

RO

COUNTRY PROFILE

## ROMANIA

Population<sup>1</sup>

19.7 Mio

Garment/footwear  
factories (formal  
and informal)<sup>2</sup>

9,000

Employees in the  
garment/footwear  
industry (formal  
and informal)<sup>3</sup>

400,000

Registered  
garment workers  
as a share in the  
total employment<sup>4</sup>

5%

## One day of a garment workers' stay at home husband

Garment workers, mostly women, earn some of the lowest wages in the world while making clothes for some of the biggest fashion brands. Romania has about 300,000 official garment workers, who usually earn a minimum wage of about 230 EUR after tax. Workers we spoke to said they need their wages to triple to have a decent life.

While many assume that women's salaries are just a small part of the family income, in reality many of these workers support entire families from their wages alone. So far, no one has photographed what life entails for women workers who are main breadwinners in their family.

They are often afraid to be photographed to avoid losing their jobs. We decided to tell their stories with the help of their unemployed husbands.

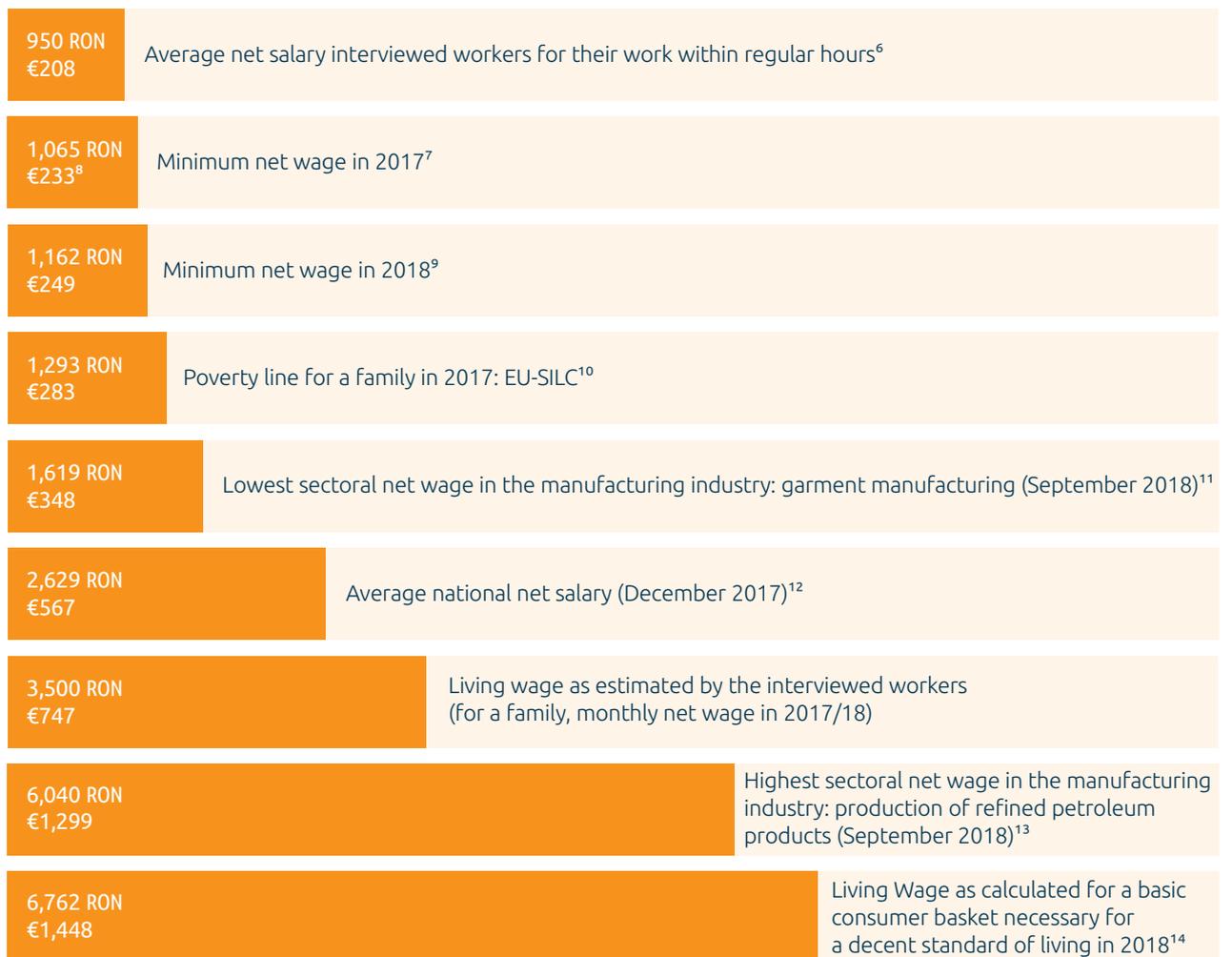
*László, 52, is unemployed since he had his arm injured 17 years ago. Earning 5-10 RON (2-3 Eur) daily with occasional work he can barely contribute to household expenses. His wife, who works in the garment industry, is the family's main breadwinner.*





