



WEARING IT OFF

A Snapshot on the
Working Rights and ESG
Standards in the Kosovo
Textiles Sector

July, 2023



ABOUT US

This report has been prepared in cooperation with IKS staff, and its contents reflect the joint contributions of the contractor and IKS. The views expressed in the description do not necessarily reflect the opinions of Solidar Suisse South East Europe as a project partner.

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SUMMARY

The research on worker rights in Kosovo reveals a complex landscape marked by progress and challenges. The study focused on assessing the current state of worker rights, understanding the legal framework, examining workplace conditions, and identifying areas for improvement. The findings offer insights into worker rights status in Kosovo and underscore the need for comprehensive reforms and increased awareness. The Environmental, Social, and Governance (ESG) standards serve as a framework for evaluating a company's performance in areas beyond just financial metrics. A critical component of the social aspect of ESG is the protection and promotion of worker rights, ensuring fair treatment, safety, and equitable working rights for employees. This research endeavors to delve into the intersection of worker rights and ESG standards within the specific context of Kosovo.

Social dialogue refers to the process of negotiation, consultation, and collaboration among governments, employers' organizations, and trade unions to address labor-related issues, create policies, and promote social and economic development. In Kosovo, the social dialogue landscape involves various stakeholders and initiatives.

Stakeholders

Trade unions play a crucial role in representing the interests and rights of workers in Kosovo. They advocate for improved labor conditions, fair wages, workplace safety, and social protection.

Employer associations represent the interests of businesses and employers. They engage in discussions with the government and trade unions to promote a favorable business environment, economic growth, and job creation.

The government of Kosovo participates in social dialogue as a key stakeholder. It formulates labor and social policies, facilitates discussions, and implements initiatives to support the labor force and economic development.

Various civil society groups and organizations contribute to social dialogue by providing inputs, research, and perspectives on labor and social issues.


Initiatives

Kosovo has a National Tripartite Council that brings together representatives from the government, trade unions, and employers' organizations. This council serves as a platform for discussions, consultations, and decision-making on labor and employment matters.

The Social and Economic Council of Kosovo is another important platform where representatives from various sectors engage in dialogue to address social and economic challenges.

Trade unions engage in collective bargaining with employers to negotiate employment conditions, wages, benefits, and other labor-related matters.

Social dialogue in Kosovo is instrumental in shaping labor laws, regulations, and policies



that impact workers' rights, job creation, and economic growth.

Government Plans and Initiatives

The government of Kosovo has worked on developing and updating labor laws to ensure compliance with international labor standards and to address issues such as discrimination, working conditions, and minimum wage.

The government has initiated programs and policies aimed at promoting employment opportunities, especially for youth and vulnerable groups.

Initiatives have been launched to enhance vocational training and skills development to align the workforce with the demands of the labor market.

Social dialogue is also linked to discussions about social protection systems, ensuring that workers have access to fair wages, health care, and other social benefits.

Situational Context

The global business landscape has undergone a significant transformation in recent years, with increasing emphasis on ethical, social, and environmental considerations in corporate operations. The textile sector is one of the most developed sectors in Kosovo, employing thousands of workers, and it creates employment for a significant portion of women in the labour force. The latest data from Kosovo Tax Administration indicate that 2052 companies were operating in the textile industry in 2022. Even though the number of companies is quite representative, the number of registered workers could be much higher. There were 6755 formalized employees in Kosovo, which raises issues for a high informality in this sector. In 2019, export values exceeded EUR 15 mil. The national constraints' analysis exemplifies the textile industry as a sector "which makes up 10 percent of Kosovo's export basket."¹, but also classifies the industry as "ubiquitous—many countries produce textiles—and as such it faces significant competition". More attention and support are needed to maintain the steady growth of exports in the sector.

As such, the textile industry and its branches are pivotal for employment as one of the few industries exports are increasing, with the clothing industry being spread throughout Kosovo. Furthermore, Kosovo's leather industry originates in the tradition of tanners for leather processing

and shoe production and dates back to 1945. Several modern developments in leather processing have sprung, but they are not included in this research.


There are no unions or councils among workers in the companies in the textile industry. The working rights are worsened, especially during the summer, with longer working hours, absence of annual leave and lack of overtime compensation. Furthermore, the employees of this sector are not covered by private health insurance, which is a direct responsibility of the employer.

The formation of workers' syndicates, also known as labour unions or trade unions, plays a vital role in advocating for the rights and interests of employees within a workplace. However, in the context of micro companies in Kosovo, significant barriers hinder the establishment of such syndicates. One notable barrier is the legal requirement that a minimum of five workers is needed to form a syndicate, which can be particularly challenging for micro-sized businesses that typically employ a smaller workforce. This legal stipulation, while intended to ensure the viability of the syndicate, can inadvertently create obstacles for micro companies.²

The data obtained from this survey with companies in Kosovo's textile manufacturing and processing indicates a somewhat concerning situation. While some aspects of ESG standards

¹ Kosovo Constraints Analyses. Available at: <https://assets.mcc.gov/content/uploads/Constraints-Analysis-Kosovo-1.pdf>

² LAW No. 04/L-011 FOR ORGANIZING TRADE UNION IN KOSOVO



(particularly to formal employment) appear to be well in the textiles processing sector, there needs to be a legal application system (no formal policy) in most companies that is adhered to. The governance aspect is confirmed by most managers/owners (over 50% in each element inquired) interviewed for this survey, and even a more significant percentage of employees who would be responsible for implementing such policies at the workplace and who should have knowledge and awareness to implement them in case they are formally there.

Compared to other sectors in Kosovo, the textiles sector (companies included in the sample) appear more formalized and regulated in their employment/contracts. However, applying minimum standards ascribed by the labour law is only sometimes respected. Below, these three aspects are presented in separate sections. In practice, what the Due Diligence Act and other forthcoming EU-level regulations will do for companies is build a robust sustainability approach

across their supply chain and make sustainability a business imperative. Firms that fail to meet their due diligence requirements for environmental standards and human rights will suffer economic and reputational damage and face obstacles operating in Germany and across Europe once the 2024 Directives come into force.

