the law.</p>

ILO Standards and labour law	Company A Practices
<p>7. Occupational health and safety (OHS)</p> <p>Employees shall be entitled to safe and healthy conditions at work, to the protection of their physical person (through protective clothing, masks, gloves, etc), to health insurance and other benefits in case of illness or loss of ability to work, and to pension rights.</p> <p>Women, employees under 18 years of age and employees with special needs shall have special protection as defined in law. Verbal abuse and sexual harassment shall be forbidden.</p>	<p>Apart from services offered by the factory health centre (where workers can consult a general practitioner, dentist or gynaecologist), health and safety is poor. Workers reported worn out equipment, faulty temperature regulators, toilets and fire extinguishers, excessive noise and dust. There is a serious incidence of occupational diseases.</p> <p>In June 2005, workers reported that the roof was leaking and that they got wet on their heads and shoulders while working.</p>
<p>8. Security of employment and legally binding relationship</p> <p>There shall be a formal employment relationship between employer and employee.</p> <p>There shall be collective bargaining agreements to work out the details of how unions, employers and government are to relate to each other. Provisions for penalising employers for breach of labour laws are expected to become more severe.</p>	<p>All employees are legally recruited and employed but they are not given individual contracts of employment.</p> <p>The settlement of debts to the state and workers (regarding the social security contributions unpaid over 13 years) is underway.</p>

The research conducted during the project shows that out of eight ILO standards examined, six had been violated in company A. There was no indication, however, that anyone had been employed against her/his will or that child labour had been used.

Recommendations for further work in Serbia

After conducting this research, the direction our activities should take in Serbia has become clear. Our main efforts should be concentrated on raising workers' and public awareness, as well as providing further training for local researchers and activists. This publication as well as preparations for an exhibition on basic ILO standards and typical cases of violations of workers' rights are elements of this awareness-raising strategy and may also be used for the purpose of lobbying and advocacy of the competent institutions.

The next step is the further development and expansion of local, national and regional networks of activists and organisations, which is an on-going process, and the collecting and processing of further information on labour conditions in the garment industry. Awareness and understanding must be increased among workers, trade unions and local activists through access to more information and further education. Workers must have a better understanding, for instance, of the impact the country's new labour legislation could have on their situation.

Only when the above have been achieved will it be possible to proceed to the third level of activities, that is to provide concrete assistance and support to workers whose rights have been violated, either through local and national trade unions and NGOs or through international mechanisms such as the CCC's urgent appeals system.

4.5 Turkey's Garment Industry: black economy, grey lives

Background:

The textile and garment industry has played an important role in the industrialisation and the market orientation of the Turkish economy. The total number of registered companies in the sector is estimated at about 44,000, more than 80% of which are small- to medium-size companies manufacturing ready-made garments for export.

One of the most important characteristics of the Turkish garment sector is that it operates mostly from unregistered workplaces, where Turkey's relatively strong labour legislation and social security regulations are ignored.

According to the Fair Wear Foundation, employment conditions at these individual, unregulated workplaces vary enormously. The workforce is only hired when orders have been placed and is immediately fired when orders stop coming in. This means workers have no continuity of employment or job security and must constantly seek work or else remain unemployed for long periods of time. Current legislation limits overtime to 270 hours per year (article 41 of Turkey's Labour Code). However, the working day in informal workplaces is often between

14 and 16 hours, depending on the nature of a particular order. Workers may be forced to work 6 or even 7 days a week. Women and children are often required to work at night, which is prohibited by law. Companies frequently do not pay the statutory social security contributions on behalf of their employees or falsify records to pay less. Most frequently, a false set of payroll records is submitted to the Social Security Department that shows employees earning only the minimum wage. This allows the employer to make smaller social security contributions as well as pay less tax. At the end of each year, most production facilities fire all of their workers and rehire them again in the new year. Workers are commonly offered severance pay as well as a "bonus" to discourage them from reporting this practice to the government. The savings come from avoiding higher severance payments later, as the amount owed increases exponentially with seniority.¹

While official figures estimate the number of garment workers at half a million, it is thought to be nearer three million when informal economy workers are included.

Turkey's share in world garment exports has risen from 0.3% in 1980 to around 4% today. According to WTO statistics, Turkey is currently the world's 4th biggest garment supplier² and in 2002 became the world's 10th textile supplier³. In 2004, the formal textile and garment sector represented 17.5% of Turkey's industrial production and accounted for 11% of total employment and 30% of industrial employment. About 65% of Turkish textile and ready-made exports go to the European Union. There are 60 textile and 15 apparel companies among the top 500 companies in Turkey today. These statistics reveal the significance of this industry for the Turkish economy and its place within the labour market. However, since the infor-

mal economy is reportedly widespread in the garment sector, it may represent a considerably higher share of the total workforce than estimated.

According to research conducted by the Teksif trade union in 1999, only five hundred thousand workers out of two million in the textile and garment industry are formally

- 1 Fair Wear Foundation, Background Study on Turkey, Version 2004-1, July 2004, p. 15-16
<http://en.fairwear.nl/tmp/Background%20Study%20Turkey.pdf>
- 2 Institut Francais de la Mode, Study on the implications of the 2005 trade liberalisation in the textile and clothing sector, Consolidated Report, February 2004.
- 3 Turkish Textile and Clothing Industry, Istanbul Textile and Clothing Exporters' Association (ITKIB), May 2004.

employed. Other research conducted by the same union shows that only four thousand workers out of sixty thousand in the Merter district (a textile and garment production district of Istanbul) are registered under the social security system. It is estimated that the black economy represents approximately half of the entire economy.

According to data provided in 2001 by the Denizli Textile and Clothing Exporters' Union (DETKIB) on the importance of the formal and informal Turkish textile and clothing industries, the former accounted for 10% of official GNP and 11% of overall formal employment, the latter for 20% of informal GNP and 20% of informal employment. As for the number of companies within the black economy, no statistics are available. But one thing is certain: the companies operating in the black economy are not only small and medium size enterprises.