*During the wintertime heating costs of a wood-burning stove, reach up to 500 RON (107 EUR) per month. This amount is about forty percent of the only breadwinner's salary.*

## WAGE LADDER ROMANIA<sup>5</sup>



While preparing the food for animals, László shows their family's two square meter kitchen attached directly to their sleeping/sitting room.



## SUMMARY: LABOUR AND HUMAN RIGHTS VIOLATIONS

### 1. PAYMENTS BELOW THE MINIMUM WAGE.

Romanian garment workers usually receive the minimum wage or other amounts just above the minimum wage, which often includes overtime too – in average 10 – 15 hours overtime per week. That means, that **often workers are not paid the legal minimum wage for their regular working hours.**

During low season, workers may earn less than the minimum wage right away.

In spite of a spectacular raise in the gross minimum wage, *i.e.* from 1,450 RON / €310 in 2017 to 1,900 RON / €407 in 2018, this hike did not make too much of a difference in the workers' pockets. The gross pay raise was overcome by a surge in the social contributions paid by the employees from 16.5% in 2017 to 35% in 2018.

### 2. UNPAID OVERTIME

**Every other factory surveyed does not pay overtime to their employees.**

Usually, wage is paid on piece rate basis; regular working hours and overtime hours are paid according to the same piece rate. In those cases when overtime was paid as an addition to the normal wage, workers reportedly earned an additional 100-250 RON (€21-53) net per month in both 2017 and 2018.

### 3. WORKERS' WAGES COVERS 14% OF A LIVING WAGE: WORKING IN THE GARMENT INDUSTRY GENERATES POVERTY INSTEAD OF ELIMINATING IT.

Coping strategies that workers and their families use to survive: most workers take loans to pay for some of their basic living expenses. In order to service their debts workers depend on regular wage incomes, which increases their dependency on their jobs.

Moreover, workers' families grow their own food, seek seasonal jobs abroad and live constantly in survival mode without even thinking of basic recreational activities (like going out for a coffee or movie, trips, etc.).

Share of workers' wages in living wage:



Share of workers' wages in the poverty line income



Share of minimum wage in living wage



Share of minimum wage in the poverty line income



#### 4. FORCED LABOUR

According to the ILO, workers who need to work overtime to complete the workload assigned to them and earn the minimum wage are forced labourers.<sup>15</sup> In 50% of the researched factories, workers told the interviewers that they had worked overtime to complete their production quota without additional compensation in the previous months. If overtime was not included in their wages, none of the interviewees would have been able to earn the legal minimum wage that should be paid for their regular working hours. Overtime information is never printed on the payslip, which only features the standard working hours. The refusal to do overtime may also generate tensions between the employees and the management or supervisors.

Workers are expected to complete **impossibly high quotas**. In no case could production quotas be met within the given deadlines and regular working times, workers said. Often, increases in the minimum wages are accompanied by higher quotas.

#### 5. BAD AIR AND INADEQUATE INDOOR TEMPERATURES, LACK OF ACCESS TO WATER

50% of the factories would operate in buildings without proper ventilation and air conditioning. According to the respondents, they have to cope with a suffocating indoor heat during the summer months; sometimes there are no windows and there is only one air conditioning machine for the entire factory. Fainting is quite common among workers. Appropriate amounts of drinking water are not provided in summertime.

#### 6. MALTREATMENT, PRESSURE AND BULLYING

Workers report being bullied, harassed, and constantly threatened with dismissal. They are yelled at and harassed.

