Trade liberalisation and the restructuring of work in post-Apartheid South Africa: a case study of BMW

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This paper focuses on workplace restructuring in the post-Apartheid era. BMW South Africa is used as a case study to examine the restructuring of the workplace. In doing so, the paper examines trade liberalisation through the Motor Industry Development Programme that has created new economic conditions under which workplace restructuring at BMW is taking place. In trying to remain competitive, BMW South Africa is trying to change the nature of control and exploitation from coercion, based on the Apartheid workplace regime, to dynamic flexibility. In this strategy there are training initiatives within the company, as well as the introduction of teamwork and suggestion boxes. One of the key components of the flexibility strategy is a shift to what I describe as ideological flexibility. This shift shows up in new forms of ideological flexibility through the introduction of a workplace language, a new dress code and attempts to change workers' identities and subjectivity. However, remnants of the Apartheid workplace regime remain.

Introduction
The South African automotive industry developed through the import substitution industrialisation strategy and what Karl Von Holdt (2000) has termed the Apartheid workplace regime. The industry was protected by high tariffs and local content requirements. Between 1961 and 1989, the Apartheid government required that cars assembled in South Africa have a certain percentage of locally produced goods, which was called the local content programme (Joffe et al., 1995).

Trade liberalisation has had a profound impact on the South African manufacturing industry (Roberts, 1998). This has allowed the entry of different companies in different parts of the world, thus increasing the competition within countries. Companies and nation states, through their industrial policies, have developed new strategies at macro, meso and micro (plant) levels to deal with the new market conditions.

At the auto sector level, the post-Apartheid South African government has introduced the 1995 Motor Industry Development Programme (MIDP) as part of its commitment to trade liberalisation through low tariffs and gearing the auto industry towards export-oriented industrialisation. The MIDP also removed local content requirements and encouraged exports through credited rebates for imports. This has not only created new market conditions for South Africa's auto sector, but has also resulted in an emphasis on specialisation and a more internationally integrated industry. Arguably the most advanced example of this is Bayerische Motoren Werke AG (BMW), which has located its global
production of the Series 3 model in South Africa. BMW (South Africa) (Pty) Ltd. is one of the most successful exporting auto companies in South Africa. In 2001, BMW South Africa produced 49,553 BMW 3 series vehicles; it exported 36,464 to the United States and Europe. It is the second most popular imported luxury car in the United States (Van Loon, 2002).

There are seven automotive manufacturers in South Africa, namely Automakers (Nissan, Fiat), Delta (Opel and Isuzu), MBSA (Mercedes, Honda and Mitsubishi), Samcor (Ford and Mazda), Toyota, BMW South Africa, Volkswagen SA (VW and Audi). Vehicles like Daewoo, Hyundai, Volvo, Peugeot, Renault, Subaru and Ssangyong are imported (Black, 1998). Most South African-based auto companies mainly assemble semi knocked down (SKD) and completely knocked down (CKD) kits imported from their parent companies. The assemblers contribute 60 per cent of the automotive total output and employ about 31,000 hourly paid workers (Phillips, 2002).

Since the introduction of the MIDP, which has now been extended from 2007 to 2012, most of the local auto assemblers have increased their production focus on the export market (Cokayne, 2002a). Furlonger (2002) shows that in 1996, before the impact of the MIDP could be felt, South African-based auto companies exported 11,500 vehicles worth R750 million. But in 2002 about 130,000 cars, worth about R15 billion, were exported. The extended MIDP will reduce duties on light vehicles from 40 per cent to 30 per cent in 2007, and to 25 per cent in 2012. For completely knocked down components, duties will be reduced from 30 per cent to 25 per cent in 2007, and to 20 per cent in 2012 (DTI, 2002). Towards the end of 2001, BMW South Africa's Managing Director Ian Robertson announced that the growing export programme had led to BMW investing more than R3.5 billion a year in the South African plant, in contrast to R1 million in 1996. BMW South Africa's production volume had increased by 220 per cent since 1998 (Maphologela, 2001; Forster, 1997).

Other auto companies are also increasing their investments in South Africa, and exports have increased due to the incentives to invest and export provided by the government's MIDP (Furlonger, 2002). For instance, in 2002 Volkswagen was planning to invest R2.1 billion and Toyota invested R1 billion in the South African plant (Fraser, 2002a, 2002b). Black (2002) also points out that Germany-based companies such as Volkswagen, BMW and American-German conglomerate Daimler Chrysler have increased their exports and investment in South Africa. According to Furlonger (2002:26), this investment is due to the fact that 'foreign manufactures are using South Africa as an export base because there are incentives and it is cheap', as is the case with other developing countries such as Brazil. Cokayne (2002b) adds that the in early 2002, Ford Motor Company of Southern Africa was discussing the possibility of manufacturing completely built up (CBU) vehicles for export from South Africa.

The new structural changes in the global economy\footnote{The structural changes in the global economy have been facilitated by trade liberalisation as required by the World Trade Organisation. This has led to new competition within countries that are expected to reduce tariffs. As a result, companies are adopting microelectronic technologies, research and new production strategies to remain competitive.} provide a need for a critical case
study at the sectoral – and, more importantly, at the plant – level. Onyango (1999) shows that the current literature has over-emphasised trade policy based on the neoclassical theory of international trade that emphasised the unfettered role of the market system as a basis for firms to compete globally. This has ignored the fact that production regimes play a key role in determining the competitiveness of companies. As Lambert and Chan (1999:3) argue:

In this era of increasingly unrestricted globalisation we are not simply analysing competition between corporations, but also a new form of competitive restructuring: structural location of competition within the same corporation, located in different parts of the globe. In other words, it is not simply companies that are competing with each other: companies are located within specific production regimes and it is these production regimes that also determine the companies’ competitiveness.

Lambert and Chan (1999) demonstrate, through their comparative study of China’s ‘authoritarian’ production regime and the Australian ‘democratic’ production regime, how capital uses production regimes which ignore core labour standards as a basis for competition. Rumney (2003:20) argues that, ‘Foreign investors are not too squeamish about labour practices and human rights. Witness China, which receives the lion’s share of developing country FDI.’

The study critically examines the South African automobile industry’s response to liberalisation through restructuring of the Apartheid workplace. Trade liberalisation and globalisation of the marketplace are compelling employers to transform the workplace. These changes do not only involve adjustment of wages and benefits; they also involve adjustment in terms of managerial control, industrial relations, work organisation, working conditions and training. The implication of this increase in global competition for companies is that they have to produce the best quality products to satisfy the world market. This also requires the best production inputs. BMW South Africa is one of the companies that have been successful in terms of producing an internationally recognised quality product. This was recognised when it won the J.D. Power Award, traditionally awarded to the best quality cars in the world (Fraser, 2002c).

