

Productivity Pacts, the 2000 Volkswagen Strike, and the Trajectory of COSATU in Post-Apartheid South Africa

Ashwin Desai

Many of the processes that followed the unbanning of the liberation movements in 1990 and the concomitant political negotiations were mirrored in the motor industry. A series of meetings were held between the main union, the National Union of Metalworkers (NUMSA), and the motor industry bosses to plot a pact that would prefigure the corporatist structures envisaged at a national level. The bosses hoped these talks would bring long term labor stability in an industry marked by conflict and strikes, and that this would serve as a springboard for exports and integration into the global markets. NUMSA, while committed to the political negotiations in which the main liberation movement, the African National Congress (ANC), demanded discipline and stability from its allies, also saw the transition to democracy as a time to advance workers' interests. These interests were seen in terms of restructuring the apartheid workplace and building a high-skill, high-wage economy tied to broadening workplace democracy. NUMSA regarded participation in the restructuring process as a means of "defending workers' interests through democratization of the workplace, gaining access to skills, and improving wages and working conditions."¹

This article focuses in particular on how the challenges of deepening workplace democracy and the emphasis on international competitiveness played themselves out at Volkswagen South Africa (VWSA) in Uitenhage. It uses the strike of 1999/2000 to discern how these twin challenges had an impact on the way management, organized labor, and the state responded to the worker rebellion. The concluding part of the article uses this case study as a backdrop to reflect on the Congress of South African Trade Unions' (COSATU) contemporary role in the broader political transition in South

30 Ashwin Desai

Africa.

By 2000, VWWSA's export strategy, if measured strictly by numbers of vehicles leaving the country, was showing clear signs of success. However, this "success" was built on a series of measures that progressively eroded gains made by workers on the shop floor in the late 1970s and 80s. Central to these changes was outsourcing, casualization, and a speeding up of the line. As the effects of these changes began to be effected on the shop-floor workers sought the protection of the union. The union machinery however was geared to servicing agreements that at their center called for a commitment to heightened productivity and stability and labor "peace" on the shop floor.

The scene was set for confrontation.

Disciplining Labor

As the structural crisis of apartheid capitalism became apparent towards the late 1980s, NUMSA, under the direction of its national education officer Alec Erwin, began to investigate alternative strategies for regenerating accumulation and economic growth. The economists brought together by Alec Erwin in the Economic Trends Group, and later the Industrial Strategy Project (ISP), were ostensibly developing a radical and viable agenda in the new international climate of globalization and free-market hegemony.

Casting around for a theoretical paradigm, these economists embraced French regulation theory with its thesis that as particular forms of capitalist accumulation are exhausted, new institutions, norms, and networks enable the process to be renewed on decidedly different terms.² They drew liberally but selectively from Marxist political economy in their analysis of the crisis. At the center of regulation theory's contention was that a new paradigm had emerged to displace Fordist mass production and mass consumption relations (which in South Africa were "racial Fordist" because blacks did the production line work while whites did the consumption). The new approach was variously labeled as "flexible specialization" and "post-Fordism." It suggested that forms of capitalist accumulation can be established in South Africa that benefit the workers and increase their standards of living. This meant that NUMSA was able to retain its public commitment to socialism while being an advocate of co-responsibility with business for a restructured post-apartheid economy, based increasingly on exports and corporate-friendly policies such as the heavily subsidized Motor Industry Development Programme.

Regulation theory ultimately became the basis for facilitating capitalist growth thanks to a host of suggestions made by the ISP. In the hands of the

Productivity Pacts and the Congress of South African Trade Unions 31

ISP, it was argued that class conflict would hurt the development of an industrial strategy project. Hence social accords, Quality Circles to draw upon shop floor worker insights to speed assembly lines, three-year productivity deals, and East Asian style export models were central to their thinking.³

These shifts were facilitated by political developments in South Africa in the late 1980s and early 1990s, which led COSATU's strategic association with the United Democratic Front (UDF) to transform into a tighter and more coherent tripartite alliance with the ANC and the South African Communist Party (SACP). Key personnel overlapped among all three structures. Erwin moved into a central role in the leadership of the ANC in Natal, while John Gomomo and Moses Mayekiso became members of the central committee of the SACP. After 1994, as many as 20 COSATU leaders had become parliamentarians via the ANC electoral slate, although their subsequent roles were unremarkable, aside from winning small concessions in the Labour Relations Act, very modest minimum wages, and mining safety and health improvements. Erwin became Deputy Minister of Finance, and later Minister of Trade and Industry, while Jay Naidoo was the Minister in charge of the Reconstruction and Development Programme (RDP) before being transferred to Communications where his main function was the unsuccessful partial privatization of Telkom. This overlap of key figures and the broader alliance between these organizations facilitated the union movement's acceptance of the key assumptions that informed the ANC's economic policy.

Thus, ISP's recommendations advocated international competitiveness, increased productivity, and tariff reductions in accordance with GATT requirements, and in terms of the latter even went beyond them.⁴ In the specific case of the auto industry, union organizers and shop stewards had to craft agreements within the parameters of these policies. Moreover, Erwin brought in an ISP-linked economist from the University of Cape Town, Anthony Black, as chief negotiator for NUMSA, and this advocate of lean production and GATT compliance quickly won the confidence of employers.

While some shop stewards and union officials questioned the dominant corporatist strategy, no organized challenge was mounted against the notions of partnership, tariff reductions, and increased productivity. Part of the reason for this was the success of the ANC and the SACP in bringing into their ranks a number of influential NUMSA leaders, many with solid credentials and long experience in the labor movement, who mediated and sold this economic and political strategy within the structures of the union. The effect was to marginalize those organizers and shop stewards in NUMSA who were suspicious of corporatism, and who still wished to retain their independence from the existing political movements and to build a

working-class party. By the late 1990s, even NUMSA's traditional insistence that a workers' party be up for discussion faded away.

