

# **The Future of the Textile and Clothing Industry in Sub-Saharan Africa**

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International Conference  
Friedrich-Ebert-Stiftung –  
ITGLWF – SACTWU – LaRRI

## **Proceedings**

*Publisher:* Friedrich-Ebert-Stiftung,  
Division for International Development Cooperation  
Africa Department  
Godesberger Allee 149, 53170 Bonn

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*Editing:* Herbert Jauch and Rudolf Traub-Merz

*Cover Photos:* dpa Picture Alliance

*Layout:* Pellens Kommunikationsdesign, Bonn

*Printing:* bub Bonner Universitäts-Buchdruckerei

Printed in Germany 2006

ISBN 3-89892-497-1

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## List of Abbreviation

ACP	African, Caribbean and Pacific countries
ADB	African Development Bank
AFL-CIO	American Federation of Labour and Congress of Industrial Organisation
AGOA	African Growth and Opportunities Act
ANSA	Alternative to Neo-liberalism in Southern Africa
ATC	Agreement on Textiles and Clothing
AU	African Union
CET	Common External Tariff
CLS	Core Labour Standards
CMA	Common Monetary Area
COMESA	Common Market for Eastern and Southern Africa
CSR	Corporate Social Responsibility
EBA	Everything But Arms
EFTA	European Free Trade Association
EPZ	Export Processing Zones
ETUC	European Trade Union Confederation
FDI	Foreign Direct Investment
FES	Friedrich-Ebert-Stiftung
FTA	Free Trade Area
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GSP	Generalised System of Preferences
GUF	Global Union Federation
ICEM	International Federation of Chemical, Energy, Mine and General Workers' Union
ICFTU	International Confederation of Free Trade Unions
ICFTU-AFRO	International Confederation of Free Trade Unions – African Regional Organisation
ICT	Information and Communication Technology
IFBWW	International Federation of Building and Wood Workers
IFC	International Finance Facility
IFA	International Framework Agreement
IFI	International Financing Institution
ILO	International Labour Organisation
ILS	International Labour Standards
IMF	International Metalworkers' Federation
ISI	Import Substitution Industrialisation

ITF	International Transport Workers' Federation
ITGLWF	International Textile, Garment and Leather Workers' Federation
IUF	International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations
LaRRI	Labour Resource and Research Institute
LDC	Least Developed Countries
MDG	Millennium Development Goal
MERCOSUR	Mercado Común del Sur
MFA	Multi-Fibre Agreement
MFN	Most Favoured Nation
MNC	Multi-National Companies
NAFTA	North American Free Trade Agreement
NAMA	Non-Agricultural Market Access
NCP	National Contact Points
NTB	Non-Tariff Barriers
NTEs	Non-Traditional Exports
OATUU	Organisation of African Trade Union Unity
OECD	Organisation for Economic Cooperation and Development
PRGF	Poverty Reduction and Growth Facility
PRSP	Poverty Reduction Strategy Paper
PSI	Public Service International
ROO	Rules of Origin
SACTWU	Southern African Clothing and Textile Workers' Union
SACU	South African Customs Union
SADC	Southern African Development Community
SALRI	Southern African Labour Research Institute
SCM	Subsidies and Countervailing Measures
SDT	Special and Differential Treatment
SIA	Sustainability Impact Assessment
SMME	Small, Medium and Micro Enterprises
SSA	Sub-Saharan Africa
TILS	Trade, Investment and Labour Standards
TNC	Trans-National Corporation
TRIPS	Trade-Related Aspects of Intellectual Property Rights
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UN-ECA	United Nations Economic Commission for Africa
UNI	Union Network International
WB	World Bank
WCL	World Confederation of Labour
WITS	World Integrated Trade Solutions
WTO	World Trade Organisation

## Preface

Over the past decade, the global textile and clothing industry has undergone a deep re-structuring process, expressed in particular by the shifting of production capacities from the EU and the US to developing countries, especially to Asia. This process was accelerated by the end of the Agreement on Textiles and Clothing (ATC) on 1 January 2005 and the restructuring of the multilateral trade system, being negotiated in the current World Trade Organization (WTO) Doha round.

