

**TRADE UNION SURVIVAL STRATEGIES UNDER GLOBALISATION: A CASE
STUDY OF THE NATIONAL UNION OF METALWORKERS OF SOUTH AFRICA
(NUMSA), THE PITERMARITZBURG HULLETT ALUMINIUM BRANCH IN THE
KWA-ZULU NATAL REGION.**

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DECLARATION

I Andisiwe Zenande Tingo declare that " Trade Union Survival Strategies Under Globalisation" is the original work and has not been submitted by anyone at any University for a degree. All the sources that have been used or quoted have been indicated and acknowledged by means of complete references.

Signed _____ at the University of Natal, this day of _____

Year _____.

DEDICATION

This work is dedicated to my parents, you gave up everything for me. You are the best parents anyone could ever have. I will forever be grateful for everything. This is just the beginning. To the boys, Dwala, Khaka, and Qhawe (my kids, forthcoming), your mother has done it again.

“Ndiliyoko-yoko ndinjenjenje ngumama notata”

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LIST OF ABBREVIATIONS

- COSATU Congress of South African Trade Unions
- FOSATU Federation of South African Trade Unions
- GATT General Agreement on Tariffs and Trade
- GEAR Growth Employment and Redistribution
- ICT Information Communication Technology
- ILO International Labour Organisation
- IMF International Metal Workers' Federation
- IT Information Technology
- MAWU Metal and Allied Workers Union
- MACWUSA Motor Assemblies and Components Workers Union
- MNC Multinational Corporations NUMSA
- NETU National Employees Trade Union
- NAAWU National Automobile and Allied Workers Union
- NUMARWOSA National Union of Motor and Rubber Workers of South Africa
- NUMSA National Union of Metalworkers of South Africa
- SAEWU South African Electrical Workshop Union
- SIGTUR Southern Initiative on Globalisation and Trade Union Rights
- TNC Transnational Corporations
- TUCSA Trade Union Council of South Africa
- UAW United Auto Workers
- UMMAWOSA United Metal, Mining and Allied Workers of South Africa
- UN United Nations
- UNESCO United Nations Educational, Scientific and Cultural Organization
- WPMWU Western Province Motor Assembly Workers Union
- WTO World Trade Organisation

DEFINITION OF KEY CONCEPTS

- Accumulation unionism- This refers to the accumulation of power by trade union officials which gives them credibility to be voted into senior positions within the union. These normally take the form of years of service within the union leadership.
- Biopolitical- An outline of relating to, or dealing with the structure or affairs of government, politics, or the state.
- Demilitarisation- The process of doing away with the military organization and potential.
- Flexible means of production- Technology that is responsive to change as opposed to the old machines that could not adapt to manufacturing changes.
- Flexible specialisation – the manufacture of a wide and changing array of customised products using flexible, general purpose machinery and skilled, adaptable workers (Hirst and Zeitlin, 1991:2).
- Fordism- a system of mass production and mass consumption which involves capital, labour and the state in macro-institutional relationships at the broadest societal level .
- Functional flexibility- the adaptability and mobility of employees to undertake a range of tasks, including multi-skilling and job rotation to promote flexibility in tasks and skills (Horwitz, 1996: 260).
- Globalisation- The many ways in which people are being drawn together not only by their own movements but also through the flow of goods/services, capital, and ideas/information.
- Human extensibility- Capability of being extended or protruded.
- Interconnectedness- Being reciprocally connected with each other.
- Just-In-Time- A management philosophy that strives to eliminate sources of manufacturing waste in the production process by producing the right part in the right place at the right time.
- Lean production – Performance improvement by eliminating unnecessary steps, aligning process steps with continuous flow activities, recombining labour into

cross-functional teams and continuous improvement methods to develop, produce and distribute products with less human effort, space, tools, time and expense.

- Multilateral diplomacy- The art or practice of conducting international relations, as in negotiating alliances, treaties, and agreements involving more than two nations or states.
- Numerical flexibility – Varying the size and structure of the workforce in response to changes in the level and pattern demand.
- Post-Fordism- a tendency for manufacturers to move away from the standardized production of goods for a mass market utilising an intense in-home division of labour, dedicated machinery and economies of scale towards the production of smaller batch runs of more customised products for a more diversified market, using more flexible machinery and a more flexible multiskilled workforce.
- Privatisation- Contracting out of government or public service to private sector.
- Quasi-supranational- A degree of extending beyond, or transcending established borders or spheres of influence held by separate nations.
- Space-time distancing- The separation in time and place.
- Symbology- The use of symbols.
- Total quality management- an approach that motivates, supports, and enables quality management in all activities of the organization, focusing on the needs and expectations of internal and external customers.
- Trade liberalization- The removal of trade barriers through tariff reductions.

ABSTRACT

There is an ongoing discourse among theorists on the real effect that globalisation has had on trade unions in different countries. Some trade unions in other parts of the world have experienced a massive decline in their membership through job losses and casualisation of labour. It is been believed that the freeing up of capital flows and the mobility of capital to name a few have all contributed significantly to this shift. In return, trade unions are left impotent because off their inability to protect the interests of their membership.

This research explores the strategies that trade unions are using for survival in the context of a changing work environment. The changes in the workplace have been to a large extent attributed to globalisation pressures, which require firms or organisations to be competitive in order to compete on the global arena. This requirement to become competitive has translated in many implications for trade unions and most of these implications have affected labour drastically.

This research in particular looks at the trade unions in the manufacturing sector in an attempt to establish whether or not the trends that have impacted on other parts of the world have also affected the local territory. Hullett Aluminium, Pietermaritzburg branch was researched as a primary source of data.

This research makes use of qualitative data to study the phenomenon in-depth. Interviews were held with both the management and trade unions in the Hullett Aluminium plant in Pietermaritzburg. The research revealed that one of the most critical strategies at the heart of the union's survival is the training of its membership. This is

due to the fact that there has been a shift from the demand of unskilled labour, and that those who were previously employed as such are becoming redundant. Thus, with the acquisition of skills, employees are able to be employable and not prone to job losses which affect the trade union's membership.

STRUCTURE

The first chapter outlines the global trends in particular looking at the configuration in space and the implications this has had for labour internationally. The second chapter views the South African trends, in particular linking these to the global trends and the outcomes these have had on employment relations. The third chapter looks at the type of data used and analyses the limitations of the sample interviewed. The fourth chapter presents the data from the interviewees and goes on to further analyse this data. Finally, chapter five presents the findings and concludes the research.

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- Mr. Thulani Ngubane: Regional Chairperson NUMSA KwaZulu Natal.

CHAPTER 1**THE NEW WORLD ORDER?****THE DECLINE OF SPATIALITY AND ITS IMPLICATIONS FOR LABOUR****INTRODUCTION**

There has been an ongoing discourse among scholars on the implications of globalisation for labour and in particular trade unions. Many researchers and scholars have agreed that the configuration of space and other developments linked with globalisation have had eminent repercussions for labour in many parts of the world. Some theorists believe that globalisation has been unduly elevated to an event that has suddenly occurred, when it is merely a natural development like all other developments taking place in space. Some scholars however, remain profoundly sceptical about claims that globalisation is either very new or especially newly efficacious. To cite a popular example, critics insist that heightened levels of world trade now are simply a return to the sorts of levels that prevailed in the period before 1914 (see Hirst & Thompson, 1999; Held, McGrew (eds), 2000). This chapter will outline in some detail the above perspectives on globalization in order to best understand what the concept or process entails and the implications it has for trade unions, with specific focus being drawn to South African trade unions using the selected case study as an illustrative.

Luke (<http://it.stlawu.edu/~pomo/mike/accumu.html>) attest that globalisation is the term often used to describe the increased flexibility and mobility of capital that has come in the wake of the heightened international competition of the early 1970s. What has resulted from this increased mobility of capital is a radical restructuring of the global economy. Starting in the early 1970's with the world economic recession, Luke argues that the post war economic boom began to collapse, marking the onset of a radical restructuring of the world capitalist system. Ackers (1996) defines globalisation

as the social, political and cultural trends which characterise the ever-increasing integration of the world economy. Globalisation permeates all spheres of the capitalist economy such as production, finance, trade and labour relations.

Globalisation as understood by Scholte (2000) stands out for a large public, spread across the world, as one of the defining terms of contemporary society. Substantial parts of humanity have staked significant parts of their policies, their fortunes, their careers, their identities and their convictions in the premise that ours is an increasing world. While many hold these views and beliefs of a global world, Scholte (2000), and Koffman and Youngs (2000) argue that if asked to specify the proper definitions and characteristics of globalisation most people reply with considerable vagueness, inconsistency and confusion. This according to Scholte is because much discussion on globalisation is steeped in oversimplification, exaggeration and wishful thinking. She contends that "in spite of a deluge of publications on the subject, our analyses of globalisation tends to remain conceptually inexact, empirically thin, historically and culturally illiterate, normatively shallow and politically naïve" (2000:1). The main reason is because although globalisation is widely assumed to be crucially important, we generally have scant idea on precisely what it entails.

Globalisation - the process through which an increasingly free flow of ideas, people, goods, services, and capital leads to the integration of economies and societies - is often viewed as an irreversible force, which is being imposed upon the world by some countries and institutions such as the International Monetary Fund and the World Bank. However, The IMF staff report (2002) disputes this view arguing that globalisation represents a political choice in favour of international economic integration, which for the most part has gone hand-in-hand with the consolidation of democracy.

According to the IMF staff report globalisation is not a new phenomenon, the period through the end of the 19th century was also characterized by unprecedented economic growth and global integration. The IMF report argues that globalisation however was interrupted in the first half of the 20th century by a wave of protectionism and aggressive nationalism, which led to depression and world war.

While theorists such as Koffman and Youngs (2000) and Scholte (2000) support the IMF staff report, asserting that globalisation is not a new phenomenon, Hardt and Negri (2000) dismiss this view and argue that globalisation, capitalist production and its world market is a fundamentally new situation and a significant historical shift. However, Koffman and Youngs (2000) continue to add that if globalisation can be considered new, then in many ways it is the reformulation of the old. Old relations in new forms are confronted, some of which may be transitional, while others may represent entrenchment.

Having outlined various definitions of globalisation, it can best be defined as the process whereby the economic, political, social and cultural links between different countries, industries, companies and organisations are increasingly organised on a global scale and ruled by global forces.

Most theorists argue that although globalisation has been most pronounced and intense in recent years on a smaller scale and at a slower pace, the trend stretches back more than a century¹. However, it is mainly since the 1960's that globality has figured continually, comprehensively, centrally and intensely in the lives of a large proportion of humanity through phenomena such as eurocurrencies, communication, satellites, cyberspace, global factories, mobile telephones and others which are all new to the last

¹See Hawthorne (1851:273), Whilow (1988:161-5), Huth (1937:420), Rowlands and Greene (1992:1), Hobhouse (1906:316) and Heideger (1950:165-6) for the gradual developments to connect the world order.

few decades (see Koffman & Youngs, 2000; Scholte, 2000; McGrew et al. 1992; Allen et al, 1995). The 20th century, they argue, has seen the greatest increase in the number, variety, intensity, institutionalisation, awareness and impact of supra-territorial phenomena.

While globalisation has been functional to economies for a number of decades the new version however has a direct impact on trade unions. One of the reasons for this development is reflected in Hardt and Negri (2000) who contend that in the context of the much-celebrated age of communication, struggles have become all but incommunicable. Communication, they argue, not only expresses globalisation, but it organises it. Hence communication has been much selected in what it has communicated and labour struggles have continued to remain incommunicable, meaning that it is still difficult to globally transmit labour struggles.

The development of new forms of information technology has reduced the need for labour or human capital. These, who predominantly, were clerical workers, were replaced by new forms of keeping information easier and cost effectively. Thus, unions who are predominantly organising low-level workers are suffering huge losses globally, due to these new developments.

1.2 DEMISE OF THE NATION STATE?

Global actors and institutions have been perceived by many theorists as having undermined the sovereignty of the nation state thereby contributing massively to its demise (see Hardt and Negri, 2000; Harvey, 1989; Scholte, 2000; Koffman & Youngs, 2000; Allen et al, 1995, Uriarte at (<http://www.ilo.org/public/english/region/ampro/cinterfor/publ/sala/ermida/globalis/>)). It has been viewed to weaken the nation state. Herein, the role of government and indeed

the nation state is becoming more and more obsolete (see Luke <http://it.stlawu.edu/~pomo/mike/accumu.html>; Ackers 1996; Singh 1998).

Arguments have been pursued that increasingly, international regimes are behaving like a global government and that national regimes are merely administering policies that are determined by these international regimes. The state and its agencies are becoming no longer important actors in the global economic system; they are being influenced by the Transnational Corporations (TNCs) (see Cox, 1987; Weiss, 1998; Hardt and Negri, 2000; Scholte, 2000 and others). The above argument is drawn from Cox (1987) who argues that most Western governments are deeply enmeshed in regulatory and decision making structures such as UNO, IMF and World Bank, and Commonwealth; that national and international policy formulation has become inseparable. He claims that international organisations and regimes such as the European community, UNO, UNESCO and others have acquired quasi-supranational powers, resulting of which decisions taken by a majority of this European community can be legally imposed on other member governments, thus compromising their political sovereignty.

* The argument here is that the currency of power in the global system has been transformed from military to economic capabilities. Shaw (1991) suggests that in the post-Cold war era of rapid demilitarisation, this in the primary currency of power has doubly compounded the problems for states in trying to protect and secure their interests in a highly complex and dynamically interconnected world order. This McGrew et al (1992) argues is a significant shift towards multilateral diplomacy and collective action, which further erodes the competence of states in controlling their own destiny.

This argument is connected with an interpretation by Scholte (2000) that globalisation entails a reconfiguration of geography, so that social space is no longer wholly mapped in terms of territorial places, distances and territorial borders. Thus the definition by

Held et al (1999) that globalisation can be understood as a process (or set of processes) which embodies a transformation in the spatial organisation of social relations and transactions assessed in terms of their extensity, intensity, velocity and impact generating transcontinental or interregional flows and networks of activity, interaction and the exercise of power. Furthermore, Morse (1976) argues that interdependence of states has eroded the traditional boundaries between the internal and external domains, so encouraging an expansion in the functions and responsibilities of the state while simultaneously denying it effective national control over policy formulations and outcomes. This condition has been referred to as the widening and weakening of the state by Beck (2000), and the internationalisation of the state by others (see McGrew et al, 1992; Rousenau, 1990).

While many theorists hold the view that the European community and the US are supranational bodies that are controlling the world, Negri and Hardt (2000) argue that a new imperial form of sovereignty has emerged with a vision of a post-modernised global economy, but dismiss the view that the European community or the US is the supranational body that is at the centre of globalisation. For them, neither the United States nor any other nation state can today enter the centre of an imperialist project. For them (Hardt and Negri, 2000) the form of globalisation that has emerged is by far too powerful to be spearheaded by the United Nations or any nation state. Rather, they contend, these UN organisations along with the great multinational finances and trade agencies (the IMF, the World Bank, the GATT and so forth) become relevant in the perspective of the supranational juridical constitution only when they are considered within the dynamic of the biopolitical² world order. The function they had in the old international order is not what now gives them legitimacy to these organisations, rather it is their newly possible function in the symbology or structure of the imperial order.

² an outline of relating to the structure or affairs of politics

This argument will be further explicated in the following chapter on the role of transnational corporations in globalisation.

Hertz (1957) [in McGrew et al. al (1992)] predicted the demise of the territorial state as the primary political unit in world affairs. He based his argument on the fact that nuclear weapons made it difficult for states to protect and defend their citizens; thus relying on bodies such as UN (see also Hardt and Negri, 2000). Three decades later, Jameson (1991:319) commenting on the prodigious expansion of capitalism in its third multinational stage, observed that not only the older city but even the nation state itself has ceased to play a central functional and formal role in a process that has in a new quantum leap of capital prodigiously expanded beyond them.

In respect of the late capitalist states, there is a powerful argument which indicates that globalisation is dissolving the essential structures of modern statehood. In effect globalisation is understood to be compromising four critical aspects of the modern nation state: its competence, its form, its autonomy, and ultimately its authority or legitimacy (see Hardt and Negri, 2000; McGrew et al, 1992; Koffman & Youngs, 2000, Jameson, 1991, and others).