This is not to suggest that this shift to corporatism was propelled by a coherent game plan.⁵ Rather, the NUMSA/COSATU alliance with the ANC had a significant influence on NUMSA's strategy within the motor industry. The unfolding of political negotiations and the ANC's need to signal its readiness to govern saw also its commitment to ensuring labor stability. But NUMSA did not simply bow down to the ANC, and the 1994 motor industry strike was indicative of its willingness to wage a militant mass struggle. All through this time though, the logic emerging at the Convention for a Democratic South Africa (CODESA) and the Multi-Party Negotiating Forum was also beginning to have an impact on the union movement. As demands for insurrection and people's power became replaced with sunset clauses and the rainbow nation at the political level, so too were worker control and "growth through redistribution" replaced with reconstruction accords and a perceived need for capital and labor partnerships to save the economy from international competition.⁶ It is within this context that the move to corporatism started to take place in the motor industry.

Franco Barchiesi has warned that corporatism was not simply introduced by the ANC to control and temper the power of the union movement. Rather, part of the reason for its "smooth" introduction was that it gelled with labor's policies on socio-economic and industrial restructuring that evolved as the negotiated transition unfolded. COSATU's strategy was that it would be able to ensure employment and social security through negotiating the processes of economic liberalization. But one of the crucial shortcomings of COSATU's approach may have been that its program of redistribution and decommodification was bounded by a conservative neoliberal macroeconomic policy.⁷

This is not to argue that the transition had no benefits for COSATU and its affiliates, because the union movement was provided with the space and opportunity to influence the country's political future. But it was also being increasingly drawn into structures that placed labor stability and productivity at the center of its concerns, and these made it difficult to have the impact at the national level in the way that Glenn Adler and Eddie Webster had envisaged. For example, they maintained that one of the major interventions by COSATU during the transition was its contribution to the formulation of the Reconstruction and Development Programme (RDP).⁸ Following those heady days, however, the progressive content of the RDP was significantly trimmed back, and some have ventured to argue that this reflected a shift to a neoliberal economic orthodoxy on the part of many of the ANC's senior leaders. The assessment was subsequently given credence by the closure of

the RDP headquarters in March 1996, and the centralization of its functions in the office of Deputy President Thabo Mbeki. Moreover, in June 1996 the Cabinet approved a new macroeconomic strategy entitled Growth, Employment and Redistribution (GEAR), which closely resembled the neoliberal economic strategies of structural adjustment programs that the IMF and the World Bank imposed on many developing societies. As Azghar Adelzadeh and Vishnu Padayachee maintained in 1994:

An essentially neo-liberal RDP strategy ... may well generate some level of economic growth: should this happen, the existing, mainly white and Indian bourgeoisie will be consolidated and strengthened; the black bourgeoisie will grow rapidly; a black middle class and some members of the black urban working class will become incorporated in the magic circle of insiders; but for the remaining 60-70 percent of our society, this growth path ... will deliver little or nothing for many years to come.⁹

Certainly COSATU, by being tied to an alliance under the leadership of the ANC, was unable to respond adequately to the initial weakening and ultimate erosion of the RDP. But there were also contradictory impulses to the corporatist script. In March 1996 as many as 6,000 Toyota workers went on strike at Prospecton, just outside Durban, in support of their demands for larger incentive bonuses at a time when the company was reporting a 73.5 per cent increase in earnings. This strike was important because it indicated that workers were not satisfied with simple CPI (consumer price index)-linked increases, but rather wanted a share of their company's profits — a point I and Heinrich Bohmke made in the immediate aftermath of the strike:

In press statements issued at the time of the strike, management constantly referred to NUMSA's condemnation of the actions of the militant workers. This was used repeatedly by management in its press statements in an attempt to draw a distinction between the NUMSA head office and the actions of the rank and file. ... The managerial style ... continues to foster divisions among shopstewards and forces recalcitrant ones into submission by appealing to NUMSA head office. Deracialising and democratising the workplace ground to a halt at Toyota. In fact Toyota management, emboldened by the Government of National Unity (GNU) discourse of "competitiveness" and "privileged organised workers" attempted to win back ground lost on the shopfloor during the militancy of the early 1990s.¹⁰

The strike at VW was going to display many of the characteristics of the earlier one at Toyota.

Post-1990 Developments

The ownership, management, and supervision of South Africa's automobile industry has since its inception been overwhelmingly white. It was also highly oppressive in that the foremen, armed with powers of hiring, promotion, and dismissal, ruled the shop floor with grim authoritarianism. The denial of political rights to blacks and the racist division of labor within the motor industry created the conditions for adversarial relations. Bloody battles were fought on the shop floor. Judy Maller points, for example, to the 30 industrial actions embarked upon at VWSA between June and September 1989, which included 9 strikes and 15 work stoppages. Unions also refused to accept responsibility for productivity, profitability, or economic growth, and rejected joint projects with management. At the time, especially at VWSA, even when the union did countenance participation in management structures, it was predicated on it being "adversarial," and "always subordinate to the basic conflict on the shop floor."¹¹

At Mercedes Benz, the human resource manager Ian Russel complained, "The union did not recognize management's right to manage. We had no structures to institutionalize conflict, no procedures, no recognition agreement."¹² By post-1990 a consensual approach to labor relations based on corporatism emerged.¹³ Corporatism in South Africa can be regarded as a system of interest representation whereby influential socioeconomic organizations are given access to, and the possibility of helping to shape, policies decided in state institutions, in exchange for restricting their demands and operating within agreed parameters, as well as supporting the ideology of national unity.

