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Africa's Clothing and Textile Industry: The Case of Ramatex in Namibia

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By Herbert Jauch

Namibia attained its independence in 1990, when the former liberation movement, the South West Africa People's Organisation of Namibia (SWAPO) became the ruling party. SWAPO enjoyed the overwhelming support of Namibian workers, particularly those organised under the umbrella of the country's largest trade union federation, the National Union of Namibian Workers (NUNW). The NUNW is still affiliated to the ruling party, hoping that this would help the labour movement to influence policies in favour of its constituency.

1. The Economy and Employment

Namibia's population of 1.9 million people is relatively young. More than half of the population is less than 20 years of age and more than 40% are less than 15 years old. In 2001, only 33% of the population lived in urban areas compared to a rural population of 67%. These figures are changing steadily due to increasing urbanisation that has taken place since independence.

In 2000, 888,009 Namibians were 15 years or older and the Labour Force Survey classified 541,447 people as economically active and 346,157 people as economically inactive. The bulk of those classified as economically inactive were students (52.3%), followed by ‚home-makers' (20.8%), retired and old people (18.4%) and those affected by illness and disability (6.9%). The number of economically inactive women (211,718) was significantly higher than the number of men (134,439).

The agricultural sector was the largest sector in terms of employment in Namibia, accounting for 123,297 (or 28.6%) jobs. It is, however, important to point out that this figure included about 78,000 communal/subsistence farmers, 1,623 commercial agricultural employers and 4,354 ‚own account' self-employed agricultural workers. There were 26,480 farm workers on private farms and 2,730 workers on public farms. Agriculture accounted for 53% of rural employment.

Other important sectors in terms of employment were community, social and personal services with 47,517 jobs (11.0%); 'real estate, renting and business activities with 42,128 jobs (9.8%), wholesale and retail and motor vehicle repairs with 39,850 jobs (9.2%); and education with 30,523 jobs (7.1%). On the other hand manufacturing accounted for only 22,921 jobs (5.3 %) which is an indication that this sector was still severely under-developed in Namibia.

Table 1: **Employment Trends (1997-2000)**

Industry	1997	2000	Change
Agriculture	146 899	126 459	-13.9%
Fishing	6 771	7 800	15.2%
Mining & Quarrying	6 592	3 868	- 41.3%
Manufacturing	25 983	22 922	- 11.8%
Electricity, gas & water supply	4 576	4 193	- 8.4%
Construction	19 801	21 788	10%
Wholesale & retail trade, repair of motor vehicle	33 815	38 902	15%
Hotels and restaurants	2 988	7 677	157%
Transport, storage & communication	13 480	14 308	6%
Financial intermediation	7 817	4 933	- 36.9%
Real estate, renting and business activities	20 244	39 318	94%
Public administration, defence and social security	22 029	24 419	10.9%
Education	24 023	30 538	27%
Health & social work	10 922	13 135	20.3%
Other community, social & personal services	24 518	46 289	88.8%
Private households with employed persons	28 547	22 209	- 22%
Extra-territorial organisations & bodies	229	327	42.8%

Source: Labour Force Survey 1997 & 2000

Using the broad definition of *unemployment*, the rural unemployment rate stood at 35.9% compared to 31.3% in urban areas. Unemployment also has a gender dimension as the rate was significantly higher among women (39%) than among men (28%).

Table 2: **Unemployment – Broad Definition (2000)**

	Overall percentage	Percentage among women	Percentage among men
Nationally	33.8	39.0	28.3
Urban Areas	31.3	37.2	25.4
Rural Areas	35.9	40.4	30.8

Source: Labour Force Survey 2000

2. Namibia's EPZ Programme

In 1995, the Namibian Government introduced the Export Processing Zones (EPZ) Act, which was justified on the basis that despite the creation of conducive investment conditions, economic growth and investments had remained far below government's expectations. The incentives offered to EPZ companies are:

- Corporate tax holiday;
- Exemption from import duties on imported intermediate and capital goods;
- Exemption from sales tax, stamp and transfer duties on goods and services required for EPZ activities;
- Reduction in foreign exchange controls;
- Guarantee of free repatriation of capital and profits;
- Permission for EPZ investors to hold foreign currency accounts locally;
- Access to streamlined regulatory service ('one stop shop');
- Refund of up to 75% of costs of pre-approved training of Namibian citizens;
- Provision of factory facilities for rent at economical rates

When the EPZ Act was passed, it stated that the Labour Act of 1992 would not apply in EPZs. The government argued that both local and foreign investment in the first five years of independence had been disappointing and that EPZs were the only solution to high unemployment. At the time, President Sam Nujoma described the exclusion of the Labour Act as necessary to allay investors' "fear of possible industrial unrest". He promised that regulations on conditions of employment would be put in place to address the fears of workers. He further described the non-application of Namibia's Labour Act in EPZs as "a delicate compromise, which is necessary to achieve the larger goal of job creation" (The Namibian, 30 October 1995).

The National Union of Namibian Workers (NUNW) opposed the exclusion of the labour act as a violation of both ILO conventions and Namibias constitution. The union federation instructed its lawyers to challenge the constitutionality of the EPZ Act in court. However, during a high level meeting between the government, SWAPO and the NUNW in August 1995, a “compromise” was reached which stipulated that the Labour Act will apply in the EPZs, but that strikes and lock-outs would be outlawed for a period of 5 years. Since 2001, the Labour Act fully applies in EPZs.

In 1999, the labour-based Labour Resource and Research Institute (LaRRI) carried out a comprehensive study of Namibia‘s EPZ programme. LaRRI‘s study was published in March 2000 and found that EPZs had fallen far short of the government‘s expectations of creating 25,000 jobs and facilitating skills and technology transfer needed to kick-start manufacturing industries in the country. At the end of 1999, the EPZs had created less than 400 jobs although millions of dollars had been spent on promoting the policy and on developing infrastructure with public funds. LaRRI‘s study received extensive media coverage and drew an instantaneous response from the Ministry of Trade and Industry, which is in charge of Namibia’s EPZ programme. The Ministry’s Offshore Development Company (ODC) argued that it was too early to measure the success and failures of the programme as EPZs would only show results in the long term. Citing Mauritius as an example to follow, the ODC argued that the island had to wait 20 years for their EPZ programme to yield positive results.

By the end of 2004, the total number of EPZ jobs had increased to about 10,000 largely due to the Ramatex investment in textiles and garments. Ramatex thus contributed to an increase of about 40% in manufacturing jobs. However, in terms of overall employment, the EPZ jobs (including Ramatex) account for only about 2% of all jobs and thus did not contribute significantly to reduce Namibia’s high rates of unemployment.

According to the figures provided by the Ministry of Trade and Industry in July 2004, Namibia’s EPZ investment and employment levels were as follows:

Table 3: **Employment and Investments in EPZs**

Sector	Investments (N$million)	Employment	Imports into EPZ (N$million)	Exports from EPZ (N$million)
Manufacturing (Overall)	1641.49	8391	1621.49	2129.54
Of which: Textiles and garments alone	563.81	8148	1610.25	2112.66
Mineral processing	3737.99	1417	160.51	325.84
Tannery and meat processing	167.5	215	8.66	12.49
Assembly operations	10.9	34	5.26	8.88
TOTAL	5557.88	10 057	1790.66	2476.75