The key question that arises concerns the nature of the production techniques that BMW South Africa uses to produce quality cars under the new market conditions. In part one of the paper, we focus on work restructuring, developing the concept of dynamic and static flexibility with specific reference to South Africa’s attempts to reconstruct the Apartheid workplace regime. In part two we look at BMW South Africa as a case study to examine the distinction between these forms of flexibility.

1. The democratic production regime is based on ILO core labour standards such as the right to organise and bargaining. The authoritarian production regime is opposed to the ILO core labour standards.

2. Bouare et al. (2001) acknowledge that automobile plants in South Africa are branches of multinationals; I will refer to them as the South African automobile industry because vehicle assembly takes place in South Africa.
Dynamic or static flexibility?

The current phase of capitalism uses new production methods based on different forms of flexible production regimes to extract surplus value. Drawing from Colclough and Tolbert (199), Deyo (1996) argues that the rise of global competition has led to static flexible production and dynamic flexibility. A static flexibility strategy seeks to reduce production costs through employing part-time workers, short-term contracts and outsourcing, and does not invest in long-term employee skills, technological innovation and work organisation. Dynamic production flexibility, on the other hand, broadens workers' skills base and encourages shop floor participation. Deyo (1996) suggests that the relationship between customers and suppliers as well as government policy regimes, which include employment conditions, education, distribution of income and the strength of trade unions, play a key role in influencing companies' production strategies based on particular forms of flexibility. In addition to this, Rodgers (1996) points out that static flexibility was dominant in the Korean manufacturing industries because they had a repressive labour policy regime. Levine (1996) suggests that dynamic flexibility emerged in the context of the labour struggles in the post-Second World War period and the increasingly competitive challenges posed by the Japanese industry.

Killick (1995:9, quoted in Webster, 1997) develops the distinction between these forms of flexibility further by suggesting that 'innovative' flexibility (similar to dynamic flexibility) includes the creation of institutions in education, research, socio-political innovation and infrastructure. It is these institutional innovations, Killick suggests, which gives the economy a competitive edge. I argue that the South African labour movement has been at the centre of initiating innovative institutions similar to Killick's innovative flexibility.

Standing (1999) and Beale (1994) use the term 'labour flexibility' to refer to numerical flexibility (temporary, part time and causal workers), functional flexibility (bridging the gap between unskilled and skilled workers), working time flexibility (shifts, overtime, annualised hours agreements), and wage flexibility (linking payment to performance and output).

Worker involvement is one of the key features of the emerging production strategies. Beale (1994) categorises worker involvement into three types, namely, financial, job involvement, and communication and information involvement. Financial involvement includes profit-sharing schemes and profit-related pay. Job involvement includes quality circles, suggestions schemes, and autonomous work groups (teams). Lastly, communication and information involvement includes team briefings, magazines, newspapers, and management of visual and audio-electronic presentations. These involvements may be direct, in which workers are involved as individuals, and indirect, wherein workers are involved through their unions or employee representatives.

Team working has become one of the dominant features of the new forms of work organisation. The idea of involving workers is also premised on the 'unitary perspective', which assumes that workers and managers have the same interests.

According to Pruijt (1999) the 'team work' concept could be categorised into anti-Taylorism and neo-Taylorism. In anti-Tayloristic team working, there is no supervisor in the team and all team members participate; the leading position rotates. In neo-Tayloristic team working, at most, only the team leader can participate in decision-making. Table 1 shows some ideal aspects of these two approaches.
**Table 1** The Anti-Tayloristic and neo-Tayloristic teams

<table>
<thead>
<tr>
<th>Supervision</th>
<th>Anti-Tayloristic Teams</th>
<th>Neo-Tayloristic Teams</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No supervisor inside team; rotating spokesperson</td>
<td>Supervisor present in team as team leader</td>
</tr>
<tr>
<td>Decision making</td>
<td>All team members can participate in decision making</td>
<td>At most, only team leader can participate in decision making</td>
</tr>
<tr>
<td>Power balance</td>
<td>Some measure of worker control is accepted by management</td>
<td>Nearly unlimited management prerogatives</td>
</tr>
<tr>
<td>Wage system</td>
<td>Pay on the basis of skill level; team reward</td>
<td>Individual bonuses based on assessments by supervisor on how well a worker co-operates in the system;</td>
</tr>
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It could be said that new forms of work organisation are used to attain productivity through training, instilling a company culture, getting workers to accept company goals and values, and disciplining workers using workers themselves through teams and incentives.

South Africa’s democratic transition took place when there was intensive global competition, epitomised by the collapse of import substitution industrialisation in the 1970s, which gave rise to trade liberalisation and new forms of work organisation. The industrial policy in the late 1980s and 1990s in the automotive sector was beginning to shift away from protective measures. For instance, the 1989 Phase VI and the 1990 General Export Incentive Scheme were introduced to encourage export-oriented production and reduction of tariffs (Black, 2002 and Onyango, 1999).

In 1992 the Minister of Trade and Industry instituted a Motor Industry Task Group to develop an export-oriented growth strategy for the auto industry through the reduction of tariffs to meet South Africa’s commitments to the 1993 General Agreement on Tariffs and Trade requirements (Hirschsohn et al., 2000).

Some of the key recommendations from the Motor Industry Task Group were carried into the 1995 MIDP. The Programme recommended that the auto industry should gear itself towards export markets. The 1995 MIDP recommended that this should be achieved through encouraging phased integration into the global automotive industry and encouraging innovation in the industry to promote higher productivity. Gradual reduction of tariffs and the introduction of incentives and tax rebates for firms that are exporting are among other policy measures to be pursued to attain this objective. Table 2 shows the targets for tariff reduction of the MIDP. The 2000 Department of Trade and Industry Report points out that so far the tariff reduction in the automobile industry as per the MIDP targets have been met.

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1. Periodisation of the democratic transition in South Africa begins in 1990 when the political parties were unbanned. This period is also identified as the third phase of trade liberalisation.
Table 2 shows that there has been a reduction of import duties on vehicles from 65 per cent to 40 per cent by 2002.

The auto industry was sceptical about the removal of the protective tariffs (Furlonger, 2002; NAAMSA, 2002). Current studies (Nicolaou, 1998) show that while the MIDP seems to have failed in employment creation and domestic sales, it has been successful in gearing the industry towards export. Vehicle exports have increased since the implementation of the MIDP and imports have decreased, but imports for components have increased. However, these assessments do not show how companies are responding to global competition at the plant level. In other words, the current studies only analyse the meso and macro dynamics of the auto industry and there are limited studies on work organisation in the current market conditions facilitated by the 1995 MIDP.