In order to meet production goals, workers are not allowed to talk to each other or take breaks, and often need to find a replacement worker in order to take toilet breaks. Sometimes failing to meet production quotas makes managers cut bonuses, as a penalty. Since the basic wage is extremely low, workers strive to get all the additions they can, which makes any addition essential to their livelihood.



*Péter, their only son works as a construction worker in Germany since he is nineteen. He periodically sends money home, which helped renovate the house, a luxury they could otherwise not afford.*



*"The factory workshop is like a sauna. I almost fainted today when I stood up to leave at the end of my shift. My doctor told me this daily oxygen deprivation generates other health problems. Sometimes an ambulance comes over to take care of the workers who faint because of the heat."*

#### RECOMMENDATIONS TO BRANDS

- ! Pay a living wage, which is a human right<sup>16</sup> for all.
- ! Act on the above-mentioned law violations.

#### RECOMMENDATIONS TO ROMANIAN GOVERNMENT

- ! Increase the legal minimum wage to an amount that workers can actually live on – a living wage.
- ! Monitor impartially and adequately the implementation of the law and of the contractual obligations that global brands have to governments.

## QUOTES

*"If there was another employer in this region, who paid even a little bit more, everyone would leave the factory. Everyone. But ours is the only one. What will become of us? What else could we do? This is a desperate region. The only other option to survive would be stealing. We want to earn money honestly. So we have to stay in this factory."*

*"I once tried with my colleague to see if we can reach their quota and productivity goal. After working together very fast over the entire day, we could only produce half of the quota. So it is impossible for any human being to work as fast as they want us to."*

*"I am paying back a loan while earning 700 RON/ €150 per month. We did not borrow the money for some fancy purchases, but to pay my surgery. I have nightmares whenever I think of my loan. My neighbour proposed me to get a farm job in Belgium. Many have left and maybe I will join them too. If I was able to pay back the loan, I could sleep better at night."*

*"We live in the country, so we have some animals and grow our own food. But I always say that farming is like a side job. As soon as I'm done with my factory work, I start working on my side job."*

*Having animals and growing vegetables is key for their living. Most garment workers cannot afford buying all the food they need in the grocery store.*





*"We need at least 3,000 RON/€642 only to survive."*

*"The big day is here soon, so I am going to finally cut one of them." says László happily since his son's arrival is coming on the following weekend.*

*"I would like to invite any brand who has their garments assembled in our factory to try supporting their families on our salaries, for just one month."*

*"How do we live?! How can one live on a minimum wage? With great difficulty, of course. When I collect my wage, I pay back my loan instalments. I pay 450 RON for my rent, I pay my utilities, and there is nothing left. So I call my relatives to borrow money again."*

*"I am a single mother of a young boy. Raising him on my factory wage is impossible, everything is so expensive. Before getting my job in this factory, I had a farm job abroad, so I was able to save some money. Those savings pay for our food, school supplies and bills every month."*



# ROMANIA'S GARMENT INDUSTRY: A MAJOR EMPLOYER AND EXPORTER

The Romanian textile, clothing and leather industry is an industrial branch with a centuries-old tradition. After the changes in 1989/90, this industry survived mainly as the “sewing sweatshop” of West European brands and fashion retailers, working under “*Lohn contracts*” / Outward Processing Trade. Top export destinations of garments in 2016 were Italy (18%), UK (20%), France (8%), Spain (6%) and Belgium (8%).<sup>17</sup> **Romania is Europe's biggest garment production country.**

Armani, Arcadia, Aldi, Asos, Benetton, Betty Barclay, Brax, Bershka, Basler, C&A, Comptoir de Cottonniers, Cop Copine, Dolce Gabbana D&G, Drykorn, Delmod, Dressmaster, Eugen Klein, Esprit, Hucke, H&M, French Connection, Gerry Weber, Hugo Boss, Louis Vuitton, Levi Strauss, Nike, Next, Massimo Dutti, Marc Cain, Max Mara, Marks & Spencer, Max & Co, Naf Naf, ODLO, Peter Hahn, Primark, PVH, ROFA, Rene Lezard, Strellson, Sisley, Stradivarius, Trussardi, TESCO, Tiger of Sweden, Versace, Windsor, Zara are just some of the brands/buyers we found during field research and while studying the websites of production firms and supplier lists of brands and retailers.



