

Work Restructuring in Post-Apartheid South Africa

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South Africa's triple transition—toward political democracy, economic liberalization, and racial equity—has generated a variety of responses at workplace level. Rather than a uniform response, a hybrid mix of managerial strategies is emerging that reveals both continuities and discontinuities with past practices. We argue that the challenge facing the South African workplace is to balance the contradictory demands of efficiency, employee rights, and equity arising out of the triple transition. What sort of a trade off, if any, between these competing pressures is required and what is politically feasible remains to be seen. What is clear from our case studies is that the challenge cannot be met unless the legacy of the apartheid workplace regime is decisively overcome.

Keywords: *work restructuring; democratic transition; informalization of work; call centers; deep level mining*

South Africa is undergoing a triple transition: a transition to a globally competitive economy, attempting to consolidate democracy and remove the legacy of apartheid (von Holdt, 2002). The economic transition is leading to pressures to restructure work. Central to the second transition—the consolidation of democracy—is the idea of social citizenship. The third transition—the removal of apartheid structures and practices—is central to the changes taking place in the workplace and society.

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In South Africa, the apartheid past persists in the workplace through the persistence of certain features of what von Holdt (2002) has called the “apartheid workplace regime.” “Apartheid oppression was not something found outside the factory: it was also internal to the workplace and indeed structured management relations with Black workers” (p. 287). The effects of this regime—low trust, low levels of skill, a reluctance to identify with the goals of the enterprise, and above all, the persistence of the racial division of labor that characterized apartheid—continue into the present.

Since 1994 when South Africa held its first democratic elections, there has been a systematic removal of apartheid legislation and the introduction of legislation designed to create equal opportunity throughout society. In the workplace, this has involved the introduction of a new labor relations regime, made up of six core statutes—the National Economic Development and Labor Council (NEDLAC) Act of 1994, the Labor Relations Act of 1995 (LRA), the Basic Conditions of Employment Act of 1997 (BCEA), the Skills Development Act of 1998, the Employment Equity Act of 1998, and the Social Plan Act of 1998. These innovations were designed to position South Africa on the “high road”—a route that emphasizes skills through training and high wages, through effective collective bargaining, rewards, and incentive schemes.¹ These policies were influenced by the idea that the global economy was in a process of transition from “fordism,” via “racial fordism,” to “post-fordism” (Joffe, Kaplan, Kaplinsky, & Lewis, 1995). These ideas are captured in the Workplace Challenge Initiative, an agreement between the Department of Trade and Industry and organized labor and employers through NEDLAC. Its main objective was to deal with the challenges faced by industries due to South Africa’s re-entry into the global market and to assist industries to be more competitive (NEDLAC, 1997). The desired result was to transform workplace practices and work organization toward equity, efficiency, and productivity.

Employers have adapted to this new environment by restructuring production, establishing new patterns of work organization and/or relocating production units. Human resource management initiatives include quality circles, teamwork, productivity-linked wages, profit sharing, and performance-based rewards. These techniques have been introduced in many countries to raise productivity and help employees identify more closely with the enterprise through “direct participation.” Unions have generally found ways to adapt to management initiatives and to work within the framework of institutions, which complement collective representation.

Employers have also defined their own system of industrial relations, different from national and sectoral arrangements. Consequently, there is a move toward individualism, coupled with new strategies to make employees

identify more closely with the company. More specifically, there is a general trend toward decentralized bargaining at the enterprise level.

However, the South African workplace is not only affected by the economic transition but also by a transition toward democracy and racial equality. These transitions have introduced a discourse of rights and equity leading the state to intervene at the national level to establish a new labor regime designed to create a more equitable and efficient workplace.

RESEARCH APPROACH AND METHODOLOGY

To demonstrate our argument, we focus on three case studies chosen “not for statistical representativeness but for theoretical relevance” (Burawoy, 1985, p. 17). There is a mode of generalization that “seeks to illuminate the forces that work in society as a totality rather than to reflect simply on the constancy and variation of isolated factory regimes within a society” (p. 17).

We chose our case studies—in deep level gold mining, footwear manufacturing, and call centers in the telecommunications industry—to illustrate the broad features of the economy and the uneven and contradictory effect of the triple transition on the South African workplace. This enabled us to overcome the tendency to assume the domination of one production paradigm over another (e.g. post-fordism over fordism). “Hybrid forms of productive organization,” Hirst and Zeitlin (1991) suggest, “are the exception rather than the rule The simple ideal type is just a part in a more complex and multi-layered process of theorization” (pp. 6, 26; also Kraak, 1996, p. 43).

