

SRB

COUNTRY PROFILE

# SERBIA 2



# IMPRESSUM

## Clean Clothes Campaign



CENTAR ZA  
POLITIKE  
EMANCIPACIJE

**TEXTILE INDUSTRY:  
COUNTRY PROFILE, SERBIA 2**

**PUBLISHED BY:**  
Center for the Politics of Emancipation  
[www.cpe.org.rs](http://www.cpe.org.rs)

Clean Clothes Campaign  
[www.cleanclothes.org](http://www.cleanclothes.org)

**EDITORS:**  
Ana Simić  
Bojana Tamindžija  
Vladimir Simović

**FIELD RESEARCH:**  
Anđela Čeh, Dražen Pavlica, Jelena Jašović i Sara Ristić

**ECONOMIC PARAMETERS:**  
Nikolina Vujačić

**TRANSLATION:**  
Rebecca Duras

Belgrade, 2024.

This publication or parts of it may be freely used by others provided appropriate attribution is given to the source of the original publication. The quotes in this document do not come from the people in the photos. Moreover, the individuals in the photographs are in no way connected to the people we interviewed as part of our research.

The production of this document was supported by Rosa Luxemburg Stiftung Southeast Europe with Federal funds of the Ministry of Foreign Affairs of Germany. The content of the publication is the sole responsibility of the Center for the Politics of Emancipation and does not necessarily reflect the position of the RLS.

Supported by Brot für die Welt. The content of the publication is the sole responsibility of the Center for the Politics of Emancipation and does not necessarily reflect the position of BfW.

This publication is co-funded by the European Union. Its contents are the sole responsibility of the Center for the Politics of Emancipation and do not necessarily reflect the views of the European Union.



**Brot**  
für die Welt



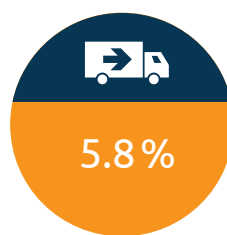
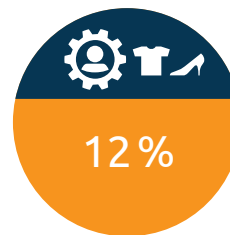
Co-funded by  
the European Union

Design: Tamara Kalčić  
Photography: Yevgenia Belorusetz  
Printed by: Pekograf  
Circulation: 500

SRB

## COUNTRY PROFILE

## SERBIA 2

Population<sup>1</sup>Registered factories<sup>2</sup>Number of registered employees in the sector of textile, garment, leather, and footwear production<sup>3</sup>Share of textiles, apparel, leather and leather products in the total exports of the Republic of Serbia<sup>4</sup>Share of employment within the processing industry<sup>5</sup>

## WAGE LADDER

47,696 RSD – 407 EUR

Legal minimum net wage 2024<sup>6</sup>

61,133 RSD – 521 EUR

Average net wage in the clothing industry<sup>7</sup>

52,380 RSD – 447 EUR

Poverty threshold for a three-person household in 2023<sup>8</sup>

85,016 RSD – 725 EUR

Average net wage in the processing industry<sup>9</sup>

75,575 RSD – 644 EUR

Median wage in the Republic of Serbia<sup>10</sup>

96,745 RSD – 825 EUR

Average net wage in the Republic of Serbia<sup>11</sup>

144,457 RSD – 1,232 EUR

Living wage according to the CCC calculation for 2023<sup>12</sup>

<sup>1</sup> According to the most recent census from 2022, Serbia has a population of 6,647,003 people.

<sup>2</sup> Serbian Chamber of Commerce, Association of textile, garment, leather, and footwear industries, *ANNUAL BULLETIN 2023*, Serbian Chamber of Commerce, Belgrade: 2023, p. 19.

<sup>3</sup> Source: Statistical Office of the Republic of Serbia. See more: <https://publikacije.stat.gov.rs/G2024/HTML/G20241024.html> (Accessed November 18th, 2024).

<sup>4</sup> Serbian Chamber of Commerce, Association of textile, garment, leather, and footwear industries, *ANNUAL BULLETIN 2023*, Serbian Chamber of Commerce, Belgrade: 2023, p. 25. Available at: <https://api.pks.rs/storage/assets/Tekstilna%20industrija,%202023..pdf>

<sup>5</sup> According to data from the Statistical Office of the Republic of Serbia the number of registered employees in the processing industry in 2023 was 501,927. The processing industry encompasses all branches of industry except for energy and mining.

<sup>6</sup> The legal minimum wage depends on the number of working hours per month. The stated data is relevant for a month that has 176 working hours, which represents the average. The minimum cost of labour per hour in 2024 was 271.00 dinars. Value in euros according to Oanda on November 18th, 2024.

<sup>7</sup> Serbian Chamber of Commerce, Association of textile, garment, leather, and footwear industries, *QUARTERLY BULLETIN 2024, III QUARTER*, Serbian Chamber of Commerce, Belgrade: 2024. p. 20. Value in euros according to Oanda on November 18th, 2024.

<sup>8</sup> Data for 2023. Source: Statistical Office of the Republic of Serbia. Value in euros according to Oanda on November 18th, 2024. See more: <https://www.stat.gov.rs/sr-latn/vesti/statisticalrelease/?p=15328>

<sup>9</sup> Average net wage in the processing industry for the first 8 months of 2024. Source: Statistical Office of the Republic of Serbia. Value in euros according to Oanda on November 18th, 2024. See more: <https://www.stat.gov.rs/sr-latn/vesti/statisticalrelease/?p=15336&a=24&s=2403?s=2403>

<sup>10</sup> Median wage for August 2024. Source: Statistical Office of the Republic of Serbia. Value in euros according to Oanda, on November 18th, 2024. See more: <https://www.stat.gov.rs/sr-latn/vesti/statisticalrelease/?p=15336&a=24&s=2403?s=2403>

<sup>11</sup> Average net wage during the first eight months of 2024. Source: Statistical Office of the Republic of Serbia. See more: <https://publikacije.stat.gov.rs/G2024/HTML/G20241290.html> Value in euros according to Oanda on November 18th, 2024. (accessed November 18th, 2024).

<sup>12</sup> For the calculation of the amount of the living wage, see more here: [https://cleanclothes.org/file-repository/ccp\\_policy-paper\\_eng-23nov.pdf/view](https://cleanclothes.org/file-repository/ccp_policy-paper_eng-23nov.pdf/view) and here: <https://cpe.org.rs/plata-za-zivot-u-srbiji-iznosi-144-457-dinara/> and here for the year 2021: <https://cleanclothes.org/file-repository/2022-july-background-paper-efw-update-final.pdf/view>

## ECONOMIC PARAMETERS AND STANDARD OF LIVING

Serbia's GDP in 2023 was worth 75 billion euros, that is, 11,350 euros per capita. The processing industry has the largest share in the structure of the GDP, at 13.3%.<sup>13</sup>

Serbia's economy is in large part dependent on foreign capital. In 2023, Serbia received an inflow of foreign direct investments (FDI) worth 4.5 billion euros (gross), of which the majority was invested in the processing industry.<sup>14</sup> The processing industry in general attracts the most foreign investment. In the period from 2018 to 2023, out of 23.1 billion euros of the total worth of Serbia's FDI, nearly 7 billion were invested in this sector.<sup>15</sup> In the period from 2018 to 2022, Serbia attracted over half of total FDI in the Western Balkans region, of which the most went to the automobile sector (15.9%), food industry (11.6%), textile industry (9.1%), electronics (5.6%) and construction (5.6 %).<sup>16</sup>