A most significant development in the rise of corporatism was the motor industry strike in 1994, when some 25,000 assembly workers held out for five weeks. A reduction of tariffs on imported cars had been announced by the Minister of Trade and Industry, Trevor Manuel, in the same week that he had met NUMSA's general secretary, Enoch Gondongwana. The latter's initial angry response was quickly replaced by a more reflective position: "Reconstruction and growth are the key issues. Public opinion played a major role. Under the new conditions we have to win in the arena of public opinion as well as on the shop floor."¹⁴

The Government's role in the strike, as reflected in statements by the Minister of Labor, Tito Mboweni, was to urge the parties to reach a speedy

settlement, and only served to increase the pressure on NUMSA. The employers used the strike to launch a sustained attack on centralized collective bargaining. Harry Gazemdam, the vice-president of the Auto Manufacturers' Employers Organisation (AMEO), called for the immediate introduction of bargaining in the various plants, where relationships should be "collaborative" and "the emphasis would be on productivity, with the results producing benefits. It is at this level that the culture of identifying with Toyota, MBSA, and so on can be developed."¹⁵

NUMSA's approach had been to jealously guard its national bargaining structures. Arguing that what was needed was a framework for industrial restructuring at a national level, the union was extremely wary of signing agreements in individual plants. By late 1994, however, a significant shift in NUMSA's approach was reflected in a far-reaching concession to plant-level bargaining, albeit with one company. The agreement outlined the following eight strategic objectives to which NUMSA and Volkswagen South Africa had committed themselves: (i) to work towards the continued viability and growth of VWSA; (ii) to increase annual production to over 100,000 units per annum, depending on market demand; (iii) to operate a highly efficient and competitive process; (iv) to reduce costs and improve quality in order to manufacture more affordable and high quality vehicles; (v) to foster organizational and staff flexibility; (vi) to promote the education, training, and development of employees; (vii) to protect employment in terms of this agreement; and (viii) to promote employee participation through co-determination practices.

The agreement did generate some benefits for the union. It set up a joint union-management executive committee that would meet quarterly in order to discuss disclosure of information and other relevant strategic issues. VWSA committed itself to invest about R10 million in basic adult education in 1995, to eliminate one level of management in manufacturing, and to establish smaller and more autonomous work teams, which were to elect their own spokespersons. This concession could have provided the union with greater influence on the shop floor, especially if it was able to use the spokespersons innovatively as a new layer of worker representatives.

But concessions were not a one party matter. NUMSA also made significant concessions, particularly as regards flexibility in the workplace. The agreement allowed for "outsourcing," for workers to be transferred to different parts of the factory, and for their original jobs and/or classifications to be changed.

A milestone in the development of corporatist practices in the industry may be regarded as the 1995 agreement reached between AMEO, NUMSA, and the exclusively white trade union Yster & Staal and Verwante

Nywerhede-Unie. This was seen by all its signatories as a path-finding accord “designed to change the shape of labour relations in an industry emerging from episodes of serious conflict in recent years,” which “promises to play an influential and precedent-setting role in the wider South African industrial relations context.”¹⁶ It concretized earlier negotiations to improve skill levels of all employees in the industry on an ongoing basis, reduce historic wage disparities among hourly paid workers, and reduce wage spreads within and among companies in the industry. However, while representing substantial gains for workers, this far-reaching agreement committed all parties to promote stability, predictability, and industrial peace. In order to achieve this, the central catalyst for conflict had been removed from the bargaining arena. Annual wage increases linked to the consumer price index have been settled for the next three years. The unions undertook not to make any further claims in respect of substantive wage and benefit on-cost items, either for the industry or any plant, during the lifetime of the agreement. The employers were clear about the gains of linking wage increases to the CPI. It meant “the elimination of unrealistic wage demands ... that have hampered negotiations in the past.”¹⁷

This agreement was a double-edged sword. On the one hand it guaranteed a CPI-linked wage increase to workers whose real income has been under constant threat. On the other hand, for the union, central bargaining around wage increases brought together worker representatives from all the auto companies, which meant that if there was a breakdown in negotiations NUMSA was able to call on approximately 25,000 workers to join together in any agreed response. It was this mass mobilization that effectively challenged the attempts by employers to foster company consciousness and thereby divide auto workers. The effect of the aforementioned “predictability” created fertile conditions for the demobilization of workers, the fostering of company consciousness, and, ultimately, a drift from centralized bargaining. This was certainly hastened by the management’s commitment to deal with productivity and performance awards at the company level. As an employer press release emphasized:

In line with the objectives of dealing with appropriate issues at appropriate levels — and reducing the extent of centralization in our current bargaining relationship — the employers have secured an agreement in terms of which issues impacting on competitiveness, business efficiency, flexibility and productivity have been devolved to company level to be dealt with at the point of production.¹⁸

In the event of any dispute, a mediation-arbitration process required “union parties not to undertake to strike or engage in any other form of industrial action, and the employer parties ... undertake not to lock-out or resort to any unilateral action in conflict with the dispute-resolution provisions of this agreement.”¹⁹

Clearly the union was now to be a partner in ensuring the agreements were adhered to by workers on the shop floor despite the fact that as Kally Forrest notes:

[T]he union had not succeeded in its aims of democratising the apartheid workplace and augmenting workers’ participation and control at the point of production. Membership, except marginally in auto, had no more power than before the introduction of the three-year programme, and in fact many had experienced a disempowerment because of the confusion around implementation of the programme.²⁰

As the decade wore on, the demands of “export agreements” meant more and more gains made in the 1980s by workers were pushed back.

The 1999/2000 strike brought these very issues to the fore.

