

## ACTION RESEARCH IN THE GARMENT SECTOR IN SOUTHERN AND EASTERN AFRICA

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*Between 2000 and 2004, labour conditions in garment supply chains in Southern and Eastern Africa have been researched for trade unions and campaigning organizations. Efforts towards concretely improving the labour conditions have been intensified. by connecting research with concrete actions and follow up. SOMO and CSRSC, together with the regional office of the Global Unions Federation in the sector, the International Textile, Garments and Leather Workers Federation (ITGLWF- Africa) and the national garment unions in the different countries, have developed and conducted this research.*

The ITGLWF opened an office in the African region in 2000. At the same time SOMO launched a research project in the region connecting research for ITGLWF Africa and national garment unions with prospective actions through the international Clean Clothes Campaign (CCC) and other campaigning organisations that work on improving labour conditions in the garment industry.

The research project started with mapping factory locations and research the working conditions in factories in 5 countries in the Southern Africa region. At the same time the project served to discuss the possibilities of using voluntary Codes of Conduct for improving labour conditions and give input in the regional and national discussions on campaigning and develop material for workers and unions in the region. The project thus linked campaigns - on improving labour conditions through urging the brand names and retailers to take responsibility - to the unions in the Southern African region.

### Context

#### *Growth of the sector and challenges for the unions*

According to estimations in 1998, out of a population of about 180 million people in the SADC region, less than 1 out of 10 has a job in the formal sector.<sup>1</sup> On average about 80% of workers in the garment sector both in Eastern and Southern Africa are women with the notable exceptions being Malawi and Zimbabwe where predominantly men are working in this sector. Despite similarities in terms of membership, the unions operating in the sector across the countries have had mixed successes and failures. They have been in existence for a number of years and as such date back to a period when the garment industries in these countries were more focused on supplying domestic and regional demand often as a result of import substitution strategies that predated the neo liberal onslaught on labour standards.

Growth in the sector - partly as a result of the Africa Growth and Opportunity Act (AGOA), granting quota- and duty free entry for thousands of products in the US from approved African countries (with emphasis on garments) - has obvious organizational opportunities for unions in terms of increased membership, revenue, greater worker solidarity and increased

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<sup>1</sup> Torres, L.: *labour Markets in Southern Africa*, FAFO-report 257, FAFO Institute for Applied Social Science 1998, at <http://www.fafon.org/pub/rapp/257/257-innm.pdf>

organisational stability. At the same time this rapid growth associated as it is with highly mobile capital and competitive international labour market conditions brings its own problems as is evident in the relative successes and failures of various unions operating in the sector. Prior to sector growth, most unions suffered a chronic lack of resources, poor to non-existent administrative processes, leadership crises (some still do) in addition to which the application of labour laws and exercising trade union rights were problematic to most countries.

Whilst all the unions have ultimately come to draw on the social capital of international solidarity efforts (both through research and campaigning efforts) to improve some of the most severe resource restrictions the extent to which international solidarity has been used to directly pressure employers for change has rather depended on the union model adopted in the different countries. For example in the more militant model of engagement adopted in Lesotho and Swaziland by the Lesotho Clothing and Allied Workers Union (LECAWU) and the Swaziland Manufacturing and Allied Workers Union (SMAWU)<sup>2</sup> respectively their has been substantial international support and solidarity efforts in direct action campaigns against employers and government conduct.

### *Liberalised trade and the African Garment Industry*

With liberalization and the policy prescriptions of the Breton Woods institutions, developmental economic planning, that had used strategies such as import substitution in order to develop a domestic industrial base in African countries, came to an end. The garment sector was one of the industries that was targeted for development before, given its low capital requirements and high employment potential. But through the opening of markets the arrival of huge quantities of used clothing from the North and cheaper imports from the East flooded the African domestic garment market, all but destroying domestic garment production capacity in most countries. In many African countries now, the domestic market for garments is catered for by the trade in second hand clothing, and garment factories - where they exist - are specifically to take advantage of a countries trading status. This is not even entirely a south-north flow. The case of Malawi illustrates this point where due to a bilateral trade agreement with South Africa, Asian owned factories were set up and where supplying South Africa until AGOA refocused the target market to the US. The future however is very uncertain. The AGOA, which was initially only intended to last for a period of 8 years, has recently been extended including the period that less developed countries (LDC) can use textiles sourced outside of AGOA eligible countries and the US for garment export under AGOA. This extension might potentially be a stay of execution for thousands of jobs in those very LDC's as Africa has limited quality textile production capacity and US textile are too expensive. Suggesting the view that when producers in Africa can no longer get textiles from internal sources they will rapidly withdraw from a country rendering the devastation of the garment industry in that country complete.