The peripheral position of Serbia and other countries of the Western Balkans during the transition period created conditions where the economic development of the entire region became directly dependent on foreign investments. Mechanisms for attracting foreign capital in the entire region are similar, such as tax breaks and exemptions, exemptions from paying mandatory contributions, exemptions from paying customs duties for a certain period, subsidies and investment grants,<sup>17</sup> as the countries compete amongst each other in terms of which one will offer more benefits to foreign companies. Serbia owes its leading position in attracting foreign investments to the abundant subsidies that it gives to foreign companies, which increase in value with each employee and cumulatively on an annual level. From 2006 to 2019, Serbia gave 638 million euros in subsidies, of which 60% were paid in 2018 and 2019 alone. The same trend continued in 2020 when the amount of subsidies granted reached a record 233 million euros.<sup>18</sup> Originally, investments were subsidized per employee, per set criteria, and according to public calls which were planned ahead. Since 2014, the investment value is also accounted for, and if set conditions

are met, it is possible for investors to apply for subsidies at any moment.<sup>19</sup> This opened up space for the growth of subsidies, so they reached a value even greater than one fourth of the company's total investment.<sup>20</sup> That way the amount of the subsidies grew from a maximum of 10,000 euros per employee to 120,000 euros per employee.<sup>21</sup>

Massive budget allowances and administrative concessions are not a guarantee of investment quality, nor do they guarantee the possibility of strategically choosing investment in those sectors that would facilitate long-term economic development of Serbia or the region. In that way, attracting foreign investments without selectivity has short-term favorable effects on economic growth, but limits economic development in the long term, because investments are focused on labour-intensive activities with low added value which engage an unqualified labour force, whose only comparative advantage is low wages. These investments create a high level of dependency on imports (imports of raw materials and components) and do not encourage the development of domestic manufacturing and services, nor the development of other sectors, which perpetuates the dependent and vulnerable position of the economy.<sup>22</sup>

These development policies negatively impact the state of worker's rights and the standard of workers in Serbia. Even though the number of unemployed people has significantly decreased in the last decade, Serbia has become a country of impoverished workers, whose contracted wages are three times lower than the amount of the living wage, whose labour rights are violated daily and whose employment security depends exclusively on the possibility of their company to create a larger profit in a specific location.

At the same time, Serbia is a society of great inequalities. The inflation which affected Serbia in the past few years, especially the increase in the cost of food and energy, made the situation worse. In Europe, Serbia is one of the countries with the highest rate of inequality in income distribution measured by the GINI coefficient, which in 2022 in Serbia amounted to 32. The value of indicators S80/S20 in 2022 was 5.5, which means that the wealthiest 20% of citizens had five and a half times more income than the poorest 20%.<sup>23</sup>

<sup>13</sup> Source: Statistical Office of the Republic of Serbia. See more: <https://publikacije.stat.gov.rs/G2024/HttmL/G20241272.html> (accessed November 18th, 2024).

<sup>14</sup> See more: [https://www.nbs.rs/export/sites/NBS\\_site/documents/publikacije/godisnji-izvestaj/godisnji\\_izvestaj\\_2023.pdf](https://www.nbs.rs/export/sites/NBS_site/documents/publikacije/godisnji-izvestaj/godisnji_izvestaj_2023.pdf)

<sup>15</sup> Petar Veselinović, "Reformski procesi privrede Republike Srbije – Stanje i perspektive (Reform processes of the economy of the Republic of Serbia – condition and perspectives)", in: *Institucionalne promene kao determinanta privrednog razvoja Republike Srbije (Institutional changes as a determinant of the economic development of the Republic of Serbia)*, ed. Petar Veselinović and Nemanja Lojanica, Economic Faculty of Kragujevac University, 2024, p. 127.

<sup>16</sup> OECD, *Fair Market Conditions for Competitiveness in the Adriatic Region: Serbia Country Profile*.

<sup>17</sup> WEBecon, *Empowering Western Balkans Economies: State Aid Incentives and Transparency in the Region*, Skopje: Finance Think, 2024, p. 64. Available at <https://ceves.org.rs/wp-content/uploads/2024/12/Empowering-Western-Balkans-Economies-State-Aid-Incentives-and-Transparency-in-the-Region.pdf>

<sup>18</sup> Source: FREN's analysis, transmitted on the basis of the report of Nova Ekonomija from 21.04.2022, available at: <https://novaekonomija.rs/vesti-iz-zemlje/prosecna-subvencija-po-zaposlenom-2020-godine-dostigla-30000-evra>

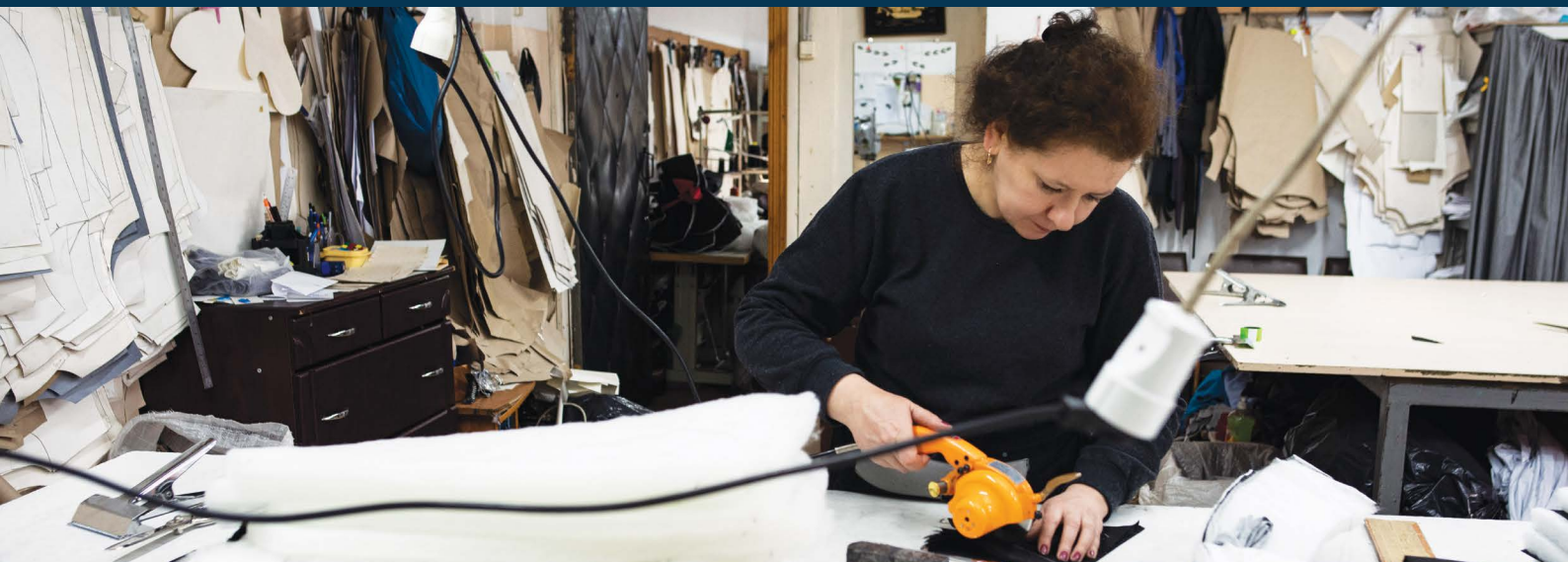
<sup>19</sup> Pero Petrović, "Uticao stranih direktnih investicija na kvalitet privrednog rasta srpske privrede (Influence of foreign direct investments on the quality of economic growth in the Serbian economy)", in *Strane investicije u Srbiji – novi pogledi (Foreign direct investments in Serbia – new perspectives)*, ed. Dr. Sanja Jelisavac Trošić, Belgrade: Institute of International Politics and Economics, 2019, p. 92.

