

Taiwanese owners

wage freezes and shopfloor births Swazi textiles and an economy in decay

According to **Xolani Simelane** Swaziland's textile industry reveals rampant exploitation of workers underpinned by a bankrupt regime with little economic vision.



Swaziland is one of the few remaining absolute monarchs in the world, with the royal family firmly in control of Swazi politics and the economy. However, along the years, this royal hegemony has been contested and in the process forced to adapt itself to industrialisation and globalisation trends. The industrialisation process and more recently the implementation of AGOA (Africa Growth Opportunity Act) has led to a rapid growth of the Swazi textile industry but also to stagnation in economic growth.

GROWTH AND SHRINKAGE OF INDUSTRY

In line with the scourge of neo-liberal globalisation, the Swazi government has embarked on a self-imposed economic restructuring exercise. Ironically, when Gear (Growth Employment & Redistribution) was launched in South Africa, King Mswati's regime adopted a similar Internal Structural

Adjustments Programme (ISAP) in 1996. This programme, which expressed itself in the form of a Public Sector Management Programme (PSMP) and its implementation plan, the Economic and Social Reform Agenda (ESRA) was an attempt by the regime to develop a response to its internal crisis, particularly in view of an intensified labour struggle which was at its height. Subsequent programmes such as the Fiscal Restructuring Programme (FRP), the Millennium Development Goals (MDG) and the Millennium Action Plan (MAP) were also introduced.

The Swazi textile industry is based on AGOA, which exempts sub-Saharan countries from normal GSP (Generalised System of Preferences) requirements. Swaziland was initially left out of the AGOA programme due to its poor human rights record but later included after negotiations that also involved the labour movement. The Swaziland textile industry took off

in 2000 when Asian investors opened factories to take advantage of trade benefits and to sidestep the quota restrictions.

In a space of three years the textile industry grew from 3 to 24 factories, thus creating 30 000 jobs in a country of about one million people and it is generating about E600 (R600) million per annum in exports to the USA. However, due to ongoing problems including the scrapping of the MFA (Multifibre Agreement), as many as 10 000 jobs have been lost in the past two years alone. The factory bosses have attributed some of these problems to laziness, illiteracy and ingratitude of employees.

TEXREY: OPERATIONS AND MARKETS

Texrey is a Taiwanese owned factory (some senior employees are Chinese) with headquarters in Taiwan and branches in China, Mexico, New York and El Salvador. Swaziland is only one of three African countries that recognises



Xolani Simelane

Lunch break at Texrey where the majority of workers are young women

Taiwan as a sovereign country and unsurprisingly, one of the reasons it invested in Swaziland was “to strengthen relations between the two countries”. Its single large market is the USA and major clients include Wal-Mart, K-Mart, JC Penny and Reebok.

Of the over 300 employees, the highest position occupied by a Swazi is that of human resource manager, with at least three black personnel officers. Administrative staff is made up of Asians from countries such as Indonesia, Philippines, Taiwan, Sri-Lanka, Singapore and South Africa.

Initially, the textile industry started as an Export Processing Zone initiative which included a tax-free clause and other subsidies such as free water, free electricity and free “factory shells”. However, government has since scrapped the five year tax-free clause and other special concessions and subsidies, but some factories have erected their own factory shells and at

times let out part of this structure to other companies.

TEXREY CONDITIONS OF WORK

The textile workforce is about 90% young women under the age of 30, many of them school leavers who are inexperienced in the textile and any other kind of formal employment. Most of them are employed as casuals and once the three month period elapses they are further re-hired as casuals, a pattern that breaks clauses in the Labour Relations Act.

Tasks and roles at Texrey are gender based with male employees assigned what would normally be considered ‘masculine’ jobs. Men normally work in the maintenance department as mechanics or perform tasks such as packing, loading and driving. Women do traditionally female jobs such as ironing, laying, knitting, and packing.

Workers labour a nine-hour shift and in cases of overtime, which is

sometimes compulsory depending on the work load, can last 13 hours. Overtime allowance pays E50 (R50) for a nine-hour day’s work and mostly occurs on Saturdays. Some workers earn as little as E290 (R290) a month with little or no ‘real’ benefits and allowances. There are financial incentives for not coming late or going absent, and workers are charged E20 (R20) or threatened with expulsion for late coming.

A wage freeze agreement has been negotiated between government, trade unions and employers which allows for a two year freeze on increases. The idea behind this agreement is to reduce company costs and to thus stave off retrenchments. Developments in the past six months indicate that the retrenchment of workers has not stopped, regardless of the agreement and as a result small scale worker resistance within factories has erupted.

Through the ‘wage freeze

agreement' the employers' association (STEA) has tried to push government into re-introducing incentives such as free water and electricity as well as getting trade unions to agree to wage cuts. In order to supplement their income, most workers sell things or they pool their money and decide each month who should get a lump sum. Workers with some savings also give loans with interest.

There is a clinic inside the factory with a questionable level of service, which is however free of charge. Some workers believe that the clinic provides expired medication which is unsafe or a waste of time. Others suggest that the only reason there is a clinic inside the factory is because management wants to keep workers inside the premises so that they can work even if they are sick.

