



EXECUTIVE SUMMARY

Textile-Clothing-Leather Industry Survey

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Textile-Clothing-Leather Industry

Survey

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EXECUTIVE SUMMARY

This survey aims to enhance social dialogue in factories producing for brands with GFA as well as ACT members, by allowing unions to define strategies to strengthen their presence and capacity for this purpose. It is conducted in a context of acute socio-economic difficulties stemming from a combination of both domestic and international factors. In such a context, the textile, garment, shoes and leather sector, plays a significant role because of its ability to offer employment, which remains relatively important, particularly in two cities: Antananarivo and Antsirabe.

Therefore, in these companies covered by the survey, it is important to carefully examine, on the one hand, certain crucial aspects of workers' lives, such as general working conditions, including occupational safety and health, social security, respect for basic human rights at work and, on the other hand, the most significant conditions in which existing trade unions and shop-stewards endeavor to accomplish the missions vested to them by international standards and current legislation. Indeed, workers in a position of inferiority on the labor market feel for the most part left behind and need, much more than in normal times, enhanced support from the trade unions to face up to their day-to-day difficulties and address what they perceive to be situations of abuse.

From the above, the survey has three main parts: (1) a notice on the methodological approach, (2) the report on findings from the investigations carried out; (3) some recommendations from the key issues that these investigations brought to light.

I.METHODOLOGICAL APPROACH

This survey is based on data collection from ten free enterprises, 6 in Antananarivo and 4 in Antsirabe. The survey was carried out by a team made up of one social and environmental lead auditor and two assistants.

In addition to the desk review, the main data used result from interviews with representatives of each company's management (mainly directors and HR managers), shop-stewards and a sample of workers who are union members or not. The total number of people interviewed is 70, made up of 33 workers who are union members (including shop-stewards), 28 workers who are not union members and 9 management representatives.

With regard to the objective, the approach is much more qualitative than quantitative. No clear-cut separation was made between information from employer's representatives and that from workers, shop-stewards and union

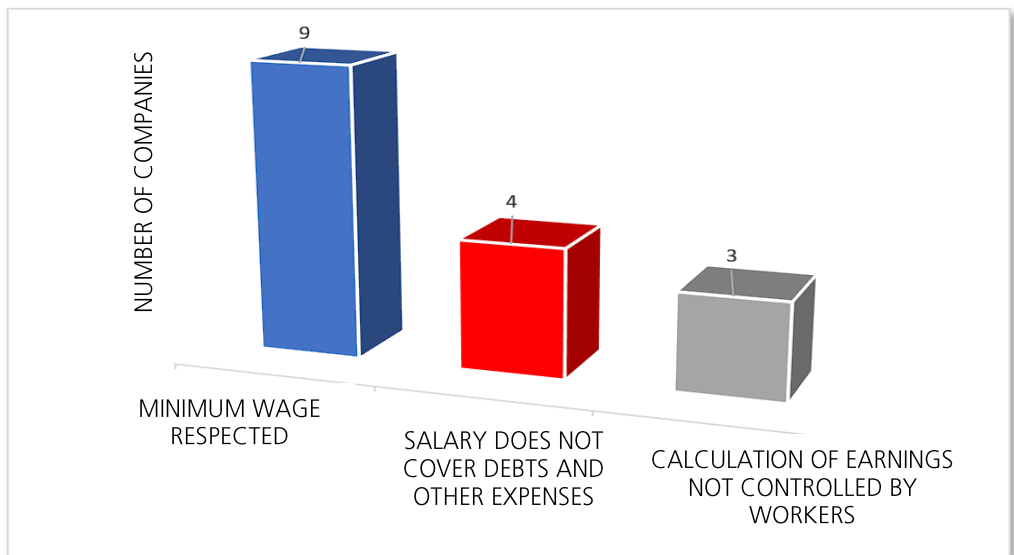
representatives. Equal importance was given to objectively verifiable information, personal perceptions and interviewees' opinions.

II.GENERAL WORKING CONDITIONS

- Pay:

Although most companies seem to comply with the regulatory minimum salary, at least on paper, cases have been noted where, in reality, workers do not get this minimum. In particular, workers paid based on performance complain either of not receiving the minimum because of failure to reach the target, or of having to work beyond the legal working hours to reach the said target. In addition, the workers interviewed point out that the salary does not cover daily expenses, namely children's school fees, to which are added debts with banks or CNaPS. The issue of workers' difficulties in calculating their earnings and understanding the payslip is also raised.