Whilst bi-,multi- and unilateral trade acts and agreements promote liberalized markets, privatization and reduced social spending it is quite apparent from both literature and the research conducted that the main beneficiaries in the garment sector are in fact the multinational producers, agents and retailers. Multinational companies use trade agreements that to secure the interests of global capital include provisions on the protection of investors' rights in these agreements. Workers however are increasingly at the mercy of global capital interests seeking greater profits. One of the early indications of shifting investment as a result

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<sup>2</sup> The exposure of unionists to more radical forms of union engagement in South Africa during the apartheid regime, seems to play a role in the organisational forms and tactics adopted by the unions in neighbouring states.

of changes in the trade regimes at the conclusion of the Multi Fibre Arrangement<sup>3</sup>, that was in place until the end of 2004, was when several factories in Lesotho, employing thousands of workers, failed to reopen in January of 2005.

Investment in the garment industry in Southern Africa started in the 1990s - with the notable exception of Mauritius - mainly from Asia, drawn here by a favourable investment climate; most importantly the export possibilities presented by favourable and quota-free entry to the US and European markets. Mauritius and Madagascar exported the majority of their production to Europe, profiting from duty- and quota-free access to the European market. In recent years the advantages of quota- and duty-free export to the US under the AGOA have increased the share of exports from both countries to the US. Lesotho, Swaziland and more recently Malawi produce mainly for the US market.

## AGOA

AGOA offers preferential access for certain African exports to the US until 2015<sup>4</sup>. AGOA extends the General System of Preferences (GSP) and at present 37 Sub Saharan African countries qualify to export to the US under AGOA<sup>5</sup>. The conditions contain the normal structural adjustment fair with a requirement that the applicant country "establish or be making continual progress toward establishing "a market-based economy that protects private property rights, incorporates an open rules-based trading system, and minimizes government interference in the economy through measures such as price controls, subsidies, and government ownership of economic assets." In addition some specific clauses protect US foreign policy interests for instance a requirement that a beneficiary country "does not engage in activities that undermine US national security or foreign policy interests...or provide support for acts of international terrorism and cooperates in international efforts to eliminate human rights violations and terrorist activities."

In a somewhat contradictory nature section 104, that determines the eligibility criteria also calls for "economic policies to reduce poverty, increase the availability of health care and educational opportunities... and protection of internationally recognized worker rights, including the right of association, the right to organize and bargain collectively, a prohibition on the use of any form of forced or compulsory labour, a minimum age for the employment of children, and acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health."<sup>6</sup> The application of Section 104 however is not a transparent process at all and therefore subject to arbitrary decree where worker rights for instance are consistently treated as paper obligations by both the eligibility conferee and conferrer, whereas US foreign policy interests are certainly not.

The use of the progressive clauses in section 104 is difficult firstly because of the absence of adequate and transparent monitoring and reporting mechanisms and also because s104 is a very blunt instrument. Campaigners may show gross labour rights abuses in the apparel sector normally by foreign owned companies set up to take advantage of access to the US market but are reluctant to call for the removal of eligibility as this would remove these

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<sup>3</sup> A GATT agreement that places quotas on volumes of garments and textiles from the main textile and garment producing countries (mostly Asian countries) to mostly North America and European countries

<sup>4</sup> The period has recently been extended in AGOA III from 2008 until 2015

<sup>5</sup> <http://www.agoa.gov/>, accessed 10.01.2005

<sup>6</sup> <http://www.agoa.gov/>, accessed 10.01.2005

companies completely and impact across multiple economic sectors. Similarly US decision makers might refer to this as a reason for not acting on information of continual labour rights abuses.