The 1994 Child Labour Survey conducted by the State Institute of Statistics indicated that 5% of Turkey's working population is under age. Most of these children work in the informal economy, especially in the agricultural sector, in shoe, leather, textile and garment industries and in small-scale enterprises. There are between 180,000 and 200,000 children under fifteen working in informal textile and garment companies. While employers may legally employ children under 15 as apprentices, most employers who do so fail to follow the schooling and training requirements of a legal apprenticeship programme. Under the Apprenticeship Law, child apprentices must receive 8–10 hours of education per week. Factories that employ children often engage in shift work and place children on rotating or night shifts, which is prohibited under the law. Employers also breach the law by not bothering with compulsory health check-ups for apprentices every six months⁴ or by employing more than the allowable percentage of apprentices in one facility. Apprentices are commonly required to work overtime, which is also prohibited by law. Various sources report that the government is actively seeking to tackle child labour.

Discrimination is reported as being more prevalent in informal than formal workplaces. Although there is no accurate research available, there are reports of gender-based discrimination in relation to wages. In factories



where such violations have been noted, women consistently earn significantly less than men, although wages are said to be determined according to qualifications. Many women workers, particularly those in unregistered workplaces, complain about being subjected to sexual harassment and threatened with being beaten or losing their jobs.

According to a report on home-based work by Simel Esim, Ergul Ergun and Dilek Hattatoglu (2000), home-based workers are an integral part of the network of sub-contractors that produce for Turkey's garment export sector. The extent of home-based work in Turkey is difficult to determine because it is not included in most national statistics and policy. It is behind-the-scenes work done predominantly by women. The trend is for younger, single women to start off working as formal workers in factories or in workshops then to move on to home-based work once they are married and have children. In this type of sub-contracted work, the major problems faced by women are finding a regular supply of work and negotiating a decent price for their work. As in other countries, there are many women looking for work and an intermediary or sub-contractor can easily find women prepared to work for low pay. In addition to receiving low wages, home-based workers are often paid late and are responsible for their own overheads (rent, electricity, etc.).

Regulations relating to working hours are not enforced in unregistered workplaces. Indeed, workers in these facilities do not have access to the protection provided by law: they are invisible in the black economy. The first tier of big brands' sub-contractors usually make use of a second tier of sub-contractors, who may even use a third tier. Those at the

4 Employers must be able to provide inspectors with evidence that apprentices undergo these check-ups every six months – to prove that they are fit for the work they do – until the age of 18.

end of the supply chain belong to the informal economy where there are no trade unions, no established employment relationships and no social security protection. There is, also, child labour, excessive overtime and abusive treatment of women. This is not to say, of course, that registered companies do not also present problems concerning the respect of international standards and codes of conduct.

A worker who tries to join a union is usually fired

The garment sector's most significant characteristic from the viewpoint of labour relations is the general lack of unionised workplaces. Furthermore, a labour union can only negotiate a collective bargaining agreement (CBA) if it represents at least 10% of the workers employed in the sector and if it has registered more than 50% of the workers employed in a given workplace. These conditions inhibit collective bargaining: out of the nine unions representing the garment and textile industry, only three have the right to bargain collectively for their members. The remaining six unions are quite unlikely to go over the 10% threshold.

According to research conducted in 1999 by the Turkish Textiles Employers' Association and based on 87 member companies employing 38,696 workers, 74.9% of the workers belong to TEKSIF (Turk-Is Confederation), 14% to OZIPLIK-IS (Hak-Is Confederation) and 11.1% to TEKSTIL (Disk Confederation). According to a 2003 report by the Ministry of Labour, the above requirements have the effect of favouring established unions, particularly those affiliated to



Turk-Is, the confederation that represents approximately 80% of organised labour. The ICFTU reports that, as a result of the law, workers in many sectors of economic activity are not covered by collective agreements. The ILO has called on the government to rescind the 10% rule, stating that it violates ILO Convention 98 on the rights to organise and to collective bargaining. However, both Turk-Is and the Turkish Employers' Organisation favour retaining the 10% rule since each confederation has an established membership area. The Government has taken no action to amend the rule.

Recommendations

Support mechanisms must be set up for workers struggling to defend their legal rights. The most important obstacles to workers being able to assert their rights are insufficient legal regulations relating to organising and collective bargaining and the lack of enforcement of the right to organise. A worker who tries to join a union is usually fired, something which workers now expect. Although employers are liable to one to three years' imprisonment for this offence, it is difficult for workers to prove that it was their involvement in trade union activities which provoked their being fired. Most of the workers are unregistered due to the cumbersome legal procedures which registration requires and the ineffective procedures used by social security inspectors: employers can easily bribe the officers whose work is to register the workers.

It is necessary to set up organisations which will collaborate with unions, set organising in motion and constitute a stepping stone towards proper unionisation. It is also necessary to educate public opinion to understand the value of the right to organise, as a result of which pressure could be brought to bear on politicians to adjust the law to bring it into line with ILO conventions.

To make supply chains more visible would facilitate the exposure of the realities of child labour, excessive overtime, the harassment of women, discrimination, low wages and insecure employment.

Lastly, brands must accept responsibility for working conditions throughout their supply chains. Such a step would force informal workplaces to become registered and verifiable.



	Turkish Labour Law	Situation at Supplier 1	Situation at Supplier 2
		<p>A medium-sized, first tier supplier. Part of the sewing is sub-contracted to small workshops. There is no union. The number of workers in this factory is about 200. However, only 170 are formally employed and registered under social security.</p> <p>According to the company's website, only 125 workers are employed in this factory. Women workers constitute one third of the workers employed. Some of the sewing is sub-contracted to small workshops situated in alleys around the factory.</p> <p>Clients and labels include:</p> <p>Debenhams, Trusardi, Pickwick, Jeans Fritz, Eukanauba, Babar/Collection Floriane, Walt Disney, C&A, Maser and team clothing for Formula One Mercedes, BMW and Toyota teams and for Bayern Munich.</p>	<p>A medium-sized first tier supplier. The factory produces denim clothes, T-shirts, sweatshirts. It employs 205 workers, of which 85 are women and 120 are men. It produces 500,000 pieces per month. The factory sub-contracts some of the sewing to 15 small workshops situated around the factory.</p> <p>Clients and labels produced include: O'Neill, Pallmall, Murzotto, Bartan, V. Dresmann, Gas Jeans, Jean Paul.</p>
No bonded or forced labour		There is no bonded or forced labour	There is no bonded or forced labour.

