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Impact of 2008 global financial crisis on workers at Ford in South Africa

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Chapter 1

INTRODUCTION

Firstly, this chapter gives an overview of Ford Motor Company of Southern Africa (FMCSA) and then discusses the background, scope and the methodology of the study.

1.1. Ford Motor Company of Southern Africa (FMCSA): an over view

i. Background

Ford Motor Company originally from United States of America (USA) and which is also one of the leading motor companies in Southern Africa, initially started its operations in South Africa in 1923. Ford Motor Company was one of the first companies in South Africa to recognize an unregistered black trade union called Automobile, Rubber and Allied Workers Union of South Africa which was established in August 1973 (Ford, 2010; Ferreira, 1980).

In 1988, during the apartheid regime, Ford Motor Company disinvested from South Africa on political grounds. Eventually Ford Motor Company changed its name to (SAMCOR) South African Motor Company (Ford, 2010). SAMCOR was set to assemble vehicles under the brand name of Ford, Mazda and Mitsubishi (Barchiesi, 1997: 62). Following the change of the political landscape in South Africa in the early 1990s, Ford Motor Company gradually started to acquire equity shares in SAMCOR with effect from November 1994. Having finally secured 100 percent of shares, after 2000, SAMCOR changed its name to FMCSA (Ford, 2010).

Over the years, while the presence of White and Asian workers has been decreasing, there has been a considerable increase in the number of African employees working for Ford, SAMCOR and FMCSA.

Table 1: Racial composition of workers at Ford, SAMCOR.

Year	African (%)	Coloured (%)	White (%)
1971	5.1	51	43.8
1979	23.4	39.8	39.5
1997	85	6	7
2010	76	7.9	14.2

Source: Roux (1980); Barchiesie (1997) and Ford (2010)

As shown in Table 1, recent statistics indicate that the number of African workers has slightly decreased from 85 percent in 1997 to 76 percent in 2010. In contrast, over the same period the number of colored workers has slightly increased from 6 percent to 7.9 percent and the number of white workers has doubled from 7 percent to 14.2 percent.

ii. Production

FMCSA has one assembly plant at Silverton in Pretoria. Currently Silverton plant assembles Ford passenger and light commercial vehicles for both the local and global markets. Apart from this, FMCSA also has an engine plant in Port Elizabeth which currently produces Ford 1.3-litre and 1.6-litre RoCam engines and machine components. These are supplied to Silverton Assembly plant and also exported to Ford plants in India and Europe (Ford, 2010).

In the face of growing working class pressure during the apartheid era, as a strategy to reduce the cost of production, Ford Motor Company attempted to raise the level of mechanization and automation in the assembly plant (Roux, 1980). Since then, the Silverton Assembly plant has continued to undergo tremendous technological transformation. For instance, in 1985, the first robots in South Africa were introduced at Silverton Assembly plant which improved output to one vehicle every 3.75 minutes, thus closer to international standards (Barchiesi, 1997). Currently, all the system lines in the assembly plant are fully computerized. The whole system is centrally connected by fibre optics channeling massive amounts of data to host computer, and all

data is stored in logs by job numbers. There is also a computerized check of assembly operations which is done for every single unit, rather than on sample basis (ibid: 70).

Silverton Assembly plant which currently produces 41, 429 units per annum has a designed capacity of 252, 540 units per annum and a total of 2, 616 hourly paid employees (Ford, 2010). About 20 percent of the workers are female. It is these workers at Silverton Assembly plant who constitute the subjects of this study. However, the number of workers at Silverton Assembly plant fluctuates over time. While there were over 3500 workers at Silverton Assembly plant in 1991, in contrast, the number of workers had decreased by over 1000 by 1997 (Barchiesi, 1997: 66). Currently, workers at Silverton Assembly plant are distributed in seven sections namely: Body shop, Paint shop, Trim line, Final line, Water test, Reckless squeeze, and storage.

iii. Labour relations

In 1971, Ford management established an informal and unregistered Works Committee consisting of 6 members to represent 300 African workers. In compliance with the Bantu Labour Relations Regulation Act of 1973, the Works Committee metamorphosed to a Liaison Committee and was dully registered with the Department of Labour. Consisting of 15 employees and 5 employer representatives, the Liaison Committee did not have the mandate to bargain with the employer on behalf of the African workers (Ferreira, 1980). Besides, the coloured workers at Ford were members of a coloured trade union called National Union of Motor Assembly and Rubber Workers. Eventually, the African workers became members of the “black union” called Automobile, Rubber and Allied Workers Union of South Africa which would negotiate and bargain with Ford Motor Company on behalf of them (ibid).

In 1987, six unions with membership drawn from the metal sectors merged to form (NUMSA) National Union of Metal workers of South Africa (Barchiesi, 1997). Since then, it is NUMSA an affiliate of COSATU which has been representing the workers at Ford, SAMCOR and recently FMCSA.

1.2. Back ground and scope of the study

Throughout the last half of the 20th century, there has been a rapid and tremendous transformation in the areas of finance, trade and technology globally which has resulted in the integration of national economies. Barriers to trade like geographical distance and government regulation among others have been removed in order to facilitate the diffusion of technology and mobility of goods, labour and more importantly financial capital across boarders with ease (Altvater, 2007; Bonacich et al, 200-).

In 2008, a crisis occurred in the global financial system. This crisis negatively affected all the increasingly interconnected economies of the world in various ways. Throughout this report, this crisis is referred to as the 2008 Global Financial crisis. South Africa was one of the world's economies which experienced a recession as a result of the 2008 Global Financial crisis. The recession in many of the developed countries generally affected developing countries like South Africa through lower export demand, weaker commodity prices, reduced capital inflows and falling asset prices among others (Shah, 2009).

Within the economy of South Africa, one key economic sector which was heavily affected by the 2008 Global Financial crisis was the manufacturing, within which the automobile industry falls. Within the automobile sector, FMCSA was one of the firms which were negatively impacted by the 2008 Global Financial crisis as far as export sales and profits are concerned. Also severely

affected by the 2008 Global Financial crisis, were workers at FMCSA who continued to experience the impacts at the time of the study.

The study examines the impacts of the 2008 Global Financial crisis on workers at FMCSA focusing on Silverton Assembly plant. The following are the two key research questions the study sought to answer, which also constitute the objectives of the study:

- What are the impacts of 2008 Global Financial crisis on workers at Ford in South Africa?
- How has NUMSA's response to 2008 Global Financial crisis addressed the impacts of the 2008 Global Financial crisis on workers in the automobile industry and the economy at large?

Following the impact of 2008 Global Financial crisis on the South Africa's automobile industry and the economy at large, NUMSA responded with various broad based policy options geared towards addressing the impacts of the 2008 Global Financial crisis. This constitutes the problem statement of the study.

The rationale of this study therefore lies on the ground that apart from examining the impacts of 2008 Global Financial crisis on workers at FMCSA, this study also sought to independently evaluate the extent to which the resolutions made at the NUMSA's National Jobs conference in March 2009 have so far been implemented. The findings of the study, will therefore offer an opportunity for NUMSA and relevant key stakeholders to assess the effectiveness of the resolutions. Eventually, this will also enable NUMSA and the relevant key stakeholders to further build on a factual foundation, on which further policy interventions on the impact of the 2008 Global Financial crisis can stand.

Drawing from NUMSA's own experience in this regard, the findings of the study may also serve to enlighten and inform other unions in South Africa and possibly across the world which already carried out or intend to implement some initiatives towards responding to the impacts of the 2008 Global Financial crisis or a similar crisis to occur in future with regards to 'best practices' suitable to their respective constituencies.

1.3. Methodology

This section discusses the methods which were used in the study, ethical issues and finally limitations of the study.

1.3.1. Case study strategy

Kitay and Callus (1998: 103) argue that a case study as research strategy "is used to study one or more selected social phenomena and to understand or explain the phenomena by placing them in their wider context." From this argument, a case study was thought to be an appropriate strategy to examine and explain the changes at Silverton Assembly plant since 2008 and the union's interventions in the broader context of neo-liberal globalisation. It was on this ground that this study adopted a case study strategy.

1.3.2. Selection of the site

Silverton Assembly plant in Pretoria, which is FMCSA's only assembly plant, was selected and used for the case study to examine the first research question[1].

[1] What are the impacts of 2008 Global Financial crisis on workers at Ford in South Africa?

1.3.3. Sampling

Neuman (2000) argues that purposive sampling is useful in exploratory research or in field research and relies on the judgment of the researcher in selecting cases. Purposive selection was the sampling method which was used to select interviewees to participate in the study. This was on the grounds that the intention was primarily to interview the shop stewards as representatives of the workers at Silverton Assembly plant, relevant NUMSA officials and other key informants who were thought would provide relevant information to substantiate the data collected from the interviews with the shop stewards at Silverton Assembly plant and NUMSA officials.

1.3.4. Duration

The study was conducted from July to October 2010.

1.3.5. Qualitative methods

The study sought to get in-depth information pertaining to the two key research questions[2] from the perspectives of the workers at Silverton Assembly plant and other relevant key informants on the other hand. This could only be achieved through the use of qualitative methods (Neuman, 2000). The study used a triangulation of measures through the use of interviews (in-depth and semi-structured) and document analysis. The triangulation of measures enabled me to view the same phenomenon from different angles in order to arrive at a better understanding of the matters arising (Babbie and Mouton, 2001:125). It must be noted that interview was used as the main research instrument which was supplemented with document analysis.

[2] What are the impacts of 2008 Global Financial crisis on workers at Ford in South Africa? How has NUMSA's response to the 2008 Global Financial crisis addressed the impacts on workers in the automobile industry and the economy at large?

i. Indepth interviews

A total of seven in-depth interviews were conducted at Silverton Assembly plant in the local union office. Six shop stewards out of eleven and one veteran worker[3] participated in the in-depth interviews. During the indepth interviews, I sought to capture the experiences and perspectives of the workers pertaining to the impacts of the 2008 Global Financial crisis at Silverton Assembly plant, the changes that have been taking place at Silverton Assembly plant since 2008, and how the workers (union) responded to these changes.

All the indepth interviews were recorded with the consent from the interviewees. In addition to this, I also compiled some notes in a research book to document the key issues arising from the interviews that would be useful during data analysis.

ii. Semi structured interviews

After the indepth interviews, using an interview schedule, six semi structured interviews were conducted with the following:

- NUMSA local union organizer in Pretoria
- One senior member of staff at NUMSA head office (two separate interviews)
- Executive Director of NALEDI
- Secretary of the Democratic Socialist Movement (DSM).
- Union secretary of NUMSA at Silverton Assembly plant

During the two separate interviews, a senior staff member of NUMSA who was delegated by the top union leadership to assist me accordingly provided an insight on NUMSA's response at national level to the 2008 Global Financial crisis. These two interviews also enabled me to track

[3] This worker had worked at Silverton the Assembly plant since 1978

the implementation of NUMSA's interventions. The local union organizer provided his own insight on the changes that have been taking place at Silverton Assembly plant since 2008 in light of the 2008 Global Financial crisis. The other two semi-structured interviews (Secretary of DSM and Executive Director of NALEDI) were conducted in order to capture expertise and neutral perspectives on the effectiveness of NUMSA's interventions or response to the 2008 Global Financial crisis. The interview with a Union secretary of NUMSA at Silverton Assembly plant served to give an account of events within a period of three months since I last visited the Assembly plant[4]. Only one semi structured interview i.e. with NUMSA's senior officer was digitally recorded. I relied much on note taking to capture the proceedings of the semi structured interviews especially the five which were not digitally recorded.

Finally, four indepth and one semi-structured digitally recorded interviews were transcribed. Thereafter, the transcriptions were studied with reference to my own notes to identify key themes. Then a computer software called Atlas.ti© v5 was utilised to attach the key themes to the transcripts and sort them in light of the responses drawn from all the interviews which were conducted.

iii. Document analysis

An analysis of official and unofficial documents was conducted. NUMSA's offices at Silverton and at head office in Johannesburg provided me with various union documents: reports, minutes, policy papers, memoranda, and many other relevant written materials. Some relevant documents were also accessed through the Internet from the respective organisations' websites eg NEDLAC, NAAMSA and NALEDI. However, it was noted during the study that some

[4] I paid a last visit to Silverton Assembly plant on 14th of July 2010. It was then necessary to conduct this interview after three months to follow up on the unfolding of events prior to the production of the final draft of this report.

documents gave biased accounts particularly the communications from FMCSA and the union at Silverton Assembly plant. Nevertheless, all the documents accomplished certain purposes within their social contexts (Davidson and Lytle, 1992). Such short comings were addressed by the use of the semi-structured interviews to probe further.

1.3.6. Ethical considerations

All participants in this research were selected on a voluntary basis. They were all informed in advance of their right to consent to participate in the study or not, not to answer certain questions, and to unconditionally withdraw from the interview at any point. Confidentiality was guaranteed to all participants of the in-depth interviews at Silverton Assembly plant by assuring them that their identities would be anonymous in the report. Besides, all interviewees were assured that data and information collected would strictly be used for academic purposes. Further to this, for the interviews which were digitally recorded, the interviewees were assured that recordings would only be heard by me and the individual who would transcribe[5] the interviews on my behalf, and that the recordings would not be played or given to any other person.

1.4. Limitation of the study

Firstly, taking into consideration the limited period of time that the study was supposed to be completed as per the requirement of the University on one hand and the logistical, human resource and possibly financial constraints on the other hand, I did not include the engine plant at Port Elizabeth in the study. Hence to a certain extent, this may undermine the validity and reliability of the study. Nevertheless, workers at the engine plant in Port Elizabeth constitute approximately one-third of the total number of workers at Silverton Assembly plant and they all fall under the same management. Hence, to a greater extent, the findings are valid and reliable.

[5] Transcribing was done in Namibia.

Secondly, the resolutions that were made at the 2009 NUMSA's National Jobs conference in response to the impact of the 2008 Global Financial crisis can be categorized as: short to medium term. The study which partly sought to assess the effectiveness of NUMSA's interventions, commenced barely one year after the NUMSA National Jobs conference. To a certain extent, it may be too early to adequately conduct an assessment particularly on the medium term resolutions. Nevertheless, one year is long enough to assess the short term interventions which the study accomplished.

Finally, I sought to hold two more interviews (one in-depth and one structured) with two representatives from management of FMCSA in order to capture management's perspectives on the 2008 Global Financial crisis as far as FMCSA is concerned, and also to use these two interviews as measures of triangulation in light of the data I had already gathered through document analysis. On a number of occasions, I managed to communicate with the Human Resource Manager Mr. I. Chabalala through the phone and e-mails to request for an interview.

Eventually, we scheduled to hold an in-depth interview on Friday 22nd of October 2010 at 10PM in his office. When I showed up at Silverton Assembly plant for this appointment an hour before time, surprisingly he declined to be interviewed not only on that particular day but at any other time on the grounds that just as it were on that day I came for the interview, he always has an exceedingly busy schedule of commitments throughout the day. He then suggested that instead of holding an interview with him as I had requested, the specific questions should be emailed to him. The questions were sent to him later on the same day, to which he responded after seven days. However, it transpired that though useful, the information he provided was very scanty and some of the questions were not answered. Efforts to further probe on his responses through phone and e-mails proved futile. Therefore, the interpretations of the findings and the results

predominantly hinge on the experiences and perspectives of the workers. Because of this, there is high likelihood that the discussions and conclusions of the study are biased towards the workers' own experience of the phenomena, which I was unable to cross check with management's own account of the same because consent for me to hold two more interviews with management's representatives was not granted.

Chapter 2

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1. Introduction

This chapter reviews a wide range of literature in light of globalization as a process; restructuring of work and production in the automobile industry and NUMSA's response in this regard; 2008 Global Financial crisis and its impacts; and recent economic history of South Africa's auto mobile sector. Next, this chapter discusses the theoretical framework of the study. Finally, at the end of the chapter, is a conclusion which shows the gap that this study attempted to fill in light of the literature reviewed.

