



Gender, Labour and Precarity in the South East European Periphery: the Case of Textile Workers in Štip

Research Article

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Gender, Labour and Precarity in the South East European Periphery: the Case of Textile Workers in Štip

Chiara Bonfiglioli*

The paper investigates the living and working conditions of textile workers in the city of Štip (Macedonia). The textile industry was highly developed during socialist times, but underwent a process of decline after the Yugoslav break-up. While it still represents a relevant economic sector for post-socialist Macedonia, the textile industry is highly dependent on outsourced orders from Western Europe. Local workers' living and labour conditions, therefore, are affected by the global 'race to the bottom' for production costs that is typical of the garment industry. On the basis of a series of interviews conducted in Skopje and Štip with workers and factory owners, the article argues that contemporary working conditions in the Macedonian textile industry are characterised by poor labour rights, gender discrimination and widespread precarity. In contrast to the current circumstances, working and living conditions during socialist times are positively remembered by workers, who claim that their social status and living standards have deteriorated in the course of the last twenty years. This narrative of precarity is also partially shared by local entrepreneurs, who emphasise the global and local obstacles that hinder the development of the textile industry in Macedonia.

Keywords: Macedonia, textile industry, labour, gender, precarity

Introduction

This paper investigates the transformations of the textile industry that occurred in the post-Yugoslav region in the last twenty years, and their effects on workers' rights, on the basis of the case study of the Republic of Macedonia. The textile industry represented a relevant economic sector in Yugoslavia during socialist times, covering approximately 12% of total manufacturing in the 1970s. In the 1980s Yugoslavia "was among the world's leading producers of textiles and wearing apparel."¹ Yugoslav fashion brands were sold both locally and internationally,

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¹ Hanzl-Weiss, Doris 2004. Enlargement and the Textiles, Clothing and Footwear Industry. *World*

and the industry employed hundreds of thousands of workers, predominantly women, contributing to the industrialisation of rural peripheries. Textile factories – similarly to other factories – were not only production centres, but also centres of community life, especially in peripheral towns.² Factories also operated as social security providers. Job security was a crucial feature of the socialist welfare system, and the workplace “was a key access point to social benefits including social security and healthcare.”³ Employment became a crucial means to access wages, social insurances, healthcare, cheap housing and paid holidays, which were also subsidized through the construction of specific holiday resorts for factory workers. As Woodward notes, during socialism “the employment status defined the identities, economic interests, social status and political loyalty of Yugoslav citizens. One’s place of work was the center of one’s social universe.”⁴

The socialist welfare regime also produced very specific gendered effects. Socialist authorities promoted an idea of women’s equality that was strictly related to women’s participation in the labour market. At the same time, women’s simultaneous status as mothers and caretakers was recognized by the state and “socialized” through a number of welfare arrangements. Scholars of post-socialist countries have defined these welfare measures as the “working mother” gender contract.⁵ In Yugoslavia, women gained access to free healthcare, free abortion, free education, extended paid maternity leave for up to a year, canteens and childcare facilities in the workplace, and shorter working hours to take care of small children. These services, however, were not evenly developed across the country, and women’s employment rates in Yugoslavia in the 1970s and 1980s were closer to Western Europe than to Eastern Europe, scoring around 33% of the total workforce, with significant differences between Yugoslav republics.⁶

Women’s access to the labour market was dramatically curtailed in the 1990s and 2000s, when the post-Yugoslav region underwent a process of “re-peripheralisation” and “de-development.”⁷ The textile industry, which was

Economy 27(6), 932.

² See Vodopivec, Nina. 2012. On the Road to Modernity: Textile Workers and Post-Socialist Transformations in Slovenia. *History* 97(328), 609-629; Vodopivec, Nina. 2010. Textile Workers in Slovenia: From Nimble Fingers to Tired Bodies. *Anthropology of East Europe Review* 28(1), 165-183. See also Jambrešić-Kirin, Renata and Marina Blagaić. 2013. The Ambivalence of Socialist Working Women’s Heritage: a Case Study of the Jugoplastika Factory, *Narodna Umjetnost* 50(1), 40-73.

³ Deacon, Bob. 2000. Eastern European Welfare States: The Impact of the Politics of Globalization. *Journal of European Social Policy* 10(2), 147.

⁴ Woodward, Susan L. 2003. The Political Economy of Ethno-nationalism in Yugoslavia, *Socialist Register* 39, 76.

⁵ See Einhorn, Barbara. 2006. *Citizenship in an Enlarging Europe. From Dream to Awakening*. Basingstoke: Palgrave Macmillan; Hormel, Leontina M. 2011. A Case Study of Gender, Class, and Garment Work Reorganization in Ukraine. *GENDER. Journal for Gender, Culture and Society* 1, 10-25; Zhurzhenko, Tatiana. 2001. Free Market Ideology and New Women’s Identities in Post-Socialist Ukraine. *European Journal of Women’s Studies* 8(1), 29-49.

⁶ Woodward, Susan L. 1985. *The Rights of Women: Ideology, Policy and Social Change in Yugoslavia*. In *Women, State and Party in Eastern Europe*, eds. Wolchik, Sharon L. and Meyer, Alfred G. Durham: Duke University Press, 245.

