

## AND THE TRANSVAAL CLOTHING INDUSTRY

*By Erica Emdon*

Since 1974, the Environment Planning Act has come to act as a serious constraint on the Clothing Industry in the Transvaal. It is a perpetual threat promising the possibility of prosecution or more serious still, closure.

The main victims of the Act have been the numerous small and middle sized clothing firms in the Witwatersrand, Pretoria and Vereeniging complex. Durban is exempt from the Act as it is considered by the Act as having the same status as a border area. Because in a border area there is no restriction as to the amount of Blacks employed by industry, or the ratio of such Blacks to Whites, Durban and Pinetown firms can freely employ any number of workers they wish.

The Western Cape area and Port Elizabeth region (E. Cape) are regarded as Coloured Preference areas. In Coloured preference areas Coloured labour is employed in preference to Black labour. If unemployment among coloureds is below 2% and the figure is therefore negligible, firms applying to hire Black labour are almost always granted permission. In the Western Cape this has invariably been the case, hence the lack of prosecutions and harassment in terms of the Act.

In Port Elizabeth, on the other hand the situation has been different. Because of the state of the motor industry and other related factors, Coloured unemployment has been and is rising. If it rises above 2%, firms applying for increases in Black labour are refused permission. Thus rising unemployment amongst coloureds has the effect of creating conditions of more serious unemployment among Blacks. In Port Elizabeth there were two prosecutions in 1976, but it seems that since November the situation has become more serious with rising unemployment. More prosecutions are to be expected in 1977.

The reason why the Clothing Industry has been singled out for attack is difficult to answer. A tenta-

tive reason which has been forwarded by various members of the National Union of Clothing Workers and the Garment Workers Union is that the Union for Black workers in the Clothing Industry is so strongly organised and poses such a threat to the government that the government is somehow retaliating by implementing the Act in the Clothing Industry and thereby weakening the strength of the Union by causing its members to be retrenched.

However, as Jimmy Thomas, the secretary of the Industrial Council for Clothing says, "the existence of a black union in our industry might be a contributing factor but it is not a major". He feels that since 1951, with the Tomlinson Commission report, the Clothing Industry has been earmarked for decentralisation. This, he says, is because the industry has a high concentration of Black labour and relative to other industries is less site-bound. These reasons are obviously more substantial ones and help far more in establishing why the Clothing Industry has been the target of the Act.

#### THE ACT AND THE RATIONALE BEHIND IT:

The Act was first passed in 1967 and was called the Physical Planning Act. Its main purpose seemed to be to encourage decentralisation. However, it was not until after it was amended in 1974 to the Environment Planning Act that it gained some weight. It was the later legislation which provided for an inspectorate whose sole task was to police the act that gave the act the forcefulness which it now has.

The main section which concerns us is Section 3 of the Act. This section details how when a factory is established by employing "Bantu" labour or needs to be extended, written permission must be obtained from the Minister. The extension of a factory is defined by the Act as meaning an increased number of "Bantu" workers. Thus when an industrial set-up wishes to increase its number of employees it has to have the written approval of the Minister.

This does not apply to all areas in the country but to certain Magisterial Districts which were set up under the Act. In the Transvaal, the Pretoria, Wit-

watersrand and Vereeniging (PWV) complex is a controlled area and thus in terms of the Act, whenever an enterprise wished to increase its complement of "Bantu" labour over and above the number employed at January, 1968, it had to apply to the Minister for permission. As mentioned earlier, Durban is excluded and is not a controlled area.

If there were a sound economic motive behind the Act, it would operate in a similar manner to decentralisation policy in any other capitalist economy. Usually in a capitalist economy there comes a time when the urban areas are too overcrowded or overdeveloped. Also problems such as rural unemployment need to be curtailed. The normal course of action which the government of such a country takes is to provide economic attractions for decentralisation such as less tax and so forth. In this area South Africa approaches the norm. The reason why it is necessary to provide concessions is that in the short term decentralisation is not attractive to industry and hence government must cushion short term hardship in order for the overall long term benefits of decentralisation to be felt.

However, the way in which the Environmental Planning Act is being implemented is at odds with the kind of economic motives just discussed. Because it is applied so harshly in the Transvaal, and is applied with the same weight to small and large firms, it makes it impossible for the right type of firms to decentralise. The size of factories in the Transvaal is in general small, employing an average of about 80 workers. Only firms employing an average of 500 or more workers could, from a practical and economic point of view, seriously contemplate decentralisation. Normally the trend is for labour intensive firms to decentralise as this combats rural unemployment, and because it is cheaper to decentralise. However, in the Clothing Industry the only firms which can afford to decentralise are capital intensive firms which are usually the large multinationals. Furthermore, the acute shortage of skilled labour in the clothing industry along with a shortage of middle-management personnel makes decentralisation even more

difficult to envisage.