To analyze the experience of work, we drew on data from a number of case studies, conducted by researchers in the Sociology of Work Unit. Data on mining is drawn from research undertaken by Paul Stewart and Sizwe Phakathi on the Tautona gold mine over a 3-month period during 2001. The researchers immersed themselves in the working lives of underground miners and lived in the dormitories with the men, adopting the role of participant-as-observer while underground. They kept a diary of their conversations and observations (Webster et al., 2001).

The research on call centers was conducted by Rahmat Omar between May 2000 and January 2001 (Omar, 2001). Data were gathered through semistructured interviews with 20 key informants, nonparticipant observation in two call centers, and an analysis of company and government records. Data on the footwear industry is drawn from research undertaken by Sarah Mosoetsa, through semistructured interviews with 16 female workers in two workplaces, and key actors in the world of work, such as government officials, employers, and trade unionists (Mosoetsa, 2000, 2001).

Our analysis focuses on five key dimensions of work restructuring: the role of the state in developing macroeconomic policy and creating a new labor regime, work organization and managerial control, employment relationships, collective bargaining, and the role of unions. We focus on these five dimensions because work restructuring cannot be understood by examining the workplace in isolation from its interrelationships with other institutions that regulate production relations. Our first dimension focuses on the policies of the post-apartheid state in its attempts to create a new social order and a new workplace. The second and third dimensions focus on workplace relations and the labor market. The fourth and fifth dimensions examine the role of stakeholders, particularly trade unions, in shaping work restructuring.

Mining was chosen as our first case study as it has been the backbone of South Africa's economy since the late 19th century and was the bedrock of the apartheid workplace regime. Over the past 15 years, fundamental structural changes have taken place in the global mining market, particularly in gold mining, South Africa's most important mining subsector.

Furthermore, the industry has been forced to mine gold at greater depths, which has increased the costs of mining and has led to a third of the mines being categorized as marginal. The industry has dealt with these cost pressures primarily through severe restructuring. In 1987, the gold mines affiliated with the Chamber of Mines employed some 500,000 workers; by March 1994, they employed 300,000 workers. The mine we chose, Tautona mine in Carletonville, is the world's deepest gold mine and is an example of an attempt by management to create "a new worker and a new workplace" (Webster et al., 2001).

The changed global economic scenario and the low price of gold, together with the weakened local currency (the Rand), have triggered a drive to restructure work.² This process has been reinforced by political changes and the necessity to comply with recent legislation that seeks to address inherited imbalances with regard to education, training, and employment equity. These factors have fueled the ongoing quest for technological improvements and increased efficiencies. In addition, costs of supervision in this context could no longer be afforded. A transformation of work and work relations in the mining industry was consequently forced by this multiplicity of factors.

Manufacturing industry has been at the center of South Africa's industrial growth since the Second World War. Footwear was chosen as an example of the differential effect of globalization on the workplace, leading to increasing marginalization in the economy. It also illustrates growing social exclusion and the gendered nature of restructuring.

Historically, Pietermaritzburg was known as South Africa's "shoe city." In 1996, there were 26 footwear factories in the city (Mosoetsa, 2000). However, by 2000, the two largest firms, Jaguar Shoes and Richliegh, had closed down, and Eddels (SA) had retrenched many of its employees. Employment in the footwear industry in South Africa declined by 42% from 25,931 employees in 1987 to 14,984 employees in 1998. Footwear production has also declined from 61 million pairs of shoes in 1981 to 29.9 million pairs in 1998.

Instead of the footwear industry developing the high road, as envisaged through the Workplace Challenge Initiative, there is a growing informalization of work. Sarah Mosoetsa has called this South African variant of the low road "the Manchester Road" (Mosoetsa, 2001). Manchester Road was originally designated as an area for the development of small retail business. However, unlike many informal sector areas where trading dominates, the production of shoes is now the dominant economic activity.

Finally, we chose call centers in the telecommunications industry as they illustrate a new form of work organization in a key sector of the "knowledge economy" (Castells, 1996). The telecommunications industry in South Africa is changing from a monopoly to a highly competitive environment. Through its policy of "managed liberalization," South Africa appears to be following a trend, visible in states all over the world, toward privatization of state-owned enterprises in strategic sectors such as energy, telecommunications, media, and finance.