⁷ Schierup, Carl Ulrik. 1992. Quasi-Proletarians and a Patriarchal Bureaucracy: Aspects of Yugoslavia’s Re-Peripheralisation. *Soviet Studies* 44(1), 79-99; Meurs, Mieke and Rasika

traditionally a “woman’s industry,” was particularly affected by this process of economic decline. Many textile firms ceased to operate as a result of the collapse of the internal Yugoslav market and of the privatisation process. The privatisation of the previously socially owned textile industry was characterized by shady agreements, mismanagement and corruption. Besides the loss of jobs, many workers found that they could not claim back decades of social contributions or years of unpaid wages during transition times as a result of the bankruptcy of their firms.⁸ Trade unions, which traditionally were integrated within state structures during socialist times, did not manage to offer significant resistance, and membership rates plummeted as a result of deindustrialisation.⁹

In the textile sector, the closure of previously socially owned factories has been accompanied by high unemployment and by a growth in informal and irregular textile labour. At the same time, private companies have been created, and the textile industry is still relevant in post-Yugoslav states. In Croatia (4.4 million inhabitants), textile and clothing producers employ approximately 20,000 people. Similar numbers are also employed in Slovenia (2 million inhabitants) and Bosnia-Herzegovina (3.7 million inhabitants). The greatest textile production is taking place in Macedonia (2 million inhabitants), with around 40,000 employees in the leather, clothing and textile sector, as well as in Serbia (7 million inhabitants) with around 30,000 workers. The textile sectors in Kosovo and Montenegro are very small and oriented towards the internal market.¹⁰

During socialist times, textile factories were producing both “full package” collections for the internal and external market, as well as outsourced *lohn* production for export. In post-socialist times, state and private firms are, instead, mainly exporting garment products to Western Europe through the *lohn* system. The *lohn* system - or OPT (Outward Processing Trade) process – functions on the basis of the outsourcing of the labour intensive phases of production. Western partners send the textile material and the local factories carry out the sewing and finishing phases.¹¹ This particular system started in the 1970s and was further developed in the 1980s, with West Germany outsourcing its production to East Germany or Yugoslavia. The system expanded considerably in the 1990s, as a result of the tariff and custom

Ranasinghe. 2003. De-Development in Post-Socialism: Conceptual and Measurement Issues. *Politics & Society* 31(1), 31-53.

⁸ Stambolieva, Maria and Stephen Dehnert (eds). 2011. *Welfare States in Transition. 20 Years after the Yugoslav Welfare Model*. Sofia: Friedrich Ebert Foundation.

⁹ Musić, Goran. 2013. *Serbia's working class in transition, 1988-2013*. Belgrade: Rosa Luxemburg Stiftung.

¹⁰ I am combining numbers quoted in the most updated press releases and in textile trade reports, as systemic data on different post-Yugoslav states is not available and numbers of employees in the industry are fluctuating every year. For data on Macedonia, see the official website *Invest in Macedonia*. (accessed: 13 May 2014).

¹¹ See Musiolek, Bettina. 2000. Tools for Enforcing Labour Rights and Ensuring Corporate Social Responsibility in the Garment Sector: The South-East European Context. *SEER- South-East Europe Review for Labour and Social Affairs* 3(3), 123-135; Musiolek, Bettina. (ed.). 2004. *Made in... Eastern Europe. The new fashion colonies*. Berlin: Stiftung Menschenwürde und Arbeitswelt/Fondation des Droits de l'Homme au Travail.

protection put in place by the EU towards CEE and SEE countries.¹² With time, this produced Eastern and South Eastern Europe's increasing dependency on Western markets, transforming the region into "a sewing shop for the EU."¹³

Together with low labour costs, the proximity of Eastern and South Eastern Europe to Western Europe constitutes a significant competitive advantage when it comes to delivery times, whose speed is regulated by consumption cycles. The delivery times of Eastern and South Eastern Europe are considerably faster than those from China or South East Asia. At the same time, since the 2005 WTO trade agreement on textile and clothing, the trade of textiles and garments from the global South to the global North has been considerably liberalized, leading to increased competition from Asia.¹⁴ Local manufacturers in Eastern and South Eastern Europe, therefore, are pressured to accept the conditions imposed by Western clients, and respond to the global competition over market prices by pushing salaries down.¹⁵

These interrelated processes have had devastating consequences on textile workers across the former Yugoslavia. The destruction of the state industry, widespread unemployment and lack of job certainty have pushed textile workers to accept lower wages and poorer working conditions in newly founded private companies. In this paper, I am going to focus on the Macedonian textile industry, and particularly, on the case study of Štip, a textile city located in Eastern Macedonia, which was an important centre of textile production during socialist times and remains a relevant textile hub in the present days. On the basis of a series of interviews with workers and factory owners conducted in Skopje and Štip in February 2013,¹⁶ and on the basis of a wide array of secondary literature, I argue that working conditions in the Macedonian textile industry are characterized by poor labour rights, gender discrimination and widespread precarity.

