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

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Abstract

Neo-liberal globalization has caused fundamental changes in the world of work. This has led to among others, job losses and erosion of union power. The actual origin of the 2008 Global Financial crisis was the crises of over accumulation and over production experienced in the 1970s by capitalist countries of North America and Western Europe. These crises were eventually fixed by financialisation of capital which is a key feature of neo-liberal globalization.

This study sought to examine the impact of 2008 Global Financial crisis on workers at Ford Motor Company of Southern Africa (FMCSA) in South Africa. Using the qualitative research methods i.e. interviews and document analysis, the study focused on the workers at Silverton Assembly plant in Pretoria as a case study. The study reveals that as a response to the 2008 Global Financial crisis which had caused a decline of profitability as a result of the fall in demand of exports and export prices, FMCSA intensified the restructuring of production and introduced new work patterns at Silverton Assembly plant. The consequences of this include over work, loss and reduction of wages among others.

At national level, National Union of Metal workers in South Africa (NUMSA) responded to the impact of 2008 Global Financial crisis by proposing various policy options which are seemingly reformist according to the pessimistic view of trade unionism. Conspicuously missing from NUMSA's response, is an explicit accentuation for a robust socialist transformation from the current political economy in line with its goal of socialism. Nevertheless, from an optimistic view of trade unionism, the study concludes that the occurrence of the 2008 Global Financial crisis was not a missed opportunity for NUMSA as it may be argued by proponents of the pessimistic view of trade unionism.