

**Trade Union Resolution on the  
Future of the African Textiles and  
Clothing Industries**

in:

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

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## Trade Union Resolution on the Future of the African Textiles and Clothing Industries

*Resolution of the Participants of the Trade Union Conference “The Future of the African Textiles and Clothing Industries”, jointly organised by Friedrich-Ebert-Stiftung, LaRRI, SACTWU and ITGLWF-Africa in Cape Town, South Africa on October 10-11, 2005.*

We, representatives of workers in the clothing, textiles, footwear and leather industries of Ghana, Kenya, Malawi, Madagascar, Mauritius, Namibia, Nigeria, Lesotho, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe, having met in Cape Town on 10 and 11 October 2005, at a trade union conference on “The future of the African Clothing and Textiles Industries”:

### **Noting that:**

There has been a significant change in the global textiles and clothing sectors over the recent past, particularly since the beginning of 2005, due to the expiry of the Multifibre Arrangement (MFA), and the elimination of quotas as set out in the Agreement on Textiles and Clothing (ATC);

The continent has lost more than 250,000 jobs over the past few years, with large numbers of job losses in Lesotho, South Africa, Swaziland, Nigeria, Ghana, Mauritius, Zambia, Madagascar, Tanzania, Malawi, Namibia and Kenya. This means that more than a million African family-members have lost the stable source of their livelihood;

Cheap textiles and clothing imports from China have flooded our domestic markets, which has seriously injured our industries, resulted in loss of productive capacity, factory closures and retrenchments;

Loss of export orders and the flood of imports from China have also led to pressure on wages and working conditions of workers in textiles and clothing companies. This pressure has led to an increase in underpayment of workers, casualisation and contract work in the industries in the region;

China’s Accession Protocol to the World Trade Organisation (WTO) provides for safeguard measures to be taken by Governments in case of imports from China in textiles and clothing that cause market disruption and/or injury to the domestic market;

African countries are pressurised to reduce trade protection and support for both infant and sensitive industries, though countries in the north and in Asia have used trade policies as important complementary tools for industrial development;

Governments compete for foreign direct investment through unsustainable and socially-damaging policies such as relaxation of labour rights and offering ever-increasing fiscal benefits, infrastructure and services; these packages pit one African government against another in a bidding war to draw foreign investors to their country with a net-benefit only to multinational companies;

Foreign investors in some cases have left the country overnight, closing the factories without offering any retrenchment benefits;

Export Processing Zones (EPZs) are increasingly created as a means to attract new investment. These EPZs are often characterised by bad working conditions, low wages, long working hours, forced overtime work and absence of trade unions;

There is a lack of a common approach of the African governments with regard to the issues of trade and investment in textiles and clothing. No coordination among the governments takes place, and no common policies are adopted towards investors and the attraction of investment;

The development of the industry under current trade preferences has failed to significantly develop production along the value chain, by using cotton, wool and other raw material production, through spinning, weaving, knitting and design into finished goods production processes;

Trade issues are often seen as the preserve of Ministries of Trade, with little stakeholder participation, and yet, trade agreements impact on practically all aspects of development;

A strong dependence of our textiles and clothing industries has been created, through the African Growth and Opportunities Act (AGOA), on the US market and on preferential treatment, and to a lesser extent on the EU market for some African countries through Cotonou, that utilisation rates have been rather low in the case of the EU Generalised System of Preferences (GSP) due to strict rules of origin;

Globally, retailers' procurement very often contribute to the erosion of labour rights as they source from countries and companies with very poor labour rights;

Buyers have substantial power to impact positively on the labour rights violations of workers in foreign companies;

Trade preferences are likely to be eroded within a relatively short time frame, due to negotiations on market access of non-agricultural products (NAMA) in the WTO, including sectoral negotiations on textiles and clothing with the aim to get zero tariffs in these sectors; And that there is no systematic research and database on the impact of the removal of preferences and trade agreements;

Global economic pressures require trade unions to cooperate more actively in order to pursue the mandate of fair standards and decent work;

Cooperation of unions in the sector still needs to be strengthened to achieve common positions and joint actions and campaigns;

The current trade in imported second-hand clothing has significant negative effects on employment in the industry and is not the most effective way of combating poverty.

## **Believing**

The African clothing and textile industry can grow in output and employment provided policies are developed to modernise the industry, strengthen the skills of the workforce, develop capacities in product quality and innovation.