Textile workers, as I will show, describe post-socialist transition as a prolonged crisis, which turned workers – and particularly women workers – into precarious subjects subjected to exploitation. Interestingly, this narrative of precarity is partially shared by factory owners. While local entrepreneurs are keen to downplay workers' complaints and social conflict in order to promote a "better image" of the industry, they also emphasize the pressure of global price competition, the dependency from foreign partners, and the lack of state

¹² Bohle, Dorothee. 2006. Neoliberal Hegemony, transnational capital and the terms of EU's eastward expansion. *Capital & Class* 30(1), 69.

¹³ Musiolek, *Made in... Eastern Europe*, 16.

¹⁴ Smith, Adrian / Pickles, John / Begg, Robert and Poli Roukova. 2005. Outward processing, EU enlargement and regional relocation in the European textile and clothing industry: reflections on the European Commission's communication on 'The Future of The Textiles and Clothing Sector in the enlarged European Union.' *European Urban and Regional Studies* 12(1), 83-91.

¹⁵ See Clean Clothes Campaign, *Workers' Voices: The Situation of Women in the Eastern European and Turkish Garment Industries*. (accessed: 13 May 2014).

¹⁶ In Skopje and Štip I conducted three in-depth interviews with women textile workers of different generations, as well as with two factory owners and a government representative. I also conducted informal talks with local citizens who have relatives working in textile factories, as well as with factory owners and factory employees at different levels of management (both men and women). All names quoted in the article are pseudonyms.

support for the local textile industry, which makes entrepreneurship in textile difficult and uncertain.

1. Textile production in post-socialist Macedonia: the case of Štip

The town of Štip, located in Eastern Macedonia with a population of 50,000 inhabitants, became a relevant textile centre during socialist times. The whole region was known for its production of silk, cloth and laces in the 19th and early 20 century. Štip's main *kombinat* – that is, a colossal textile complex combining different production processes for yarn, raw fabrics and finished products – was the Makedonka factory, which employed several thousand workers, predominantly women. The overwhelming presence of women in the garment industry is determined by gender stereotypes when it comes to the evaluation of women as work force. Women are associated with “nimble fingers” and docility, and are considered more suitable for monotonous work.¹⁷ In socialist Yugoslavia, gendered stereotypes about women workers and their “female nature” were very much present, and women tended to be concentrated in “light” industries such as the textile industry.¹⁸

The Makedonka factory was created in the early 1950s as a result of the industrialisation drive, and their products were mainly sold on the internal market. A centralized heating system and a railway line were included in the Makedonka complex. Cotton was produced in Macedonia until the 1970s, but in the 1970s and 1980s cotton was mainly imported from countries that were allied with Yugoslavia through the Non-Aligned Movement, such as India and Egypt. Weaving plants and apparel producers linked to the Makedonka complex were gradually built in Štip and the surrounding towns and villages to absorb the great number of unemployed people living in the region. Makedonka included a restaurant for the workers serving one free meal per day, discount stores, childcare facilities (mainly in the 1960s), a library, and a choir that performed around town. The factory also provided housing for its workers, through a complex of apartment buildings. Makedonka also provided holiday facilities on the shores of Lake Ohrid, a summer resort on the mountain Plachkovica, and a hotel at Lake Dojran. The workers could make use of the hotel resorts for symbolic prices. Workers could also take interest-free credit and advances on their wages for a variety of purposes.¹⁹ The other main factory for the production of ready-made garments, Astibo, was founded in the 1960s, and employed thousands of workers in Štip and the surrounding villages. In the 1970s, Astibo became the main producer of casual apparel in Yugoslavia, with 60 shops all over the country. In the early 1980s, Astibo had 3,700 workers, and the factory had grown so much it included “a health care institution (*zdravstvena stanica*), a restaurant, and a day care centre for employees’ children (*detska ustanova*).” The health care institution also had “a unit for gynaecological treatment offering, among others, counselling about the

¹⁷ Elson, Diane and Ruth Pearson. 1981. 'Nimble Fingers Make Cheap Workers': An Analysis of Women's Employment in Third World Export Manufacturing. *Feminist Review* 7, 93.

¹⁸ Mežnarić, Silva. 1985. Theory and Reality: The Status of Employed Women in Yugoslavia, in *Women, State and Party in Eastern Europe*, eds. Wolchik, S. L. and Meyer, A. G. Durham: Duke University Press.

¹⁹ Center for Research and Policy Making. 2005. *The History of the Macedonian Textile Industry with a Focus on Shtip*. (accessed: 13 May 2014), 18.

use of contraceptives, a lab, a paediatrician, and a dentist unit.” The company also built houses for its workers in Štip.²⁰

When looking at factory magazines from socialist times, it becomes clear that these services were not always provided in an optimal manner. Complaints about the quality of childcare facilities, or about the food in the canteen, were common. Workers often complained of low wages and the impossibility to afford summer holidays, especially from the mid-1980s. The flats provided by the factory were also not sufficient and there were long waiting lists. When it comes to domestic work, women were the ones in charge of reproductive labour, and had difficulty reconciling waged labour with family duties.²¹ Despite its limits, however, the degree of social security that existed during Yugoslav times came to be seen as desirable when compared to the period of crisis, war, economic instability, de-industrialisation and widespread poverty that followed. In the case of textile workers, the post-socialist, post-conflict transition entailed a dramatic deterioration of social rights and labour and welfare standards.