What this brings about for Kosovo is the importance of developing capacities (both institutional and legal and infrastructure) and human resources that are competent and skilled in enforcing such standards. The reporting will involve significant data-based systems and calculations, robust management systems, and overall transform business operations across sectors. It is imperative to find solutions to create cadres in sustainable business practices systems and their enforcement. Currently, only one such program exists in the WB region. It is one of the few in the EU that has attained formal accreditation from national institutions and therefore is recognized across the EU.




BACKGROUND & METHODOLOGY

Project Background


This report represents the final deliverable from the research study as part of the project 'SPEAK UP', implemented by IKS and funded by Solidar Suisse. The survey subject to this report has been completed in 42 companies (42 managers and 197 employees as direct respondents) stratified into five regions in Kosovo: North, South, East, West, and Prishtina area (centre).

For this study, the outcomes of a focus group discussion served as input for questionnaire design. Then, IQ Consulting was tasked to obtain information about the knowledge and implementation of working rights and ESG standards in the textiles sector in Kosovo and identify the key bottlenecks to the foreseen green transformation that is taking place globally. The questionnaire is attached in the annexes part.

The objectives of this study include:




Integration of ESG Standards: The research will investigate the extent to which ESG standards have been integrated into the business practices of Kosovo-based companies. Special attention will be given to how these companies address worker rights concerns regarding policy frameworks and implementation on the ground.



Assessment of Worker Rights in Kosovo: The research aims to comprehensively analyze worker rights in Kosovo textile garments, focusing on factors such as employment conditions, wage fairness, working hours, occupational health and safety, and freedom of association. The study seeks to identify gaps between existing labour practices and internationally recognized worker rights standards by conducting a thorough examination.

Research Approach & Methodology

The research was carried out through structured face-to-face interviews with a representative sample of 42 companies (2 managers/owners and 197 employees in these companies) across Kosovo, which were distributed to include both larger urban centres (i.e. Prishtina, Peja, Prizren, Mitrovica, Fushë Kosove, Suhareke) and smaller centres around them. This provides for the most optimal sampling approach to ensuring the representativeness of data on the one hand and cost-effective means to achieving the objectives set forth above.



In addition, two Focus Group Discussions were carried out by IKS with representatives of the sector, one during the preparation of the instruments and methodology and one to validate the findings from the research.

Target Group


The research was carried out through structured face-to-face interviews with a representative sample of 42 companies (2 managers/owners and 197 employees in these companies) across Kosovo, with up to five respondents per company, reducing the margin of error or bias on the part of researchers and outcomes of the survey significantly.

Research Instruments

Questionnaires developed as the final instrument deployed in the field after a series of drafting and revisions carried out by IKS until the instrument reached its final form. The instrument/questionnaire was translated and mock tested before it was finalized. Once the tested questionnaire was approved, it was used to conduct the research. Two questionnaires were used to complete the study, one specific to managers/owners and one for application with employees. The second questionnaire was shorter, more straightforward and included fewer aspects (since employees are not expected/supposed to have information on some business operations aspects).

Implementation

The standardized process implemented by IKS and IQ Consulting³ It comprised three main clusters of activities/ implementation phases, namely:



Preparation, which included literature/desk review, finalizing research sample and instrument, mock-testing questionnaire, translation, and database development, and training project staff);

³ For more specific exercises, this approach is modified.



Fieldwork, which included completing the survey with 42 companies (2 managers/owners and 197 employees in these companies), and



Data input, Analysis, and Reporting included information of data from completed questionnaires, database processing, statistical analyses, reporting, and presenting /discussing data with the client.

This report is the final deliverable of the research services offered under this contract, alongside other deliverables and primary materials from the research (database in SPSS, Statistical information annexed to this report, and completed questionnaires).

SAMPLE CHARACTERISTICS

The sample of 42 companies represents a rather diverse range of companies in terms of organizational model, size, and nature of their processing activities and linkages to value chain actors. Twenty-two companies in the sample are from the Prishtina region, with an additional 10 in the Fushe Kosove area, jointly accompanying the bulk of the companies in the model. While the sample is less inclusive of western Kosovo municipalities, it should be noted that the readiness to cooperate from companies invited in this region has declined. Four companies from Prizren, two from Suhareke, and three from Mitrovica region, have also been included in the sample. While the sample does not necessarily reflect the entire sector's faithful image, as companies vary in size, form and nature of business, it includes significant diversity to capture the sector's most relevant concerns and challenges. The coverage of the study was very inclusive, however there were regions that no company in the textile industry was present, or companies from some area rejected to be part of the research.

Location	%
Prishtine	17
Peja	5
Mitrovica	3
Suhareke	3
Prizren	4
Fushe Kosove	10
Total	42

Figure 1. Location of companies

Most companies in the sample have single-site processes, with only two reporting split procedures in two locations within Kosovo.

As per their size, most companies in the sample report are micro-enterprises with up to 10 employees. However, the employment they generate, particularly for women, is

considerable. Of the 42 companies in the sample, 68.3% reported having up to 7 employees, and 22% reported having five employees. Nevertheless, the total of full-time employees of all companies in the sample is 893, of which 807 are women. The highest number of employees reported by the companies in the sample is 241. Because of their nature, complexity and cost, the ESG standards are much more challenging to implement by these micro-companies in the sector.