However for theorists such as O'Tuathail et al. (1998) and Cox (1996) writing about the demise of the nation state seem an over-exaggeration, rather globalisation of the nation state and governmentality provide a much better understanding. This argument is advanced further by the International Chamber of Commerce brief on globalisation that the sovereignty of nations is shared, not abandoned. (see http://www.iccwbo.org/home/case_for_the_global_economy/globalisation%20brief/globalisation_brief.asp). Jarvis and Paolin also contend that rather than contracting or eliminating the state the spread of supraterritoriality has tended to create a different kind of state. As some political theorists have stressed, the state has never in its history

been fixed, it is perpetually "in motion, evolving adapting, incorporating and always in some condition of transition" (1995: 5-6).

There is also an alternative view suggesting that globalisation is often the by-product of states promoting the internationalisation of their corporations. In failing to differentiate state capacities, global enthusiasts have been blinded to an important possibility: that far from being victims, states may well be facilitators (at times perhaps perpetrators) of so-called globalisation (Weiss, 1998). This view by Weiss (1998) holds that governments have always acted in the interest of one class' domination over another and that the changes to its role under globalisation is a continuation of that role, not an end of the nation state. Many times governments in creating policies often overlook the effect on the working class and would always look out for the interests of the capitalist class. Policies such as privatisation of public assets are one of the examples the government makes such.

All these changes in the role of the state in national matters are crucial to the very effectiveness of trade unions. The survival of trade unions has been largely influenced by the constitutions and the policies upheld by governments. In most scenarios, the existence of trade unions has been largely determined by the legislation. The deterioration of the role of the state signals a deterioration of labour protection. This means that labour is at most vulnerable to exploitation due to globalisation processes.

With less intervention from the government in the sustenance of policies , trade unions which are believed to be disruptive will eventually see their fate as TNC's are on their best to do away with them.

1.3 SPACE IS BECOMING OBSOLETE

Directly linked to the above argument is a discourse held by some theorists that deterritorialisation is of significance to the demise or sharing of the nation state. This is explained in terms of time and space dynamics (see Harvey, 1989; Giddens, 1990; Allen et al, 1995; Beck, 2000). Koffman and Youngs contend that in pre-global times, world social geography was a matter of scattered places, social relations involved crossing distance as measured between points fixed in three dimensional, territorial space. Although developments in transport and communications such as railways and postal services had the effect of reducing time-space separation, Koffman and Youngs (2000) contend that they never eliminated distance.

In contrast, in the globalised world of today people can by various means relate with one another irrespective of their longitudinal and latitudinal position, as it were on a supraterritorial plane. Thus Harvey (1989) talks of the move from three-dimensional geography (longitude, latitude, and altitude) to four-dimensional geography (these three plus globality). Through services such as electronic mail, audiovisual media and others, people can relate as easily as though they were on the same territory. In his concept of global village McLuhan (1964) argued that as electronically mediated forms of communication superseded print forms, the dominant form of human communication becomes oral once more, as it was in the tribal villages of the past. Electronic media means that we begin to participate in village like encounters, but on a global scale. Thus resulting from widespread use of electronic media as Meyrowitz put it, everyone is involved in everyone else's business, and there is a decline in print supported notions of delegated authority nationalism and linear thinking (1985: p.17-18).

The use and understanding of a concept such as human extensibility (which implies the ability of the new technologies to stretch human communication and mobility beyond

time-space borders) resonate strongly with the ideas of Marshall McLuhan whose ruminations on the social and spatial consequences of communication technologies began to be widely disseminated from the 1960's onwards (Allen et al, 1995). For McLuhan, who first coined the phrase 'global village', the 20th century was a witness to a process which would cause much social upheaval and change as had the spread of technology. The electronic media of which McLuhan speaks has facilitated an increase in the number of 'dissociated' forms of social interaction while at the same time acting as the medium by which previously remote and self contained places have become enmeshed in an increasing global economic system (see also Allen, 1995).

McLuhan's distanciation thesis has been advanced by Giddens and Harvey (1990, 1989) through their time-space dissociation theories. The concept of 'time-space distanciation' is the central concept, which Giddens uses to explain both the historical movement from traditional societies to modern ones, and the part played by globalisation in speeding up the movement begun by the modernisation process. He argues that modernisation and modernity are based upon a process whereby a fixed and narrow idea of 'space' as 'place' are gradually eroded by an ever increasingly dominant concept of (universal) 'time'. Giddens (1990) contends that, while there undoubtedly exist continuities at various phases of historical developments, there are also massive discontinuities. Although most theorists (see Giddens, 1990; Barnett & Cavanaugh, 1994; Hobsbawm, 1994 and others) agree that globalisation is not a new phenomenon, having paved its way as early as the 1920's when Henry Ford began his auto-making factories, the world has experienced some significant changes since the 1960's. The reasons for these changes to be so significant is the fact that "they have been so dramatic and so comprehensive in their impact that we get only limited assistance from our knowledge of prior periods of transition in trying to interpret them (see, Giddens, 1990:5).

While these shifts have been perceived by most theorists as characterizing a shift from modernity to post-modernity (see Harvey, 1990 and others), Giddens (1994:3) contends that "rather than entering a period of post-modernity, we are moving into one in which the consequences of modernity are becoming more radicalised and universalised than before". However, Giddens (1994) attests that while the development of modern social institutions have created greater opportunities for human beings to enjoy a secure and rewarding existence, it has also created greater disintegrations and dissociations (see also Barnett & Cavanaugh, 1994).

What these theorists contend is that globalisation, which has opened up the world markets, has contributed significantly to the development of nations that were on the early stages of modernisation. Globalisation, which is viewed as a process led by the transnational corporations, has been seen as having facilitated development to less developed countries. One example would be China whose economy has been a boom in the recent decades due to the opening of world markets.

Giddens (1991) describes this as the key to processes of 'disembedding' which involves the "lifting out" of social relations from local contexts of interaction and their restructuring across indefinite spans of time - space. Giddens' thesis of time-space distanciation has been advanced by Harvey (1989) in his time-space compression thesis. What Harvey's theory accentuates is that ever since the increased mobility and internationalisation of capital in the early 1970's, society has undergone another round of 'time space compression'. As Harvey puts it, "innovations dedicated to the removal of spatial barriers have been of immense significance in the history of capitalism, turning that history into a very geographical affair" (Harvey, 232). Like McLuhan, Giddens (1990) attributes the convergence of time and space to technological innovations. As space appears to shrink to a 'global village' of telecommunications and spaceship earth

of economic and ecological interdependencies, and as time horizons shorten to where the present is, Harvey (1989, p 240) contends that we have to learn how to cope with an overwhelming sense of compression of our spatial and temporal worlds.

Significant to note from time-space dissociation theories is that they reflect the fact that all these spatial developments have served to make the world a smaller place, and have in the last quarter of the 20th century connected disparate markets together in the creation of a world market with global producers and global consumers.

1.4 LABOUR FLEXIBILITY AND MOBILITY OF CAPITAL

The current popular view of changes to investment is that finance capital has become the dominant fraction over productive capital. Many believe that this process has been accentuated by the shrinkage in spatiality, evolution of money into new forms that have become progressively less material, making it easier to move more around at a very little cost, and the technological developments which have made it possible to transport money right around the world (see Harvey; 1989, Allen et al, 1995; Standing, 1999; Beck, 2000; Hardt and Negri, 2000; Lehulere, 2000, Scholte, 2000; and others).

Most of these theorists agree that since the 1960's there has been a dramatic acceleration in the pace of financial flows and shrinkage of financial space. Trade liberalisation and the dismantling of tariff and non-tariff trade barriers under the aegis of Uruguay Round and the World Trade Organisation (WTO), have created a trend towards a "single" borderless economy (see Standing, 1999; Allen et al, 1995). The speed at which money can move around the global financial system has accelerated markedly in recent years. The near instantaneity of the world of money and finance is believed to be driven by processes of capitalist competition and by the struggle to reduce the turnover time of capital (see Allen et al, 1995; Harvey, 1989; McGrew et al,

1992; Standing, 1999; Hardt and Negri, 2000). Lehoucq (2000) attest that the process of finance has assumed greater significance and power than that of production, especially in recent years (see also Scholte, 2000).

The argument here is that what accompanied the pre-globalisation period of financial capital was a working class that enjoyed a rise in its living standards. Lehoucq (2000) contends that significant in this period was the organisational expression of the working class and its relative strength as a social force in society, which gave rise to a particular form of work organisation with relative full employment, job security and relatively high values of labour power. The role that money capital played was primarily that of financing production, and profits made out of the production process were reinvested into expansion of the production process (see Lehoucq, 2000). This argument advances Standing's (1999) contention that in the 1990's financial markets have been disembedded from national economies, and now exists in their own global space.

Drawing from the above argument, the crisis of overproduction of commodities due to technological interventions as well as overproduction of the means of production due to developments such as Japanese "just in time" techniques, led to the search for new areas of investment by money capital leading to the changes in investment regimes. Thus Standing (1999) contends that foreign direct investment (FDI) by rich countries has been growing faster and in poorer countries it tripled between 1990 and 1996, and private capital flows rose by nearly a third. Standing (1999) also states that globalisation does not require labour to become much more mobile, since multinationals can shift the distribution of their employment relatively easily.

One major consequence of this restructuring of the global world is the intensified territorial competition among government units for new investments and for maintaining existing firms in place (see Luke at

<http://it.stlawu.edu/~pomo/mike/accumu.html>; and Hayter,1999). The argument here is that states have tended to favour money capital over human capital. This is due to the increasing competition for Foreign Direct Investment. Every nation-state is in need for Foreign Direct Investment to sustain its economy, and hence this need has converted into a disregard for the people who are citizens in most economies.

With increased regional competition to attract and keep financial capital there has resulted what Barnett and Cavanaugh (1994) among others have identified as the "race to the bottom." The race to the bottom signifies that the standard-lowering drive communities are forced to join others who have lowered their standards if they wish to appear more attractive than the thousands of other communities transnational corporations have to choose from (Barnet and Cavanaugh & 1994). Lowering the standards in most cases would be through casualisation, lack of adherence to labour legislation, cheap labour and so forth. Thus the implementation of policies such as privatisation is considered as one of the ways in which the state favours money capital over labour. Resulting from this, the core capitalist countries (U.S., West Europe, and Japan) have experienced a period of de-industrialization as most of their manufacturing jobs were shipped to the Third World as corporations began taking advantage of the cheaper labour, cheaper regulations, and hence cheaper production costs there. However, with the first world countries having experienced de-industrialisation, they still remain the ones benefiting from globalisation. This is because of huge disparities or inequalities in third world countries (see, Therborne, 2002).

One of the reasons why the third world countries still remain underdeveloped even though there is shipping of industries to them from the first world, is the whole notion of cheap labour. The open-market policies do not make provision for the protection of

the labour against exploitation. Thus, eventually the capitalist's aim as Marx (1959) presupposed, is to make profit and not share the surplus with the worker.

Hardt and Negri (2000) advance this argument with the contention that the huge transnational corporations construct the fundamental connective fabric of the biopolitical world in certain important respect. While capital has indeed always been organised with a view toward the entire global sphere, the recent decades have seen the extremely large and volatile capital mobility. This volatility of capital has been greatly accentuated by the homogenisation of economic space³ (see Harvey, 1989; Allen et al, 1995; Hardt and Negri, 2000; McGrew et al, 1992). The latest shrinking space technologies and communication such as system Internet and telephone banking continue to characterise banks and other financial institutions. The trajectories of several national, regional, and local economies have become ever more closely interconnected, held together by a dense network of financial flows and transactions. With increased mobility of capital, a new kind of economic era is said to have opened up, one based on flexible forms of economic organisation and production.

The recent decades have seen major changes in the world of work, and the way in which the world is organised. The trend is for the core, once-upon-a-time beneficiaries of lifetime employment, to shrink in numbers while insecure, part-time, temporary, and contract employment are (growing throughout society) as a result. From being a new way of working that promised a more humane workplace, it has been revealed as a system of brutal work intensification and a means of bypassing or undermining unionism. "There has been global 'downsizing' and 'outsourcing' associated with a

³ Homogenisation of economic space- Friedman says: 'in order for globalisation to be homogenizing it is also necessary for the frames of attribution of meaning to belong to the same frame as the place where 'the thing was first produced ... The prerequisite for strong globalisation is the homogenisation of local contexts, so that subjects in different positions in the system have a disposition to attribute the same meaning to the same globalised objects, images, representations'. (1999, p.77)

splintering of production and distribution processes, and a trend for medium and large firms to contract out their employment functions" (Standing, 1999: 84).

Companies are focussing on how to reduce the stocks they maintain of both components and finished products through careful planning of "just in time" delivery systems. Horwitz and Franklin (1996) contend that South African organisations have had to cope with a reintroduction to global markets and intense competition, and similarly, they are aiming to reduce costs by reducing the number of defects in final products. Thus a new way of working called flexible production has been gaining ground in the labour market in many countries. One thing acknowledged by most scholars and researchers on the flexibility discourse is that functional flexibility, endeavouring to eliminate rigid job functions so that workers perform a number of different tasks in the workplace (multi-skilling and multitasking) or introducing different work hours through, for example, shift work, has become an important aspect of the South African labour market.

More evident, however, has been the growth of numerical flexibility, the practice of being able to increase or reduce the workforce rapidly, and without due process. This has taken the form of increased employment of workers as temporary workers, independent contract workers and part-time and casual workers (see Valodia, 2000). In a survey of 626 South African organisations Horwitz and Franklin (1996), found that a marked growth in numerical flexibility which involves varying the size and structure of the workforce as a means to respond to changes and reducing labour costs. However, Horwitz and Franklin also found evidence of functional flexibility, which promotes flexibility in tasks and skills, in South Africa, but at the very low stages of development. The ILO's 1995 South African Enterprise Flexibility Survey (SAEFS) found that 85% of firms sampled employed temporary workers, 43% employed contract workers, and 26%

used part-time workers (Standing et al 1996:341). Macun (1997:2) also notes that employers have tended to favour numerical (and wage flexibility) while labour has argued for restructuring based on the achievement of functional flexibility.

Thus, many writers have chosen to characterise current changes in the labour process through a single paradigm shift, as from Fordism (mass production) to flexible specialisation (see Luke, Ackers et al: 1996, Harvey: 1990), and alternatively have stressed the alternating fortunes of national models such as towards American or Japanese production methodologies and employment practices. While mass production ushered in the era of strong unions and plentiful steady jobs, lean production and "just in time" inventory control are designed to reduce the number of steady jobs (Barnett & Cavanaugh, 1994). Larger numbers of workers who are hired by suppliers and contract operations are ready when needed, and most are not paid when they are not needed. In the executive suite, labour is regarded as a commodity and a cost, thus companies always attempt at cutting down on such a cost. These inventories have aimed at reducing the risk and uncertainty in production and also to create efficiency while countering the international competition.

Bezuidenhout and Kenny (1999) state that labour market flexibility gives companies ability to adapt the use of labour to changes in other labour markets. As companies restructure to meet the challenge of global competitiveness, more and more permanent jobs are shed for casual or contract labour. Firms are downsizing and maintaining what is called the 'core business' while other activities are either contracted out or outsourced. This relieves the producers from much of the burden to manage the production process and greatly reduces the cost of production particularly the cost of labour.

Along with corporations increased mobility, they have of course gained incredible flexibility in the work force. In their aim to lower production costs corporations seek to downsize the number of lifetime employees with full benefits and increase the number of subcontracted workers whose jobs are typified by low wages and few benefits (see Luke <http://it.stlawu.edu/~pomo/mike/accumu.html>). With flexible labour, firms are able to alter employment with little costs, and they are able to reduce uncertainty that comes as a result of globalisation pressures. According to Congress of South African Trade Unions(Cosatu), the widespread increase of sub-contracting, part-time work, labour brokers, temporary and casual labour in the formal sector means that a substantial number of workers do not enjoy employment security. COSATU also views, flexible labour as part of an international trend of the fragmentation of the workforce into a core grouping of well-paid and secure labour force surrounded by a larger layer of low-paid and insecure workforce who do not enjoy the protection of labour law or trade unions (COSATU: 2000).