Figure 1 shows the auto sector’s most important responses to competitive pressures brought about by the new trade regime. It is evident that work reorganisation is rated as the first priority by South African firms. In addition to this, NAAMSA (2002) points out that ‘the extended MIDP represented an extremely challenging set of requirements which would force manufacturers to pursue further substantial improvements in operational efficiencies and the achievement of world class manufacturing standards in terms of production costs and product quality’. However, it is not clear what work reorganisation entails from the point view of different auto companies.
Figure 1 Competitive responses to Phase VI and the MIDP

The Industrial Strategy Project – a study commissioned by the Congress of Trade Unions of South Africa (COSATU) to look at the performance of the South African manufacturing industry - argues that lack of investment in human resources development, lack of local demand, backward technology, Bantu education, work practice and organisation which is adversarial, rigid, authoritarian and riddled with racism are key factors that lead to poor productivity and lack of competitiveness (Joffe et al., 1995). In deconstructing the Apartheid workplace regime, the ISP suggests that South Africa should adopt an intelligent production strategy (which can also be referred to as dynamic flexibility) as part of its post-Apartheid industrial policy. This strategy is similar to what Kaplinsky termed ‘labour friendly flexibility’ (Webster, 2002:186). This strategy stands on workplace democracy, skilling of the workforce, and collective bargaining at all levels – that is, national, industrial, sector and enterprise as key pillars to increase productivity and global competitiveness (Joffe et al., 1995).

As Killick (in Webster, 1997) points out, institutional innovation is one of the key elements of innovative flexibility. The post-Apartheid government has introduced a number of institutions to the labour market to deconstruct the Apartheid workplace regime. Webster (1999) points out that the post-Apartheid institutional innovations have provided a basis for a new labour regime and ‘voice regulation’ which gave rise to new regulations which facilitate a dialogue between organised labour, government and business at national, meso and enterprise levels. At the macroeconomic level, the National Economic Development and Labour Council (NEDLAC) was created as a social and economic body in which organised labour, community, government and business negotiate socio-economic policy issues. One of the labour market transformation areas of NEDLAC is the Workplace Challenge Initiative, which was aimed at changing workplace practices and work reorganisation to improve equity, efficiency and productivity (Webster, 1999). Like the Industrial Strategy Project, the initiative preferred a dynamic flexibility to the static flexibility option.
The extent to which a dynamic flexible strategy can deconstruct the Apartheid workplace legacy (authoritarian racism, racial structures, practices and privileges as well as skills shortage) remains a key question.

The 1995 Labour Relations Act (LRA) provides for the establishment of Workplace Forums through which consensus is built at the shop floor level. Webster (1997) points out that the creation of workplace forums is a realisation of workers' demands, which started in the 1970s through shop steward committees. Furthermore, the 1995 LRA encourages employers and employees to resolve disputes through the Commission for Conciliation, Mediation and Arbitration. At the industry level, the 1995 LRA makes provision for Bargaining Councils which are used to negotiate, among other things, collective bargaining agreements regarding wages and working conditions, and to enhance training and education programmes. However, employers complain that the extension of agreements reached at the Bargaining Councils to non-parties makes it difficult for companies that compete against international companies which have access to cheap labour (Webster, 1999). Adoption of centralised bargaining came as a result of workers' protracted struggles in the 1970s and 1980s.

The trade union movement pioneered these institutions. At the auto industry level, the National Union of Metalworkers of South Africa (NUMSA) demanded the establishment of the National Bargaining Forum (NBF), which is now used to discuss the restructuring of the industry. Webster (1999) points out that the 1991 NBF agreement, in which workers and employers committed to work reorganisation and improvement of quality to ensure global competitiveness, was one of the achievements of the NBF. The agreement also led to the establishment of the Automobile Manufactures Industry Education and Training Board.

The establishment and recognition of a trade union at BMW South Africa has been characterised by serious struggles as part of deconstructing the Apartheid workplace. Management at BMW has been trying to exert its control through coercive and persuasive measures. Once more, the union played a major role in instituting bargaining institutions as alternative to the management control system.1

The BMW Rosslyn assembly plant

BMW motorcycles were imported in South Africa in the 1920s (Forster, 1997). In 1968 BMW started assembling BMWs in Rosslyn due to favourable tax rebates offered by the then government. In 1982 manufacturing of leather seats was established, but outsourced in 2001. In the mid 1990s BMW's manufacturing was still concentrated in Germany. The decision to decentralise through the investment in the BMW plant at Rosslyn was based on the need to move closer to the markets. According to Carl-Peter Forster (1997), in the early 1990s BMW was mainly supplying European markets. The North America, Far East and the entire Southern hemisphere were considered too far away. For this reason, the company decentralised to be closer to its markets. The MIDP provided an impetus for further investment in BMW's Rosslyn plant because it provided a policy environment that

1. In my MA thesis I discuss workers' struggles that led to the formation of these institutions.
encourages export.

BMW South Africa, as part of the automobile industry, was protected through high tariffs during Apartheid. As the government’s auto-industrial policy based on export-orientation and trade liberalization, the MIDP has exposed BMW South Africa to intensive competition from other automotive companies. Through interviews with management, workers and trade unions as well as the BMW documents, the study attempted to look at BMW South Africa’s workplace restructuring strategy at the Rosslyn plant in the light of the MIDP. For BMW South Africa’s management the rationale behind workplace restructuring is that ‘the purpose of business is to make more profit by maintaining competitiveness’ (Mangoajane Interview, 2001; Robertson Interview, 2002).

In response to these new market conditions, Ian Robertson (Interview, 2002) pointed out that BMW South Africa has adopted a strategy-based, growing export business to earn rebates, skills development, improve quality and productivity; and worker ‘participation’ in decision-making processes at the shop floor level.

Besides international competition, post-Apartheid labour laws such as the 1998 Skills Development Act, the 1995 Labour Relations Act, the 1998 Basic Conditions of Employment Act, and the Employment Equity Act are among other reasons for BMW’s restructuring process. These pieces of legislation are aimed at removing racist and sexist discrimination as well as creating new institutions and industrial relations. According to Ndlovana (Interview, 2002) attempts to remove racial discrimination had started in the mid-1980s as a result of the strength of the trade unions which challenged the Apartheid workplace regime. One shop steward described BMW South Africa as a ‘racist pharaoh’ in the early 1980s; there were separate amenities, racist oriented promotions to better positions, assaults from management, and dismissals without proper hearing (Interview 1, 2002). He pointed out that in the mid-1980s this was beginning to change because of the strength of the labour movement. According to management, measures to abolish racially-separated amenities at BMW South Africa was introduced when management began to see racism and ‘adversarial industrial relations’ as an obstacle to the production process.