Although given far less global attention, some of the textile and clothing production moved to Africa, and several African countries developed an export-driven textiles and clothing sector in recent years. In most cases, this took place within a policy-framework of “export-led growth” as host countries hoped that textile and clothing industries would kick-start a “second round of industrialisation”, after hopes of import substitution industrialisation had been dashed by structural adjustment programmes in the 1980s and 1990s.

Today, the textile and clothing industries in Sub-Saharan Africa are in crisis again. They are under pressure on domestic and international markets where they face stiff competition from cheap Asian (in particular Chinese) products. The design of suitable domestic and international trade and industrial policies is thus of major relevance for the industrial development prospects of many African countries.

Africa’s clothing and textile workers and their trade unions find themselves in a precarious situation. On the one hand, they have to fight a host of abusive labour practices that include poor wages, a lack of benefits and at times even violations of basic workers rights. On the other hand, they have to engage the broader policy issues that set the framework for an industry which is shaped by extreme competition, resulting in a downward pressure on labour and environmental standards. Attempts to address these issues through negotiations and collective bargaining are often undermined by the high levels of mobility among clothing and textile companies, which allows them to use the threat of relocation to blackmail trade unions and host governments. To make matters worse, Africa’s “reserve army” of unemployed workers is driven by desperation to accept any job at almost any condition.

As part of its international trade union support programme, the Friedrich-Ebert-Stiftung (FES) joined hands with the International Textiles, Garment and

Leather Workers Federation (ITGLWF, regional office Durban), the Southern African Clothing and Textile Workers Union (SACTWU) and the Labour Resource and Research Institute (LaRRI, Namibia) to organise a trade union debate on the future of the African textiles and clothing industry.

The conference took place in Cape Town, South Africa on 10-11 October 2005 and examined the on-going restructuring of the global textiles and clothing market, trying to assess the prospects for the survival and growth of Africa's textile and clothing industry.

The collection of essays contained in this book examines the new challenges facing the African textile and clothing sector from different perspectives. It contains most of the papers presented during the international trade union conference and is divided into two parts: Part I covers papers presented by individual researchers and representatives from multilateral and international organisations dealing with specific aspects of the on-going restructuring process and its relevance for Africa. Part I also includes some post-conference additions such as the results of the 6<sup>th</sup> Ministerial meeting of the WTO in Hong Kong in December 2005.

The second part of the book consists of 10 country reports from Sub-Saharan Africa, which were written in a standardised format. They provide a historic overview with particular emphasis on recent developments and on the experiences of clothing and textile workers and their trade unions. Several of the reports were written by researchers with close links to the labour movement to ensure a labour perspective. Part II also contains the Conference Resolution adopted by the Cape Town conference.

We hope that this book will stimulate further debates on the future of Africa's textiles and clothing industries and on the need to create a global policy framework that is conducive to Africa's socio-economic development.

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(2009). Sub-Saharan African Textile and Apparel Inputs: Potential for Competitive Production, Investigation No. 332â€“502, Publication 4078. Google Scholar. Uzoho, P. (2017, May 19). Empowering the Nigerian Textile Industry. This Day. <http://www.thisdaylive.com/index.php/2017/05/19/empowering-the-nigerian-textile-industry/>. Verdoorn, P. J. (1949). In H. Jauch & R. Traub-Merz (Eds.), *The Future of the Textile and Clothing Industry in Sub-Saharan Africa*. Bonn: Friedrich-Ebert-Stiftung. Google Scholar. World Bank. The smallness of Sub-Saharan Africa's trade ensures that the costs of trade diversion for the Quad, other developing countries, and The European Union (EU), Japan, and the United States (US) have recently announced initiatives to improve market access for the poorest countries. The authors assess the impact on Sub-Saharan Africa of these initiatives, and others that might be taken. The future of apparel exporters in sub-Saharan Africa is, however, rather uncertain as they face two major challenges for their products: i) increased competition from Apparel production is especially labor intensive, with low start-up investments and easily transferable technology.