2.2. Literature review

2.2.1. Process of Globalization

i. General overview

There are both positive and negative sides as far as the process of globalization is concerned. On one hand, globalisation is beneficial as it offers some opportunities that are unprecedented. For instance, Stiglitz (2002: 4) asserts that "globalisation has reduced the sense of isolation felt much by the developing world and has given many people in developing countries access to knowledge well beyond the reach of even the wealthiest in any country a century ago. The globalization protests themselves are a result of this connectedness." Webster, Lambert & Bezuidenhout (2008: 192) concur with this view by arguing that:

> Cold war divisions have all but dissipated. The technological revolution brought about by globalization can be used to the advantage of activists-email, websites, databases and

> many other computer applications are being widely used around the world to find, store, analyse, and transmit information. Cyberspace communication systems provide the opportunity to create new networks that reconfigure space, coordinate global campaigns and integrate organizations across national boundaries.

It is within this context that globalization becomes beneficial as it enables the people around the globe to intensely interact and appreciate each other by living 'closer together' (Peet, 2003: 2).

Nevertheless, globalization revolves around the relentless drive towards a self regulatory market mechanism (Webster; Lambert; and Bezuidenhout, 2008: 4), which Polanyi (2001) describes as a fiction that eventually leads into the destruction of society. "To allow the market mechanism to be the sole director of the fate of human beings and their natural environment indeed, even of the amount and use of the purchasing power, would result in the demolition of society" (Polanyi, 2001: 76). In support of this view, by quoting Milanovic (2002: 1), Peet (2003: 133) argues that globalization driven by capitalists' interests alone, will plunge the world into "a wild global capitalism with social exclusion, unbridled competition and exploitation." All this has already been manifest particularly in developing countries and it is not merely a matter of the future.

ii. Globalization and labour

The impacts of globalization transcend to labour. To this effect, globalization has also become one critical issue as far as the International Labour Organisation (ILO) is concerned. In response to the demerits of globalization, ILO (2004: 2) states that:

> The governance of globalization must be based on universally shared values and respect for human rights. Globalisation has developed in an ethical vacuum, where market

success and failure have tended to become the ultimate standards of behavior and where the attitude of 'winner takes all' weakens the fabric of communities and society.

In relation to labour, Jose as cited in Munck (2004: 264) also writes that "throughout the twentieth century, trade unions have functioned in an environment marked by dynamic changes in the world of work…" For instance full time employment is increasingly on the decline due to introduction of advanced technology at the work place particularly factories, relocation of production to areas where there is cheap labour and crowding out of local industries due to deregulations. All these have eventually led to retrenchments, outsourcing of 'non core' functions and non filling of jobs. Increasingly on the rise is non- standard employment with less or no benefits e.g. part time work, independent contracting, home work, temporary work, seasonal work, working through labor brokers etc (Altvater, 2007).

Consequently globalization as far as labour is concerned has reinforced sense of insecurity among workers. "In particular, the new regime of flexibility, which for workers means work insecurity, is particularly devastating to a person's sense of self worth, as they find themselves cast into scrapheap" (Webster; Lambert; & Bezuidenhout, 2008: 202). In support of this, Bieler, Lindberg & Pillay (2008: 8) argue that "the impact of globalization on the global working class is expressed through rising unemployment, the informalisaton and degradation of work and rising income inequality." As such, the traditional sources of power of the trade unions which is full time employment in the formal sector, is exceedingly being eroded away.

As one way forward, Crotty (2005: 20 & 21) therefore argues that globalization as experienced today which is driven by neo-liberalism[6], has to be rejected because it has led to slow growth,

[6] Throughout this report, globalization of this nature is referred to as neo-liberal globalization.

high unemployment, and rising inequality across the world. A socialist transformation of society is therefore one viable option.

2.2.2. Over view: Trade unionism in South Africa from 1970s

A. Shop floor power base

According to Webster (1985) shop floor organization inform of building shop steward structures, factory level bargaining, and worker control was pivotal in the trade union movement in the 1970s and the 1980s. This eventually posed a renewed challenge from below which led to the first significant shift in employers' attitudes to shop floor negotiations. It is this shift that widened the terrain of negotiations and pushed forward the invisible frontier control by workers (Webster, 1985: 243; 253). However, in the face of neo-liberal globalization, Webster; Lambert; & Bezuidenhout (2008: 168) argue that shop floor power base has been eroding away since the early 1990s. For instance, this was manifest through the deterioration of NUMSA's organizational capacity to deal with work place struggle as it were in the 1970s and 1980s (Masondo, 2010: 57-58). One of the contributing factors to this was that within the context of neo-liberal globalization which had then taken root, the unions at shop floor level found the terrain of negotiations relatively too complex as compared to the period prior to the early 1990s (ibid: 58).

Supporting Webster; Lambert; & Bezuidenhout (2008: 168) argument pertaining to the erosion of shop floor power base in the early 1990s, is the September Commission report on the future of trade unions which states that unions in South Africa lack the necessary capacity to engage effectively and to adequately support shop stewards (COSATU, 1997 as cited in Masondo, 2010: 58).

B. Three political traditions of trade unionism

From the early 1970s, amidst the national liberation struggles, there emerged three political traditions within the trade union movement, namely:

i. Community unions

Community unions held the view that the struggles of the workers in the factories and the townships were indivisible and that the scope of trade unions ought to have been broadened further from the confines of the factory struggles to encompass the struggles in the communities where workers also lived (Webster; Lambert; & Bezuidenhout, 2008: 162 and 163).

ii. Shop floor unions

These unions eschewed any political action outside the workplace (ibid: 163). “These unions emphasized instead the building of democratic shop floor structures around the principles of worker control, accountability and mandating of workers representatives” (ibid). The shop floor unions were internally differentiated in key lines which were termed as economism, syndicalism, partysm and independent socialist positions (Pillay, 2008: 9).

iii. Black consciousness

This political tradition of trade unionism views racial oppression as a manifestation of national oppression. However, this tradition excludes class relations from its analysis (Webster; Lambert; & Bezuidenhout, 2008: 163). “The formation of COSATU in December 1985 brought together unions from all three political traditions” (ibid: 164).

2.2.3. Automobile industry

i. Changes of work and production

The automobile industry is characterized by a commodity chains system which comprises of Operation Equipment Manufacturers (OEMs), suppliers of components to OEMs and retailers (Mashilo, 2010 and Masondo, 2010). As it is the case with any other capitalist mode of production, the OEMs aim to maximize profits. However, "under mass production, assembly plant companies find it a challenge to coordinate the process so that everything comes together at the right time with high quality and low cost" (Mashilo, 2010: 33). One way of maximising the profits that the OEMs deploy is to reduce the amount of labour time required to produce a product, either through the use of machinery (automation) or by reorganising work more efficiently (Webster et al, 2009: 9).

Webster et al (2009) also argue that from time to time, OEMs and component manufacturers restructure their work techniques and supply chains in response to market pressures. In support of this, Barchiesi (1997: 83-84) discusses that this is necessary for OEMs to survive in such a sector as automobile which is highly competitive. However, he goes on to point out that this technology is also expensive. "For management, the main way out of this contradiction involves massive cuts in labour costs through a significant reduction in employment levels, which can enable a higher productivity to cover the costs of new innovation" (ibid: 84). In light of this, Froud et al (2000: 795) therefore sum up by arguing that "restructuring works directly for capital and against labour because attempts to increase returns to capital are usually at the expense of the internal workforce."

ii. South Africa's automobile industry and global economy

According to Barchiesi (1997: 47), the automobile industry in South Africa "is characterized by small volume production of a high number of models in simple platform (i.e. combination of body-engine-gear box) confirmations." Throughout the apartheid era, the automobile industry developed amidst protectionist-oriented policies such as (ISI) import substitution industrial strategy (Masondo, 2010: 48). Barchiesi (1997: 47) further argues that amidst prolonged economic growth, the ISI facilitated an expansion of the automobile sector during the 1960s and first half of the 1970s. The adverse effects of the global economic crisis of 1973, coupled with international isolation of apartheid South Africa and rising workplace labour militancy among others, led to the dwindling of production and a crisis "that during the 1980s drove many manufacturers out of the market, forcing others to merge and rationalize their operations" (ibid: 47).

Introduced in 1995, the Motor Industry Development Plan (MIDP) was essentially geared to integrate the automobile industry into the global economy (NALEDI, 2005: 14). Valodia (1997) as cited in NALEDI (2005: 14) argues that "one of the outstanding features of MIDP is to encourage exports in the industry through a combination of a reduction in tariffs and a number of export incentives." In order to make MIDP compliant with World Trade Organisation (WTO) regime, the MIDP went through a review and metamorphosed into (APDP) Automotive Production and Development Programme (Mashilo, 2010: 2).

The global market continues to be saturated with auto mobile products. Hence the reliance on exports of automobiles on the part of South Africa becomes unsustainable in the medium to long term (NALEDI, 2005: 15). According to Masondo (2010: 50), in the 1990s, there was a

restructuring of work within the automobile industry in South Africa following the adoption of Japanese system called Just In Time (JIT) and accelerated automation of production. "Retrenchments, rapid introduction of new technologies, precarious work, and intensification of work and reorganization of production are some of the common outcomes associated with this phase of work place restructuring" (ibid).

iii. NUMSA's response to workplace restructuring

Masondo (2010: 46) argues that because the union agenda largely centered on associational and organization rights of workers and the national liberation struggle at large, throughout the 1980s, NUMSA did not have a coherent and comprehensive strategy to respond and engage with work place restructuring. It was in the early 1990s amidst changes on the political and economic landscapes in South Africa that NUMSA shifted its union agenda towards industrial and work place restructuring through the adoption of strategic unionism (Masondo, 2010: 53). The concept of "Strategic unionism" was developed by the Australian trade union movement as an attempt to respond to globalization and industrial restructuring. "It was characterized by four features: union involvement in wealth creation, not just redistribution; proactive rather than reactive unionism; participation through bipartite and tripartite institutions; and high level of union capacity in education and research" (Von Holdt, 2003: 188). NUMSA's strategic unionism was then modeled along the Australia's strategic unionism which NUMSA had learned through study tours of its officials to Australia. "In 1992, an Australian unionist who had been closely associated with the development of strategic unionism was employed by NUMSA as a head office official" (ibid: 187).

During the third national congress in 1991, NUMSA resolved to embark on negotiations with employers on restructuring (NUMSA, 1991: 9 as cited in Masondo, 2010: 53). Then the forth NUMSA national congress held in 1993, resolved that "the bottom line to us as the working class is that any restructuring must have as its primary objective the empowerment of the working people through higher skills, job security, creation of new job opportunities, technological innovations appropriate to our needs and a sustainable environment" (NUMSA, 2010a). According to Von Holdt (2003: 187), in 1993, NUMSA adopted a new negotiation strategy called 'three year programme' which replaced the annual bargaining goals.

> Broadly speaking, the aim was to move from the highly differentiated, racist and anomalous system of 14 grades, to a five grade system based on skills levels and known as 'broad banding.' Workers would have a clear path up the grading ladder based on acquiring new skills through training. Wage gaps would be narrowed and wage levels would be determined by the levels of workers' skills. Restructuring would be based on more skilled work and higher value added as the workforce became more skilled (ibid).

Since this approach entails the incorporation of workers' views in decision making and emphasis on upgrading of skills and improvement of working conditions, it can be referred to as a form of 'negotiated restructuring'(Masondo, 2010: 55).

At the fifth national congress in 1996, NUMSA resolved that "the union must intervene both at shop-floor level and at a macro-level where industrial and macro-economic policies are being made. Employers must negotiate with unions on work re-organisation by giving information and discussing their strategic plans with unions" (NUMSA, 2010b). To this effect, NUMSA subsequently formulated a union policy which among others stated that:

> As a union we must demand the following issues to be negotiated with employers: introduction of new technology, use of machines and line speed, work organization and processes, new work methods and work organization, working time and patterns, productivity and performance assessment, benchmarks, targets and production schedules etc (NUMSA, 1997: 30 as cited in Masondo, 2010: 53).

With the backdrop of increased retrenchments following restructuring of work, the sixth NUMSA national congress in 2000, further resolved that

> NUMSA must demand a five year moratorium on retrenchment with a minimum of 4 weeks severance pay for each completed year of service with no ceiling. All retrenchees to undergo training processes, training to last for not less than six month (NUMSA, 2010c).

Finally, in its declaration made at the 8th National congress in 2008, NUMSA bemoaned the restructuring processes which continued to be undertaken by employers in the automobile industry particularly FMCSA and General Motors:

> As 8th National congress we note the manner in which the beneficiaries of the Motor Industry Development Programme such as Ford Motor Company and General Motors have embarked on a strategy to maximize profits by restructuring the workforce and by retrenchments (ibid, 2010d).

Nevertheless, Masondo (2010: 55-56) further discusses that having adopted this coherent strategy to engage in workplace restructuring, NUMSA has been confronted with a number of challenges. These include: opposition from within; deteriorating organizing capacity; failure to transmit information about workplace restructuring to members; gradual decline of union's

Research and Development Groups; lack of trust between employers and unions. Inspite of the adoption of strategic unionism by NUMSA, workers in the automobile industry continue to be subjected to retrenchments and work restructuring. Those who tend to escape retrenchments are possibly compelled to do more work than before through over time hours and double shifts (Masondo, 2010; Mashilo, 2010; Barchiesi, 1997; Froud et al, 2000; and Webster et al, 2009).

2.2.4. 2008 Global Financial Crisis

The 2008 Global Financial crisis initially emerged as a 'credit crunch' in the United States of America (USA) in July 2007. Then it spread to other interconnected economies of the world and eventually caused a global financial crisis.

"The drivers of the financial turmoil and financial crisis of 2008 were heterogeneous securities that were hard to value. These securities created concerns about counter party risks and ultimately created uncertainty" (Dwyer and Tkac, 2009: 1313). The international financial system is dependent on USA trade deficit as far as liquidity for financial and commodity markets is concerned. It is through this global financial dependency on USA trade deficit that the USA's credit crunch of 2007 was swiftly transmitted to the rest of the world and eventually became a global financial crisis in 2008 (Perelstein, 2009: 3). The 2008 Global Financial crisis is one of the most severe global financial crises since the Great Depression of early 1930s (Grossmann, 2008: 1).

The dynamics of 2008 Global Financial crisis should be understood within a broader context of neo-liberal globalization. Neo-liberal globalization has unprecedentedly facilitated the rapid mobility of financial capital across the globally interconnected economies. "The collapse of communism, which began in 1989 with the fall of the Berlin Wall, the further deepening of

global free trade agreements within WTO architecture, and the creation of new forms of information and communication technology, have accelerated the capacity of capital to globalise" (Webster; Lambert; and Bezuidenhout, 2008: 191). Subsequently, more fertile grounds for the emergence of financial crises across the world have been cultivated.

Harvey (2009) as cited in Bond (2010: 5) states that since 1970 as world's economies were fast being integrated through the process of globalization, there have been 378 financial crises in the world and that between 1945 and 1970 the world experienced 56 financial crises. Basing on Harvey's observation, this entails that from 1945 to 1970, on average there were two financial crises each year where as from 1970 to 2008 the number of financial crises per year on average was ten. One can therefore argue that this sharp increase of the average number of financial crises between the two periods from two to ten, to a greater extent, could be attributed to the rapid mobility of financial capital across the globe induced by the neo-liberal globalization.

2.2.5. Impacts of 2008 Global Financial Crisis on Economy of South Africa

The 2008 Global Financial crisis caused recessions in many of the affected countries including South Africa (Grossmann, 2008: 2). "By 1996 the government unilaterally adopted the Growth, Employment and Redistribution (GEAR) macro-economic framework, which contained many classic neoliberal feutures, such as reduced fiscal deficit, inflation targeting, tax reductions, privatization, trade liberalization and export led growth" (Marais, 2001 as cited in Bieler, Lindberg & Pillay, 2008: 47). This then structurally rendered the South African economy vulnerable to the dynamics of the global economy. "The rate of growth of exports from an open underdeveloped economy depends upon the rate of growth of world trade and the extent to which

its exports are accommodated by others, over neither of which it has any control" (Patnaik, 2008: 4).