The basic challenge of the globalised economy is therefore the requirement to adjust and compete in a rapidly changing environment. Central to the effort to compete in the twenty-first century is the preparation of a productive, flexible workforce. The United Nations Educational Scientific and Cultural Organisation (UNESCO) report (1998) implies that every country will be obliged to enable its citizens to acquire the skills necessary to survive and to improve their quality of life because the demands of the workplace are likely to leave people without skills unemployed and unemployable. Inadequate opportunities for formal employment are now becoming a reality in most countries, developed as well as developing.

This period of great flexibility has been defined by many as a neo or post-Fordism period, or a period which is against the fundamental principles of mass production and

rather focus on flexible means of production (see Hardt and Negri, 2000; McGrew et al, 1992; Allen et al, 1995; Koffman & Youngs, 2000; Harvey, 1989; and others). This process that has been characterised by technological change, automation, the search for new product lines and market niches, geographical dispersal to zones of labour control, mergers and steps to accelerate the turnover time of their capital, surged to the fore of corporate strategies for survival under the new era (see Harvey, 1989). It rests on flexibility with respect to labour process, labour market products and patterns of consumption, and is characterised by the emergence of entirely new sectors of production, new ways of providing financial services, and above all greatly intensified rates of commercial, technological, and organisational innovation. With the emerging of economic globalisation in the 1980's corporations have found themselves with a lot of unusable excess capacity (chiefly idle plant and equipment) under conditions of intensifying competition. This, Harvey (1989) suggests forced them into a period of rationalisation, restructuring, and intensification of labour control.

1.5 IMPLICATIONS OF THESE GLOBAL TRANSFORMATIONS FOR LABOUR



Information technology (IT) is no longer new, Ackers (1996) highlights that it has already had a wide impact on all sectors, facilitating the dramatic break-up of unionised strongholds, destroying occupational identities, and causing redundancies in many other occupations and industries. Hayter (1999) states that technological change is a major aspect of the globalisation process and in support of Hayter, Standing (1999) further states that globalisation and the global phase of flexible labour markets cannot be assessed adequately without taking the ramifications of technological change into account, Hayter (1999) also adds that the trend of globalisation has, in combination with technological developments, affected the world population in different and unequal ways.

According to the UNESCO report (1998) globalisation has resulted in rapid economic benefits for some countries while causing acute social problems for others. Production systems based on new technologies that enable greater productivity and flexibility as well as workers with updated skills and more independent initiative are required if industries are to survive in this climate.

Thus, with the demand for greater productivity, new technologies are radiating into almost every industrial sector, including the traditional labour-intensive industries. Rapid technological change makes skills obsolete and demands higher levels of initiative and more frequent retraining. The workers made redundant as a result have found themselves unqualified to work in jobs created in the high technology and service industries. This changing technological scenario may also require workers to change jobs several times during their working lives.

IT also provides opportunities for fragmenting and geographically dispersing work. For example, Ackers (1996) highlights that there are over two million 'tele' (i.e. remote) workers in Britain, and the concept of the 'virtual office' suggests further fragmentation. These types of workers have always been very difficult to organise, and easy for employers to dominate (Ackers, 1996). This type of worker is either semi-skilled or skilled. This affects unions in the sense that even if these people were to continue belonging to the union organising them as they are working at home.

Standing (1999) also argues that globalisation implies greater uncertainty, while technological changes have made more organisational options feasible. He further highlights that, while uncertainty increases with size and complexity of the organisation, technology is labour-saving. Therefore it provides firms with an option of reducing uncertainty by cutting down on labour input through introducing new technology in the

workplace. Thus rapid technological changes and productivity improvement initiatives have been driving a countervailing process of job shrinkage, particularly in unskilled segments of the labour market (see Commonwealth Report, 2002).

According to UNESCO report (1998) in many developing countries, particularly in Africa because of a lack in skills, technological change and globalisation have exacerbated existing unemployment problems that have been due, in some measure, to poor economic performance. Inefficient, labour-intensive industries that could not compete with transnational corporations have had to close down. Globalisation has affected some countries in a process of transition towards a market economy by confronting them with the inefficiencies of their industries and placing demands for new skills and trades. The obsolete skills of their labour forces have led to growing unemployment in these countries, hence South Africa whose labour market is greatly characterised by unskilled workers has experienced a massive decline in employment. This in particular, is true in the case of the manufacturing sector which has experienced a huge decline in employment in recent decades (see Naidoo, 2000)

Most theorists argue that globalisation and its processes have in effect nourished the overcoming or bypassing of union power (see Harvey, 1989; Negri & Hardt, 2000; Lehulere, 2000, Ackers, 1996, and others). Ackers et al (1996) state that one of the factors that have always shaped the strength of trade unions is employment security among full time workers than part time workers. Similarly, Buhlungu (1999) asserts that the labour market restructuring and the introduction of flexible forms of work such as subcontracting in the quest for becoming globally competitive threaten the very existence of trade unions. Thus many theorists argue that there has been extensive de-unionisation in most parts of the world, and where this has not been the case the

strength and the effectiveness of union activity has often been reduced (see Ackers, 1996; Buhlungu, 1998; Standing, 1999; Newman, 2000).

Ackers (1996) also attest that trade unions are in a weak position internationally. Membership figures continue to decline and unions only represent a small number of the worlds' working people. In the USA for example, by 1997 union membership as a percentage of the labour force was 31%, was the lowest for over 60 years, there were about 7.2.million members, compared to 9 million in 1989 (Standing, 1999). Union membership has also declined drastically in the UK, and some of the reasons include the contracting of manufacturing employment, privatisation of public industries, the growth of non-manual workers, the expansion of self-employment and part-time work, and the high and cyclical levels of unemployment (Ackers, 1996

The decline in union membership and strength has been attributed to changing patterns of employment. By far the greatest use of flexibility has been employers' attempts to change the permanent workforce through measures such as multi-skilling, and more flexible working patterns. Ackers (1996) and Standing (1999) attribute weakening of unions to labour market insecurity, as technology allows for employment of fewer workers, thus a fewer number of workers remain for unionisation. Ackers (1996) also argues that flexibility, casualisation and the informalisation of work have made an increasing proportion of jobs less unionisable. Temporary, casual and part-time workers are much more difficult to organise compared to full time employees, and reasons include the organisational difficulty of reaching and retaining such workers, the tendency of them not to identify with unions, and the difficulty of integrating flexi-workers into union structures. The essence of this for unions is that the growth of their membership is affected by the fact that these workers are not easy to organise and most of them do not have the propensity to join a union.

Ackers (1996) refers to the contracting-out of services in the public sector as being more directly detrimental to workplace trade unionism. This is mostly because the public sector has always been characterised by high union membership and a centralised, pluralist industrial relations system, compared to the private sector which had lower, and in some cases no union membership at all. Governments in all parts of the world have since then promoted decentralisation, stringent financial controls and various forms of privatisation. As reflected in Ackers (1996) the consistency of the survey and case study evidence implies that attacks on trade unionism through aspects of 'flexibility' will be more significant in the public and former public sectors.

Retrenchments resulting from restructuring have become a major contributor to job losses. Whereas in 1989/90 restructuring accounted for only 18 percent of retrenchments, today it accounts for more than 35 percent (see Webster, 1999). Technological innovations resulting from globalisation have created an increase in the "elite" group. These workers have new and scarce qualifications and they are often confident that they can survive in the labour market, and advance their personal career, without any need for collective support (Webster, 1998). Most of these work for small firms or are self-employed. Subsequent to that, Buhlungu (1999) attest to one of the causes of weakening of unions as being the fact that most unionists are moving either to business or politics, the creation of a new elite. Thus in a context where there is pervasive quest for personal achievement and wealth, accumulation unionism⁴ has become an unattractive option for many of these unionists.

The state in its toll to acquire financial capital has also contributed massively to weakening of unions. Policies such as privatisation of the public service infrastructure through the private finance initiative (PFI) and public-private partnerships, and

⁴ The kind of unionism by leadership that depends solely on the accumulation of power through years of service, for one to be able to proceed to the next level of leadership within the union.

privatisation of the workforce through 'best value', competitive tendering and contracting out have their efficiency gains predicated upon the weakening of union organisation, and clearing the path for the adoption of non-union organisation (Ackers, 1996). These policies have tended to aggravate rather than increase employment especially in the third world countries. Harvey (1989) contends that economic globalisation has seen capitalism without work, that will even further create unemployment.

Barnett and Cavanaugh (1994) contend that, in the flood tide of the mass-production era even corporations like Ford that had engaged in aggressive union-busting activities came to understand the advantages of making long-term arrangements with unions. Organised labour could be counted on to provide skilled workers at a price that could be kept stable for a term of years. This contention is strongly supported by the findings from a research carried by Macun (1997:5) which noted that in 91% of firms in South Africa that provide training for newly recruited production workers, there was a recognised trade union. "In other words, non unionised firms were less likely to provide training" (Ibid:5). This in effect signifies the role that trade unions are playing in training and development issues in the country as one of their strategies for survival.

1.5 CONCLUSION

Globalisation has been viewed by many to have brought with it marginalisation of the Left by the Right, and further has been held to weaken labour power. The weakening of the nation state resulting from what Harvey (1989), and Giddens (1990) terms dissociation of time-space, has been one of the factors argued to be characterising globalisation. The removal of space has increased the pace at which finance capital from one country to another can move, thus giving the multinationals sufficient

flexibility in investing. Governments in competing for FDI have opened a door to exploitation of human capital by those in possession of capital through flexible means of production. This factor has reduced the ability of governments to protect labour from exploitation.

As Hardt and Negri (2000) put it, capital seem to be faced with a smooth world, a world defined by new complete and complex regimes of differentiation, homogenisation and deterritorialisation. This in actual fact is because of the free global flow of capital in the recent decades, as the capitalist now has the power to invest anywhere and thus the freedom to choose countries where labour is cheaper. The construction of the paths and limits of these new global flows has been accompanied by a transformation of the dominant productive processes themselves, and the role of industrial factory labour has been reduced, and priority given instead to communicative, co-operative and affective labour.

Thus the argument by Hardt and Negri (2000) that in the context of the much-celebrated age of communication, struggles have become all but incommunicable. Communication they argue, not only expresses globalisation, but it organises it. Hence communication has been much selected in what it has communicated and labour struggles have continued to remain incommunicable. However, with the disempowerment and the demise as many term it, of the nation state, and the decline in spatiality, it has rather become difficult for governments to control the flow of capital.

The shift from the Fordist to the Post-Fordist structure has been characterised by a decline in full time employment, and the numerical flexibility of the labour market has seen the creation of the peripheral group of casuals, contract staff, agency workers, temporary and part-time workers whose jobs are typified by greater insecurity. Unemployment that has been aggravated by globalisation process has contributed

meaningfully to the emergence of flexible forms of employment. With unemployment it has been easy for firms to employ casual labour and thus escape labour costs incurred with full time workers.

Hence, with more flexibility it has become difficult for organised labour to remain vigilant and strong as most of their members lose employment or join the periphery of casuals and part-timers, who traditionally did not belong to a union. The decline in employment has meant that trade unions have had to devise new strategies to maintain membership levels and effectively organise their membership against the global forces that are exerting pressures. The wide range of options open to employers to relocate, restructure, reorganise and redefine work in the midst of a worldwide economic slowdown has made it necessary for unions to change their traditional adversarial tactics. Barnett and Cavanaugh contend that all these changes are believed to have so curtailed labour's bargaining power that the strike is no longer an effective weapon except in the rare cases where a union is willing either to risk putting the target company out of business, thereby losing the jobs permanently, or it is desperate enough to put its own survival on the line. "In the United States, for example, strikes involving 1,000 workers or more have fallen from an average of 300 a year in the 1960s to 40 in 1991 (1994:311). The problems of organised labour have been compounded by policies of the government that encourage companies to locate plants abroad. By the beginning of the 1960s just 16 percent of the United States work force belonged to a union, the lowest percentage anywhere in the industrialized world except for France and Spain" (Barnett & Cavanaugh, 1994:311).

For almost three decades, the power of unions in the United States and Europe was formidable enough to keep hard-won wage gains intact, but, beginning in the mid-1970s this changed, between 1979 and 1989 membership in the union fell by 500, 000

about a third of its total (see Barnett and Cavanaugh, 1994). While trade union membership has fallen in most parts of the world it has not been the case with South African trade union body in overall membership as they have experienced significant union growth in the lastest decades. NUMSA on the other hand as a union has experienced a decline in its membersip in the recent decades (see Naidoo, 1999)). While the general union density has increased in South Africa, the type of union that has emerged in the late decades is the one vulnerable to retrenchments, numeric flexibility and wage gaps.

CHAPTER TWO**2.1 INTEGRATING TO EXCLUDE? A South African Case.**

Globalisation, as proven by discussion in the previous chapter, has implications for socio-economic and political systems in different parts of the world. An examination of the consequential impact of globalisation on trade unions in South Africa would require attention to be drawn to economic globalisation in particular. According to Hayter (1999) economic globalisation is a process of rapid economic integration between countries, driven by the increasing liberalization of international trade and foreign direct investment (FDI) as well as freeing up of capital flows. South Africa as a country has not escaped this global restructuring of economy. Hayter (1999) states that until the first democratic elections in 1994, South Africa was isolated from the global economy. She further adds that it was after the 1994 elections that SA re-entered the international arena and experienced the globalisation of its economy. Financial liberalisation, the removal of controls and the breakdown of international barriers, made it possible for South Africa to participate in markets which were previously closed to them. This chapter shall look at the changes in the South African labour market due to globalisation and the impact on trade unions in SA.

Barnett and Cavanaugh (1994:14) advance the argument that the emerging global order is spearheaded by "a few hundred corporate giants, many of them bigger than sovereign states". They contend that these multinational corporations have the technological means and strategic vision to burst old limits- time, space, national boundaries, ideology, and that they operate in many different countries. "By acquiring earth-spanning technologies, by developing products that can be produced anywhere and sold everywhere, by spreading credit around the world, and by connecting global channels of communications that can penetrate any village or neighbourhood, these institutions we normally think of as economic

rather than political, private than public, are becoming the world empires of the 21st century (see Barnett & Cavanaugh, 1994,p.14).

Barnett and Cavanaugh (1994) also contend that the formidable power and mobility of global corporations are undermining the effectiveness of national governments to carry out essential policies on behalf of their people. This argument advanced by Barnett and Cavanaugh (1994) implies that as the nation-states' autonomy and control continues to shrink, these corporations are occupying public space and exerting a more profound influence over the economy and majority of humans. Governments are faced with the crisis of conforming to the outside world because the outsiders, as Barnett and Cavanaugh (1994) phrase it, "are already inside the gates" (Barnett & Cavanaugh, 1994:311). Now, what remains for the government is to ensure that the residents will benefit from these corporations who have become part of the global order permeating every country and region.

These corporations are competing globally, and thus have to be very efficient. As early as the Henry Ford automakers, which employed mass workers, the pressure to be competitive has always ended up with a need for companies to limit costs. One of the most common ways of cutting down costs has been to shed jobs. For example, when Ford experienced pressure from the Japanese car-makers, which were taking the car industry by storm, his only option was to cut down on the number of employees. The same went for Toyota, which, when pressures mounted, fired a quarter of its labour force (see Barnett & Cavanaugh, 1994; Hardt and Negri, 2000).

The basic challenge of the globalised economy is therefore, the requirement to adjust and compete in a rapidly changing environment. Barnett and Cavanaugh (1994) argue that the pressures on Ford and its competitors to cut labour costs have had a profound effect on the world labour market. In recent decades there has been a shift from the need for unskilled

labour to the need for more skilled workers. Hobsbawm adds further by highlighting the fact that while the world economy which prevailed was expanding, at least after the 1980's, the automatic mechanism by which its expansion generated jobs for men and women who entered the labour market without special qualification was visibly breaking down" (1994:415).