	Turkish Labour Law	Situation at Supplier 1	Situation at Supplier 2
Freedom of association	<p>There are serious constraints including the requirement to legally register trade union membership, for which the worker has to pay high fees and take a day off, and the requirement to prove that at least 10% of workers are members of a union before it can negotiate a collective bargaining agreement (CBA).</p> <p>According to the ICFTU: "The procedure for negotiating a CBA is long and cumbersome so that it is often very difficult to implement the right to bargain collectively."</p>	<p>There has never been any trade union activity in this factory and there are no other sorts of workers' organisations. The workers interviewed had no intention to demand their trade union rights or to initiate efforts to form a union.</p> <p>Although the employer cannot be said to impede or deny workers' efforts to unionise, the environment in the factory is such that workers would not anyway be able to openly declare their interest in being part of a union. In that respect, there is violation of the right to organise.</p>	<p>The employer makes regular threats in relation to trade union organising. As a result, workers fear losing their jobs and are unwilling to get involved in trade union activities in a factory which seems to offer one of the best job opportunities in the sector. The rights to organise and to collective bargaining are therefore violated.</p>
No Child Labour	<p>The Labour Code prohibits the employment of children younger than 15 years of age. However, children over 14 who have completed their primary education may be employed on light work provided it does not affect their physical, mental and emotional development. Children over 14 who continue their education can also take up employment provided this does not prevent school attendance (article 71/1). Employers must demand to see a birth certificate before employing a young worker.</p>	<p>There is no child labour in this factory. During the summer holidays, 5 or 6 children from the vicinity are hired as apprentices or helpers.</p>	<p>There is no use of child labour in this factory.</p>

	Turkish Labour Law	Situation at Supplier 1	Situation at Supplier 2
No Discrimination	<p>Article 10 of the Labour Code stipulates that all individuals are equal before the law.</p> <p>According to article 5, there can be no discrimination based on language, race, political opinion, philosophical belief, religion, gender or similar factors within the employment relationship.</p>	<p>The owners of the company are all from the Black Sea region and it was noted that workers from that region enjoy significantly better treatment.</p> <p>Female workers are paid less than male workers performing the same job.</p>	<p>There is gender, religious, and ethnic discrimination in this workplace. There are reports of sexual harassment, either verbal or through staring. During job interviews, female workers are asked whether they are pregnant and whether or not they have children. Some of the machinists and supervisors treat helpers in an insulting manner. In general, supervisors treat workers harshly and regularly shout at them.</p>
No excessive working hours	<p>Article 41 of the Labour Code states that overtime may be performed when there is 'need to increase output' and that 'overtime work is work which, under conditions specified in this Code, exceeds forty-five hours a week. Total overtime work cannot be more than two-hundred and seventy hours in a year.' Article 63 states that the working day must not exceed eleven hours.</p>	<p>There is excessive overtime at certain times of year. Workers are expected to work overtime in the evening and on Saturdays. Some workers were found doing 23 to 31 hours' overtime a week. Sometimes, workers have to work 12.5 hours six days a week. Some workers reported not being allowed to take their annual holiday all at once because of overtime demands.</p>	<p>Although workers should be given at least one day off per week, workers were found at the time of the interviews to have had to work seven days a week for the previous two months. Although the majority of workers are in favour of and need overtime, the fact that it is not possible to refuse overtime more than once or twice a month, coupled with the risk of losing their job if they refuse, is another constraint on workers.</p>
Living Wages	<p>At the time of the interviews (June 2004), the legal minimum wage for workers over 16 was: 423,000,000 TL gross (€264) 303,079,500 TL net (€189) and for workers under 16: 360,000,000 TL gross (€225) 257,940,000 TL net (€161).</p> <p>As of 1 January 2005, the monthly legal minimum wage is €305 gross and €219 net for workers over 16; and €260 gross and €186 net for workers under 16.</p>	<p>Wages are determined according to skill and speed rather than seniority. The wages are low compared to what the workers need: they feel that they should earn at least €150 more per month in order to make ends meet.</p> <p>Workers earn less than 25% of what a living wage is estimated to be and some apprentices and helpers receive wages below the legal minimum rate.</p>	<p>Workers in this factory are registered and their wages paid regularly and punctually. Overtime is paid according to the law.</p> <p>However:</p> <ul style="list-style-type: none"> ■ social security contributions and taxes are based on the legal minimum wage rather than wages actually paid; ■ the way wages are calculated is not clear to workers;

	Turkish Labour Law	Situation at Supplier 1	Situation at Supplier 2
	<p>According to information published by Turk-Is (Turkey's trade union confederation) in July 2005, the minimum cost of living for a family of 4 is approx. €1000, including minimum food costs of €331.</p> <p>The legal overtime pay is 50% more than the normal hourly rate for hours worked during the week and 100% more for hours worked on Sundays and national holidays.</p>	<p>There is a difference between the legally declared wages and the wages actually paid. Workers do not receive pay slips, but are asked at the end of each month to sign a receipt, showing their wages and taxes paid, which is kept at the factory. There are also cases of workers not being formally employed 'in exchange' for receiving higher net wages.</p>	<ul style="list-style-type: none"> ■ occasionally, fines are deducted – three days' wages for instance for missing work without giving notice. <p>Wages are low and cannot be considered to be living wages.</p>
Occupational Health and Safety	<p>According to article 80 of the Labour Code, where a minimum of 50 employees are employed and permanent work is performed for more than six months, the employer shall set up an occupational health and safety committee.</p> <p>Article 81 states that in factories with fifty employees or more, employers are obliged to employ one or more doctors, set up a health centre, take occupational health and safety measures and provide first aid and preventive health services.</p>	<p>The workplace is dusty and noisy. Workers are not provided with dust masks or earplugs. Workers in the sewing department suffer from nose congestion, while those working in the ironing department suffer from shortness of breath due to the excessive heat and humidity of the workplace. There is a first-aid cupboard, but no doctor present. Workers can take days off for medical treatment when they are ill.</p> <p>Workers who are not registered under Turkey's social security scheme have to pay for their medical expenses themselves. There is no occupational health and safety committee. The working environment does not meet Turkey's health and safety regulations.</p>	<p>The workplace is dusty and noisy. The fire prevention equipment and fire alarms are not sufficient and the emergency exit is not easily accessible.</p> <p>The heating and air conditioning system needs improving to ensure adequate working temperatures in both winter and summer. Doctors visit the workplace twice a week. Workers are not allowed to go out into the open air during breaks.</p> <p>There are not enough toilets and workers are not allowed to go to the toilets more than twice a day. There is no occupational health and safety committee.</p>