The impact of the 2008 Global financial crisis in South Africa became manifest at the end of 2008, through sharp decline of demand of exports accompanied by fall in export commodity prices, and a fall in inflows of foreign capital to the stock and bond markets (Makgetla, 2009: 1 and NEDLAC, 2009a: 2). For instance "…in the second week of October 2008, the Johannesburg stock market crushed by 10 per cent (on the worst day, shares worth US$ 35 billion went up in smoke) and the currency declined by 9 per cent, while the second week witnessed a further 10 per cent crush" (Bond, 2010: 8). By early 2009, annual port activity had fallen by 29 percent (ibid: 10).

2.2.6. Recent historic and economic context of Automobile sector in South Africa

South African cars have a preferential access to the European market at zero tariffs provided they constitute 60 percent of components from Europe (Rees, 2009: 9). While the same car exported from Japan to the United of States of America (USA) economy would attract a 10 percent tariff, 2.5 percent tariffs is charged on the same type of car exported from Germany to the same destination. In contrast, no tariff is charged on cars exported from South Africa to USA (ibid). This then serves as an incentive for more exports of automobiles from South Africa to the European and USA markets. From the data in Table 2 (below), it can be argued that on average slightly over 50 percent of domestically produced cars in South Africa are for export. As such, to a greater extent, fluctuations of demand for car exports from South Africa on the global market have a bearing on the production, export sales as well as profits in the automobile industry in South Africa.

Table 2: Local sales and exports of cars produced in South Africa from 2002 to 2009

	2002	2003	2004	2005	2006	2007	2008	2009
Local sales	163474	176 340	200264	210976	215311	169558	125454	94379
Exports	113025	114 909	100699	113899	119171	106460	195670	128602
Total domestic production	276499	291249	300963	324875	334482	276018	321124	222981

Source: NAAMSA (2010)

As shown in Table 2 (above), domestic motor vehicle manufacturing in South Africa is targeted for both the local and global markets. The local market is significantly influenced by the interest rates prevailing at that particular period (ibid). For instance in 2003, the interest rate was cut by a cumulative 5.5 percentage points (ibid). According to National Association of Automotive Component and Allied Manufacturers (NAACAM) as cited in Rees, 2009: 9:

> From the perspective of the automotive market, the low interest rate environment improved affordability of new motor vehicles by up to 12 percent in real terms over the past three years (2004-2006), and together with the increasingly important contribution from the growing middle class - had supported a record demand for new vehicles.

This then explains the three year continuous increase of both production of cars and local sales from 2004 to 2006.

However, local interest rates were increased between June 2006 and December 2007 by a cumulative 4 percentage points (ibid). This would have negatively affected the local demand for new cars. As shown in Table 2, domestic production and local sales declined in 2007 to almost the same amounts which were registered in 2002 before the interest rates were cut. The decrease in total domestic production in 2007 due to low demand in the local market corresponded to a decline in the exports in 2007.

Table 3: Monthly sales for new vehicles in South Africa from 2008 to 2010

	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	TOTAL
2008	9496	9819	9492	9669	8771	8156	9107	8193	7883	7997	7230	6530	**101943**
2009	5981	6328	6925	4801	5184	6145	6773	6044	6218	6779	7218	7721	**76117**
2010	6947	7900	9079	7723	8262	8002	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Source: Statistics South Africa (2010)

In 2008, domestic production was increased possibly for the exports which considerably increased in 2008 as shown in Table 2, while the local sales started to decline continuously in 2008 after April as shown in Table 3 amidst the increase in interest rates. Hence, number of cars for exports picked up in 2008 while the local sales continued to fall.

The occurrence of the 2008 Global Financial crisis negatively affected the demand for exports and the export prices. It is as a result of this that in 2009 both domestic production and exports declined while the local sales continued to fall particularly from April 2008. Eventually, the decline in domestic production in 2009 corresponded to a fall in local sales in the same year. This is because the manufacturers produced relatively less in 2009 and therefore less was available for sale both locally and globally. Further to this, Jurgens and Blocker (2009) as cited in Masondo (2010: 103) state that following reduction of car sales at both local and export market, some OEMs closed down.

One can therefore deduce that FMCSA being one key player in the automobile industry was significantly affected by the 2008 Global Financial crisis interms of the reduction of the amount of cars assembled at Silverton plant and the amount of cars exported for the global market. Similarly, the increase of interest rates in 2007 negatively affected the local demand of the

automobiles assembled at Silverton plant. Subsequently, the decrease in demand at both local and global markets led to the drastic decline of profitability particularly from late 2008 when both local sales and exports of cars in the automobile industry drastically decreased.

2.2.6. Impact of 2008 Global Financial crisis on labour in Automobile industry

Masondo (2010: 106) concludes that the 2008 Global Financial crisis, largely resulted in increased retrenchments, short time and temporary layoffs within the automobile industry. Where as Seria and Cohen as cited in ILO (2009: 9) had estimated that the South African economy would loose a quarter of a million jobs as a result of the 2008 Global Financial crisis. While the Development Policy Research Unit of University of Cape Town (2009) eventually found out that as a result of the 2008 Global Financial crisis, the broad unemployment rate had increased by 2.3 percent i.e. from 27.1 percent in the second quarter of 2008 to 29.4 percent in the second quarter of 2009. However, there is no reliable statistics on the job losses in the auto sector alone as result of the 2008 Global Financial Crisis. Nevertheless, estimates indicate that as of July 2009, over 30,000 workers had been retrenched in the auto, components and allied sectors (NUMSA, 2009b).

2.3. Theoretical framework

The theoretical framework of this study is grounded on a Marxist perspective of crises of capitalism and the optimistic view of trade unionism.

2.3.1. General overview

Proponents of the Marxist school of thought categorically assert that the actual sources of the 2008 Global Financial crisis are the economic crises which were experienced by capitalist economies of Western Europe and North America in the 1970s.

> Once we go back to Marx we find that this is not a purely financial crisis we are in the middle of, it is a deep-rooted capitalist crisis. What we have experienced in an acute form in the world economy in recent months reflects the underlying contradictions of global capital. But these contradictions have played out since the early 1970s (Bond, 2009: 2).

Pillay (2010) in support of this argues, "the current financial crisis is not financial in origin, but has roots in the stagnation of the real economy." Also agreeing to this is Makgetla (2009: 1) who contends that "the international financial crisis reflects fundamental structural imbalances in the world economy." In addition, referring to the 2008 Global Financial crisis, in 2009, during an interview with Hankyoreh[7], one Marxist economic historian Robert P. Brenner asserts;

> The basic source of today's crisis is the declining vitality of advanced economies since 1973, and especially since 2000…What mainly accounts for it is a deep, and lasting, decline of the rate of return on capital investment since the end of the 1960s…The main cause, though not the only cause, of the decline in the rate of profits has been a persistent tendency to overcapacity in global manufacturing industries.

It is within the context of over accumulation and over production coupled with declining profits in the 1970s that the 2008 Global Financial crisis eventually emerged. In support of Marxist view, Bond (2009: 15) also puts it that "overaccumulation of capital at the global scale is the root

[7] a publishing series of interviews with progressive scholars

problem of the recent crisis, coming on the heels of a period of 35 years of world capitalist stagnation, extreme financial volatility and internecine competition that has had ruinous impacts."

In response to this crisis of accumulation, "one way out…was to find cheaper sources of labour elsewhere, cheaper raw materials and new markets of excess products" (Pillay, 2010). Bervely Silver (2004) as cited in Pillay (2010) makes mention of a shift of investments from real economy to 'fictitious' capital (financial fix) as one way through which capitalism responded to this crisis of accumulation in the 1970s. Williams (2008: 15) concurs with Silver (2004) as cited in Pillay (2010) by arguing that "in response to this crisis of capitalism, there was an increasing trend toward global integration of financial markets and capital operating on transnational scale."

Nevertheless, the Marxist view holds that "no matter how fast new markets are created, the rapid shifts in capital investments inevitably give rise to periodic gluts in the market, massive lay offs, and far reaching social dislocations" (Seidman, 2004: 32). In support of this, Pillay (2010) discusses that the financialisation of capital or rather the shifting of investments from real economy to speculative markets triggered short term financial crises across the world for example in Mexico (1994), Japan (1995), South East Asia (1997), Russia (1998) and Argentina (1999) and recently the 2008 Global Financial crisis.

2.3.2. Impact of crises on labour

The crises that are inherent in a capitalist system have a considerable bearing on labour. In this regard, "Marx maintained that regular economic crises undermine workers' faith in the system as their lives and those of their families deteriorate" (Seidman, 2004: 32). Agreeing to this, is Altvater (2007: 21) who argues that "the transformation of money as a means of payment into

credit and the resulting financialisation of modern capitalism has produced new and more violent crises which exert a significant impact on the world of labour." Massive job loss is one of the impacts in this regard. This then inevitably leads to an increase of unemployment levels. Hence, susceptibility to periodic crises and rising unemployment become key features of a capitalist economy.

2.3.3. Capitalist economy and unemployment

From a Marxist perspective, high unemployment is one pillar on which a capitalist economy rests.

> Unemployment is not an irrational by product; it serves a purpose in the system. Unemployment holds down wages by decreasing the bargaining power of labour, it disciplines workers, it provides a pool of unemployed who stand ready to work when the demand for labour rises in response to expansion. In this case, then this has implications for policy (Forstater, 2000: 15).

Kalecki (1971) as cited in Pollin (1998: 5), extends that "even though capitalists can benefit from full employment, they still will not support it because full employment will threaten their control over the workplace, the pace and direction of economic activity, and even political institutions." Besides, Herr (2006: 54) argues that "economists in a Marxian tradition point out deep economic contradictions in capitalist economies which do not allow low levels of unemployment for longer period." Therefore, as far as the capitalist economy is concerned, the attainment of full employment is anti-thetical to the vested interests of the owners of capital. Hence full employment or rather significant reduction of high unemployment levels, in particular, does not augur well with the drive towards the growth of profits to which capitalist economies are first and for most geared (Forster, 2002).

2.4. Theories of trade unionism

i. Optimistic view

According to Marx and Engels, trade unionism is extremely limited. Hence they considered the political potential of trade unions to be highly significant (Hyman, 1971: 5). For instance, Engels argued that trade unionism prepared workers for a direct onslaught on capitalist class society where as Marx defined the role of trade unions as integral in the process of social revolution (ibid: 6).

> The evolution of industrial capitalism provides the preconditions of collective organization by throwing workers together in large numbers, and creates the deprivations which spur them into combination. This unity, by transcending competition in labour market, in itself threatens the stability of capitalism: it also develops workers' class consciousness and trains them in methods of struggle. The limited economic achievements of their unions lead workers to adopt political forms of action, and ultimately to challenge directly the whole structure of class domination (ibid: 8).

This optimistic view that trade union struggles can lead naturally and spontaneously to the overthrow of capitalism is an integral part of anarcho-syndicalism (ibid: 11) which argues that as a means to attain takeover of factories and economy by workers, politics have to be brought to the workplace and unions (Zabalaza Anarchist Communist Front, 2003: 26).

ii. Pessimistic view

According to Lenin, trade unionism poses no threat to the stability of capitalist order (Hyman, 1971: 12) Instead the ability of trade unions to achieve economic objectives within the framework of capitalism, display a natural tendency to integration within the system (ibid: 14).

Lenin further argued that trade union politics of the working class is essentially bourgeois politics of working class and does not represent a significant heightening of the working class struggle against capitalism as argued by Marx and Engels (ibid: 14).

Furthermore, according to Lenin the focus of trade unions should be confined to issues of 'bread and butter.' Hence, trade unions should eschew both practice and discourse of revolutionary politics in the course of workplace struggles. This then implies that a revolutionary transformation from capitalism cannot be initiated and driven by workers themselves who feel the brunt of capitalism but a bunch of intellectuals from the middle class who are presumed to be more knowledgeable with regards to the dynamics of the class struggle than the workers (Hyman, 1971 and Zabalaza Anarchist Communist Front, 2003).

2.5. Conclusion

On one hand, it is evident that extensive research has been conducted on the automobile industry focusing on various aspects of labour. Among others, these include the following studies: Masondo (2010), Mashilo (2010), Masondo (2003) and Barchiesi (1997). On the other hand, it has also been found out that the impact of the 2008 Global Financial crisis on South Africa has been studied by researchers such as Bond (2009) and Makgetla (2009) among others. However, conspicuously missing in the literature reviewed is a profound discussion on the direct linkage of 2008 Global Financial crisis to the dynamics in the automobile industry since the 2008 Global Financial crisis occured. The discussions by Mashilo (2010) and Masondo (2010) on the impact of the 2008 Global Financial crisis on labour in the automobile industry lack profundity since the research questions of their respective studies centered on different aspects other than the 2008 Global Financial crisis itself.

Similarly, Bond (2009) and Makgetla (2009) have not delved deeper into the impact of the 2008 Global Financial crisis on the automobile industry and the immediate response of labour. In other words, as far as the literature reviewed is concerned and to my best knowledge, no study has been conducted specifically to examine the impact of the 2008 Global Financial crisis on the South Africa's automobile industry and to evaluate the response of labour in this regard. While attempting to contribute to the body of knowledge at large on one hand, this study sought to bridge this gap on the other hand.

It is in the broader context of a Marxist perspective that this study views the 2008 Global Financial crisis vis-a-vis the financialisation of capital i.e. the financial fix as the actual source, and high unemployment as one pillar which supports the survival of capitalism. Furthermore, this study inclines towards an optimistic view of trade unionism as espoused by Marx and Engels.

Chapter 3

CHANGES IN PRODUCTION AND NEW WORK PATTERNS

3.1. Introduction

This chapter presents and discusses the key findings and results of the study in light of the first research question[8]. The presentation and discussion centre on the changes in production which started to take place at Silverton Assembly plant from 2008. Except managers and supervisors, these changes eventually posed significant impacts on all workers in the assembly plant. Though these changes had started prior to the occurrence of the 2008 Global Financial crisis, they were fast tracked or intensified from 2009 in the wake of 2008 Global Financial crisis which had caused a sharp decline of demand of exports, export prices, export sales and more importantly profits on the part of FMCSA.

In response to this, apart from the intensification of the changes in production, in 2009 amidst the recession, FMCSA introduced new work patterns at Silverton Assembly plant which eventually exerted catastrophic impacts on the workers. It is the intensification of the changes in production and introduction of new working patterns in 2009, which eventually led to a strike activity of workers at Silverton Assembly plant and the warehouse in March 2010.

[8] What are the impacts of 2008 Global Financial crisis on workers at Ford in South Africa?