The decline of Makedonka and Astibo already began in the 1980s, when the two factories were increasing production through the *lohn* system for foreign partners. The disintegration of the Yugoslav market in the 1990s, and the impossibility to make financial claims throughout Yugoslavia, brought Makedonka to a deeper crisis. A restructuring program was inaugurated in the early 1990s, and workers were laid off in different waves. The privatization process started in 1995, and eight different entities were created from eight different departments of the factory. These entities, however, did not recover and, in 2000, the government started a bankruptcy procedure. Several attempts of privatization of the whole complex failed, and the company was put into liquidation and sold piece by piece from 2001 onwards. Many costly machines were disbanded and stolen, or sold as scrap metal. Since 2003, private owners created several small companies on the premises of Makedonka. Many buildings from that complex, however, are in ruin nowadays. The Astibo complex, instead, was bought by a consortium of enterprises in 2002, and its main building was fully renovated.²²

Several small textile firms (*konfekcije*) appeared in Štip during the transition period. A 2005 report lists 58 firms, employing some 5,600 workers on the premises of formerly socially owned enterprises (but workers currently mention the data of 8,000 employees). This amounts to 45% of those employed in the city.²³ Logistics, transport companies and intermediaries related to the business have also developed since the transition. Women are mainly employed in textile factories in Štip, while men are driving taxis or working in the logistics sector. Recently, however, men who could not find other professions

²⁰ Center for Research and Policy Making, *The History of the Macedonian Textile Industry*, 23.

²¹ See notably the collection of the factory magazine “Makedonka: bilten na Pamučna industrija ‘Makedonka,’ 1955-1990. Available at the National Library of Serbia, Belgrade. An inquiry published in the Makedonka bulletin in 1959 wondered how was it possible for women to show up for productive work at all, seen that they needed on average 1.5 hour for shopping, 2 hours for cleaning, 3 hours for washing and cooking, and 3 hours for child rearing.

²² Center for Research and Policy Making, *The History of the Macedonian Textile Industry*, 25-36.

²³ Center for Research and Policy Making, *The History of the Macedonian Textile Industry*, 37.

have also started to look for work in textile factories. Men are also to be found among the owners of the private textile plants. They are often the previous directors of state plants, who have built their careers as private entrepreneurs. The factories in town are mainly producing garments for the Western market through the *lohn* system. Štip is one of the main centres of the Macedonian textile industry, which employs 34% of total employees in the manufacturing sector, that is, 6.7% of all jobs in the country according to the State Statistical Office.²⁴ The industry represents “more than one third of the total exports, as well as more than one third of the employed population in the manufacturing sector accounted for the textile industry.” It only creates, however, 3% of the national GDP.²⁵ The main export clients are Germany, Greece, Holland, UK, Italy, USA, Serbia, Montenegro, Turkey, Croatia and Belgium (with Germany and Greece accounting for 51% and 19% respectively).

As opposed to other cities in former Yugoslavia, such as Leskovac (Serbia), where textile production has completely declined, Štip is presented as a success story of post-socialist privatisation in policy-making documents.²⁶ Textile workers’ living conditions, however, challenge this optimistic image. The exploitative conditions of workers in the Macedonian textile industry have been the object of a recent report commissioned by the Clean Clothes Campaign, an international alliance of labour rights organizations, unions and NGOs that are campaigning for the respect of workers’ rights in the garment industry. The report took into consideration Macedonian factories (mostly located in Štip) producing work wear for the army and for well-known airlines in Germany, Austria and Switzerland. The report highlighted multiple violations of human and workers’ rights: poverty wages that are 19% of a living wage, forced overtime with Saturdays as “normal” working days, short-term labour contracts, health concerns and lack of trade union representatives.²⁷

This situation is common throughout the country. Another report on Macedonia published by the Fair Wear Foundation documented excessive work and low wages, and noted that workers are often forced to work overtime according to the urgency of external orders.²⁸ The report also highlighted the unsafe conditions of most textile factories, where workers have to bear peaks of heat and cold due to the absence of air conditioning or heating. According to data given by the Macedonian Ministry of Labour, serious injuries at work have been numerous in the last years: 112 in 2004, 115 in 2005, 160 in 2006, 176 in 2007 (with 18 deaths in both 2004 and 2007).²⁹ Journalist Natasha Dovoška reported the case of a woman, Marijana Stojcevska, 40 years old, who died after 13 hours of consecutive work at a machine in a Greek factory located in Bitola

²⁴ Fair Wear Foundation. 2010. *The former Yugoslav Republic of Macedonia. FWF Country Study*. (accessed: 13 May 2014), 12.

²⁵ Veselinova, Elena and Marija G. Samonikov. 2013. The Role and Importance of the Textile Industry in the National Economy of the Republic of Macedonia: Share of GDP, Exports and Employment. *Journal of Process Management - New Technologies* 1(3), 1.