Source: Ministry of Trade and Industry 2004

3. Clothing and Textile Investments

In 2001, the Ministry of Trade and Industry announced that it had succeeded to snatch up a N$ 1 billion[1] project ahead of South Africa and Madagascar which had also been considered as an investment location by the Malaysian clothing and textile company Ramatex. This was achieved by offering even greater concessions than those offered to other EPZ companies, such as corporate tax holidays, free repatriation of profits, exemption from sales tax etc. Drawing in the parastatals providing water and electricity (Namwater and Nampower) as well as the Windhoek municipality, the Ministry put together an incentive package which included subsidised water and electricity, a 99-year tax exemption on land use as well as over N$ 100 million to prepare the site including the setting up of electricity, water and sewage infrastructure. This was justified on the grounds that the company would create 3,000-5,000 jobs during the first two years and another 2,000 jobs in the following two years. The plant (which represents the first clothing and textile company in Namibia) turns cotton (imported duty free from West Africa) into garments for the US market. Ramatex‘ decision to locate production in Southern Africa was motivated by the objective to benefit from the Africa Growth and Opportunity Act (AGOA) which allows for duty free exports to the US from selected African countries who meet certain conditions set by the US government[2].

3.1 Who is Ramatex?

Ramatex Berhad was established in 1982 as Gimmill Industrial (M) Sdn., a small textile manufacturing plant in Batu Pahat, Malaysia. The Ramatex Group, as it is now known today, expanded vertically from dyeing and knitting mills into yarn manufacturing in 1989 and continued its growth into finishing fabrics and printing in 1992. On November 12, 1996, the Ramatex Group was officially listed on the Kuala Lumpur Stock Exchange. Ramatex is the undisputed leader in the Malaysian textile industry. Today, members of the Ma Family who originally set up the business are still the majority shareholders, owning 59 percent. They also still play an active management role.

1 The Namibia Dollar (N$) is linked to the South African Rand. In November 2005 the exchange rate stood at US $ 1 – N$ 6,7

2 These conditions include commitment to a ‘free market economy’ (including privatisation), the elimination of barriers to US trade and investment, protection of intellectual property rights, the elimination of subsidies and price controls etc.

Ramatex Berhad has subsidiaries in China, Mauritius, Namibia and South Africa. Ramatex has three garment factories in the Eastern Cape, South Africa owned by 2 of its subsidiaries: SA Tai Wah Textiles (Pty) Ltd and the May Garment Company (Pty) Ltd.. On 16 September 2003, SA Tai Wah and May Garment gave notice that their operations In Dimaza, Eastern Cape, South Africa would cease resulting in job losses for 2,500 workers. Apparently, this was due to the company‘s relocation of production to Namibia.

With a turnover of about U $ 200 million a year, the Ramatex group currently operates from three major manufacturing facilities in Malaysia, China and Namibia. The Malaysian facility mainly caters for the export quota markets, whereas products manufactured in China are mainly aimed at the Chinese domestic market and non-quota customers. The production in Namibia services the US market under AGOA.

The company has similar operations in all three countries consisting of spinning mills, knitting plants, dye and print houses and also operates (under the subsidiary names Gimmill Industrial and Fulong) several sewing plants. The company‘s total annual capacity stands at around 50 million kilograms of yarn, 30 million kg of knitted and dyed fabric and 75 million garments. The operations in Namibia are envisaged to reach 16 million kg of yarn, 12 million kg of fabric and 3.6 million garments per annum within five years.

3.2 Economic Significance of Ramatex

Ramatex set up an integrated production chain in Namibia, importing raw cotton from West Africa and machinery from Asia. The cotton is turned into fabric which in turn is processed into final garments that are shipped with US $ price tags into the USA. The factory compound consists of spinning, knitting, dyeing, cutting and sewing departments.

Ramatex and its four subsidiaries in Namibia currently employ about 8,000 workers. Given Namibia’s small manufacturing sector that accounted for only 23,000 jobs in 2000 (latest figures available), this represents a significant number of jobs. However, over 2,000 of the Ramatex staff members are migrant workers from Asia, mainly China.

All Ramatex products are currently exported to the USA but figures about the company’s volumes and sales are not made public. However, the trade statistics of the US Department of Commerce reveal that exports from Namibia into the USA increased from US $ 57.4 million in 2002 to 238.3 million in 2004 (see Table 4).

Table 4: **Value of Namibian Exports to the USA (in US $)**

2002	2003	2004
57.4 million	132.2 million	238.3 million

Source: US Department of Commerce.