In the context of this changing regulatory framework, state-owned enterprises, now partially privatized, have embarked on an ambitious transformation strategy to become world-class operating companies. Key objectives are positioning the company for competition and improving efficiency, productivity, and cost effectiveness. The strategy has included elements such as network expansion and modernization and organizational restructuring, including an increased emphasis on customer service.

As part of its strategy for managing staff numbers, a combination of measures has been implemented, including voluntary severance packages, early retirement, retrenchments, and outsourcing of non-core functions, such as construction, catering, security, and other support activities. These measures have resulted in the reduction of the number of general staff, mostly Black and unskilled or semiskilled, by more than 20,000 in the period between 1997 and 2000.

The impact of this triple transition on the workplace is illustrated diagrammatically in Figure 1.

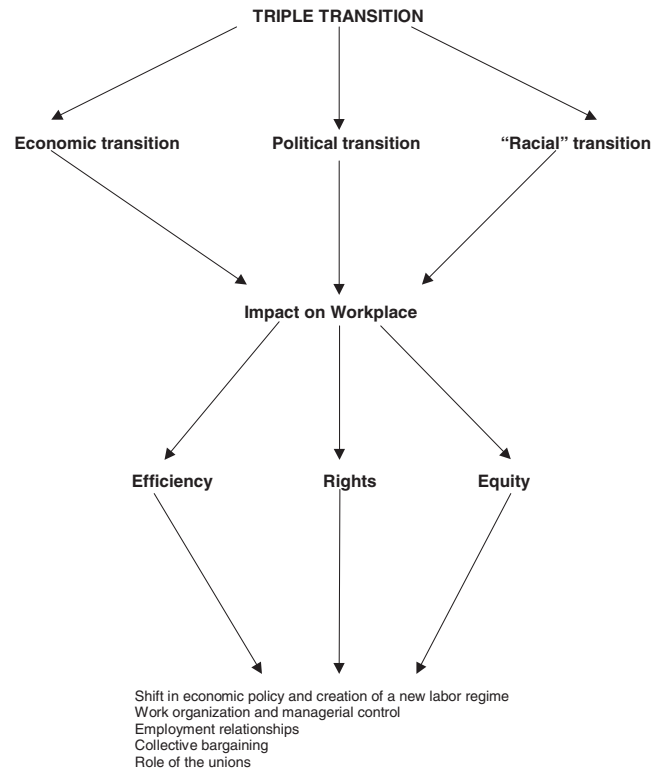


Figure 1: Impact of Transition on Workplaces

IMPACT OF TRANSITION ON THE WORKPLACE

SHIFT IN ECONOMIC POLICY AND CREATION OF A NEW LABOR REGIME

Mining. A key part of workplace change is the process of restructuring of capital through financial deregulation. With the permission of the state, key mining houses, such as Anglo-American, have shifted their headquarters to London and are listed on the London Stock Exchange. Others, such as De Beers diamond mining, have delisted from the Johannesburg Stock Exchange, or “unbundled” (i.e., decentralized into separate operating units, such as GENCOR).

The National Union of Mineworkers (NUM) has been centrally involved in developing new legislation to improve workers' skills and is active in the Sector Education Training Authority (SETA) in the mining sector. To date, little career progression has resulted from the new skills development policy with training being designed narrowly for immediate production needs (*Report on Trade Union Workshop*, 2002). NUM has also been a key actor in developing the Social Plan Act, which provides a framework for dealing with the social consequences of retrenchment. However, the Labor Relations Act, instead of acting as a mechanism to protect workers, has been used to legitimize retrenchments (*Report on Trade Union Workshop*, 2002).

The process of restructuring has opened up possibilities for Black Economic Empowerment. This has taken two forms: established mining houses selling parts of their operations to Black companies (such as African Rainbow Minerals), or unions setting up businesses of their own whose aim is "a transfer of managerial skills to the previously disadvantaged" (Paul Nkuna, Chairman, Mineworkers' Investment Company, in Iheduru, 2001, p. 18).

Footwear. In spite of the introduction of a quota system in 1997, tariff reductions in the mid-90s had a devastating effect on the footwear industry (Mosoetsa, 2001). Trade liberalization was not the only cause of the decline of the footwear sector in the 1990s. First, many factories were family businesses and old ways of managing factories were still being used at that time. Second, because of South Africa's newly established relations with mainland China, the importation of 53 million shoes per annum was allowed. Third, trade liberalization was introduced without any supply-side support measures being implemented. Indeed, the footwear sector is not a priority for the Department of Trade and Industry, which does not have a clear industrial policy with relation to footwear (*Report on Trade Union Workshop*, 2002).