The garment production peaked at the beginning of the 21<sup>st</sup> century with around 450,000 registered employees, therefore an estimated one million informal and formal workers. Although the economic crisis hit this industry in 2008/2009, it is still one of Romania's major export and manufacturing industries. In 2016, the number of employees in the garment production continued to decrease (by 40% compared to 2008).<sup>18</sup> The share of Romanian owned capital in the textile, clothing and leather export industry is 36%.<sup>19</sup>

## A SUCCESS STORY OF THE ROMANIAN ECONOMY BUILT ON POVERTY AND MISERY

Recent media coverage of Romania tells the story of economic success.<sup>202122</sup> The Guardian wrote in 2017 that Romania was “no longer Europe's needy”, while The Economist reported on Romania's “booming” economy that had seen EU's fastest growth rate.

The economic growth has not improved the living standards of workers. On the contrary, a large number of Romanian workers live far below the poverty line (see wage ladder above). Studies show that at the end of 2017, 30.2% of the Romanian employees were only earning the minimum wage, compared to 28.4% at the end of 2016 and 7.7% at the end of 2011 – one of the highest rates in the EU – many of whom are garment workers. Some sources suggest the number of workers earning the minimum wage or less is much higher: 50%.<sup>23</sup>

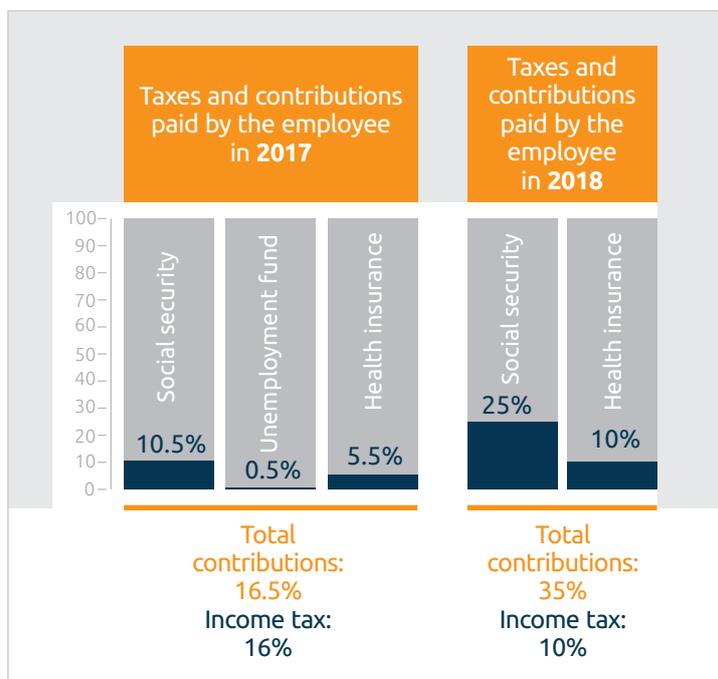
About 3 million Romanians or 17% of the population left the country between 2007 and 2017 alone, looking for a life without poverty elsewhere.<sup>24</sup> In 2018, more than 50,000 people took to the streets in Bucharest and other Romanian cities to protest against what they described as entrenched corruption and low wages.<sup>25</sup>

Romania has been more accurately described as a social disaster, sharply contrasting with the economic success story.<sup>26</sup>



## SHIFTING THE BURDEN OF SOCIAL CONTRIBUTIONS FROM EMPLOYERS TO EMPLOYEES

What might have generated confusion over whether Romania's growing economy actually translated into higher living standards for workers or not were the legislative changes of 2017/18. In April 2017, the Romanian Government came up with a proposal to dramatically amend the Tax Code and shift the burden of the social contributions payable by the employer to the employee.<sup>27</sup> The new provisions, while decreasing the income tax from 16% to 10%, provide now for 35% worth of mandatory social contributions compared to the total 16.5% in 2017.