	Turkish Labour Law	Situation at Supplier 1	Situation at Supplier 2
Established Employment Relationship	<p>Article 11: an employment contract is deemed to have been established for an indefinite period where the employment relationship is not based on a fixed term.</p> <p>An employment contract for a definite period is one that is drawn up between the employer and the employee, in written form, based on specified terms or on the fulfilling of conditions such as the completion of a given piece of work.</p> <p>Article 8: in cases where no written contract has been drawn up, the employer is under obligation to provide the employee with a written document, within two months of recruitment at the latest, showing the general and special conditions of work, the daily or weekly working time, the basic wage and any wage supplements, the time intervals for remuneration, the duration of the contract if it is a fixed term contract, and conditions concerning the termination of the contract.</p>	<p>Once registered for social security, workers sign contracts of employment but are not provided with a copy of these contracts.</p> <p>The previous four months of workers' payroll is on display in the factory (a legal requirement) so employees can check that their social security contributions are being paid.</p> <p>It is sometimes several months after they start employment before workers are registered under the social security system.</p>	<p>Although formal employment relationships are the norm in this factory, workers are not given copies of the contracts they have signed.</p> <p>Some workers were not registered for social security although they had been working in the factory for a few months.</p>



4.6 Romania: widespread abuse in Europe's leading producer

Germany and Italy are Romania's most important customers. Romania is the biggest European exporter of garments to Germany, overtaking Poland in the last year. Production comes from large, formerly state-owned companies as well as from thousands of small companies, mostly producing under the OPT system. The share of OPT and the volume produced under that system rose rapidly during the late 1990s but have decreased slightly in recent years¹. Dirk Rützer, leader of the German-Romanian Chamber of Commerce in Bucharest, forecasts that the relocation of garment production to Romania will come to a halt: "The textile and garment industry has reached its peak while

This is how the mayor of town X tries to explain why the women of the town accept such miserable working conditions: "We are in a 'disadvantaged zone', so it is understandable that work is hard and salaries are low. 550 new jobs is a lot for a town like ours." (14 May 2004).

retail chains and capital-intensive – as opposed to labour-intensive – sectors are only just arriving and are growing²". A large proportion of the 7500 or so registered garment and textile companies is threatened with bankruptcy, which

would lead to even greater hardship for workers. At the same time, there are signs that employers in this sector find it harder to recruit, the reason commonly quoted being that people know by now that conditions in the industry are very poor.

Machinists survive thanks to subsistence farming

Although Romanian labour legislation is mostly in line with ILO conventions, implementation is poor. Ask workers what their main complaint is and they will usually tell you about their wages. This is not surprising since the legal minimum wage in Romania is 310 (new) lei a month, or €86. At the



time the interviews were conducted, it was about 280 lei. Although a basic wage of 360 lei has been negotiated with the unions at sector level, it is not enforced.

The wage paid in the garment sector is usually the legal minimum wage or slightly more. It is not possible to make ends meet without working overtime hours. There is no point therefore in speaking of "living wages". Mihaela (31), a machinist in Iasi in the eastern part of Romania, earns 310 lei (€86) a month net after overtime. She has to pay 200 lei in rent for a small room 10 square metres, which she shares with her boyfriend. They need 100 lei a month for heating. Mihaela and her boyfriend are six months late with their rent and fear that they will soon be thrown out. They say that they would need at least 600 lei (€166) a month to survive – i.e. twice the legal minimum wage³. It is not easy in such circumstances to live a dignified life. Many workers in the garment sector have to have several jobs or else a plot of land in the countryside on which to grow vegetables. Diana, who works for Adidas some one hundred kilometres out of Bucharest, has two children and earns 350 lei (€97) a month net after overtime. Every

¹ Bundesagentur für Außenwirtschaft, 30.8.05

² From interview of 20 May 2004

³ From interview of 13 May 2004

Saturday and Sunday, the family work together on a small farm one hour away by train. She explains: "We help each other among colleagues in the factory. We exchange vegetables, eggs and fruits. Those without a farm have trouble because everything is so expensive"

According to Romanian legislation, working hours are limited to a maximum of 40 hours per week and 35 hours for workers under 18. In June 2004, the maximum number of overtime hours was 4 hours a day and 240 hours a year. In June 2005, this changed to 4 hours a day but no more than 8 hours a week. The working week is 5 days. In none of the companies researched was this law respected. There were also reports of forced overtime.

"This is the way to keep us quiet"

Regarding trade union and workers' rights, there is a difference between major, former state-owned companies and small, younger companies that have emerged in the post-socialist era. In the bigger factories and companies, trade unions are strong and workers' rights respected – a remnant of the pre- 1989 socialist era. In smaller, newer companies, mainly producing under the OPT system, workers' rights are not respected. In a small factory in Bucharest which produces under the OPT system for Puma, the researchers' questions about trade unions were met with amused irony by the workers interviewed on their way home. Machinist Alexandra (49, three children) said: "When workers try to form or join a trade union, they lose their job. This is the way to keep us quiet." Another woman worker added: "We are too poor to risk forming a trade union or talking about it with the boss". In companies without trade unions, there are no collective bargaining agreements. Some of the younger workers have no idea what advantages a trade union might bring them.



The interviews conducted in 2004/2005 show that the majority of workers do not know their rights. Most of the workers interviewed had signed their contracts of employment without reading them. The majority are not clear about how many overtime hours they have worked, how much they should receive for them and how much they should receive in general.

Most factories visited are somewhat run down and owners do not pay a lot of attention to occupational health. Sanitary installations are insufficient and mostly unclean. Lighting is inadequate in most workplaces. Seating is un-ergonomic and dust and heat are especially problematic in summer.