It is likely that a large part of these exports can be attributed to Ramatex and its subsidiaries. A rough calculation of labour costs (Table 5) in relation to the export earnings (price at port of entry-fob, Table 4) in 2004 reveals that labour costs in Namibia equal about 10% of the company's export earnings from the US market.

Table 5: **Ramatex Labour Costs in Namibia (in US$, estimated)**

Worker Category	Wage rate	Total
6,000 Namibian workers, regular working hours	US $ 90 x 12	US $ 5 400 000
Namibian workers, overtime	US $ 90 x 12	US $ 5 400 000
2,000 Asian migrant workers, regular hours	US $ 300 x 12	US $ 7 200 000
Asian workers, overtime	US $ 300 x 12	US $ 7 200 000
TOTAL		US $ 24 800 000

Source: Information provided by Ramatex workers

As an EPZ company, Ramatex does not pay any import and export duties nor any corporate tax. As a result, Ramtex does not contribute towards government revenue. However, the Ministry of Trade and Industry claims that the company created many indirect jobs, for example in the transport industry, which moves containers between Windhoek and the port of Walvis Bay. The number of indirect jobs is difficult to quantify although private transport companies like Maersk and the parastatal Trans Namib seem to benefit from Ramatex' operations.

The Namibian government hopes that the creation of favourable conditions for Ramatex will lead to the attraction of more global textile companies to Namibia. The government is at pains to point out that workers and unions should be patient and refrain from making demands that could scare away foreign investors.

3.3 Ramatex and Labour Conditions

The criteria for AGOA eligibility include the protection of internationally recognised workers' rights such as the rights to free association, to organise, to bargain collectively and the right to "acceptable conditions of work", including minimum wages, hours of work as well as occupational health and safety standards (Section 104 of AGOA I). In the case of Ramatex, however, several workers' rights violations took place.

In 2003, the Labour Resource and Research Institute (LaRRI) carried out a study to investigate the working conditions and experiences of Ramatex workers. The main findings of LaRRI's study were:

- Ramatex workers earn very low wages. Workers who have completed training earn N$ 3.00 per hour, for overtime they earn an extra N$1.50. Trainees receive N$ 1.50 per hour plus 75 cents for overtime. Even when workers work long hours of overtime, they only reach about N$ 700.00 (U $ 100) per month.
- Most workers are forced to work overtime to supplement their basic salaries so that they can cover their basic expenses such as rent, water, food and transport. Most workers still have to share their limited income with their extended families and children.
- Both low salaries and long working hours have a severe impact on workers at Ramatex. Due to low salaries, most workers have to walk long distances to and from work. By the time they reach the factory, they are exhausted. When leaving the factory in the evening most workers still walk back long distances. Since most workers are women they pointed out that they do not feel safe to walk back home.
- Workers also indicated that they are not provided with protective clothing, which they regard as a basic necessity when working at Ramatex. Some workers have developed chest problems whereas others had allergic reactions because of being exposed to the dust from the fabric. This has created another burden for the workers because their expenses now include medical costs.
- Work-related accidents seem to be an everyday occurrence. One worker lost a finger because she got cut by one of the machines at the factory. Another had an injury to her eye caused by a needle. The workers reported that when they get injured and take sick leave, it is regarded as unpaid leave. Because workers are not paid sick leave, they end up working even when they are sick or injured.
- Workers further complained about the humiliation they endure when they get searched especially as they enter the factory in the morning, when they leave

or when they visit the bathroom. Women workers were particularly concerned about the body searches and indicated that it was uncomfortable for them, especially when they have their menstrual cycles.

- Workers reported inhumane treatment from their supervisors. The workers feel trapped because they can not take their grievances to their supervisors whom they felt did not have their well-being at heart. Some of the workers who have asked for compassionate leave have been told to go and never come back. Disputes and disciplinary procedures are characterised by endless signing of warning letters without any explanation.
- Workers frequently reported that they are verbally abused by their supervisors and often told how 'lazy and useless' they are.