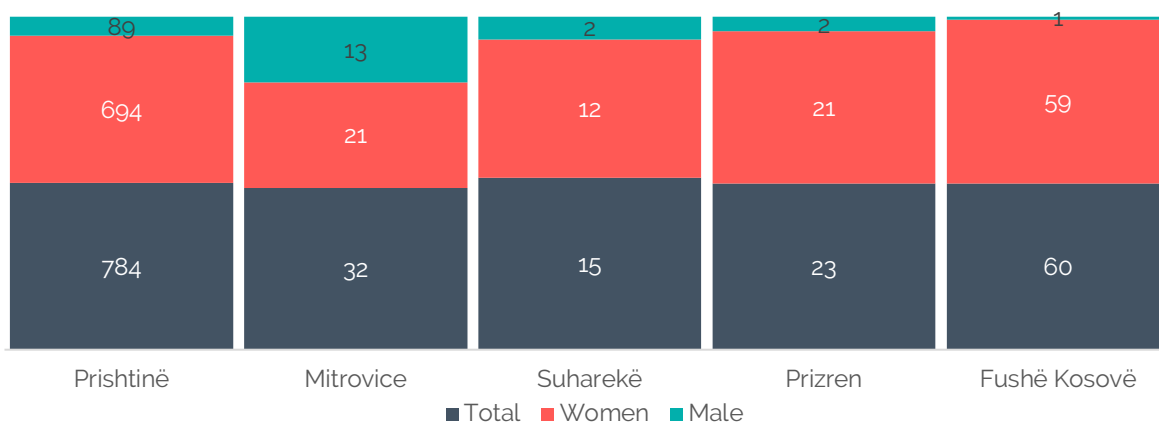


Figure 2. Size of company by number of employees

Kosovo's textile sector is highly oriented towards export markets. When asked to reveal their primary sector of focus, companies in the sample testify to a high orientation towards export markets. While most companies in the sample have selected more than one primary target for their products, highlighting diversified exposure within the sector. To this end, 83% of companies report the local market as the primary focus, with 17% wholly oriented towards exports. 11 out of 42 companies in the sample (26.2%) report being oriented towards regional markets of Western Balkans where they see themselves as more competitive and where they have traditional business linkages. An additional four companies report that the EU market is of primary focus, with 15 companies reporting international markets as of primary importance for their companies.

Current Markets	#	%
International Markets	15	35.7
EU Market	4	9.5
Regional Market (Western Balkans)	11	26.2
Local Market	35	83.3

Figure 3. Primary Current Markets

While most companies have yet to branch out in the EU markets and other countries in the region, four companies have selected Albania, Germany, Switzerland, and the EU as destinations where they have chosen to open branches. Soon, they will be subject to EU regulations, and the green transformation is a reality for them and represents a risk to the sustainability of their market expansion initiated in these countries. On another note, most companies reporting to do business with companies in the EU markets (42.5% of respondents) are also likely to be affected by the sustainability regulations in case their business partners in their respective countries are large chains that need to comply with laws like the German Due Diligence Act. Responses obtained regarding having their brands, which they market in Europe, are presented below.

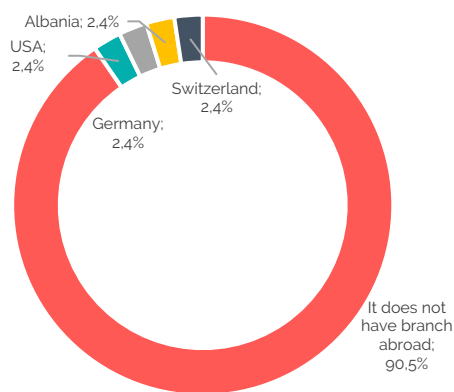


Figure 4. Branch offices abroad

Most companies in the sample (71% in the model) report their primary clients as individuals rather than businesses; over 26% rely on B2B relations to market their products. Such a finding implies that companies in the sample (mainly) will only be required to implement strict ESG standards if their clients are abroad. However, it is most certain that companies and institutions of all sizes will sooner rather than later be required to comply with strict environmental and sustainability standards. Figure 6 provides an overview of responses obtained regarding the client base of the companies in the sample.

	#	%
Yes	19	45,2
No	22	52,4
Don't know/refuse	1	2,5

Figure 5. Does the company have its trademark, which it markets in the EU?

	#	%
Individual clients/physical persons as direct buyers	30	71,4
Business clients	11	26,2
Public sector clients	1	2,4
Total	42	100,0

Figure 6. Main clients

Figure 6 provides an overview of responses obtained regarding the client base of the companies in the sample.

The situation is slightly more complex concerning their participation in local and international supply chains. Slightly over half of respondents report their suppliers being physical persons/individuals within Kosovo as direct suppliers and part of their value chain. 9 out of 42 companies in the sample (21.4%) report their suppliers being businesses operating in Kosovo. Once the sustainability directives become increasingly compulsory even for Kosovo businesses, these sections of their value chain are likely to impact their operations, costs, and processes. 14.3% of respondents in the sample report individuals outside Kosovo as their primary suppliers, with an additional 11.9% reporting their suppliers as businesses outside

Kosovo. If these businesses are within the EU and Western hemisphere, they will likely be affected by sustainability regulations and requirements soon. Therefore, their transformation will also likely affect companies in Kosovo that do business with them. Figure 7 below presents an overview of responses regarding the location of their leading suppliers.

Such sector composition and diversity of linkages to local and international value chains, for most companies in Kosovo, implies that their transformation into greener and more sustainable models is likely to occur in the mid-term framework. Those with more significant linkages to the Western market are likelier to commence the green transformation first and ensure that their access to international markets is maintained by the changes in those markets about ESG regulations.

	#	%
Individuals /physical persons within Kosovo as direct suppliers	22	52.4
Businesses within Kosovo as direct suppliers	9	21.4
Individuals/physical persons outside Kosovo as direct suppliers	6	14.3
Businesses outside Kosovo as direct suppliers.	5	11.9
Total	42	100.0

Figure 7. Main suppliers

MAIN FINDINGS

Environmental Standards

Most businesses in the sample report are indifferent towards environmental aspects, and only a few of them reporting to have specific measures and processes dedicated to environmental sustainability and protection. When asked whether they consider that global trends of green transformation would affect their business positively or negatively, the majority of respondents in the sample (64,3%) think it will have a mixed effect of making production costlier and opening new opportunities. While 16% consider that it will only adversely affect their businesses, another 16% believe the change will bring new business opportunities. 78.6% of respondents in the sample also confirm that they do not have a formal policy on environment-friendly inputs for their products. 71.8% of companies in the sample also ensure they do not consider environmental aspects when selecting their choice inputs, dye, microplastics, etc.

Regarding energy used for powering the processes within the company, most enterprises report using fossil fuels as their primary source, in total 95.2%. Such a situation is expected in Kosovo, where technical and administrative impediments by electricity network operators have discouraged businesses from investing in renewable infrastructure.

93% of respondents in the sample report not recycling their waste, while 79% confirm needing a formal policy on resource efficiency and environmental protection. Given that these two activities are also likely to reduce the cost of operation and generate extra income through recycling and re-use of waste materials, it is a good starting point to incentivize businesses to transform.

Like other environmental sustainability aspects, most companies (85%) do not have emission reduction policies, and 65% don't have policies on the efficient use of energy, water, resources, or treatment and discharge of their industrial waste. Implying that most companies in the sample do not have policies on the age and use of old materials. A complete overview of responses about the environmental aspects in the textiles sector is presented in Figure 8.