The Anatomy of the Strike

Volkswagen South Africa operated a motor manufacturing plant in Uitenhage near Port Elizabeth, employing roughly 6,000 workers. It was a highly unionized environment with about 80 percent of the workforce belonging to NUMSA. The union, an affiliate of COSATU, was the sole collective bargaining agent for waged employees since 1990. The collective agreement provided, among other things, for recognition of 32 shop stewards at the workplace, with some of these positions being full-time, paid for by the company.

In 1998, VWSA was awarded the contract to manufacture the A4 Golfs for export to the United Kingdom and Europe. To meet this contract, production levels at the plant had to be doubled. More from a profit point of view than an operational one, this in turn necessitated certain changes to working conditions. NUMSA was engaged in discussions and it supported the variations, signing an agreement which among a host of new measures bound its employees to changes such as speeding up the line, a holiday corridor, and reduced tea-breaks. In terms of the holiday corridor during the November/December period temporary workers would also be hired. These workers would clearly not be union members. 850 new employees were also

recruited and the terms of the agreement was communicated within the plant. New workers would need to have a school leaving certificate cutting off many older recruits who went through the lack of access to education during apartheid years or disruption of schooling through protests, but who had accumulated skills on the job. It also excluded through these processes workers who would have experienced collective worker struggles through the 1980s.

In March 1999, dissatisfaction within the Volkswagen NUMSA branch about the terms of the variations described above and the manner in which they had been decided began to surface. Bonsile Mkezu, a newly elected shop steward articulated a generalized response: "Improvements which we had gradually won in the apartheid period were taken back. Wages and working conditions are now worse than they were in the apartheid period."²¹

A group of workers, the Concerned VW Workers, raised these concerns during the annual shop-steward elections in April 1999, campaigning against both the changes and the shop-steward committee in place at the time, as the latter was seen to have been instrumental in agreeing to the changes. After the elections, thirteen new shop stewards were elected, most of whom were opposed to the agreement. Conflict between those shop stewards supporting the changes (mainly those who previously held office) and local NUMSA officials on one hand and those shop stewards opposed to the changes (mainly those newly elected) quickly emerged.

On 17 July 1999, NUMSA suspended eight of the new shop stewards and informed Volkswagen that they should return to their former positions on the factory floor. Immediately, hundreds of workers downed tools and marched through the factory, demanding the reinstatement of the suspended shop stewards. On 21 July 1999 NUMSA heeded the demand. However, shortly thereafter, eighteen mainly old shop stewards resigned in protest at the reinstatement of the eight new shop stewards.

Volkswagen wrote to NUMSA claiming the high number of vacancies created difficulties in maintaining discipline and productivity in the workplace. On 6 August 1999, NUMSA responded by saying that new shop-steward elections would shortly be held but that, in the meantime, Volkswagen was not to have dealings with any new, "unofficial representatives" of workers that may present themselves. By September 1999, NUMSA had still taken no steps to hold new elections. The workforce then replaced the eighteen shop stewards who had resigned. Volkswagen duly refused to recognize these nominees who were, by and large, also opposed to the changes in working conditions.

On 22 December 1999, one day before the annual holiday period,

NUMSA informed Volkswagen that the thirteen newly elected shop stewards had all been expelled from the union after what was later revealed to be a deeply flawed union disciplinary process. The expelled shop stewards sought legal advice in January 2000 contesting their expulsion. Tensions within Volkswagen continued to simmer. There were indications that there would be massive disruptions to production when the plant reopened on account of the expulsion of what were turning out to be hugely popular shop stewards, evincing a popular rejection of the Export Order agreement. On 17 January 2000, NUMSA revoked the expulsion but immediately suspended the shop stewards pending another internal disciplinary enquiry. They were required to vacate their offices. On 19 January 2000, NUMSA brought an interdict against the thirteen shop stewards on the grounds that they had not yet vacated their offices and were supposedly interfering in NUMSA organizational matters in the workplace.

The next day, about 3000 workers downed tools demanding the reinstatement of the thirteen suspended shop stewards. It is worth quoting in full the Labour Appeal Court's rendition, based on the evidence tendered at the arbitration, of what happened in a meeting between Volkswagen management and a committee representing the striking workers on 20 January 2000:

An employee delegation of five persons representing the striking employees held a meeting with the [company's] management. The explanation that they gave for the strike was that the striking employees were dissatisfied with the suspension of the shop stewards by the union and wanted the union to lift the suspension. *They also said that the striking employees wanted the company to get the union to lift the suspension or to address their complaint.* The company told the employee delegation that the suspension of the shop stewards was an internal issue within the union in which it could not intervene. It advised that the striking employees as union members should resolve that issue with the union internally. The company's representatives at that meeting also told the employee delegation that the strike was illegal and that those who continued to take part in it faced disciplinary action including dismissal. A memorandum to this effect was handed to each member of the employee delegation. The employee delegation was asked to convey the contents of the memorandum to the striking employees.²²

Between 21 January and 25 January 2000, various efforts were made by NUMSA to have workers return to work. This culminated in a union

statement carried in newspapers and over radio and TV that workers who did not return to work faced dismissal. On 23 and 24 January 2000, ANC/COSATU/SACP Alliance pamphlets saying the same things were also issued. The majority of striking workers held out against these efforts and Volkswagen then decided to close the plant in its entirety.

On 28 January, members of the management of Volkswagen South Africa, various German executives who had hastily come to South Africa, and NUMSA met. They concluded a collective agreement that, among other things, provided that the union reserved the right to represent workers charged with misconduct during the industrial action should such charges be brought after it had ended and, further, that the company would take disciplinary action against those who did not return to work which “will include dismissal.” NUMSA was informed that should the agreement not be complied with, Volkswagen would issue a final ultimatum. This agreement was published in the local media.