<sup>20</sup> This was the case with the Swiss company Barry Callebaut, which invested 45 million euros in a chocolate factory near Novi Sad, and received 12 million euros in exchange from the state. Source: <https://novaekonomija.rs/vesti-iz-zemlje/prosecna-subvencija-po-zaposlenom-2020-godine-dostigla-30000-evra>

<sup>21</sup> The company Herkel is an exception as it received 144,000 euros per employee from the state all the way back in 2002. Source: <https://novaekonomija.rs/vesti-iz-zemlje/prosecna-subvencija-po-zaposlenom-2020-godine-dostigla-30000-evra>

<sup>22</sup> Pero Petrović, "Uticao stranih direktnih investicija na kvalitet privrednog rasta srpske privrede (Influence of foreign direct investments on the quality of economic growth in the Serbian economy)", in *Strane investicije u Srbiji – novi pogledi (Foreign direct investments in Serbia – new perspectives)*, ed. Dr. Sanja Jelisavac Trošić, Belgrade: Institute of International Politics and Economics, 2019, p. 87.

<sup>23</sup> See more: [https://ec.europa.eu/eurostat/databrowser/product/page/ilc\\_di12](https://ec.europa.eu/eurostat/databrowser/product/page/ilc_di12)

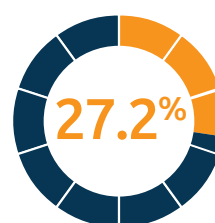


Poverty is omnipresent. Nearly nine out of ten households in Serbia report that they barely make ends meet.<sup>24</sup> Official data from the Statistical Office of the Republic of Serbia shows that 27.2% of Serbian citizens are at risk of poverty or social exclusion.<sup>25</sup> It must be emphasized that Serbia, after Albania, Turkey, and Montenegro, has the lowest poverty threshold compared to the other countries of Europe.<sup>26</sup>

Additionally, the minimum wage, even though it should be enough to meet basic social and existential needs of workers and their families, remains significantly below the poverty line. The average minimum wage, depending on the number of working hours over the course of the month, in 2024 was 47,696 dinars (407 €), while the poverty threshold for a three-person household in 2023 was 52,380 dinars (447 €).<sup>27</sup>

One problem is that the official institutions of the Republic of Serbia do not recognize the calculation of a living wage. Instead of that, the Ministry of Trade regularly publishes the amount of the minimum and average consumer basket, but neither of these two parameters shows us *how much money is truly necessary for a dignified life*. Actually, the consumer basket only shows the present purchasing power of households. The minimum consumer basket shows the average spending of the three poorest deciles, and the average consumer basket the spending of households that are between the fourth and eighth decile of the scale in which households are arranged in ten groups, from the poorest to the wealthiest. A particular problem is posed by the fact that in the Labour Law, the minimum wage is defined as meeting

Official data from the Statistical Office of the Republic of Serbia shows that



of Serbian citizens are at risk of poverty or social exclusion

the basic social and existential needs of workers and their families expressed through the value of the minimum consumer basket. The minimum consumer basket, as it is defined by the official statistics, has no relation to the social and existential needs of workers and their families. That is illustrated by the fact that the minimum consumer basket lies below the poverty threshold for a three-person household, and that it assumes that a three-person household has at its disposal 822 dinars (7 €) daily for food, and for education monthly just 137.11 dinars (1.17 €).<sup>28</sup>

How many workers receive the minimum wage is not known precisely, but we can say that wages that are around the minimum wage are also the most frequent wages in the Republic of Serbia. The data that we received from the Statistical Office of the Republic of Serbia shows that 639,000 people, that is 28.5% of employed persons, receive a wage below 60,000 dinars, that is, 511 €.<sup>29</sup>

<sup>24</sup> Bradaš *et al.* "SRBIJA 2030 : malo vremena, dosta izazova: Da li je Srbija odredila svoj razvojni put? (SERBIA 2030: little time, many challenges: Has Serbia decided its path of development?)", Belgrade: Belgrade Open School, 2023.

<sup>25</sup> See more: <https://www.stat.gov.rs/sr-latn/vesti/statisticalrelease/?p=15328&a=01&s=0102>

<sup>26</sup> See more: [https://doi.org/10.2908/ILC\\_LI01](https://doi.org/10.2908/ILC_LI01) (accessed November 18th, 2024.)

<sup>27</sup> Data for 2023. Value in euros according to Oanda on November 18th, 2024. Source: Statistical Office of the Republic of Serbia. See more: <https://www.stat.gov.rs/sr-latn/vesti/statisticalrelease/?p=15328>

<sup>28</sup> The minimum consumer basket for August 2024 was 53,968 dinars, that is 460 euros (value according to Oanda on November 18th, 2024). That is, the minimum wage is still lower than even such a low calculated minimum consumer basket.

<sup>29</sup> Statistical Office of the Republic of Serbia, data for May 2024. Value in euros according to Oanda on May 31st, 2024.



## THE TEXTILE INDUSTRY OF SERBIA

As was stated in our previous report,<sup>30</sup> the collapse of Yugoslavia, privatization, wars, and the UN embargo had a destructive effect on the Serbian economy. These changes also significantly affected the structure of the textile industry, which started off with high-quality domestic products that were also well-positioned on the global market,<sup>31</sup> then became completely dependent on *lohn* production orders,<sup>32</sup> highly vulnerable and with a low profit margin.

The structural transformation of the sector began in the period from 2000 to 2005, when the Gross Value Added (GVA) of the sector rapidly decreased by nearly 50%, compared to the already significantly-reduced GDP from 2000.<sup>33</sup> This period was characterized by job cuts and massive layoffs in the entire industrial sector, including the textile sector. The revitalization of the sector began with the opening of Serbia to foreign direct investments in 2002, when the new Law on Foreign Investments was

adopted, which equalized the rights and responsibilities of domestic and foreign investors in Serbia, and which, in combination with the legal framework and the liberalization of the customs regime, ensured a preferential status for foreign capital.<sup>34</sup> The growth of the sector's GVA by 3.5% in the period from 2009 to 2016<sup>35</sup> was based above all on the inflow of foreign direct investments. The sector continued to attract foreign direct investments later as well, so in the period from 2019 to 2023 the total net inflow of FDI in the textile, leather, and footwear industry amounted to 179.4 million euros, and the greatest inflow was recorded in 2021 (61.5 million euros).<sup>36</sup> The arrival of big fashion brands in Serbia was assisted by the signing of favorable trade agreements with the European Union,<sup>37</sup> the lowering of labour costs following decades of economic freefall, the relatively good geostrategic position of Serbia (nearshoring) and the growing subsidies which remain the main tactic for attracting foreign investments. In its post-socialist phase, the textile industry in Serbia exists only within the supply chains of big fashion brands, deprived of any creativity and reduced to labour intensive die-cutting per model, where the only thing that matters is how many pieces can be produced on a daily level.

<sup>31</sup> CEVES, *Performance and Value Chain Analysis of Selected Sectors*, CEVES and PKS, Belgrade: 2017; p. 177.

<sup>32</sup> *Lohn* production or Outward Processing Trade (OPT) is a customs regime which makes it possible for companies from one country to send raw materials or half-finished products to another country for additional processing or finishing, and then to return the finished products in the mother country or export to other markets without paying customs on the imported part of the product. The goal of the system is to reduce production costs.

<sup>33</sup> CEVES, *Performance and Value Chain Analysis of Selected Sectors*, CEVES and PKS, Belgrade: 2017; p. 178.

<sup>34</sup> Radenković, I, *Foreign Direct Investments in Serbia*, Belgrade: Rosa Luxemburg Stiftung Southeast Europe, 2016, p. 21.

<sup>35</sup> CEVES, *Performance and Value Chain Analysis of Selected Sectors*, CEVES and PKS, Belgrade: 2017; p. 178.