The proposals became effective as of 1 January 2018 alongside the new legal minimum wage package. So the 31% gross minimum wage hike translated into a net increase of 9%, which has nevertheless been unable to make up for the real wage loss incurred over 2009 to 2013/14, when the minimum wage froze under the pressure of the

lending conditions imposed by the IMF, the European Central Bank and the European Commission.<sup>28</sup>

Experts warned that the changes in the law on mandatory social contributions and income taxation would not make economic, legal or social sense and that their real purpose might have been to hide the government's lack of capacity to ensure the real wage increases they had promised to voters.<sup>29</sup>

## LABOUR SHORTAGE

The garment industry has the highest number of vacancies (2,450 of the 21,000 vacancies in 2017).<sup>30</sup> Factories routinely seek workers: in 2017, a clothing factory was trying to hire an additional 1,000 workers and was unable to find any interested candidates.<sup>31</sup> For about 10 years, employers in the garment industry have complained about the lack of workforce. This clearly relates to the inhuman working conditions and the poverty wages paid in Romania's garment manufacturing industry. However, the lack of workforce could not be invoked by the unions that struggle for higher wages. One reason is that the freedom of association is subject to certain legal limitations. Victoria Stoiciu explained it concisely: *"The 2011 labour law reform considerably restrained the employees' freedom of association and restricted their right to form unions to an extent that the ILO has criticized as non-compliant with its standards."*<sup>32</sup>

## RIGHT TO ORGANISE AND FREEDOM OF ASSOCIATION

In 2011, the Labour Code was substantially amended and a new Social Dialogue Law was adopted. The collective bargaining system changed fundamentally. National collective bargaining, which had previously set the minimum pay and the basic conditions for the entire economy, was abolished. *“The new legal framework decentralised collective bargaining by increasing the importance of collective agreements at company level and at industry level. Only companies hiring 21 employees or more are now under a legal obligation to enter into a collective bargaining agreement.”*<sup>33</sup> Many companies operating in the garment industry hire less than 21 employees.

Apart from decentralisation, the representativeness threshold changed too: a union may only be representative for collective bargaining purposes if it covers 50% of a company's employees plus 1 (compared to the previous 30%). Before that, only 15 employees from several employers were necessary to form a union. Now, 15 employees of one employer make the necessary minimum. That not only makes forming unions more difficult, but it also means that companies with less than 15 employees cannot have a union, which again impacts the garment industry that is very fragmented and is only formed of many micro firms. The rewritten regulations that govern sectoral relations have also reduced the protection of trade union leaders against dismissals.

Moreover, the right to go on strike has been obstructed: a lawful strike may only be started after the CBA (collective bargaining agreement) expires or while collective bargaining is underway. Even if the CBA is violated by the employer, a strike cannot be called as long as a CBA is valid. The new rules on strikes are worded vaguely, which makes it easy to declare a strike illegal (Stoiciu 2016, pages 4-7). Should a court declare a strike illegal, the trade union has to pay damages and its leaders may be dismissed.<sup>34</sup> These regulations effectively thwarted strikes in Romania between 2011 and 2014 (Stoiciu 2016, 6/7).

After sectoral relations were revisited in 2011, the coverage of collective bargaining declined from 100% in 2011 to 25% in 2015 (Stoiciu 2017, page 9), and the textile industry is now one of the industries that do not have representative unions (Stoiciu 2016, page 3/4); therefore, the textile industry does not have the opportunity to negotiate sectoral collective bargaining agreements. Prior to the legal changes in 2011, there was one successful CBA applied in the textile and garment industry, which had been signed in 2007.<sup>35</sup> It established the minimum wage payable in this industry (19% higher than the minimum salary paid in 2007), the overtime compensations, and the working conditions. The CBA was valid for 3 years and expired in 2010. Now, industry-level CBAs cannot be negotiated.

*“While changes to the 2011 reform package appear to be critical, that would not solve the trade unions' structural problems”, including “the chronic strategic shortcomings and a legitimacy crisis”* (Stoiciu 2016, page 1).



Another impact of the 2011 legal reform is the replacement of unions by employee representatives in collective bargaining. Due to the high representativeness threshold, unions can hardly ever get engaged in collective bargaining. The law allows employee representatives to negotiate under such circumstances.

Field work confirms that trade unions have been largely replaced by employee representatives: in the private sector, in 2015, 92% of the active collective agreements signed at company level were signed by employee representatives and not by trade unions. Before 2011, all CBAs had been concluded by unions (Stoiciu 2017, page 7).

Field work revealed that attempts to get organised in order to challenge the inability to receive the minimum wage for the standard working hours had stopped mostly at the worker's level.