By 31 January 2000 Volkswagen still had an insufficient workforce to begin production. 50,000 notices recording the agreement between NUMSA and Volkswagen were dropped in the Uitenhage area and the usual print and electronic press releases were issued. The notices spelled out the terms of the ultimatum: that should workers not return to work by 3 February 2000 the Company would dismiss them. Many “striking” workers did return on 3 February 2000 but approximately 1,300 did not. They were summarily dismissed.

NUMSA union officials expressed their opposition to the striking workers. For Silumko Nodwangu, a NUMSA official who was to rise to general secretary of the union: “workers used intimidatory tactics which were associated with VW struggles during the 1980s. These kinds of tactics in these times with the new LRA were inappropriate.” For Nodwangu the role of the union was to ensure that workers did not disrupt production or seek to challenge the agreement especially the section under “labour stability and flexibility.”²³

In this regard the A4 export agreement read: “Both parties confirm that in order to ensure we keep this order and achieve daily schedules, no illegal and unprocedural industrial action can be tolerated and to this end, all employees and management agree to strictly follow all relevant dispute and grievance procedures.”²⁴ NUMSA and the company signed this agreement on 27 August 1998. The agreement brought to a head an already growing distance between union head office and workers on the shop floor; a position articulated by Peter Rachleff: “NUMSA had agreed to all of these changes without once giving the workers an opportunity to vote them up or down. Not only did the acceptance of these changes by union officials who did

not have to work under them anger the workers, but it also contradicted the VW local’s own traditions of internal democracy.”²⁵

COSATU’s alliance partners weighed in against the strikers. The South African Communist Party saw the hand of left-wing opportunism:

The VW dispute is another lesson and warning for the SACP. As has happened in the mining sector (with the so-called “workers’ mouth-piece”), there are opportunistic elements that seek to divide organised workers with pseudo-radical demagoguery. Small cliques seek to manipulate worker concerns for their own individualistic or other sinister reasons. We commend the NUMSA leadership for the manner in which they have settled the current crisis, and we call on workers in all sectors to be vigilant about the dangers of reckless opportunism.²⁶

President Thabo Mbeki added to the chorus of condemnation: “Strikes such as the one at Volkswagen cannot be tolerated. Jobs, a better life for our people in the context of a growing economy and our standing in the eyes of the investor community cannot be held hostage by elements pursuing selfish and anti-social purposes. The Government will not waver from this position.”²⁷

For the human resources bigwig Brian Smith who had served VW through the militant 1980s, the thirteen shop stewards were people who could not adjust to the onset of democracy, which was about using institutional means to resolve conflict. According to Smith, these older workers were still imbued with the idea of mass struggles and resistance as ways to conduct negotiations.²⁸ For Smith, the thirteen shop stewards were “the masters of resistance” and he was happy to be rid of them.

The view of older, militant workers as at the core of the strike was echoed by journalist Drew Forrest:

Older members had grown up in the 1980s rhetoric — and this was especially true of auto factories in the Eastern Cape — where there were times when it seemed that workers would wrest control of factories from employers. From this perspective this new era of co-determination with management looked like a sell out.²⁹

By now about a thousand of the workers had joined the Oil, Chemical, General and Allied Workers Union (OCGAWU). The dismissed workers had through the strike tried to garner international support. But the German union federation IG Metall saw this as a challenge to co-determination and came

42 Ashwin Desai

down on the side of the Volkswagen management and refused to have any dealings with OCGAWU.³⁰

The dismissed workers appointed attorneys to represent them in the dismissal dispute and about one year later, Commissioner Floors Brand ruled that while the dismissal had been substantively fair, the company had erred procedurally by not affording them the opportunity to at least state their case before taking this decision. By not giving them some form of a hearing before they were dismissed, the company had fallen foul of its obligations in terms of the LRA. As relief, the Commissioner ordered the company to reinstate the workers, albeit without any back pay. This was to prove a short-lived victory. On appeal the firing of the workers was confirmed and workers were ordered to pay costs.

When OCGAWU sought organizational rights for its hourly paid members, VW management rebuffed them and asserted that they only recognized NUMSA. OCGAWU appealed to The Commission for Conciliation, Mediation and Arbitration (CCMA). However their efforts were stymied when NUMSA and VW management reduced the representative threshold from 40 percent to 30 percent, a change recognized by the CCMA. OCGAWU was effectively barred from the plant.

The strike, essentially post-apartheid's first workers' strike directed against their own union, provides a window into the quick transition of the union from a militant organization into one that was determined to enter into agreements and police them even if it meant the erosion of gains made through the 1980s. It also showed how worker solidarity built during the days of apartheid was now translated into a united stance against militant workers who sought to defend workplace gains won in the 1980s. By 2003, a study into COSATU affiliates argued that they had "increasingly taken responsibility for cutting costs at work in an attempt to achieve international competitiveness for the South African business sector. NUMSA has been a leading proponent of this strategy ...".³¹

The Forward March of Labor Halted?