²⁶ See, for instance, European Stability Initiative. 2007. *The Cost of Non-Europe. Textile Towns and the Future of Serbia*. Discussion paper. (accessed: 13 May 2014).

²⁷ Clean Clothes Campaign/Network Wear and Setem. 2012. *Made in Europe. Swiss, Austrian and German Workwear Suppliers Profit from Macedonian Workers’ Poverty and Fear*. (accessed: 13 May 2014).

²⁸ Fair Wear Foundation, *Macedonia country study*, 2010, 27.

²⁹ Fair Wear Foundation, *Macedonia country study*, 2010, 28.

in the summer of 2007. The owner of the factory prevented the doctor from entering the factory and issuing a certificate of death. In another factory in Kocani, six seamstresses were brutally attacked by an owner for asking for late salaries. They were working more than ten hours for 4-5 euros a day, producing garments for luxury brands. In another instance, thirty workers were locked in a factory in Prilep to finish an order for export.³⁰

Gender discrimination is apparent since textile workers in Macedonia are 85% women, and wages in this sector are around one third of wages in other industrial sectors. The nation-wide minimum wage for textile workers in Macedonia, 102 euros, is even lower than the nation-wide net minimum wage of 131 euros, established in 2012. The minimum wage in textile, clothing and leather manufacturing will be harmonised with the minimum wage in other sectors only in 2015.³¹ Women often rely on subsistence agriculture to supplement their low wages, and this further increases their working hours.³² Another recent ILO report on the gender pay gap in Macedonia points at the role played by gender in the stratification of poverty and inequality in the country; not only are women's employment rates much lower than men, but women also "tend to be concentrated in sectors closely related to the tasks they perform in households (social work, health care, education and, within manufacturing, the textile sector). The work they perform is often undervalued. Women are overrepresented in the textile sector, where international competition is fierce, working conditions are often very poor and workers often work overtime."³³ The union density in the textile sector, moreover, is extremely low, around 9% (as opposed to 78% in education, 50% in the metal industry, and 30% in construction). This indicates "the deterioration of women's wage bargaining power as they account for the bulk of employment in this sector."³⁴ Moreover, as noted by the Fair Wear Foundation report, workers' right to strike in Macedonia is severely limited.³⁵ Workers' rights are also limited by the fact that many of them work in the informal sector, that is, their social contributions are not paid. According to the Ministry of Labour and Social Policy, undocumented workers are 10-15% of total textile employees.³⁶ The precariousness, and daily struggle for survival, of textile workers in Štip is far from being an exception in Macedonia. As Saveski noted, working conditions across the country have considerably worsened in the last twenty

³⁰ Dokovska, Natasha. 2007a. *Textile Workers in Macedonia Exploited. The Wip*. (accessed: 13 May 2014); Dokovska, Natasha, 2007b. *Sweatshops Producing Big Western Brands in Macedonia Continue Unchecked Leaving Twenty Women Dead This Summer. The Wip*. (accessed: 13 May 2014).

³¹ Saveski, Zdravko / Artan Sadiku and Kire Vasilev. 2013. *Wealth and Poverty in Macedonia. The development 2008 to 2012*. Paper at the conference Wealth concentration and increasing poverty: trends, root causes and perspectives, Athens, 18-21 April 2013, 10.

³² Clean Clothes Campaign. Network Wear, Setem. *Made in Europe*, 9.

³³ Kazandziska, Milka / Risteska, Marija and Verena Schmidt. 2012. *The Gender Pay Gap in the Former Yugoslav Republic of Macedonia*, ILO Decent Work Technical Support Team and Country Office for Central and Eastern Europe. Skopje: ILO, 33.

³⁴ Kazandziska, Risteska, and Verena Schmidt, *The Gender Pay Gap*, 4.

³⁵ Fair Wear Foundation, *Macedonia case study*, 14.

³⁶ Veselinova, Elena and Marija Gogova Samonikov. 2013. *The Role and Importance of the Textile Industry in the National Economy of the Republic of Macedonia: Share of GDP, Exports and Employment. Journal of Process Management - New Technologies* 1(3), 6.

years, not only for textile workers, but for all categories.³⁷ The amendments made to labour laws in Macedonia in the 1990s and 2000s – allegedly aimed at making the country more competitive for foreign investment – have considerably disempowered workers. As an anonymous legal adviser told *Businessweek* in relation to the labour reform of 2008:

*“Employers can do pretty much anything they want with their employees for a lot of reasons, one of which is the huge unemployment rate. That creates a situation in which anybody is seen as easily replaceable, regardless of his personal qualities.”*³⁸

Often presented as a success story of neo-liberalism and privatisation in the region of former Yugoslavia, Macedonia is, in fact, one of the most unequal countries in Europe.³⁹ 28.7% of Macedonian people live below the national poverty line⁴⁰ and the unemployment rate is over 30% since 1994 (men’s official employment rates are of 52.3 % while only 30.3% of women are employed).⁴¹ An increasing number of people in Macedonia, as noted by Novoska, are “unemployed, discouraged, underemployed and with low pay,” with low skilled workers and women being most hardly hit by the transition.⁴² Workers in the textile industry were particularly affected, as employees in the industry are generally women with primary or secondary education. In the next section I will analyse textile workers’ subjective accounts of post-socialist transition in Štip. These accounts are emblematic of the processes of economic and social precarisation that have affected the Macedonian society in the last twenty years.