Globalisation has also opened up a flow of human capital to move from one country to another. "In the age of globalisation, hundreds of millions of people are waking up to the fact that they are competing for their jobs with people who may live on the other side of the world" (Barnett & Cavanaugh, 1994:283). People no longer do job hunting in their country of birth alone, but they look for greener pastures in other parts of the world. Barnett and Cavanaugh (1994) highlight the fact that job shortages in some parts of the world such as Africa, Asia and Latin America has coincided with labour shortages in other parts of the world. Thus there has been growth in migration patterns from the least developed countries to the developed countries. However, what this implies is that workers should be in possession of skills that will make them employable not only in their country of origin, but also in other countries.

While Barnett and Cavanaugh (1994) view mass migration from poor countries with large unemployed populations and little else to export, as one of the potential answers to unemployment, they also note that there is a price to pay. These people that are likely to be employed abroad are the ones that are the home country's intelligentsia and are likely to contribute to its brain drain. The issue of global employment is contributing to union disempowerment. With the dwindling job market in South Africa unions are losing more "potential" members to other countries. As well, as a significant number of South African workers emigrate to other parts of the Diaspora in search of better working conditions, union membership is affected. While the brain drain is not a recent phenomenon, over the

last few years it has caused much concern. With the reintegration of South Africa into the international community the data reflects that emigration has increased and immigration has decreased (Kaplan and Meyer, 1997). Therefore South Africa cannot afford to lose its valuable human resources especially highly qualified professionals.

Reflecting back to the argument by Barnett and Cavanaugh (1994), if globalisation is really spearheaded by these global corporations, there then needs to be uniformity in terms of quality of the products produced. Giddens in his theory on expert systems (1994) postulates that the more the expert system is sound, the less risky the situations are. Giddens identifies the systems, which are "systems of technical accomplishment or professional expertise that organise large areas of the material or social world" (1994:27) as one of the disembedding factors. Now, if this were the case, the implication would be that those nation-states that are considered to possess sound expert systems are likely to be trusted.

This in particular is true in the case of capital or foreign direct investment (FDI). The transnational corporations investing their capital require a degree of trust (this not only refers to skills but also to unregulated labour markets) where they invest their capital. This could then mean that they would rather invest where they know there is proper human development and possession of skills that would be able to uphold and sustain their corporations with global standards. Trade unions find themselves equally responsible for contributing to the country's Foreign Direct Investment through ensuring their members are well equipped with skills.

Since the early 1960s, the transnational corporations have shifted capital geographically from Europe and North America to Taiwan, South Korea and China. This was not just a geographical shift; it was a shift to different working conditions and standards. In these newfound homes of capital there were no minimum wages, no social benefits and no strong trade unions. It was a geographical relocation to cut costs through wage reduction. China as

the result is growing towards having the largest workforce employed in the industry. Workers in China earn a fraction of what South African workers earn per hour but produce almost twice as much (see Mosoetsa, 2000).

This then begs the question: will South African industries adopt the same wage rates, working hours and conditions as China in order to compete on the international market. These are some of the dilemmas faced by trade unions in their survival. There's a need for the FDI to come to South Africa so that more jobs can be created. However, since capital is looking for cheap labour zones, countries like South Africa with protective labour policies remain uninteresting to capital. Trade unions find themselves threatened by these issues. Because capital is more mobile than labour, the transnational corporations threaten to move their business elsewhere when trade unions make demands which are deemed too high.

In South Africa the primary sector (agriculture & mining) has become less dominant and the tertiary sector (service-related industries) has become increasingly important. The actual number of jobs in the primary sector has decreased substantially over the last thirty years, and there has been a growth of nearly 20% for highly skilled jobs (see Vhutsila, 2002). It is likely that these changes will not be reversed, but rather accelerate. This is because most firms are still in the process of restructuring their organisations to effectively respond to global pressures, and thus by introducing more efficient methods of production jobs are inevitably shed. More importantly, the primary sector had previously made use of unskilled labour which, as a result of heavy technology became redundant.

What has resulted is a change in the profile of the workforce. This change has greatly impacted on trade unions who have traditionally organised amongst the unskilled demographics of the total workforce. The following section looks at these changes and the context in which these have occurred and the influence they exert on trade unions.

2.2 INTEGRATION OF SOUTH AFRICA INTO THE GLOBAL ECONOMY

2.2.1 GEAR: A HOME-GROWN SAP

When the ANC government first came into power, it adopted a policy of Reconstruction and Development, which was initiated by COSATU (Finnemore, 1999). A central tenet running through the RDP was the need to attack poverty and deprivation through implementing a programme that is based on meeting basic needs and that improves the quality of lives of all South Africans (Nyman, 2000). Faced with the global pressures and the need to compete globally, South Africa in 1996 adopted a neo-liberal policy termed Growth Employment and Redistribution (GEAR) (Mosoetsa, 2000). The new Government signalled its commitment to trade liberalization in its GEAR macroeconomic strategy in 1996, which stated its further commitment to "trade and industrial policies aimed at promoting an outward-oriented industrial economy integrated into the regional and global environment and fully responsive to market trends and opportunities (RSA, 1996a).

Mosoetsa (2000) highlights that when South Africa re-entered the global economy, it had to compete on a global level with countries which had different standards. The country was also welcomed back to financial institutions such as the World Trade Organization. Like all other countries in the WTO, South Africa had to abide by the rules of these institutions and adhere to their trade policies. At a macro economic level, GEAR policy became an appropriate response with the following stated objectives:

- a competitive fast-growing economy which creates sufficient jobs for all work-seekers;
 - a redistribution of income and opportunities in favour of the poor;
 - a society in which sound health, education and other services are available to all;
- and

- an environment in which homes are secure and places of work are productive (GEAR, 1996).

GEAR entails two broad thrusts relating to labour market policy. The first is the pursuit of regulated flexibility aimed in part at extending the protection and stability afforded by this regulatory framework to an increased numbers of workers. This entails the regulation of the labour market in a manner that allows for flexible collective bargaining structures, variable application of employment standards and voice regulation (see GEAR, 1996). The second is the promotion of continued productivity improvements aimed at bolstering the development of skills across the full spectrum of the workforce in both the formal and non-formal sectors (Ibid). This entails the development of the Skills Development Act which serves as a framework for skills development.

The most damning criticism of GEAR however, is its failure to bring about its projected economic growth. Although the 1996 actual growth rate of 4.2% was higher than the projected growth rate of 3.5%, from 1997 to 2000, the actual growth rate was much lower than the projected growth rate, where in 1998 and 1999 it was only 0.6% and 1% respectively (Mosoetsa, 2000). Nyman (2000) contends that it is problematic that government persists with its hypothesis that growth rate in itself will automatically result in job creation, and that policy measures should benefit the poor and the unemployed. In any event, some economists argue that jobs will only be created if there's a growth rate of between 5-8%. It is therefore not surprising that the combination of disinvestment, privatisation, retrenchments and low economic growth have resulted in massive job losses from 1996 onwards.

Table 1 – GEAR's actual vs. projected results, 1996-2000

	1996		1997		1998		1999		2000		Average	
	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
	%	%	%	%	%	%	%	%	%	%	%	%
Budget deficit % of GDP (fiscal year)	5,1	4,6	4	3,8	3,5	2,3	3	2,4	3	2,6	3,7	3,1
Real interest rate	7	12,6	5	10,4	4	15,85	3	10,3	3	n/a	4,4	12,3
Average real wage growth, private sector	-0,5	1,7	1	2,3	1	8,7	1	2,3	1	n/a	0,8	2,1
Average real wage growth, govt sector	4,4	0,9	0,7	3,5	0,4	2,7	0,8	-2,1	0,4	n/a	1,3	1,25
Real govt investment growth	3,4	5,3	2,7	4,4	5,4	2,6	7,5	-5,4	16,7	n/a	7,1	1,8
Real private sector investment	9,3	7,4	9,1	4,7	9,3	-2,9	13,9	-4,4	17	N/a	11,7	1,2
GDP Growth	3,4	4,2	2,9	2,5	3,8	0,6	4,9	1	6,1	3,5	4,2	2,4
Inflation (CPI)	8	7,4	9,7	8,6	8,1	6,9	7,7	5,2	7,6	5	8,2	6,6

COSATU, Accelerating Transformation, 2000, p. 85

As can be seen from the above table, the government has succeeded in reducing government spending and inflation to less than its predictions. However, investment, economic growth, and significantly, jobs (see the table 2 below) remain below far below their targets. According to official figures, almost one in 10 formal, non-agricultural jobs have disappeared since 1994. Even when the economy grew, the formal sector continued to lose jobs.

Table 2

Employment in the formal non-agricultural business sector (1000s)					
Industry	1994	1997	1998	1999	Change
Mining	601	524	443	416	-185
Manufacturing	1,432	1,374	1,321	1,291	-141
Electricity	40	39	37	34	-6
Construction	355	301	255	225	-130
Trade	740	786	831	884	144
Transport	285	268	249	238	-47
Finance	196	221	214	207	11
Community/social services	1,607	1,577	1,563	1,497	-110
Total	5,256	5,091	4,914	4,792	-463

Source: Statistics South Africa, October Household Survey, 1999.

In addition to the decline in the formal non-agricultural sector, there has been an overall increase in unemployment. The overall unemployment rate has gone up significantly to 36.2% (expanded definition) and 23.3% (strict definition) of the labour force and this represents a national crisis (see Naidoo, 2000) .

Table 3

Unemployment rate (strict definition)			
	1996	1999	Change
Population, 15 – 65 years old (1,000s)	24,657	26,279	1,622
Econ. Active (1,000s)	11,511	13,527	2,016
Participation rate (%)	46.7%	51.5%	4.8%
Unemployed (1,000s)	2,224	3,158	934
Unemployment rate (%)	19.3%	23.3%	4.0%

Source: Statistics South Africa, October Household Survey, 1999.

Table 4

Unemployment rate (expanded definition)			
	1996	1999	Change
Econ active (1,000s)	13,853	16,251	2,398
Participation rate (%)	56.2%	61.8%	5.6%
Unemployed (1,000s)	4,566	5,882	1,316
Discouraged (1,000s)	2,342	2,724	382
Unemployment rate (%)	33.0%	36.2%	3.2%

Source: Statistics South Africa, October Household Survey, 1999.

Using an expanded definition (requiring that someone be willing to take a job were it available), the unemployment rate is 36.2%. This reflects a 3.2 percentage-point increase over the 1996 figure. Most of the companies have stated that the reason why their companies had to retrench as well as outsource some activities was because they had to respond to local and international competition (see also Madlala, Hullett Aluminium HR Manager 2002). They perceive that the economy was opened up too quickly, there was a need to nurture local industry first and protect it for as long as possible. There also was a

need to invest in the marketing of local brands, labour and machinery. The opening up too quickly of South Africa's economy was in accordance with South Africa's neo-liberal economic agenda as pronounced in GEAR and the need to be globally competitive. This neglected the possible negative impact this would have on many industries like the manufacturing industry.

The DTI began reducing tariff barriers in most industries. These were tariff barriers that during the apartheid era protected local industries from global competition and securing their markets. Tariff barriers fell from 41.2% in 1995 to 28.9% in 1999 (Mosoetsa, 2000). According to the Minister of Trade and Industry, Alec Erwin, "government policy decisions such as those to reduce tariffs were geared towards responding to domestic needs and efforts for restructuring and enhancing global competitiveness of industries and the economy"(see Mosoetsa, 2000). This was done despite fears by some of potentially negative impact on the industries concerned and the failure to formulate and put adequate supply side policies in place prior to liberalization (Ibid).

Nyman (2000) argues that financial institutions such as the IMF and the World Bank have largely contributed to the increase in poverty in developing countries. Even though they preach their commitment to poverty alleviation, these are mere words as it is through their structural adjustment programmes (SAPs) that the living conditions of the working class are deteriorating (Ibid, 2000). The ANC government has persistently followed the economic path of a structural adjustment programme, despite international evidence that this is to the detriment of the poor people and to the benefit of conglomerates and companies. Key elements of SAP's, such as a decrease in social expenditure, and increase in labour market flexibility, privatisation and the prioritisation of the budget deficit have been implemented in South Africa through GEAR, yet this has been done without the sanction of civil society and

despite a constitution that lays down the people's right to participate in the decision-making process.

Mosoetsa (2002) argues that the South African government has ambitiously pursued tariff and trade liberalization beyond the levels required by General Agreement of Tariff and Trade (GATT). Integration within the global market meant exposure of South African firms to international competition, and in order for South Africa to be internationally competitive it had to improve the quality of its products and efficiency of its service. Rapid technological innovations were required if the country was to effectively compete internationally. Faced with the enormous challenge of international competition in the country, most companies began to restructure themselves, and this included cutting costs. This was done by introducing new forms of work in the workplace such as subcontractors, casuals, and fixed-term contracts. In South Africa, between 1987 and 1997 part-time and casual employment increased from 11, 8% of total employment, to over 19% (Kenny & Bezuidenhout, 1999). This trend in employment shall further be looked at in brief detail in the next sections.

2.3 MANUFACTURING SECTOR IN SOUTH AFRICA

Rosenthal (1998) contends that manufacturing is the single largest contributor to South Africa's GDP (24.3%), and accounts for 23.1% of employment (see also <http://www.chemcity.co.za/saecon.htm>, 2000). The above contention is attested to by the Reserve Bank report which contends that the manufacturing sector accounts for approximately one-fifth of South Africa's GDP. (<http://www.saembassy.ru/economy/>). In spite of this, however, Crankshaw (1997) argues that the manufacturing sector, which has historically been the backbone of the economy, has experienced a decline in employment within the recent decades. According to the Human Sciences Research Council (HSRC, 1999) Employment Forecast, employment is expected to decline in all economic sectors, with the manufacturing sector forecasted to shed up to 45 000 jobs over a five-year period, thus

being the largest sector with most job losses. This is quite an enormous prediction especially when taking into consideration the number of jobs already lost within this sector. Crankshaw (1997) attributes most of the job losses in this sector to the changes in the labour market characterised by the rising demand for a skilled work force, thus creating redundancy for unskilled workers. In manufacturing sectors, technological advancement has raised a demand for semi and fully-skilled workforce, causing a decline in the demand for unskilled manual work.

Furthermore, the loss of formal sector jobs has exacerbated inequality, with incomes of the poorest 50% of the population falling by 21% between 1991 and 1996 (Naidoo, 1999). While informal jobs are increasing (see table 2.3), these are primarily survivalist activities with very low incomes. In short, low-income, insecure informal jobs are replacing better-paid, more secure formal sector jobs (see Naidoo, 1999).

While trade union membership has grown strongly, union membership in the private sector and, in particular, manufacturing has been under great pressure due to industrial and company restructuring (see Naidoo, 1999).

The increasing usage of shift-work, part-time, casual and temporary employment, home working and the subcontracting of non-core functions are also contributing significantly to the decline in the manufacturing sector in South Africa. For example, a survey of manufacturing establishments in 1995 showed that 83% of employers relied to some extent on temporary or casual workers, 45% employed shift, fixed-term or contract workers and 27% employed part-timers (Crankshaw, 1997). A survey carried out by Naidoo (2000) also attest to Crankshaw's finding by reflecting that an expansion of casual, temporary, and contract labour is occurring in many sectors of the South African economy. Together with the expansion of the informal sector, these forms of new irregular employment are becoming the

only options available to millions of the unemployed. Important to note from the following table is the percentage of metal and engineering sector that uses flexible labour.

Table 5

Firms using "atypical" employment, by industry, 1996

Sector	Temporary workers	Contract workers	Part-time workers	Home workers
Metals, engineering	84%	43%	25%	8%
Textiles, garments	81%	39%	19%	22%
Chemicals	89%	50%	33%	2%
Food processing	100%	59%	34%	6%
Paper & printing	84%	33%	31%	2%
Other	77%	46%	8%	8%

Source: Standing, G., 1997 "Labour market dynamics in South African industrial firms: The South African labour flexibility survey." Unpublished ILO paper.

The significance of these non-regular or flexible forms of employment is that many of these workers do not enjoy the same security of employment as permanent workers. Most employers do not even use written contracts of employment, and in most cases contracts are not renewed. Thus Buhlungu (1999) attest that the growing body of research suggest that there is a direct causal relationship between work restructuring and flexibility, on the one hand, and unemployment and underemployment on the other. This is because all these forms of flexible labour do not provide employment security. While one may have a job now, it does not guarantee that he or she will still be employed the next day.