<sup>36</sup> Serbian Chamber of Commerce, Association of textile, garment, leather, and footwear industries, ANNUAL BULLETIN 2023, Serbian Chamber of Commerce, Belgrade: 2023, p. 25. Available at: <https://api.pks.rs/storage/assets/Tekstilna%20industrija,%202023..pdf>

<sup>37</sup> CEVES, *Performance and Value Chain Analysis of Selected Sectors*, CEVES and PKS, Belgrade: 2017; p. 177. Available at: <https://ceves.org.rs/wp-content/uploads/2019/04/Integralni-izvestaj-analize-performansi-i-lanaca-vrednosti-odabranih-sektora.pdf>

When using the general label of the textile industry in Serbia, collectively and statistically, we are speaking of the sector of textiles, garments, leather and leather items. The production of textiles includes carpets, blankets, curtains, ropes, technical textiles etc. while the subsector of garment manufacturing includes the manufacture of clothing, socks, and underwear. The sector of leather and leather goods includes tanning, finishing and dyeing leather and fur, as well as the manufacturing of final products — belts, handbags and suitcases, shoes, etc.<sup>38</sup> Many companies that manufacture seats and other textile and leather parts for the automotive industry, such as Magna Seating and Grammer System, are also registered under the textile sector.<sup>39</sup>

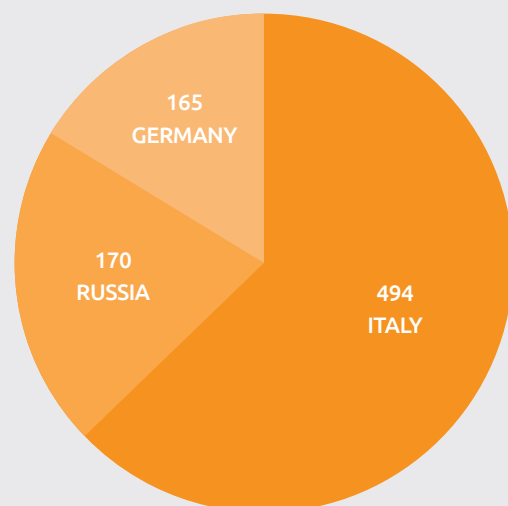
The industry of textiles, leather and footwear has a share of 5.8% in the total export of goods from the Republic of Serbia, with an average annual export rate growth of 6.4% in the period from 2019 to 2023. If we look at the structure of exports within the sector, 80% of total exports include garments, leather goods, and footwear,<sup>40</sup> which tells us that the sector is dominantly oriented towards ready-made production according to orders placed by big fashion companies.

The number of employees in the sector has varied over the past four years. While in 2019 there were almost 64,000 people formally employed in the sector, in 2023 that number decreased by about 3,000 people. This fluctuation is significant, particularly given that it stems from the complete cessation of manufacturing by several companies that employed a relatively large workforce, such as the Italian company Geox. Geox relocated its production in 2021, when its subsidies and contract responsibilities with the Serbian government expired, leaving about 1,200 workers without jobs.<sup>42</sup> The Turkish company Bertex let about 100 workers go the following year, and two years later Jeanci fired 700 employees.<sup>43</sup> At the beginning of 2024, another Turkish company dismissed 100 workers due to the sudden interruption of business with the company Zara, according to the employers.<sup>44</sup> All of the companies listed above, according to media reports, received state subsidies when they were opening their facilities in Serbia. The presented data highlights the questionable long-term benefits of such subsidies, the precariousness of jobs, and the fact that the Serbian economy, in the textile sector, but in other manufacturing sectors as well, is entirely shaped by the interests of multinational corporations. In these situations, the government usually reaches for new subsidies so that newly opened workplaces can temporarily absorb dismissed workers. The right to severance is not even mentioned, because this obligation does not exist in contracts the companies sign with the government.



## THE EXPORT OF TEXTILES, CLOTHING ITEMS, LEATHER, AND LEATHER GOODS IN 2023

by country  
in millions of euros<sup>41</sup>



<sup>38</sup> Ibid. p. 177.

<sup>39</sup> Ibid. p. 177.

<sup>40</sup> Serbian Chamber of Commerce, Association of textile, garment, leather, and footwear industries, *ANNUAL BULLETIN 2023*, Serbian Chamber of Commerce, Belgrade: 2023, p. 25. Available at: <https://api.pks.rs/storage/assets/Tekstilna%20industrija,%202023..pdf>

<sup>41</sup> Serbian Chamber of Commerce, Association of textile, garment, leather, and footwear industries, *ANNUAL BULLETIN 2023*, Serbian Chamber of Commerce, Belgrade: 2023, p. 25. Available at: <https://api.pks.rs/storage/assets/Tekstilna%20industrija,%202023..pdf>

<sup>42</sup> Tamindžija, B. Geox u Srbiji: odlazak i dolazak, (*Geox in Serbia: arrival and departure*) Bilten 29.10.2021. Available at: <https://www.bilten.org/?p=40031>

<sup>43</sup> See more: <https://nova.rs/vesti/biznis/turci-nisu-jedini-jos-najmanje-cetiri-strane-fabrike-ostavile-srpske-radnike-na-cedilu-i-bez-plata-otkazale-delili-preko-sms-poruka-i-oglasnih-tabli/>

<sup>44</sup> See more: <https://nova.rs/vesti/drustvo/oglasila-se-turska-fabrika-tekstila-iz-malog-zvornika-o-navodima-da-se-zatvorila-preko-noci/>

## FIELD RESEARCH

In order to be able to evaluate the labour conditions and the state of labour rights in the textile, garment, leather, and footwear industry in Serbia in comparison with the evaluations that resulted from previous research<sup>45</sup> we published in 2017, we conducted 45 in-depth interviews with workers from a total of 5 factories in Serbia. The interviews were conducted in the period from May to August 2024. When choosing the factories, an attempt was made to showcase the situation in the sector as comprehensively as possible. In terms of diversity of production, we researched factories that manufacture socks, underwear, bathing suits, jeans, shapewear, and footwear. In terms of geographic distribution, we made an effort to equally cover the entire area of Serbia, keeping in mind that the research should represent smaller and larger urban areas. However, it must be noted that it is characteristic for the textile industry to usually be represented in less developed regions.<sup>46</sup> In terms of the number of employees, according to official statistical reports, the surveyed factories employed an average of 1,400 workers in 2023. The smallest had 900, and the largest had 1,900 employees.

Despite the guarantee of anonymity, it was difficult to find respondents. There is a fear present among the workers that, if they speak about the situation at their workplace, it will negatively reflect on their status in the factory, and even endanger their job. Assurances that the survey is completely anonymous and that their supervisors will not be able to find out their identity in any way were not enough for some workers, so our attempts to conduct interviews at the sixth factory, which was part of our initial research plan, were unsuccessful. To protect the anonymity of the respondents, we will present key findings out of all five factories collectively.

The information which we will present below represents the combined testimonies and statements of interviewed workers, sharing what life and work of textile, leather, and footwear industry employees is like in Serbia today.

In terms of financial management, three out of five factories that we included in our study achieved a profit between 1.2 and 3+ million euros a year, for at least the past two years. On the other hand, two factories operate at a loss, one of which has been running a deficit of an average annual value of around 6 million euros for at least the past four years. According to publicly available financial reports of these factories, most of the income they achieve comes from exporting goods and services primarily to related parties.

According to the International Accounting Standard 24 (IAS 24) and the Law on Accounting, a related party is considered to be any physical or legal entity that fulfills one of the following criteria: (1) directly or indirectly controls another party or is under their control; (2) has significant influence over the financial or operational decisions of another entity; (3) shares joint control over a business subject. Companies in Serbia provide the service of production to a parent company using materials or intermediate goods that the same entity leaves at their disposal. Related parties take over the activity of developing the market, contacting buyers and receiving orders from final buyers, and then issue orders for production to the Serbian company and deliver raw material.