2. Socialist security, post-socialist precarity: workers’ voices

Among textile workers living in Štip, feelings of precarity, social uncertainty and injustice are widespread. My interviewees recall the shock of post-socialist transition, and the material and subjective difficulties it entailed. In the case of Nada, a textile worker in her forties, the 1990s represented a traumatic period. When her parents lost their jobs at the Makedonka plant, Nada had to leave Skopje, where she was studying English literature at the university, and look for work back in Štip. She found a job in a private textile factory, thanks to her knowledge of English, and acted as an intermediary with foreign clients. Nada supported her parents with her salary for eight months, until they found work again in the private sector. Working conditions in the 1990s were particularly exploitative, since the new entrepreneurs took advantage of political

³⁷ Saveski, Zdravko. 2005. The process of the reduction of workers’ rights in Macedonia in the period 1993-2003. *SEER- South-East Europe Review* 2, 95-109.

³⁸ Grozdanovska, Ljubica. 2008. Macedonia’s New Controversial Labor Law. *Businessweek*. Available at: <http://www.businessweek.com/stories/2008-12-30/macedonias-controversial-new-labor-lawbusinessweek-business-news-stock-market-and-financial-advice> (Accessed: 13 May 2014).

³⁹ The inequality between wealthiest and poorest incomes is staggering: the highest salary of top managers in 2011 was 630 times higher than the minimal wage of 131 euros. Saveski, Sadiku and Vasilev, *Wealth and Poverty in Macedonia*, 11-15.

⁴⁰ Statistical office data 2008 – quoted in Fair Wear Foundation, *Macedonia case study*, 21.

⁴¹ Source Eurostat 2013 – quoted in Saveski, Sadiku and Vasilev, *Wealth and Poverty in Macedonia*, 8.

⁴² Novkovska, Blagica. 2008. *Measuring non-standard and informal employment in the Republic of Macedonia*. Paper at Measurement of informal employment in developed countries WIEGO, Kennedy School of Government, Harvard University, 31 October–1 November 2008, 1-2.

uncertainty and poorly defined legal regulations at the expense of the workers. As Nada recalls:

“There was a time in which there was not much respect and they [the owners] used it very well. They earned a lot of money and people worked very hard.”

Many workers were not legally registered, thus, lost several years of social contributions and did not benefit from annual leave and sick leave. Nada herself lost four and a half years of social contributions.

At the end of the 1990s, Nada recalled always being at work, to the point that she did not realise she was four months pregnant until she fainted in the factory. Initially, she attributed the lack of menstrual cycle to the irregular working and eating schedule she followed: *“I was four months pregnant! And I didn’t know. I cried a lot. It was such a rush, we were always at work.”* Overtime work and low wages are common in the textile industry, and workers feel exposed to the demands of the bosses. To quote Nada once again:

“This is not a career, you cannot call it a career, it’s very heavy work. You always work, curb your head, and do what they tell you to do. The problem here is, the owners are careless, and they will tell you, ‘this should be finished’, they don’t care about sickness and neurological disorders, if the nerves leave you. And on the other hand they will always find some trick to diminish your wage.”

Beside workers’ low wages, the competitiveness of the textile industry in South-Eastern Europe is largely due to its proximity to Western Europe, and to the fact that small quantities of garments can be ordered and produced relatively quickly. As advertised by the official website *Invest in Macedonia*, one of the competitive advantages of the Macedonian industry is “high flexibility and readiness to adapt to the demands of foreign markets.”⁴³

The working time in textile plants, thus, is largely dictated by the speed and quantity of the orders from abroad. All over Štip, one can hear complaints about the length of working days in textile plants. According to textile workers, working rhythms are often very strenuous since many factory owners promise unrealistic results to foreign partners, and are not able to calculate the real productivity of labour in relation to the work force capacity. Workers are often working during weekends to finish orders. Ana, a quality controller in a private factory who is in her thirties, recalled one recent instance in which she had to work the whole weekend, nights included:

“On Saturdays you cannot plan anything, you work till seven pm, or eleven pm, we had moments in which we had to work until four in the morning. Four in the morning! Meaning, you wake up at six in the morning and work the entire day, until four the next day! There was some order to finish, we had to pack, then we had some problems and so on.”

⁴³ <http://www.investinmacedonia.com/node/25> (last accessed 13 May 2013).

Workers today often compare current working conditions with the working conditions of their parents' generation. The working week, for instance, was much shorter in socialist times. As recalled by Nada:

"My parents used to work eight hours, every day, until Friday. When there was a night shift, it was paid extra. And they had a kitchen in their factory, they could eat there (...) Everything was different, it was easier. On Saturdays they were home! They did not work, and on Sundays as well. Sunday was a day of rest from work."