3.2. Changes in production and intensification of the changes

i. Restructuring of work

The restructuring of work at Silverton Assembly plant started prior to the occurrence of the 2008 Global Financial crisis. In 2007, the demand for Mazda-3, one of the models assembled at Silverton plant drastically fell. In response to this, FMCSA started the process of phasing out the manufacturing of this model in 2008. In the same year (2008), FMCSA also unveiled a plan for a hefty investment of more than R1.5 billion to expand operations in readiness for the production of Ford's next generation of compact pickup truck and Puma diesel engine. It was estimated that this would result in the number of units assembled at Silverton plant increasing from 70 000 to 110 000 a year largely for export (Ford, 2010). In this regard, amidst stiff competition at the global market and in readiness for the forth coming production of Ford's next generation of compact pickup truck and Puma diesel engine, in 2008, FMCSA implemented a broad based restructuring of work at the assembly plant which among others entailed the following:

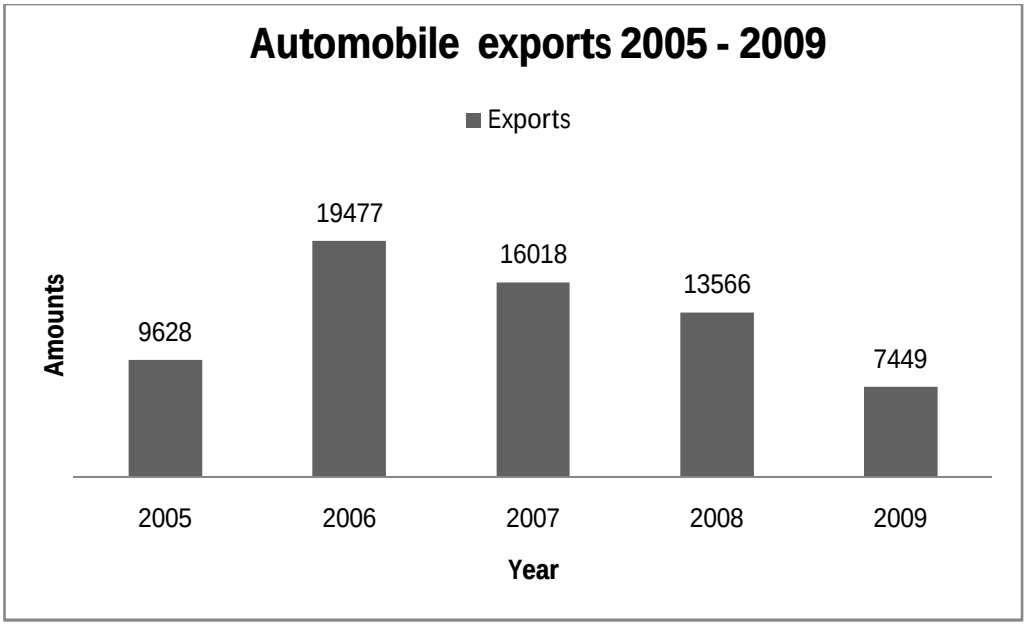
- Increases in the number of units handled by a worker per hour
- Increases in the line speed of the systems,
- Elimination of the "non-value adding" movements during work processes in accordance with the system of Modular Arrangement of Predetermined Time Standards (MODAPTS)
- Outsourcing of "non-core" operations. For example a department called receiving which handled materials and supply of components, was outsourced in 2008 prior to the 2008 Global Financial crisis.
- Reduced cycle time and additional tasks performed by a worker in the assembly line.

ii. Retrenchments

It is the restructuring process discussed above that eventually rendered some workers at Silverton Assembly plant redundant. Subsequently, approximately 1000 workers at both Silverton and Port Elizabeth plants were earmarked for retrenchment by the end of 2008.

The 2008 Global Financial crisis occurred amidst the implementation of restructuring at Silverton Assembly plant.

Graph 1: Exports of Automobiles from Silverton Assembly plant from 2005 to 2009



Source: NAAMSA (2010)

As shown in graph 1, in 2008 the exports of automobiles assembled at Silverton plant dramatically dropped. By the end of 2009 the exports had sharply decreased by 53 percent from the amount of exports registered in 2007 before the occurrence of the 2008 Global Financial crisis. As already argued in the Chapter 2, such a decline in exports of automobiles in 2008 and 2009 was substantially caused by the plunge of demand for exports at the global market as a

result of the 2008 Global Financial crisis. Subsequently, this pushed down both the export prices and profitability. This was the extent to which the 2008 Global Financial crisis affected FMCSA and the South Africa's auto sector and the economy at large.

In response to the negative impact of the 2008 Global Financial crisis, without prior consultations with the union, in 2009 FMCSA started the intensification of the restructuring process. For instance, towards the end of 2008 amidst the 2008 Global Financial crisis, FMCSA planned to retrench 800 more workers in both plants with effect from January 2009. Having merely been informed about such a plan in the offing, the union successfully negotiated with FMCSA for a voluntary early retirement as opposed to outright retrenchment. Under this, a lee way was given to the workers who were willing to volunteer to retire. Due to the hardships which were encountered following the introduction of new work patterns as discussed later in the chapter, which negatively impacted on the wages, the number of workers opting for a voluntary early retirement continued to increase throughout 2009.

> Others did not apply but...you know, when they faced this economic crisis, this plan, they said 'no, I'm not going to be here; I'd rather take money'. So they went (Interview, shop steward at Ford, 13th July 2010)

However, some of workers who opted for voluntary early retirement were not allowed to leave in 2009 by management because of their skills which could not easily be replaced.

> They are saying competitively globally, in Australia they have got 10 people doing 100 vehicles. Why need 20 people that do 100 vehicles in South Africa? So remove 10 and then let them do as the Indians are doing, as the Brazilians are doing (Interview, shop steward at Ford, 13th July 2010)

Further to this, as part of intensification of restructuring of work at Silverton Assembly plant, in March 2010, FMCSA announced that with effect from 5th July 2010, the daily line rate on system 1 would further be increased from 85 units per day to 93 units per day (Interview, Shop steward at Ford, 12th July 2010). Furthermore, the voluntary early retirements extended to 2010.

3.3. Introduction of new work patterns

In response to the negative impact of the 2008 Global Financial crisis, on one hand while intensifying the restructuring of work, on the other hand FMCSA also introduced new work patterns to which i now turn.

i. Short time

From 2009, workers at Silverton Assembly plant started to work four days a week instead of five days a week. Translated into hours, that makes it thirty two hours a week instead of forty. In some instances, the number of working days per week would reduce to 3. The study reveals that from early 2009 till mid 2010, the workers could not receive hourly wages for the five working days but for four working days and in some instances three days. This caused a loss of the wages for 8 hours of one working day and 16 hours in case of two working days. From around mid 2010, following the implementation of the layoff training scheme to be discussed later in the chapter, the workers started to receive fifty percent of a day's wage for one day in a week (Fridays) on which they did not report for work on condition that they attended a training programme.

ii. Lay offs

Prior to 2009, management issued a work calendar indicating the days and weeks of the month throughout the year in which all the workers were subjected to forced and unpaid leave also known as lay off. As shown in Table 4 below, out of a total of 144 working days available in 2009 in the following months: January, February, March, April, May, June and December the workers were scheduled to work for 65 days only. Since the income of the workers commensurate with the total hours worked, this then implied a huge loss of wages which they would have earned under normal circumstances if they had worked for all the working hours available in the respective months. Similarly, as shown in the Table 5 below, from January to June 2010, out of a total of 123 working days available in those months, the workers were scheduled to go for forced and unpaid leave of 57 days thus constituting almost half of those working days. This also implies a huge loss of wages which the workers would have earned if they had worked for the 57 days of forced and unpaid leave.

Table 4: Scheduled short time and lay off days for 2009

2010	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sept**	**Oct**	**Nov**	**Dec**	**TOTAL**
Number of days worked	9	9	12	6	11	11	16	17	18	18	20	7	**154**
Actual working days	20	20	22	19	21	21	22	21	21	21	22	21	**251**

Source: Union office at Ford.

Table 5: Scheduled short time and lay off days for 2010

2010	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	TOTAL
Number of days worked	10	12	12	12	13	7	22	21	21	21	22	10	**183**
Actual working days	20	20	22	19	21	21	22	21	21	21	22	21	**251**

Source: Union office at Ford.

Any employee is entitled to annual leave, and an employer is required by law to pay an employee a leave pay at least equivalent to the pay that an employee would have earned for working for the days intended to be spent on leave (Basic Conditions of Employment Act, 1997: 20-21). Lay off which is essentially a forced and unpaid leave, therefore contravenes the workers right for a paid annual leave at a time of his or her choice in compliance with the guidelines as stipulated in the Basic Conditions of Employment Act of 1997, Section 20 and 21.

iii. Overtime

While subjected to the short time schedules of three or four working days a week and lay offs, from 2009, the workers were also required by management to work for overtime hours within the short time schedules. This was put in place in order to catch up with the production lost as a result of layoffs.

> Well, basically we are locked on one issue. You see, I am working for four days, but over and above the company would seek overtime (Interview, Shop steward at Ford, 13th July 2010)

Inspite of the short time schedules, since 2008 the number of cars produced per day increased from 210 in 2008 to 375 in 2010. This was possible partly because of the over time.

> ...They take out the little money for that day and they let us work Monday to Thursday at increased speed, producing the very same number of vehicles as compared to the previous year (Interview, Shopsteward at Ford, 13th July 2010)

The study also found out that the short time of 32 hours (four working days) a week instead of 40 hours was accompanied by 8 hours of overtime a week i.e. 2 hours of overtime each day for 4 working days. Over time proved to be a viable option for management to maintain the production targets inspite of the short time schedules.

Later, without consultations with the union, in August 2010, management unilaterally formulated and implemented an overtime plan for September to December 2010 which required workers in the assembly plant to work for over time of 2 hours from Monday to Thursday and over time of 5.5 hours on Saturdays every week.

Table 6: Cars produced weekly before and after September-December over time plan

System Lines C 307 BE 91P J97	**Mon**	**Tues**	**Wed**	**Thurs**	**Fri**	**Sat**
Before September 2010	N/A	130	193	195	190	0
After September 2010	232	232	217	204	188	124

Source: NUMSA office at Ford

As shown in Tables 6, the total number of cars produced per day from Tuesdays to Thursday and on Saturdays from the three system lines namely C 307, BE 91E and J97 was correspondingly increased upon the implementation of the over time plan for September to December 2010.

3.4. Outcome

The restructuring of the workplace which started at Silverton Assembly plant since 2008 which was accelerated following the occurrence of the 2008 Global Financial crisis, and the introduction of new work patterns resulted into the following:

i. Wage loss and reduction

In the study, it was revealed that the short time resulted into drastic reductions of the wages. For instance under normal circumstances, after the deductions on the wage like tax and medical scheme contributions, a worker took home 80 percent of the wage. However, following the implementation short time, a take home pay of the worker reduced though deductions from the wages remained constant. The situation worsened during the weeks when workers were put on lay off before the commencement of the layoff training scheme in which the workers could not receive any take home pay. Similarly, the layoffs led to loss of wages which the workers would have earned if they had worked for the days they went on forced and unpaid leave.

ii. Advance pays

Due to the short time schedules and layoffs which significantly contributed to both reduction and loss of the wages, as a means to relieve the burden the workers were experiencing, consequently, on two occasions in 2009 and in early 2010, management approved advance payments to all workers amounting to R800 for each worker. This did not change much since the R800 which the workers received were eventually deducted from their subsequent wage earnings.

iii. Erosion of trust and confidence

Since 2008, following the plight that workers went through which management did not address, the mutual trust between the workers and management enormously eroded. Besides, the workers lost the confidence on management as a vehicle which would listen and accordingly resolve their shop floor grievances. This was after numerous engagements between the union and management which did not bear any fruits.

> Ford never cares about us. It wants us to work more and more but it does not want us to earn a fair share. Ford no longer worries about our safety. To tell you the truth, Ford is cheating...it is merciless to its employees...it plays hide and seek...To work for Ford is just a waste of time. Ford does not want to sit down and talk with the workers (Interview, veteran worker at Ford, 14th July 2010).

It was as a result of this that workers found no any other effective option of having their grievances addressed other than staging a strike, which they did.

iv. Strike activity

The persistent and blatant refusal by FMCSA to explore the option of accessing the layoff training scheme through MERSETA to address the plight of the workers as proposed by the workers was the last straw that broke the back of the camel. This resulted into a strike activity which started on 4th of March 2010 and lasted for two weeks.

> Up until we could not take it anymore and we went on strike (Interview, Shopsteward at Ford, 12th of July 2010).

On the 9th of March 2010 during the strike, FMCSA obtained court order to stop the 'unlawful and un protected'[9] strike. Nevertheless, the workers continued with the strike. In the negotiations that led to the end of the strike, management put on the table unconditional offer of R800 to all workers upon the withdrawal of the strike activity as one means of relieving the financial burden they had gone through and complained about.

3.5. Layoff Training scheme

After a strike action in March 2010, following the deliberations at the Commission for Conciliation Mediation and Arbitration (CCMA), on the 19th of March 2010, FMCSA and the union entered into an agreement to explore the option of participating in the layoff training scheme provided by the government as one of the remedial measures to the grievances of the workers which culminated to a strike.

The layoff training scheme is South Africa's first ever training scheme that targets firms in an industrial slack caused by recession. The aim is to provide employers with alternatives to retrenchments amidst the 2008 Global Financial crisis. Under this scheme, there is a component of training which targets the workers of participating employers (NEDLAC, 2009b: 9). The workers are paid a training allowance equivalent to 50 percent of the basic wage salary. Besides, the employers are required to continue to provide the basic social benefit costs of the workers throughout the training period such as costs of funeral, death, disability cover. The training lay

[9] Management regarded the strike activity as unlawful and unprotected. Through email, I asked the Human Resource Manager Mr. I. Chabalala to explain to me from management's perspective the factors that led to the strike activity and why management regarded the strike itself as "illegal." I did not get any response on this. Efforts to follow up with him on phone and through email eventually proved futile. As already explained under the limitations of the study in the methodology section, consent for me to hold an in-depth interview with him was not granted.

off scheme is accessed through CCMA and the respective (SETAs) Sector Educational Training Authorities (ibid).

Though they were negatively affected by the 2008 Global Financial crisis, some employers such as FMCSA did not or either delayed to apply for the scheme in the first place. Such employers allegedly felt that application to be incorporated in the layoff training scheme itself would signify acceptance that they were in financial distress as a result of the 2008 Global Financial crisis. It was viewed that this would negatively affect their corporate image. However, in his response to the questions I had emailed him, the Human Resource Manager Mr. I. Chabalala confirmed that FMCSA was negatively affected by the 2008 Global Financial crisis as far as export sales and above all profitability are concerned, and that some changes in production were implemented by management at Silverton Assembly plant in response to this which subsequently exerted some hardships on the workers[10].

Table 7: Eligibility to participate in Training Lay off Scheme

Employer	**Employee**
Must be in economic distress due to economic situation	Must be at risk of being retrenched by the employer due to economic situation
Must be contemplating to retrench employees	Must have received annual renumeration of not more than R180,000
Must have the potential of becoming sustainable through short term relief	Must be placed on a full layoff contemplated to last for a continuous period of atleast four weeks or a partial lay off (short time) of atleast two days a week (or 16 days) contemplated to last for atleast eight weeks.
Must be compliant with statutory obligations	

Source: N/A[11]. Terms and Conditions of Layoff Training Scheme

[10] As already explained under the limitations of the study in the methodology section, consent for me to hold an in-depth interview with him to probe this further was not granted.

[11] This was one of the documents I read from the union office at Silverton Assembly plant which had no name of the author, but I found it useful.

The workers at Silverton Assembly plant satisfied all the requirements for eligibility of a layoff training scheme as shown in Table 7. Nevertheless, FMCSA maintained that financially it was stable, inspite of the workers facing hardships following the 2008 Global Financial crisis as previously discussed. Furthermore, as also already discussed, FMCSA was significantly affected by the occurrence of the 2008 Global Financial crisis. It was a sheer lack of honesty and transparency on the part of FMCSA to decline to have been affected in any way as a result of the 2008 Global Financial crisis.

> So the questions raised in these meetings were: How do we feed the people? How do we make it easy for them? Because even though the company said it was not in financial distress, the people were! (Interview, shop steward at Ford, 13th July 2010).

To a certain extent this gesture by FMCSA explains why in the process the workers ultimately lost the trust and confidence in management and resorted to a militant approach out of which a strike activity was hatched.

i. Trainings on lay off days

The training sessions for the workers were held on Fridays. A total of R24 billion was set aside as training allowance for the workers (NEDLAC, 2009b). However, the study found out that the trainings essentially covered the very basic knowledge which the workers were already conversant with such as first aid, pay slips, bank accounts, wage expenditure, life skills etc

> Basically...first of all they trained us to know our payslips, and secondly of how to bank, how to save your money, how to use these banks; sometimes you must compare between different banks and the charges which they charge, stuff like that (Interview, shop steward at Ford, 14th July 2010).

Besides, contrary to the expectations of the workers, the training they attended did not add any value to one's level of qualification or rather job skills. Hence one cannot utilise the knowledge and skills obtained through the training to secure an employment opportunity elsewhere, neither does it assist the worker to improve his or her performance on his or her day to day job at Silverton Assembly plant. It is to this extent that one would argue that to a greater extent, the trainings were irrelevant to the needs of the workers.