The income statements of Serbian subsidiaries do not directly reveal the actual profit from goods produced in Serbia. This is a consequence of the practices of multinational companies such as transfer pricing, where the goods are sold to connected enterprises at prices that are not necessarily market-based, and in this way the profit is moved to other jurisdictions, usually for tax optimization purposes. Also, parent companies usually distribute the costs of management, consulting services and licensing fees to branch offices, which additionally decreases the reported profit in Serbia, because all of these companies have the parent company on the expenditures side as well.

To determine the real profit, it is necessary to analyze the financial reports of the entire group and contracts on transfer pricing and expense allocation within the group, which is outside the scope of this study.

<sup>45</sup> Tamindžija, B, Aleksić, S, & Musiolek, B. *Country Profile: Serbia*, Clean Clothes Campaign and Rosa Luxemburg Foundation, Belgrade: 2018. Available at: <https://cleanclothes.org/file-repository/livingwage-europe-country-profiles-serbia/view>

<sup>46</sup> Source: <https://www.euronews.rs/biznis/biznis-vesti/142702/stanic-tekstilna-industrija-u-srbiji-ima-pozitivne-stope-rasta-u-prethodnoj-deceniji/vest>



## WORKING HOURS

The work week largely depends on orders, so when the volume of production increases working Saturdays are implemented everywhere. Where it is present, respondents state that overtime work is paid.

In two out of five factories studied, workers testify that, on average, they work a contracted 40 hours per week, indicating that this is largely due to the reduced volume of work. In two factories they state that they sometimes work Saturdays, when they work the first shift.

In one factory, according to the words of the respondents, a work week lasting 48 or 50 work hours has become a standard. Seven out of ten respondents from this factory stated that they agree to this overtime regime due to their fear of job loss and the psychological pressure that they suffer from the factory management. Additional earnings are only the third reason for their consent. Organized transportation from the factory is adjusted to the overtime regime, so even the workers that finish their shift within their regular eight hours are forced to wait two more hours for transportation home.

Where overtime exists, respondents often do not refuse it, stating that the reason for it is either fear or a need for additional earnings.

Two out of five factories work in three shifts, while three organize work in two shifts. Half of respondents state that the employer occasionally implements redistribution of working time, by season or in accordance with planning collective vacation time.<sup>47</sup>



All researched factories are part of the supply chains for big fashion brands. Three out of five factories are under the direct ownership of different groups, while two are under foreign ownership and are direct suppliers of big fashion brands. The investigated factories produce for the following brands:

**Hugo Boss, Tommy Jeans, Mavi, Pierre Cardin, Zara, S'Oliver, Waikiki, Premier, Calzedonia, Intimissimi, Golden Lady, Primark, Tezenis, CCC, Balenciaga, Voile Blanche, Moschino, Gucci, Hogan, Candice Cooper, Falke, Esprit.**

*"I once tried to refuse to work on Saturday, but you immediately get a warning to frighten you. And if that doesn't intimidate the woman enough, then the psychological torture begins – the shift leader is constantly standing over her head criticizing her."*

*"I work overtime because I need money, and because they immediately treat you differently afterwards. In the end, it is easier for me to earn more in my own factory than to clean buildings."*

*"The finishing department works 10 hours because that is what their supervisor decided. Sewing department no, but we stay longer to wait for the finishing department because it isn't worth it for the factory to pay for transportation twice. Earlier there were two transports and then they saw that the women mostly leave and they moved the transportation, so we now wait 2 hours"*

<sup>47</sup> Redistribution of working time means that workers in a certain period work longer, up to a maximum of 60 hours per week, and in another period shorter than agreed upon. As part of the redistribution, the average working time of employees over a calendar period of six months must not exceed the agreed upon working time, which is most often 40 working hours.

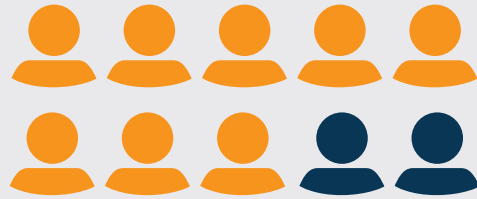
## WAGES

The average paid out net wage of respondents is about 65,000 dinars, that is, 554 €,<sup>48</sup> including bonuses, overtime, and night work. This amount is somewhat greater than the average wage for the sector which is stated by the Serbian Chamber of Commerce, 61,133 dinars, that is, 521 €. <sup>49</sup> The contracted wage is significantly lower, and on average is 50,000 dinars, that is, 426 €. <sup>50</sup> Looking at the reported factories individually, the lowest average paid out wage is 59,600 dinars, that is, 508 €, <sup>51</sup> and is recorded in a factory where the bonuses are significantly lower than in other factories studied. Generally, bonuses represent a key addition to the wage making income somewhat larger than the legally guaranteed minimum wage.

In all of the factories the wages are regular and they are paid in full into the bank account. The workers receive payslips regularly in written form.



The vast majority of respondents



are in agreement that they are not adequately paid for their work and that they cannot meet their basic needs with their wage.

*"I've never received over 56,000 with all of the bonuses and overtime and Saturdays. There were some months when I was at 42,000. And I work there in packing and I see the prices and buzzers, and those Hugo Boss pants cost 27,000 dinars."*

*"Instead of calculating my sick leave, they took two days out of my vacation time because they said that I cannot take sick leave anymore. They also took away my bonuses and I got 50,000. I had to leave 25,000 for my credit card and bills and I only had 25,000 to live on."*

*"One month with all of my time spent at work I got a wage of 65,000. But that was only once, I couldn't withstand that much overtime."*

*"There are a lot of women who are single mothers, they pay rent. Just the apartment and bills are over half their pay. How are you supposed to survive the month? And then you have to feed two, three, four kids..."*

<sup>48</sup> Value in euros according to Oanda, July 1st, 2024.

<sup>49</sup> Serbian Chamber of Commerce, Association of textile, garment, leather, and footwear industries, *ANNUAL BULLETIN 2023*, Serbian Chamber of Commerce, Belgrade: 2023, p. 20. Value in euros according to Oanda, November 18th, 2024.

<sup>50</sup> Value in euros according to Oanda, July 1st, 2024.

<sup>51</sup> Value in euros according to Oanda, July 1st, 2024.

*"Gas to get to work, then breakfast and so on... As soon as you open your eyes 2,500 are gone daily. Plus when you come home from work, bread, eggs, whatever you need for dinner, I come home from the shop where I paid 2,000 dinars, but I didn't even buy half of what I needed."*



The annual leave bonus is on average about 6,000 dinars per year (around 50 €), although in one factory the respondents allege that they are paid an annual leave bonus of just 100 dinars, which is legal considering that the law states that the employer must give an annual leave bonus, but does not define the minimum amount. The food allowance on average amounts to 200 dinars daily, that is, 1,7 €, which is close to what workers spend on average, as they get by with food from a bakery or by bringing something from home to eat. Some of them say that they do not even eat during work, mainly because their breaks are too short.

Four out of ten respondents work an additional job to make up for the shortfall in their budget for basic existential needs. The jobs in question are part-time seasonal jobs in agriculture, cleaning buildings, delivery, selling used clothing or house painting. Other workers state that their existing job exhausts them so much that they cannot work an additional one.

Neither crises in the factory's business nor its successes have a significant effect on the growth or decline in earnings by workers. When they "push out" an adequate number of products, or go over the production norm, the workers are rewarded in ways which they consider humiliating: with applause, juice, or sweets.