NUMSA, as part of COSATU, resolved that there should be a ‘strategic involvement’ or 'strategic engagement' with the restructuring of the economy and the workplace. The notion of strategic engagement is used to suggest that trade unions should participate in the restructuring process as a way of defending workers’ interests through democritisation of the workplace, gaining access to skills, and improving wages and working conditions (Webster and Adler, 2000:4; Von Holdt, 2000). The trade union at BMW South Africa has entered into a Performance and Delivery Agreement (PADA) with BMW management. Mooted in 1994, PADA was finally signed in March 1996 as one of the key components of workplace restructuring. The Agreement argues that ‘In an ever-changing environment of cost pressures, fluctuating requirements for global production capacity, as well as increased competition both locally and internationally, as well as the inherent disadvantage of our plant’s location in relation to our markets, all associates that is, workers, my addition] need to contribute to make a positive contribution in ensuring an ongoing future for the company’ (PADA, 1996:1). In implementing this agreement, both NUMSA and BMW South Africa management agreed on the need for ‘changes in work practices’
Flexible working time, shifts and intensification work

The 2000 BMW South Africa Report points out that 'the introduction of the flexible time arrangements is acknowledged as a significant factor for success'. Fluctuations in the demand for BMW cars in the local and overseas markets necessitated the adjustment of flexibility in terms of working time. In attaining working time flexibility, the company has developed a working time account concept (also referred to as 'bank hours') which is currently under discussion between management and NUMSA at plant level. The bank hours account means that overtime work will not be paid to workers; instead it will be 'banked' and 'withdrawn' when the company needs less or more working time. This is to ensure that workers are still paid 40 hours pay during low demand for BMW products. In other words, during periods of low demand the company can withdraw from the bank hours accumulated during overtime. Ndlovana (Interview, 2002) indicated that this will enable the company to increase working hours when the volumes increase and decrease the working hours when the demand is low. Fluctuations in market demand determine working time.

BMW South Africa has two working shifts. Workers work for nine hours a day, but on average only four days a week. The BMW Rosslyn Plant is on a double shift. In the recent past the first shift used to start at 07h00. Currently, the first shift starts at 06h30 in the morning and ends at 15h30. The second shift starts at 15h30 and ends at 23h30. Initially the second shift was introduced as a way of making up for the time lost during the 2001 national NUMSA wage strike, but now it is maintained permanently to allow the company to remain globally competitive. Mangoajane (Interview, 2001) argues that the rationale for changing the starting time is to ensure that BMW South Africa remains globally competitive and the management assumes that workers are productive in the morning because they are still 'fresh'.

The workers argued that the change in the starting time has created unsafe working conditions. Some workers travel for 40 to 50 kilometres to work and this exposes them to danger on their way to and from work (Shop Steward, Interview 2, 2001). The Human Resources Manager, Mangoajane (Interview, 2001) admitted that there is no adequate public transport to move people between work and home outside business hours. They usually arrange private transport, which is expensive. Some of the workers cannot spend time with their families due to overtime (Interview 2, 2001).

Workers who work during the night shifts complain about sleep deprivation, transport problems, limited participation in union work, and family problems which lead to divorces. One of the workers said, 'We're working very hard here to an extent that we hardly sleep, and I feel like sleeping now. I am also worried about my wife because I suspect when I am at work she does her own "things". I am going to divorce her, and I will not be the first person to do so; a number of my friends have done this' (Interview 9, 2002).

1. The Performance and Delivery Agreement is an unpublished document signed by BMW management and NUMSA at Rosslyn.
The level of wages, commodification of basic services and the high level of workers' indebtedness make it difficult for workers to resist management's imposition that they should start working at 06h30. One of the workers who earns R800 per week before deductions pointed out he only gets R325 after deductions. He complained that this amount can hardly maintain himself and the family because he supports a family of nine unemployed people (Interview 4, 2001).

In order to survive, the workers tend to borrow money from microlenders. Furthermore, some workers work in both shifts. They use the second shift as overtime to generate money to cover their expenses. This ties them more to the company since they need to service these loans. Workers are more worried now that that overtime work has to be banked into the 'time account'. They will no longer get money for overtime (Interviews 1, 2 and 8, 2001 and 2002).

Besides other economic pressures that make workers work hard, the remuneration system, which is based on performance in terms of output, is linked to wages. In other words, as people perform and deliver in time, wages are increased.

The BMW quality and its logo not only attract customers, but it also puts community and social pressure on BMW South Africa workers. The workers pointed out that communities assume that BMW workers earn a lot of money. For this reason, communities borrow money from them on a regular basis. As one worker said, 'Whenever my relatives and friends see me they see money because I work for a company that manufactures luxurious and expensive cars' (Interview 5, 2001).

Unlike under Fordism, presently production of cars is determined by orders from customers. This has an impact on the working time for workers. Their working time is extended and reduced through the bank hour account system on the basis of demand. The extension of working hours through the introduction of the night shift has negative effects on workers.

Workers pointed out that vacancies that arise due to the deaths of workers are not filled, despite increases in production and demand for BMW vehicles (Interviews 1 and 12). Management confirmed that they are reluctant to employ new general and unskilled workers because the present workforce is sufficient, in terms of numbers and skills.

Dismissals are mainly due to disciplinary matters such as alcohol abuse and absenteeism without leave. Annually only 8 to 15 workers are retrenched due to disciplinary problems, one of the shop stewards said (Interview 1, 2001). However, Table 4 shows that 58 workers were laid off, which implies that workers who are retrenched are not replaced. It could also be said that these vacancies are filled through the intensification and multi-tasking of workers. One worker said that since one of his colleagues was expelled for alcohol abuse, he also does the work of the expelled worker (Interview 6, 2001).

Numerical flexibility, which requires causal workers, is not easy because of the nature of the production process which requires stable labour. The production process at BMW South Africa consistently requires skilled people who cannot be easily employed through causalisation. It is for this reason that employment relations at BMW are permanent, with flexibility in terms of working conditions.
Worker involvement

Under Taylorism, management control over workers was exercised through direct control, whereas under neo-Taylorism control is exercised through decentralisation of power through teams, quality circles and other worker involvement schemes. Worker involvement can either be tactically progressive and despotic, as earlier pointed out in relation to neo-Taylorism and anti-Taylorism.

The 2000 BMW Annual Report points out that ‘BMW always looks for the associate [that is, worker, my addition] working and acting on his own responsibility’. Instead of following instructions, the BMW Human Resource Strategies are based on the ‘Associate Model’ and Leadership Model which focuses on and emphasises teamwork. The model sees workers as ‘associates’ who need to contribute their skills and abilities to the benefit of the company. The Leadership Model values personal performance, contribution and risk taking, rather than applying policies, procedures and systems. In other words, it encourages the development of individuals and the building of teams.

BMW South Africa has introduced a number of institutions at the plant level. Besides the teams and suggestion scheme and quality circles, BMW South Africa has Scheduling Committee Meetings, which are composed of human resources managers and shop stewards, to discuss production targets as per mandate from Germany informed by potential sales. The Scheduling Committee sits twice a month to discuss production targets for the following month.

There is also a Joint Committee that meets quarterly, comprising all sections of BMW South Africa – that is, Rosslyn plant, marketing, and finance. The Joint Committee discusses issues affecting BMW South Africa.

