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إفريقيا وتحديات القرن الواحد والعشرين

**South Africa's Clothing Industry: Trade Unions,  
Crisis, and Neo-liberal Globalisation.**

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## **Abstract**

South Africa has been recently included in the “BRIC” (Brazil, Russia, India and China) group of emerging new economies. Has South Africa arrived? Has the neo-liberal world order been superseded? This paper argues that it is rather being busily reinforced. Cheap imports and massive unemployment have caused the erosion of organisational rights. The paper looks at the debates over wage-setting in South Africa’s clothing industry in the face of the recent revolt of the Chinese Chamber of Commerce in Newcastle in KwaZulu-Natal, forming a break-away employers’ association. Tens of thousands of jobs will be lost, it says, if it is compelled to follow the agreement signed at the Bargaining Council between the main employers and the union. The paper argues that the crisis in South Africa’s clothing industry is also a crisis of Africa’s industrialisation.

As in much of Africa, trade unions have been a popular democratic force capable of influencing policies, despite the small size of the wage-earning population. In some cases unions have even been seen as a counterweight to neo-liberal domination. In South Africa trade unions played a central role in the struggle against apartheid and were rewarded after liberation with advanced pro-labour legislation. Post-liberation regimes have adjusted to neo-liberal globalisation and COSATU, the Congress of South African Trade Unions, although firmly allied to the government, has been sharply critical of its policies, demanding a “developmental state” under popular control. At the ANC conference in Polokwane (2006) COSATU was part of a coalition that ousted Mbeki and installed Zuma.

Ebrahim Patel, the General-Secretary of SACTWU, the Southern African Clothing and Textile Workers’ Union, was selected by Zuma as the minister for Economic Development. Before the crisis, Patel had worked for the consolidation of South Africa’s clothing and textile industry through energetic attempts to protect South African industry (“Buy South African”), banning illegal imports, and promoting high quality markets, both domestically and internationally. The government agreed to give special support because of assumed capacity of this industry to generate employment. In 2006 membership of the union had even expanded over the 2003 level to 120,000. The financial crisis of 2008 accelerated the decline.

The confrontation between SACTWU and the rebellious companies, spearheaded by the local Chinese Chamber of Commerce commenced in late 2010. SACTWU had inherited a dual

industrial structure from apartheid with low-wage industry classified as “non-metro”, that is, basically former “Bantustan” industries. Wage differentials as well as differences in organisational rights were huge and SACTWU sought to eliminate them, step-by-step. National Congresses agreed on what differentials should be acceptable, often in the face of impatient delegates, who wanted equalisation to proceed more rapidly. The decisions were taken to the employers association in the Bargaining Council where an agreement was reached. The Newcastle companies have decided to take a lead in resisting this process.

Where will industrialisation come from? Much more than wage-rates are at stake in this conflict. The paper discusses why industry is a precondition for national development and the alternative avenues to industrial growth, including the low-wage, no-union model; why this model has worked in some countries and not in others and why it is unlikely to work in Africa.

#### *The context of research*

A paper on SACTWU’s trade policies was presented to CODESRIA’s joint conference with the Globalization Studies Network in Dakar in 2005 (“Unions versus Free Trade: Trade Unions and Globalisation in South Africa’s Clothing and Textiles Industry”). Another one, comparing developments in Nigeria and South Africa, was presented to the 2008 Guy Mhone Memorial Conference organised by CODESRIA in Lusaka. I follow the South African labour scene regularly through COSATU’s daily press releases and media reports which contain material from major affiliates. The wider African context is discussed in B.Beckman, S.Buhlungu, L.Sachikonye eds. *Trade Unions and Party Politics: Labour Movements in Africa* (Cape Town: HSRC Press, 2010).