#### **AGOA eligibility as a tool to ensure workers rights?**

The experience of Swaziland presents an example of how the AGOA eligibility criteria might be used to promote "the protection of workers rights." The US put pressure on Swaziland to change its labor legislation, specifically its proposed Industrial Relations Act (IRA) in 2000, or face the withdrawal of trade privileges. After a visit to Swaziland the International Labour Organization (ILO) reported on the negative repercussions the proposed IRA would have for trade union freedom. Trade unions in the US pressured the government to deny Swaziland AGOA eligibility, citing the eligibility criteria found in section 104 of the AGOA, unless the Swaziland government agreed to amend the IRA. The US government objected to the lack of freedoms in the new IRA and demanded changes, threatening to cut off trade relations if these demands were not met. As a consequence the IRA has been amended to both the ILO's and the US satisfaction. This seems a positive outcome of the use of the eligibility criteria. The question remains however if such issues should be dealt with in the context of the unequal relations of this trade act. The real impact of such legislative changes on trade union freedom is far more complex. To truly facilitate the establishment and recognition of trade unions in garment producing factories, for example, more efforts than just law provisions would be needed.

The US has expressed a great deal of optimism that the implementation of the AGOA will, in addition to causing economic reform, lead to economic growth and development in the SADC region. The 2001 AGOA report to the US Congress claims that after only one year of implementation, the AGOA "generated a strong trade and investment response." During that period, the report states, US exports to sub-Saharan Africa increased by 6% while sub-Saharan exports to the US increased by 67% to US \$23.5 billion.<sup>7</sup> In 2004 the AGOA report to the US congress again mentioned the bolstering of the trade and investment relations between the US and sub-Saharan, with the imports of the US being \$25.6 billion in 2003, which is not an enormous growth with the year 2001.<sup>8</sup>

The US imports in 2001 and 2002 from the region decreased substantially, due to the strong link to oil production in the region. Trade increased in 2000 due to a sharp rise in international oil prices. In 2001 the drop in international oil prices was the main reason behind the rapid decrease of sub-Saharan Africa exports to the US.<sup>9</sup> And in 2002 the declined demand for crude oil and platinum group metals was the cause for an even sharper decline in export (US 17.9 billion)<sup>10</sup>.

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<sup>7</sup> Office of the United States Trade Representative: *Comprehensive Report on U.S. Trade and Investment Policy Toward Sub-Saharan Africa and Implementation of the African Growth and Opportunity Act*, Second of eight annual reports, May 2002.

<sup>8</sup> Office of the United States Trade Representative: *Comprehensive Report on U.S. Trade and Investment Policy Toward Sub-Saharan Africa and Implementation of the African Growth and Opportunity Act*, Fourth of eight annual reports, May 2004.

<sup>9</sup> Office of the United States Trade Representative, 2002

<sup>10</sup> Office of the United States Trade Representative: *Comprehensive Report on U.S. Trade and Investment Policy Toward Sub-Saharan Africa and Implementation of the African Growth and Opportunity Act*, Third of eight annual reports, May 2003.

The AGOA is mentioned by the US government as a factor helping “many countries to expand and diversify their exports and build a manufacturing base to support long-term economic growth.”<sup>11</sup> This seems questionable. The countries fuelling the growth in trade are quite limited, as well as the amount of sectors involved. US exports to Africa are dominated by aircraft, and oil field equipment, with in 2003, 62.9% of the US exports to sub-Saharan Africa going to three countries: South Africa, Nigeria, and Angola. Meanwhile, South Africa, Nigeria, Angola, and Gabon accounted for 82.9% of sub-Saharan exports to the US in 2003, which were mainly limited to crude oil exports and in the case of South Africa also platinum, diamonds and motor vehicles.<sup>12</sup>

Garments exported to the US is the second largest export article, accounting for only 5.9% of sub-Saharan exports under the AGOA, after the *oil exports* to the US being 69.6%.

#### *Garment sector under AGOA*

The only sector that has created a significant number of jobs under AGOA has been the apparel sector due to the labour intensive nature of garment producing factories. Of the US\$2.2 billion non-energy exports under AGOA in 2002, apparel accounted for 40%. A portion of these jobs in the sector in fact pre-existed AGOA or were associated with trade with other countries. Malawi for example used to predominantly export to South Africa. Since the AGOA came into existence, producers in Malawi have shifted focus to the US market, although employment in the sector has remained much the same. Mr. KK Desai, the Chairman of the Malawi Garment and Textile Manufacturers Association reported that there has been no new investment in Malawi since the introduction of the AGOA<sup>13</sup>.