Further to this, when drawing the structure and content of the training sessions, the workers were not involved or rather consulted. As such, the workers felt alienated from the training itself and instead regarded it as a mere imposition on them. This therefore may have negatively affected the intended outcome of the training which is skills development. For instance, as far as the workers are concerned, if they were consulted they would have made the following propositions:

- The trainings to be conducted within the premises of Silverton Assembly plant and not far away as it was the case. This would enormously reduce the costs of transport, venue, and food expenses etc
- The costs saved as result of conducting the trainings in-house, to be used to top up on the wages of each and every worker as one means of relieving the financial hardships that the workers have been facing since 2008.

> I travel in a luxurious coach to a luxurious place to attend training where they provide me with expensive food at free of charge what about my children...am the father! If they take the money spent on hiring buses to attend training at Bundu Inn and split it among workers, will a worker not afford bread at home? (Interview, veteran worker at Ford, 14th July 2010).

Furthermore, the providers of these trainings regarded the workers as a homogenous group. Hence the varying levels of education, different skills and competence and different jobs performed were not taken into consideration in the delivery of the training. As such, the training was perceived to be irrelevant to their actual needs and was attended merely because it was a condition for the workers to receive the 50 percent of their basic wage for that day.

> Because that training that I attended is not going to give me money, man; it's not going to raise my pay really (Interview, shop steward at Ford, 14th July 2010).

ii. Retrenchment Assistance Plan-Mainstream (RAP-M)

Retrenchment Assistance Plan-Mainstream (RAP-M) is a mainstream training programme funded through National Skills Fund (NSF) and coordinated and facilitated by SETAs and CCMA. It is primarily designed to upgrade the skills of the workers in participating firms who are either on short time or lay off. It came as a one remedial response to the 2008 Global Financial crisis and as part of investing for the future with regards to sector recovery. A sum of R500 million was budgeted for SETAs to meet the cost of training (NEDLAC, 2009b).

Table 8: Retrenchment Assistance Plan-Mainstream (RAP-M) Training programmes

Programme	Number of trainees	Period of intake
Operator training	175	Sept 2009 to February 2010
Team leader training	80	September 2009 to February 2010
Artisan Training	35	September 2009 to February 2010

Source: Ford Motor Company of Southern Africa

Table 8 above shows some of the training programmes under RAP-M for the manufacturing, engineering and other related sectors provided by Manufacturing Engineering and Related

Sectors Education Training Authority (MERSETA). Accredited training providers are selected to deliver the training programmes such as those listed in the Table 8 for specific periods at selected venues. Under these training programmes, trainees are provided with relevant practical work experience, and access to the facilities and resources required for relevant practical work experience. Lately, RAP-M has registered approximately 7,000 workers drawn from manufacturing, engineering and other related sectors into respective training programmes. Further to this, it is reported that a total of 4,482 jobs in the manufacturing, engineering and other related sectors were saved from retrenchments from March to September 2009 (ibid: 35). Some workers at Silverton Assembly plant are beneficiaries of RAP-M.

iii. Retrenchment Assistance Plan-Parallel (RAP-P)

Retrenchment Assistance Plan-Parallel (RAP-P) is a parallel training programme for the metal, engineering and automobile sectors coordinated by NUMSA under the auspices of MERSETA. It is distinct because it targets the already retrenched or workers who are in the process of being retrenched as result of down turn of the industry or workplace closure following the 2008 Global Financial crisis. As stipulated in the criterion to participate in RAP-P shown in Table 9 below, the ultimate goal is to assist the retrenched to upgrade their skills or develop new skills to enable them re-enter the labour market as soon as possible or become entrepreneurs (MERSETA, 2010; NUMSA, 2010e).

Table 9: Eligibility to participate in RAP-P

Employer	Employee
Must file or have filed a Section 189 with CCMA	Must be retrenched workers from MERSETA sector who were: on permanent or full time, contract jobs
Must have been a MERSETA levy contributing member for at least one year, unless legally exempt	Must have been retrenched any time from April 2007 after working in the sector for at least one year continuously
Must have consulted with the trade union, where relevant, and where such is the case, have signed a mutual agreement with the union	Must provide proof of prior employment status

Source: MERSETA (2010)

Apart from the target group, another component that makes RAP-P distinct from the RAP-M is that it puts emphasis on Recognition of Prior Learning (RPL) i.e. acknowledgement of learning acquired from outside the confines of the formal places of learning such as the workplace and through participation in community activities. As such, RPL in RAP-P comprises of assessment or training based on identified gaps or needs in this regard (NUMSA, 2010e).

Table 10: Training programmes under RAP-P

Skills Development	Enterprise Development
Plumbing	Business skills
Boiler making	Entrepreneurship
Motor Mechanics	Project management
Auto body repair	Finance and budgeting
Spray painting	Auto industry ventures
Vehicle mentainance	Cooperatives
Maching and fitting	Retaining
Carpentry and wood work	Manufacturing
Beads works	
Silk screening	
Dress making and designing	
Catering and decoration	
Welding	
Drivers' licence	
Electrical household repairs	
Basic housing wiring	

Agriculture and farming	
Computer skills	
Literacy and numeracy	

Source: NUMSA head office

As shown in Table 10 above, RAP-P goes far beyond RAP-M interms of scope and content. An employer is legible to apply for RAP-P on behalf of the retrenched workers. Alternatively, a respective union can apply for RAP-P on behalf of its former members whose relationship with former employer has been severed. Individuals can also apply on their own if they satisfy the conditions in Table 9 (ibid). As of November 2010, RAP-P had been running as a pilot since March 2010 targeting three companies namely: Wispeco, Duncan-mec and Nissan Diesel. Initially, a presentation of a RAP-P proposal was made to FMCSA in 2009 which was followed by discussions on the proposed RAP-P plan between the union and management in August 2009 to explore possibilities of FMCSA participating in it (ibid). Besides, workers at Silverton Assembly plant were involved in a baseline study conducted by NUMSA in 2009 to investigate the individual needs of the retrenched workers as key determinants of the content and scope of RAP-P.

3.6. Discussion of the key findings

Firstly, from this chapter the key finding of this study is that in response to the plunge of demand for automobile exports assembled at Silverton plant, prices and eventually rate of profits as a result of the 2008 Global Financial crisis, FMCSA swiftly responded by intensifying the process of restructuring and introducing new work patterns. Therefore, this study confirms the finding by Mashilo (2010) who also used the same methodology as the one adopted by this study. He concludes that the OEMs find it a challenge with regards to coordination at the assembly plants so that the output comes out at the right time with high quality and at low cost. Hence in

response to this, OEMs implement the process of restructuring within the assembly plant. This also substantiates the argument by Webster et al (2009) that assembly firms and component manufacturers embark on restructuring in response to market pressures as a way of reducing the production costs in order to recover, make or maximize profits.

This study also demonstrates the conclusion by Masondo (2010) who used a slightly different methodology i.e. focus group discussions in addition to interviews and document analysis. He argues that the 2008 Global Financial crisis, generally led to increased retrenchments, short time and temporary layoffs within the automobile industry. This was done in order to reduce the costs and maximize the profits threatened by the occurrence of the 2008 Global Financial crisis.

Furthermore, this study also upholds Barchiese (1997) and Froud et al (2000). Using the same methodology, Barchiese (1997: 84) concludes that "for management, the main way out of this contradiction involves massive cuts in labour costs through a significant reduction in employment levels, which can enable a higher productivity to cover the costs of new innovation." While Froud et al (2000: 795) conclude that the process of restructuring which is essentially implemented in order to increase the returns to capital is detrimental to the internal workforce.

Secondly, this study also reveals that the impact of the intensification of restructuring and introduction of new patterns of work as a result of the occurrence of the 2008 Global Financial crisis transcended the confines of the workplace. For instance, the reduction and loss of wages following the short time schedules and layoffs entangled the workers into debts and pushed them into poverty and misery at the household level. The curtailment of wages entailed that the workers could no longer afford to cater for the basic needs at the household level such as food.

> And even on the side of our families, it's too difficult. From my side, mostly where I live in my home I am the breadwinner, so if things don't go well with my salary everybody is going to be affected. And most of the time I had to sacrifice even the food, even the basic food... Bread and butter or peanut butter, which was all that we had for food from the mornings and lunch time (Interview, Shopsteward at Ford, 14th July 2010).

If a worker could not afford to provide food for himself and his or her family, the likelihood is high that workers could not also afford to pay school fees for their children, settle house rentals, medical expenditures among others. Above all, some workers could no longer afford to raise enough money to use for transport going to work.

> So since 2008 up to date we have been struggling and suffering and having serious hardships financially (Interview, Shopsteward at Ford, 12th July 2010)

To a greater extent, this strengthens the theoretical framework of this study, which with regards to crises of capitalism vis avis workers asserts that "regular economic crises undermine workers' faith in the system as their lives and those of their families deteriorate" (Seidman, 2004: 32). Hence under such demoralising circumstances, one's performance on the job is most likely expected to dwindle significantly.

Thirdly, the intensification of restructuring has contributed to sharp increases of work load on the workers at Silverton Assembly plant. Subsequently, this has resulted to over work which has become hazardous to the workers' health. As such, the more restructuring is intensified, the more the work load increases, the more work is performed by a worker in a day, the high is the likelihood for a worker to suffer from excessive fatigue, stress and other stress related illnesses.

> Some of the workers now get unnecessarily sick because of the stress and the hard job that they are doing within a short space of time (Interview, Shop steward at Ford, 12th July 2010).

As far as production is concerned, this may result into high levels of absenteeism and escalating sick leaves thereby affecting worker productivity. On the part of the worker as a social being, this entails additional costs on medical care at the expense of other household needs such as food and children's education. This implies a high possibility of a significant reduction of one's life span. In this regard, faced with loss and reduction of wages as a result of the layoffs and short time schedules and deterioration of health as a result of increased intensification of work, a worker and his/her dependents then become vulnerable to misery and poverty. The study, therefore concludes that ultimately, this would be the extent of the impact of 2008 Global Financial crisis on workers at Silverton Assembly plant.

By virtue of signing for the layoff training scheme, no worker is supposed to be retrenched at Silverton Assembly plant except on condition of voluntarism. In the wake of the expiry of the layoff training scheme, a moratorium on retrenchment will no longer apply. This entails that FMCSA will then be at liberty to retrench workers whenever deemed necessary to do so. This realisation caused workers at Silverton Assembly plant to live in constant fear that they would loose their jobs upon the expiry of the layoff training scheme. As a result of this, there was a growing work place insecurities coupled with anxiety. Since global financial crisis is a key feature of the neo-liberal globalization, this then substantially validates the assertion by Webster; Lambert; & Bezuidenhout (2008: 202) that globalization has brought about new regime of flexibility, which for workers means work insecurity which is devastating to a person's self worth.

Loss and reduction of wages as a result of layoffs and short time schedules; deterioration of health due to over work and expiry of the layoff training scheme in the offing can be directly linked to the concept of decent work and the decent work deficit. Decent work is a concept developed by International Labour Organisation (ILO) towards promoting opportunities for women and men to obtain productive work, in conditions of freedom, equality, security and human dignity (Ghai, 2003 as cited in Webster et al, 2008: 10). Based on seven variables of security at the workplace as shown in Table 11 (below), Webster et al (2008) developed a standardized Decent Work Deficit Index.

Table 11: Variables for Decent Work Deficit

Variable	**Definition**
Labour market security	Employment opportunities in the sector
Employment security	Protection against arbitrary dismissals
Job security	Opportunities to build a career and increase income
Work security	Protection against accidents and illness at work, and limits to working time
Skills reproduction security	Opportunities to gain and retain skills
Representation security	Protection of collective voice in the labour market through independent unions and employers' associations
Income security	Regular minimum income and comprehensive non- wage benefits

Source: Webster et al (2008).

As far as the Decent Work Deficit is concerned, from the results and findings of the study it can be deduced that the deterioration of health due to over work caused degeneration of work security among the workers at Silverton Assembly plant. Where as the loss and reduction of wages as a result of the layoffs and short time schedules contributed to erosion of income security among the workers at Silverton Assembly plant as no regular minimum income on a

regular basis was guaranteed amidst the layoffs and short time schedules. In contrast, the expiry of the layoff training scheme which would implicitly resuscitate the former leverage for FMCSA to retrench whenever confronted with market pressures, was a source of employment and job insecurities prevalent among the workers at Silverton Assembly plant. It can therefore be concluded from the discussion above that one impact of the 2008 Global Financial crisis on workers at Silverton Assembly plant has ultimately been a Decent Work Deficit with regards to work security, income security, employment security and job security as defined in Table 11 above.

Next, this study also reveals that to a greater extent, upon the intensification of restructuring and introduction of new work patterns in response to the 2008 Global Financial crisis, FMCSA did not involve the union at the shop floor level in the process of decision making. The union and the workers were merely informed after the decisions in these regards had already been made unilaterally by management. Substantially, this stands in sharp contrast to the spirit of "negotiated restructuring" embedded in NUMSA's strategic unionism which according to Masondo (2010: 55) and NUMSA (1997: 30) as cited in Masondo, 2010: 53 among others, entails the incorporation of workers views in decision making at the work place that hover on the introduction of new technology, use of machines and line speed, work organization and processes, new work methods and work organization, working time and patterns, productivity and performance assessment, benchmarks, targets and production schedules.

Further to this, the study has also found out that the flouting of a "negotiated restructuring" on the part FMCSA led to the erosion of trust between the workers and management in the wake of the 2008 Global Financial crisis. Convinced that the FMCSA was acting in bad faith in this regard, subsequently the workers at Silverton Assembly plant took a militant approach inform of

a strike activity. “Strategic unionism cannot exist in an environment characterized by low trust between a union and an employer” (ibid: 61). In this vein, the heightening of mistrust between FMCSA and the workers, and the strike activity that followed therefore qualifies the assertion by Masondo (2010) that lack of trust between the union and the employer is one of the major challenges of NUMSA’s strategic unionism. The unilateral decision making by management in the wake of the 2008 Global Financial crisis depicts a weakening of NUMSA’s shop floor power base. This then substantially supports the argument by Webster; Lambert; and Bezuidenhout (2008: 168) that there has lately been an erosion of shop floor power base which used to be vibrant in the 1970s and 1980s.

3.7. Conclusion

From the discussion above, it can therefore be concluded that the hapless workers in the periphery who had nothing to do with the root causes of the 2008 Global Financial crisis in the metropoles ie financialisation of capital in the 1970s as a direct response to the crises of accumulation and over capacity, have been grossly sanctioned through the retrenchments, loss and reduction of their wages, and over work hazardous to their own health among others. On over all, this therefore substantiates the arguments by Webster, Lambert & Bezuidenhout (2008); Bieler, Lindberg & Pillay (2008) and Altvater (2007) which suggest that generally globalisation as a process has posed catastrophic impacts on workers across the world. Basing on the findings of the study discussed above, it can also be concluded that much as globalisation is generally beneficial, to a greater extent, globalisation driven by the neo-liberal agenda (neo-liberal globalisation) has proved to be inimical to the wellbeing of societies in the developing world.

Chapter 4

UNION INTERVENTION

4.1. Introduction

This chapter presents and discusses the findings and results of the study in light of the second research question[12]. Firstly, this chapter dwells on the various interventions which were implemented by the union (NUMSA) at Silverton Assembly plant and at national level towards addressing the adverse impacts on workers caused by the intensification of the changes in production and introduction of new work patterns as a result of the 2008 Global Financial crisis. Finally, the chapter shows the extent to which NUMSA and government have implemented broad based policy interventions, some of which were proposed by NUMSA at national level.

4.2. Interventions at assembly plant level

At the shop floor, from 2009, apart from engagements with management the union devised and implemented short term measures in response to the impacts of the intensification of restructuring and introduction of new work patterns in light of the 2008 Global Financial crisis. Among others, the interventions included:

i. Cash withdrawals from union funds

In 2009, in the wake of the hardships that the workers were confronted with following the loss and reduction of wages caused by layoffs and short time schedules, the union authorized cash

[12] Second research question: How has NUMSA's response to 2008 Global Financial crisis addressed the impacts of the 2008 Global Financial crisis on workers in the auto mobile industry and the economy at large?

withdrawals from the Workers' Security Fund to distribute among the workers as a relief. Workers' Security Fund is meant to assist workers who are not on pay in an event of layoffs, breakdown of machinery etc. When the Workers Security Fund was depleted, the union then authorized the withdrawal of cash from the Mhlobo Fund to be distributed among the workers as well until it was also exhausted. Mhlobo is a fund which is contributed by all the workers specifically meant to finance education and training activities targeting the workers at Silverton Assembly plant.

