

# SUCCESS STORY

## SOCIAL RESPONSIBILITY SECURES BETTER JOBS FOR LOW SKILLED WORKERS

**Moldovan clothing manufacturer secures major EU client as a direct result of USAID and Sweden support for social compliance certification**

*Light Industry is one of Moldova's largest sectors, employing 30,000 people, 90% of whom are women. Low skilled women in the sector are some of the most vulnerable to the twin pressures of migration and human trafficking, earning salaries as low as 5500 MDL a month (about \$315 USD, per Moldovan statistics).*



Photo credit: MCP  
Photo caption: Woman working on a man suit at the lonel apparel factory in Chisinau, Moldova

The Moldova Competitiveness Project SMART program (Streamline Manufacturing, Accountability, Resource efficiency and Transparency) supports large factories like Chisinau-based firm lonel to assess risks, enhance productivity and improve occupational health and safety. This results in more jobs, good working conditions, and salaries up to twice the national average for the thousands of women they employ.

lonel is one of Moldova's oldest clothing manufacturers, producing high quality menswear for European clients. Increasingly, shareholders and customers of international clothing companies require their products to meet certain social standards, and they are under pressure to guarantee that their suppliers are socially responsible.

MCP SMART consultants worked with lonel to help them achieve globally recognized certifications. The company was first evaluated against the Business Social Compliance Initiative (BSCI) Code of Conduct, which immediately led to a \$33,000 contract with a new customer, Balcantex, from

Bulgaria. Following this success, the project supported lonel to achieve the OHSAS 18000 certificate in occupational health and safety management. As a result of this guarantee of good working conditions, lonel was able to secure two French manufacturing clients worth \$2.5 million USD, safeguarding 700 jobs at the company. These contracts are equal to 40% of lonel's annual total sales.

MCP has supported a total of 7 garment manufacturers across Moldova to gain social compliance certification and shift to higher value-added business models, resulting in better work environments for thousands of employees, more export contracts, and more jobs.

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Alexandra Can,  
president of the industry association APIUS

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Photo credit: MCP  
 Photo caption: Working process in the lonel apparel factory

“Our research shows that the average salary for seamstresses in Moldova is \$315 USD” says Alexandra Can, president of the industry association APIUS, “but we see much higher salaries and better jobs in companies assisted by MCP”. MCP beneficiary OldCom, which specializes in shoes, now pays its machinists 8,000 MDL a month (\$520 USD), 65% higher than the national average. Investments in equipment and health and safety certification have enabled outerwear manufacturer Artizana meet the demands of European clients, creating 150 new jobs.

MCP is funded by USAID and Sweden, and supports competitiveness gains in Moldova’s four key industries, including light industry, to create a sustainable and thriving economy in the poorest country in Europe. lonel is one of 70 companies supported by the SMART program to improve quality, production and working conditions, critical for the industry to be able to shift toward value-added business models and create more, better quality jobs, providing positive opportunities to stay and work in Moldova for women and youth.



Photo credit: MCP  
 Photo caption: lonel garments displayed in the common DININIMA store