The Garankuwa plant was also involved before it was outsourced. Management sees quality circles (which they call PEP Talks), Scheduling Committees, and Joint Committees as a way of ensuring that workers identify themselves with the company’s objectives. Furthermore, management’s reasons to involve workers through different institutions in the plant include avoidance of strikes, MIDP-created new competition which requires negotiated restructuring, and employee motivation and performance (Mangoajane Interview 2001).

One of the key reasons for worker participation schemes is to stop management unilateralism through building workplace democracy and improve working conditions for the workers. One worker said, ‘Our participation in these schemes, particularly in the teams, PEP Talks and Scheduling, is to ensure that management does not always impose unrealistic targets. So participate to tell what is not possible and possible’ (Interview 4, 2001).

However, management does not always take workers’ views. ‘I have given my views in these teams, scheduling committees, but they are not taken. We’re always told that these are instructions from Germany, we must implement them’ (Interview 4, 2001).

Quality circles

PEP Talks constitute one form of worker involvement introduced at BMW South Africa. They have been in existence at BMW for about 15 years, according to one of the human resources managers. This is where workers discuss issues such as tools, assessment and
progress regarding production. The PEP Talks are held once a week for 30 minutes. In the 1980s workers were reluctant to participate because managers used the talks to communicate their instructions.

Mangoajane (Interview, 2001) pointed out that worker involvement through quality circles and suggestion scheme is to ensure that there are few defects in the final product. The quality circles and suggestion schemes solicit workers' expertise to solve problems - such as quality, efficiency, eliminating waste, raising productivity - which were considered as being management's competency.

Some of the workers are suspicious of the PEP Talks because they are seen as part of a strategy by management to undermine trade unions. Some workers pointed out that sometimes PEP Talks are also used to raise workers grievances, thus bypassing trade unions (Interview 1, 2001). Collectivist worker identities are diminishing and being replaced by individualism. Some workers are losing loyalty to the trade unions and are more loyal to the company. One of the workers said, 'Trade unions are not helpful because we raise our concerns in the PEP Talks' (Interview 11, 2002). Other workers argue that these structures should not be seen as the replacement of trade unions because workers need a common approach in dealing with issues in these structures, and the trade unions provide them with a space to adopt a collective approach, thus increasing their power (Interviews 1 and 3, 2001). Management pointed out that the workers participate through quality circles, and this makes them feel that they are part of the 'BMW family' (Mangoajane Interview 2001).

Suggestion schemes

As opposed to Taylorism, in which management's 'scientific' knowledge was considered important, workers' knowledge is used as a resource in the production process at BMW South Africa. This finds expression in teamwork, suggestion boxes, and other structures created within the company since 1994, according to the management. This shows that workers' knowledge plays a key in the capital accumulation process in the current phase of capitalism.

It is no longer the capitalists through their agents - that is, managers alone - who ensure that 'the means of production are used with intelligence'. Workers' intelligence is used to eliminate wastage in the production process. BMW South Africa uses workers' knowledge to cut costs and improve quality. The Suggestion Scheme is used as one of the tools used to solicit workers' knowledge. The Suggestion Scheme was established in 2000. This is part of an overall dedication to continuous improvement of BMW South Africa's products. The Suggestion Scheme aims to encourage and motivate workers to:

- contribute skills and use their abilities to the benefit of the company;
- take responsibility for personal contribution to the company's success;
- show initiative;
- co-operate in different working and organisational structures;
- be flexible and willing to learn and develop constantly;
- eliminate unnecessary bureaucracy; and
- create a building block of understanding, performance and company success (Suggestion Scheme, Annual Report, 2001:1).
The Suggestion Scheme is mainly aimed at cutting costs through involving workers. A list of achievements of the Suggestion Scheme is reproduced in Table 3.

### Table 3 Suggestion scheme achievements

<table>
<thead>
<tr>
<th>Data</th>
<th>Rosslyn Plant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of workers</td>
<td>3913 (2776 eligible)</td>
</tr>
<tr>
<td>Target suggestions per participant year</td>
<td>1</td>
</tr>
<tr>
<td>Registered suggestions to date</td>
<td>202</td>
</tr>
<tr>
<td>Percentage implemented suggestions</td>
<td>15%</td>
</tr>
<tr>
<td>Total savings to the company</td>
<td>R3 014 784.4</td>
</tr>
<tr>
<td>Total Rewards to workers</td>
<td>R274 200</td>
</tr>
<tr>
<td>Maximum reward</td>
<td>R30 000</td>
</tr>
</tbody>
</table>

Source: Adapted from the Suggestion Scheme, Annual Report, 2001.

Drawing from the above table, it is clear that workers' knowledge is vital for BMW South Africa's profitability and quality that arises from cutting costs. The company has saved more than R3 million through this scheme. Two paint shop workers saved the company R905 600 over a period of five years by suggesting recycling of the polish mops at the polish lines in the paint shop. Furthermore, two body shop workers will save the company R100 000 per year for having suggested usage of refilled print cartridges as opposed to buying new cartridges. This shows that the distinction between manual and mental labour promoted by Taylorism is no longer a basis for competitiveness at BMW South Africa. The value of a worker is also determined by the knowledge that he or she contributes to the production process. However, the workers are not fairly compensated for their knowledge. The company saved about R3 million through worker's knowledge, but the workers were only given R274 200. The company uses workers' knowledge to extract surplus value.

### Teamworking

Notwithstanding the control that managers still have, it is no longer a capitalist or manager alone who ensures that there is no wastage of the means of production during the production process, as Marx (1967:314) pointed out. Workers are involved through teams to deal with bottlenecks in the production process. Each team consists of 24 workers run by two team leaders. The management appoints one of the team leaders in each team and workers elect the other team leader. The elected team leader only leads when the appointed team leader is not available. Workers argue that the team leaders do not listen to them and they always interfere in the 'smooth running of the production' (Interview 4, 2001). It could be said that team leaders still work within Taylorist logic, which assumes that workers are empty vessels and lazy and that they need to be constantly monitored. Brown (1992). 'Responsible Autonomy' is applied in so far as the suggestions of workers are used to deal with the bottlenecks in the production process.
According to the Recognition Agreement team leaders are not allowed to join trade unions. 'We fought that team leaders should be allowed to join the trade unions as per the NUMSA resolution, but the management refused, and we are still fighting now' (Interview 10, 2002) Workers see team leaders as people who do not have the interests of workers. 'These team leaders are messengers of management, and they put the management's interests before our interests', one worker said (Interview, 7, 2002).

NUMSA's national conference passed a number of resolutions which could be described as anti-Taylorist teamwork. One of the resolutions on teamwork suggests that team leaders should be elected on a rotational basis. Despite the 1996 NUMSA resolution, BMW South Africa has adopted neo-Taylorist teamwork. Team leaders are not elected; instead management, through processes of interviews that do not include workers' representation, appoints them. The team leaders have more powers than team members. Management delegate some power to team leaders to manage workers. In other words, the team leader is similar to a low level supervisor or 'foreman' in the Taylorist system or Apartheid workplace regime.