Factory Profiles

Factory A⁵

Factory A was set up in 1993. Part of production is under the OPT system. Most of the material is procured by the company itself. Most of the garments are supplied to Otto Versand, whose agreement is needed for the type of materials required. Other clients are Quelle, Hugo Boss, La Redoute, Lacoste and 3 Suisses.

The company produces underwear, blouses, skirts and coats for men and women. It produces 80,000 pieces a month and has a maximum production capacity of 100,000 pieces. It employs 600 persons on permanent, individual contracts.

4 From interview of 25 May 2004

5 Interviews were conducted in June 2005

Women represent 90% of the workforce.

Eight women workers (between 27 and 33 years of age) and the general manager (Romanian) were interviewed. The researcher's impression from interviewing the manager was that she had no understanding whatsoever of the problems encountered by workers and no awareness of their rights.

Working conditions:

No violations were reported regarding ILO conventions on forced labour, child labour and discrimination.

Freedom of association and the right to collective bargaining

There is no trade union at the factory. Although the employees want a trade union to protect their wages and rights and improve working conditions, no initiative has been taken: workers are afraid to lose their jobs. They are told when they are hired that there is "no need for a trade union in the factory" and that management "has no time to waste on strikes or pointless discussions". "The problems", they are told, "can be solved between us".

Living wages

The main problem for workers is low wages. A worker with an average working pace earns at least the legal minimum wage. A machinist is paid 350 lei (€97) gross per month. When working overtime, workers receive vouchers (worth 6.5 lei, or €1.80, each) – which can be used in certain shops to buy food. Overtime is otherwise paid at the same rate as normal working hours.

According to workers, the average take-home pay is between 400 and 450 lei (€111–€125) per month and is insufficient to cover their daily needs, especially those of workers with a family. Workers from Bucharest estimated that a living wage would have to be 1000 to 1200 lei (€277–€333) per person and 2000 to 2500 lei (€554–€693) for a three-person family.

Working hours

The working week consists of 40 hours, five days a week, in two shifts. On average, overtime is 12 hours a week. When

orders are pressing, workers have to work on Saturdays and even Sundays. This had happened twice during the two months preceding the interviews. Overtime hours cannot be refused for fear of dismissal and because workers in any case need to earn more. Workers are entitled to paid annual leave, which is arranged in advance. In case of urgent orders, annual leave may be postponed by two or three weeks.

Health and safety

The factory is new, attractive and well equipped. There were no problems concerning temperature and dust and no cases of work-related illness or accidents reported.

Codes of conduct and corporate social responsibility

All workers interviewed were aware of the rights and obligations stipulated by their contracts of employment but not of the existence of codes of conduct. They had never seen the text of a code of conduct and management had not informed them of the provisions they contain. They were aware of numerous visits by representatives of the clients or other authorised persons but knew nothing about audits being conducted by these visitors. They had not been interviewed by any outside persons and had not noticed any improvements or corrective measures following those visits. Some improvements did seem to have been carried out by management, but the workers interviewed did not know whether these were related to the visits.



Factory B⁶

The company was relocated to Romania from the North-East of Italy. The owner is Italian. Lately, a strike was organised with very limited success. The company has 400 employees, most of them trade union members. The company produces military uniforms for the Romanian and Italian armies and police. Three of its workers were interviewed in May 2004.

Working conditions:

No violations were reported of ILO conventions on forced labour, child labour and discrimination.

Freedom of association and the right to collective bargaining

There is a trade union within the company, which has around 350 members. Some union members have been dismissed for their union activities. The owner has a rather

"During the strike, the supervisor used a stick to hit the workers!"

"We have been aggressed physically and verbally!" claimed the workers.

hostile attitude towards the trade union. A strike had been called after the company refused to negotiate a collective bargaining agreement with the union, during which workers said the atmosphere had been very tense.

Working Hours

The normal working day is 8 hours. Workers are warned in advance of having to work overtime and are entitled to annual leave of 15 working days. When there are no orders, workers are forced to take time off. Romanian law stipulates that in such circumstances, workers are entitled to at least 75% of their basic wage.

Living wages

The net monthly pay is equal to the legal minimum wage. When working on Saturdays, employees are paid with meal vouchers worth 6 lei (€1.65) which means that overtime hours are not taken into account for the purpose of social security contributions. Workers are not aware of the higher, basic wage negotiated through the national collective bar-



gaining agreement (approx. 360 lei gross per month). They do not understand wage and tax calculations.

Following the strike, the only results obtained were that workers would from then on receive their wages regularly (every month and on time) and be paid in money for some of the overtime hours they had worked.

Health and safety

The workplace is extremely hot in summer and very cold in winter. There is a lot of dust in the factory and the noise level is very high. Workers say that they are stressed by the pressures imposed by the supervisor. There are no health and safety provisions and no health and safety committee has been set up. There is physical and verbal abuse against workers.

Employment relationship

The workers have signed permanent, individual contracts of employment. They do not know whether social security contributions are paid regularly or at all on their behalf.

Codes of conduct and corporate social responsibility

The workers knew nothing about codes of conduct or any external controls of labour standards. They thought clients' representatives probably came to check the products and nothing else.

Recommendations

Women workers need to be better informed about their rights and to realise that it is not to their advantage to accept whatever working conditions prevail. This is why the project started in 2002 and run by AUR (Association of Human Resources Specialists) provides an education and training programme.

6 Interviews took place in July 2004

4.7 Moldova: poverty wages on the edge of Europe

Stefan Cel Mare, formerly known as Lenin Boulevard, is in the very centre of Chişinău, the capital of the Republic of Moldova. Between government buildings in the north and hotels at the southern end of the street huddle all the important institutions and agencies as well as the boutiques of well-known brands like Hugo Boss, adidas or Puma. Whoever wants to be successful or wants to participate in the meagre fruit of the Moldovan economy has an address here.

Female employees, students, women who moments earlier were crammed together in one of the mini-buses bringing them from the districts of Botanica or Volcan to the city centre, surprise by their elegance. Most popular are jackets made of soft, black leather with a business-like blouse worn with formally but generously cut trousers. People in Moldova spend an average of 7% of their income on clothes (against 6% in Germany).