Where the sector has expanded due to US trade it has not spread across Sub Saharan Africa but tends to be associated with pockets of investment. The major exporters of apparel under AGOA are Lesotho, Kenya, Madagascar, Mauritius, South Africa and Swaziland. Lesotho is the top exporter of apparel under AGOA and these exports have grown from US\$111 million in 1999 to about US\$454 million in 2004<sup>14</sup>. This figure will drop in 2005 after the aforementioned - and possible new - closures of factories in January 2005.

Apparel products are subject to AGOA “Apparel Rules”, under which only 23 of the 37 AGOA countries are eligible for exceptions<sup>15</sup>. Under these rules raw material used in the production of apparel for export under AGOA must come from local sources, other AGOA eligible producers or the US. There is a notable exception until October 2007 to this rule in that it is not applied to countries that are considered Lesser Developed Countries (LDCs) under a “Special Rule” also known as the third country fabric provision. It is the benefits of this rule that has attracted most of the investment in the sector as it means that producers located in LDCs are able to use fabric imported from other countries in the manufactured garments for export. As there has to this point been very limited investment in the textile sector - an exception being the setting up of a large textile mill from the Taiwanese company Nien Hsing in Lesotho. Where there has

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11 Office of the United States Trade Representative, 2003

12 Robinson-Morgan, A.: U.S.-African trade profile, United States Department of Commerce, April 2004.

13 Interview on the 4th of August 2003

14 United States International Trade Commission: Lesotho: U.S. exports, imports, GSP imports, and AGOA imports, by major commodity sectors, annual and year to date Jan - Dec,

[http://reportweb.usitc.gov/africa/by\\_country.jsp](http://reportweb.usitc.gov/africa/by_country.jsp), accessed 10-09-2002 and 16-02-2005

15 [http://www.agoa.gov/eligibility/country\\_eligibility.html](http://www.agoa.gov/eligibility/country_eligibility.html), accessed on 16-02-2005

been limited or no investment in the textile sector countries are very vulnerable to the loss of investment as the special rule is only in place up to October 2007.

Whilst this growth in export earnings sounds good on paper, in reality all the large-scale apparel producers in Lesotho, Kenya and Swaziland are foreign owned by predominantly Asian investors. These investors are offered very attractive incentives in the Industrial Zones or in Export Processing Zones (EPZ) and are allowed to repatriate all of their profits, leaving nothing but the wages that are paid to workers in the country and often acting to drain state funds where serviced industrial sites are provided free or at a percentage of cost. Whilst jobs have been created under AGOA the quality of these jobs leaves much to be desired both in terms of the working conditions and wages associated with these jobs as well as their sustainability.

Overall, sub-Saharan Africa remains just a small pinpoint on the US trade map. Sub-Saharan Africa accounts for less than 1% of US merchandise exports and less than 2% of US merchandise imports. But taken from the other perspective the view is quite different. For Africa the US is an important trading partner. In 2002 21% of the region's exports went to the US.<sup>16</sup>

Garments from LDC countries can enter the EU duty free when they are following strict rules as the rules of origin, which is problematic for countries without an extensive textile industry. Interviews with management in the region showed that most companies were not able to use preferential access to the EU for this very reason.

The growth of the sector in the last years has not necessarily lead to improvements in development and labour conditions for the countries concerned. Investment policies exacerbate the garment industries' problems. Among countries that benefit from agreements such as AGOA, competition has increased for investment. Governments have responded by offering incentives such as duty free imports, tax breaks, and relaxed labour laws. Government incentives have been described as not a main factor in drawing the industries, but it does make a difference for companies in choosing which African country to produce in.

However, for the countries offering the incentives, the consequences of such concessions might make the difference between profiting from foreign direct investment (FDI) or failing to gain any real benefits for the country. Incentives for investors, such as caps on wages, tax holidays, or restrictions on union activity can mean that workers lose out not only in economic terms but also in social terms. With the phasing out of the MFA, the governments in Africa will be even more desperate to keep the industries particularly in light of the fact that the destruction of a domestically based industry has made workers and their families wholly dependent on the foreign capital.