3.4 Asian Migrant Workers

Namibian immigration laws and regulations as well as the country's Affirmative Action (Employment) Act of 1998 prescribe that work permits for foreign nationals shall only be issued if the required skills cannot be found locally. In addition, employers are requested to employ Namibian understudies to ensure skills transfer. Against this background, it is astonishing that Ramatex was allowed to import a large number of Asian migrant workers. Most of them are employed as mere production workers with basic salaries of around U $ 250-400 per month plus payment for overtime work. Their salaries are thus higher than those of their Namibian counterparts and the company obviously believes that Asian workers are more productive. There are also indications that the import of Asian workers serves the company's strategy of divide and rule. Workers are divided according to nationalities, they receive different remuneration and benefits and they find it hard to communicate with each other. As a result, there was hardly any joint action by the Ramatex workers. Protests over working conditions over the past few years by Namibian, Filipino and Bangladeshi workers were isolated from each other and workers found no support from the Chinese. Chinese workers are fairly content with their working conditions and merely try to save as much money as possible through excessive overtime during their 2-3 year contracts.

Ill-Treatment of Bangladeshi Workers

A different case was that of Bangladeshi migrant workers. Ramatex brought in the first group of 66 in 2003, followed by a second group of 418 in 2004. These workers came to Namibia because of the salary promised and the benefits (free food and accommodation). They had learned about the Ramatex jobs in Namibia through advertisements in local newspapers. They were recruited through agents in Brunei and in Bangladesh whom they had to pay up to US $ 3,500 of which only US $ 1,000 were recorded with receipts.

The first group of workers was employed as sewers with a monthly salary of US $ 200. Quality controllers earned US $ 300 per month. The workers' contracts had been signed in Bangladesh and set out the monthly wages. They also contained a clause stating that: "The basic accommodation and food shall be provided by the employer, in accordance with the local situation in Namibia". The employer (Ramatex) was also responsible for the air ticket and for reimbursing the workers for "all approved medical expenses for in-house or designated clinic or hospital for medical treatment" (Work contract of a Bangladeshi worker employed at the Ramatex subsidiary Lichen Apparel)

The Bangladeshi workers received only 7 days of annual leave, while the Namibian Labour Act (1992) prescribes a minimum of 24 consecutive days annual leave. The workers had hoped that they would be able to recover their "agency fees" and save some money that they could send home to their families. However, after only 6 weeks in Namibia, Ramatex unilaterally changed their contracts by cancelling the provision of food and reducing the quality controllers' salary from US $ 300 to US $ 200 per month. This again was an open violation of the Namibian Labour Act.

In August 2004, Ramatex decided to fire the first group of 66 workers, claiming that they had not been productive enough. However, during July and August 2004, Ramatex had brought in another 418 Bangladeshi workers who were all unskilled workers and were paid US $ 120 per month – significantly lower than the first group. These 418 workers (all men) were accommodated under atrocious conditions in a house in Windhoek. Namibia's largest trade union federation, the National Union of Namibian Workers (NUNW), observed that conditions there were "even worse than those of the notorious migrant worker hostels in colonial Namibia" (NUNW press statement, 10 September 2004).

The Bangladeshi workers joined NAFAU in September 2004 but were deported at the end of that month after protesting against their treatment. Ramatex in collaboration with the Namibian police arranged for their swift deportation. The NUNW stated that:

"The Bangladeshi workers' experiences point to an international syndicate of labour brokers who engage in human trafficking. Their operations are similar to those syndicates that offer young women in Eastern Europe and South-East Asia seemingly attractive jobs (or husbands), and then sell them into the sex trade. The labour brokers essentially resort to blackmail as they force workers to pay huge amounts in hard currency (mostly undocumented) in order to get contacts… We would like to point out that when workers stand up for their rights, some government officials and ministries point to the need for protection of the "national interest". We are not sure what is really meant by "national interest". Does it means excluding workers' rights and trampling on their dignity? Does government believe that the national interest is identical with the interest of transnational corporations?" The NUNW also raised questions "about the relationship between the company and the Namibian government which has granted and continues to grant hundreds of work permits to unskilled and semi-skilled Asian workers who carry out tasks that could easily be performed by Namibian workers" (Press statement, 10 September 2004).