With the collapse of the east European COMECON market at the beginning of the transformation period, the sewing machines stopped. Two blocks from Boulevard Stefan Cel Mare towards the east, they can be heard again in the factories of Ionel and Steaua Reds, former textile conglomerates which have been privatised and divided into smaller companies. Today, there are about 50 companies in the whole country producing mostly garments and some textiles¹. They are Italian-, Turkish- or German-owned and financed.

The Republic of Moldova is the poorest country in Europe. The average income is €300 per year. Survival on such a low income is impossible even in the Republic of Moldova. In 1999 already, the cost of a basket of basic commodities was three times higher than the average income. Many Moldavans only manage to survive because they have relatives in the countryside who help them out with food grown on their own small farms. Furthermore, 800,000 people left Moldova in the last ten years to go West and contribute remittances which are vital for the families they left at home.

Like all other states of the former Soviet Union, Moldova has experienced a dramatic economic decline. 1993 and

1994 were the "black years" as in any other former socialist country: in 1993 alone, the GDP declined by more than 30%. Production broke down and inflation soared – to 116% in 1994. Most of the former state-owned companies had to close. But this was not all. Another crisis came in 1998 when the Russian market collapsed – the only market of importance that remained for Moldovan products after the breakdown of COMECON. The country's GDP declined further and Moldova was on the edge of bankruptcy. The country was bailed out by the usual international creditors. This entailed a high level of dependence on, for instance, the IMF which imposed "an unprecedented fiscal adjustment and tight monetary policy (...) to contain the external shock"².

This meant a severe cutback in social spending – "to reduce inefficiency in the social sectors". Fifty hospitals were closed, education and health spending were cut by a third and school fees were brought back. Ten percent of public employees were dismissed.

Although there has been a slight recovery in the economy since 2000, the Moldovan economy has still not reached its 1990 level.

The garment industry of Moldova

Moldova's garment industry is the country's second most important export industry after wine. Its main customer is Italy, which buys 39% of Moldova's exports, followed by Germany with 32% and the USA with 16%. Compared to neighbouring Romania, Moldova has a small but increasing share of the European Union's market in garments.

Until recently, the advice to source from Moldova was a tip given only to adventurous entrepreneurs. Close to the Black Sea, the country was, historically speaking, a kind of plaything between East and West – at least until it became a

¹ Republic Moldova Business Information Network (<<http://www.gate.md/mbinet/en.html>><http://www.gate.md/mbinet/en.html>)

² Republic Moldova Trade Diagnostic Study, Case Study Textiles and Apparel, Heikki Mattila, November, 2003

part of the Soviet Union. When the socialist system collapsed, Moldova again oscillated back and forth between Europe and the old Soviet structures. The fact that one of its borders remains unrecognised by its neighbours and that the country has been led since 2001 by Vladimir Voronin, a communist president – at least in theory³, are seen as signs of instability. In foreign policy terms, this makes Moldova an almost no-go area for foreign direct investment.

But foreign direct investment is not needed for production under the OPT system. Though Moldova is still seen as a difficult country, buyers are increasingly sourcing from there. Of course cheap labour costs play their part: according to the IMF, labour costs in Moldova are lower than in China⁴.

Exploiting poverty

Contrary to the other country studies conducted for this publication, no systematic research was carried out. If you ask garment workers in Moldova about their working conditions, they spontaneously decry the very low wages: the legal minimum wage in Moldova in February 2004 was €26 a month⁵.

For Vsevolod Barbaneagra, vice-president of the trade union Confederatia Sindicatelor din Republica Moldova (CSRM) affiliated to the ICFTU, the wage situation has been dramatic since 1997: "We need living wages! At the moment wages are 60% below the subsistence level in Moldova."⁶

In the countryside, sewing in a factory is a kind of seasonal work which women do in winter. Women work on the farm in summer and in winter apply for work in a factory, either in the rural areas or in one of the urban centres. Those who are employed all-year round are in any case forced to complement their meagre wage through some form of subsistence farming.

We met Olga M. in the bureau of the women's organisation "Women of Moldova". At the time we spoke to her, she was unemployed but had previously worked in the industry. This is how she described work in a company jointly owned by Turkish and Moldovan owners in Chićinau:

"The company produces underwear for Japan and the USA. Workers are given very high targets and working conditions

are very poor. The factory is very dirty and there is a lot of dust. Many workers come to work from the villages in winter, when there is no work left to do on the land. In summer they go back home". Due mostly to the high production targets, Moldovan workers always look stressed.

Working conditions are better in bigger companies, where some inspections still take place, a throwback to soviet times. What goes on in smaller private companies, on the other hand, tends to go unnoticed. Conditions are worse in factories set up in rural areas (wages, health and safety, etc.) than in urban areas. Companies which have received foreign investment are often better equipped, not only with more efficient machinery but also with air conditioning, ergonomic seating, etc.

Ludmila Novac, the doctor for a company which is now part of the Steilmann Group in Balti, is pleased with the level of modernisation that has been carried out since the take-over: "the health situation of the workers has improved in some respects. But", she adds, "people still suffer from bronchitis and skin diseases caused by lack of ventilation, particularly in the ironing section. We also treat health problems resulting from always standing at the machine in the same position".

Workers quit their jobs in protest

Employers in Moldova (and Romania) often complain about workers changing jobs too often. The reason for this is simple: the only way workers have to register their protest against bad working conditions is to leave their job, which doesn't exactly give them much power.

Many workers see their job in the garment industry only as a temporary solution before looking for another, better occupation. Many dream of well paid work in Western Europe, maybe in Italy or Germany.

3 Voronin has recently given up advocating a union with Russia and Belarus and declared his priority for closer ties with the West (see www.themoskowitztimes.com, April 2005).

4 OETH, cited by Republic Moldova Trade Diagnostic Study, Case Study Textiles and Apparel, Heikki Mattila, November 2003

5 FedEE Services Ltd, 2005.

6 From an interview conducted in April 2004



Alexandru Sochirka, staff member of the German–Austrian Chamber of Commerce in Chićinau concludes: "The problem is that investors come here primarily because of low wages but workers leave here for the same reason."