## HOW TO COPE WITH POVERTY WAGES?

For their coping strategies, workers heavily rely *inter alia* on families and friends who provide agricultural products and support for their utility bills; other problems are associated to their need to have their rent payments rescheduled, which is also associated to their inability to afford housing loans; their high indebtedness, irregular or inexistent medical check-ups (especially dentist check-ups); poor housing conditions; inability to pay for the school supplies; lack of a recreational/cultural agenda; their inability to travel outside the town. Subsistence agriculture is especially common among single mothers working in the factory (an estimated 1/3 of the factory employees are single mothers).



## BULLYING AND VERBAL ABUSE

Bullying and verbal abuse by managers is endemic in the garment industry according to most of the interviewed workers. Workers say managers put pressure on them to complete their orders as fast as possible; workers are not allowed to take days off, and may be punished for raising issues with managers, e.g. they may have their allowances cut or may be threatened with dismissal. In 2017, the Romanian media published a recording showing a foreign manager of a Romanian garment factory telling workers who had claimed their overdue wages that they were peasants and animals.<sup>36</sup> The company declared bankruptcy following the incident.

## WAGE PRACTICES: STEALING MONEY AND TIME

Workers see overtime work as an opportunity to supplement their low income. In other cases, pressure from management pushes workers to work additional hours. In the two factories that were researched in 2017, workers said they were afraid to refuse working overtime even though it was not paid, out of fear of losing their jobs. The overtime was neither reflected on payslips nor paid. Workers said overtime was needed twice a week for 4 hours and for 7 hours on Saturdays, but that no overtime had been recorded or compensated for any of the previous three years. In spite of working an average of 15 hours of overtime per week and at least 60 overtime hours per month, they could only earn a minimum wage. Under the Romanian law, all overtime hours should be paid at a rate of 175%. I.e. an overtime hour should be paid at a rate of 10,60 RON net per hour, considering the amount of the minimum wage rate (1,065 RON / €176 monthly working hours x 1.75); and the payment for 60 overtime hours should be of at least an extra 635 RON per month. Workers at another factory described the same situation: 635 RON or €139 was stolen from their monthly wages.

A widespread example of abusive disciplinary wage deductions are the **daily meal vouchers**. Meal vouchers, which employers offer to employees as a bonus and are used as a means of reducing wage taxation/social security payments, are a crucial top-up to the

already small wages, and are usually offered for each workday. One meal voucher is worth 9 – 11 RON (ca 2 EUR) in 2017 and 11 – 13 RON (ca 2,50 EUR) in 2018. Often they would only get between 5-10 meal vouchers (instead of 22 per month) as a penalty for not completing their assigned work quotas; i.e. in 2018 they get 55 - 130 RON (€12 - 28) instead of 264 RON (€57). The management uses meal vouchers to punish workers for not completing their assigned workloads. Even if the value of the meal vouchers is low, they can still be used as a pressure method: workers may be deprived of their meal vouchers unless they work or behave in a certain way. Workers' wages are so low that €40 makes a tremendous difference.

Also **transport allowances** are relevant to workers. Most Romanian garment workers commute from rural areas to nearby towns or cities. More than half of the workers reported spending up to 20% of their already meagre wages on commuting.



“They say we don't meet their quotas so they cut our meal vouchers as a penalty. Last month I and other women on my line got five vouchers. These coupons buy us food that we could not afford otherwise. We went on a strike to raise awareness on our wages and meal vouchers. The foreign manager was also there. He listened to us, but said everything was fine as it was. Nothing changed.”

## METHODOLOGY

This country profile is based on interviews with 78 workers conducted between September 2017 and June 2018 in seven garment factories in Romania. All interviewees were women. Most interviewees were seamstresses/tailors, and a small number had finishing/packaging jobs. Out of the seven factories, two factories produce workwear and military equipment exported to the EU and

Switzerland, and two factories produce sportswear. All researched companies export to West European countries. Most factories employ 300-500 workers. All interviewees wanted to stay anonymous.





## CASE STUDY: SUPPLIER OF NAF NAF, MAX MARA, SISLEY, BENETTON AMONGST OTHERS (2017)

### OVERVIEW OF INTERVIEW RESULTS

Workers earn between 1,065 RON (= minimum wage) and 1,200 RON a month. Most workers – according to workers' estimates, i.e. more than 80% - live in villages around the town where the factory is located. In average, workers have to pay monthly transportation costs of 170 RON (€37) or about 15% of their salary to commute to and from the factory. Thus, the actual take-home wage is of about 900 – 1,030 RON (€197 – €225). Workers reported huge difficulties making ends meet with the remaining wages. Some workers depend on subsistence agriculture to make ends meet. Some workers have children studying in nearby cities and have extreme difficulties supporting these costs. Workers who are the only breadwinners in the family told us they regularly borrow money from relatives or friends and some had taken seasonal jobs in Belgium or Italy.