The social rights connected to workers' status under socialism are often compared to the lack of social rights experienced after the transition. The possibility of access to summer holidays, a symbol of socialist popular culture (Grandits and Taylor, 2010), is also evoked as a privilege of older generations. While workers at Makedonka and Astibo could access holiday resorts for token prices, summer holidays today have become unaffordable for most workers. Moreover, even if textile workers are formally entitled to 21 days of annual leave, employers discourage them from taking holidays during the summer, when production levels are very high, and tend to give few days of annual leave during March or September-October, during the mid-fashion season. Ana, for instance, decided to take a holiday in summer, and the result was a wage cut:

"Last year my boss gave me 5 days but not together, first 3 then 2 days free. And when I wanted to go on holiday with my family in August, I said I wanted to go and I have to go, to take my children on the seaside or the lake, and they took away 100 euros from my salary. Ok go, but it will not be paid. So my wage was 100 euros less! They do not respect workers' rights."

Another social right that is scarcely respected is the right to maternity leave for women workers. Formally, workers are entitled to nine months of paid maternity leave, extendable to twelve months in case of the birth of more than one child. From 1998 onwards, however, the law has been amended and an employee can come back to work, if she wishes, before the termination of her maternity leave. This amendment is presented as a worker's right, but in fact, means a "backdoor right for employers to exert pressure on their female employees to return to work prior to the termination of the maternity leave period."⁴⁴ In the case of my informants, maternity leave was not always paid. While Ana had no problems in obtaining her leave, Nada, for instance, was told that she could take six months of leave, but without pay, "*since there is no law on that, until the law comes out. Then we will give you that in two rates.*"

Women have trouble reconciling paid work and family duties, particularly due to overtime work. The lack of public childcare infrastructure also contributes to the precarity of women workers. Intergenerational solidarity is widespread: while older women help their daughters or younger female relatives with childcare, younger women are generally taking care of the elderly and of the ill. In the case of Nada, she could count on her mother-in-law for childcare, while Nada took care of her when she became ill. On the other hand, her mother Vera took time off work to take care of her husband's mother before she died. Intergenerational solidarity is also used for housing purposes, since the

⁴⁴ Saveski, *The process of reduction of workers' rights*, 99.

parents' generation had access to housing more easily during socialist times, and could help younger couples with housing, as in the case of Nada, who swapped her smaller apartment with her parents' larger one. Older relatives' pensions and houses are often crucial to the survival of entire families in Štip. Family networks are a form of "social capital," against the loss of social security, and are a characteristic element of post-socialist transition (Daskalova et al. 2012).

The sense of precarity is also very strong among women from the older generation, who used to work at the Makedonka factory. Older women often face unemployment and a devaluation of their position, as in the case of Vera, Nada's mother; in her early sixties, once administrator in Makedonka, she managed to find work in a private company where she is now performing very heavy work through a textile press machine. Vera compared her living standards in socialist and post-socialist times as follows:

"I could, at that time, take care of two daughters with two wages from "Makedonka", have two flats, and go to holiday...today I cannot. Today we work – I, my husband, my daughter and her husband – and we have only two kids [her nephews], and we cannot. I get a fixed wage of 12,000 denars (200 euros). 5,800 denars I have to pay this month for the electricity bill. That is 50% of what I earn! Until 1993 I got 700 marks, as if I would get now 350-400 euros. I could have taken a credit to buy a whole kitchen, pay it back in a year and I would not feel it. But now I cannot. I cannot buy anything, a television, nothing."

Generally, living standards and working conditions experienced during socialism are remembered in positive terms, since textile workers were rewarded with higher social security and with greater status. Workers' wages were sufficient to guarantee good living conditions and workers felt rewarded through other benefits. Nowadays, workers instead feel that they receive little in exchange for their hard work. Vera, for instance, states that she works "like a horse," but without receiving a proper wage. "I work and I like to work. But this is not important. What's important is that I cannot get to the end of the month with my wage." Other factors of precarisation are the lack of job security, the inability to claim years of wages and social contributions due to bankruptcy, the closing of factories, and the postponement of retirement age. Women like Vera, who started working very young, have to, nonetheless, work until 62 years old, whatever their social contributions (*radni staž*). As a result of the decline of the textile industry, many women lost their jobs in their 50s, when they were too old to be hired again and too young for retirement. In Macedonia, and the Western Balkans more generally, entire generations lost their industrial jobs without being old enough for retirement and are at great risk of poverty. "There is an army of unemployed over 50s across the Balkans, an entire generation who suffered the economic fall-out of war, the collapse of the former Yugoslavia and the brunt of their countries' transition from socialist economies to capitalism."⁴⁵

⁴⁵ Matić, Ružica. 2011. *Older Workers Pay Dearly for Balkan Privatisation*. BIRN. (accessed: 13 May 2014).

3. The employers' side: the local effects of global competition

Narratives of textile workers in the Macedonian town of Štip, as shown in this article, emphasise feelings of precarity, social uncertainty and injustice. Workers compare present working and living conditions to the work security and social rights experienced before transition. The loss of social status, purchasing power and a wide array of social benefits connected to factory employment contribute to shaping their negative feelings towards their current working experiences. Overtime work, low wages and difficulty in accessing basic social rights, such as annual leave, maternity leave and sick leave are common. In the eyes of textile workers, factory owners are the ones profiting from this situation, imposing unrealistic working schedules onto workers and gaining from the exploitation of workers' labour.