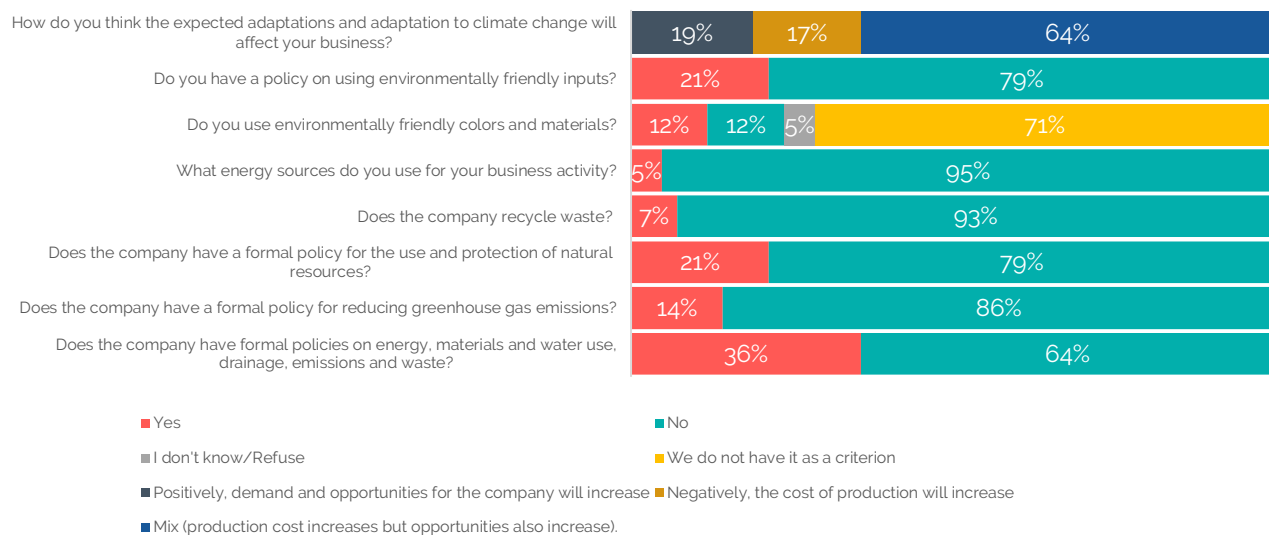


Figure 8. Environment aspects.

Social Standards

Most businesses in the sample (81%) reported organizing their work in a single eight-hour shift, with an additional 4.8% (two companies) reporting having ten-hour shifts. Six companies in the sample (14.3%) report to work in two eight-hour shifts. A complete overview of the results is presented in Figure 9.

Working Hours	#	%
One 8-hour shift	34	81.0
One 10-hour shift	2	4.8
Two 8-hour shifts	6	14.3
Total	42	100.0

Figure 9. Working hours

Another aspect of dignified working rights is taking breaks from work during shifts. The Labour Law in Kosovo also foresees a minimum number of leaves during blocks of working hours spent at the workplace. When asked about this aspect, most businesses in the sample (54.8%) report having one-hour breaks for their employees. An additional 35.7% of companies in the sample report having half-hour breaks during shifts. Four companies in the sample (9.5%) description have multiple 15-minute intervals but no longer breaks. A complete overview of responses is presented in Figure 10.

Breaks	#	%
Yes, several 15-minute breaks	4	9.5
Yes, a half-hour break	15	35.7
Yes, a one-hour break	23	54.8

Figure 10. Breaks during shifts.

Overtime compensation is also an aspect that is regulated by laws in Kosovo. Full-time work in Kosovo is defined as 40 hours per week, and performance beyond this workload is considered overtime work. Aside from being required to be compensated in addition to the regular pay, the level of payment is higher by 50% for overtime according to labour law. However, most private-sector employers must implement these provisions, and employees are rarely compensated for overtime work. In less formal sectors, where seasonal and short-term work is often linked to increased seasonal demand, overtime is one of the most frequent forms of social standards and norms that are violated. From the companies in the survey, over

Overtime compensation	#	%
Yes, in cash	23	54.8
Yes, with extra days off	12	28.6
Not compensated	7	16.7

Figure 11. Overtime compensation

Maternity leave provisions	#	%
Yes, fully	24	57.1
Yes, partially	6	14.3
No, but their position is saved to return	5	11.9
No, we don't offer paid leave	5	11.9
NA	1	2.4

Figure 12. Maternity leave

54% of them report compensating overtime with cash compensation. An additional 28% of companies say exchanging overtime work with extra days off indicates only an occasional need for such requests. Only seven companies in the sample report not to compensate overtime work of their employees.

Maternity leave is one of the most sensitive aspects of labour relations, as it is gender-sensitive and directly affects women's employment. When asked whether they compensate for maternity leave, 24 companies in the sample (57%) stated they entirely respect the legal provisions and pay for maternity leave. Another 14.3% (six companies) report they partially compensate maternity leave for their employees. Five companies have registered to either not offer paid leave to their employees or not offer paid leave, but they save their positions to return following their pregnancies. One company still needs to respond to this aspect.

Annual leave is another aspect of work-life balance that, in most countries, is guaranteed by law. In Kosovo, too, there is a minimum of one day per month that each employer needs to grant its employees and should allow them to do so in blocks of days, as per their needs and requests. Most companies in the sample (83%) report giving paid annual leave to their employees at the time and preference of their choosing of at least twelve working days per year, as envisaged by the Labor Law. Three employers in the sample report that they partially comply with these provisions as they grant employees fully paid annual leave. However, they condition they take these days off at a time convenient for the business, which is okay with the workflow. Another three companies report to comply partially with this provision in terms of granting their employees fewer days off per year of annual leave than the law foresees. Only one company in the sample has stated not to compensate for annual leave. Figure 13 below presents a complete overview of responses obtained regarding work-life balance.

	#	%
Yes, fully, at least 12 working days per year at a time of their choosing	35	83.3
Yes, partially, full leave according to the needs of the employer	3	7.1
Yes, somewhat, a couple of days per year	3	7.1
We do not compensate annual leave	1	2.4

Figure 13. Annual Leave

When asked whether they provide transportation for their employees, 73.8% of companies reported not offering such solutions. While 21.4% of companies have confirmed giving organized rides to their employees, 4.8% didn't respond to this question. The transportation aspect is too gender-sensitive in Kosovo, as women tend to fear more for their safety, particularly in dark and un-illuminated streets of rural settlements or informal neighborhoods of larger urban centres. This aspect is particularly relevant for companies organizing their work in more than one shift, which implies that at least half of their employees face this challenge.