I. The term 'associate' is used as an ideological description for 'flexible' labour and it also obscures the conditions faced by workers under the production regime.

Ideological flexibility and the identification with the company

Identities can lead to particular forms of social action. BMW South Africa is trying to change the identity and subjectivity of workers so that they can identify themselves with the company and work with commitment through what I call ideological flexibility. The ideological flexibility is aimed at shaping workers' attitudes and behaviour towards work. Of course, employees do tend to subjectively identify with organisations who do not even have an explicit program to inculcate such behaviour. But the point here is that BMW South Africa does explicitly attempt to inculcate such behaviour. At BMW South Africa workers are not called 'workers'; instead they are called 'associates'. This has an impact on how workers identify and conduct themselves in relation to the company and among themselves. Terms such as assemblers, welders and painters are no longer used because of multi-tasking and the creation of a more egalitarian workplace. The term associate, one worker said, is used to conform with 'international standards and it shows that South African workers are seen as workers like any other worker in the world, unlike in the past in which South African workers were seen as lazy and unskilled'. For this reason, the worker was happy to be called an associate and it encouraged him to be committed to the company. The worker said, 'It shows that the days of Apartheid are going; we are seen as equals with our counterparts globally' (Interview 11, 2002). This has also changed the identity of some workers in relation to other BMW workers in other parts of the world.

According to management, the usage of the term 'associates' as opposed to 'workers' is aimed at inculcating a workplace culture that enables workers to look at the company as a family unit facing outside competition (Ndlovana, Interview, 2002). The J.D. Power Award won by BMW South Africa is cited as a symbol of one family facing other competitors out there. It is for this reason that workers were given watches after BMW South Africa won the J.D. Power Award (Shop stewards, Interviews 2 and 3).

I. The term 'associate' is used as an ideological description for 'flexible' labour and it also obscures the conditions faced by workers under the production regime.
BMW South Africa management assumes that the interests of workers and capital are common; hence workers are not regarded as 'cost factors' but as crucial to the success of the company (BMW SA, 2000). However, not all workers approved of being called associates. One of the shop stewards said, 'I have a problem with this word “associate” because an associate in business is an equal partner, but here at the plant we are not equal; the bosses are still in control' (Interview 1, 2001).

In creating an atmosphere of equality within the workplace, the management pointed out that managers, directors and employers wear the standard BMW South Africa T-shirts during working hours. Furthermore, directors and managers are called by their first names, as opposed to titles such as 'Mr', 'Mrs', 'boss' or 'baas'. In official documents, however, BMW South Africa has maintained the use of the hierarchical notions of managers and directors. It could be said that employers have created a new occupational culture based on the idea that workers are associates who are equal to management. Management is using such new concepts to win the hearts and minds of workers so that they will commit themselves to the production targets and create non-adversarial industrial relations. In other words, management rules through consent as a mode of control, as opposed to compulsion and coercion, which have been prevalent under the market despotic production regime (Burawoy, 1985).

Workers do not have the same identity in relation to the company. Loyalty to the company is undermined by uncertainties due to possible retrenchments that may arise out of the introduction of a new model. One worker said, 'Why should I identify myself with the company if it does not identify itself with my interests and we are told that the new model will lead to loss of jobs?' (Interview 1, 2001).

This shows that there are contradictory aspects in BMW South Africa's attempt to ideologically adapt to global competition. That is to say, in order for BMW South Africa to survive, it must change workers' identity in relation to the company. At the same time, however, it must raise the level of profitability through retrenchments and the reduction of the strength of labour, thereby diminishing labour's commitment to the company - despite this commitment being important for BMW South Africa's ability to compete.

The pressures for working time flexibility and intensification of work also undermine the sense of egalitarianism created through everyone using the same canteens. Workers do also buy their food from the canteen, but they take their food to their workstations because of time pressures (Interview 3 and 10). Furthermore, they feel more comfortable sitting with their fellow workers to chat about their personal experiences. The cultural differences between white and black ordinary workers make it difficult for them to stay together during lunch hours. This is exacerbated by the fact that white staff can hardly speak any of the African languages. However, I observed that black and white salaried staff are always together during lunch hours, while the black workers are always together. While race still dominant in social interaction during lunch hours, the interaction between salaried white and black staff shows that class is the significant factor. The Apartheid workplace regime enhanced a workplace culture of separation along racial lines that was laid down by the capitalist colonial and slavery workplaces that preceded Apartheid. This still persists within BMW South Africa because of broader systemic factors, such as class
and race, which are embedded within South African society.

The workplace social interaction points to the fact that despite BMW South Africa’s attempt to create an artificial egalitarian atmosphere, the different life experiences and the division of labour between management and workers make it difficult to blur the class differences within the workplace. In other words, ideological flexibility finds it difficult to adapt to the concrete situations and requirements for capital accumulation in the workplace, as well as the cultural experiences of managers (mainly white) and employees (mainly black).

This shows that labour flexibility is not only numerical and functional, but it is also about ideological flexibility, which attempts to change workers’ identities in relation to conflictual relations between labour and capital within the workplace. The ideological flexibility has contradictory results. On the one hand, some workers are ‘interpellated’, to use Althusser’s (1971) concept, and others are not.

Technology

Globally, BMW has six locations of production that form a huge network under control of the Munich plant in Germany. BMW uses technology to communicate and to ensure that all plants account on the production process. The management pointed out that ‘every 30 minutes the Munich plant knows how many cars have been produced’. It could be said that technological innovation has enhanced managerial control not only over the plant as whole but also over workers, since they are pressurised to deliver on time as per targets set in Germany which are informed by the potential sales.

The management pointed out that automated machines do welding (Mangoajane Interview, 2001). It could be said that the rise of global competition has led to new innovation through improving machines in order to raise productivity. Workers, for fear of loss of jobs, do not usually welcome new technological innovations. The older generation of workers is not comfortable with the introduction of new technology. One of the workers who is 59 years old and joined the company in 1982 pointed out that this will lead to retrenchments because the company prefers young people who have skills (Interview 3, 2001). The worker attributes the change in retirement age from 65 to 60 as a strategy by management to retrench older workers so that they can employ young people. Management confirmed this when they pointed out that older workers should ‘open space’ for young people to operate the new technology (Mangoajane 2001, Interview). The change in retirement age may result in the lost of tacit skills and organisational memory contributed by older generations. A 23-year-old worker feels that technology is making his work much better (Interview 11, 2001 and 2002), whereas the older generation is sceptical on the basis that it will lead to their retrenchment.

Specialised workers do design and moulding using advanced technology. They are in charge of highly automated production facilities. This confirms that the new phase of capitalism requires highly skilled workers. This is not to say that unskilled workers are redundant or structurally irrelevant in the workplace, as Castells (1998, 267:280) would argue. BMW South Africa deploys unskilled workers in labour intensive activities; as management pointed out, unskilled workers are used for polishing cars after painting.
Technology was introduced to ensure that the company remains competitive and satisfies customers. Body and painting shops are highly automated as a way of maintaining competitiveness and customer satisfaction, for both older and emerging customers, since automation reduces defects.