The trade unions accused employers of not complying with labor legislation. Employers acknowledged that they were not complying with labor legislation but blamed this on the inflexibility of the Bargaining Council and unions in refusing to allow exemptions from the national agreements, particularly for small factories. The relocation of factories and the formation of the Confederation of Employers of South Africa (COFESA) were highlighted as other major challenges facing the industry.

Call centers. Partial privatization and deregulation has led to competitiveness becoming a dominant preoccupation. A number of national processes have emerged that engage stakeholders in a more cooperative mode on strategic issues for the sector. One example is the National Framework Agreement on the Restructuring of State Assets, negotiated between government and

labor in 1996. More recently, a national sector summit involved government, business, labor, and community organizations in developing a strategy for growth and development in the sector.

At workplace level, employment equity policies have been implemented, but racialized relations between managers, workers, and customers persist. Simultaneously new practices, such as individualization of contracts, threaten to bypass aspects of the new labor regime.

WORK ORGANIZATION AND MANAGERIAL CONTROL

Mining. Underground mining can be organized in two ways: along military lines (Burawoy, 1972) or by giving autonomy to underground work teams to adapt to uncertainty. Apartheid gold mining is an example of the former, a form of colonial despotism, in which White management was able to deploy coercion and sometimes violence against legally unprotected and disenfranchised Black workers. The post-apartheid workplace can be seen as moving from this historically given and inherited scenario toward the self-regulating workplace, the establishment of the form and nature of which is currently contested (Moodie & Ndatshe, 1994).

What we identified underground is how management's planning was subverted by workers' "counter-planning." At the center of this counter-plan is the recognition of the miner's occupational culture. Occupational culture is fundamental to our understanding of the way in which workers have developed their own way of coping with the conditions of work underground. Observing the actual practice of work underground, we identified the notion of *planisa*—to make a plan—the *Fanakalo* injunction, entreating miners to deploy their skills and ingenuity to tackle the day-to-day problems posed by the endemic uncertainties and organizational dysfunctions of underground mining (Phakati, 2001).

Planisa involves creative, self-organized improvisation and initiative, on both an individual and collective basis, often violating standard work rules. As such, it is a double-edged sword. Management not only recognizes planisa but also consistently orders workers to planisa, effectively instructing workers to create their own counter-plans to get things done. This occurs particularly in the event of organizational dysfunctions and in the event of unforeseen incidents. It is the fundamental principle, the informal *mteto* and law of mining and its central organizing principle without which mining would not take place. Planisa works on the assumption that workers possess a rich occupational culture and deploy well-developed tacit skills.

At the same time as workers were required to respond to changes in work organization and training in the workplaces, new managerial strategies were

introduced to flatten the organizational hierarchy of underground work. Unless there is an acceleration of Black advancement, the retention of the color bar, characteristic of colonial despotism, is in danger of being reproduced. Alongside this process, the enfeebling of Black management appears to be occurring, as new entrants into managerial echelons no longer carry the same authority as their White predecessors.

Despite the deracialization of institutional structures, the experience of relatively recently appointed Black miners and shift bosses suggests they do not enjoy the level of institutional authority of their White counterparts. Informal networks, whereby shift bosses in search of materials or assistance in getting their job done rely on the buddy-buddy system to ensure the satisfaction of immediate production requirements, are not readily accessed by Black supervisors.

Although there is more frequent interaction between shift bosses on an interracial level, as well as a common understanding in terms of the occupational culture, a racial fault-line runs through this culture that will take time to eliminate. From the point of view of a number of White shift bosses, however, their Black counterparts are more effective in working with the teams of men underground and manifest a greater degree of occupational authority. Such emergent line supervisors coming from workers' ranks are seen to have greater capacity to respond to and anticipate the uncertainties of the underground environment, having emerged out of the occupational culture of lower levels of workers. They are able to communicate more effectively with the men, often being both closer physically, linguistically, and culturally to the teams, thereby enabling more effective methods of motivation to get the job done. Yet, these new supervisors have not had sufficient time to develop a range of skills acquired by their White predecessors.³

Footwear. There were two large footwear factories in Pietermaritzburg when fieldwork began in 1999. In the course of the fieldwork, one factory closed down and the other (Eddels) survived after large-scale retrenchments. In late 1999, Eddels created Factory A to outsource parts of its production process. These retrenched workers were then hired back to work at the small factory one block away. Factory A started as a very small factory employing about 30 workers; it now employs about 450 workers. Some activities, such as the stitching of shoes, are outsourced by Factory H to Factory A, which depends entirely on its larger "parent."