Standard working hours are from 7 am to 4 pm with a 15-minute lunch break. No other breaks are allowed during the working hours. Therefore, the workday at the factory covers 8 hours and 45 minutes a day, i.e. –

it exceeds the regular number of working hours by 45 minutes. Workers are required to work 3.75 hours of overtime per week, or 15 hours per month worth 159 RON (€35) net worth of additional income, which - according to workers - was not paid. Over 2017, workers lost 1,908 RON/ €418 net or almost two wages worth of unpaid overtime. Some workers reportedly worked overtime in the past year, which has also remained unpaid.

There is no trade union in the factory.



### SILVIA'S STORY:

*I wake up at 4:30 in the morning. At 5 am, the company bus picks us up and takes us to the factory. At 5:30, I start preparing my work for the day. The shift starts at 6, and I work very fast trying to complete the daily quota. We have a 5-minute break at 10:00 am, and a lunch break which lasts 20 minutes. I eat convenience food. We have learned to eat very quickly in order to finish our lunch before the shift restarts. We have no time to talk to each other. Then, I get back to work, focusing on sewing as many items as possible. If you work fast, you earn more. If you are a slow worker, you will get less. There is another 5-minute break before the shift ends at 2:30. A few times a month, we work up to 4 overtime hours when we have high orders. It's tiring, but this is the only way of earning some extra cash. When I arrive at home, it is already 6:30 in the evening, and I need a mental break after a day's work. Usually, I cannot take more than a few minutes' break. I must take care of the animals, do the laundry, check my two children's homework, clean the house, and prepare the food for the following day. From 4:30 when I wake up, to 10 pm, I work all the time. This is all, so that I can simply earn enough to survive.*

*Sometimes, I am so tense and stressed out after a day's work that I have no patience with my two children (5 and 11). I can lose my temper when they ask questions. It happens, I admit it.*

*We sometimes work all of the four Saturdays in a month, sometimes we work on Sundays, when the orders are high. No manager ever asks me if I have other things to care for at home. I feel that I must come and work overtime because I understand it is necessary for the employer. And at other times, we have no work at all. The employer tells us we have to stay home for a week. They use our paid holidays for that.*

*How do we live?! How can one live on a minimum wage? When I get my wage, I pay back my loans for the last month. I pay 450 RON/ €96 for the rent, I pay my utilities, and I am left with nothing. So I call my relatives and borrow money again.*

*I have never been abroad. Not even to see the Romanian seaside, not even out of this town.*

*Without a bank credit, it's impossible to redecorate my house or invest in some basic appliances. Most of us have loans to pay back. We also had one, but we now try to only take small loans, so that, in case my husband, who is also a garment worker, or I lose our jobs, we can still pay it back.*

*If there was another employer in this region, who paid even a little bit more, everyone would leave the factory. Everyone. But ours is the only one. What will become of us? What else could we do? This is a desperate region. The only other option to survive would be stealing. We want to earn money honestly. So we have to stay in this factory.*