Where these benefits end, companies are prone to leave. The Sri Lankan company Tri Star for example has been producing in Kenya for many years. When tax and other incentives ended as per the time allotted in the Kenyan EPZ Act the company increased its already existing capacity in Uganda and opened a new factory in neighbouring Tanzania which had just created EPZ legislation. Another interesting subject in this regard is Botswana, where the investment package of the government has lead to investment coming into the country for a few years and leaving again after profiting. Garment manufacturers' reasons for investing in Botswana were mainly the strong combination of incentives offered by the government through its Financial Assistance Package (FAP). The FAP incentives, under which the majority of companies have

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<sup>16</sup> Robinson-Morgan, 2004

invested, includes an unskilled labor grant with which manufacturers are refunded 80% of their factories' shop-floor wage bill during the first two years of production. This is reduced to 60% for the third year, 40% for the fourth year, and 10% for the fifth year. The strong reliance on the FAP to attract investment has not been a sustainable development option for Botswana as many companies seem to move out after a few years without having made any substantial investment. Initially, Botswana did not qualify for the AGOA special provision regarding third-party fabrics, but AGOA II, signed on August 6, 2002 by President Bush, grants "lesser developed beneficiary country" status to Botswana, and thus eligibility for this provision. In light of this new development, it seems that expectations for Botswana's garment industry have risen and some new investments have been made in the sector.

The point being that when the costs in one country go up, garment production can move to countries that are perceived as being cheaper. The introduction of trade agreements or phasing out of quotas, also influences decisions to relocate. Both government officials and factory managers interviewed in the research projects said that the MFA quotas (that were in place until the end of 2004) were one of the main reasons that Southern Africa was attractive to the garment industry. Garment export from Southern Africa was not hampered by quotas as faced by many garment producing countries in Asia. Many doubted the sustainability of Southern Africa's garment industry following the phase-out of these quotas and the increased competition from Asian countries. At the beginning of 2005 the odds are still out, but the immediate closing of several factories in Lesotho gives proof to the pessimistic thoughts. Duty- and quota-free access to the US market as a result of the AGOA helps to enhance the countries' competitiveness, but, as said before, the limited duration of its provisions is seen by all involved in Southern Africa's garment industry as a major pitfall.

### **Sourcing Policies and Labour Practices of Asian companies in Africa**

Drawn by trade agreements and other incentive programs to countries desperate for foreign investment and jobs, investors, including Asian investors, have been able to circumvent local labour laws (for example, minimum wage and social security requirements) as well as the standards for good labour practices set out by the International Labour Organization (ILO). In Swaziland, for example, where violations documented at Asian-owned factories include forced overtime, verbal abuse, sexual intimidation, unhealthy and unsafe conditions (including locked doors), unreasonable production targets, and union repression, the Department of Labour admits that in an attempt to keep investors happy it does not pursue labour law violations to its fullest ability. They say they "can't push investors too hard," but instead are "very gentle and persuasive." While investors see profitable returns on their investments, critics wonder if workers and their communities really benefit when wages and conditions are substandard and tax abatements and subsidized infrastructure mean little money goes back into the community.

Asian investors in the garment and textile industries have proven to be as mobile as Western buyers, "cutting and running" from one location to another as suits their interests. For example, Mauritius developed a significant clothing export industry directed to the EU, fuelled by investment from Hong Kong companies. Now that wages are lower and preferential trade incentives are better in nearby countries, this location is less attractive to investors.

### **Using Action Research in Organising and Campaigning**

Organising in this environment is extremely difficult especially considering the levels of poverty that beset working class communities in such countries. There has also been a tendency in a number of countries to have many unions competing in the same area only managing to further fragment workers power. As a consequence of this one of the key strategic areas for intervention for the ITGLWF Africa has always been to encourage mergers wherever possible.

Whilst domestic struggle is a prerequisite for any solidarity action, regional and international exposure and support adds a strong strategic advantage to these efforts. Therefore one can argue for the strategic necessity for expanding struggle and awareness of issues beyond the borders of the country. For this reason research can be linked to both internal organizing and external campaigning and awareness efforts.

The trade unions who in many cases had seen a radical decline during the shift in industrial policy were poorly resourced and ill prepared to deal with the wave of sweatshops that mushroomed in response to the AGOA. Whilst ITGLWF Africa set about a drive to address some of the organizational crises that beset the labour movement, research played a major and integrated role in the strategy developed by ITGLWF and the affiliates to reverse the downward trend in conditions in the region.