Factory B can best be described as a "sweatshop" and is based in a small, unventilated garage. It originated among workers working on the pavement without any protection from the sun or rain. It is different from Factory A in that it depends on outsourced work from a number of footwear factories and

on orders from retail stores in Manchester Road and from others in Durban and Johannesburg. The factory currently employs about 40 workers.

Working conditions in both factories are similar. Workers from both factories often take work home. They are all casual workers, not registered under the Basic Conditions of Employment Act (BCEA) and do not therefore have any worker benefits. Their income depends on the work they have done that week (i.e., piecework). However, workers in Factory A have regular working hours from 7:30 a.m. to 5:00 p.m., whereas workers in Factory B do not have fixed hours of work and sometimes even sleep on the premises to finish their work.

Conditions of work in the informal sector of the footwear industry are precarious: workers work long hours and receive low wages. All the workers in Manchester Road are Black women; those who employ them are Indian or White men. This legacy of apartheid has a major effect on employer-employee relationships. With regard to race, their employer is not addressed as the “boss” but referred to as “the Indian” (Mosoetsa, 2000, p. 8).

Call centers. The organization of work in the call centers displays many of the features of the new work order and provides an example of the type of interactive service work, which is seen as typical of work in the late 20th and early 21st centuries. This type of interactive service work has specific features: It involves the production of an intangible rather than a tangible product that is usually produced and consumed simultaneously and involves the customer as a third party (Frenkel, Korczynski, Shire, & Tam, 1999; MacDonald & Sirianni, 1999).

Customer service representatives (CSRs) are grouped into clusters of 13, each with its own supervisor. Their workstations are arranged in a large, open plan space, clustered around the workstation of the supervisor. The cluster arrangement facilitates supervision, monitoring and evaluation of performance, and the implementation of the incentive system through team targets. However, the actual work process is a highly individualized one, requiring the deployment of a worker’s “emotional labor” in a series of one-on-one interactions between a worker and a customer. Thus, the clusters cannot be said to be operating as work teams in the way mining or manufacturing teams operate, where the completion of tasks depends on members of the team working at different points in the production process. Additional features include the utilization of new information and communication technologies, not only in the performance of the job but also for monitoring and evaluation.

The specific features of call center work, such as the individualized processes involving emotional labor, pose specific challenges to management. Management has combined direct control and supervision with electronic

monitoring and evaluation exercised through the use of highly sophisticated information and communication technologies. Interactive parts of the job have been standardized (for example, through the use of computerized job aids such as the customer contact pattern), whereas noninteractive parts of the job have been automated (for example, the computerized line testing system). In addition, the company has an extensive program of training of particular categories of front line staff, on-the-job mentoring and support, and a comprehensive performance management system, using both known and remote monitoring.

Management combined techniques of direct and technical control with appeals to the loyalty and commitment of workers. Customer feedback obtained through surveys of customer perceptions was used primarily to inform the development of annual business plans rather than in direct management of CSRs. However, customer complaints were used directly in managing the work of CSRs.

The performance management system is an ongoing source of tension between supervisors and CSRs. The company justified the introduction of these evaluation tools on the grounds that it provided a mechanism for improving customer service, for contributing to staff development, and for protecting the CSRs in case of disputes with customers. Under pressure from workers, management was compelled to introduce randomized coach assessments to reduce the possibilities of bias or favoritism.

CSRs were expected to deploy emotional labor, rather than exercise emotional autonomy. They felt that the constant surveillance of their interactions with customers and even of their movements during breaks was intrusive. Moreover, the company tended to prioritize functional quality (behavior, attitude, and tone of voice) over technical quality (technical areas of product and operational knowledge).

EMPLOYMENT RELATIONSHIPS

Mining. Just as mines have implemented large-scale retrenchments, so too have they relied more heavily on subcontracted labor as a response to the crisis (Kenny & Webster, 1999). Traditionally, mines contracted out specialized functions, such as construction, shaft sinking, and access development. By the 1980s and early 1990s, mines began subcontracting non-core functions such as cleaning, catering, and security (Bezuidenhout & Kenny, 1998). Most recently, subcontracting has moved into core mining work. Contract workers are typically not unionized, not covered by death and funeral benefit schemes, and often earn most of their wages through bonuses measured in terms of team output.