The VW strike, among other intra-union conflicts and the effects of the neoliberal transition, has encouraged a growing debate about the power of the union movement as a catalyst for deepening democracy and leading the struggle for a radical transformation of South African society. In focusing on GEAR, the emphasis is almost solely on its neoliberal economic prerequisites. However, equally relevant is that with GEAR came an approach that worked to ensure that criticism from "the people" was stifled and that the role of civil society was to be part of implementing policies made from on

Productivity Pacts and the Congress of South African Trade Unions 43

high. One of the most overt signals of this approach was contained in the speech of Mosiuoa Lekota representing President Thabo Mbeki at the 1999 COSATU Congress that came in the aftermath of mounting criticism of GEAR and the ANC. Lekota asserted that the ANC leadership would not countenance public statements from Alliance partners that disagreed with government policy. Lekota's position was brazen:

The recent trend, on the part of some highly placed comrades, of ascending platforms or by other ways criticising or agitating against policies and actions of the movement, inside and outside Government, smacks of a lack of revolutionary discipline ... This undisciplined approach has a number of negative consequences: It confuses the mass based support of our movement; it lends itself to exploitation by our opponents and opposition parties; it creates a climate in which agents provocateurs can thrive and advance their counter-revolutionary agendas.³²

With neoliberalism comes the occluding of the effects of power and politics:

[N]eo-liberal capitalism, in its millennial moment, portends the death of politics by hiding its own ideological underpinnings in the dictates of economic efficiency: in the fetishism of the free market, in the inexorable, expanding "needs" of business, in the imperatives of science and technology. Or, if it does not conduce to the death of politics, it tends to reduce them to the pursuit of pure interest, individual or collective.³³

The union response to the strike shows how deeply this approach has become inscribed in the body politic of South Africa.

Buhlungu and Webster identify four strategies that have emerged post-1994 at the workplace:

The first of these, "negotiated reconstruction", refers to a strategy of negotiating the terms of a reconstituted workplace order, and may be driven by management or trade unions or both. "Wildcat co-operation" describes a managerial strategy for incorporating black workers by negotiating informally with workers and introducing new management practices, but bypassing or marginalizing trade unions. "Authoritarian restoration" is a managerial strategy for reconstituting an authoritarian workplace order which draws on the dominant strand of South African workplace history, but may introduce new

features and practices as well. A fourth group of workplaces is characterised by stalemate brought about by the lack of any specific strategy, or by failure of an attempted strategy of negotiation or authoritarianism.³⁴

What this typology does not countenance is a workplace strategy that drives back gains won during the 1980s and early 90s, authored by management and policed by trade unions whose net effect is to restore managerial prerogative. In this strategy “recalcitrant” shop stewards are marginalized and agreements are concluded with little or no consultation, as in the signing of the A4 agreement.

There were notable changes in NUMSA’s relations with management. This orientation is captured by a NUMSA shop steward at Highveld Steel but is reminiscent of an overall union approach: “We are not there to fight management, we are there to support our families We are part and parcel of management, not officially, but according to our constitution as a union.”³⁵

In more general terms, Mondli Hlatswayo has cogently traced the changing role of the union organizer from the 1980s. During the militant unionism of the 1980s,

union organisers were also activists in their own right. The “activist organiser” embodied two roles, that of political activist as well as that of full-time official of the union. As a consequence, working for the union was regarded by many as being part of a commitment to the goals of national liberation and economic emancipation. ... The changing political environment has paved the way for a new type of union official — the business unionists and careerists who treat full-time union employment as a “waiting room” and a stepping stone up the social scale.³⁶

In effect, co-determination had mutated into co-management, with the unions as junior partners.

The COSATU strategy of international competitiveness as evidenced at VWSA has proven to have disastrous effects on the union movement. Clearly if a radical challenge to capitalism is to emerge, it

will have to be less about keeping up with or adapting to capitalist change, but rather more about developing the capacity to mobilise more broadly and effectively against the logic of competitiveness and profit in order eventually to get somewhere else, that is, to an egalitarian, cooperative and democratic social order beyond capital-

ism. To run, even twice as fast, on capitalism’s terms will not in fact lead somewhere at all.³⁷

The 2008/9 retrenchments at VWSA have shown that despite the sacrifices made by the union movement, it is no guarantee against job losses. Alongside this, as the transition has unfolded, the “legal” spaces much heralded in the early years of democracy have been progressively cut down. Labor law jurisprudence is on a steady rightward slide. At the back of every judge’s mind in collective disputes is “what is the effect of my ruling going to be on investor confidence and thereby GEAR?”

The very base of the union movement has been changing with surveys showing that the majority “of COSATU members (79 percent) are drawn from a new generation of workers.” In this context, David Masondo’s research at BMW reinforces this perception, with one worker pointing out that “Everyone is here to work for himself. I do not care for endless meetings. I’m just here to make money and enjoy life.” Masondo also quotes a shop steward at BMW who was of the opinion that the younger workers “are less political, less hung up about the past. They are more interested in training and their future. Meetings used to be full of political questions. Now they ask about training, career prospects and study leave. They come to work in brand-name clothing. They are more materialistic.”³⁸ These trends were also discernible at VW.

At the same time union members are mainly in the declining core of permanent full-time employment, while the workers outside of this declining core are largely un-represented. In a “compressed” period of time COSATU has seen its position as a critical social actor facing numerous challenges. As Franco Barchiesi points out, crucial

determinants of this decline are the unions’ subordinate institutionalisation within organs of the state deeply committed to a liberalising macroeconomic agenda, and their deepening social marginalisation due to a growing inability to represent changes in the world of work. In particular, the meaning of wage labour has changed dramatically in the “new South Africa”, in a way that is no longer enabling the old trade unions’ visions of social inclusion, rights and citizenship but it has become a recipe for poverty, vulnerability and despair. In general, South African unions have not been able to respond to this profound disarticulation of the work-citizenship nexus, either in terms of organisational strategies, or the terrain of analysis and ideology.³⁹