The research in all countries in the last 4 years (among others in Lesotho, Swaziland, Mauritius, Madagascar, Botswana, Malawi, Uganda, Kenya and Tanzania) has been conducted in close partnership with the local union and the ITGLWF. The research has been useful in capacitating local unionists in the process of collecting information, as well as educating unionists on the issues around Codes of Conduct, monitoring labour conditions and the process of global campaigning. These processes have effectively begun to link consumer markets in the North with workers in the South. Research was normally followed by local workshops and planning and researchers would feed information into ITGLWF strategic workshops which set the agenda and activities for the upcoming period.

For example, as the contacts amongst the unions increased after the establishment of an African office, research was used selectively to target major abuses by suppliers. The initial case was that of China Garment Manufacturers in Lesotho, which was investigated at the request of the ITGLWF Africa, after a number of workers had been killed during an industrial action in an attempt to organise the plant. The research was published as a popular booklet and distributed (informally) at an ILO conference, serving to severely embarrass the Lesotho government, which had been colluding heavily with investors to the extent of harassing and arresting union leaders. This initial strategy forced the government of Lesotho to begin to enter into dialogue around some of the excesses being perpetrated by investing multinational manufacturers. The consequence of this was to force the company to grant some organizational rights to the union and the settling of the outstanding dispute that had seen many workers dismissed after the industrial action. This initial research was followed by more detailed sector research in Lesotho and other countries. The ITGLWF Africa has been using the research findings to work with the union on building membership. Despite militant action there was little progress in securing recognition for the union organising the garment workers in Lesotho, LECAWU, particularly in Asian owned companies. By 1999 LECAWU had organised only about 4 000 of the 18 000 workers in the sector. However, this membership increased tremendously in the following years. The ITGLWF has been instrumental in the strategy and played a major role in brokering a deal that eventually saw LECAWU officials entering the employer's premises and actively recruiting members.

International support and research however is not a substitute for effective grass roots unionism. Lesotho is a case in point which saw rivalries over union leadership in the sector eventually leading to a collapse in LECAWU's membership despite Lesotho enjoying more international investment and campaigning attention in the garment sector than most other countries.

In general, targets for campaigning have included retailers, producers and governments. It is through linking production realities with consumers, activists, workers etc in the North, through organizations like the CCC, that a major impact has been made. This is due to the fact that retailers are sensitive to public image and can exert immediate influence over producers, given the extreme power imbalance that exists in retail driven supply chains. In Lesotho for example, a follow up research concerning specific conditions at plants producing for a Canadian retailer was used to put pressure on the buyers, by a Canadian campaigning organization, and support the organizing efforts of the union.

The research also played a role in identifying patterns of ownership in the region and linking ownership across borders. This was key in developing international campaigning, for example around the Taiwanese multinational Nien Hsing and illustrating this with evidence of particular factory abuses where ownership links had been established.

*A Case Study, Organising C&Y And Nien Hsing To Recognition*

Nien Hsing opened its first factory in Lesotho; C&Y clothing, in 1991, which in 2002 employs about 4,000 workers. In January 2001, the company opened a second jeans factory, Nien Hsing, which employs about 3,500 people in 2002, 95% of whom are women. Nien Hsing Textile Co wholly owns both factories. The two factories can be found opposite of each other in the Thetsane Industrial Area, East of Maseru. Both Companies produce jeans for the US, known buyers include Bugle Boy, K- Mart, Sears, Casual Mail, Gap and Cherokee jeans for Canada. Nien Hsing is building a \$8.6 million textile mill a short distance from the Nien Hsing factory.

C&Y Garments and Nien Hsing were identified as two very large and exploitative employers early on in the interaction between the Lesotho Clothing and Allied Workers Union (LECAWU) and ITGLWF Africa. As such they were researched and information was generated about practices in these factories.