Table 12: Allocation of the Workers Security Fund

Length of service	**Hours**
0-1 year	0
2-5 years	25
6-10 years	54
Above 10 years	100

Source: NUMSA office at Ford

As shown in Table 12, workers who had served less than two years at Silverton Assembly plant did not receive any money from the Workers Security Fund as a relief. Where as those who had served for 2-5 years were entitled to a 25 hour wage, while those who had worked for 6-10 years received an amount equivalent to a 54 hour wage. Finally, workers who had worked for over 10 years were given a 100 hour wage.

ii. Engagement with Ford on training lay off scheme

The pressure that ultimately compelled FMCSA to apply for the layoff training scheme, was initially exerted by the union at the shop floor level amidst the financial hardships that the workers were facing.

> But we pushed Ford to apply for relief fund so that workers must at least be supplemented; their wages should be supplemented and the hardship should be lessened. (Interview, Shop steward at Ford, 12th July 2010)

Though initially FMCSA refused to apply for the layoff training scheme, after the strike with the intervention of the CCMA, it eventually rescinded its decision against the layoff training scheme. However, in his response to the questions that I had emailed him, the Human Resource Manager Mr. I. Chabalala rebutted that FMCSA did not, at any point, reject the union's proposal for FMCSA to apply for the layoff training scheme as I had discovered from the interviews with the shop stewards, NUMSA local organizer and NUMSA senior official at the head office[13].

iii. Engagement with service providers

On behalf of the workers, the union engaged the service providers to consider the plight of the workers. For instance, the medical scheme to which the workers subscribed, the contribution was calculated based on the wage that workers earn in a month upon working for five days a week. Since the workers were no longer working for five days, it meant that they still had to contribute the same amount towards the medical scheme with less hours of work and less income as a result of the layoffs and short time schedules. To this effect, the union negotiated with the service providers of the medical schemes in this regard and eventually the formula for the contribution was altered to take into consideration the status quo.

> ...I work 8 hours a day, 40 hours a week then times 4. It will give me, for argument's sake, R 5000. And according to medical scheme if you earn at a certain bracket you are deducted a certain amount (Interview, Shop steward, 13th July 2010).

[13] As already explained under the limitations of the study in the methodology section, consent for me to hold an in-depth interview with the Human Resource Manager Mr. I. Chabalala to probe this further was not granted.

Secondly, some workers had mortgage loans with their respective banks for which they were supposed to pay back a certain amount every month. Following the short time schedules and layoffs, some workers accrued arrears with their respective banks as they could no longer honour the mortgage loan agreements. The union then took the initiative to negotiate with the banks to consider the plight of the workers by rescheduling the debts.

iv. Declaration of dispute of Payment of lay offs

Following the intermittent lays offs that workers had been experiencing in 2009, the union made demands to management that the workers should be duly paid for the days they were laid off and for any period of lay off in future. Immediately after this demand was thwarted by management, in October 2009, the union proceeded to declare a dispute against FMCSA on the matter and referred it to the CCMA. Though subsequently management decided to give advance pay of R 800 to all workers on two occasions, this dispute remained unresolved till the workers went on strike in March 2010.

v. Open letter to President Obama

In April 2010, on the behalf of workers at Silverton Assembly plant, the union issued an open letter addressed to Mr. Barack Obama the President of United States of America (USA) where Ford Motor Company is headquartered. The open letter appealed for his immediate intervention towards addressing the plight workers were subjected to under a multi-national company from his own country i.e. FMCSA. Initially, the workers at Silverton Assembly plant had organised a march to the USA embassy in Pretoria to submit the letter which failed to take place due to some logistical bottlenecks. Among others, in the open letter, the workers specifically requested President Obama to advise Ford Headquarters in USA to reason with management of FMCSA to

urgently comply with the layoff training provisions set out by MERSETA through RAP-M as a remedial measure to address some of the grievances of the workers which pushed the workers to strike in March 2010.

vi. Strike activity

Another way through which the union responded was through the organizing and leading the workers at Silverton Assembly plant into a strike activity in March 2010 as already discussed in the previous chapter.

vii. Other

The union continued to engage with management to scrap off the overtime, layoffs and short time schedules with immediate effect and resume the normal schedules. As of the late, the short time schedules and layoffs have completely been phased off. On the other hand, the union also continued to push that the 50 percent pay should be back dated to the time when FMCSA was delaying to apply for the layoff training scheme despite the severe hardships that the workers were confronted with in light of the 2008 Global Financial crisis.

4.3. Interventions at national level

What can be considered as a distinct NUMSA's response at national level to the impact of the 2008 Global Financial crisis, was the holding of a National Job Security conference from 12-14 March 2009 at Eskom Convention centre in Johannesburg, which was attended by top union leaders and representatives, high level government officials from the relevant ministries and the presidency and top representatives from organized business. It was at this conference that

NUMSA adopted the following policy proposals towards addressing the impact of the 2008 Global Financial crisis at sectoral and national level:

i. Short time, Lay off and Retrenchments

With regards to short time, layoffs and retrenchments, among others, NUMSA proposed that:

- Full wages (or at least equivalent to 32 hours pay per week) must be guaranteed by government for all workers on short-time and layoffs.
- Funds to be sourced towards the training of the retrenched workers on hard core skills, and Adult Basic Education and Training (ABET).
- Acceleration of Recognition of Prior Learning (RPL) for all workers.
- Workers on lay-off to be absorbed in expanded public works programmes (EPWPs).
- Establishment of Work Security Fund across all sectors.
- Special technical and financial assistance for the retrenched workers to set up cooperatives.
- Ensure obligatory disclosure of all retrenchments on the part of employers (NUMSA, 2009a).

ii. Review of APDP

With regards to the automobile industry, It was resolved that the support provided in terms of MIDP (APDP) must:

- Guarantee decent jobs i.e. employers should not use contract, casual workers, nor labour brokers.
- Assembly plants should not deal with suppliers who employ workers through labour brokers.

- Sustain production in South Africa.
- Increase production volumes and reduce imports.
- Improvement of public transport (ibid).

iii. Trade Policy

NUMSA proposed that current tariff levels should be increased to insulate the local industry from global competition that negatively impacts on the domestic production and local sales and above all employment creation (ibid).

iv. Stimulus package

NUMSA proposed that there must be a stimulus package to save jobs and that such a package should ensure:

- Maximum local content
- Provincial governments must receive equitable shares (ibid)

v. Liquidation

For the companies on the verge of closure following the 2008 Global Financial crisis, NUMSA proposed that the government must consider taking them over and in companies where there is no demand, workers must be supported financially and technically to take over and convert them into cooperatives (ibid).

vi. Bail out

The conference resolved that all companies in distress must be bailed out by the state and further made the following recommendations:

- State to make available credit guarantees, low interest loans, emergency bridging loans

to companies.

- Not to pay for inefficiencies in the companies experiencing financial distress (ibid)

vii. Nationalisation

The conference also resolved that key sectors producing key raw materials eg steel, oil should be nationalized as soon as possible (ibid).

> 'Our proposals were far-reaching. Not all of them were accepted, like those of nationalisation" (Interview, NUMSA senior official, 23th July 2010).

viii. Home owners

NUMSA proposed that the government must put a moratorium on evictions or confiscations of houses of those workers with mortgage bonds who are retrenched, on short-time etc (NUMSA, 2009a).

ix. Green jobs

The conference resolved that NUMSA should campaign for the creation of 'green jobs' (ibid).

x. Social campaigns

In light of the impacts of the 2008 Global Financial crisis, the conference resolved that NUMSA should play a pivotal role in:

- Campaigns to ban labour broking.
- Pushing for the extension of consumer rights through legislation (ibid).

xi. Solidarity economy

In order to absorb the retrenched workers back into the labour market, NUMSA resolved that cooperatives should be encouraged and provided with all the necessary support (ibid).

xii. Procurement

The conference resolved that the "buy local campaign" should be intensified and the following recommendations were made:

- Provincial and local state to buy goods and services locally
- Shop steward councils to engage their employers to source supplies locally (ibid)

4.4. Implementation of the resolutions by NUMSA

After the National Job Security Conference in March 2009, NUMSA started to implement some of the interventions which were resolved at the conference. The following were further resolutions which were also made at NUMSA's National Job Security Conference, upon which NUMSA has so far taken action:

i. Monetary and Fiscal policies

Since 2009, NUMSA has been engaging the Reserve Bank on monetory policy. For instance, NUMSA proposes the significant lowering of the interest rates, further tightening of exchange controls and broadening the mandate of the Reserve Bank farther than inflation targeting among others.

> There is a bill in Parliament to amend the mandate of the Reserve Bank. All that originated from NUMSA (Interview, NUMSA senior official, 23th July 2010)

In this regard, in 2009, NUMSA held two protest marches to the Reserve Bank offices. That is apart from several meetings that NUMSA held with officials of the Reserve Bank on the same. Besides, NUMSA pushes for the devaluation of the Rand. According to NUMSA, this will lead to employment creation (NUMSA, 2009a).

Further to this, NUMSA continues to push for the lowering of the exchange rates. The position of NUMSA in this regard is that relatively high exchange rates are negatively affecting the auto mobile industry as far as imports of components and other materials are concerned. The expectation is that a cut in the exchange rates will result into a reduction of the cost of imports (Interview, NUMSA senior official, 23rd July 2010).

NUMSA has also been pushing for a progressive counter-cyclical expansionary fiscal policy in the national budgets as remedial measure to stimulate aggregate demand in light of the 2008 Global Financial crisis (NUMSA, 2009a).

ii. Industrial policy

In 2009, NUMSA made submissions to the parliament on industrial policy. Some aspects of NUMSA's proposals were incorporated into the industrial policy. Among others, NUMSA's proposals include:

- Scrap discriminatory pricing that undermines growth of downstream industries
- Increase local content to 75 percent
- Increase local production and reduce reliance on foreign direct investment (FDI)
- Funding for Research and Development (R&D) from government (ibid).

iii. Trainings

- **RAP-P and RAP-M**

Through MERSETA, NUMSA pushed for the adoption of the RAP-P largely in response to the impacts 2008 Global Financial crisis on the workplace and the metal and auto mobile sectors. As discussed already, RAP-P is being implemented through NUMSA as a pilot project. Besides, RAP-M was initially a proposal from NUMSA which was deliberated upon during the NUMSA's National Job Security conference. Under RAP-P, the retrenched workers are supported financially and technically to form cooperatives.

- **Retooling the Organiser**

Retooling the Organiser is a training programme developed and provided by NUMSA which among others is aimed at equipping the NUMSA's union organizing officials with skills on how to respond effectively to defend job losses emanating from the impacts of the 2008 Global Financial crisis. A total of 137 NUMSA's union organizers participated in a 5 day national training workshop which was held in August 2009 in Johannesburg. Later, similar training workshops were provided at provincial level. Among the participants in the Retooling the Organiser programme, were union organizers in the automobile sector within which Silverton Assembly plant falls.

iv. Regional Job Security conferences

At the NUMSA's National Job Conference, it was also resolved that the Provincial Job Security Conferences in all regions should be held by the end of April 2009 at which provincial and local state government officials would be invited among others to explore and develop responses towards combating the impacts of the 2008 Global Financial crisis at the workplace, community

and provincial level in light of the resolutions made at NUMSA's National Job Security Conference. To this effect, NUMSA's Gauteng Job Security Conference was held from 24 to 26 April 2009, NUMSA's Kwa Zulu Natal Job Security Conference was held from 28th to 30th April and the NUMSA Eastern Cape Job Security Conference was held from 20th to 22nd July 2010.

4.5. Implementation by Government

Prior to NUMSA's National Job Security conference, in December 2008, the social partners that comprise the Presidential Economic Joint Working Group namely: organised labour, business and government met to deliberate how South Africa would respond collectively to the impacts of the 2008 Global Financial crisis (NEDLAC, 2009b). The 'Framework for South Africa's Response to the International Economic Crisis' which was the product of the meetings of the social partners that followed was tabled and endorsed at a special Presidential Economic Joint Working Group meeting on 18th February 2009 at Tuynhuys in Cape Town (ibid). The key resolutions at NUMSA's National Job Security Conference were made in light of the proposals in the 'Framework for South Africa's Response to the International Economic Crisis.'

In 2009, the government stepped in to implement the policy proposals as stipulated in the 'Framework for South Africa's Response to the International Economic Crisis' and as later endorsed at NUMSA's National Job Security Conference.

i. Fiscal policy

Despite the occurrence of the 2008 Global Financial crisis which caused a recession, in 2009, government expenditures levels were maintained amidst a reduction in tax revenues. This contributed to a deficit spending (ibid: 5).

ii. Monetary Policy

Interest rates were reduced on four occasions from 9.5 percent as of March 2009 to 7 percent as of August 2009 (ibid: 6). Currently, the interest rate is pegged at 6.5 percent (Reserve Bank, 2010). Nevertheless, NUMSA's maintains that the interest rate should be cut further than this (Interview, NUMSA senior official, 23th July 2010).

iii. Infrastructure Investment

In February 2009 government announced an infrastructure investment programme budgeted at R 787 billion geared towards the creation of employment opportunities (NEDLAC, 2009b: 7)

iv. Layoff training scheme

This was launched by the government on 21st September 2009 through CCMA to prevent job losses as a result of the recession caused by the 2008 Global Financial crisis on the firms (ibid: 9 and 35).

v. Expanded Public Works Programme

The Expanded Public Works Programme is being implemented. At the end of the second quarter of 2009, approximately 223, 568 work opportunities were created. In October 2009, the Department of Public Works reported to Parliament that a number of additional work opportunities had been created after the second quarter of 2009 (ibid: 11).

vi. Support for companies in distress

In 2009, the Industry Development Corporation (IDC) approved R500 million to be invested in 15 different companies in financial distress. A particular firm can apply for loans or equity, or working capital or upgrading of equipment. It was estimated that by October 2009, approximately 7 700 jobs would have been saved. In 2009, there were 33 firms that applied (ibid: 35-36). The following conditions were put for all firms receiving state support in this regard:

- Provision of reasonable sustainability strategies;
- Commitments to do everything possible to save jobs;
- Commitments to promote affordability of motor vehicles relative to other developing countries;
- Commitments to environmental protection; and
- Commitment to maintaining modest executives
- Commitment to a moratorium on retrenchments for the duration of the assistance period (ibid: 12-14)

vii. Review of MIDP (APDP)

The Department of Trade and Industry (DTI) agreed in principle to the proposition to include certain locally manufactured heavy industrial vehicles, which are both relatively labour intensive and generate high levels of local value addition in the Motor Industry Development Programme (MIDP) and the Automotive Production and Development Programme (APDP). The scope of eligible products and exact nature of their re-inclusion in the incentive is yet to be determined. (ibid: 14)

viii. Finance and Investment

Under Finance and Investment, in order to ensure continued flow of finance in real economy the following remedial measures were taken in 2009:

- As a result of credit reduction on people and companies, banks responded by debt rescheduling, debt factoring, risk sharing among banks.
- National Debt Mediation Association was established to assist indebted consumers by providing rules, standards and processes to address debt restructuring.