*"They 'honor' you with candy, chocolate, or juice, because we worked 10 hours a day for 2 weeks in a row."*

*"When we go over the target, the director comes down and gives us a round of applause."*



The vast majority, practically nine out of ten workers, are not familiar with the concept of a living wage. In response to the question of what, in their opinion, would be a decent wage from which they could live normally, the average estimate was 122,666 dinars, that is 1,046 €. As a reminder, the Clean Clothes Campaign network estimated that the living wage in Serbia amounts to 144,457 dinars, that is, 1,232 €.<sup>52</sup>

*"Our wage shouldn't be below 130-140 thousand but to be honest in 17 years of working in the textile industry I never went to the seaside, I don't know how much we'd need for that."*

<sup>52</sup> Value in euros according to Oanda, November 18th, 2024.

## OCCUPATIONAL SAFETY AND HEALTH

In response to the question if they are satisfied with their safety in the workplace, nearly half of the workers interviewed answered in the negative. It must be noted that this is the introductory question in the section that covers health and safety at work, and that in the continuation of the questionnaire, many of the other workers also evaluated certain segments of occupational safety as unsatisfactory. As well, in one of the five factories we studied, all ten respondents indicated dissatisfaction with the state of occupational health and safety. The main problems in this factory were stated as: inadequate temperatures in the work area, especially during summer; then dust, noise, and stuffiness. Besides that, they state that there are not enough sanitary facilities, and that the hygiene in the existing toilets is inadequate (irregular cleaning, lack of soap and toilet paper).

*"In the plant, there is synthetic dust in absolutely every hall wherever there is a sewing machine, because they're cutting the material. Unfortunately there were women that had problems with allergies, so they usually had to leave their jobs."*

*"Nothing can protect me there. Why would I be afraid of getting fired, when anyway all that I can get at this job is cancer."*

Two thirds of respondents indicate that they or their colleagues had or still have health problems that are a consequence of the conditions in which they work. They most frequently indicate problems with their back or joints, vision damage, hearing damage, respiratory allergies, but also heart problems. Despite this, only two out of five factories organize regular medical exams for their employees, usually once a year. Respondents from the factories that have this practice state that even these exams are usually a formality and that medical staff even ignore the health problems that workers report.

Nearly all respondents suffered workplace injuries or witnessed their colleagues getting injured. They consider that many workplace injuries happen due to tiredness and exhaustion, as well as great pressure to reach too-high norms. In all of the factories, respondents report that fainting due to overexhaustion, high temperatures, and a lack of ventilation is a frequent occurrence. From other injuries, the most common are injuries to fingers and hands (sewing through fingers, cuts and pricks). In one out of five factories studied, according to the testimonies of workers, there was a fatality that occurred directly as a result of a workplace injury.

*"When someone faints they just splash some water on her face to wake her up, they used to measure your blood pressure, now they don't. And if they really can't revive her, only then do they call an ambulance."*

*"One of my colleagues was complaining about a headache, she wanted to leave at half past one, but they wouldn't let her. She suffered through it, then as soon as she finished her shift, she died. Maybe they told her to hold on for another half hour with good intentions, so she wouldn't have to make it up on another day."*

*"For the first two years of work in this factory I worked on that sock-sneaker for Balenciaga. I worked on a machine that heated up to over 100 degrees and breathed in the evaporated glue fumes which they use for that sneaker. I didn't have any protection. After a year and a half, I had heart problems and frequent vertigo. I paid for my own visit to a specialist, who told me that my center of gravity was damaged due to those fumes. Only then did they move me to another position."*

*"They don't let you call an ambulance, they call a taxi. I once called the ambulance when some woman from ironing fell (she fainted). It's 40 degrees outside, 50 degrees inside, but they set the thermometer so that it reads 27 degrees. And the woman is ironing, ironing, and in one moment she just falls. We take her out, I call the ambulance, and her daughter, who works in the factory administration, is screaming at me for calling the ambulance and she takes the woman home."*

Most respondents, eight out of ten, claim that they did not experience or witness discrimination in the workplace, but one third of them testify that they were exposed to workplace harassment, shouting, insults, and pressure, usually for using sick leave or for not being able to meet a set norm. As examples of discrimination they list insults and demeaning statements on a racial basis, usually directed towards workers of Roma nationality. In one factory, a third of respondents state that they witnessed sexual harassment of their colleagues on the part of people employed in factory management.

*"I was transferred from the hall, where I was the control for many years, to the position of the head of ironing. I wasn't able to find my footing because the supervisors were on my back that I need to pressure the women to meet their norms. They didn't want to take care of the malfunctions to which I alerted them. I told the shift leader that I'm not responsible for what happens. I went to the supervisor to say the same thing and I got transferred to automatic sewing without a day of training, and those machines are very dangerous."*

*"If you want to protest about something, as we did now about the norms, that director says: 'It's not your job to think, it's your job to work.' You can't have your own opinion, or stand up for your rights. If you don't like it, the gate's right there, the director said that openly."*

*"The supervisor screamed at one worker for not wearing her vest, even though it is pure synthetic. The worker said: 'Engineer, I don't feel good, I have to take it off.' She didn't let her. The worker returned to her spot in tears. And when she went home the day after she wound up in the hospital, heart attack."*

*"One worker from Kragujevac is Roma, and why the director singled her out, I don't know. So she went on sick leave once, because she really wasn't feeling well, and when she came back the director called her in for a talk. She left that talk in tears, he told her at the end to really think next time if she really needs sick leave. Next time, same thing, and she really tried and worked hard, always came overtime when we needed to. A model worker. And they always chew her out. They abuse her psychologically and if they see that she starts crying, they go even harder. But she's still working, they haven't fired her, in the end she's still a good worker."*

*"Because of sick leave, because of a performance decline, the boss goes around and talks about how stupid you are. They insult you constantly, when you go ask something, to get a day off, you come back in tears. I believe that they have trainings on how to torture us, they're not smart enough to come up with it on their own."*

*"I saw some colleagues, especially when they just start working, crying almost the entire time."*



## UNION ORGANIZING

Two out of the five factories studied do not have a trade union, while respondents from one factory state that their factory has a so-called yellow, or as they put it, “factory union.” In two out of five factories (those which have independent trade unions) there is a collective agreement.

In factories where there is a trade union, opinions on trade union organizing are mixed. In one factory respondents, even those that are not trade union members, recognize and value the trade union’s fight for better working conditions. They point out that the first successful strike in the factory was organized after the trade union was formed. Second strike, which was also successful, was organized in 2023. Then, workers fought for and earned an increase in their meal allowance, stimulus, and wage.

In factories where there is no trade union present, respondents mostly indicate fear of losing their jobs, divisions between workers, and lack of interest as reasons for the lack of trade union organizing.

## JUST TRANSITION

Practically all respondents testify that in the past 10 to 15 years they have noticed the consequences of climate change in the places where they live and work. The most frequent consequences mentioned are hotter summers, as well as milder winters, that is, a lack of transition between the four seasons. Respondents that also work in agriculture, besides their primary jobs, state that these changes, as well as unpredictable storms, hailstorms, and long drought periods negatively affect their income from agriculture.

Two thirds of respondents state that temperatures in their workplace in the summer are very high and that it affects their ability to work. In one factory workers testify that thermometers were removed from the manufacturing halls, so employees could not continue to monitor the temperatures in which they work. Additionally, after a visit from representatives of the company for which they manufacture, refrigerators in which workers cooled drinking water that they brought from home, that were located in the hall, were removed to the break room. This made it impossible for many employees to cool down with water, because that room is too far for them. In another factory, there is a thermometer in the hall, but respondents believe that it does not show the accurate temperature, because it constantly shows a temperature of 27 degrees Celsius, even though the workers feel that the temperature is much higher.

Respondents listed several health problems which they’ve experienced as a result of extreme temperatures in the workplace, most frequently nausea, vertigo, and high blood pressure.