The significance of these trends for unions is that the historical base of union composition is unskilled worker. As outlined before, a large number of the elite group of workers, occupying jobs in sectors such as finance, insurance, real estate and business service often do not join trade unions. Crankshaw (1997) argues that sectors which are losing their share of total employment are usually those in which African workers, who have traditionally formed the core of COSATU's membership are concentrated, and all those which have the

highest union density. Most workers organised by COSATU affiliates are, for example, employed in unskilled and semi-skilled manual work (Crankshaw, 1997).

While labour market flexibility phenomenon affects the way the union organises, the issue of job losses affects the membership of trade unions directly. Thousands of metalworkers are continuing to lose jobs in the engineering, steel, aluminium, motor and component manufacturing industries. Ntuli (2002), NUMSA's communication officer, contends that companies are claiming to be retrenching because of rationalisation, reducing cost, automation, restructuring, liquidations, benchmarking, tariffs, and closure to dominate the market. The metal industry, he highlights, has lost up to 200 000 jobs since 1987, and these job losses have continued unabated. In the engineering and steel industry 1 300 workers are losing employment every month (see NUMSA, www.cosatu.org.za/press/2002/NUMSA_on_job_losses--28566.html, 2002).

Commenting on the findings of a survey on flexibility patterns in manufacturing industry, Standing identifies a trend towards different forms of casualized work in South Africa. In fact, this growing towards flexibilisation of work and the labour market in South Africa stimulated an intellectual debate in which attempts were made to best understand the concept of flexibility, whether it is new to South Africa or not, and the consequences of its implementation. Within debates on this concept, distinctions were drawn between different variants of flexibility and approaches required to achieve flexibility were identified. Three basic distinctions of flexibility drawn are numerical, functional and wage. Numerical flexibility entails flexible size of the workforce and contractual relations between the workers and employers. Functional flexibility, on the other hand, refers to flexibility in work organization and technology used which may require amongst others a multi-skilled workforce, job-rotation and team work. Whereas wage flexibility entails a change in, and often reduction of pay or wage rates and working conditions (see Macun, 1997: 2, and Bezuidenhout &

Kenny, 1999: 4). In addition to the above three types of flexibility, Bezuidenhout & Kenny(1999) argue that there is the fourth variant which they call work time flexibility. The latter, they argue, refers to flexibility in working time patterns which may take the form of shift systems, part-time work or temporal work (Bezuidenhout & Kenny, 1999: 4). Central to the debates on the concept and strategies of flexibility is the argument that flexibility has been employed by industrial and business organizations to respond and adapt to changing conditions in which they operate. Hence, the view that the concept is useful for assessing the potential and ability of individuals and organizations to "efficiently adjust their goals and resources to changing constraints and opportunities" (see Macun,1997:2, quoting from Killick, 1995:19). Macun thus argues that flexibility or adaptability as he refers to it, was viewed by industrial organizations as "a precondition for success and growth".

In their adoption of flexibility as a strategy for enhancing performance, efficiency, productivity and competitiveness, the majority of South African industrial organizations tended to favor numerical, wage and work time flexibilities (see Mapadimeng, 2000). This was established through the research findings of the South African Labour Flexibility Survey (SALFS) undertaken in 1995. This survey was conducted in the manufacturing sector of the economy with a focus being on, amongst others, the metals, engineering, textiles and garments, chemicals, food processing, and the paper and printing sub-sectors (see Macun, 1997:3). The survey discovered that firms within this sector had experienced employment growth of only 1,6% to 2,8% between 1995 and 1996. This was found to have been so despite their introduction of technological innovations (i.e. product, capital and work process innovations) and numerical or employment flexibility (i.e. firms being able to employ from outside labour market with few restrictions from labour legislations and others freely employing low paid temporary labour - contract or part time- with less benefits). More than 80% of the surveyed firms were found to have employed temporary or casual employees between 1995 and 1996 (see Macun,1997:4). Hence, Macun's argument that these findings

suggest that South Africa has a highly flexible labour market. This is a view that is also shared by other researchers such as Standing according to whom "South Africa has a flexible labour market (see Mapadimeng, 2000). Many workers have little employment protection, retrenchments are fairly easy and widespread, notice periods are short or non-existent, and most firms can resort to temporary or casual labour and, if need be, labour contracting - the world's most flexible labour system and spreading like wildfire" (see Business Day, 1996:12, quoted by Kenny and Bezuidenhout, 1999:2 in Mapadimeng, 2000).

The document on GEAR presupposed that as South Africa proceeds with trade liberalisation and adapts to international competition, downward pressure will be placed on unskilled wages (see GEAR, 1996). If this is not accommodated by the labour market, then unemployment will rise and irregular, insecure forms of employment will increase. Employment of skilled workers and their wages are, by contrast, likely to rise as skills are in relatively short supply (GEAR, 1996). In the context of a broader strategy aimed at accelerating growth, labour market measures which facilitate job creation for unskilled and semi-skilled work-seekers are needed to enhance the labour absorption associated with economic expansion (GEAR, 1996). This has indeed been the case in South Africa as many unskilled segments of the labour market have significantly experienced massive flexibility which in turn led to job losses. What GEAR anticipated as a contra-method to create jobs has not seen its success.

While Gadon (1978) defines part-time work as work in which an employee voluntarily works less than the prevailing standard number of hours, Horwitz and Franklin (1996) contend that the dividing line between part-time and casual work is problematic, given the low level of unionisation of part-time workers, who normally do so voluntarily due to several factors, such as long-term service to the company, mothers with children and other self-defined reasons, and not because they could not get permanent employment.

The September Commission described management strategies of retrenching, outsourcing or subcontracting as "seeking to by-pass the union by refusing to consult or engaging in meaningless consultation" (see Bezuidenhout, 1999). According to the Commission, the dangers of these initiatives for organized labour include the "division of workers into 'insiders' and 'outsiders', and the possibility that "union responses to restructuring may create ideological confusion among members and activists" (COSATU, 1997, pp. 96-97).

To analyse the trends resulting from globalisation in the manufacturing sector, this research shall make use of Hullett Aluminium Pietermaritzburg plant as a primary source of data.

CHAPTER THREE- RESEARCH METHODOLOGY

3.1 INTRODUCTION

This chapter discusses the methodology that was used in the study. It identifies the type of a research design that was used. It also highlights the methods that were used for the collection of the data as well as the techniques that were used to analyse the data recorded.

3.2 Research Design

This research was conducted using qualitative method of inquiry. There are compelling reasons for the selection of qualitative methodologies within the academic research arena. Stallings (1995) highlights that researchers trained in the use of quantitative designs face real challenges when called upon to use qualitative research, because of lack of insight into it. While qualitative research uses a naturalistic approach that seeks to understand phenomena in context-specific settings, logical positivism, quantitative research uses experimental methods and quantitative measures to test hypothetical generalisations. Qualitative research, broadly defined, means "any kind of research that produces findings not arrived at by means of statistical procedures or other means of qualification (Strauss and Corbin, 1990: 17).

Where quantitative researchers seek casual determination, prediction, and generalisation of findings, qualitative researchers seek instead illumination, understanding, and extrapolation to similar situations. Qualitative analysis therefore, results in a different type of knowledge than does quantitative inquiry. Eisner (1991) points out that all knowledge, including that gained through quantitative research, is referenced in qualities, and that there are many ways to represent our understanding of the world.

"There is a kind of continuum that moves from the fictional that is "true"- the novel for example- to the highly controlled and quantitatively described scientific experiment, work at either end of this continuum has the capacity to inform significantly. Qualitative research and evaluation are located toward the fictive end of the continuum without being fictional in the narrow sense of the term" (Eisner, 1991:30-31).

This sentiment echoes that of Cronbach (1975) that "the special task of the social scientist in each generation is to pin down the contemporary facts, beyond that, he shares with the humanistic scholar and the artist in the effort to gain insight into contemporary relationships" (Cronbach, 1975:126). He further contends that statistical research is not able to take full account of the many interaction effects that take place in social settings. Qualitative inquiry accepts the complex and dynamic quality of the social world.

"Qualitative methodologies are powerful tools for enhancing our understanding of teaching and learning, and that they have gained increasing acceptance in recent years" (Johnson, 1995: 4). They can be used to better understand phenomenon about which little is yet known, and can be used to gain new perspectives on things about which much is already known, or to gain more in-depth information that may be difficult to convey quantitatively. Thus, qualitative methods are appropriate in situations where there is a need to first identify the variables that might later be tested quantitatively, or where the researcher has determined that quantitative measures cannot adequately describe or interpret a situation. Research problems tend to be framed as open-ended questions that will support discovery of new information (see Hoepfl, 1997).

3.3 Features of Qualitative Research

The ability of qualitative to more fully describe a phenomenon is an important consideration not only from the researcher's perspective, but from the reader's as well. "If you want

people to understand better than they otherwise might, provide them with information in the form in which they usually experience it" (Lincoln and Guba, 1985: 120). Qualitative research reports, typically rich with detail and insights into participants' experiences of the world, may be epistemologically in harmony with the readers experience and thus more meaningful (see Stake, 1978). Several writers have identified what they consider to be the prominent characteristics of qualitative, or naturalistic research (see, for example: Bogdan and Biklen, 1982; Lincoln and Guba, 1985; Patton, 1990; Eisner, 1991). The list that follows represents a synthesis of these authors' descriptions of qualitative research:

1. Qualitative research uses the natural setting as the source of data. The researcher attempts to observe, describe and interpret settings as they are, maintaining what Patton calls an "empathic neutrality" (1990, p. 55).
2. The researcher acts as the "human instrument" (a human method of gathering data) of data collection.
3. Qualitative researchers predominantly use inductive data analysis.
4. Qualitative research reports are descriptive, incorporating expressive language and the "presence of voice in the text" (Eisner, 1991, p. 36).
5. Qualitative research has an interpretive character, aimed at discovering the meaning events have for the individuals who experience them, and the interpretations of those meanings by the researcher.
6. Qualitative researchers pay attention to the idiosyncratic as well as the pervasive, seeking the uniqueness of each case.

7. Qualitative research has an emergent (as opposed to predetermined) design, and researchers focus on this emerging process as well as the outcomes or product of the research.

8. Qualitative research is judged using special criteria for trustworthiness (these will be discussed in some detail in a later section).

Patton (1990) points out that these are not "absolute characteristics of qualitative inquiry, but rather strategic ideals that provide a direction and a framework for developing specific designs and concrete data collection tactics" (p. 59). These characteristics are considered to be "interconnected" (Patton, 1990, p. 40) and "mutually reinforcing" (Lincoln and Guba, 1985, p. 39).

It is important to emphasize the emergent nature of qualitative research design. Because the researcher seeks to observe and interpret meanings in context, it is neither possible nor appropriate to finalize research strategies before data collection has begun (Patton, 1990). Qualitative research proposals should, however, specify primary questions to be explored and plans for data collection strategies. The particular design of a qualitative study depends on the purpose of the inquiry, what information will be most useful, and what information will have the most credibility. There are no strict criteria for sample size (Patton, 1990). "Qualitative studies typically employ multiple forms of evidence...[and] there is no statistical test of significance to determine if results 'count'" (Eisner, 1991, p. 39). Judgments about usefulness and credibility are left to the researcher and the reader.

3.4 Data Collection Techniques

The two prevailing forms of data collection associated with qualitative inquiry are interviews and observation. This study employed qualitative interviews in the form of open-ended questions. The advantage of these is their ability to allow for individual variations. An

interview guide or schedule, which is a list of questions or general topics that the interviewer wants to explore during the interview were compiled. Although the guide is prepared to ensure that basically the same information is obtained from each person, there are no pre-determined responses, and the interviewer was free to probe and explore further. Interview guides ensure good use of limited interview time, they make interviewing multiple subjects more systematic and comprehensive, and they help to keep interactions focussed (see Hoepfl, 1997). In keeping with the flexible nature of qualitative research designs, interview guides were modified over time to focus attention on areas of particular importance, and the questions that proved unproductive for the goals of the research (see also Lofland and Lofland, 1984).

3.5 Data Analysis

Bogdan and Biklen define qualitative data analysis as "working with data, organising it, breaking it into manageable units, synthesizing it, searching for patterns, discovering what is important and what is to be learned, and deciding what you will tell others (1982: 145). Qualitative research uses inductive analysis of data whereby the critical themes emerge out of the data (see Patton, 1990). It requires some creativity, for the challenge is to place the raw data into logical, meaningful categories, to examine them in a holistic fashion, and to find a way to communicate this interpretation to others.

Analysis begins with identification of the themes emerging from the raw data, a process sometimes referred to as "open coding" (see Straus and Corbin, 1990). During open coding, the researcher identifies and tentatively names the conceptual categories into which the phenomena observed is grouped. The goal is to create descriptive, multi-dimensional categories, which form a preliminary framework for analysis. As the data are broken down into manageable chunks, the researcher must also devise an "audit trail" that is, a scheme for identifying these data chunks according to their speaker and context.

3.6 Validity and Reliability of the Research

Two forms of validity are used to measure the validity of the research, internal and external validity. Internal validity refers to the extent to which the findings accurately describe reality. In this type of validity credibility becomes the test for this, and it depends less on sample size than on the richness of the information gathered and on the analytical abilities of the researcher (see Patton, 1990). External validity on the other hand refers to the ability to generalise findings across different settings. Making generalisations involves a trade-off between internal and external validity (Lincoln and Guba, 1985). That is, in order to make generalisable statements that apply to many contexts, one can include only limited aspects of each local context. Generalization relates directly with the notion of transferability of a working hypothesis to other situations depending on the similarity between the original situation and the situation to which it is transferred. While the researcher cannot specify the transferability of findings, he or she can only provide sufficient information that can then be used by the reader to determine whether the findings are applicable to the new situation. This research has been carried out to ensure to a large extent reliability and transferability. It is hoped that the outcomes of this research can be applicable to many scenarios that deal directly with trade unions and globalisation.

Reliability on the other hand refers to the degree to which a measurement, given repeatedly, remains the same, its stability over time, and similarity of measurements within a given period of time. Kirk and Miller, (1986) contend that issues of reliability have received little attention from qualitative researchers, who have instead focussed on achieving greater validity in their work. Although they give several examples of how reliability might be viewed in qualitative work, the essence of these examples can be summed up in the following statement by Lincoln and Guba: "since there can be no validity without reliability (and thus

no credibility without dependability), a demonstration of the former is sufficient to establish the latter (1985:317).

3.7 Sample

The population for this research was the National Union of Metalworkers South Africa (NUMSA) leadership which includes organisers and shop-stewards at Hullett Aluminium, Pietermaritzburg.

3.8 Delimitations of the Research

One of the most critical factors when conducting a research is the participation and the involvement of those you are researching. One of the problems in working with unions is the whole question of accountability and reliability. This research was supposed to be finished by July, but due to the unavailability of union officials, it continued until December. Sometimes they would cancel the appointment when I get to their offices and in some cases I have had to wait for more than two months to be able to speak with them.

Another critical problem that was encountered during the research was not being able to gain access to management. Most companies that had initially been approached for research refused to participate in the research study, stating that trade union issues are very sensitive and very frantic and thus can create problems in their relationships with trade unions. It did not matter how much it was explained how confidential the research is, they still refused to participate. In the end the research ended up with only one person from the management side being interviewed.

These problems in accessing data make it difficult to generalise the findings in the sense that a very small sample of people were interviewed, and that small number does not accurately represent the population. One of the disadvantages of using a small sample is less reliability and validity. Small samples are less reliable as it is only a few homogenous

group of people that are used for the research. The research therefore, makes use of secondary data to further check the validity of the data from interviews.

CHAPTER FOUR**4.1 THE CASE STUDY OF HULLETT ALUMINIUM**

Barnett and Cavanaugh (1994) contend that the spread of productive facilities has been accompanied by far reaching changes in the workplace all over the world. Union power has steadily been eroded in the last twenty years for many reasons, but the most important has been the increasing difficulty of organizing and protecting the interests of relatively immobile workers in a global economy in which capital is in constant motion. They further contend that today, business enterprises have options to pick and choose workers from all over the world to fill a whole range of agricultural and manufacturing jobs and increasingly service jobs as well. "This loosening of geographic ties gives them greatly enhanced power in dealing with organised labour. Automation, the increasing use of part-time labour all across the world, and the opening up of a truly global labour pool all across the world have speeded the loss of factory jobs in the industrial world and cut into union membership" (Ibid, pg. 1).