The company seldom provides protective clothing and workers note that Texrey cynically provides them with masks to protect against dust when the labour inspectorate arrives. Workers emerge from the factory with a thick layer of dust covering their skin. They commented that they can only imagine what this is doing to their lungs. Extractor fans are not provided by the company.

There are also concerns about workers not being paid if they take too many sick days. There are cases of women employees refusing maternity leave until the last minute so that they can spend as much time as possible earning wages. As a result, there are documented cases of employees giving birth on the premises of textile factories and during working hours. Maternity leave is legislated but Texrey ignores such laws and Swaziland's

labour inspectorate is weak.

Work pressures have badly affected workplace relations mainly between workers and management but sometimes also between supervisors and management. There is a lack of clarity about promotion procedures as the company arbitrarily chooses supervisors on a 'favouritism' basis even if other workers have the same or more skills and experience. This leads to the perception amongst workers that supervisors are 'sell-outs' who are only interested in impressing management.

Physical and verbal abuse in the form of pinching, insulting and spitting at workers by management without any adherence to proper disciplinary procedures is common. In essence, relations in the workplace are characterised by aggression, inhumane treatment, irregular working hours, unsafe working conditions, suspensions and arbitrary sackings of workers.

TRADE UNION AND POLITICAL ORGANISATION

Both the Swaziland Processing and Allied Workers Union (Sprawu) and the Swaziland Manufacturing and Allied Workers Union (Smawu) organise in the textile industry. Smawu is the bigger and older union affiliated to the SFTU (Swaziland Federation of Trade Unions) and is well represented in various factories. Sprawu broke away from Smawu because of problems within the SFTU. At the moment these unions co-exist in two factories, whilst the rest are dominated by Smawu. Their relationship is not confrontational at present although in 2004 conflict between them led to the burning down of a factory.

In the spirit of Mswati's autocratic regime, textile employers are strongly anti-union. For example, in 2004 one factory opted to close down rather than recognise a union that had already attained the minimum 50% membership required. Although it succumbed to pressure and reluctantly signed the agreement, it closed down just two weeks later.

Unions are also not doing enough to mobilise workers. Trade union apathy prevails resulting in inefficiency and an ignorance around what trade union activity involves beyond the collection of subscriptions.

Both unions are struggling to service their membership. Unions lack of support for members when they are retrenched has contributed to a lack of confidence in unionism. Severance packages are not negotiated and membership of the union is terminated after three months. The company, in accordance with the lack of benefits in all other spheres, does not offer any retrenchment package.

Union inefficiency fuels workers' suspicions that officials are collaborating with employers in exploiting workers. Indeed, there are times when unionists do sell out workers. An example of this was when labour bureaucrats went behind workers' backs and signed the wage freeze agreement. There is a growing feeling of hopelessness amongst workers and that unions are useless and 'just take your subs'.

There has also been very little activity in terms of establishing international links or solidarity activities with unions such as the Southern Africa Clothing and Textile Workers Union (SACTWU) or other

regional union federations.

Very few textile workers belong to political organisations even though they are amongst the poorest of the employed working class. However, small-scale internal struggles do occur in the workplace and the possibility exists of workers' linking their plight in the workplace to broader political developments and to resisting the despotic monarchy. Although those in power have sought to appeal to narrow nationalist sentiments in an attempt to suppress worker activism, workplace struggles have continued unabated. In the past two years, Swayoco (Swaziland Youth Congress) in particular has made some inroads into mobilising textile workers as a political force. The joint mobilisation efforts of Swayoco and Sprawu activists has been critical in making Sprawu a major force especially in the Shiselweni region.

SWAZILAND'S ECONOMIC FUTURE

It can be argued that the textile industry has brought no significant benefits to the many Swazi workers. The fact that 30 000 jobs were created cannot be used as a barometer of Swazi economic development. The argument that if there was no textile industry supported by AGOA then 30 000 Swazis would be unemployed, is a defeatist 'half a loaf is better than nothing' attitude that is typical of 'tinkhundla' (a political system that is structured around a hierarchical monarchy which reaches even the lowest community level). It is this attitude that perpetuates the exploitation that characterises Mswati's regime. The end of the MFA and the re-entry of China may



Xolani Simelane is refused entry into Texrey forcing him to talk to workers outside the company – some wept during his interviews

lead to the collapse of the textile industry thus rendering thousands jobless.

For the foreseeable future, the textile industry is likely to serve as a breeding ground for revolutionary and oppositional activity in Swaziland. However, it will take serious political and social mobilisation of the workforce as well as effective ideological input and political education to achieve this – something that has been lacking from both the SFTU and SMAWU.

The steady decline in employment figures from 30 000 to 15 000 and the regime's blind adoption of neo-liberal economic policies points to disaster. The annual reports from the labour department in the past two years show that most jobs are lost in the

textile and apparel sector due to lack of orders, lack of raw materials, increased competition or a decline in the dollar/rand exchange. This, combined with the Swazi economy's dependence on the South African economy and proceeds from SACU (Southern African Customs Union) suggests a bleak future for Swaziland.

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