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Changes in work and production organisation in the automotive industry value chain: an evaluation of the responses by labour in South Africa

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ABSTRACT

This research report examines the changing nature of the organisation of work and production methods in the South African automotive industry through an examination of the global production network of a leading automotive company, BMW. It draws on Marxist theory of the transformation of the labour process and extends this theory to include the contemporary restructuring of the automotive industry through the introduction of global production networks. It is argued that, while this logistical revolution has increased productivity, it has also opened up new sources of bargaining leverage for workers through the introduction of new production concepts such as Just In Time (JIT) and Just In Sequence (JIS). Through an analysis of the supply chain of BMW in South Africa and Germany the study demonstrates the contradictory nature of contemporary restructuring in the global automotive industry. The method used in the study involved in-depth interviews with key actors in the industry, a field research trip to the BMW Regensburg assembly plant in Germany, extensive consultation of union documentation and extensive participant observation in the process of restructuring in my capacity as head of Organising, Campaigns and Collective Bargaining (OCCB) in the National Union of Metalworkers of South Africa (NUMSA).

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DECLARATION

I solemnly declare that I conducted this study in its entirety, independently; and that this study has never been submitted to any academic institution for examination whatsoever. I hereby submit this study for examination in partial fulfilment for the Requirements of the Degree of Masters of Arts in the Faculty of Humanities, at the University of the Witwatersrand, Johannesburg, in accordance with applicable rules.

_____13 February 2010, Johannesburg

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ABBREVIATIONS AND ACRONYMS

AGOA	African Growth and Opportunity Act
AIEC	Automotive Industry Export Council
ANC	African National Congress
AP	Absentee Pool
APDP	Automotive Production and Development Programme
ASP	Automotive Supplier Park
BMW	*Bayerische Motoren Werke* [Bavarian Motor Works]
CBU	Complete Built Up
COSATU	Congress of South African Trade Unions
EE	Employment Equity
EEA	Employment Equity Act
EPE	Express Professional Employment [labour broker]
EU	European Union
FGM	Factory General Meeting
FMC	Ford Motor Company
FTS	First Tier Supplier
GDP	Gross Domestic Product
GM	General Motors
HQ	Headquarters
IG Metall	*Industriegewerkschaft Metall* [German Industrial Union of Metalworkers]
JIS	Just In Sequence
JIT	Just In Time
KVP	Continuous improvement *[kaizen]*
LOB	Local Office Bearer
LRA	Labour Relations Act
MIDP	Motor Industry Development Programme
MNC	Multinational Corporation
MTM	Methods Time Measurement

NBF	National Bargaining Forum
NUMSA	National Union of Metalworkers of South Africa
OEM	Original Equipment Manufacturer
OICA	*Organisation Internationale des Constructeurs d'Automobiles* [International Organisation of Motor Vehicle Manufacturers]
PTO	Production To Order
R&D	Research and Development
SA	South Africa
SACP	South African Communist Party
SOE	State Owned Enterprise
SSC	Shop Steward Committee
STC	Short Term Contract
STS	Second Tier Supplier
Toyota	Toyota Motor Corporation
TTS	Third Tier Supplier
VPS	Value-added Production System
VW	Volkswagen
UAW	United Auto Workers
US	United States
USA	United States of America