This chapter shall look at the data gathered from the interviewees that participated in the research. While there were not many people that were interviewed, this chapter shall attempt to analyse the responses of those that were interviewed and present the findings. Four people were interviewed and three of those are from Hullett Aluminium, Pietermaritzburg branch. Among those interviewed are the Human Resources Manager, Mr. Duncan Madlala; Mr. Philip Dladla NUMSA's local organiser at Hullett Aluminium; and Mr. Fana Dlamini, NUMSA' local Chairperson and shopsteward in Hullett Aluminium. The interview with the Human Resources Manager meant to acquire the management perspective on how globalisation affects the metal industry, and in particular their own company, and what their response is to that influence. The fourth person that was interviewed was Mr Ngubane who is a regional Chairperson of NUMSA, Kwa-Zulu Natal

region. This chapter shall first outline the data that was collected, analyse it in light of various theoretical perspectives on globalisation and labour markets.

4.2 HULLETT ALUMINIUM

Hullett Aluminium was first established in South Africa in 1935 when the Canadian company Aluminium Union Limited opened a small sales office in Johannesburg distributing imported semi-fabricated aluminium (see Hullett Aluminium Report). While Hullett had already been integrated in the world markets as it was importing raw materials, it had the South African market guaranteed for its service. The removal of protection by the South African government introduced Hullett to heavy competition domestically as more providers penetrated the market. As a local market demand grew for aluminium, so did the Company. Over the years Hullett Aluminium have become Africa's premier aluminium manufacturing enterprise applying semi-fabricated metal to a substantial base within the country's manufacturing sector, boosting regional development through steady job creation and contributing to the growth of the national economy through foreign currency earnings. (see Hullett Aluminium Newsletter, 2000). This ground-breaking spirit is still present in what has through focussed vision and consistent purpose become Hullett Aluminium – a globally respected, independent supplier that meets and exceeds the needs of local and international customers who value supply flexibility, service excellence, innovative technology and consistently high quality.

The early 1990's saw a period of rapid change at Hullett aluminium as in most parts of the world. Worldwide, manufacturing was becoming more global and increasingly competitive, and at the same time South Africa was striding beyond its turbulent past towards democracy. These factors contributed to South Africa's emergence from isolation onto the world stage "which offered many opportunities and threats, all presenting a driving need for change for the organisation and our people" (see Hullett Aluminium Newsletter, 2000).

Hullett chose to create a new business by introducing new ethos in delivering excellence- in quality, service and cost-competitiveness not only on the local front, but also in niche markets throughout the globe. To achieve this, the company committed itself to an unprecedented transformation of production processes.

Hullett Aluminium resolved to improve manufacturing processes and to invest heavily in new and improved hardware and most importantly they decided to accelerate the development of their people. This guarantees Hullett Aluminium a readily accessible supply of globally competitive primary aluminium. Hullett Aluminium is the major upstream and midstream supplier in the regional aluminium industry. This manufacturing sector (aluminium) has seen some of the highest growth in exports of any sector in this region, and today aluminium accounts for more than 5% of the total exports of goods and services from the region and this figure continues to rise rapidly (see Hullett Aluminium Newsletter, 2000).

"Hullett Aluminium's success in competing in the international and global market place has only been made possible through the collective commitment of our entire team, by equipping our employees with appropriate knowledge and skills, we are able to maximise the necessary competence, responsibility by flexibility required to deliver internationally competitive performance and products complemented by high levels of service" (see Hullett Aluminium Newsletter, 2000).

4.3 NATIONAL UNION OF METALWORKERS OF SOUTH AFRICA (NUMSA)

For many years Motor Industry Combined Workers Union (MICWU) organised and represented workers in the motor industry: components manufacturing, body building, servicing, and petrol attendants. It started as a union for coloured workers in 1961 when laws forced unions to be divided along racial lines. Its white sister union was part of Trade Union Council of South Africa and so it too became a member. But in 1984 MICWU left

TUCSA because of the latter's racist and reactionary policies. After leaving TUCSA, MICWU joined the International Metal Workers' Federation (IMF). At the IMF, MICWU, Metal and Allied Workers Union (MAWU) and National Automobile and Allied Workers Union (NAAWU) became engaged in discussions to prevent the poaching of each other's membership in the component sector. These discussions led to the emergence of the idea of building one metal union (see www.numsa.org.za).

MAWU was the first union formed in Durban from the General Factory Workers Benefit Fund. Back then it was illegal for black workers to belong to a registered trade union so workers joined Benefit Funds - a cover for trade unions. Thousands of workers joined the fund after the Durban strikes in 1972 and 1973. MAWU was formed in 1973, and the Transvaal branch in 1975. MAWU was a founder member of the Trade Union Advisory and Co-ordinating Council (TUACC) formed in 1974 and of the Federation of South African Trade Unions (FOSATU) formed in 1979. National Automobile and Allied Workers Union (NAAWU) was formed in 1980 from three unions in the motor assembly industry - National Union of Motor and Rubber Workers of South Africa (NUMARWOSA), Western Province Motor Assembly Workers Union (WPMWU) and United Auto Workers (UAW). NUMARWOSA and WPMWU had been formed in the 1960s. NUMARWOSA had its base in the Eastern Cape around the auto assembly factories e.g. Ford, General Motors and Volkswagen. WPMWU was a Western Cape union organising Leyland and Chrysler workers (both plants closed in the 1980s). The laws of the time forced them to organise only one race - so-called coloureds. Later NUMARWOSA set up its own parallel African union - UAW - and African membership grew.

NUMARWOSA and WPMWU were affiliated to TUCSA but the racism and conservatism of TUCSA forced both unions out of TUCSA and to look at building another trade union federation that would unite all workers and be a force for change in South Africa.

NUMARWOSA, WPMWU and UAW were key players in pushing for the birth of the new federation of trade unions - FOSATU. The new federation formed in 1979, brought these unions together with MAWU and talks of building a giant metalworkers union began. Dissatisfied members of NAAWU broke away in 1980 to form their own union - Motor Assemblies and Components Workers Union (MACWUSA). Similarly, United Metal, Mining and Allied Workers of South Africa (UMMAWOSA) was a breakaway from MAWU, formed in 1983. These splits were a great setback for metalworkers' unity, but NUMSA brought them back in to strengthen the unity of metalworkers.

NUMSA is a national union with 59 offices situated around South Africa. It is the largest metalworkers union (and second largest trade union) in South Africa with close to 232 000 members. It is an active affiliate of the Congress of South African Trade Unions (COSATU), the biggest trade union federation in South Africa (<http://www.numsa.org.za>). "The economy of our country is declining day by day and our members are losing jobs through retrenchments and factory closures, and we are finding ourselves in a defensive situation, we need to build a solid and dynamic organization capable of defending our rights as workers in particular and the working class in general" (Tom, 1999). NUMSA has been severely affected by the restructuring that is taking place in almost all manufacturing sectors due to introduction of new technology and other forms of developments meant to increase productivity and increase the ability of various workplaces to compete internationally. This was clearly evident in the case study covered in this study i.e. Hullett Aluminium and this shall be discussed in detail below.

4.3.1. Hullett Aluminium – Duncan Madlala (HR Manager)

The Human Resources Manager of Hullett Aluminium Mr Duncan Madlala, asserted that the metal industry is hugely affected by globalisation as most jobs that were shed are from this sector. He revealed that globalisation has meant competing in, and with huge markets such

as England and Europe that produce so much more than what the domestic companies are producing, for example United States is Hullett Aluminium's major competitor. This competition according to him means "you must be of the same standards, efficiencies and service. Looking at South Africa and the rest of Africa which have previously been excluded, it is not easy to achieve the same competencies, however, "we are always on the trying"¹ as it is Hullett Aluminium is rating number five in the World in Aluminium produce" (Madlala, 2002).

Madlala contends that these transnational companies have an advantage because they are from developed countries, and there is still prejudice towards Africa from the rest of the world. He also states that these transnational companies are benefiting more than the domestic ones in the sense that they already have markets in their countries of origin, and further gain markets in foreign countries. This cripples domestic markets as they have to battle finding markets both inside and outside the country. "The reason for the impact to be so gross is because the South African market had been protected by the government and this protection had guaranteed them local markets, companies relied on subsidies and there was no emphasis on improving the quality of productivity, and systems" (Madlala, 2002). Madlala's argument strongly supports the contention held by Duncan and Payne (1993) that the high levels of protection afforded the South African industry had allowed companies to produce in many ways which became obsolete overseas years ago. However, recent pressures from both inside and outside South Africa have led management to fall into step with international trends. Thus when the local markets were invaded by the international corporations, they had to adjust quickly through introducing new technologies which in turn led to the shedding of many jobs. Many analysts believe that the protection was removed too early (see chapter two), and this is confirmed by Madlala's view that countries such as South Africa were exposed before they were ready.

¹ Madlala Human Resources Manager, Hullett Aluminium, Pietermaritzburg, 2002.

This contention by Madlala supports the views of most theorists reflected in the first chapter on the shrinking of space whereby they highlight the greater mobility of capital in recent decades. According to him (Madlala), South Africa that once existed on its own has now been invaded by the international community. The removal of trade tariffs that once protected South Africa from international invasion has left it without markets. This decline in spatiality as many term it, from the management's side has affected South Africa in that it has become easier for the multinationals to penetrate and dominate foreign markets. This rapid growth in worldwide trade is seen to be crucial in undermining the autonomy of what are no longer truly domestic economies.

However he noted that, "Hullett Aluminium is continuously attempting to improve its production processes". They have restructured the entire organisation to implement new technological machinery, in an attempt to align it with the rest of the world. (Madlala, 2002). "Our strategy is aimed at enhancing quality from the grassroots levels, and this includes training people who are at the lower levels of the organisation about how their work links with the company strategy"². All these strategies are in line with the Total Quality Management Systems that are part of Japanese Management Techniques. He also attested to Duncan and Payne 's (1993) contention that the present climate calls for new skills with which South Africans are under-equipped.

Madlala stated that there are three trade unions in Hullett Aluminium, National Employees Trade Union (NETU), South African Electrical Workshop Union (SAEWU) and NUMSA has got the majority membership. He described their relationship with NUMSA as a working relationship. He contended that Hullett Aluminium has very good relationship with all the trade unions, however, because NUMSA is a majority trade union it has more privileges than

² Madlala, HR manager Hullett Aluminium- 2002.

the rest of other unions. He also noted that because Hullett is a unionised organisation, and they are highly responsible and ensure job security for a considerable number of jobs.

In answering a question of whether or not Hullett Aluminium has shed any jobs, he said "it is true that technological innovations increase dependability on machinery thereby reducing dependability on human labour. This therefore means that with technological increase there will always be people that lose their jobs. He however stated that although Hullett Aluminium did shed some jobs, they have not lost many employees due to globalisation, on the contrary there has been employment created for some unemployed people" (Madlala, 2002). He stated that the company has outsourced its non-core functions such as security, information technology, and others; and that whenever they outsource a function they ensure that the same people that were employed stay in employment.

One important thing that he highlighted was that every time they receive a contract they always employ local people in an attempt to create jobs. However, these jobs that have been created are not full-time employment as Hullett Aluminium contracted most of its core functions. These jobs are temporary, involving casual and part-time work. This would in essence support the contention reflected in the first and second chapter stating that in the recent decades there has been an increase on numerical flexible means of employment Buhlungu attest is equal to unemployment as there is no job security. This in principle affects the unions as their members are employed under these conditions.

One of the most critical points that came up in Madlala's interview is that there is lack of skills in South Africa. The kind of technologies that are on the market need skilled people and one of the reasons why there are so many people that are unemployed in South Africa is because people are lacking skills. Subsequent to that, he highlighted that Hullett Aluminium has training and development strategies aimed at equipping workers with skills that they need to be able to run the sophisticated machinery being implemented.

Madlala further highlighted that there have been Sector Summits, at a national level however, and these have been aimed at coming up with strategies for avoiding job losses and for enhancing job creation. These, he stated, have so far not been successful. Madlala articulated that the reason for the National summits to be unsuccessful is lack of specific objectives and goals to deal with job losses that will be implemented and sustained. He attested that while globalisation has been good for international corporations it has had a negative effect on the domestic markets.

4.3.2 Fana Dlamini, NUMSA Local Chairperson- Hullett Aluminium

NUMSA was first introduced in Hullett Aluminium in 1988. The number of workers who joined NUMSA gave the union authority to approach management for recognition. However, there were a number of problems that were encountered by NUMSA and one of them was the fact that they did not have the majority of employees as their members (50%+1) and this made it difficult for them to organise. One of the obstacles was the fact that at the time there was political instability and workers did not want to be associated with NUMSA since it was affiliated to Congress of South African Trade Unions (COSATU) as well as the African National Congress (ANC). Management said if the union had 150 workers as their members they would be able to negotiate with them towards gaining a union recognition. Eventually they managed to get enough workers and they were granted union recognition (Dlamini, 2002).

One of the changes that have occurred in Hullett Aluminium since NUMSA'S inception is centralised bargaining arrangements. Bargaining shifted from being centralised to being decentralised. Also the skills that workers are acquiring are being recognised, employees are no longer paid for the skill they use, but are rather paid for the skill they have acquired. This in essence encourages more people to go for training. Dlamini attested to the fact that while

the factory has suffered intense job losses, the restructuring that has taken place in Hullett Aluminium has been slightly positive in the sense that instead of 'intense' job losses, there have been jobs created. Most people that were retrenched due to restructuring managed to be re-employed. However, he continued to note that most of these jobs that have been created are temporary and therefore, present job insecurity for many. He stated that there is relative difficulty organising casual workers as compared to full-time employees. This contention is strongly supported by Horwitz and Franklin (1997) who note that the decline in the growth of full-time jobs in large organisations represents a challenge to the future growth and focus of trade unions, because the ability of unions to organise part-time workers is a formidable task.

Dlamini also highlighted that "one of the challenges that are currently posing a threat to the union is a wide gap between the highest and lowest paid employee" (see Dlamini, 2002). He stated that this is caused by the wide gap in skills possession. "The measures to implement training initiatives at the workplace were started in response to the wage gap crisis as wage flexibility makes it very difficult for unions to bargain effectively as the pay system is either individually or team-based" (ibid). He further noted that it was felt that if workers would be trained, the wage gap would decrease, however, this has not been as effective as was expected (Ibid).

Dlamini (2002), like many theorists, holds that unskilled workers are one of the priority areas of challenge that are facing unions. One of the reasons why most companies are unable to effect functional flexibility which unions are advocating for is the level of workers' illiteracy and lack of skill. This supports Horwitz and Franklin (1996)'s observation that international labour market trends show increased movement towards service and high-technology sectors, leading to a decline in unskilled and semi-skilled workforce. Dlamini also highlighted job losses as another challenge, which is directly linked to lack of skills. He

further stated that “lack of skills in an era characterised by Information, Communication and Technology (ICT) places employees at a disadvantage, as most jobs that are created are technology intensive” (Dlamini, 2002). These new developments facilitated by technological revamps in turn affect membership as most of their unskilled membership is either retrenched or is contracted out. While Dlamini noted that the restructuring in Hullett Aluminium has not resulted in many job losses, he stated that “a considerable amount of people around the country in other firms, especially NUMSA membership have lost jobs due to restructuring and this is likely to accelerate unless proper focussed Job Summits were put in place, and even more importantly implemented. Dlamini also contended that “the reason why employers are subcontracting out some of their services is a question of flexible cheap labour and destroying trade unions” (Ibid).

This supports Ackers (1996)’s view that because employees are being employed on a casual basis it is not easy to organise them. Job losses have made people to perceive trade unions as being less effective as they do not protect them from retrenchments and job insecurity. Lambert and Webster (2002) attest to this by contending that restructuring has included closures and relocation of companies from regions where unions’ rights are protected to authoritarian states where union rights are constrained. Radical rationalisation, relocation and lean production have contributed significantly to strengthening the reserve army of the unemployed who later get employed on part-time, temporary or contract basis, thus further deepening the pervasive sense of insecurity felt by employed workers. All of these changes undermine the power of organised labour, as members are lost in the restructuring and as unions appear impotent before these apparently intractable forces.