## **Now Resolve:**

- To call on governments to put in place a comprehensive industrial and trade policy approach aimed at coping with the impact of the Agreement on Textiles and Clothing (ATC) in every country where the textile and clothing sector is significant, with different and specific measures tailored to the situation in each case and aimed at retaining and increasing employment in the sector;
- To call upon governments to make better use of the inputs available on the continent through strong beneficiation programmes and to develop a strategy for restructuring of the industries through integration of a regional value chain in textiles and clothing, by using the different strengths of the different countries;
- To call for coordinated action by African governments to institute temporary safeguard measures against Chinese imports of textiles and clothing on the basis of China's Accession Protocol;
- To address the need for training of workers to upgrade their skills and increase productivity and to modernise the industry through improved technology and methods that allow for innovation and efficiency;
- To improve social dialogue on the future of the textiles and clothing industries, between governments, businesses and organised labour at national, regional and continental levels;
- To ensure unions in the textile and clothing industry re-orient their approach and build capacities in industrial and trade policy through pro-active and innovative strategies;
- To market the region as an ethical source of goods, requiring commitment from business and governments to eliminate sweatshops, in order to capture a share of the "Fair Trade" market;

- To call on governments to promote decent work through an expansion in the quantity (more jobs) and quality (better labour standards) of clothing and textile employment on the continent and to work to eliminate casualisation, job insecurity, underpayment of workers and other forms of poor labour practices;
- To gather information with regard to the impact of the ending of the MFA, such as company closures, job losses, wages, working hours and violations of labour legislation as well as on foreign investor profiles and incentives. Such information should be gathered by each trade union, and should be sent to ITGLWF Africa Office, in order to create a database of information for research and lobby work;
- To call upon governments of the African Union to coordinate amongst them the attraction of foreign investment, in order to avoid destructive competition for investment among African countries, to avoid a race to the bottom in terms of incentives offered to investors; to develop guidelines on maximising the benefits of such investment (through measures such as technology transfer agreements and training in high level skills) and to ensure that domestic investors are not discriminated against in the provision of incentives and facilities;
- To call on SADC governments to fully implement the Charter of Fundamental Social Rights and to ensure that effective enforcement and follow up mechanisms are in place;
- To call upon governments of the African Union to build a social floor in Africa, including respect for and full implementation of core labour standards in the continent and promotion of Decent Work;
- To call upon governments of the African Union, in coordination with the African Group in the WTO, to coordinate strategies on trade policies and trade negotiations, in particular with regard to NAMA negotiations, opposing the sectoral negotiations, and to prepare proposals that address the issue of preference erosion in a satisfactory way. In addition, the need for policy space has to be safeguarded and should not be undermined by negotiations in the WTO;
- To call on governments to ensure that measures are put in place to address the negative impact of trade in imported second-hand clothing while at the same time ensuring that our domestic industries are able to provide affordable clothing to poor people;
- To call on governments in the developed world to expand trade preferences offered to African countries, including through improving the terms of existing agreements and the rules of origin;

- To ensure coordination among trade unions and information gathering on the issue of smuggling of products and dumping, in order to reduce the impact of these on the domestic market, and to ensure coordination among governments of the African Union and the establishment of measures, and the building of institutional capacity to eliminate all forms of illegal imports and smuggling;
- To promote an alternative development strategy such as the sustainable human development approach adopted by the UNDP;
- To lobby governments to support a Policy Coherence Initiative among multi-lateral institutions, with strong ILO involvement, aimed at creating and expanding decent work opportunities in the clothing and textile industries on the African continent;
- To undertake a major campaign to increase the rates of unionisation among workers in the industry, to identify through a public list the names of companies denying workers the right to join unions (including through a list of the 10 worst employers on the continent) and to campaign in solidarity against anti-union practices;
- To campaign that multinational corporations and major global retailers increase their sourcing from the African continent, support fair labour standards, comply with all legal obligations and promote decent work;
- To call for a Summit in Africa on the future of the clothing, textile and footwear industries, with strong participation by trade unions, investors and governments, in order to develop commitments for a common action plan to grow the industry and the welfare of its workers.

## NAMES OF TRADE UNIONS

Signed on this 11th day of October 2005 in Cape Town, South Africa

*Ghana*

\_\_\_\_\_  
Representative

\_\_\_\_\_  
Union

*Kenya*

\_\_\_\_\_  
Representative

\_\_\_\_\_  
Union

*Malawi*

\_\_\_\_\_  
Representative

\_\_\_\_\_  
Union

*Madagascar*

Representative

Union

*Mauritius*

Representative

Union

*Namibia*

Representative

Union

*Nigeria*

Representative

Union

*Lesotho*

Representative

Union

*South Africa*

Representative

Union

*Swaziland*

Representative

Union

*Tanzania*

Representative

Union

*Zambia*

Representative

Union

*Zimbabwe*

Representative

Union

*SATUCC*

Representative

*ITGLWF-Africa*

Representative

*ICFTU-AFRO*

Representative