Chart No. 1: Salary and charges to be covered



- Working hours:

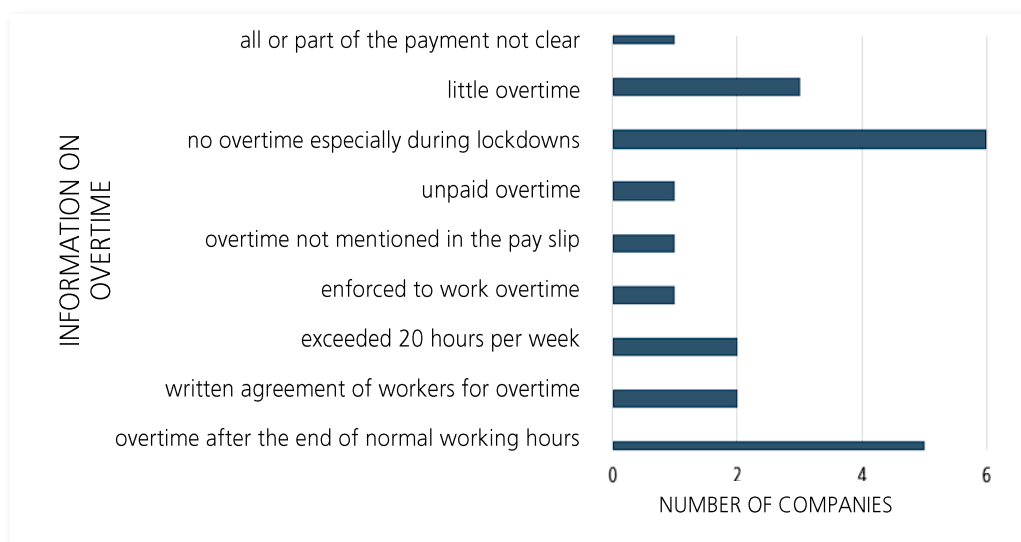
While the working hours communicated by most companies imply a working time of 40 to 42 hours per week, in practice there are stretches of hours depending on

the customer's requirements in terms of deadline for delivery. This results in very large overruns of the legal working time, sometimes going beyond the regulatory overtime limit.

- Overtime:

Some companies have a very positive practice of seeking workers' written consent to work overtime. However, other companies exceed the ceiling of 20 overtime hours per week authorized by the regulations. This situation probably results from the information already mentioned above on the obligation to reach the target and the stretching of schedules dictated by the delivery time. Workers say they need overtime whereby compensation can significantly improve their income. But it is true that overtime payment issues are also raised.

Chart No. 2: Information on overtime

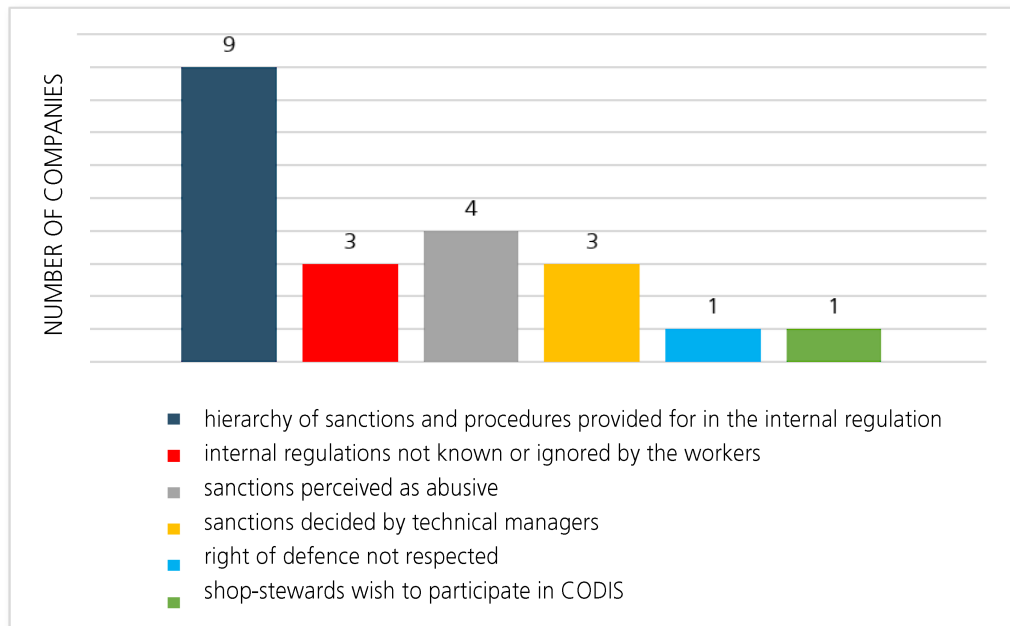


- Internal regulations and application of disciplinary sanctions:

All the companies surveyed have internal regulations which, in most cases, contain a procedure for implementing sanctions. However, it is reported that in a large part of these companies covered by the survey, workers feel victimized by abusive sanctions linked to failure to reach goals or absences for medical reasons. Cases of

sanctions imposed by workshop managers without respecting the right to defense are also reported.

Chart No. 3: Internal regulations and procedure for applying sanctions



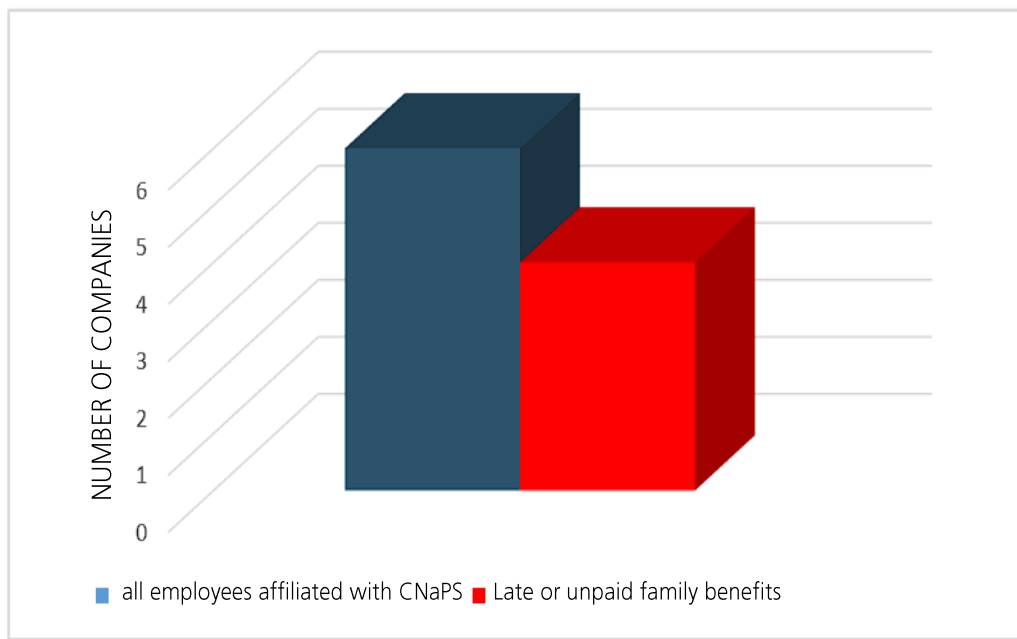
- CNaPS registration and payment of contributions:

The majority of the companies covered by the survey have registered all of their workers to the CNaPS. However, in several of them, the contribution is deducted from the salary, while workers do not enjoy their rights from CNaPS, in particular family benefits. This situation seems to be the result of failures by the employer regarding the payment of these CNaPS contributions.

- Occupational medical services:

Workers raised issues of non-subscription or suspension of access to medical services following non-payment of contributions.

Chart No. 4: Registration with the CNaPS and payment of contributions



- **Workers' gender profile:**

Like most free enterprises operating in the same branch, female workers predominate in the workforce of the enterprises surveyed. However, inequalities are reported as to the position held, where women hold low-skilled positions while men hold mostly those requiring higher qualifications. In addition, there are reported cases where pregnant or breastfeeding women are given the same target as other workers, thus risking lower salaries due to reduced production capacity during the period of pregnancy and breastfeeding.

- **Employment contract:**

The main problems raised relate, on the one hand, to signing contracts without being able to fully understand its content, and on the other hand, to the increasing number of temporary workers hired and, finally, the abuse of temporary commitment, resulting in prolonged precarious situations.