1. 2017 – World Development Indicators database, World Bank, Romania Country Profile, available at: [http://databank.worldbank.org/data/views/reports/reportwidget.aspx?Report\\_Name=CountryProfile&id=b450fd57&tbar=y&dd=y&inf=n&zm=n&country=ROU](http://databank.worldbank.org/data/views/reports/reportwidget.aspx?Report_Name=CountryProfile&id=b450fd57&tbar=y&dd=y&inf=n&zm=n&country=ROU)
2. Number estimated based on the registered companies and the share of informal economy in Romania. Research suggests over 30% of Romania's economy is informal (<https://www.eurofound.europa.eu/data/tackling-undeclared-work-in-europe/database/trade-union-study-on-the-informal-economy-romania>). For the garments/footwear industry, we can safely assume that the share of the informal economy is 50%, as this industry is notorious for its high informality. If the number of registered firms is 4,812 (2016, National Institute of Statistics, Tempo Database, Company Statistics, Enterprises active in the clothing industry, available at: <http://statistici.insse.ro/>; included in the „light industry”, which is overwhelmingly covered by the garments/footwear, National Institute of Statistics, Tempo Database, Trade Registry, Average number of firms per industry) and the informality rate is estimated to 50%, the overall number of employees in the garments/footwear industry is at least 9,000. Additionally, it should be noted, that the number of registered companies seems to be too low.
3. This number was estimated based on the registered employees and the share of informal economy in Romania. Research suggests 30% of Romania's economy is informal (<https://www.eurofound.europa.eu/data/tackling-undeclared-work-in-europe/database/trade-union-study-on-the-informal-economy-romania>). For the garments/footwear industry, we can safely assume that the share of informality is 50%, as the apparel industry is notorious for its high informality. While the number of registered employees is 234,779 (2016, National Institute of Statistics, Tempo Database, Statistics of enterprises, Active enterprises in the clothing industry, available at: <http://statistici.insse.ro/>; included in „light industry” where garments/footwear industry is the overwhelming majority, National Institute of Statistics, Tempo Database, Register of enterprises, Average number of employees per industry) and the share of informality is estimated at 50%, the overall number of employees in the garments/footwear industry is of 400,000 at least.
4. 2015; <http://www.certex.ro/cluster/index.php/industria-de-textile-confectii-din-romania>.
5. All RON – EUR conversions according to OANDA rate of the time the figure is valid for.
6. Calculated based on the overall average wage of the interviewed workers (1,100 RON/€241) and on the average number of overtime hours including legally required overtime compensations.
7. 1,450 RON gross minimum wage as of 1 February 2017; up from 1,250 RON/€274. Taxes and social contributions in 2017 for a gross minimum wage of 1,450 RON were of approximately 32.5%, as follows: social security, 10.5%; unemployment fund, 0.5%; health insurance, 5.5%; total social contributions payable by the employee, 16.5% + 16% income tax applied to the remaining income, excluding social contributions and a 300 RON personal deduction.
8. All RON-EUR transactions according to OANDA's average time calculations: example minimum wage in 2017: July 1st, 2017 OANDA report.
9. Gross minimum wage 2018: 1,900 RON. In addition to the gross minimum wage hike, employees' taxes and social contributions were increased to 45% in 2018, compared to 32.5% in 2017. For a gross wage of 1,900 RON, an employee must pay the following: social security 25% - 475 RON; health insurance 10% - 190 RON; personal deduction (not taxable): 510 RON; income tax 10% – 73 RON.
10. At-risk-of-poverty threshold for two adults and their two 0-14 y. children - EU-SILC survey; European Union Statistics On Income And Living Conditions (EU-SILC), [http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc\\_li01&lang=en](http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc_li01&lang=en) - last accessed 8 October 2018.
11. September 2018. Source: National Institute of Statistics, <http://www.insse.ro/cms/ro/content/c%3%A2%C8%99tigul-salarial-mediulunar-46>.
12. National Institute of Statistics: [http://www.insse.ro/cms/sites/default/files/com\\_presa/com\\_pdf/cs12r17.pdf](http://www.insse.ro/cms/sites/default/files/com_presa/com_pdf/cs12r17.pdf)
13. September 2018. Source: National Institute of Statistics, <http://www.insse.ro/cms/ro/content/c%3%A2%C8%99tigul-salarial-mediulunar-46>
14. 2 adults+2 children. Guga (Syndex), Mihailescu (ICCV), Spatari (Syndex): Coşul minim de consum lunar pentru un trai decent pentru populația României, page 43: <http://library.fes.de/pdf-files/bueros/bukarest/14759.pdf> - The publication of this living wage calculation is linked to a coalition for decent wage which lobbies for the indexation of legal minimum wages to real costs of living as calculated here.
15. [http://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---relconf/documents/meetingdocument/wcms\\_089199.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_089199.pdf)
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**AUTHORS:**

Corina Ajder and Bettina Musiolek,  
in collaboration with  
Victoria Stoiciu, FES Romania

Contact information:

<https://cleanclothes.org/livingwage/europe>  
[europe-east-south@cleanclothes.org](mailto:europe-east-south@cleanclothes.org)



## COUNTRY PROFILE ROMANIA 2018

# Clean Clothes Campaign

Improving working conditions in the global garment industry



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