

ICFTU OnLine ...

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The abolition of textile quotas is causing the predicted social catastrophe

Brussels, 6 December 2005 (ICFTU OnLine): Just as the international trade union movement predicted, the liberalisation of world trade in textiles has turned the sector on its head and had a devastating social cost, according to a report published today by the ICFTU entitled "Stitched Up: How those imposing unfair competition in the textiles and clothing industries are the only winners in this race to the bottom" (<http://www.icftu.org/displaydocument.asp?Index=991223200&Language=EN>). As anticipated, China is cashing in on the unfair competition it imposes on its developing country rivals, with exports to the United States and Europe rising by 70% and 45% respectively between January and April 2005. The rock bottom prices offered by Chinese manufacturers, which are between 10 and 50% cheaper than their competitors in other low-wage countries, explains the current stampede of buyers to China. These prices are mainly due to the unbridled exploitation of the workforce, characterised - amongst other things - by abnormally low salaries, excessive working hours and frequently intolerable health and safety conditions. China is not the only country where such exploitation is rife, but its blanket ban on independent trade unions is greatly facilitating the phenomenon.

Accounts gathered by ICFTU for the new report from trade unionists on the ground show that workers in most countries suffering from China's unfair competition are in a truly dire situation. Hundreds of thousands of jobs have been lost around the world, either because local factories are unable to compete with Chinese imports or because orders have diminished as buyers flock to China. Employers and governments are using competition from China as a pretext for forcing terrible working conditions and very low salaries on workers employed in the sector, but also to step up their measures against trade unions. "For us, the most serious upshot of the end of the Agreement on Textiles and Clothing (ATC) is that employers are capitalising on it to implement anti-union strategies and step up their exploitation of the workers, for instance by increasing overtime", explained Saner Taysi, from the Turkish textile sector union TEKSIF. "In this connection they are constantly citing the need to compete with China".

The new ICFTU report highlights the fact that it is Africa, the world's poorest continent, that is suffering the severest social consequences, with tens of thousands of jobs lost in countries like Nigeria, Lesotho and Kenya. In Asia, the Philippines has suffered one of the highest levels of job losses in recent years, with employment in the textile and clothing sector plummeting from 900,000 in 1994 to 311,000 in 2004. In the United States, 25,000 jobs were lost between September 2004 and September 2005, whereas in the European Union, where the textile and clothing industries still employ 7% of the workforce, 1 million jobs have vanished over the past decade, and just as many are expected to disappear over the next five years.

The trends observed in the run-up to the end of quotas and since their expiry on 1 January 2005 do not yet provide a clear picture of what the consequences of the full liberalisation of trade in textiles and clothing will be in 2008. The adoption of protective measures by the United States to provisionally limit rises in imports from China was followed by the conclusion between China and the European Union, then between China and the USA, of consensual agreements limiting such increases. All these limits on increases in Chinese exports will expire in 2008.

The ICFTU is calling upon the WTO and all the other relevant actors not

to wait until 2008 to finally consider the consequences that the liberalisation of the trade in textiles and clothing will have around the world. In particular, it is calling on them to adopt measures designed to ease the social consequences experienced in many countries subjected to unfair competition from China. The extent of suffering necessitates extremely urgent action. "A country like Lesotho has lost some 20,000 jobs in the textiles and clothing sector, which is virtually its only industry. 36% of the workforce in this sector is HIV positive. Losing a job in a country like this means instant poverty and premature death", stressed Neil Kearney, the general secretary of ITGLWF, the International Textile, Garment and Leather Workers' Federation.

-You can download the full text of the report from this address:

<http://www.icftu.org/displaydocument.asp?Index=991223200&Language=EN>

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