Chart No. 5: Women and men on contracts (permanent and fixed-term)

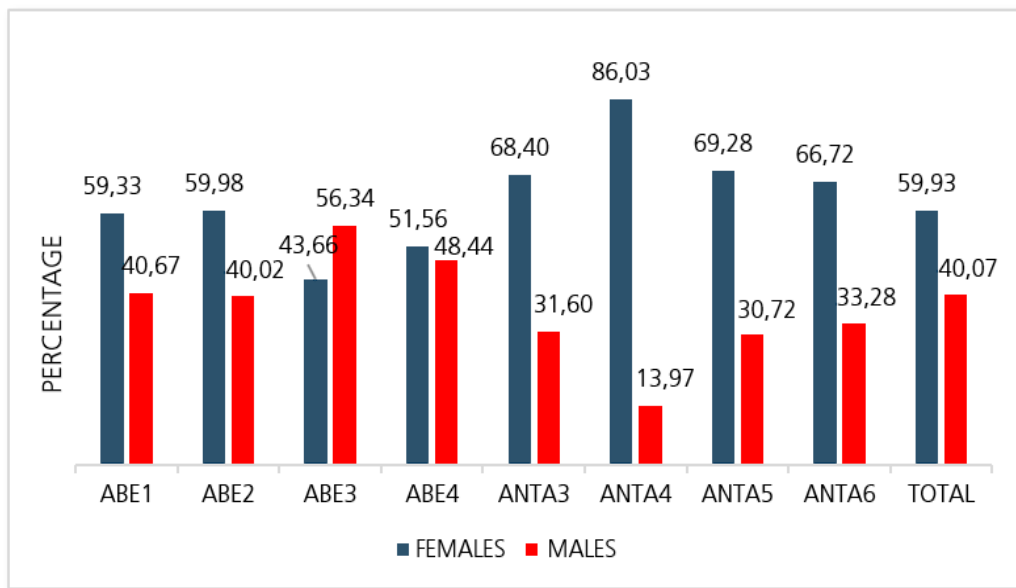
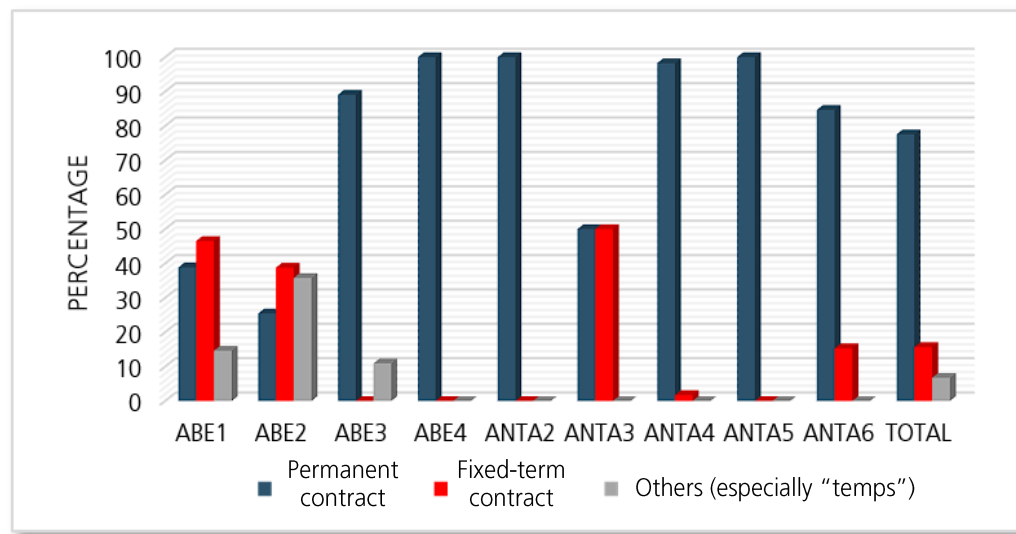