However, to address job insecurity and avoid job losses, NUMSA and other trade unions in Pietermaritzburg, especially in the metal sector have come up with a mini-NEDLAC³. This has been endorsed by COSATU and negotiations with the government are underway, and the unions are quite optimistic. This is because this will bring all parties to bargaining and coming up with strategies to effectively create employment or avoid job losses.

4.3.3 Philip Dladla, Local Organiser - NUMSA Pietermaritzburg

Dladla states that when the company first changed the system of production, from manual operation to increased technological interaction, people expected employment creation, however, the reversal was the case as most people got retrenched. However, he states that the effects were lesser than in other parts of the country where in other companies retrenchments left hundreds unemployed as Hullett Aluminium employed those people retrenched as casual and contract workers. He contends that "the introduction of highly sophisticated technology aimed at enhancing productivity and volume has its effects on those that are unskilled" (see Dladla, 2002). This heavy introduction of technology, he went on to note, that has been an attempt by Hullett Aluminium to produce faster and more efficiently has been one of the effects that globalisation has had on the lives of ordinary people. These adjustments as he puts it "have made millions of people all over the world unemployable as they do not possess the kinds of skills that the labour market requires"⁴. He stated that the government is further not easing matters by stressing the need to accelerate privatisation and other structural adjustment policies that are neo-liberal in structure. Dladla noted that if the government does not take a stand and fight against

³ At Nedlac, Government comes together with organised business, organised labour and organised community groupings on a national level to discuss and try to reach consensus on issues of social and economic policy. This is called "social dialogue". Nedlac's aim is to make economic decision-making more inclusive, to promote the goals of economic growth and social equity.

⁴ Dladla, NUMSA local organiser at Hullett Aluminium, 2002.

retrenchments the unemployment situation will worsen in South Africa in the few decades from now.

Like Dlamini, Dladla contends that one of the primary challenges that are currently facing NUMSA in Hullett Aluminium is reducing wage gaps. Most of the people that are at the lower end of the rope are union members and thus it is critical for them to reduce this gap so as to protect their members' interests. One of the strategies that NUMSA has put in place to maintain its membership is to ensure that members are being skilled, so that even if they lose their jobs they are able to be captured back by the market because they possess relevant skills. He attested to the claim made by many theorists that the apartheid legacy has left thousands of people without proper education and more important to note these are the people that are likely to belong to the union. Dladla's statement strongly supports the contention by Horwitz and Franklin (1996) that the legacy of apartheid has contributed significantly to the lack of skills in the South African population.

This contention furthers the findings from a research carried in 1995 that reflected that only 2,9% of salary budget was spent on skills development and training in 130 of South Africa's more progressive employers (see Horwitz & Franklin, 1996:6). However, Dladla noted that unions in the National level have pushed the issue of training and skills and the government is now focussing on training and development more than before. The notion of the importance of skills is reflected on many theorists' writing as one of the most crucial responses to the international competition that most firms find themselves faced with (see Macun, 1997, Horwitz & Franklin, 1996; Duncan & Payne, 1993; and others). "The training strategies in which shopstewards are directly involved, are monitored on a time-to time basis by task teams that reports to the steering committee comprising of all other Hullett Aluminium branches" (Dladla, 2002).

While NUMSA has had no Sectoral Summits as yet, Dladla noted that “there is one that is upcoming which was postponed from October to sometimes in the beginning of 2003. These Summits are aimed at coming up with strategies for creating jobs” he stated (Dladla, 2002). He noted that the union’s current priorities are massive job losses and the skills impartation nationally. He further attested that massive unskilled job losses are contributing significantly to high levels of poverty therefore crime in South Africa, and that the unions have a role to play on crime alleviation through unemployment reduction strategies.

4.3.4 Thulani Ngubane, Regional Chairperson- NUMSA Kwa-Zulu-Natal

NUMSA was first established in 1985 in Kwa-Zulu Natal Region. There were a number of unions that existed before which facilitated the coming about of NUMSA (see NUMSA background). One of the reasons why the union did not encounter major challenges was because of the changes in the Labour Relations Act (LRA), which recognised black trade unions. Ngubane, the regional chairperson however, notes that “there have been so many significant changes on the shopfloor, since NUMSA’s inception and most of these are technology driven. One of these industrial restructuring changes for example include the inventions of turnstiles which are meant to detect the coming in and out of workers. Also there has been a move away from Induna (foreman) system to teams, as part of the new management techniques facilitated by massive technological revamps” (Ngubane, 2002; interviewee). He also highlights that the “push and pull” concept in most firms, especially firms such as Toyota has been one of the new developments. This concept is basically rationalization, where demand and supply of stock is determined by the order situation. This is the Japanese “Just-in-Time” concept of production where one produces exactly what the customer wants and only when he wants it.

The above statement strongly supports the contention by Duncan and Payne (1993) who note that the concept of Just-In-Time was first implemented by Toyota South Africa (TSA) whereby TSA began to demand that suppliers deliver according to a schedule determined by Toyota. Ngubane (2002) notes that developments such as rationalisation are having an adverse impact on trade unions as most employees lose their 'full time' employment (see also Duncan & Payne, 1993). Workers are only required to work much when there is an order that has been placed. This according to Ngubane has facilitated the decrease of full-time employment and has furthered casual or contract employment, which hinders trade unions from efficient organisation (Ngubane, 2002). Ngubane noted that developments like this one are introduced by companies to reduce costs as they face international competition from multinational corporations. He further went on to highlight that NUMSA in South Africa has been greatly affected as the sector is mostly owned by the Transnational Corporations.

Ngubane notes that "these developments are having a great impact, as employees are harnessed into the production process and are made to own the production" (Ngubane, 2002). He further highlights that when this happens workers feel more part of the company and so perceive little or no need to fight against the very same company they are made to own. This supports Duncan and Payne (1993)'s contention that the broad goal of worker participation to promote quality and productivity is summarised by the Zulu word *eyakho* (your own). Ngubane contended that the environment that has facilitated trade union militancy in the past was a hostile environment under which unions operated. He said the "employers' sexist, racist, and abrupt behaviour created an atmosphere for workers to join trade unions, thereby enhancing the unions' membership. Thus, the Japanese Management techniques which allow the worker to own the production process were meant to demobilize unions by making workers feel more at home in the plant and being in control of the processes occurring in the plant than the old management techniques which separated the

worker from the production process and the worker had no control whatsoever on the production processes" (Ngubane, 2002).

Ngubane highlighted the importance of training and development of employees. He stated that the type of industry under which NUMSA as a union functions requires continuous training as it is very dynamic. Developments occurring globally require that workers' skills are continuously improved so that the industry can be able to compete internationally. Thus he noted that NUMSA has as its primary strategy training of its membership. All the firms that NUMSA organises have training committees as required by the Skills Development Act as well as evaluation committees that evaluate the training strategy. He noted that there is however, "a problem of language discrepancy, where the workforce consists of employees who cannot communicate in English and thus facilitation has to be done in local languages. Adult Basic Education and Training (ABET) has been very useful in conducting this kind of training to employees" (Ngubane, 2002).

Ngubane stated that NUMSA is in the process of engaging the government through National Summits for job creation. He stated that the National Summit that was scheduled for October 2002 had to be postponed for April the 2003. This is due to the anti-privatisation campaigns that COSATU has been conducting aimed at stopping the government from privatising the public assets. Ngubane identified massive job losses and retrenchments of workers as the current union's priority and stated that this is crucial as it contributes to the economic status quo in South Africa.

4.4 DATA ANALYSIS

One of the most critical themes that comes up in the data is the notion of job losses and flexibilisation of the labour market. This in essence proves that indeed there has been intensive flexibility in Hullett Aluminium, as this is also attested to by the Human Resources

Manager. In particular, the kind of flexibility that exists in most firms and in particular, in Hullett Aluminium is numerical and wage flexibility (see chapter 2 for definitions). While the growth of part timers has been hailed as a solution for labour market problems, it should be pointed out that a significant part of these jobs are in fact under-employment (with less benefits) in disguise. These developments obviously presuppose the presence of other main sources of income within the household, so that part time work integrates them, but would be unable by itself to assure a standard of living out of poverty in the large majority of cases. A more protected and better paid system of part time work would greatly contribute to expanding the supply of labour, and the overall flexibility of the labour markets. Whether it may in effect reduce unemployment, or may simply turn it into under-employment it will depend on the dynamics of labour demand.

All these developments in the economic factors and arrangements shaping labour supply, and affecting long-term unemployment, share a common nature. They are all part of a blurring of the borders between work and non-work, between full time waged employment and independent self-employment. There is evidence showing that the diffusion of part time work may conceal unemployment as much as solving it, a significant share of part time workers, given the opportunity, would still prefer to hold a full time (and, more importantly, full wage) job (see ILO, 1996). This raises a broader range of problems on the regulation of part time work. Currently, in most countries, part-time work does not provide the level of income, protection and security needed for assuring dignified working conditions and for avoiding the "working poor" trap. In fact, the spread of part time work may extend the precarization of employment relations and weaken the bargaining position of regular full time workers (ILO, 1996).

The ILO report pointed out that the emergence of "non standard" forms of work has marked the last two decades. So far, part time work, temporary work, self-employment generated

by subcontracting activities of firms have offered lower wages and benefits, lower social security coverage and employment rights (ILO, 1996, p.25). These trends are believed to be having a negative impact on the way that trade unions organise. For example the issue of job security is hindering trade unions from progressing into bargaining for other important issues within work. On the contrary trade unions are mostly still negotiating for work itself, while conditions of work and other important issues are not being attended to. The issue of job losses and insecurity has made trade unions find themselves on the defense rather than on the proposing side. Buhlungu (1999) contends that globalisation has set in motion processes which have changed the balance of power decisively in favour of capital. This, he attributes to the fact that globalisation has enabled capital to seize the initiative from the unions by putting them on the defensive side (Buhlungu, 1999). Although labour is still able to mobilise and take action such mobilisation and action is a defensive one where, according to Webster (1998) workers are trying to maximise their earnings in a context where their households are facing a squeeze of unemployment and retrenchments (1998: 7-8).

The implications of these irregular forms of employment for labour are enormous. Most theories (see also Ackers, 1996) believe that it is relatively difficult to organise this kind of employees. While globalisation theories which highlight interconnectedness and the removal of space barriers would disagree with the above contention, it is interesting to note that it is shared by many scholars, and the respondents from Hullett Aluminium also attested to this difficulty.

One of the argument reflected by all the respondents was that while South Africa has one of the best Labour Relations Act aimed at protecting labour from exploitation, most firms still continue to avoid implementing the conditions outlined in the Basic Conditions of Employment Act. As the economy tightens many companies have to downsize, and retrenchments are often inevitable. For example, one of the 2002 amendments to the BCEA,

pertaining to retrenchments states that in the case of termination of employment in terms of the employer's operational requirements, the parties are obliged to enter into meaningful interaction or joint consensus seeking process and to attempt to reach consensus (see <http://www.labour.gov.za/docs/legislation/bcea/BCEA%20amend.pdf>). However, this meaningful consultation in most scenarios always ends up with unions being the losers as people still get retrenched eventually. This in essence has been proven by the findings from the data as the respondents highlighted that retrenchments in most firms are almost inevitable.

The above argument is strongly linked to the reflection on the mobility of capital as noted that Hullett Aluminium is competing on the international markets. One of the challenges facing the industry as highlighted by Madlala, is the intense competition on the markets. This assertion in a great extent overlaps with the prior arguments on space reconfiguration which facilitates increased mobility of capital in the recent decades, which in return affects labour as companies seek to cut down on costs and focus more on their core business as a strategy to counteract the effects of competition on their firms.

On the other hand, while globalisation theories depict nation states as either dissolving or having a decreased role to play, the data noted two significant contradictions about South Africa. While many theorists believe that policies such as GEAR and tariff reductions by the government are favouring capital, it is believed that countries such as South Africa have protective labour policies. This would then dismiss the view that nation states are losing control, and support Weiss, on her theory that states might on the contrary favour the interest of one party. This is strongly supported by a survey carried out by Macun in South Africa that reflected that only 5.4% of all the firms researched said that any part of the Basic Conditions of Employment Act had any effect on their employment or labour practices. Enterprises, in certain sectors in the South African sectors are free to employ temporary

labour (either on contract or part-time), pay at lower rates and provide less benefits (see Macun, 1997:4)

4.5 DEVELOPING SUSTAINABLE STRATEGIES

Barnett and Cavanaugh (1994) contend that the wide range of options open to employers to relocate, restructure, reorganise and redefine work in the midst of a worldwide economic slowdown has made it necessary for unions to change their traditional adversarial tactics. Buhlungu also attest to this by saying "many unions in South Africa have learnt the hard way that old strategies and tactics which helped the unions develop their power and influence under apartheid do not necessarily produce the same positive results in an era where capital is more mobile" (1999:14). A militant campaign to force management to declare a moratorium on retrenchments may have been an effective way to ensure employment security in the past (Ibid). However, in a world characterised by employment insecurity and capital mobility, South African unions have found it virtually impossible to stop retrenchments. In support of the above view Dlamini, Dladla and Ngubane highlighted that one of the key strategies that they are using in dealing with globalisation is negotiation. This in essence supports the contention held by Buhlungu that unions are finding themselves on the defense. They also recognise that strikes have proved less influential than they used to be and thus unions have had to find new ways of engaging their employers concerning their constituency.

One of the negotiation strategies that they perceive as effective are Job Summits. "We think the best strategy is to protect existing jobs in order to fight for the creation of the jobs in the future. With the rising unemployment in the metal industry, NUMSA has called for sector job summit which was supposed to start this year" (see Ntuli, 2002). While these have not received primary and immediate attention, it is hoped that they can contribute immensely to job creation strategies. Summits bring both employers and employees together to find

sustainable joint strategies for creating quality jobs while simultaneously defending existing jobs. Thus far NUMSA has not yet had any Summits yet because of other issues that affect them directly which are also related to globalisation such as privatisation.

Another non-militant strategy that has received immediacy and primacy within NUMSA is the whole notion of skills empowerment and training. The concept of workplace training and development was first conceived by NUMSA in 1989. The Skills Development Strategy, traces its origins back to the labour movement of the early 1970s. From the early 1970s, black trade unions' demands for a living wage were repeatedly rejected by employers on the grounds that workers were unskilled and therefore their demands were unjustified. This in turn led to black workers seeing training as a means to achieving their demands for better wages (see <http://www.saqa.org.za/saqa.asp?main=about/aboutmain.htm&menu=about>). The struggle to persuade employers to accede to worker demands continued into the 1980s and in 1989 the National Union of Metalworkers of South Africa (NUMSA) established a research group comprising workers and union officials to formulate recommendations on training. On the assumption that skills development would lead to better wages, an integrated proposal was formulated, based on a staged improvement in skills, linked to grading increments (Ibid).

The proposal stressed the need not only for basic education, without which workers would not be able to access the proposed system, but also for portability and national recognition of training so that workers would not be at the mercy of a single employer. This initiative by NUMSA led to the formulation of a Training Board which looked after the training of employees in the workplace, and eventually the Skills Development Strategy. Later in post-1994 period, the ANC-led government introduced the Skill Development Act and Skills Development Strategy aimed at (elaborate). The Skills Development Act to develop the skills of the South African workforce. The Act encourages an increase in the level of investment in

education and training in the labour market and to improve the return on that investment. It stipulates that employers with more than 50 employees should spend 0.5% of their overall payroll on training. While this seems like a framework that informed training initiatives at Hullett Aluminium, it was however surprising that none of the respondents from the union and management sides made mention of the SDA and SDS as having informed their initiatives.

On the other hand the strategy that has been introduced by the ILO is what Standing (1996) terms "dynamic efficiency (see Macun, 1997). This strategy according to Standing (1996:3) involves the pursuit of greater flexibility through "competition between strong partners who are simultaneously rivals and co-operative. The idea of competition between strong rivals is central to dynamic efficiency, as he notes "Managers may not like having strong, well-informed negotiators sitting opposite them, and vice versa. And they may not like the prospect that they will have to sit opposite them again and again in the future. But these conditions tend to be the best because those involved tend to be the best placed to know when to compromise and when to press the other side to improve their efficiency and competence. By the same token societies are dynamic to the extent that their major organisations reflect internal pressure to be equitably efficient (Ibid, 1996:4).

