Ghosts of South Africa's grim past haunt Namibia

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Apartheid practices such as single-sex dormitories, and ethnic and racial divide-and-rule techniques are returning to southern Africa in what unionists call "sweatshop zones".

These industrial areas, to which transnational companies (TNCs) are lured with tax breaks and huge subsidies, are meant to attract foreign direct investment and the transfer of skills to developing countries. But instead they often look like the grensnywerhede of the old South African dispensation.

From the outside, the giant Ramatex complex in Windhoek - we were not allowed access to the premises - has a similar look and feel to, say, the Ekindustria site near Bronkhorstspruit, which former president PW Botha dreamt would revolutionise South Africa, by attracting a million workers.

Key to Ekindustria, a central axis in Botha's 1980s Good Hope plan for economic growth, was a cheap and compliant labour force. This force was to be fed from the nearby KwaNdebele homeland, with apartheid officials boasting that under its traditional leadership, Ndebele workers were known to be submissive and willing to work long hours.

Unions were banned by the homeland's "independent" government. Workers from other ethnic groups would be settled in townships outside the homeland but under its government's control.

Compliance of workers would be ensured by a system of close monitoring,

in which troublemakers would be singled out and their names recorded on a database to prevent them getting work in grensnywerhede again.

Much the same situation exists at factory sites like Ramatex, a grensnywerheid of international dimensions. When Namibia's sweatshop zone scheme was announced in 1995, workers were denied their normal rights. President Sam Nujoma explained that investors' "fear of possible labour unrest" had to be allayed.

Workers are flown in to sweatshop zones from Asian countries where massive unemployment figures help ensure their acceptance of adverse working conditions. They are housed in single-sex dormitories, under the vigilant eyes of monitors and "quality controllers".

Guards, from a company which says it operates in accordance with anti-terrorism laws, keep a watch on the workers, who have to sign in and out when they want to leave the premises to shop in town.

In the world's sweatshop zones, workers from mainland China are often preferred over local workers. Chinese workers are accustomed to the regimentation of the Communist Party authorities, and their movements controlled by very similar rules to apartheid laws. They require permits to move from one area to another in China and must produce pass-like papers on demand.

In addition, because independent union federations are banned in China, Chinese workers are unlikely to complain about working conditions. Dismissals are often summary and manpower is easily replaced from the Chinese reservoir of the unemployed, which is estimated at 200-million.

The sheer size of this reserve and the easy ability of TNCs to relocate to "special economic zones" as they are called in China, has severely distorted the world's labour markets. A century of gains made by unions in Western nations evaporated in a few years as companies retrenched workers and filled vacancies with Asians.

In Windhoek such uncompromising treatment of workers was illustrated by the plight of close to 500 Bangladeshi workers. Last month they found their work permits cancelled after complaints over pay discrepancies and working conditions, as well as the alleged refusal of Chinese workers to work under Bangladeshis.

One of their agents complained that the whole group was being tarred with the same brush, whereas only "about 30" had complained.

Such tactics, says Herbert Jauch of the Labour Research and Resource Institute (Larri) in Katatura, Windhoek, are characteristic of special export zones. Another is to recruit workers from ethnically diverse origins and then play them off against each other. It further prevents unionisation.

This used to be a feature of management strategies in apartheid times too, during which single-sex male compounds were often the scene of "faction fights" between ethnic groups provoked against each other.

According to a report by Larri, violent conflict often erupts between individual Namibian and Chinese employees.

Critics of globalisation often talk of the Washington consensus, referring to the dogma of liberalising state controls over national economies in order to boost growth through increasing international trade.

But the Beijing consensus, in which TNCs embark on joint ventures with Chinese state companies, has increased profit margins by ignoring labour laws and guidelines operative in Western countries.

In addition, such ventures exploit lax environmental laws or use bribery on a large scale to get past these and other restrictive measures. In Windhoek last month, the municipality closed down certain operations on the Ramatex premises after years of complaints from opposition politicians and NGOs over alleged poisoning of the city's precious groundwater.

The Ramatex project has a direct effect on South African workers, whose unionisation is highly advanced and is one of the achievements of the liberation struggle. (South Africa's labour environment is often cited by foreign companies as an obstacle for investing in the country.)

Two Ramatex factories in the Eastern Cape, which employed 2 500 workers, were closed last year. Larri believes the company was attracted by cheaper wages in Namibia and that country's massive subsidies and incentives schemes.

Ramatex says it relocated to Windhoek because of, it claimed, America's introduction of the African Growth and Opportunity Act (Agoa).

Ramatex's employment of 6 000 Namibian workers, in addition to its 2 000 Asian workers, allows the group to gain duty-free, quota-free access to American markets in accordance with Agoa.

The Namibia move has broader implications than labour. Recently the United Nations Commission on Trade and Development (Unctad) warned that subsidies and tax breaks in special export zones could lead to unfair advantages for some developing countries. This could lead to costly legal battles among members of the World Trade Organisation, it said.

Developing countries are vulnerable to bribery by foreign companies who look for special treatment from bureaucracies lacking the necessary transparency or a restricted watchdog sector.

In Namibia's case, unions say R28-million may be unaccounted for in the Ramatex project. But the unions themselves are accused to being lax in monitoring labour exploitation and prone to compromise.

For ideological reasons too, officials in southern Africa are loath to take up the cudgels against companies from China and Malaysia. Chinese diplomacy has succeeded in persuading southern African governments that they are on the same side in the North-South and other divides.

For such ideological gains, South Africa and other countries will have to pay a price around the world's negotiating tables.

Calls on developed countries to relax subsidies and tariffs in order to make goods from developing countries more competitive, is pivotal to South Africa's foreign policy.

But if South Africa does little to address the exploitation of workers and rampant subsidisation in neighbouring states, it can hardly hope to be taken seriously by much more formidable foes in the rest of the world.