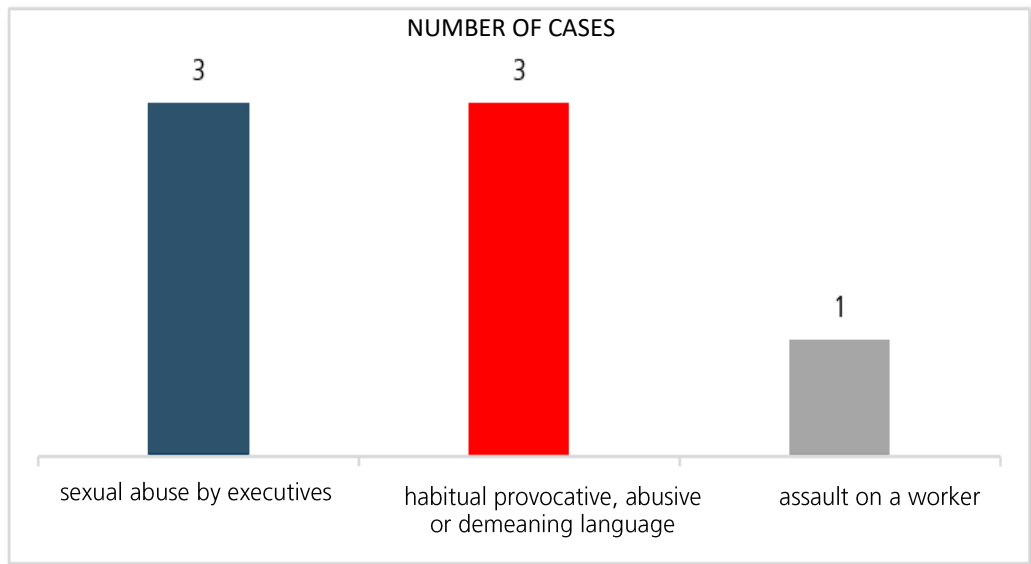
Chart No. 6: Distribution of workers by type of contract



- **Layoff:**

Three cases of mass layoff of workers were reported, including one linked to economic difficulties resulting from the COVID-19 pandemic and two others resulting from collective disputes. In addition to these cases of worker layoff by the dozens, even by the hundreds, a frequently mentioned issue relates to the large gap between the contract expiry date and the settlement of the final payment.

Chart No. 7: Cases of violation of human dignity reported by workers



- **Protection of pregnancy and maternity:**

The key issues raised are about the difficulty of enjoying maternity leave, as well as the direct and indirect forms of rest restriction for breastfeeding.

- **Respect for workers' dignity:**

Cases are reported where female workers would be forced to accept sexual intercourse demanded directly or indirectly by some company executives, in order to avoid harassment in the workplace. In addition, cases of verbal abuse (demeaning words usually addressed to workers) or even physical ones (a manager attacking a worker) were reported in two different companies.

- COVID-19 cases in the workplace, preventive health measures, impacts on employment and workers' income:

Workers in the companies surveyed have not been spared from COVID-19. Serious and even fatal cases have been recorded. But the health measures taken have had a significant impact on income and working conditions: layoffs, work disruption resulting from confinement lockdown, reduced salaries resulting from a drop in clients orders, non-existence of means of transportation.

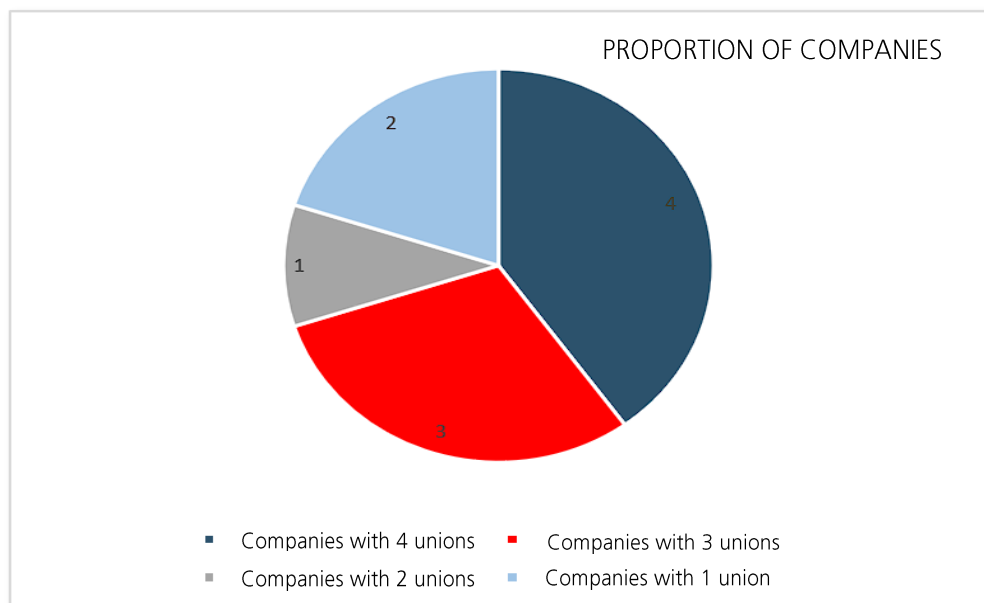
- Social assistance to employees:

To cope with the difficulties resulting from the pandemic, some companies have taken financial or food aid measures for the benefit of their workers, in particular those facing the worst hardships.