4. Trade Union Responses

Before the arrival of Ramatex, there was no clothing and textile industry in Namibia and consequently no industrial union catering for that sector. The Namibia Food and Allied Workers Union (NAFAU) decided to ad the sector to its scope but was confronted with many challenges in the process. When Ramatex started its operations in early 2002, it refused the union access to its premises, forcing union organisers to meet workers outside the factory during lunch breaks and after working hours. As workers suffered from skin rashes and allergies due to dust particles, highly exploitative wages and unfair labour practices, tensions boiled over. In July 2002, the Ministry of Labour issued an ultimatum to the company requesting the compulsory registration with social security for the Ramatex workers.

In August 2002, more than a thousand Ramatex workers downed tools in protest against vague work contracts, which they believed set their monthly salary at N$ 360. The strike was abandoned when NAFAU and the Ministry of Labour intervened to allay workers fears. Ramatex claimed that workers would receive performance-related pay on top of their basic N$ 360, which would bring up their salary to around N$ 800 per month. The company agreed to take the striking workers back and announced that workers would be paid N$ 3 per hour plus production-related incentives.

In September 2002, the Ramatex Executive Director complained to the Namibian Prime Minister that the Windhoek Municipality was not granting Ramatex sufficient additional land (at discount rates) for expansion. Ramatex threatened that unless their request was granted, they might move to other countries. However, the municipality pointed out that there was simply no more land available at the existing site and that Ramatex had illegally used some of its land for the construction of workers' hostels. On several occasions the company had refused to discuss these illegal building activities and even continued the construction without approved plans – despite the City's written instruction to stop.

In the weeks that followed, the Ministry of Trade and Industry (particularly the Investment Centre) and Ramatex tried to address some of the conflicts, which they attributed to a „clash of cultures". An agreement was reached between the Municipality and the Ministry of Labour and Ramatex finally signed a recognition agreement with NAFAU in October 2002. This agreement covers the Namibian workers but does not apply to the Asian migrants.

In April 2003, however, tensions boiled over once again. Following a 'wildcat strike' over poor wages and conditions of service by over 3,000 workers on 14 April, the Ramatex management closed the factory for two weeks and threatened to eliminate the architects of the wildcat strike. The company also declared its intention to fire all workers. NAFAU tried to negotiate the re-opening of the factory but was unsuccessful and was even accused by some workers of selling out their demands.

When the factory re-opened its doors on 28 April, Ramatex wanted to fire 600 workers whom they accused of ‚masterminding' the strike. After negotiations between the company, NAFAU and the Labour Commissioner during which Ramatex was (once again) reminded about Namibia's labour laws, workers were issued with new contracts. The company also accepted that all accused workers would have to be given fair hearings.

However, in May 2003, Ramatex suspended 416 workers (without pay) accusing them of masterminding the strike. Shortly afterwards, several hundred Asian workers downed tools demanding wage increases and better conditions of service. This strike lasted just a few hours and was kept under wraps by the company, which did not even report it to the Ministry of Labour. The company claimed that some Buddhist workers wanting to observe the religious festival of 'Wesak' prompted the work stoppage. However, this explanation was contradicted as Ramatex dismissed seven of the striking Asian workers and sent them back home.

Although NAFAU managed to negotiate the re-instatement of most workers, several of its shop stewards were dismissed after disciplinary hearings, thus weakening the union's power at the plant.

By October 2003, Ramatex and NAFAU had reached some agreements. The company agreed that NAFAU should come up with a scheduled time to introduce courses or seminars for supervisors and management. In addition, the company has agreed that workers can elect two full-time shop stewards and one union official. These officials are supposed to be entitled to a fully furnished office on the company premises.