Footwear. Outsourcing of production in footwear was achieved by converting employees to independent contractors after consultation between employees and management. The aim was to enable employers to circumvent employment legislation, such as the system of Bargaining Councils, which imposes obligations on smaller firms that are negotiated by larger ones. Because their workers are redefined as contractors, members are no longer subject to labor legislation.

Call centers. In many ways, the company's transformation strategy is constrained by the persistence of certain features of the apartheid workplace regime. Although there has been some progress in changing the demographic profile in the company's employment structure, the majority of technicians are White. Career paths for Black workers to move into technical jobs were not seen as a major priority. In cases where Black supervisors had been appointed in the call centers, they experienced difficulties with some White CSRs refusing to accept their authority. Furthermore, racialized relations between workers and customers persist. CSRs recount examples of racial abuse from customers and a lack of support from supervisors on the grounds that "the customer is always right."

COLLECTIVE BARGAINING

Mining. Collective bargaining in the mining industry mirrors the dual collective bargaining system found in most other sectors in South Africa—collective bargaining takes place at the enterprise level as well as sector level. At the enterprise level, bargaining relationships are regulated by collective agreements between management and the unions. At the industry level, however, trade unions negotiate with the Chamber of Mines, and not with employers represented in a Bargaining Council, as in other sectors where centralized bargaining has taken statutory form.

Union density is high in the industry (more than 80%) and there are a large number of unions (eight). This reflects sharp racial, ethnic, skill, and ideological divisions in the labor force. Historically, the unions have supported centralized bargaining: Indeed the dominant union in the industry, NUM has been campaigning for a consolidation of centralized bargaining by the creation of a statutory bargaining council.

However, in 2000, the United Association of South Africa (UASA), representing mine officials (predominantly White and Afrikaans speaking), negotiated directly with individual mining groups. UASA were enthusiastic about decentralized bargaining after the 2000 round of negotiations. The main union federation, the Congress of South African Trade Unions (COSATU),

disagrees. Parties want to bargain where they are strongest. For strong industrial unions such as NUM, this is at the industry level (Vlok, 2000, pp. 77-82).

Footwear. There are two trade unions, and one small and one medium employer organization, in the footwear industry. The two trade unions are the National Union of Leather Workers (NULAW) and the South African Clothing and Textile Workers Union (SACTWU). NULAW is the majority union in the footwear industry with a total of 13,000 members. In Pietermaritzburg there are about 1,900 members. Membership in both trade unions has been decreasing. In 1987, SACTWU had a total membership of 220,000; by 2000 it had dropped to 119,930. NULAW had a total of 22,000 members in 1997, dropping to 13,000 in 2000.

The Association of Small and Medium Footwear Manufacturers and Allied Products (ASMAP) is, as its name implies, a small and medium employers' organization in the footwear industry organizing in KwaZulu-Natal. It was founded in 1997 to represent employers in forums such as the Clothing, Textile, and Footwear Bargaining Council (CTFBC). There are 30 members in Pietermaritzburg and 40 in Durban. According to Shan Pillay, ASMAP's chairperson (Mosoetsa, 2001), "there are many more members who are hiding in the backyards because they fear the bargaining council. However, they are members and part of the association" (p. 86).

Call centers. A multilevel bargaining arrangement allows for annual negotiation of wages and working conditions through a National Bargaining Council as well as site-level negotiation around specific issues arising out of national agreements. The interventions of the COSATU-affiliated union were directed toward eliminating the apartheid wage gap. However, the introduction of individualized, performance-based reward systems, which operate in conjunction with negotiated increases, has led to pay differentials emerging between workers doing the same job.

THE ROLE OF UNIONS

Mining. The NUM has been a pioneer in developing sector-wide responses to restructuring, initiating the sector summit process in 1992 with a conference of unions, employers, and the state. The NUM proposed joint initiatives on health and safety, industry-wide training, and retraining of retrenched mineworkers through the development of a social plan. These initiatives are now law, and the unions participate in stakeholder structures that manage them. The most innovative response to retrenchment to emerge from the labor movement was the establishment of the Mineworkers Development

Agency (MDA) in 1988, the job creation wing of the NUM. The MDA has developed an integrated program of support for self-employment and enterprise development in communities most affected by job loss (Philip, 1999).