III.UNION LIFE, SHOP-STEWARD AND COLLECTIVE BARGAINING

- All companies have at least one trade union, a local section of a national one. Most of them even have two to four unions. The predominant members would be female workers, aged between 30 and 45.

Chart No. 8: Number of trade unions in the companies



- However, forms of right restriction to create and join trade unions by the employer are observed, as well as cases of sometimes systematic refusal to follow up on union proposals and demands as well as requests for meetings expressed by unions.
- Perceptions concerning the effectiveness of trade union action are divided. They relate to the organization of training for union members or shop-stewards, the capacity for collective bargaining, the ability to protect its members and shop-stewards against violations of sensitive rights, layoffs perceived as unfair, quality of relationship with the employer.
- Workers in seven companies reported positive perceptions of union action.

Table No. 10: Positive perceptions of trade union action

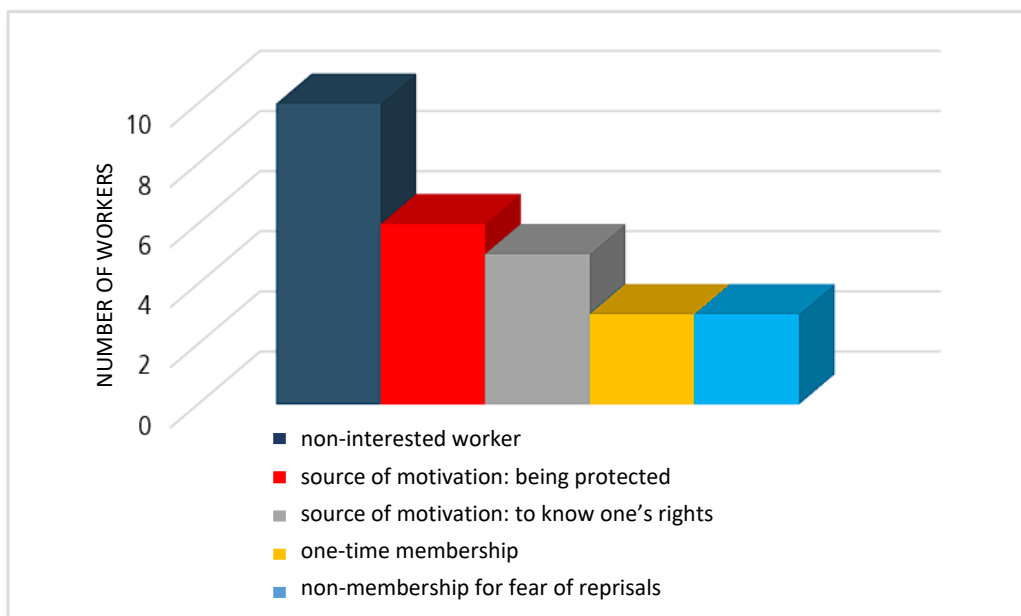
POSITIVE	COMPANIES
Effective defense of workers' interests	ABE1 - ANTA3 – ANTA5 - ANTA6
Solution input	ANTA5
Collaboration between trade unions	ABE1 - ABE3
Increasing power of union since COVID-19	ABE3 - ABE4
Good relationship with the Management	ABE2
Trade unions' experience	ABE4

- Some of the workers who are union members are motivated by the aspiration to better know their rights, be able to dialogue with the employer for better living and working conditions. This fosters willingness for sustainable unionization. On the other hand, we observed a phenomenon of casual unionization dictated by the concern to have trade union support in order to win in contentious cases.
- Those who have not joined or who have left their unions mention reasons such as lack of interest due to the unions' inability to really protect workers' interests, unions' lack of visibility, lack of time for meetings due to work pressure, fear of possible reprisals from the employer, inability to pay arrears of contributions.