When asked whether they provide meals for their employees during work, 35.7% of companies have confirmed to do so. While 62.9% of them have negated providing such working conditions, 2.4% of respondents didn't respond to this question. Depending on the

location of businesses, meals can be a significant challenge for employees, particularly given their modest compensation and limited disposable income to cover this expense. An overview of respondents' answers to providing transportation and meals for their employees is presented in Figure 14.

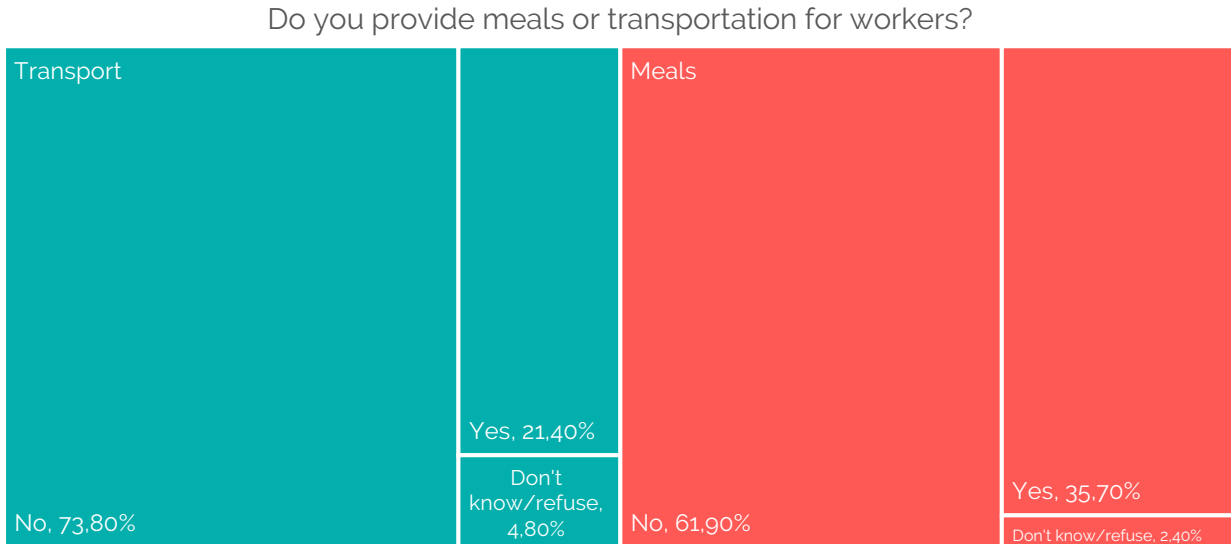



Figure 14. Transportation and meals

As such, employed possible, they resort to private health insurance to cover the healthcare risk whenever they can afford it. Most insurance companies in the market offer this service in several modalities, from minimum coverage to maximum one, which is also reflected in the cost of premiums for those products. When asked whether they pay private health insurance for their employees, 9.5% of respondents in the sample confirmed doing so. 83.3% of companies in the sample report not doing so, while 4.8% have not answered this question. A visual overview of responses is provided in Figure 15.



Figure 15. Private health insurance

One of the main reasons social inclusion and human rights in the textile sector are so dire is the industry's need for trade union organizations. When asked whether they have trade union organizations in their companies, 16% of respondents (7 companies) confirmed such structures, while the remaining 83.3% stated not to have them. Given the size of companies in the sample (the most significant part being micro companies), this aspect is challenging to



improve until they grow, have more employees, and when collective bargaining becomes essential for ensuring the company's long-term sustainability. Until then, collective bargaining in the sector remains challenging, particularly given that most of the current labour force in these micro companies is kinship or friendship related with the owner. The need for more awareness on the part of employers and employees on the relevance of trade union structures for their long-term prosperity and sustainability is an additional aspect challenging the presence of trade unions in larger companies where having unions is essential.

Observations and reports on the most common and pressing violations of employment rights indicate that issues about implementation range from:

- Informality (full or partial), which is motivated by the immediate gain by parties in terms of NET income/expenditure, at the cost of less coverage from old age risk after retirement.
- Unfair treatment in terms of working hours, overtime, holiday or weekend work, night shifts and similar are also observed/reported by respondents.
- Lack of paid annual, medical, or maternity leave is also a frequently reported violation that the survey identifies.
- Proper life-work balance is also a significant issue for the respondents in the sample.

Governance Standards

Overall, given the size of companies in the sample, it is understandable that formal governance structures and policies are less common. However, to grow and comply with the standards of larger companies, they should instil the governance culture and norms through explicit and written policies that are known to all.

For example, 33% of companies report having a formal written policy on monitoring aspects of sustainable development. The same percentage of businesses also report having a written policy on performance and bonuses for employees. An even lower rate of companies (28.6%) state to have a policy on preventing trafficking of persons and all forms of exploitation. 45% of companies report having a policy on engagement to promote the human rights of individuals and groups, and 47% of them report having a formal policy on customer protection.

26% of respondent companies report having consultative bodies with employees, such as workers' councils or trade unions. These structures represent an essential block of collective negotiation between employers and employees, ensuring that working rights are satisfactory and enabling dignified work. An additional 21.4% of companies report having a clear corporate social responsibility policy, with 35.7% stating they have a policy for investments in the local communities.

Aspects of policies reported to be more present within the companies in the sample include providing health and safety at the workplace and adequate training to safely operate in the work environment, which is confirmed by 61.9% of companies. 54.8% of companies also ensure to have policies against discrimination and harassment in the workplace. 61.9% of companies in the sample confirm having formal policies on working rights, and 52.4% of the state have policies on preventing human rights and labour rights. The same percentage of businesses (52.4%) also report having detailed job descriptions for every position in the company. 54.2% of respondents also confirm having a policy on continuous professional development.