Trade Unions in Moldova

Trade unions in Moldova are divided into two confederations: CSRM and Solidaritate. Whereas CSRM has a bigger presence in heavy industries, the garment industry is principally represented by Solidaritate.

While CSRM tried to reproduce the western model of a free trade union movement, Solidaritate opted for a tripartite model by trying to mediate the needs of workers, employers and the government. What a western observer of labour issues may find strange is that company owners themselves are allowed to be members of Solidaritate. Alexandra Can draws on her experience of trade unions under communism when explaining how Solidaritate functions: "The relationship between management and workers is clearly defined. The union knows its duties very well. It organises workers and provides a disciplined workforce. That makes them virtually part of the management team." The union in other words is responsible for organising production and the social life of workers and cooperates closely with management.

The CSRM Confederation strongly criticises the privileges granted to Solidaritate by the government while it is itself exposed to serious repression. CSRM Vice-President Vsevolod Barbaneagra tells of heavy repression against his

union. "At the moment", he says, "the government is trying to push our members towards Solidaritate. We are working to prevent that, for instance by asking for international solidarity from the ICFTU."

In Moldova, one cannot really say that trade unions effectively represent garment workers' interests.

Women's NGOs

There have been attempts at founding women's NGOs in various sectors, but these are viewed with suspicion by the government. We met Irina Martiniuc of the organisation "Women of the Republic of Moldova" in her office a little out of Chićinau. The organisation provides training, for instance about workers' rights, and advice on employment matters. Women come here who have lost their job, often from the garment sector. These women have no experience in negotiating with employers, which results in frequent problems with contracts of employment. So, she says: "In the course of training sessions, we take a look at their contracts. Some of the private garment companies phrase the contracts in very complicated ways, which the workers cannot understand. We have a go at drafting contracts, which helps the women understand the problems."

Conclusion and prospects

Although labour legislation in Moldova is in keeping with ILO standards, it is basically not enforced. Many workers do not know their rights and are not used to demanding them. A major reason lies in the limited access of trade unions to the garment industry and in the lack, as yet, of a properly developed independent women's movement. There are some women's groups, but only one is dealing with conditions in the garment industry. The difficulty is that civil society in Moldova is only just emerging from an age when displays of resistance and activism were prohibited. The culture within which a dynamic civil society is able to develop is still in the process of taking shape and is further hampered by the lack of financial support for work on labour issues.

7 Alexandru Sochirca, Deutsch–Österreichisches Zentrum "Pro Comment", April 2004

Appendix 1

CCC National Network Partners

	Lead NGO and contact	Trade Unions involved	NGOs
Poland	Karat Coalition (Polish operations) Anita Seibert Phone/Fax: 0048 22 636 8307 Ul. Karmelicka 16 m. 13, 00-163 Warsaw, Poland Email: secretariat@karat.org.pl, anita.seibert@karat.org.pl	Light Industry Secretariat of Solidarnosc, OPZZ	Association of Independent Initiatives – Mikuszewo
Bulgaria	WAD (Women's Alliance for Development) Polina Radeva Phone/Fax: 00359 2/ 980 5532 or 980 5920 or 980 9447 Neofit Rilski Street 52, 1000 Sofia, Bulgaria Email: poliradeva@women-bg.org	Light Industry Federations (LIF) of CITUB and Podkrepa TU	Ideas and Values Foundation, Balkan Institute for Labour and Social Policy
Serbia and Montenegro	Uzice Centre for Human Rights and Democracy Danica Pop-Mitić Phone/Fax: 00381-31-522 969 or 00381-648257707 Vojvode Putnika bb, 31000 Uzice, Serbia Email: uzcentar@cepeline.net, dpopmitic@ptt.yu	Nezavisnost	Felicitas – Belgrade, Centre for Democratic Action – Lebane
Romania	AUR (Association of Human Resources Specialists) Mariana Petcu Phone/Fax: 004021 313 3883, Phone: 004021 312 7035 Str. Cristian Popisteanu 1-3, sect.1, Cam. 585, Bucuresti, Romania Email: Org.aur@xnet.ro	CNSLR-Fratia, CSDR Cluj Branch, Cartel Alfa Iasi, BNS	Pro WOMEN – Iasi, PROSOCIAL – Cluj, AIDRom – Bucharest, Center Partnership for Equality, Equal Opportunities for women – Iasi
Rep. of Macedonia	PPC Shtip (Permaculture and Peace Building Centre – Shtip) Katerina Milenkova Phone: 00389 32 388 325 Hristijan Karpos 43, 2000 Shtip, Macedonia Email: fe_mail@mt.net.mk, ppctst@ppc.org.mk	Union of Macedonian Trade Unions – Shtip Branch	Delta – Delcevo, Sun – Tetovo
Turkey	Women's Rights at Work Association Bilge Seckin Phone: 00 90 533 226 12 40 TO 91 D.20 Atakoy 4. kısım, 34750 Bakırkoy Istanbul Turkey Email: bilgeantigone@yahoo.co.uk	TEKSTIL (DISK confede- ration), TEKSIF (Türk-Is Confederation)	TÜKODER Consumers Organisation, Working Group on Women's Homebased Work, Avcılar Homeworking Women's Cooperative

Appendix 2

Description of labour standards

Human Rights at Work in the Garment Industry

as defined in "Code of Labour Practices for the Apparel Industry including Sportswear" of the Clean Clothes Campaign (CCC) and the Base Code of the International Confederation of Free Trade Unions (ICFTU)

1. No forced or bonded labour

"There shall be no use of forced labour, including bonded or prison labour" (ILO Conventions 29 and 105). Nor shall workers be required to lodge "deposits" or their identity papers with their employer.

2. No discrimination in employment

"Recruitment, wage policy, admittance to training programs, employee promotion policy, policies of employment termination, retirement, and any other aspect of the employment relationship shall be based on the principle of equal opportunities, regardless of race, colour, sex, religion, political affiliation, union membership, nationality, social origin, deficiencies or handicaps" (ILO Conventions 100 and 111).