Table No. 11: Negative assessments of union activities

APPRECIATIONS	COMPANIES
Ineffectiveness, powerlessness, inaction, poor weak collective bargaining capacity	ABE1 - ABE2 - ABE3 - ABE4 - ANTA2 - ANTA3
Corruption	ABE2 - ABE3 - ABE4

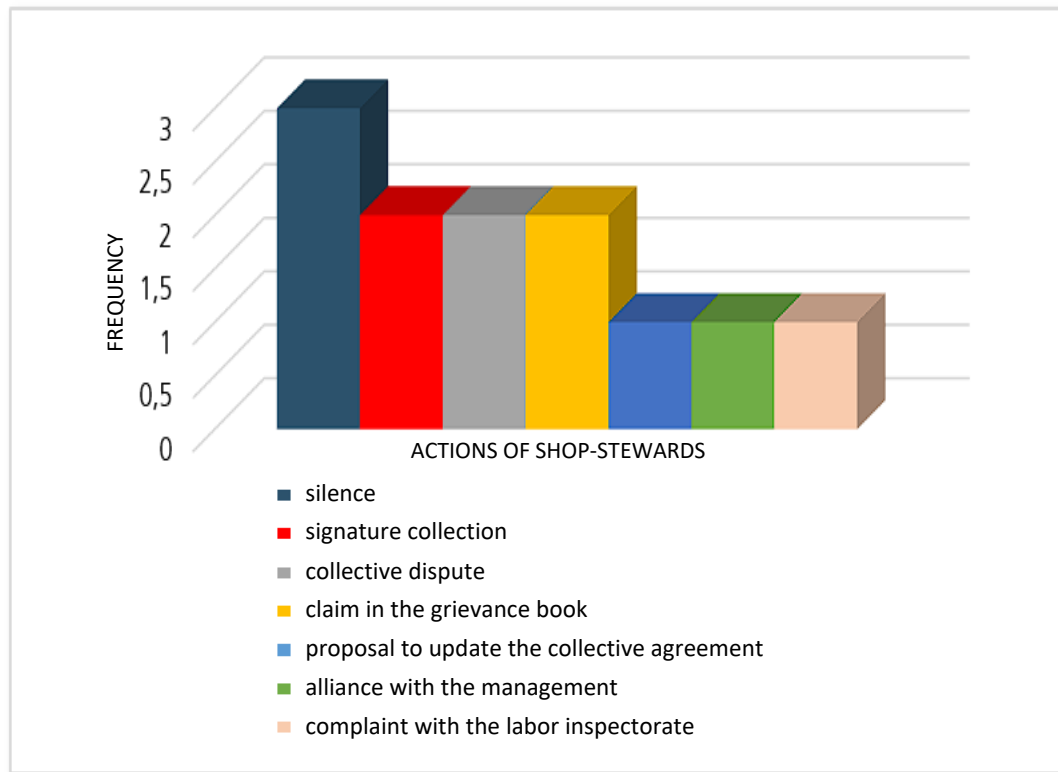
Chart No. 9: Factors that motivate or discourage union membership



- Most companies have shop-stewards, except a few that have none either because previous delegates have been laid off or have resigned, or because the employer failed to hold elections.
- The difficulties encountered by shop-stewards in fulfilling their missions are linked to multiple factors such as employers' refusal to accept their obligations towards worker representation, lack of follow-up to workers' grievances, lack of

solidarity among shop-stewards due to rivalries between unions, poor knowledge in the field of labor legislation, weak capacity to make proposals in a collective bargaining situation, as well as allegations of corruption.

Chart No. 10: Action of shop-stewards in response to problems encountered by workers



- The means of action available to shop-stewards are varied: dialogue, steps involving workers (collection of signatures), collective dispute, and referral to the Labor Inspector's office. We should note that in order to keep their jobs, some shop-stewards choose to remain passive or even side with management.

IV.RECOMMENDATIONS

Despite the difficulties encountered during its implementation, the study carried out in the ten selected companies has made it possible to establish that the general situation of labor relations, working conditions, the exercise of union rights and the right to worker representation calls for the strengthening of social dialogue. This requires a stronger involvement of IndustriAll affiliated unions in the sector concerned, in particular in companies producing for brands with GFA and for ACT members.