The labour-intensive firms are mainly small ( $\pm$  50 workers) and cannot decentralise. By clamping down on these firms the Government restricts their ability to generate capital sufficient to decentralise. Only by being free to expand in the urban areas to a stage where sufficient capital can be generated to decentralise can the labour intensive firms contemplate moving. Decentralisation is meant to spill over from urban development but the Environmental Planning Act restricts urban development itself, by debarring the employment of additional "Bantu" workers.

The official motivation for the Act is to "encourage" decentralisation to border areas. It can be argued that this seemingly rational economic motive is in fact a smokescreen for a piece of legislation with no sound economic motive totally bound up with the ideological framework of apartheid.

It will become clearer, by looking at the actual way in which the Act has operated, how ideological the motivations behind the Act actually are.

#### IMPLEMENTATION OF ACT AND THE EFFECT

##### OF ACT ON CLOTHING INDUSTRY

*(Interview with J. Thomas:  
Secretary Industrial Council  
for Transvaal Clothing  
Industry.)*

The way in which the Act has affected various firms in the Transvaal has differed markedly. The worst effect the implementation of the Act has had is to force certain enterprises to close down. Three factories, Solson Clothing, Chilton Bond and Rosalind, who were under the same ownership, closed in 1976. The reason why they were forced to close down was because they moved premises which entailed putting in a new application for a quota. The application was refused and without Black labour these factories could not continue.

Firms which have not closed down have had to exist in such an insecure environment that often contingency arrangements have had to be made. Some firms have partially decentralised by moving towards Indian and Coloured areas such as Nacefield in the hope of gaining a priority on Indian and Coloured labour to make up for the enforced shortage of Black workers. However, they found they still could not complete their quotas as Indian and Coloured workers were moving away from the clothing industry to shops and offices or to more highly paid industries.

Obviously, those firms who can actually fully decentralise are able to more or less escape the adverse effects of the Act. However, decentralisation proper requires that the enterprises concerned are large enough to be able to afford to decentralise. Only eleven firms in the Transvaal have been in such a position, two of which are Henochsbergs and Springbok Clothing. It seems unlikely that others will follow.

Some firms which have been lucky enough not to have had to close, but which have not been able to decentralise, have operated as usual within the confines of the law. However, severe restrictions to their operations have been experienced. Firms who in 1968 functioned with a quota of 75 Blacks to 150 Coloureds and Whites now still employ 75 Blacks but the Coloureds and Whites have moved elsewhere. This means there can be no expansion and they grow smaller by the day. Some firms have found loopholes through the law which have been facilitated because of the fact that a concern may constitute itself as a wholesaler and a factory (cut, make and trim). Nevertheless, in general, law-abiding firms cannot hope to expand.

Finally some firms which have transgressed the law have actually been faced with prosecution. One firm, Pretoria Underwear Manufacturers paid admission of guilt fine in May, 1976. One factory, Venus Knitting was brought to court in 1976 and acquitted over a technicality to do with the fact that a quota could not be determined since it had not been established in 1968. The National Clothing was acquitted of charges in September over the

definition of the word "Bantu" in the Act. The word "Bantu" was not defined in the Act and the ordinary meaning was considered too wide. Six other firms in the Transvaal had charges against them dropped because of the case. However, the case has not acted as a precedent, for a firm, Pelt Products, has just been prosecuted in Port Elizabeth on the same technicality.

Towards the end of 1976, the Transvaal entered a period of amnesty after one year in which the industry was repeatedly bombarded by prosecutions or the threat thereof. After representations by the Industry to the Minister of Planning, it was announced that a survey would be conducted by the Department of Planning to examine employment patterns before more prosecutions would take place.

Also exemptions were given to firms before October 31st who were contravening the Act. Smaller firms which could not decentralise, it was said, would be treated more leniently.

#### CONCLUSION

A situation is being created in the Clothing Industry in the Transvaal where there is a growing artificial shortage of Coloured and White labour amongst a plentitude of untapped Black labour. Because clothing firms cannot increase operations or enlarge their premises and get more Black workers except with special permission, the clothing industry is unable to expand and create new jobs for Blacks. In the Transvaal, the industry only grew 2% compared to a growth of 98,4% in the Western Cape and 112,5% in Durban, from 1968-1972.

Along with this tiny growth is the fact that Coloureds are moving out of the clothing industry to other industries and to shops and offices, while White skilled workers in the industry are in dire shortage. Because of the Act, Blacks cannot be employed in place of these workers as it would be violation of the quota.

Obviously such a situation contributes to the growing unemployment problem, estimated by the Finance Minister to be increasing to 10 000 a month.