Frederick Engels writing in the 1880s foresaw the emergence of labor organizations among un-organized workers whose minds were “free from the inherited ‘respectable’ prejudices which hampered the brains of the better situated ‘old’ Unionists.”⁴⁰ In South Africa rather than new labor organizations we see the emergence of community movements that are acting in ways that are not bounded by visions of building the nation, “The Alliance,” and corporatist scripts. The rise of these often proto-movements, their combativeness in confronting the commodification of basic services, the spontaneity of community uprisings that have exposed the lack of delivery, allied to COSATU’s seeming inability to stem the ANC’s neoliberal turn, and the growing trend of casualization of the work-force, have all contributed to the challenge of the union movement to be the “keepers of the poor.” As Sakhela Buhlungu puts it:

Ninety two percent of COSATU members are in permanent, full time jobs. Not only does this project COSATU members as privileged relative to the growing army of the unemployed and those workers in precarious employment and the informal sector, it also suggests that the federation has failed to make headway in organising beyond the diminishing core workforce in full-time permanent jobs.⁴¹

But while this kind of analysis is important, it should not be read to signal the end of COSATU’s combativeness. There were counter-tendencies, even if they took the form of protesting then-President Thabo Mbeki’s lack of consultation with the union movement. For example, sentiments have been expressed by COSATU itself that it has been marginalized from the policy-making process by the ANC. In 2006 COSATU wrote it is

like a broken CD that just keeps repeating itself...The Alliance, including COSATU, is generally sidelined from the process of policy formulation and transformation for most of the ten years of governance. Then, six months before elections, without even a Summit to formally endorse the elections strategy of the Manifesto, we get drawn into election task teams that work efficiently to mobilise the base and rally the troops. In the victory celebrations, the public hugging follows. Yet a few months down the line, the reality of being sidelined returns, leading to public disagreements over key policy directions.⁴²

In the post-Polokwane period we have seen increasing assertions from COSATU that its push for a more radical macroeconomic program is bearing

fruit. This comes up against statements from the ANC president Jacob Zuma that there will be no change in government policy when it comes to the economy. In commenting on Jacob Zuma’s visit to the United States in late October 2008 with fellow members of the ANC NEC, Simon Barber elegantly summed up the approach to macroeconomic policy:

There would be no veering to the left on economic policy, Zuma and (Matthews) Phosa insisted. On fears that the Congress of South African Trade Unions and the South African Communist Party were starting to run the ANC, Zuma said of the alliance partners: “They participate, they do not determine”. The spending priorities Zuma enumerated at every appearance were those outlined in the medium-term budget policy statement Trevor Manuel tabled in Parliament. ... To the extent that these priorities would be more difficult to fund in the current environment, Phosa emphasised that spending would be stretched out rather than fiscal discipline relaxed. The priorities would be met, just not as quickly.⁴³

In this context it is easy for the “Left” to read the “Zuma moment” to be the same old politics of COSATU simply supporting the ANC. However, what is occluded in this reading is that the 2009 election campaign brought a number of crucial issues to the surface. Within the union movement the corporatist bargain with capital came under criticism for failing to improve skills, to transform the workplace from old-style authoritarianism, and to create jobs. The macroeconomic project was also harshly criticized, notwithstanding Zuma’s own position. Generally the 2009 elections saw from COSATU and from many ANC branches a radicalization of language as the Alliance sought to distinguish itself from the party of old Mbekites, the Congress of the People (COPE).

It is in the pioneering and inspirational community/social movements, in a seemingly combative union movement that includes a wounded NUMSA — bleeding members through layoffs — and in a limited but significant number of resurgent and vibrant ANC branches that the possibilities lie in building a politics that will challenge the Mbeki ship of neoliberalism, whose logic has become embedded in a myriad of state institutions and organizations and in the agreements that unions so hurriedly signed with the bosses. This implies that demands that bridge the labor/community divide must become the way in which COSATU and the community/social movements organize. The Basic Income Grant (BIG) Campaign is one immediate possibility.

For the first time in South Africa post-1994, there is a possibility of a

sustained mass-based politics emerging that includes segments from inside and outside the Alliance. One of the imponderables in all this is the SACP, which, as it becomes increasingly embedded in Zuma's cabinet, might find the politics of the street less attractive, especially if it challenges the party's leadership sitting as ministers. The other is whether ex-union leaders turned ANC heavyweights like Gwede Mantashe are able, Mbeki-like, to put a lid on dissent in the name now of the cult of Zuma. The demands of such a politics have already been raised in numerous protests that speak of service delivery, increased financial support for the poor, improved public transport and health, and anger at black elites who cash in on a culture of entitlement while preaching to the poor about the dangers of a culture of dependency.

There is a radical class politics emerging on the factory floor, in the public sector, and the community. The challenge is to create the conditions and organizational forms for these struggles to coalesce.

Notes

¹ David Masondo, "Trade Liberalisation and Work Restructuring," *Beyond the Apartheid Workplace*, ed. Karl Von Holdt and Eddie Webster (Scottsville: U of KwaZulu-Natal P, 2005) 157.

² See Stephen Gelb, ed., *South Africa's Economic Crisis* (Johannesburg: Ravan Press, 1991).

³ See Avril Joffe, David Kaplan, Raphael Kapilinsky and David Lewis, "Meeting the Global Challenge: A Framework for Industrial Revival in South Africa," *South Africa and the World Economy in the 1990s*, ed. Pauline H. Baker, Alex Boraine and Warren Krafchik (Cape Town: New Africa Books, 1993) 91-126.

⁴ Sampie Terreblanche, *A History of Inequality in South Africa, 1652-2002* (Pietermaritzburg: U of KwaZulu-Natal P, 2002) 115.

⁵ For more detailed arguments on corporatism, see Ashwin Desai and Adam Habib, "Labour Relations in Transition: The Rise of Corporatism in South Africa's Motor Industry," *Journal of Modern African Studies* 35.7 (1997): 495-518.

⁶ As part of the broader negotiated settlement between the ANC and the National Party, the sunset clause secured the jobs of public servants for five years.