While these answers do not necessarily reflect the actual situation in the businesses in the sample vis-à-vis formal and written policies, their confirmation of such policies indicates a general rule or system for addressing that aspect. Still, as is the case in other sectors in Kosovo, few companies formalize their practices into formal policies. This is more common for larger companies where standardized behaviour is easiest to institute through legal written policies. A complete overview of responses concerning traditional governance structures and policies regulating various aspects of the social responsibility of businesses and the norms they ought to uphold is presented in Figure 16.

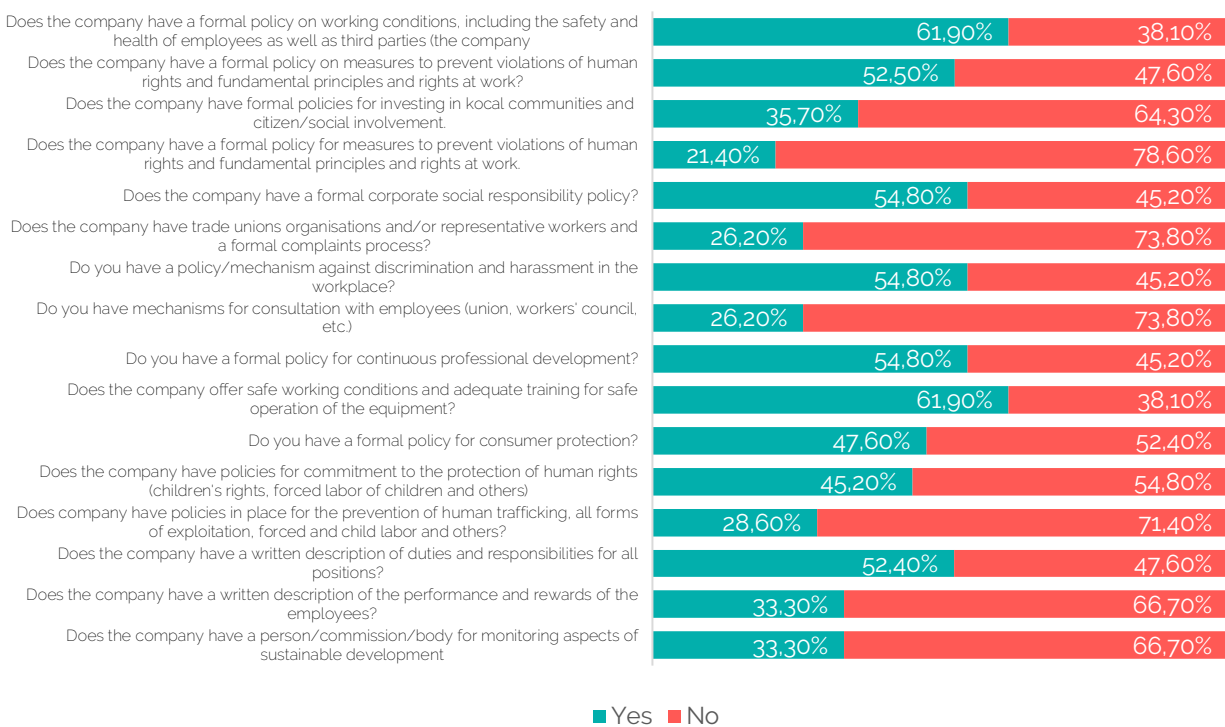



Figure 16. Responses of Businesses to Policies




CONCLUSION & KEY RECOMMENDATIONS

From the findings presented above, several key and priority recommendations to key stakeholders can be made. They are based on the conclusions and realities in the textiles sector and the companies currently operating in it. The importance of this report is threefold and emphasizes:

- 
- the need for intervention at the governmental level for changes in the current legislative regulation and enforcement of labor law implementation and ESG standards;
 - the lack of awareness among the textile sector by both employers and employees, on the current labour law and security and health at the workplace
 - the absence of unions and worker councils that could be the address and the voice of the employees in addressing challenges at the workplace.

The current revision of essential legislation in the field of labour and employment and health and safety at the workplace should consider the findings from this survey as it provides valuable input into the amendment process. The executive institutions such as Inspectorate of Labour should intensify their monitoring visits on textile companies and on employee's working conditions in this sector. Priority should be focused on working contract and health and security at the workplace. Considering the specifics of the work in textile, medicine of work should be part of the systemic annual visits, as defined by the Law. Immediate intervention should be made on the Law of Labour, more precisely on the maternity leave part. Textile industry is mainly employed by women and the right to maternity leave is reflect in cases with lack or no payment covered during that period, and some cases with termination and suspension from work. Kosovo's government and MFLT should consider to intervene as soon as possible on the maternity leave coverage, and take the burden of paying maternity leave. Those who are suffering the most from this are young girls as prospective workers and women who create families.


While many aspects/challenges could be significantly improved with the improvement of the efficiency of the Labor Inspectorate, a more valuable coercion mechanism would be affirmative action advocated with employers. Raising awareness on the relevant transformations they need to undertake vis-à-vis Environment, Social, and Governance (ESG) standards they are expected to fulfill can produce significantly more results. There should be immediate action to prepare the cadres necessary to roll out the green transformation as the only path visible near-to-long-term. Given the staff shortage expected after the Schengen Visa liberalization, ESG and human rights principles will become more critical. Government



incentives for the green transformation of businesses should be seriously considered, supporting the sustainability champions and broadly showcasing their successes. Aside from direct subsidies for companies embarking on green transformation, the government should also invest in developing human capacities in the private and public sectors to implement the new sustainability standards. Deficient capabilities in various executive agencies, inspectorates, municipalities, and ministries should all be upgraded for a meaningful sustainability policy to be enforced. Similarly, in the private sector, thousands of individuals will require education/training on ESG standards, monitoring, and reporting.

The governmental institutions should invest more in informing citizens about policies in place and raise their awareness on how Kosovo laws protect the employees. The current Ministry of Finance, Labor, and Transfers, which is in this government composition, has also been enlarged to encompass the former Ministry of Labor and Social Welfare portfolio. Outreach and information would also improve the public's understanding of worker rights and ensure rights holders are empowered to demand their rights vis-à-vis their employers. In terms of dignified treatment at the workplace, this aspect too required broad social consensus on the minimum standards expected for any job and specific professions in particular. Harassment, unfair treatment, gender-based discrimination, or favoritism are some aspects that, though not most common, are relevant for women in the sample, who also report being on the disadvantaged side of the gender imbalance. Broader outreach and public consultations should be carried out with citizens and interest groups on the type of social protection system that is to be established in Kosovo. The broad social debate should pave the way for establishing a longer-term vision of how society should be organized and what values it should be based on. Matters related to taxation levels and services that the public budget should cover should be among the key topics to be discussed. This would dramatically improve the quality of policymaking, policy responsiveness, transparency, and better representation of citizen needs.