A variety of problems were reported at the Nien Hsing facilities: taking advantage of Lesotho's high unemployment rate workers were employed on a "casual" basis, at a lower minimum wage. This is legal for casuals employed for less than six months, however at C&Y some workers had been employed as casuals for ten years. Workers also reported verbal harassment, physical abuse, unsafe conditions (including locked emergency exits) and non-payment of benefits. ITGLWF Africa and the Clean Clothes Campaign took up the case, as did unions and NGOs in the US and Canada. In July 2002 the ITGLWF Africa and the Lesotho Clothing and Allied Workers Union (LECAWU) started an organising campaign at the two Nien Hsing factories. With increasing pressure on all these fronts, LECAWU and Nien Hsing signed a memorandum of understanding committing the company to recognize the union and enter into collective bargaining negotiations on the condition that the international action was stopped.

Pressuring Asian manufacturing multinationals to take responsibility for their role in respecting workers rights can present special challenges. Because many of these companies are not “brand name” companies they are less visible. This means that labour rights advocates will get less leverage from the threat of tarnishing brand image, something which holds considerable value for brand name companies. However, including in the strategy the pressuring of retailers these manufacturing multinationals produce for, can yield results. Attempts to seek better compliance with labour laws, international labour standards, and voluntary codes of conduct will need to consider the role these important actors play in shaping labour practices throughout global garment supply networks.

Campaigns, as in the Nien Hsing case, that have utilised an approach that mobilises stakeholders at the various levels of the garment industry supply chain for example, where the clothes are produced, where the production multi-national is based, and where the garments are sold have demonstrated a potential to open up space for workers to successfully voice their demands.

Increasingly, more research is being done to understand and assess the role of Asian manufacturing multinationals in global supply chains and in the regions where they operate. The growing importance of manufacturing multinationals from such countries as Taiwan, South Korea, and Hong Kong, has led to a need for more information including tracing production chains. Also needed are campaigns on such manufacturing multinationals, based on links between regions. Asian research partners have also now been drawn into the process to assess ownership structures in the producer's home countries.

As has been mentioned, the other key area where research is used by unionists on the ground is to identify brands and retailers that are purchasing from producers in their country. The real downward pressure on wages and conditions as well as the volatility of investment (as a result of changing sourcing decisions) lies very squarely at the door of these groups. Initial campaigning efforts have led these groups to formulate Codes of Conduct in order to alleviate some of the damage caused to their public image. Where a factory is supplying a retailer or brand which has a Code of Conduct the opportunity exists to demand of the retailer or brand to make good on its word and make sure the situation improves at the producer. The problem is that codes are often cosmetic and constant monitoring by unions is necessary to make them work. The other difficulty is that it is the very sourcing practices and the nature of the demands for low prices and fast deliveries, that cause many of the practices in the producing factories. It therefore also makes sense to have specific campaigns on these issues. The 8<sup>th</sup> National Congress of the ITGLWF suggested a global campaign against Wal-Mart calling for stabilized sourcing policies in light of the instability that the ending of the MFA will bring to many regions of the world and secondly to take labour abuses seriously and to act against these. The ongoing need for updated and accurate information linking production to brands and retailers means unions have to become more involved in this process.

### **Action Research and Strategy**

The research conducted detailed the players in the supply chain and played a central role in the process of strategic planning with the ITGLWF and local unions in the region. This was assisted by the research not just detailing employers but also looking at the unions and identifying strategic areas for intervention.

At a more macro level research has helped the ITGLWF and its affiliates to formulate policy responses to issues of trade and industrial development as well as uncovering potential solidarity partners in actions against Asian manufacturing multinationals. The detailed knowledge developed around the supply chain mostly involving Asian manufacturing multinationals led to the targeting of Nien Hsing for international campaigning actions by multiple organizations. Research has also been used by the ITGLWF to investigate problems in the sector such as that of used clothing imports.

Initial efforts of the research partner organizations established a methodology and exposed unions to research practice and its links to organizing and global campaigning. The interventions of the ITGLWF Africa worked on capacity and research organizations participated actively in both education and strategic forums to assist in this process. The approach has at all times attempted to broaden access to information and options open to unions. At the final stage unions are beginning to collect and assimilate information themselves coordinated through the ITGLWF Africa.

## **Methodology**

The research that has been conducted has used an action research methodology and spans a number of different projects over four years. Through following a consistent methodology and integrating research into strategic planning and education processes it has played a meaningful support and enabling role.