Entrepreneurs in textile, however, partially share feelings of precarity and uncertainty. They underline the multiple problems of the Macedonian textile industry, particularly the dependency from Western clients and the pressure determined by global and intra-European competition. A local entrepreneur, Marija, stated:

“That is the pressure that we have from our clients, because they say ‘If you don’t give this price, we will go somewhere else’. We cannot beat the competition with environments where they have bigger productivity, less taxes on the labour force, and they are in Europe – I am talking about Bulgaria and Romania – or they are more supported by the government like Albania.”

Marija also stressed the multiple responsibilities, regulations and taxes that fall on textile entrepreneurs, and talked of the difficulty of having to cope with a negative image as factory owner in the eyes of the workers:

“In Macedonia ‘gazda’ [the owner] is someone who wants to beat them, exploit them, and all the time they think that they give more than they receive. Maybe everywhere is the same, but here there is too much accent on that problem, and we really have a problem with this, because it is really rare to have loyal workers.”

Trade representatives and factory owners highlight the need to change the “bad image” associated with working in the textile industry, which makes Macedonian young people scarcely interested in working in the industry. Entrepreneurs also argue that the existing technology should be upgraded to increase productivity, in order to produce not only outsourced *lohn* orders (which now amount to more than 90% of the Macedonian exports), but also full package collections, which can be more profitable on the global market. State authorities, however, do not seem interested in supporting the industry like neighbouring South East European countries do. The lack of state investment, they claim, is making entrepreneurship in the textile industry hard to sustain in the long term. As Marija concluded:

“If you have every year exports of 50-60 millions and no one wants to invest in that sector it means something. I am tired. But I don’t have solutions, because it’s really difficult. Everybody sees you as exploiting people, and

nobody analyses how much money I earn and give to the government, and to the people who are working.”

Another paradox is, that while Macedonian companies are exporting garments to Western Europe, Macedonian citizens are mainly buying cheaper clothes from Turkey and Asia for local consumption, as the local market is no longer a target of local production. As opposed to the current Macedonian market of 2 million inhabitants, the Yugoslav market, which included 20 million inhabitants, was more viable for textile production. Dragan, a factory owner who used to be a manager of a socialist factory, recalled, “*Yugoslavia was like an European Union, but we did not know how to deal with it. We had an internal market before the collapse.*”

Overall, entrepreneurs’ narratives tend to emphasise the multiple local and global obstacles they face, and to downplay workers’ demands for better conditions. At the same time, they expose the structural problems of the Macedonian textile industry (a small internal market, limited state and foreign investment, the need to upgrade the existing technology and know-how), which are hindering growth and productivity and are reinforcing the dependent character of local production based on Outward Processing Trade. The dependency from Western clients and from global garment prices pushes local entrepreneurs to keep up with global concurrence through the “race to the bottom” in production costs, that is, to pay low wages and to demand overtime work in order to satisfy Western clients’ requests for “just in time” production. These interrelated processes reproduce Macedonian textile workers’ exploitation, gender discrimination and precarity, and make the textile industry scarcely sustainable for Macedonian society as a whole, in its current conditions.

Conclusions

The article investigated the transformations affecting the textile industry in Macedonia in the last twenty years, focusing in particular on the shifting living and working conditions of textile workers in the city of Štip. On the basis of textile workers’ testimonies, I argued that the position of textile workers dramatically worsened as a result of post-socialist transition, privatisation and global competition in garment production. The dependency of the local industry on outsourced orders from Western Europe means that Macedonian workers became increasingly affected by the global ‘race to the bottom’ for production costs, which characterises the garment industry worldwide.

The worsening of labour conditions led to widespread feelings of precarity among workers of different generations. Since the garment industry has traditionally been a ‘women’s industry,’ women were most heavily affected, losing not only living wages and consumer power, but also many of the benefits attached to the ‘working mother’ gender contract, such as childcare services, paid maternity leave, subsidised holidays and shorter working time. Many of them are currently struggling with overtime work, job uncertainty, poverty wages and unsafe working conditions.

The situation of labour exploitation and the gender discrimination present in the industry have been recently documented by several international reports. The minimum wage in textile manufacturing is not yet harmonised with the minimum wage in other industrial sectors, and textile manufacturers are often imposing strenuous working rhythms for very low wages to comply with Western demands. In a context of widespread unemployment, textile workers have scarce bargaining power, with trade unions being almost completely absent from private factories. For employers, low production costs are seen as the only way to maintain their businesses despite global competition, a small internal market and lack of state investment.

The position of textile workers reflects the general worsening of labour standards since the beginning of the transition era, and the high degree of social inequality that characterises the Republic of Macedonia. While telling tales of precarity and exploitation, women workers show their resilience by relying on intergenerational solidarity and extended family networks to make ends meet. Remembering a different, more secure past is another way for them to cope with the harshness and uncertainty of the present.

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