- The social partners agreed to launch a National Awareness Campaign which would provide consumers in distress with relevant information to assist them to take informed decisions. A Steering Committee was established to facilitate and work out the modalities for the campaign (ibid: 21)

ix. Consumer Protection Act

The Consumer Protection Act was passed by parliament. Initially the legislation was scheduled to be effected from 24th of October 2010, but the Department of Trade and Industry postponed it to March 2011 awaiting the publication of thresholds and regulations governing the legislation. Nevertheless, some aspects of the legislation are already effective (Sowetan, Monday 4th October 2010).

x. Local procurement

It was agreed at NEDLAC that government should allocate 90 percent of the discretionary points in the tender rules to local procurement (NEDLAC, 2009b: 24). Further to this, through a statement, the private sector expressed its commitment to procure locally manufactured goods and services where possible (ibid: 40)

xi. Trade policy

Following deliberations, business and labour in the capital equipment, transport and metal sectors produced a list of products that should be considered for tariff reviews by International Trade and Administration Commission (ITAC). In 2009, an application for tariff review in capital equipment was submitted to ITAC (Ibid: 25)

xii. Unemployment Insurance Fund (UIF)

The Unemployment Insurance Fund (UIF) Board approved an investment of R2 billion in the Industry Development Corporation (IDC) towards assisting sectors in distress (ibid: 29)

xiii. Green Jobs

Government is developing a green jobs strategy to identify 'green jobs' opportunities in energy, manufacturing and services. The green jobs component has also been incorporated into the revised Industrial Policy Action Plan (ibid: 34).

4.6. Discussion of key findings

The more FMCSA delayed to apply for the layoff training scheme, the more the workers at Silverton Assembly continued to severely suffer as a result of the intensification of restructuring and introduction of new work patterns. If FMCSA had acted swiftly to apply for the layoff training scheme as early as the union had proposed, the situation would not have worsened and gone out of hand to such an extent whereby a strike became inevitable. As already discussed in the previous chapter, the strike activity was a turning point which brought FMCSA and the union to negotiations which eventually hatched an agreement between the two parties on layoff training scheme. One can therefore argue that without the role the union played at the shop floor level, FMCSA would have still stood firm against applying for the layoff training scheme for the sake of safeguarding its corporate image to the detriment of the workers. Similarly, without the immediate measures that the union put in place at Silverton Assembly plant, the plight of the workers would have worsened further.

The 'Framework for South Africa's Response to the International Economic Crisis' which was endorsed in February 2009 by government, organized labour and business, stipulates a comprehensive set of commitments to address the recession that was caused by the 2008 Global Financial crisis. NUMSA's National Jobs Security Conference was essentially convened to deliberate how to translate the framework into an effective tool to combat job losses at industrial

or sectoral level and cushion the poor from poverty as the Framework stipulates. In this regard, from the policy proposals made at the NUMSA's national and regional jobs conferences, NUMSA has implemented various interventions. It is evident that NUMSA's response in this regard is not confined to the shop floor level, and therefore depicts a political tradition of community unionism as discussed in the literature review in chapter 2.

On the other hand, most of the proposals made by NUMSA at the national jobs conference to a certain extent, have been considered and started to be implemented by the government. Considerable progress has been registered in the implementation of such proposals both on the part of government and NUMSA. However, there are some key policy issues proposed by NUMSA that remain outstanding or pose a critical challenge towards efforts to reduce poverty and foster employment, to which I now turn.

Firstly, the mandate of the Reserve Bank of South Africa remains confined to inflation targeting, in which keeping rate of inflation below 6 percent, is a dominant and an exclusive target of monetary policy (Reserve Bank, 2010). "If under inflation targeting, inflation is often too low, that means that the central bank, may be keeping monetary policy too tight, with possible negative implications for employment and growth" (Epstein, 2007: 5). For instance, as a result of high interest rates, input costs for export sectors become relatively expensive. This extra cost is eventually externalized to the workers and consumers through low or stagnant wages and high consumer prices. This then drives down the aggregate demand and scares away investments needed to create jobs (Interview, NALEDI Executive Director, 12th August 2010). Subsequently, the economy experiences slow growth while rate of inflation falls. Ultimately, unemployment levels soar as a result of the retarded growth of the economy (Epstein, 2007: 2).

It is by critically analyzing the narrow mandate of the Reserve Bank of South Africa that one can explain why "unemployment is unacceptably high and Inequality has persisted and increased" (ANC, 2009: 5) in South Africa. "Almost every one in South Africa agrees that the country's major challenge is poverty and unemployment" (Zille, 2010: 14). More importantly, the government, organized labour and business agree that one effective means of addressing high levels of poverty and unemployment in South Africa is through employment creation (NEDLAC, 2009b: 24). Besides, in its manifesto the ANC commits itself towards the creation of decent work and sustainable livelihoods as a primary focus of economic policies. The ANC also set a target to cut both the levels of poverty and unemployment by half by 2014 (ANC, 2009: 7). However this can only be possible if the mandate of the Reserve Bank is broadened to encompass employment as proposed at NUMSA's National Jobs Security conference.

> A model developed by Epstein and Pollin and others, shows that if the South African Reserve Bank lowers the interest rate from 11 to 7 percent and holds it at that level for 5 years, economic growth will increase, on average, by 0.5 percent per year, inflation will go up by 1 percentage point and the increase in exchange rate variability will be quite modest. In combination with other policies, such as credit guarantees and subsidized credit for labor intensive sectors, as well as capital management techniques and income policies if necessary, the unemployment rate can be halved by 2014 (Epstein, 2007: 13)

If the mandate of central bank remains inflation targeting, interest will occasionally be increased inorder to keep inflation to low levels thereby "causing recessions or slowing growth, and throwing people out of work" (ibid: 2).

Though in the now developed countries during the post Second World War period development was seen as a crucial part of the central bank's tasks, by contrast, development and employment are not a priority of central banks in developing countries including South Africa (ibid). One can therefore conclude that in order to effectively address high levels of unemployment, poverty and inequality as the 'Framework for South Africa's Response to the International Economic Crisis' stipulates, a paradigm shift as far as the mandate of the Reserve Bank of South Africa is concerned is very fundamental. Otherwise poverty and unemployment reduction will remain farfetched dreams amidst the massive job losses as result of a recession which was caused by the 2008 Global Financial crisis on one hand and inflation targeting on the other hand. This therefore strengthens the theoretical framework of this study with regards to unemployment vis avis capitalism, which suggests that full employment or rather significant reduction of high unemployment levels for a considerable period of time, does not augur well with the growth of profits which drives such a capitalist economy as South Africa (Kalecki, 1971 as cited in Pollin,1999; Forstater, 2002; and Herr, 2006).

Removal of capital controls in the mid 1990s which paved way for capital flight is given as an excuse for not drastically reducing the rate of interest (Interview, NUMSA senior official, 23rd July 2010). In this regard, NUMSA's proposal for capital control tightening to curb capital flight makes much sense though it has not yet been duly implemented by the Reserve Bank of South Africa (Interview, NALEDI Executive Director, 12th August 2010).

Secondly, South Africa is a signatory to multilateral and bilateral agreements on free trade. Free trade "from a policy point of view, means that the best path to economic development involves opening up of the country to world markets" (Shaikh, 2003: 2). It is argued that this can only be achieved by removing trade barriers such as tariffs which will encourage countries to compete on

a global scale at par with their competitors (Clapp and Dauvergne, 2005: 125). It is in light of this that the capacity of South Africa to impose various tariffs at relatively higher levels for certain periods in order to protect local industries from international competition as proposed by NUMSA, becomes very much limited. For instance, under the World Trade Organisation (WTO) regime, infant industry protection should not exceed 8 years and the tariffs used to protect infant industries should be in the range of 5 to 10 percent only (Amsden, 1999: 3).

Very limited capacity to protect infant industries through imposition of tariffs will eventually expose the growing local industries to unfair competition from well established firms from the developed countries. This will cause the collapse of the local industries ultimately resulting into job losses and high levels of unemployment and poverty.

> Trade liberalization will principally benefit the firms of the developed countries of the world, since they are the most technologically advanced…On contrary cheap imports and capital intensive foreign direct investment are likely to displace more jobs than they create, thereby intensifying poverty (Shaikh, 2003: 10).

In contrast, world's history of development testifies that free trade was not followed by the now developed countries (NDCs) in their processes of development. Without the infant industry protection, the NDCs such as USA and Britain which used tariffs most aggressively prior to the 19th century, would not have industrialized and developed as fast as they did in their catching up period (Chang, 2005). To this extent, NUMSA's proposal for tariff imposition to protect local industries holds water.

Last but not least, the ANC led government has so far not taken any action on the proposal by NUMSA to nationalize key sectors of the economy though the proposal enjoys a warm welcome

from the ruling party's youth league, so much so that 'nationalization of the mines' appeared as one of the key items on the agenda for the ANC Youth League's National General Council held in August 2010 (ANC Youth League, 2010).

Finally, contrary to a resolution made at the NUMSA's National Jobs Security Conference, labour broking has not been abolished as of late. However, as of November 2010, there was a draft legislation bill to regulate and not to ban labour broking altogether, which was yet to be submitted to parliament (Interview, NUMSA senior official, 23rd July 2010).

4.7. Conclusion

The narrow mandate of the Reserve Bank of South Africa which is confined to inflation targeting, unfettered capital flows and the free trade regime are fundamentally anti-thetical to the government's own commitments towards the reduction of poverty, inequality and unemployment in South Africa. Nevertheless, NUMSA's policy proposals with regards to the mandate of Reserve Bank, capital controls, and free trade regime have so far hit a snag. Basing on the discussion of findings in this chapter, the theoretical framework of this study can substantially be validated by concluding that embedded in a capitalist economy of South Africa are dire contradictions which do not give room for low levels of unemployment.

Chapter 5

MISSED OPPORTUNITY?

5.1. Introduction

It can be argued that high levels of poverty, inequality and unemployment amidst the neo-liberal capitalism and the catastrophic economic and social impacts on South Africa emanating from the recession as a result of the 2008 Global Financial crisis, provided the fertile grounds for NUMSA to explicitly agitate for socialism as an alternative. This, one may further argue, would have been an overarching proposal accentuated by NUMSA at the National Jobs Security Conference in March 2009. In this vein, the proponents of the pessimistic view of trade unionism would then contend that the outcome of NUMSA's National Jobs Conference were instead, reformist policy options for the very system that has proved to be anti-thetical to efforts towards reducing high levels of unemployment, inequality and poverty as discussed in the previous chapters. In light of this, this chapter discusses whether the occurrence of 2008 Global Financial crisis was a missed opportunity for NUMSA or not. The last part of this chapter summarises the key findings of the study and provides a conclusion of the study.

5.2. NUMSA and Socialism ethos

It is the implementation of neo-liberal policies that has exacerbated the levels of poverty and inequality particularly in the South (Peet, 2003). "By 1996 the government [South Africa] unilaterally adopted the Growth, Employment and Redistribution (GEAR) macro-economic framework, which contained many classic neoliberal feutures" (Marais, 2001 as cited in Bieler, Lindberg and Pillay, 2008: 47). Pillay (2007) then argues that despite the official discourse of poverty reduction and promises, neo-liberalism has failed to address poverty and growing social inequality in South Africa.

Besides, NUMSA's position in this regard supports Pillay (2007). For instance, in his opening speech at the NUMSA's National Job's Security Conference in March 2009, the General Secretary Irvin Jim said,

> Our assessment of the past 15 years has attributed the above challenge of job shedding, and its impact on unemployment, worsening poverty and deepening inequalities to the behavior of both business and government during this period (Jim, 2009: 2).

He further stated that the implementation of the neo-liberal policies was effected against NUMSA's will (ibid: 4).

Further to this, the government of South Africa admits that:

> What is clear is that South African experience of liberalization, since the mid 1990s has had adverse impacts on the poor. The combination of short run price increases and long term production and employment changes in the country has resulted in a further worsening of an already wide spread and persistent problem (Department of Trade and Industry, 2009: 22).

Regarding the 2008 Global Financial crisis in particular, in his opening speech at the NUMSA's National Job Security Conference, General Secretary Irvin Jim alluded that the context within which the 2008 Global Financial crisis occurred signified a collapse of neo-liberal capitalism (Jim, 2009). A question which proponents of the pessimistic view of trade unionism would pose is why did not then NUMSA accentuate an alternative to the "collapsing" neoliberal capitalism at its National Jobs Security Conference in 2009?

It is evident that in the responses made at NUMSA's National Job Security Conference in March 2009, an alternative system to the 'collapsing" neo-liberal capitalism as a fundamental way

forward was not explored. The proponents of the pessimistic view of trade unionism would therefore argue that the resolutions made at the conference, are essentially reforms that maintain the very system that has marginalized and exploited the subaltern classes in South Africa. The result would then be a pragmatic, or 'class accomodationist approach' to unionism, in which the central goal becomes a different agenda, rather than to radically transform the fundamentally exploitative and earth destroying character of the capitalist system itself (Bonacich et al, N/A: 3; Zabalaza Anarchist Communist Front, 2003; and Interview, Secretary of DSM, 6th August 2010). By virtue of being an affiliate of COSATU which is in a tripartite alliance government led by ANC, NUMSA vehemently campaigned for a decisive ANC victory prior to 2009 General elections (Jim, 2009). The ANC being the very party which against NUMSA's will (ibid), "has been a vehicle through which capital has been able to assert its interest in the state and influence South Africa's post-apartheid political and economic development" (Williams, 2008: 154) at the great expense of the interest of the subaltern classes. Hence, the proponents of the pessimistic view of trade unionism would conclude that it is a farfetched dream to expect a decisive victory for the working class out of the ANC led tripartite alliance government (Zabalaza Anarchist Communist Front, 2003 and Interview, Secretary of DSM, 6th August 2010).

It can also be argued that the reforms proposed by NUMSA on fundamental policy issues can hardly be implemented because the neo-liberal capitalist system itself does not give space for such policy options. It is evident that the key feuture of neo-liberalism is the subordination of the interests of the masses to the markets by the state (Williams, 2008). Hence in the context of neo-liberal capitalism, it very unlikely that the Reserve Bank will broaden its mandate nor tighten capital flows in order to reduce high levels unemployment among the subaltern classes as

proposed by NUMSA at the expense of the interests of transnational financial capitalists who are dominant players in the economy.

Besides, high unemployment itself is a fertile ground for capitalism to thrive (Forstater, 2000 and Pollin, 1998). As such, all meaningful efforts to reduce high levels of unemployment will always be thwarted by capitalists. To this extent, one can therefore argue that given the current political economy in South Africa, there will always be a disjuncture between discourse and practice as far as the reduction of unemployment is concerned.

> The resolute stance of our government in the economy must ensure that millions of workers are put to work, are employed, and are paid living wage. Thus stimulating the essential demand for goods and services which is necessary for the survival of any economy and society (Jim, 2009: 12)

The optimistic view of trade unionism on which this study inclines, would therefore contend that if NUMSA is to achieve its mandate of ensuring job creation and security and above all social justice as deliberated at its National Job Security Conference in March 2009, then it should radically push for fundamental changes within the current South Africa's political economy. As opposed to neo-liberal capitalism, socialism which is defined as "the dominance of civil society over the state and economy" (Wright and Burawoy, 2004: 3-4 and Wright, 2006 as cited in Williams, 2008: 11), would be very conducive for the effective implementation of all the fundamental policy proposals by NUMSA. This is on the ground that unlike neo-liberal capitalism, under socialism the economy is organized in such a way as to serve the needs of masses, rather than the political and economic elites (Williams, 2008: 30).

Coincidentally, socialism is a goal which NUMSA commits itself to achieve (NUMSA, 2010f). On the other hand, "while the ANC distinguishes between formal liberation and genuine and lasting economic emancipation, it makes no explicit mention of socialist transformation" (Murray, 1982: 677). It is in this vein that the ANC is categorized as a bourgeois-nationalist party (Zabalaza Anarchist Communist Front, 2003 and Interview, Secretary of DSM, 6th August 2010). Hence, as the proponents of the pessimistic view of trade unionism would argue, NUMSA's goal of socialism is very much unlikely to be realized through its relentless support to the ANC led tripartite alliance government which conspicuously commits itself to the neo-liberal agenda. "The only alternative to guaranteed jobs and/or guaranteed income is the transformation from capitalism to socialism or some other economic system" (Forstater, 2000: 19).

Hemson (1982: 734) argues that "given the well developed nature of capitalism in South Africa, and the dependence of capital on the apartheid state for high rates of exploitation, the struggle against apartheid has to raise the question of a socialist society in South Africa." At the end of the 1980s, the national democratic revolution against apartheid led by the working class was highly charged with the ideas of a socialist transformation. This spirit was ultimately frustrated by the mid 1990s when it became clear that the ANC led government was determined to pursue a neo-liberal path to economic development (Pillay, 2007).