The realities that have emerged from the survey, as well as consultations with trade union leaders in the two study cities, have led to the following recommendations:

4.1.Concerning employment and working conditions

It is important to pay particular attention to issues to which workers are highly sensitive, including:

- Stability of employment: the growing trend towards fixed-term or temporary types of employment is seriously undermining job stability, including for workers with permanent contracts, who feel threatened to be replaced by "temps";
- Working time: the most sensitive issues concern the authorization of overtime as well as extensions of working hours;
- Wages and income: even if the recent wage cuts are partly related to the reduction in business activity due to the health crisis, it is still important to ensure that workers' rights are respected, particularly with regard to performance-related pay and overtime pay;
- Access to social security: unpaid social security contributions are real impediments to workers' access to CNaPS benefits and occupational health services;
- Pregnancy and maternity protection: the issue of night work for pregnant or breastfeeding women should be addressed, as well as the enjoyment of the right to breastfeed;
- Equality between men and women, particularly with regard to access to skilled jobs, which seems to be limited as far as female workers are concerned;

- Respect for the dignity of workers: the reported cases of sexual harassment and abuse of which women seem to be victims, as well as the habitual verbal abuse which constitutes moral harassment, must be followed up.

4.2. Concerning social dialogue, trade union life and employee representation

The trade union organizations will benefit from adopting a joint strategy to enhance their capacity for dialogue, focusing on the following priority actions:

4.2.1. Strengthening the dialogue and negotiation capacity of union representatives and shop-stewards

This action should focus on their continued training, both basic and advanced, in the areas of labor law, in particular the trade union right and the employee representation right, basic labor principles and rights, social security right, communication and negotiation techniques, with an emphasis on collective bargaining, customer codes of conduct, and economic challenges that companies in the country face.

4.2.2. Revitalizing and retaining active members

Some former union members have become discouraged, while others say they continue union activity "out of habit," apparently without much conviction. It is therefore up to the leaders of the organizations to design and implement a program to revitalize and retain their members, particularly women and young people. Reorganization can be envisaged for increased accountability through a program of coaching and support: counseling, reinforcement of socio-cultural dimensions, team building ... prioritizing the use of modern communication tools, integrating technology.

4.2.3. Improving the image of unions

The image of trade unions has been damaged by both internal and external factors. Internally, this image is undermined by rumors about the corruption of certain union officials, passivity or the inability to propose solutions to problems to which workers are sensitive, and rivalries between unions or even within the same organization.

Externally, faced with the judgments, which may or may not be well-founded, of non-unionized workers, employers and even, at times, public administration officials, it is high time for unions to take a range of actions focused on public communication and debate.

4.3. Concerning the involvement of companies

The main problems found in the study are related to the reasons why the employer does not show a real willingness to engage in social dialogue, this being revealed by the absence of a works council and a collective agreement: fear of an increase in social charges, particularly in a context of economic difficulties, the prospect of losing part of the power of management and control, institutional weaknesses, particularly in the field of human resources management and the application of social law. To overcome these obstacles, it seems more appropriate to study the approach at branch level: round table, bipartite action plan to promote social dialogue, revival of old projects such as the collective agreement of the textile branch, etc.

4.4. Concerning the control exercised by the clients

It is clear that human rights monitoring by clients can help to ensure that workers' rights are respected. However, the present study reveals that some companies may have found a way around auditing assignments that, over time, have become an almost mechanical habit. This audit thus deserves to be rethought so that the values conveyed by the clients continue to be respected in the free trade companies.

4.5. Concerning the role of the labor inspectorate

The various issues identified by the study highlight the weaknesses of the labor inspectorate's intervention in the sector studied, particularly in terms of control. Although the difficulties of this public service are well known, particularly in terms of financial and logistical resources, it is recommended that priority be given to companies in the textile sector because of the high density of the workforce employed there.

But there is also a lack of understanding of the missions and powers of the labor inspectorate, even among trade union leaders and shop-stewards, particularly with regard to conflict settlement. This reinforces the recommendations above (4.2.1 and 4.2.2), but also reveals a need for the labor inspectorate to enhance communication to make itself better known.

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LIST OF COMPANIES COVERED BY THE STUDY AND THE CITIES OF ESTABLISHMENT

I. COMPANIES LOCATED IN ANTSIRABE:

ABE 1 - ABE 2 – ABE 3 – ABE 4

II. COMPANIES LOCATED IN ANTANANARIVO:

ANTA 1 – ANTA 2 – ANTA 3 – ANTA 4 – ANTA 5 – ANTA 6

LIST OF ABBREVIATIONS

ACT	Association for Contract Textile
CDD	Contrat à Durée Déterminée (fixed-term contract)
CDI	Contrat à Durée Indéterminée (permanent contract)
CNaPS	Caisse Nationale de Prévoyance Sociale (social security fund)
CODIS	Conseil de discipline (Disciplinary Council)
COVID-19	Corona Virus Disease 19
FES	Friedrich-Ebert-Stiftung
GFA	Global Framework Agreement



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