3. No child labour

"There shall be no use of child labour. The age for admission to employment shall not be less than the age of completion of compulsory schooling and, in any case, not less than 15 years." (ILO Convention 138). "There shall be no forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour. [...] Children [under the age of 18] shall not perform work which, by its nature or the circumstances in which it is carried out, is likely to harm their health, safety or morals" (ILO Convention 182).

4. Freedom of association and the right to collective bargaining

"The right of all workers to form and join trade unions and bargain collectively shall be recognised" (ILO Conventions 87 and 98). "Workers' representatives shall not be the subject of discrimination and shall have access to all workplaces necessary to carry out their representation functions" (ILO Convention 135 and Recommendation 143). Employers shall adopt a positive approach towards the activities of trade unions and an open attitude towards their organisational activities.

5. Living wages are paid

"Wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards and always be sufficient to meet the basic needs of workers and their families and to provide some discretionary income" (ILO Conventions 26 and 131, articles 23(3) and 25(1) of the Universal Declaration of Human Rights). "Deductions from wages for disciplinary measures shall not be permitted nor shall any other deductions from wages not provided for by national law. Deductions shall never constitute an amount that will lead the employee to receive less than the legal minimum wage. Employees shall be adequately and clearly informed about the specifications of their wages, including wage rates and pay period."

6. No excessive working hours

"Hours of work shall comply with applicable laws and industry standards. In any event, workers shall not on a regular basis be required to work in excess of 48 hours a week and shall be provided with at least one day off for every 7 day period. Overtime shall be voluntary, shall not exceed 12 hours a week, shall not be demanded on a regular basis and shall always be compensated at a premium rate" (ILO Convention 1).

7. Occupational health and safety (OHS)

A safe and hygienic working environment shall be provided, and best occupational health and safety practice shall be promoted, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Appropriate attention shall be paid to occupational hazards specific to this branch of the industry and to ensuring that a safe and hygienic work environment is provided for. Effective regulations shall be implemented to prevent accidents and minimize health risks as much as possible (based on ILO Convention 155). "Physical abuse, threats of physical abuse, unusual punishments or discipline, sexual and other harassment, and intimidation by the employer are strictly prohibited" (Conventions 174 and 176 on industrial accidents, health and safety).



German and Macedonian activists

8. Security of employment – Legally binding relationship

"Working relationships shall be legally binding and all obligations to employees under labour or social security laws and regulations shall be respected."



An action at Vienna's center shopping street

CCC action against child labour
at Vögele and Jumbo stores
Zurich, Bahnhofstr., 25.10.00

Appendix 3

Brands, labels and retailers sourcing from the region

Bulgaria

Armani
Barbour
Bella Vita
Colmar
Emporio
Gonso
Henry Duvillar
Induyco
Quelle
SVS

Republic of Macedonia

Alba Moda
AMVI - Italy
Bele Surprise
Big Fun Grosse
Grössen
C&A
Clarina Collection
Dornbusch
Echo - KLM
Eugen Klein
Fleem and Slima
Gläser
H&M
IFFA
Ive St. Malo
JAS - Switzerland
Jessica Howard
Jessica Style at
C&A
Kombi Mode
Lego
Liz Claiborne

Manchester
Marks & Spencer
MER
Merk
Miralba
Nienhaus Et Lotz
Profil-textil
Raven
Sasson
Schmeinck
SeidenSticker
Steilmann
Thea Plus
West-Fra GmbH
Your 6th sense

Republic of Moldova

C&A
Marks & Spencer
Steilmann

Poland

Adidas
Armand
Ascot
Benetton
Boots
Brax
Darys
De Fursac
Diadora
Dranella
Dunnes Adams
Erima
Gina
Givenchy

H&M
H2O
Hugo Boss
J.D. Williams
Joop
Kapp Ahl
Kentucky
Kenzo
Layla
Lindex
Longel
Mothercare
Puma
Rici
Slima
St. Bernard
Thierry
UMBRO
Yves Saint
Laurent

Romania

3 SUISES
Again
C&A
Carrefour
Carina
Elegant Design
Erfo
Girondella
Hirsch
Hugo Boss
IKEA
K'da MOSTO
La Redoute
Lacoste
Lorela
Mall
Mariella

Mb.Z
Metro
Otto Germany
Quelle
Romer
Sabrina

Serbia

Acmodel
Christensen
Denmark
Adidas
Asics
Barberis
Bernini By Rienzi
Biciani
Cacharel
CANONICO
Detmile Of
London Mac's
DressMaster
Guabello
Connoisseur
Induyco S.A.
(on behalf of the
Spanish Army)
Kluz
Luca D'altieri
Mercatus
Mochino
New
Nicola's Men
Nike
Paolini
Puma
Reda Super 100's
Resilent By

Guabello
Sugarbebe
Women & Men
Zekstra

Turkey

Babar/Collection
Floriane
Bartan
Beseler
Bikkembergs
C&A
Chips & Cheps
Contex
Debenhams
DIVIDED
DKNY
Eukanauba
Forecast
Fritz Briand &
Nephew
Gallice
Gas Jeans
Gina Laura
Gllcerc
Guess
Heavy Sport
Jean Paul
Laura Scatt
Levi Strauss
Lindex
Liz Claiborne
M.Timm
Marks & Spencer
Maser
Mattimo Gutti
Mavi Jeans
MB MULTIBLU
Jeans
Meeting
Moda Timkar
More & More
Murzotto
Nautica Jeans
NEXT
O'Neill
OXXO
Pallmall
Pickwick
Quick and Hoe
Mitchel
Reply
Sahinler Tekstil
Scotch and Soda
Seventeen
Smart & Clever
Steve Ketell
Tomy Hilfiger
Team clothing
for Bayern
Munich
Team clothing
for Mercedes,
BMW and Toyota
Formula 1 racing
Tim Moore
Timberland
Trusardi
Van Der Erve
Vivien Caron
Walt Disney
Woman's Only
Jeans
Zara
Zidane

Made in
Eastern Europe

Labour standards

1. No forced or bonded labour
2. No discrimination in employment
3. No child labour
4. Freedom of association and the right to collective bargaining
5. Living wages are paid
6. No excessive working hours
7. Occupational health and safety (OHS)
8. Security of employment – Legally binding relationship