⁷ Franco Barchiesi, "Social Citizenship and the Transformation of Wage Labour in the Making of Post Apartheid South Africa, 1994-2001," diss., U of the Witwatersrand, 2005, 100-03.

⁸ Glenn Adler and Eddie Webster, "Challenging Transition Theory: The Labour Movement, Radical Reform and the Transition to Democracy in South Africa," *Politics and Society* 23.1 (1995): 75-106.

⁹ Asghar Adelzadeh and Vishnu Padayachee, "The RDP White Paper: Reconstruction of a Development Vision," *Transformation* 25 (1994): 16.

¹⁰ Ashwin Desai and Heinrich Bohmke, "Everything Keeps Going Wrong ... Toyota," *South African Labour Bulletin* 20.3 (1996): 55-58.

¹¹ Judy Maller, *Conflict and Cooperation: Case Studies in Worker Participation* (Johannesburg: Ravan Press, 1992) 123.

¹² Qtd. in Karl Von Holdt, "The Mercedes Benz Strike, a Glimpse into Our Future," *South African Labour Bulletin*, 15.1 (1990): 41.

¹³ See Desai and Habib, "Labour Relations."

¹⁴ Qtd. in Ashwin Desai and Karl Von Holdt, "The Auto Industry Strike: Industry Restructuring or Wage Militance?" *South African Labour Bulletin*, 16.5 (1994): 74.

¹⁵ Harry Gazemdam, Vice-President of the Auto Manufacturers' Employers Organisation, personal interview, 23 Sept. 1994.

¹⁶ AMEO, NUMSA, Yster & Staal, and Verwante Nywerhede-Unie, "Joint Press Release," 29 June 1995, 1.

¹⁷ AMEO, "Press Release" 1.

¹⁸ AMEO, "Press Release" 2.

¹⁹ AMEO, NUMSA, and Yster & Staal, and Verwante Nywerhede-Unie, Agreement on a New Industrial Relations Dispensation for the Auto Manufacturing Industry, 1 July 1995 to 30 June 1998, 27.

²⁰ Kally Forrest, "Out of Time: The National Union of Metalworkers' Pursuit of Power: 1989-1995," *African Studies* 66.2-3 (2007): 379-80.

²¹ Qtd. in Peter Rachleff, "The Current Crisis of the South African Labor Movement," paper presented, the North American Labour History Conference, Detroit, 3 Oct. 2000.

²² B.J. Mseku and Others v. VWSA and Others, Labour Appeal Court (LAC), 2002, paragraph 8 (my emphasis).

²³ Qtd. in Drew Forrest, "What happened at VW?" *South African Labour Bulletin* 24.2 (2000): 16.

²⁴ A4 Export Agreement, 1998.

²⁵ Rachleff, "The Current Crisis of the South African Labor Movement" 2.

²⁶ *Newsletter* (SACP, Feb. 2000).

²⁷ Thablo Mbeki, address, "State of the Nation," Feb. 2000.

²⁸ See JWPM Cramer, "Social Conflict in Post-Apartheid South Africa: A Case Study of the Conflict at VW SA Ltd. between 1999-2000," diss., U of Stellenbosch, 2002.

²⁹ Forrest, "What happened at VW?" 16.

³⁰ Chris Borlsman, "Volkswagen, Automobile Workers and the Reconfiguration of Trade Union Internationalism in Post-Apartheid South Africa," unpublished paper, 2008.

³¹ Tom Bramble, "Social Movement Unionism Since the Fall of Apartheid: The case of NUMSA on the East Rand," *Rethinking the Labour Movement in the "New South Africa,"* ed. Tom Bramble and Franco Barchiesi (Aldershot: Ashgate, 2003) 189.

³² Qtd. in John Saul, *The Next Liberation Struggle: Capitalism, Socialism and Democracy in Southern Africa* (Pietermaritzburg, U of KwaZulu-Natal P, 2005) 219.

³³ Jean Comaroff and John Comaroff, "Millennial Capitalism: First Thoughts on a Second Coming," *Public Culture* 12.2 (2000): 322.

³⁴ Sakhela Buhlungu and Eddie Webster, "Work Restructuring and the Future of Labour," *State of the Nation*, ed. Sakhela Buhlungu, John Daniel, Roger Southall, and Jessica Lutchman (Cape Town: Human Sciences Research Council Press, 2006) 258-59.

³⁵ NUMSA shop steward, qtd. in Karl Von Holdt, *Transition from Below: Forging Trade Unionism and Workplace Change in South Africa* (Scottsville: U of Natal P, 2003) 184.

³⁶ Mondli Hlatswayo, "From Socialist Politics to Business Unionism," *The State of Social Movements in South Africa 2007*, ed. Oupa Lehulere (Johannesburg: Khanya College Publishing, 2007) 238.

³⁷ Leo Panitch, "Globalisation and the State," *The Globalisation Reader*, ed. Leo Panitch, Colin Leys, Alan Zeuge, and Martijn Konings, (London: Merlin Press, 2004) 10.

³⁸ Masondo, "Trade Liberalisation" 167.

³⁹ Franco Barchiesi, "Classes, Multitudes and the Politics of Community Movements in Post-Apartheid South Africa," *Centre for Civil Society Report 20* (2004): 36.

⁴⁰ Qtd. in Eric Hobsbawm, *The Forward March Of Labour Halted?* (London: Verso, 1981) 7.

⁴¹ Sakhela Buhlungu, "Proletarians or Labour Aristocrats? The Changing Social Composition of COSATU Members" in Lehulere, *The State of Social Movements* 243-44.

⁴² COSATU, statement, 2006.

⁴³ *Business Day*, 31 Oct. 2008.