In line with its goal of socialism, NUMSA produced a draft of a 'Workers Manifesto for a Socialist South Africa' which NUMSA presented for adoption at the 10th National COSATU congress in 2009. Among others, this draft outlines short and long term demands of the working class for a Socialist South Africa and proposes a framework for a minimum working class Programme of Action towards socialism in South Africa (NUMSA, 2009c). Among others, the

following are the key revolutionary immediate and long term demands of the working class outlined in the draft of the 'Workers Manifesto for a Socialist South Africa':

i. Revolutionary immediate demands

- Nationalize the major means of production.
- Declare education, health and a meal a day available for everyone.
- Create state facilitated anti crime volunteer units in working class communities.
- Centralize the major means of communication and transport in the hands of the state.
- Create a workers bank to concentrate all pension and provident funds, medical aids funds and union investments into a single bank.
- Create a national housing bank to facilitate the provision of decent housing for the working class.
- As opposed to stimulus packages and bail outs by the government, workers must take over all companies threatened with closures due to the collapse of capitalism.
- Begin the restructuring of the state i.e. executive, judiciary and parliament in the interests of the working class (ibid).

ii. Revolutionary long term demands

- Abolish bourgeois private property ownership.
- Nationalise, socialise and democratise all key strategic means of production in South Africa such as land, water, minerals, mines, banks, oil companies, shipyards, telecommunications, transport, food, housing etc.
- Concentrate all credit and the power to make money in the hands of the state.
- Abolish the bourgeoisie executive, parliamentary and justice system, and replace them with working class state structures.

- Abolish the distinction between former white suburbs and shacks and townships, and between rural areas and urban areas.
- Everyone to enjoy the right to work, housing, education, health and a healthy environment.
- Jobs guaranteed for every eligible to work (ibid).

Furthermore, the following are some of the key activities in the framework of Programme of Action towards achieving socialism in South Africa contained in the draft of the 'Workers Manifesto for a Socialist South Africa' by NUMSA:

- Organisation and mobilisation of civil society behind the demand for socialism in South Africa.
- Creation of community socialist units.
- Creation of shop-floor socialist units (ibid).

After deliberating on the draft of the 'Workers Manifesto for a Socialist South Africa,' the 10th COSATU National congress mandated the COSATU central executive committee to develop a comprehensive working class programme for a revolutionary transformation to socialism with reference to the draft (Interview, senior NUMSA official, 8th October 2010).

However, except the nationalization of key economic sectors, conspicuously missing in the key policy proposals made at the NUMSA's National Jobs Security Conference are the key fundamental demands of the working class towards a revolutionary transformation to socialism as discussed above. In other words, the outcomes of the NUMSA's National Jobs Security Conference and the subsequent regional job security conferences are by far devoid of the radical

elements and a revolutionary tone ingrained in NUMSA's own draft of the 'Workers Manifesto for a Socialist South Africa,' This is a contraction that this study unearthed. How then does NUMSA respond to this contradiction?

According to NUMSA, the Jobs Security Conferences (national and regional) were primarily held to deliberate the short and intermediate term interventions towards addressing the impacts exerted by the 2008 Global Financial crisis on NUMSA's traditional constituency and the economy atlarge. While the attainment of socialism as far as NUMSA is concerned, is a long term goal (Interview, senior NUMSA official, 8th October 2010). According to NUMSA, this then explains why the fundamental aspects of the draft of the 'Workers Manifesto for a Socialist South Africa' which NUMSA proposed for adoption at the 10th COSATU National Congress in 2009, did not find way into the deliberations at the Jobs Security Conferences (ibid).

This explanation by NUMSA sounds unconvincing. Much as it may be perceived that the socialist transformation is a long term goal per se, the draft of the 'Workers Manifesto for a Socialist South Africa' lays down a set of immediate demands for the working class towards a robust socialist society, which are essentially short term in nature. The National and Regional Jobs Security Conferences which NUMSA held were right platforms which would have been utilized to explicitly champion socialism ethos as one way of mobilizing the civil society and public atlarge towards a socialist revolutionary transformation as the framework of the programme of action of the draft of the 'Workers Manifesto for a Socialist South Africa' stipulates.

In light of this, proponents of the pessimistic view of trade unionism would then argue that the failure of neoliberalism to address poverty, inequality and unemployment in South Africa (Pillay,

2007) and the catastrophic impacts of the recession as a result of the 2008 Global Financial crisis, provided NUMSA an opportunity to articulate, agitate and espouse a socialist transformation as a fundamental step towards addressing the root cause of the high levels of poverty, inequality and unemployment in South Africa. Much as this sounds valid, the occurrence of the 2008 Global Financial crisis was not a missed opportunity as proponents of the pessimistic view would possibly argue. The study reveals that to a greater extent, NUMSA's response to the 2008 Global Financial crisis at both shop floor and national level represents a reaction against exploitation of the workers by the owners of capital in the face of neo-liberal globalization.

Furthermore, inherent in NUMSA's response towards the 2008 Global Financial crisis are critical issues which challenge power and control of the workplace and economy at large. In light of this, some aspects of NUMSA response, reformist as they may sound in the ears of the proponents of the pessimistic view of trade unionism, have so far been implemented by the government as discussed in chapter 4. Besides, this study also reveals that to a certain extent employers have adjusted their conduct in accordance with the 'Framework for South Africa's Response to the International Economic Crisis' to which NUMSA and organized labour at large, contributed ideas alongside other social partners. The fact that some key fundamental policy options proposed by NUMSA in response to the 2008 Global Financial crisis have not been implemented by government as discussed in chapter 4, does not provide enough ground to argue that NUMSA's response at both shop floor and national level did not pose any threat to the capitalism as the pessimistic view of trade unionism would suggest. For instance, as discussed in chapter 3, it was as a result of the excessive pressure exerted by the union at shop floor level that

FMCSA ultimately rescinded its stand against applying for layoff training scheme. Furthermore, among others, conditions of procurement; conditions of support of companies in distress; creation of green jobs as stipulated in the 'Framework for South Africa's Response to International Economic Crisis' which organized business endorsed alongside the other social partners, constitute a wide range of proposals made at NUMSA's National Jobs Security Conference. It is to this extent that the optimistic view of trade unionism to which this study inclines is justified. Also justifying the optimistic view of trade unionism is the illustration by Webster (1985) that challenges emanating from strong shop floor power base in the 1970s, led to the first significant shifts in employers' attitudes to shop floor negotiations and pushed forward the invisible frontier of workers' control.

One can therefore conclude that the pessimistic view of trade unionism which would argue that the 2008 Global Financial crisis was a missed opportunity for NUMSA, is one sided as it merely examines one moment of a dialectical relationship between trade unionism and capitalist society (Hyman, 1971: 25).

> Trade unions are dialectically both an opposition to capitalism and a component of it. For they both resist the given unequal distribution of income with society by their wage demands, and ratify the principle of an unequal distribution by their existence… (Anderson as cited in Hyman, 1971: 25)

For instance, the reality on the ground is that on one hand, in a capitalist society, the survival of the working class hinges on the wages which are conferred by the capitalist class in exchange of labour. Since the basis of capitalism is exploitation of labour (Seidman, 2004 and Forster, 2002), in order to maintain profitability, the owners of capital tend to squeeze labour out of the workers

as much as possible in exchange of meagre wages. On the other hand, by being part and parcel of a capitalist society, the working class is therefore compelled to vigorously respond by engaging with the owners of capital for better working conditions at the work place, and with the state for improved living standards within the framework of capitalism itself. In this regard, "trade unions have massive potential power because they can disrupt production, the source of the bosses' wealth" (Zabalaza Anarchist Communist Front, 2003: 24). Hence, it is myopic to conclude that trade unions do not pose any threat to capitalism as the proponents of the pessimistic view of trade unionism would argue.

5.3. Conclusion

Basing on the optimistic view of trade unionism, the victory of the working class over capitalist class through a much awaited socialist transformation as espoused by NUMSA, can be achieved in the long run by revitalizing unions' shop floor power base and cultivating moral power drawn on the deep seated sense of social injustice that characterizes the advent of neo-liberal globalization. A strong shop floor power base can be revived and sustained by an aggressive strategy which extends to the broader structures of political and economic power (Hyman, 1971: 49). As such, the scope of trade unionism should not be confined to the struggles at the workplace. In light of this, NUMSA's response to the 2008 Global Financial crisis and the 'Workers Manifesto for a Socialist South Africa,' which articulate issues pertaining to the broader structures within the political economy are viable means to regain the workers' former leverage at shop floor level.

5.4. Summary of key findings of the study

Firstly, the owners of capital were negatively affected by the 2008 Global Financial crisis through the declining of profits as a result of the fall of export demand, export prices and export sales. In response to this, the owners of capital stepped in to implement measures towards recovering and maximizing the profits. However, these measures eventually posed catastrophic impacts on the workers.

Secondly, the specific measures that FMCSA put in place in direct response to the 2008 Global Financial crisis were the intensification of work restructuring and introduction of new working patterns. Besides loss and reduction of wages caused by new work patterns, sharp increases of work load per worker leading to over work as a result of the intensification of restructuring and the pending expiry of the layoff training scheme have contributed to Decent Work Deficit at Silverton Assembly plant.

Next, contrary to NUMSA's "negotiated restructuring" as a form of strategic unionism adopted in 1993, which entails the incorporation of workers' views in critical decision making process at the workplace (Masondo, 2010), the intensification of restructuring and introduction of new work patterns in response to the 2008 Global Financial crisis, were instituted unilaterally by FMCSA with no consultation and participation of the union in the decision making process. This is a manifestation of the erosion of shop floor power base as far as the union is concerned.

Further to this, layoffs as a form of new work pattern are essentially forced and unpaid annual leave days. One can therefore argue that the implementation of intermittent layoffs by FMSCA

was therefore, a gross infringement of the workers' rights as far as the Basic Conditions of Employment Act of 1997 section 20 and 21 are concerned.

Last but not least, high levels of employment pose a threat to the very existence of neo-liberal capitalism (Forstater, 2000; Pollin, 1998). Therefore, in a neo-liberal capitalist economy like South Africa, there will always be a disjuncture between discourse and practice as far as commitments to reduce high levels of unemployment are concerned. The incorporation of some commitments to reduce unemployment in ANC party manifestos and union[14] slogans can therefore be interpreted as tactics for paradigm maintenance i.e. to capture or subordinate counter movements agitating for radical transformation to the agenda of neo-liberal capitalism.

Finally, NUMSA purports that it is committed towards a goal of socialism (NUMSA, 2010f). However, proponents of the pessimistic view of trade unionism may argue that the outcome of its National Jobs Conference in response to the 2008 Global Financial crisis was a set of reformist policy proposals which targeted at addressing the symptoms and not the root cause of the high levels of unemployment, poverty and inequality prevalent in South Africa. Although NUMSA did not utilise the occurrence of the 2008 Global Financial crisis to agitate and accentuate socialism as an alternative to the "collapsing" neo-liberal capitalism, this study argues that the occurrence of 2008 Global Financial crisis was not a missed opportunity for NUMSA. To a certain extent, contrary to the pessimistic view of trade unionism, NUMSA's response to the 2008 Global Financial crisis constitutes a challenge to the capitalist order.

[14] Unions affiliated to COSATU which is in tripartite alliance government with ANC

5.5. Conclusion of the study

The 2008 Global Financial crisis, whose actual origin was the financialisation of capital which marked the genesis of neo-liberal globalization (Bond, 2009; Pillay, 2010; Brenner, 2009; Silver as cited in Pillay, 2010; Williams, 2008), posed catastrophic impacts on world economies more particularly with regards to returns to capital. Consequently, it is the ordinary workers and their families who had nothing to do with the origin or the actual causes of the 2008 Global Financial crisis, who were severely sanctioned in response to the impacts of the 2008 Global Financial crisis while the returns to capital on the other hand continue to be safeguarded. One can therefore conclude that as far as the 2008 Global Financial crisis is concerned, the welfare of workers and their families has been enormously sacrificed on the altar of profits. In otherwords, the interest of owners of capital to safeguard the returns to their capital has been ultimately served at the great expense of the livelihood of the ordinary workers and their families.

Nevertheless, the occurrence of the 2008 Global Financial crisis can be regarded as a crisis of neo-liberal globalization. This therefore provides an opportunity for the trade unions across the globe to radically challenge the neo-liberal globalization. It is in the context of the crisis of neo-liberal globalization that unions such as NUMSA should take advantage of the situation to agitate and accentuate their socialist agenda towards a revolutionary transformation of society.

Realizing that neo-liberal globalization is international in nature, counter responses by trade unions towards neo-liberal globalization ought to be international in nature as well. For instance, one international response that trade unions can adopt towards radically challenging the advent of neo-liberal globalization is a strategy called new labor internationalism. Under new labour internationalism, trade unions tend to foster cooperation with other unions in other countries

which are also confronted with similar circumstances in the broader context of neo-liberal globalization (Webster; Lambert; and Bezuidenhout, 2008). In this regard, a vibrant cooperation of trade unions across the globe can possibly be moulded to revolve around a specific goal of agitating and accentuating for a revolutionary transformation of society towards socialism. The terrain would be slippery to maneuver if the union struggle towards a radical transformation of society to socialism is restricted to the confines of national boundaries. Hence efforts towards new labour internationalism on the part of unions have to be accelerated at a much faster pace more than ever before in order to effectively counter the onslaughts of neo-liberal globalization which is seemingly on a high motion like a juggernaught.

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Appendix

List of interviews

1. Shop steward at FMCSA, Pretoria. Interviewed on 12th July 2010 at Silverton Assembly plant in Pretoria.
2. Shop steward at FMCSA, Pretoria. Interviewed on 12th July 2010 at Silverton Assembly plant in Pretoria.
3. Shop steward at FMCSA, Pretoria. Interviewed on 13th July 2010 at Silverton Assembly plant in Pretoria.
4. Shop steward at FMCSA, Pretoria. Interviewed on 13th July 2010 at Silverton Assembly plant in Pretoria.
5. Shop steward at FMCSA, Pretoria. Interviewed on 13th July 2010 at Silverton Assembly plant in Pretoria.
6. Shop steward at FMCSA, Pretoria. Interviewed on 14th July 2010 at Silverton Assembly plant in Pretoria.
7. Veteran ordinary worker at FMCSA, Pretoria. Interviewed on 14th July 2010 at Silverton Assembly plant, Pretoria.
8. NUMSA local union organizer in Pretoria. Interviewed on 20th July at Silverton Assembly plant, Pretoria.
9. NUMSA's senior officer, Head office. Interviewed on 23rd July 2010 at NUMSA head office, Johannesburg.
10. Secretary of Democratic Socialist Movement. Interviewed on 6th August 2010, Johannesburg.
11. Executive Director of NALEDI. Interviewed on 12th August 2010, Johannesburg.
12. Union secretary of NUMSA at Silverton Assembly plant. Interviewed on 7th of October 2010 at Silverton Assembly plant in Pretoria
13. NUMSA's senior officer, Head office. Interviewed on 8th of October 2010 at NUMSA head office, Johannesburg.

Documents

For analysis, various union documents ie reports, memoranda, circulars, notices, posters, production schedules were accessed from the NUMSA offices at Silverton Assembly plant and at the head office. Additional documents i.e. relevant reports and statistics were also accessed from NALEDI, NAAMSA and NEDLAC.

Meetings/conferences

1. **NUMSA's Memorial Service** for Comrade Mbuyi Mgwenda held in Johannesburg on 26th March 2010.

2. PEGNet (Poverty, Equity and Growth Network) Conference on **Policies to Foster and Sustain Equitable Development in Times of Crisis** held at Development Bank of Southern Africa, Midrand, 2-3 September 2010.
3. Workshop facilitated by Dr. Lucien Van der Walt on **Anarcho-Syndicalism** organized by Zabalaza Anarchist Communist Front, held at Metal and Electrical Workers Union of South Africa (MEWUSA) offices on 11th December 2010.