Macun (1997) outlines that the significance of Standing's contention is that it emphasises the importance of equity in discussions of restructuring and flexibility, and the importance of strong bargaining partners. He further notes that "while the high unionisation rate in South African manufacturing in cannot simply be taken to indicate the presence of strong bargaining partners, it does provide an important condition namely the presence of representative trade unions" (Ibid, 8). This in essence suggests the existence of a powerful trade union leadership, to effectively bargain with management so that the management does not only inform trade unions, as is the case currently in many firms

researched, (see, Horwitz and Franklin, 1996; Ewert, 1992, but consult them on issues of restructuring and flexibility.

One of the strategies that unions should integrate in their approach is involving those segments of the society which have been segmented and excluded by the capitalist system. If unions see their sole task as that of defending the interests of those with stable jobs, the trade unions run the risk of degenerating into a neocorporatist, conservative force, as has occurred in a number of countries in Latin America. The task of the trade-union movement, if it wishes to survive and grow as a movement promoting individual and social liberation, must, therefore, be to extend its sphere of action beyond the limited defence of workers as workers, in their workplaces, much more clearly than it has done in the past (Ibid). This according to Lambert and Webster (2002) is one of the challenges currently facing trade unions.

They contend that the trade unions have a challenge to broaden their support base to include those in casual work, those in part time work and the informal sector (Ibid). Gorz (www.antenna.nl/~waterman/gorz.html) further contends that trade unions will only avoid becoming a sectionalist, neo-corporatist force if the segmentation of society and the marginalisation of a growing percentage of the population can be prevented.

Castells contends that "at the end of the Twentieth Century, we are living through one of these rare intervals in history. An interval characterized by the transformation of our 'material culture' by the works of a new technological paradigm organized around new information technologies" (1996: 29). This has created what he calls the network society: "Networks are open structures, able to expand without limits, integrating new nodes as long as they are able to communicate within the network.

In Castells's view, the evolution towards a network society does not imply the demise of capitalism. For Castells, unlike Marx, the globalisation of the capitalist system does not open up the possibility of a labour-led emancipatory project. In his view, the network society results in labour becoming localized, disaggregated, fragmented, diversified and divided in its collective identity (see Lmabert and Webster, 1998). While capitalist relations of production still persist, capital and labour increasingly tend to exist in different spaces and times; the space of flows and the space of places, instant time of computerized networks versus clock time of everyday life. Thus, they live by each other but do not relate to each other as the life of global capital depends less and less on specific labour and more and more on accumulated generic labour, operated by a small brains trust inhabiting the virtual palaces of global networks. (1996: 475)

He concludes that under the conditions of the network society capital is globally coordinated, labour is individualized. The struggle between diverse capitalists and miscellaneous working classes is subsumed into the more fundamental opposition between the bare logic of capital flows and the cultural values of human experience. (1996: 476). The above argument is in support of the contention by Hardt and Negri (200) that labour is disconnected from the global network, hence labour struggles remain localised.

On the other hand, Peter Waterman (1999), in an insightful review of Castells's work, highlights a vital conclusion, charged with political consequences that, labour continues to exist, but the labour movement has no transformatory or emancipatory capacity. The labor movement according to Castells (1997) seems to be historically superseded. While Castells argues that labor unions are influential political actors in many countries, they however seem not fit to generate by itself and from itself a project identity able to reconstruct social control and to rebuild social institutions in the Information Age. Labor militants will undoubtedly be part of new, transformative social dynamics.

In Castells's view, organizations "seem to be historically superseded," as they are "dwindling down in much of the world" (1997: 360). They are movements that, in Castells's assessment, do not "seem fit to rebuild social institutions in the Information Age" (1997: 360). Certainly, these organizations reflect many of the problems Castells alludes to, for example, for some, membership has declined dramatically with the advent of globalisation.

Because all trade unions are searching for ways of developing "concrete action against globalisation" sharing information on organizing and mobilizing methods and ways to rethink how to strengthen union organization, SIGTUR is viewed as a means of building strong local organization and fostering the capacity to resist global restructuring, which was seen to be devastating workers' security and conditions throughout the region (see Lambert and Webster, 2002). An effective struggle against globalisation as mentioned before requires understanding of the global processes and in the past this has proved as one of the reasons why trade unions are failing at effectively engaging with globalisation. Thus SIGTUR is a global campaign that helps: fight against neoliberalism; the coordination of union strategies; challenge MNCs; update workers' struggles, share information; the unions evaluate organizing; the fight against privatization; build solidarity; the realization that other countries face the same threats (quite fundamental); and formulate a common approach to global issues (see Lambert and Webster, 2002).

4.6 CONCLUSION

While trade unions still continue to play a role in employment it is apparent that they are no longer as vigilant as they used to be. The move away from extreme dependency on human labour for the execution of work has facilitated the vulnerability of trade unions and has reduced trade union militancy in employment. NUMSA has by no luck escaped this vicious circle. Thousands of its membership have lost employment and are continuing losing employment due to globalisation pressures. The trade unions have however come up with


several strategies to enhance their militancy and continuity. However, this far, these strategies have not proved effective as many people continue losing jobs. The question remains, will the unions be active in the near decades to come if people that are likely to join a union are losing employment and the kind of workforce that is being creative is in the service sector and skills intensive?

While labour internationalism, dynamic efficiency, training and development might be some of the strategies that might be useful for trade union survival, it remains evident that a lot remains to be done to bring about trade union militancy against everyday global pressures that continue to challenge the very existence of trade unions.

CHAPTER FIVE**5.1 MOBILISING AND ORGANISING FOR SURVIVAL**

Jose (2000) highlights that recent decades have seen profound changes in the political and economic environment which have had a negative effect on the position and influence of trade unions. The interrelated factors which contributed to this situation may be listed as follows. First, globalisation has led to intense competitive pressure in product markets, accelerated the mobility of capital, and added to the vulnerability of labour. Second, technological changes have made it possible to reshape production through new forms of industrial organization, including sub-contracting and the spatial reorganization of production systems. Third, there are changes in the skill composition of the workforce along with the increasing demand of skilled workers (Jose, 2000).

There is a discernible trend towards enterprise downsizing and a shift in industrial employment away from large enterprises. This trend is connected with technological changes. The new units of production, each employing a smaller number of workers albeit with uniform skill endowments, tend to be geographically dispersed even outside the boundaries of urban labour markets (Sherlock, 1996). The skill composition of workers is changing and they are increasingly differentiated by their competence. At the higher end of the scale, workers tend to be better educated, career minded, individualistic and less motivated by class interests and solidarity. On the other hand, there is a discernible concentration of workers at the lower end in service industries or occupations (Ibid).

 The ILO report on World Employment (1998-99) points out that to use training and education to enhance growth and competitiveness is the equally important role of training in enhancing employability and in reducing the discrimination in access to employment faced by particular social groups. The stress on employability arises from changes in labour market

trends: the increase in job insecurity and job displacement, the growing risk of exclusion from employment for those without appropriate skills, the continuous updating and development of skills, the need to acquire a wider range of competencies. It is therefore now being increasingly stressed that those who have no opportunity to develop their "employability" will fail in the competitive labour markets in the new economic order. NUMSA the ILO report considers training and the acquisition of core skills as a major, instrument available to individuals to improve their chances in the labour market.

The build-up of competitive pressure in both domestic and external markets led to the adoption of liberal economic policies which were reflected in a move away from inward-looking industrialization and protectionism towards export-oriented industries and free trade policies. The State progressively withdrew from production and invited private capital to enter spheres traditionally reserved for the public sector (see Jose, 2000). GEAR is an example of the above-mentioned phenomena where the South African government is privatising parastatals which previously employed thousands of South African citizenry.

Gorz (1982) contends that the campaigns of resistance by the social movements to the professionalization, technocratization and monetarization of our lives are specific forms of a wider, more fundamental struggle for emancipation. They contain a radical potential, which has repercussions on workplace struggles, and they mould the consciousness of a growing number of people. It is essential for the trade-union movement to be receptive to the aspirations contained within these movements and to adopt them as part of its struggle. It is equally essential that it should see itself as an integral part of a wider, many-sided movement of individual and social emancipation (see Gorz, 1982).

The task of the trade-union movement, if it wishes to survive and grow as a movement promoting individual and social liberation must, therefore, be to extend its sphere of action beyond the limited defence of workers as workers, in their workplaces, much more clearly

than it has done in the past (Ibid). This according to Lambert and Webster (2002) is one of the challenges currently facing trade unions. They contend that the trade unions have a challenge to broaden their support base to include those in casual work, those in part time work and the informal sector (Ibid, 2002).

Bezuidenhout (1999) highlights that there is a realization that new membership campaigns will have to be taken seriously by unions - casual workers will have to be organized into the labour movement. Otherwise, labour market segmentation may leave unions with a shrinking share of the working class, which could contribute to allegations that they represent a privileged minority (Ibid). Gorz (1982) attest to the above by saying that trade unions will only avoid becoming a sectional, neo-corporatist force if the segmentation of society and the marginalisation of a growing percentage of the population can be prevented.

The increased casualization of employment contracts also has the potential to erode the membership base of unions in well-organized sectors (see also Jose, 2000). The September Commission for example in dealing with the above, expressed a concern about COSATU's record of not organizing the "growing layers of 'flexible' workers". It pointed out that, if the federation continued with no change, "subcontracting, casualizing [and] labour brokering [may] become more common. Ultimately COSATU could end up being based in a shrinking section of the working class, as happened to trade unions in a number of countries" (COSATU, 1997, p. 125). The introduction of advice centres for casual workers indicates a different approach to servicing a certain layer of employees. The above contentions have been proven by the research findings, as the union officials perceive that if this restructuring continues to shed jobs, union membership will decrease significantly as most people are without employment as it is. This is evident in the case of NUMSA that has lost membership in the recent decades due to rationalisation and restructuring.

Table 7 Union Density in SA

Union density, 1985-98

	1985	1987	1989	1991	1993	1996	1998
Union density	18%	24%	26%	34%	43%	40%	51%

Source: NALEDI, Unions in Transition: COSATU into the New Millennium, 1999. Figures based on various Department of Labour Annual Reports.

The ILO report states that the proportion of workers who belong to a union has been the most visible symbol of union strength. Naidoo (2000) contends that unions have grown in South Africa (see table 7), contrary to union decline in many other parts of the world (see chapter one for other countries). This contention is supported by Jose (2000) who states that while right through the period of industrialization in the developed countries, unions grew in strength, bringing nearly two-thirds of the labour force into their fold, this trend was reversed in the mid-1970s when union density dropped steeply in many industrialized countries. It has continued to increase in a number of developing countries, but at an extremely slow rate. There is considerable scope for growth in union membership among the developing nations, especially in the newly industrializing countries (ILO, 1997). In 1998 for example, 3,8 million workers out of 4,9 million formal sector workers were in unions. COSATU membership has grown from 400 000 in 1985 (when it was established) to 1,8 million in 1999 (see Bezuidenhout, 1999).

Jose (2000) on the other hand contends that the broad membership base which unions commanded and the equitable distribution which they promoted in major sectors and enterprises strengthened the position of unions, giving them more power to bargain or collaborate and to derive successful outcomes (Jose, 2000). However, with the decline in unionism in most parts of the world unions are finding it difficult to organise as their membership which determines their militancy is declining. NUMSA has in particular fallen victim of this trend of decreasing membership. This is because of the type of sector NUMSA organises which has been intensely exposed to increased global competition. This has

right to information", and to set up consultative fora. But, "in the majority of cases", unions have not engaged with these processes effectively. Even in cases where restructuring agreements are signed, unions find it difficult to actually use the gains to their advantage in practice (COSATU, 1997, pp. 97-98). Different reasons for this are mentioned. The first points to the perceived route taken by management; "most managers are more concerned to reduce costs and workers and weaken the unions, than to cooperate with unions or to upgrade the skills of their workers". Secondly, the Commission acknowledges that unions lack clear vision and policy guidelines on restructuring, as well as the capacity to engage effectively (COSATU, 1997, p. 98).

5.2 CONCLUSION

Jose (2000) highlights that as the largest organized groups in developing societies, unions can make a unique contribution to the development community. On the other hand, Gorz (1982) contends that the fact that the trade-union movement is - and will remain - the best-organized force in this broader movement confers on it a particular responsibility: on it will largely depend the success or failure of all the other elements in this social movement. They are directly involved with economic systems of production and distribution; they can influence the course and content of employment, social and economic policies; they are representative and accountable; they have considerable experience in organizing the more vulnerable sections of society; and they have the experience and standing required to access national legal systems and public facilities. Unions need to work out new strategies to respond to the changing environment. More importantly, they need to secure a niche as efficient providers of services both to their constituency and to the public at large.

These strategies as reflected to a great extent include training and development of the union constituency which is becoming redundant daily as a result of technology brought along by pressures to be internationally viable and competitive. The ILO report on World

Employment (1998-1999) highlights that the quickening pace of globalisation and technological change provides both challenges and opportunities at a time when the global employment situation remains grim and levels of open unemployment and underemployment remain high in most countries. In taking advantage of these opportunities as well as in minimizing the social costs, which the transition to a more open economy entails, the level and quality of skills that a nation possesses are becoming critical factors.

The Report (1998-99) considers the role of training and recent efforts to improve training systems against a backdrop of a continuing depressed employment situation and a rapid globalisation of the world economy. Thus the strategy utilised by trade unions to respond to globalisation is in line with the strategies that are considered as crucial to employment issues by the other world organisations. Rapid globalisation and fast-paced technological progress also present new challenges that are common to all countries. The heightened competition and economic change that result from the combined forces of global economic integration and technological advance can cause instability and difficulties in maintaining the employability of large segments of a country's labour force. At the same time, these new economic forces provide new opportunities for economic growth and employment expansion. The level and quality of skills that a nation possesses are becoming critical factors in taking advantage of the opportunities as well as minimizing the social costs which rapid technological transformations and the transition to a more open economy entail.

The result has been a continued decline in employment, whereby work process restructuring has resulted in high-skilled job creation and job losses amongst low-skilled employees. Employment growth has thus shifted away from the primary sector, agriculture and mining, and the traditionally labour-intensive manufacturing industries. The only sector in which employment has increased is the financial services sector. This pattern, leading to a scarcity of employment opportunities for lower-skilled workers, has reinforced the problems of

inequality and poverty in the South African society (see Reserve Bank, <http://www.saembassy.ru/economy/>)

Demand for skilled labour has risen significantly as a result of globalisation and changes in technology and the organization of work. The new information technology, by reducing the cost and increasing the speed of communication, has been a major factor in globalising production and integrating financial markets; in turn, globalisation, by intensifying competition, has spurred technological diffusion and the adoption of new forms of work organization. Increasingly a country's economic performance depends critically on access to the adoption of new technology and labour force skills.

In the face of this rapid globalisation and competitive pressures countries have a greater need to invest in the skill development and training of their workforce. In view of these far-reaching developments, both enhancing the education and skill levels of workers and finding the most effective means of doing so are becoming of central importance in economic, business and employment strategies worldwide. A global consensus is emerging that one of the keys to a productive and competitive economy in the next millenium is a well-trained and adaptable workforce (see ILO report on world employment, 1998-99).

These sentiments exhumed by the International Labour Organisation's World Report (1998-99) are in line with what NUMSA perceives as the most important tool available to them to enhance their membership. Thus NUMSA is involved in the National Skills Development Strategy, which aims at improving the country's skills (see National Skills Development Strategy report, 2002). It is important to note that most of the strategies suggested by most scholars and theorists, as survival strategies for trade unions are already being employed by the trade unions although there are still some discrepancies in application. These include provisions for training and international labour movement, as COSATU with which NUMSA is an affiliate is a member of SIGTUR. This in essence shows that trade unions are indeed

aware of the challenges facing them and that they are in the process of introducing some strategies that effectively contribute towards their survival.

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