However, the union has been weakened by the loss of key leadership to government and the corporate sector, deterioration in services at mine level, and a growing “representation gap” between leadership and base and the introduction of subcontracted work. This has opened up criticism of the union leadership and the emergence of breakaway unions.

Footwear. The dominant union in the sector, NULAW, has been compliant in the face of restructuring. The minority union, SACTWU, has been active in attempting to develop an industrial policy for the clothing and textile industry but has, until recently, neglected the footwear sector. The result has been the rapid importation of shoes and the growing informalization of work in the sector.

It is clear from the interviews with workers in Manchester Road that the union has failed to address this new constituency of workers. As the NULAW organizer remarked (Mosoetsa, 2000), “The union can only go an extent to trying to recruit informal sector workers. They don’t want to be recruited by the union; they have to pay all their dues” (p. 17). The workers interviewed in the informal sector are also reluctant to join a union (Mosoetsa, 2001): “I do not belong to a union. No one belongs to a union in this small factory. Those who belong are in the big factory. This is not the kind of job that requires a union. It is a casual job. It is not a serious job” (p. 88).

Call centers. The company has recognition agreements with several unions. The COSATU-affiliated union has historically drawn its membership mainly from the ranks of relatively less skilled and lower paid Black workers. The union affiliated with the Federation of Unions of South Africa (FEDUSA) has historically drawn its membership from the ranks of more skilled technical and clerical staff who are mainly White. The continued existence of racially divided unions reflects the persistence of aspects of the apartheid workplace regime. Unions operate with varying degrees of strength or weakness, depending on the level of bargaining and the complexity of the issues. Their role in the call centers seemed to be limited to dealing with grievances and disciplinary cases, particularly those arising out of performance evaluations. There is some evidence that shop stewards are taking the initiative to deal with broader issues, such as health and safety and performance targets. At one call center, the shop stewards of the COSATU-affiliated union challenged performance targets and organized a strike when managers refused to negotiate. They also see the individualized performance

evaluation and incentive system as a threat to collective bargaining but have been unable to challenge this effectively.

Our findings on the three case studies are summarized in Table 1.

CONCLUSION

Since 1996, the South African government has adopted orthodox fiscal and monetary policies and has been less ready to enter into concertation or other forms of consultation. Furthermore, many employers have embraced a neo-unitarist approach to workplace industrial relations. These developments suggest that there has been a shift in the conditions that shape the possibilities of labor, playing a more proactive role in workplace restructuring.

However, it would be wrong to conclude that the workplace is untransformed. The removal of political apartheid has severed the link between the state and racial despotism in the workplace, changing the dynamic between race and class. Indeed, the post-apartheid state is no longer bolstering the racial division of labor. It is intervening through legislation to break down the apartheid workplace regime.

Our case studies reveal the obstacles to the introduction of the new human resource management practices in the South African workplace. Race remains a powerful fault line. What emerges in the mining case study is an "upward floating color bar" as Black miners are promoted, yet decision making remains in the hands of Whites, thus retaining the racial hierarchy in the workplace. In call centers, there is a significant trend toward deracialization in employment, but we also identified the persistence of certain features of the apartheid workplace regime. Racialized power relations within the call center obstruct the creation of new authority relations, whereas racialized relations with customers constrain the company's drive for quality customer service. In the case of footwear, Black women work in the sweatshops of Manchester Road, and the middlemen are White and Indian men.

Formal employment has declined significantly, due to growing competitive pressures leading to large-scale retrenchments in traditional industries such as mining and manufacturing. There have also been widespread factory closures and relocation of factories (Bezuidenhout, 2000). There is an estimated 29.5% to 32.0% level of unemployment in South Africa based on the narrow definition of unemployment and 45% on the broad definition (Statistics SA, 2002).

Significantly, the employment relationship itself is changing. In all three case studies, there has been an increase in outsourcing. The most important change in employment relations revealed in our case studies is the dramatic