Despite the recognition agreement and the promises made by the company, NAFAU was unable to make progress on substantive issues. Although the company had agreed to introduce a transport allowance in early 2005, this was never implemented. NAFAU reported unfair labour practices and the company's unwillingness to negotiate substantive issues to the Office of the Labour Commissioner on several occasions. Despite several attempts to find a solution through mediation, progress has been slow. The company has never increased its wages or benefits over the past 3 years and NAFAU is currently negotiating with the company. These negotiations are likely to be difficult as the company threatens to relocate and enjoys the support of the Namibian government, particularly the Ministry of Trade and Industry. The Permanent Secretary of that Ministry recently stated in public that Ramatex wages in Namibia are not low by international standards. This confirmed government's view that unions should not pressurise Ramatex for better working conditions as this would endanger the company's future in Namibia.

5. Conclusion

Ramatex represents a typical example of a global production chain in the area of globalisation. The experiences in Namibia are in line with international trends of Transnational Corporations (TNCs) spreading their operations globally in search of increased profits. The fact that Ramatex managed to play out three Southern African countries against each other shows how TNCs utilise their bargaining position to gain increasing concessions from host countries, which are desperate to attract investors. Ramatex' employment practices are in line with other global textile companies who prefer young women workers who are seen to be 'docile' with 'nimble fingers' and less likely to join trade unions or resist company management.

The first few years of Ramatex operation in Namibia have been characterised by many controversies. Many of the conflicts and tensions have remained unsolved, as they are dealt with at the 'political level' (directly with the Namibian government) instead of addressing the root causes of the problems. Unless the problems experienced by Ramatex workers are addressed, Ramatex will be contributing to the establishment of a large number of 'working poor' in full-time employment, unable to meet even their basic needs. This is in sharp contradiction of the Namibian government's stated objective of promoting decent work in line with ILO standards.

The Ramatex investment did not come to Namibia free of charge. Based on the assumption that Ramatex and its subsidiaries employ about 7,000 Namibian workers with an average wage of N$ 500 per month, and given the expenses of about N$ 120 million in public funds to set up infrastructure for the company, the following calculation can be made: The financial support that Ramatex received from the Namibian government is equivalent to the salaries of all workers for 34 months – almost 3 years! A huge investment by any standard which can only be justified if Ramatex‘ operations in Namibia will lead to long-term sustainable jobs of decent quality. Otherwise one may well argue that the huge public investments could have been spent more efficiently on other programmes aimed at job creation.

Based on its findings, LaRRI recommended that Namibia‘s current EPZ policy should be reviewed to ensure that the policy results in investments that will promote socio-economic development in Namibia instead of draining national resources. We also urged that the environmental impact assessment study on Ramatex should be made public to allow debate on possible environmental threats and how they can be prevented; that trade unions should negotiate better salaries and working conditions through collective bargaining; that Ramatex should review its contracts and labour practices and bring them in line with Namibian laws and standards including compensation for accidents at work, implementation of affirmative action and collective bargaining in good faith.

Namibia’s experiences with Ramatex to date point to the urgent need to ensure (at the very least) compliance by foreign investors with Namibian laws, regulations, workers’ rights, as well as environmental, health and safety standards. Experiences elsewhere have shown that compromises on social, environmental and labour standards in the name of international competitiveness have led to a ‘race to the bottom’. The Namibian government as well as trade unions will have to demonstrate that they are serious in defending these rights that were only won through long and bitter struggles. It will be crucial to demonstrate to Ramatex that Namibian laws, regulations and rights are not negotiable. Otherwise, Ramatex will set an example for others to follow, resulting in the loss of some achievements made by Namibian workers since independence.

There are, however, limits to what we can achieve at the national level. Transnational corporations like Ramatex are highly mobile and exploit the opportunities created by neo-liberal globalisation. There is thus a need to tackle such companies fundamentally by questioning the neo-liberal global order and by creating mechanism of democratic control that will ensure an end to exploitative practices and the free reign of capital.

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