During the research workers were interviewed outside the factories, facilitated through the union or unions when more unions are active in the sector when possible. The factories were visited and the management interviewed which provided information on firm movements within the region, reasons for investment, management attitude and perceptions towards the unions. Access was normally achieved through presenting the research as an analysis of the impact of trade dispensations. Where ever possible a factory visit was requested which enabled the researchers to assess visual data and pick up on issues such as safety equipment, emergency exits and so on (some times photographically when circumstances allowed) as well as assess the physical conditions.

Research was conducted by visiting the countries in question and besides interviewing management, workers were interviewed in focus groups away from the factory, normally after hours. Government officials in labour departments as well as investment agencies were also interviewed. Other desktop data such as trade statistics was integrated to develop a full picture of the industry and its prospects, employer practices and union capacities. Various information sources were necessary as there would often be conflicting information between management and worker interviews.

Important practices throughout the research were;

- To discuss with the unions and shop stewards when possible the information collected and possible follow up steps
- To discuss the possibilities for using voluntary codes of conducts and engaging campaigns when necessary
- To give feedback on the research to regional trade union meetings, to involve the unions in follow up strategies, both on national, regional and international level.

Action research takes into consideration the concerns, needs and knowledge of those participating in the research and allows needs on the ground to control the research agenda to a large degree. By providing feedback of research findings, at different stages of the research, to national and regional unions, and international (campaigning) organizations, the action research is directly linked with taking action and making changes. It also attempts to develop research skills amongst unions as an important tool in all forms of organizing activity. Finally it allows the constituencies to make a final decision as to the use of the research and what actions should be taken. Should there be a call for pressure to be put on a supplier it is up to the union and its members to make this final decision. Neither the researcher nor the Global Union Federation can or should make such decisions.

### **Some Lessons**

In conclusion some of the broad lessons of the past four years about research and the union organizations involved in the garment Sector in South East Africa are drawn out below.

1. An approach that links to the union and or Global Union Federation in the sector and initial efforts in establishing a good relationship are crucial in developing meaningful research impacts.
2. Research is most effective when linked to organizing and participatory strategic planning.
3. A flexible approach with researchers that are knowledgeable about labour issues is key in developing broader derivative research efforts addressing organizational development, organizing strategy development etc.
4. It is helpful to have partner organizations with flexible skills cooperating across a number of areas. The two organizations have assisted the ITGLWF Africa and local unions with strategic planning, developing a regional newsletter publication, research capacity building, website and database development as well as many campaign publications, organizing booklets and information pamphlets. This multifaceted approach allows for greater continuity of efforts around a central strategy and alleviates the donor driven agenda dependency problem in research.
5. An action orientation allows needs on the ground to control the research agenda to a greater degree, making the research relevant to beneficiary and not organizational or funding needs.
6. Through linking to different partner organizations, connecting to a wide variety of both campaigning organizations and trade unions, the impact of action oriented research is multiplied.
7. Basic union management practices are often absent and serve as an impediment to effective organising.
8. In small labour markets it is not easy for unions to be self-sustaining increasing the danger of dependency. Research thus suggests a reconsideration of union organisational form in many countries.
9. The extent to which unions as organisations are prepared to extend power to the shop floor may be constrained by a lack of capacity but is also sometimes due to a lack of political will to do so.
10. Conditions in factories organised by these unions are extremely exploitative largely because of the ever-increasing pressure from those on top of the supply chain, the retailers, and their agents to squeeze the profit margins and delivery times of suppliers. Any resolution to the sweatshop problem will have to involve tackling these industry leaders.

11. Genuine regional solidarity is a precursor to improvement in standards for all in Sub Saharan Africa. Paying lip service to solidarity whilst practicing protectionism when it comes to jobs will only serve to further undermine labour conditions.
12. Recognising differences between countries and industries is imperative. Given the level of investment in Lesotho for example, allows for more robust forms of engagement than what would be possible in Malawi given the precarious nature of the industry there.
13. Gender is not taken seriously enough by many organisations and action research could do more to develop women leaders and decision makers.

## Sources

Aside from those cited, information is drawn from the researchers experience of the process and a number of publications and reports that have emerged from the research process and can be found on the following websites:

[www.Africalabournet.org](http://www.Africalabournet.org)  
[www.somo.nl](http://www.somo.nl)  
[www.cspsc.org.za](http://www.cspsc.org.za)  
[www.cleanclothes.org](http://www.cleanclothes.org)

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