TABLE 1: Workplaces in Transition

<i>Dimensions</i>	<i>Gold Mining; Tautona</i>	<i>Footwear; Manchester Road</i>	<i>Call Centers</i>
Shifts in economic policy and creation of a new labor regime	Financial deregulation. State agreed to off-shore listing of companies and mergers. LRA, Skills Development Act and EE Act, Social Plan Act.	Tariff liberalization. LRA, Skills Development Act and EE Act, Social Plan Act.	Partial privatization and deregulation. Established parastatal as a company, LRA, Skills Development Act and EE Act, Social Plan Act.
Work organization and managerial control	Teamwork introduced, but improvement from racial despotism to economic incentives.	No teamwork. Informalization through outsourcing to sweatshops. Piece work with racial hierarchy.	Team work and flat structures. Electronic surveillance and Taylorism. Deracialization of management.
Employment relationships	Migrant labor on annual contracts and subcontracting.	Informalization and independent contractors.	Full time, part time in shift system.
Collective bargaining	At sector, company, and enterprise levels.	Bargaining council bypassed by independent contractors and sweatshop conditions.	At sector, company, and enterprise levels.
Role of unions	Proactive through sector centralized process but limited role/ineffective at mine level.	Compliance by unions in restructuring; ineffective unions.	Increasingly adversarial, reliance on individual shop stewards. Attempt at proactive intervention in centralized process.

informalization of work in the footwear industry. Roughly one third of South Africa's working population is now employed in the informal sector (Statistics SA, 2002). But new jobs are also being created through the establishment of call centers. Put simply, restructuring is creating "winners" as well as "losers" (Whiteford & van Seventer, 1999).

A further trend is a shift to enterprise bargaining and the attempts to bypass the Bargaining Councils. A more subtle challenge to traditional collective bargaining has been the introduction of individualized performance management and reward systems. But the notion of consultation and the commitment to multipartite processes remains embedded in the institutions, the political culture, and the demands and campaigns of the trade union movement. This arises from the strong commitment of COSATU to centralized bargaining, a commitment that is not only reflected in the NUM campaign but also in the demands by several unions for industry-wide bargaining forums.

Finally, unions are responding in contradictory ways. On one hand, new levels of cooperation with management have emerged in the innovative processes introduced at sector-level through job sector summits. However, although these sector summits have been running for nearly 2 years now, it is not yet clear what the outcomes are. In contrast to these sector innovations, unions at the workplace level have failed to engage effectively with the new human resource management practices introduced by management. There is in at least two of the cases "co-operative dependence" but "by no means total subservience to management" (Frenkel, 1994, p. 24).

In the early 1990s, there seemed to be a strong possibility of labor adopting "strategic unionism" and playing a leading role in overcoming "the strong tradition of abstentionism" in the trade union movement (Joffe, Maller, & Webster, 1995, p. 90). Indeed, COSATU set up in 1997 a Commission on the Future of Trade Unions that argued for strategic engagement, a strategy "for engaging with restructuring on the basis of a union agenda and union independence as a way of transforming and democratizing the workplace" (*September Commission on the Future of Trade Unions*, 1997, pp. 111-112).

Unions are clearly overburdened by the multiplicity of demands that are being made on them in the "triple transition." There is a sense in which union leaders are realizing the limitations in their responses to the new work order and are searching for new forms of trade union organization. This includes the need for new organizing strategies for new kinds of workers, as well as organizational forms for workers that cross sectors (such as those employed in call centers), or organizations that connect with the community (*Report on Trade Union Workshop*, 2002).

The challenge facing the South African workplace is to balance these contradictory demands of workplace efficiency, employee rights, and racial equity arising out of the triple transition. A failure to do so could lead to a “low road” scenario where short-term considerations dominate. In this scenario, employers underinvest and neglect innovation and skill development; the government fails to provide adequate supply-side measures and implement its policies effectively; and unions fail to find a balance between immediate demands and a long-term strategy for growth and development. The result will be low skills, low wages, ongoing conflict, and the growing informalization of work. Indeed, this is the scenario presented in the footwear case study.

The foundations for an alternative scenario, the high road, have been laid by creating a new labor relations regime that entrenches workers’ rights and employment equity. What sort of a trade off, if any, is required to balance labor rights against efficiency and what is politically feasible remains to be seen. Certainly in the case of the footwear industry, rights have been sacrificed without any gains in competitiveness. What is clear from our case studies is that the challenge facing the South African workplace cannot be met unless the legacy of the apartheid workplace regime is decisively overcome.

NOTES

1. An example of a success story is the MIDP (Motor Industries Development Program).
2. The price of gold dropped by almost 50% between 1987 and 1993 (Kenny & Webster, 1999, p. 223).
3. The perceptions of Black workers are interesting in this regard. Workers call a Black miner an *umlungu* (i.e., a White man), suggesting it seems that they have “crossed the line” into the privileged White managerial system. The nickname for a Black shift boss who has moved into the White town, for instance, is *Randfontein*, a local White suburb (Phakati, 2001).

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