The level of automation in BMW South Africa is low compared to the European plant. Only 37 per cent of the BMW South Africa body shop is automated compared to 90 per cent of the German plant (Furlonger, 2002).

Generational change

The new technological innovations lead to a new antagonism among workers, based on age. The older generation feels that they will be retrenched as a result of the introduction of technology. One of the shop stewards echoed the Volkswagen's Human Resources manager’s view on young workers when he said:

They [young workers] are less political, less hung about the past. They are more interested in training and in 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 (Furlonger, 2002).

One of the shop stewards (Interview 1, 2001) pointed out that there is tension between older and younger generations of the BMW South Africa workforce because the latter are not active in union activities; instead they are more interested in career mobility. One of the workers commented that ‘... everyone is here to work for himself; I do not care about the endless meetings. I’m just here to make and enjoy life’ (Interview 11, 2001 and 2002). On the other hand, the older generation of workers complained that ‘these young stars do not know what solidarity is, and are too selfish and do not want to join the union. They only remember about the union when they have problems’ (Interview 3, 2001).

This shows that the new technological innovations, which requires new skills, is dividing workers on the basis of age, thus giving rise to new antagonisms among workers. Furthermore, compared to the German plant’s automation, it shows that high automation does not necessarily lead to quality. In turn, the argument that labour is redundant in the current phase of capitalism is refuted. Capitalism in this period requires knowledgeable and skilled workers. Clearly, capital can invest both in technology and labour, while age is used to determine the extent to which investments, in the form of training and skills development, are made in labour. Capital’s strategy to invest in skills on the basis of age has led to contradictions among the workers, based on age. In the workplace collectivist identities are diminishing in a way that corresponds to age differences. In other economic spheres collective identifications, such as those generated among consumers, continue to play significant roles.1

Employment Equity and racial dynamics

So far the company is improving the racial composition of its salaried staff. BMW South

1. Collective religious or ethnic identifications also clearly continue to play important roles in intergroup relations.
Africa concentrated on this section of the workforce because the Apartheid workplace affirmed mainly white males for salaried positions.

Table 4 shows some changes regarding racial and gender composition of the company in line with the Employment Equity Act. Note that management distinguishes between 'blacks' (meaning persons of Indian descent) and 'African'. The results are based on BMW South Africa’s five year Employment Equity Plan that was submitted to the Department of Labour at the end of 1999. The changes in the racial and gender composition of salaried employees resulted from biased recruitment of historically disadvantaged employees to fill vacancies due to natural staff turnover. In other words, vacancies due to either white worker retrenchments or retirement are taken up by persons who can be designated as historically disadvantaged. The number of those classified as black, coloured, and African increased from 413 to 490 after the number of white workers declined from 810 to 648. As a result, the racial composition of the BCA employees increased by 77, while the number of whites decreased by 162. Table 4 shows there were 961 male workers in 1999 and 903 in 2002, which means 58 males were retrenched or retired. Yet the number of women employees also decreased from 262 to 235, yielding an overall decline of 27.

While Table 4 does not disaggregate or delineate the reasons for the decline of the number of employees, management (Mangoajane Interview, 2001 and Ndlovana Interview, 2002) pointed out that retrenchments and retirements are key factors contributing to the decline. As earlier pointed out, some vacancies are not filled; instead, there is intensification of work through multi-tasking.

Table 4: Employment Equity Plan for BMW South Africa – Summary of Changes as at October 2002

<table>
<thead>
<tr>
<th>Salaried Staff Only</th>
<th>BCA vs. White Before</th>
<th>After</th>
<th>Female vs. Male Before</th>
<th>After</th>
</tr>
</thead>
<tbody>
<tr>
<td>Band Description</td>
<td>FunctionaI Grade</td>
<td>BCA</td>
<td>White</td>
<td>BCA</td>
</tr>
<tr>
<td>E- and F-Band</td>
<td>E / F</td>
<td>2</td>
<td>40</td>
<td>3</td>
</tr>
<tr>
<td>D-Band</td>
<td>DL / DU</td>
<td>56</td>
<td>378</td>
<td>89</td>
</tr>
<tr>
<td>C-Band</td>
<td>CL / CU</td>
<td>176</td>
<td>279</td>
<td>198</td>
</tr>
<tr>
<td>B-Band</td>
<td>BU</td>
<td>164</td>
<td>110</td>
<td>170</td>
</tr>
<tr>
<td>B-Band</td>
<td>BL</td>
<td>15</td>
<td>3</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>413</td>
<td>810</td>
<td>490</td>
</tr>
<tr>
<td>Ratio</td>
<td></td>
<td>34%</td>
<td>66%</td>
<td>43%</td>
</tr>
<tr>
<td>Target</td>
<td></td>
<td>37%</td>
<td>63%</td>
<td>37%</td>
</tr>
</tbody>
</table>

Source: BMW Human Resources Management Division.
a. BCA stands for Black, Coloured and African.

Notwithstanding the continuity in race and gender imbalances within the company, particularly at the senior management level (e.g. grades D, E, F in Table 4), the company is changing its racial and gender composition. These changes did not increase the total number of employees. The significance of these changes is that race and gender are not
determinant factors for quality, thus refuting the notion that the deconstruction of the Apartheid workplace through state-driven interventions to achieve equity will lead to poor quality. However, workers complained about some of the managers, saying that 'they treat us in the same way as the white managers did. They shout at us as if we are their children' (Interview 3, 2001). The black managers have just been incorporated into the company power structures without transforming the power itself. This shows that merely changing the actors in the structures of capitalist domination within the company does not necessarily lead to fundamental changes within the workplace.

Skills and training
According to Joffe (1993), training in the South African manufacturing sector was based on Taylorism to meet the needs of mining and basic manufacturing. In addition to this, in 1993 45 per cent of black workers in South African manufacturing companies could not read and write. In 1985, only 10 per cent of the South African workforce was trained to the level of artisan, while 60 per cent of German workers had received training to this level (Joffe, 1993).

The 1998 Skills Development Act is aimed at improving workers' skills by imposing a skills levy, which is paid back to companies when training is done. Subsequently the Manufacturing, Engineering and Related Services Sector Education and Training Authority (MERSETA) was established to facilitate skills development in the auto sector and other related sectors, such as metal and engineering. NUMSA has integrated training in its bargaining. The management was reluctant to give out the skills plan that they submitted to the Department of Labour, fearing that it might land in the hands of their competitors. Nevertheless, drawing from the interviews and documents there seems to be some commitment to training and skills development within BMW South Africa which is also made possible by the demand of workers on the shop floor.

