

Strategic plan Macedonia 2012

1. Introduction

FWF has been working in the Republic of Macedonia¹ since 2004. In 2011, 6 FWF affiliates sourced from 20 factories in Macedonia. The garment exports in Macedonia constitute an important part of the country's exports. On a global scale Macedonia is a small garment exporter (less than 1% of the global exports) with several of its neighbouring countries like Bulgaria, Albania and Serbia having greater textile exports.

In 2012 the work of FWF in Macedonia will focus on continuing the Living Wage project in cooperation with CNV Internationaal. Next to FWFs regular work regarding stakeholder consultation, auditing and verification, this project specifically focuses on wage analysis and a productivity assessment.

In 2011, with the support of CNV Internationaal, FWF developed a 'wage ladder' methodology and online tools to support the implementation of a living wage in Macedonia. The FWF Wage ladder is a benchmarking system used to chart wage levels in a factory relative to various wage standards in a country or region.

Macedonia is a particularly interesting country to further develop the wage ladder methodology. The 2010 FWF Macedonian country study, financed by CNV, showed that wages is the priority area to work with in Macedonia. The average garment worker receives about 10 000 Macedonian Denar per month. Local trade unions and NGOs estimate that a living wage is somewhere between 30 000 and 20 000 *Macedonian* Denar per month.

2. Wage Ladder methodology and wage analysis

The objective of the activities in 2012 is to establish further progress towards the implementation of living wages in the garment industry in Macedonia. To become aware of recent trends in the Macedonian garment industry and to support member companies in the implementation of living wage, FWF will conduct a wage analyses in different Macedonian factories.

FWF will develop a wage analysis template for buyers, factory management and workers to identify the reasons for low wage levels. In a factory where low wages have been identified as a problem by the wage ladder methodology, the buyers, the management and workers (the union if there is one) will use the template to understand the root causes and determine what can be done.

Deliverables

- Improvement of the Wage Ladder methodology.
- New benchmarks are collected for FWFs wage ladder on Macedonia (April-Dec 2012)
- Wage analysis from 5 factories.

¹ Officially called 'The Former Yugoslav Republic of Macedonia' by the UN, hereinafter referred to as Macedonia.

3. Productivity assessment

FWF verifies the process of code implementation in production countries by among other things factory audits done by local audit teams. This year, the focus will be on analysing wages level in Macedonian garment factories. The analysis will provide a framework of all the procedures which need to be in place at a factory to ensure the payment of living wages – e.g. proper bookkeeping systems. Based on the wage analyses, FWF will conduct a productivity assessment in garment factories supplying to FWF members. The assessment will reveal the most important factors in terms of productivity that keep the wages low. The result will show the possibilities to improve productivity while at the same time increasing wage levels.

Deliverables

- Wages are improved for 500 workers of 5 factories in the garment industry in Macedonia.
- Productivity is assessed at 5 factories in Macedonia.

4. Complaints procedure

FWF has a complaints procedure enabling workers or their representatives in garment factories supplying FWF member companies to make complaints about their working conditions and the way the code is implemented. FWF has a local complaints handler in Macedonia.

Deliverables

- The complaints handler is functioning well.
- During factory visits and wage analysis, it is checked if the Code of Labour Practices is posted with the correct information (Jan - Dec 2012)

5. Stakeholder consultation and engagement

Cooperation with stakeholders in production countries is aimed at improving labour conditions in the countries where production for affiliates takes place. FWF cooperates with stakeholders in production countries particularly for consultation on FWF policies and on local labour conditions. Thus, the stakeholders FWF works with are organisations that have a role in influencing or shaping the social dialogue in a production country. Stakeholders in production countries can provide policy advice to FWF. Advice can be solicited and unsolicited. FWF will consult the stakeholders in production countries on important issues within their field of competence.

FWF tries to find a workable and effective way to involve local partners in the work of FWF in Macedonia. In 2012 a roundtable meeting will be planned to share the results of the wage analysis and productivity assessment with the stakeholders in Macedonia. Participants will include trade unions and employers in order to discuss obstacles and opportunities to raise wages based on the FWF findings.

The wage analysis template will be created in corporation with FWF stakeholders. FWF will share and exchange experiences gained from the wage analysis and productivity assessment in a round table with relevant stakeholders. At the roundtable, participants can put the template in a broader context and discuss deeper root causes with regards



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to productivity and wages. Trade unions and member companies are involved in discussing the results.

Deliverables

- Stakeholder dialogue included in the living wage project.
- One country visit to establish relations with stakeholders and social partners.
- Input from local stakeholders is integrated into the improvement of the Wage Ladder tool and the productivity/wage assessment.
- Input from local stakeholders is integrated in the support/advice given to companies in the process of improving working conditions (Jan-December 2012)
- 1 roundtable is organized.