As unions in the private sector are scarce and very weak, the findings of this report prove the absence of a union in the textile industry as well. The current legislation states that at least ten workers should initiate the establishment of a union, with the procedures then finalized at the Ministry of Finance, Labour and Transfers. This information can be distributed more to the workers since awareness is deficient about the function and administrative procedures. Further, amendments can be addressed at the governmental level regarding the number of workers needed to establish the union. From these findings, it can be noted that dominant companies in the textile industry in Kosovo are small and medium enterprises, which in many cases have less than ten workers, a composition that limits the establishment of a worker's union. According to International Labour Organization (ILO), there should be no limitation on the number of participants, and unions should be possible to be established even with 2 participants.



In conclusion, the research on worker rights, the absence of in-company worker representation, and the lack of adherence to ESG standards shed light on critical issues affecting the labour landscape and the broader business environment. The findings underscore the urgent need for comprehensive reforms, increased awareness, and collaborative efforts to create more equitable, sustainable, and responsible workplaces.

➤ **Worker Rights**

The study has revealed that gaps persist in ensuring robust worker rights within various sectors. Inadequate protections, limited enforcement of labour laws, and discrimination and exploitation have been identified as concerning trends. These shortcomings not only jeopardize the well-being of individual workers but also hinder overall economic and social progress.

➤ **Lack of In-Company Worker Representation**

The research highlights a significant need for establishing in-company worker representation mechanisms, such as syndicates or labour unions. This absence limits the voice of employees in shaping workplace policies, negotiating fair wages and conditions, and addressing grievances. As a result, employees often need a formal platform to advocate for their rights collectively.

➤ **Lack of ESG Standards Adherence**

The investigation underscores the inadequate integration of ESG standards within the business practices of various companies. Many enterprises must address environmental impact, social responsibility, and governance transparency. This deficiency undermines sustainable development and exposes businesses to reputational and operational risks in an increasingly conscious global market.

Implications & Recommendations

The findings of this research hold significant implications for various stakeholders – workers, employers, regulatory bodies, civil society, and the broader public. It is crucial to recognize that worker rights, in-company representation, and ESG standards are interconnected aspects that collectively contribute to fostering responsible, ethical, and sustainable business practices.

To address these challenges, a multi-pronged approach is recommended:

- **Policy Reforms:** Regulatory bodies should consider revisiting and strengthening labour laws to ensure comprehensive protection of worker rights and to facilitate the establishment of effective worker representation mechanisms.

- Awareness and Education: Ongoing awareness campaigns and educational initiatives should be launched to inform workers and employers about their rights, the benefits of syndicates or unions, and the value of ESG standards.
- Collaborative Efforts: Collaboration between employers, workers, and relevant institutions is essential. Establishing a platform for dialogue, negotiation, and decision-making can bridge the gap between stakeholders' interests.
- ESG Integration: Businesses must prioritize adopting ESG standards, recognizing the long-term advantages of sustainable practices, improved reputation, and stakeholder trust.
- Capacity Building: Training programs for workers and employers on negotiation skills, conflict resolution, and ESG implementation can empower them to engage in meaningful discussions actively.
- Regulatory Enforcement: Authorities should ensure robust enforcement of labour laws and incentivize companies to adhere to ESG standards through incentives, certifications, and penalties.

In conclusion, the identified issues related to worker rights, the absence of in-company representation, and the lack of ESG standards adherence serve as a call to action for all stakeholders involved. Addressing these challenges requires a concerted effort to create a more just, transparent, and sustainable environment for workers and businesses, contributing to societal advancement and responsible economic growth.

Activities recommended to be implemented:

- Raise awareness on Promoting Workers' Rights Based on Current Laws in Kosovo.


Workshops are a powerful tool for educating workers, employers, and stakeholders about their rights and responsibilities within the framework of the current labour laws in Kosovo. These workshops can provide practical insights, facilitate discussions, and empower participants to navigate the complexities of labour regulations.

Example of workshop topics:

- Raise awareness about workers' rights as outlined in Kosovo's labour laws.
- Clarify the legal obligations of employers toward their employees.
- Equip workers with the knowledge and skills to advocate for their rights lawfully.
- Promoting worker rights representation through workers' syndicates.

Implement activities to empower employees, ensure their voices are heard, and advocate for their rights within the workplace.

- Organize workshops, seminars, and awareness sessions to educate workers about their rights, the benefits of joining a syndicate, and how syndicates function.
- Train syndicate leaders and members on negotiation skills, conflict resolution, effective communication, and understanding labour laws.
- Conduct workshops to empower workers with knowledge about their rights, responsibilities, and the avenues available to protect and exercise those rights.
- Collaborate with other syndicates, trade unions, labour organizations, and NGOs to amplify the collective voice and extend the reach of worker rights advocacy.

- 
- Reach out to workers in vulnerable sectors, such as informal labour, to educate them about their rights and the potential benefits of syndicate membership.
 - Raise awareness on ESG Standards: Collaborative Approach for Sustainable Business Practices.

Conduct raising awareness activities on ESG standards that bring together workers, employers, and relevant institutions can facilitate a holistic understanding of ESG principles and their implementation. This collaborative approach promotes dialogue, knowledge-sharing, and the development of actionable strategies.

- Educate participants about the concept and importance of ESG standards.
- Explain how integrating ESG practices can enhance business sustainability and performance.
- Provide practical insights into implementing ESG principles within various business sectors.

Regional initiatives include:

Regional Labor Standards Harmonization

- Establish a collaborative effort among the four countries to align their labor laws and regulations with ILO standards. This could involve creating a common framework for minimum wage, working hours, occupational health and safety, and other crucial labor rights.

Cross-Border Social Dialogue

- Facilitate discussions between workers, employers, and governments from these countries to promote open dialogue on labor issues. This could lead to collective bargaining agreements, improved labor relations, and better understanding of worker needs.