*“Ever since the trade union was formed there’s a lot of stuff that they can’t do, we intervene as soon as someone is transferred somewhere or whatever happens, during some earlier time people didn’t know their rights, but now with the union it’s a little different.”*

*“They moved employees from our hall, which was on strike the most, all over different facilities so we can’t communicate at all, not even by exchanging glances in the toilet.”*

## MOST FREQUENT VIOLATIONS OF WORKERS’ RIGHTS

- Deprivation of the right to sick leave.
- Polluted air and dusty work spaces, generally poor quality of air at work.
- Excess heat in the summer frequently leads to the collapse of workers (maximum temperature is legally 28°C), while in winter the temperatures are too low.
- Generally inadequate measures for occupational safety and health protection.
- Illegally overusing overtime hours.
- Illegal duration of rescheduling working hours and forcing workers to perform overtime work.
- Workplace harassment and intimidation of workers.
- Paying low wages, formally, does not fall under violation of worker’s rights, but it must be emphasized that the wages being paid definitely are not adequate wages which secure a decent life for the workers.

## CASE STUDY: SUPPLIER FOR THE BRANDS HUGO BOSS, TOMMY JEANS, MAVI, PIERRE CARDIN, ZARA, S'OLIVER, WAIKIKI, PREMIER

This company was founded at the end of 2017, and received significant state subsidies for the beginning of its production in Serbia. The plant in Serbia employs just over 1,000 workers.

Within the scope of field research, 10 workers from this factory were interviewed, of an average age of 39 years old.

The workers stated that their main problems are psychological pressure, overtime work, transfers to harder operations as a form of punishment for using sick leave, low wages and unbearably hot temperatures in the summer and cold in the winter. Some workers also give examples of sexual harassment in the workplace.

All respondents have permanent work contracts, and state that it is the employer's practice to give these contracts from the very beginning of the employment relationship, along with a trial period lasting six months. However, none of them see an permanent contract as protection from termination: due to constant warnings and threats to which they are exposed (in the case of a performance decline or sick leave) or due to the general insecurity which is reflected in the threat that the factory could be closed – "I never know when they'll put a key in the lock to all this."



All respondents state that they work overtime: five workdays of 10 hours one week, six 8-hour days the next week. This regime, the workers point out, has lasted for over a year, even though it was announced as a temporary measure due to a larger volume of work. Considering that the company organizes transportation, the workers do not receive compensation for travel expenses, but the transportation is adjusted to the overtime work regime, so that workers from the plant that are not working overtime are forced to wait for two hours until they can go home.

*"By the time I get home without organized transportation, it doesn't pay off to leave earlier so you're practically forced to work overtime."*

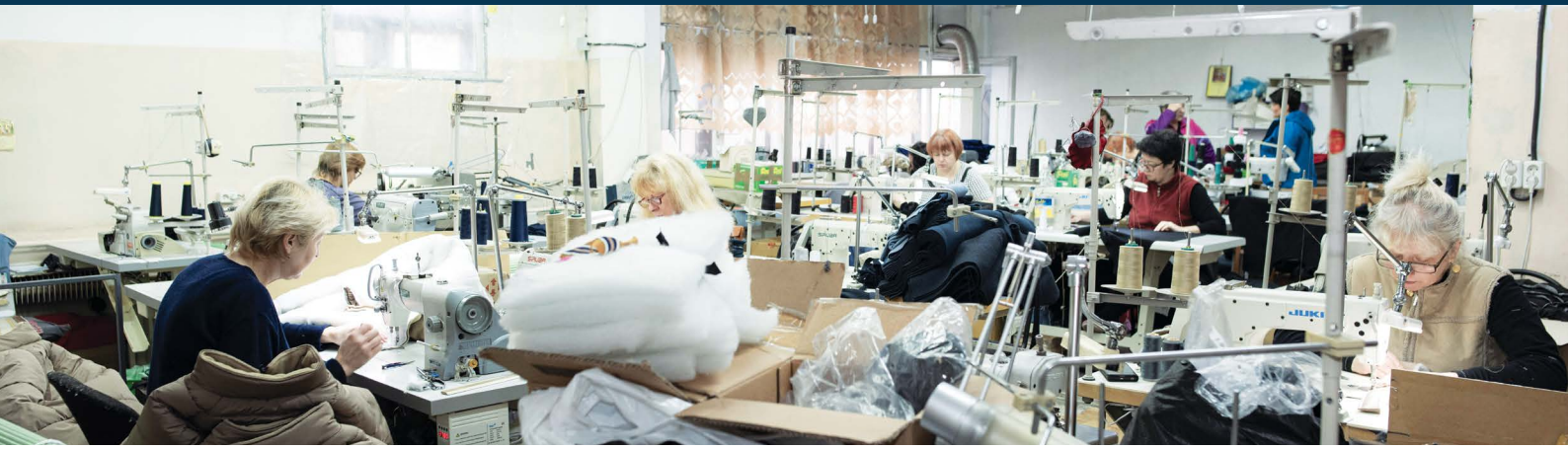
*"I can't be the only one who turns down overtime when all of them stay, plus I don't have transportation if I leave earlier. If I pay for a taxi, for that amount, with my wage, what did I even work for?"*

After sick leave, workers are called in to "talk with HR" (with management), where they are expected to justify why they used sick leave and they receive threats if they use it again. One respondent shared her experience and that of two other workers who experienced that people from management came to their homes during the duration of sick leave to check on them. All respondents state that the employer pays out attendance bonuses (in the amount of 3,000 dinars, around 26 €)<sup>53</sup> if during the month they do not miss a single day of work (including overtime hours and working Saturdays), even when they should go on sick leave due to their health condition. One of the respondents stated that the doctor in the local clinic in her village refused to approve her sick leave "because they call them from the factory and check, asking them why they open sick leave for employees so often."

*"They also came to the door of another worker who was on sick leave, banging on her door with some papers, she thought that someone came to arrest her. When she came back from sick leave, they called her in for a talk and she quit, she couldn't take it anymore."*

*"If you weren't at work for a while you can't go back to the same position but they transfer you to another one. If you turn it down, you can go home."*

<sup>53</sup>Value in euros according to Oanda, July 1st, 2024.



Eight out of ten respondents state that they are not allowed to use the toilet when they need it, that it is in fact locked before their break. In addition, they state that the hygienic state of the toilet is bad, that the toilet paper and soap are only refilled on Mondays, so the workers often bring these hygienic products from their homes.

*“The woman stood in front of the toilet and wouldn’t let you go. But I got my period, I had to. I told her: move, I’ll report you, she said – to whom, they’re the ones that told me to stand here.”*

The basic wage of all 10 respondents is the minimum wage of 47,696 dinars, that is, 406 €,<sup>54</sup> while their total net wage depends, in large part, on the number of overtime hours that they do. The average net wage, with all bonuses, meal allowances, and other additions, amounted to 63,000 dinars, that is, 537 €.<sup>55</sup>

All ten respondents consider that they are not adequately paid for their work and list examples of how they cannot cover even basic expenses out of their wages. Some of them work additional jobs to cover their household budget deficit (raising livestock, agricultural jobs, cleaning buildings, selling used clothing).

*“We have a pig, we take concentrate for pig on credit, then we sell the pig for cash and kind of get something out of it that way. I have a greenhouse, I sell cabbage, tomatoes, white potatoes in bulk to markets. If a kilo of tomatoes is now 200 dinars in the shop, more of that goes to that guy who didn’t do anything, rather than to me who broke my back in the fields. Everything in my house is secondhand.”*

Work in the factory is organized on the principle of individual norms. The shift leader gives “performances” (norms) which the worker has to meet that day and it is written on a tablet above the head of each worker. Workers punch the number of processed clothing pieces into the tablet. Since the norm is set according to the fastest worker, some of the interviewed workers who are younger state that they sometimes slow down on purpose in a little act of solidarity – so that the shift leaders wouldn’t raise the norms for other women when they see how much one can do. An acceptable performance is around 60% of the norm, and if it falls below 40%, a worker receives a warning and is called in for a “chat” with management, where she receives threats of termination and is moved to a harder position, which makes it even harder for her to reach the norms. Workers state that it is difficult to reach and maintain the required performance levels because of constant breakdowns of the machines (while they wait for the repairman to come and fix it, their time keeps ticking and their performance drops because they aren’t “punching in the pieces”).