Richard Carter, BMW South Africa's Communication Executive Officer, and Carl-Peter Forster, MD of BMW South Africa from 1996 to 1999, attributes good quality to BMW's investment in training and education. Carter pointed out that in South Africa BMW spends 10 per cent of its annual wage bill on training compared to 2 per cent in Germany and 2-3 per cent in the US (Forster, 1997; Tilley, 2002). According to Robertson, BMW South Africa's current MD, the focus on skills formation is also linked to addressing the illiteracy which made it difficult for shop floor workers to follow written instructions under Apartheid.

Automation requires new training arising out of the investment in new technology; it also requires investment in workers' skills. BMW South Africa management pointed out that they invested in skills development due to new technology and the need for quality products. The company has an in-house training centre called the Technical Training Centre. The duration for training is from one to three years, and each successful trainee receives an Automotive Manufacturing Industry Certificate (AMIC) which is portable; that is, a worker can join any company in the automotive industry and be remunerated on the basis of the skills acquired from the training. AMIC is certified by the Automobile Manufactures Industry Education and Training Board. According to M. McMicken (Interview
BMW South Africa’s Skills Development Facilitator, AMIC, provides three areas of training:

- skills and knowledge training aimed at improving workers’ skills to enable them to produce ‘world class cars’ at Rosslyn;
- core knowledge training to assist workers to understand basic business principles and improve quality of work and life through programmes such as employee relations, communication, health and safety; and
- adult basic education to improve the literacy and numeracy of workers.

After completing each level, a worker receives a pay adjustment, and this encourages workers to participate in the training programmes.

Workers see skills as having an emancipatory potential in the sense that skills will provide them with wider choices in terms of employment (Interview 1, 3 and 12, 2001 and 2002). In other words, workers feel that training will enable them to choose a company to work for in case they are not satisfied with a particular company. It could be said that this emancipatory potential is limited because workers are still trapped within the wage labour system which is the basis of their exploitation.

The management indicated that unskilled workers are not retrenched; instead they are redeployed to labour intensive activities such as polishing cars after painting because ‘the human eye and touch is necessary to do the final touch-ups’ (Mangoajane Interview, 2001). The management also pointed out that multi-skilling enables workers to do more than one task. This helps management to deal with absenteeism, since another worker can do the absent person’s job. One worker said ‘... since I received training, I am doing more than one job’ (Interview, 12, 2002). It could be argued that multi-skilling is also accompanied by multi-tasking.

Conclusion

I conclude by arguing that BMW South Africa uses a hybrid of dynamic and static flexibility strategy. The case study demonstrates that BMW South Africa uses key elements of the dynamic strategy for global competition. This strategy is based on increasing productivity through a skilful and co-operative workforce. This is not to say that there is a decisive break with the Apartheid workplace regime. As BMW South Africa is in transition from a workplace regime based on South Africa’s previous social formation, there is a conflict between management strategies. On the one hand management is trying to organise worker participation, simultaneously increasing control and intensification of work. Management attempts to organise consent and identification with the company, and this creates alienation and resentment among workers.

To say that there are elements of the dynamic flexible production regime at BMW South Africa is not to suggest that workers are not exploited, but it does show that the form of extraction of surplus value is qualitatively different from other forms of exploitation based on market despotism. Workers can use the space opened up by the dynamic flexible production regime to fight for their rights.

Anti-Taylorist teams could enable workers to resist managerial control and domination through sharing their problems in production based on their perspectives and devel-
oping collective responses. There is no doubt that the training is aimed at raising the profitability of labour. However, skills development and training does not only make workers reclaim what they lost in other phases of capitalism, but it can also increase their bargaining power since they will have a wider choice to work for any employer or to build alternative forms of production using the skills acquired under a capitalist production regime.

Given the significance of workers’ knowledge for companies to be competitive, withholding the knowledge can be used as a tool for resistance. Table 3 has shown that BMW South Africa is using workers’ knowledge to improve its competitiveness. Therefore, it is not only their physical strength that contributes to the raising of surplus value, but knowledge solicited through suggestion schemes plays a key role. Their knowledge can also be increased through skills development.

While elements of the dynamic flexible production regime are important for workers, it could be said that capital would move out in search of lower labour costs, given the ‘race to the bottom’ which drives global capital, as Lambert and Chan (1999) have shown. The BMW South Africa case study has shown that companies are internationalising their production chain through three competitive strategies – namely, world car, globalisation and luxury-oriented car production. The question remains whether dynamic flexibility is possible in the context of globalisation, which has increased the power of capital in relation to labour. The evidence suggests that dynamic flexibility within a capitalist framework is not sustainable. In addition, the mere reform of the Apartheid workplace regime without changing its capitalist basis is not sustainable in the long term. This points to the need for workers to internationalise their struggles to counter the ‘race to the bottom’ through fighting for core labour standards.

References


1. The notion of ‘market despotism’ is drawn from a typology of production regimes by Buroway (1985). In this typology he cites market despotism, bureaucratic despotism, colonial despotism and hegemonic production regimes. He shows that under market despotism, which was dominant in the early phase of capitalism, workers had no rights. A bureaucratic despotism production regime is controlled by a political party, which appoints managers, whereas colonial despotism is based on White domination over blacks, particularly in colonial situations. In his notion of a hegemonic production regime, Buroway (1985) uses Gramsci’s concept of ‘hegemony’, which denotes the idea that subjects can be controlled through consent. The hegemonic production regime is dominant in advanced countries. Better wages, bargaining rights, and collective bargaining through institutionalised democratic state regulations are among the elements of a hegemonic production regime. The hegemonic production regime is similar to Deyo (1996)’s dynamic flexible production regime.


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Worker interviews:
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- Interview 2, May 2001, BMW Rosslyn plant
- Interview 3, May 2001, BMW Rosslyn plant
- Interview 4, May 2001, BMW Rosslyn plant
- Interview 5, May 2001, BMW Rosslyn plant
- Interview 6, May 2001, BMW Rosslyn plant

NUMSA BMW South Africa shop steward interviews:
- Interview 1, May 2001, BMW Rosslyn plant
- Interview 2, May 2001, BMW Rosslyn plant
• Interview 3, May 2001, BMW Rosslyn plant

Interviews conducted in 2002

S. Ndlovana, Employee Relations Officer, BMW Rosslyn Plant, October 2002.
Ian Robertson, BMW South Africa MD, Midrand, Marketing and Finance plant, October 2002.
3 NUMSA BMW South Africa shop stewards, October 2002, BMW Rosslyn (same as 2001).
6 workers, 2002 October (same as 2001).
• Interview 7, October, 2002, BMW Rosslyn plant
• Interview 8, October, 2002, BMW Rosslyn plant
• Interview 9, October 2002, BMW Rosslyn plant
• Interview 10, October 2002, BMW Rosslyn plant
• Interview 11 October 2002, BMW Rosslyn plant
• Interview 12, October 2002, BMW Rosslyn plant

Interview conducted in 2003