Promotion of Decent Work Agenda

- Focus on promoting the ILO's Decent Work Agenda, which encompasses four pillars: employment, rights at work, social protection, and social dialogue. Encourage policies and initiatives that strengthen these pillars in each country.

ANNEX:

Pyetësori për punëtorët:

Pyetësori për MSQ të kompanive			
EMRI I KOMPANISË			N°
DATA E REALIZIMIT			
LOKACIONI			
KOMPANIA AMË	Po / Jo		
FORMA LIGJORE	SHPK / SH.A / B.I / O.K./JOINT VENTURE		
Deklaruesi			
Pozita			

Q1: Tregu kryesor i kompanisë është:

1. Tregu vendor
2. Tregu rajonal (Balkani Perëndimor)
3. Tregu i BE-së
4. Tregjet ndërkombëtare

Q.2A: Vendet ku kompania operon/punon/ka një zyrë përfaqësuese: Lokacioneve brenda Kosovës (fut kodet e qyteteve nga lista):

1. _____
2. _____
3. _____

Q.2B: Vendet ku kompania operon/punon/ka një zyrë përfaqësuese: Lokacionet jashte Kosovës (fut kodet e shteteve nga lista):

1. _____
2. _____
3. _____

Q.3: Vendet ku kompania ka veprimtaritë operacionale që kryhen në vende ose rajone, duke ndarë procesin e prodhimit (fut kodet e shteteve nga lista):

1. _____
2. _____
3. _____

Q4. Numri i punësuarve formal (me kontrata të rregullta) në kompani:

1. Total: _____ 2. Burra: _____ 3. Gra: _____

Q.5. Numri i të punësuarve / kontraktuarve me kontrata mbi vepër:

1. Total: _____ 2. Burra: _____ 3. Gra: _____

Q6. Në sa është organizuar prodhimi/përpunimi:

1. Një ndërrim 8 orësh
2. Një ndërrim 10 orësh
3. Dy ndërrime 8 orëshe
4. Tre ndërrime 8 orëshe

Q7. A ju ofrohet nga punëdhënësi pushimi brenda orarit:

1. Po, disa pauza 15 minutëshe
2. Po, pauzë gjysmë-ore
3. Pauzë një-orëshe
4. Jo, nuk kanë pauza
5. Tjetër, skjaro _____

Q8. A kompenson punëdhënësi për punën jashtë orarit?

1. Po me pagesë në para
2. Po, me ditë të lira shtesë
3. Jo, nuk kompensohen

Q.9: A kompenson punëdhënësi pushimin e lehonisë sipas ligjit të punës?

1. Po, plotësisht
2. Po, pjesërisht, (trego kohëzgjatjen e pushimit dhe nivelin e pageses) _____
3. Jo, por u ruhet vendi i punës pas pushimit
4. Jo, nuk ofrojmë fare
- gg. Nuk e di/Refuzoj

Q.10: A kompenson punëdhënësi pushimin vjetor sipas ligjit të punës?

1. Po plotësisht, të paktën 12 ditë punë në vit sipas kërkesës/nevojës së punonjësve
2. Po pjesërisht, pushimi i plotë sipas disponueshmërisë së orarit të punës
3. Po pjesërisht, disa ditë punë në vit
4. Nuk e kompenzojmë pushimin vjetor

Q11. A ofron punëdhënësi shërbime shtesë për të punësuarit:

Shërbimi	Po	Jo	Nuk e di /refuzoj
11.1. Shujta/Ushqim			

11.2. Transport			
11.3. Sigurim Shëndetësor privat			
11.4. Tjetër, Specifiko_____			

Q12. A ofron punëdhënësi të punësuarve trajnim në vendin e punës apo te ndonjë ofrues i specializuar?

1. Po 2. Jo 99. Nuk e di/Refuzoj

Q.13.A: A ka punëdhënësi brende/marka tregtare/produkte të veta të zhvilluara që i tregton në vende të BE-së?

1. Po 2. Jo 99. Nuk e di/Refuzoj

Q.14.B: A përfaqëson punëdhënësi brende/marka tregtare/produkte nga vendet e BE-së?

1. Po 2. Jo

Nr.	Pyetja	Po	Jo
Q.15	A ka punëdhënësi analizë/vlerësim, apo politikë formale për vlerësim të rrezikut?		
Q.16	A ka punëdhënësi politikë formale për përgjegjësinë e produktit?		
Q.17	A ka punëdhënësi politikë formale për parandalim të rryshfetit dhe korrupsionit?		
Q.18	A ka kompania politikë formale për përdorimin e energjisë, materialeve dhe ujit, kullimin, shkarkimet dhe mbetjet?		
Q.19	A ka kompania politikë formale për kushtet e punës, duke përfshirë sigurinë dhe shëndetin e punonjësve si dhe të palëve të treta (shoqëria)		
Q.20	A ka kompania politikë formale për masat për parandalimin e shkeljeve të të drejtave të njeriut dhe parimeve dhe të drejtave themelore në punë		
Q.21	A ka kompania organizimin sidikal dhe/ose përfaqësues të punëtorëve dhe proces formal të ankesave		
Q.22	A keni politikë/mekanizem kundër diskriminimit dhe ngacmimit në vendin e punës?		
Q.23	A keni mekanizma për konsultimin me punonjësit (sindikata, këshill punëtorësh, etj.)		
Q.24	A ka punëdhënësi politikë formale për ngritje profesionale të vazhdueshme?		

Q.25	A ofron kompania kushte të sigurta për punë dhe trajnim adekuat për operim të sigurtë të pajisjeve		
Q.26	A ka kompania politikë për angazhimin në mbrojtjen e të drejtave të njeriut (të drejtat e fëmijëve, grave, indigjenëve, personave me aftësi të kufizuara, komuniteteve lokale, punëtorëve dhe të tjerëve)		
Q.27	A ka kompania politikë për parandalimin e trafikimit me qenie njerëzore, të gjitha format e shfrytëzimit, punën e detyruar dhe të fëmijëve dhe të tjera		
Q.28	A ka kompania përshkrim të shkruar të detyrave dhe përgjegjësive për krejt pozitat?		
Q.29	A ka kompania një përshkrim të shkruar për performancën dhe shpërblimet e punonjësve?		
Q.30	A ka kompania një person/komision/trup për monitorimin e aspekteve të zhvillimit të qëndrueshëm		