*“I look over 1,200 pieces daily in preparation, 600 pieces on the line. If I punched in (registered on the tablet which measures performance) 1,500 to 2,000 then the boss would push me to 3,000, but I don’t do that because of the other women.”*

*“The shift leader has me push out 1,200 pieces today. If I do it, tomorrow she will raise it to 1,300 pieces. The day after, my machine breaks, I only get through 600. She says, ‘you don’t want to work on purpose, let me raise your quota for 1,500.’ The shift leader won’t tell the bosses that we have malfunctions on the machine but tells them that the women got lazy.”*

<sup>54</sup> Value in euros according to Oanda, July 1st, 2024.

<sup>55</sup> Value in euros according to Oanda, July 1st, 2024.

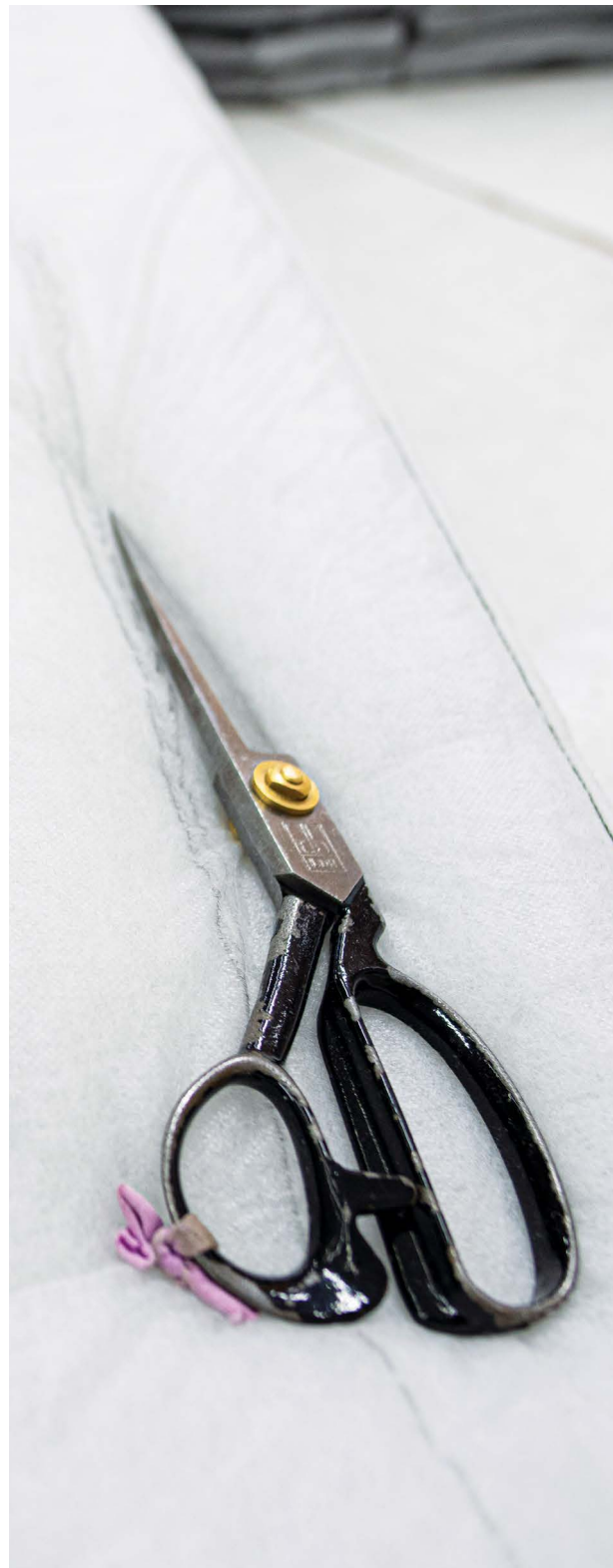


Most respondents were very unsatisfied with occupational safety and health in their workplace. The main problems they list include inadequate temperatures in the work area, especially in the summer, too much dust, noise, and stuffiness. Respondents also complain about the lack of sanitary fixtures and inadequate hygiene in the toilets. The most common physical health consequences are fainting, nausea, vomiting, headaches (from the heat and stuffiness), back pain and swollen legs (from standing for hours), sewing through fingers or cutting with scissors (because of lack of concentration due to exhaustion). Some of the respondents state that their mental health also suffers due to the constant pressure to reach norms, insults, and threats of contract termination. In the factory there is no doctor or clinic, check-ups are also not provided. Occasionally, there is a need for an ambulance to intervene (especially in the summer due to fainting), but the employer does not allow it.

Four out of ten respondents state that they witnessed situations of age-based discrimination in which younger workers had better treatment than older ones. All ten respondents state that they themselves were victims of harassment or witnessed harassment of their colleagues, on the part of management or the shift leaders (the direct supervisors). That harassment is most commonly in the form of insults, belittling, demeaning, shouting, and a third of respondents state that they witnessed sexual harassment of workers on the part of those employed in management.



*“One of the foreign managers was constantly moving around one worker, making comments and touching her in passing. She wanted to begin proceedings against him, but they said that they would sue her for false accusations and after that we didn't see her. I think that she got fired.”*



They state that the temperature in the factory in the summer is over 40 degrees Celsius, but that is their estimate because the temperature in the plant always shows 27 degrees Celsius. The workers suspect that the thermometer is set to not show the real temperature. Two respondents state that they spend their money to keep cool, buying small ventilators in Chinese shops.

## RECOMMENDATIONS TO COMPANIES

- ! Increase basic wages and provide workers with a living wage.
- ! Allow workers the right to a limited working time and, if there is a continuous need for overtime work, employ additional labour force.
- ! Norms must be defined in accordance with the average achievements that the majority of workers fulfill, not in accordance with the immediate needs of the company.
- ! Increase investments in the work environment and occupational safety and health standards.
- ! Respect the right of employees to trade union organizing and respect collective bargaining.
- ! Create a safe place for workers to share their thoughts, and an atmosphere in which their objections and suggestions for improving the work relationship will be taken into account.
- ! Create space for dialogue with suppliers and subcontractors on manufacturing conditions within the framework of the supply chain.

## RECOMMENDATIONS TO THE GOVERNMENT OF THE REPUBLIC OF SERBIA

- ! Increase the minimum cost of labour so that wages truly can meet basic social and existential needs of workers and their families.
- ! Facilitate the adjustment of the minimum wage twice a year, which at a time of fluctuating inflation is particularly important.
- ! Abandon the concept of the minimum consumer basket, particularly as a parameter for defining the amount of the minimum wage. Instead of that, implement a calculation for a living wage as a standard for measuring the level of a decent income which meets people's basic needs.
- ! Particularly strengthen the legal protections for union representatives.

*"In the winter we sit and work in our coats. The women get sick, they don't go on sick leave to avoid drops in performance, they come to work with high fevers, they cough, drink medicine on their own, they don't go to the doctor so they don't get sick leave and lose the attendance bonus."*

*"When a woman faints, they won't let the ambulance come so that people wouldn't hear. They ask which one of us has been to first aid courses, to help revive her. If that doesn't work, they call a taxi to take her home, so she can call an ambulance on her own, if she wants."*



