

# The shrinking car industry

IN 1924 the first motor car to be assembled in South Africa rolled off the production line at the Ford Motor Company in Port Elizabeth. Since then the motor industry in this country has become a powerful force, employing a total of 150 000 workers in the vehicle assembly, component manufacturing and service industries and achieving sales of around R3,5 billion in 1983.

The present problems that are confronting the industry should not be allowed to hide its amazing growth over the past 60 years. In 1963, 15 800 workers produced 148 000 vehicles. In 1983 around 150 000 workers produced 405 810 vehicles. Over 20 years the workforce has grown by 859 percent while vehicle production has grown some 175 percent.

## The Local Content Programme

One of the reasons for the huge growth in the number of motor workers is the setting up of a local content programme by the government in 1962. This programme forced manufacturers to increase the number of locally manufactured parts included in the vehicles they assembled. As a result the component manufacturing industry has grown over the years, which, in turn, has created many more jobs. However, the government's policy of protecting the local motor industry against the import of overseas parts or cars is now being changed, creating problems for employment



*A worker on an assembly line tightens the wheel nuts  
A motor plant's body shop where the shell of the car is constructed*

in South Africa.

## Concentration of the Industry

At one point South Africa was seen as an attractive market for the large foreign motor com-

panies. It was, and still is, the largest vehicle market on the African continent. Of the 10 million vehicles registered in Africa, two-thirds are in South Africa. Also, they hoped that the motor plants in South Africa would be able to sell their vehicles to the rest of

## Is the future so bleak?

Africa. But because of the continued existence of apartheid, most countries now refuse to allow South African-built trucks and cars to be imported.

Initially, however, these two factors together with the high profits available from the cheap labour in this country, encouraged most of the international motor companies to invest in South Africa. By 1974, 14 manufacturers were operating in this country, and were offering the fairly small South African market a choice of some 40 different models of motor vehicles. As the car companies are quick to point out, this situation was completely out of step with the rest of the world. Nowhere else did so many manufacturers and models exist. The situation could not last and over the years many motor assembly firms have pulled out and there has been a gradual concentration of the companies into fewer hands. Today there are eight companies. It is likely that over the next few years through withdrawals and mergers, the number of companies will shrink even more.

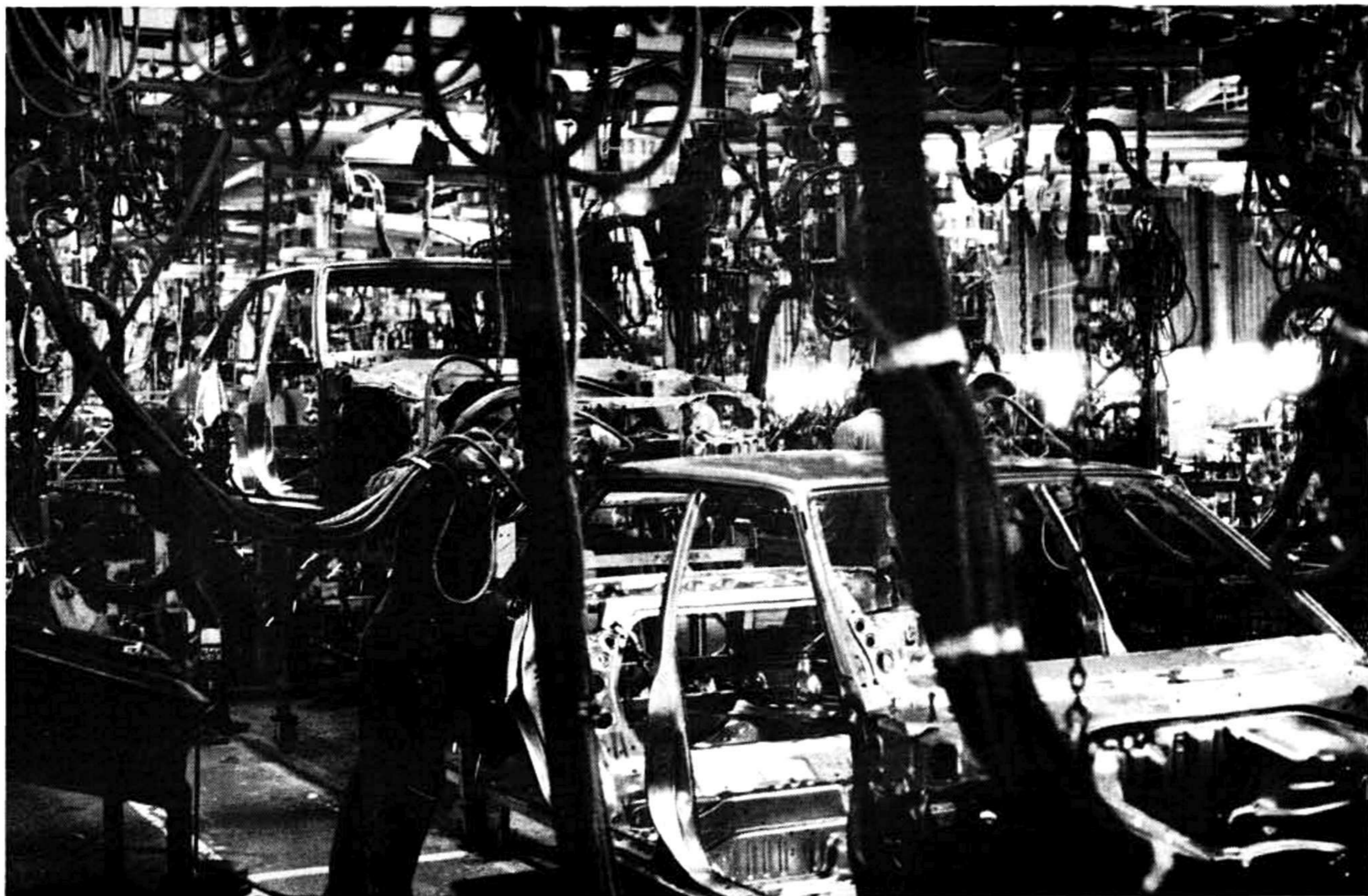
Motor companies are quick to say that this shrinking of the number of auto firms is mainly due to the high cost of producing motor cars today. However, the increasing concentration of automobile manufacturers at an international level has also affected the local situation.

Most of the big multinational motor companies are linked in some way or other with the other companies. The recent Ford/Amcar merger, for example, is a reflection of the increasing co-operation between Ford and Toyo Kogyo, the Japanese manufacturer of Mazda in which Ford has a 25 percent share.

Another important factor in the concentration of the car companies is the increasing ownership of these companies by large South African companies. Anglo American is now the largest shareholder in the newly formed Samcor (formed after the Ford/Amcar merger). Sanlam recently bought Nissan. Toyota, South Africa's most profitable company is owned by the Wesco group. So, not only has there been a reduction in the number of car companies, the industry has moved more and more into monopoly control.

This monopoly control is also slowly moving into the component and service sections of the industry. Wesco has recently extended its component company, Metair, which is now a major force in components. Wesco, Sanlam (through its subsidiary Nissan) and Anglo American (through its subsidiary Amic) have built a glass factory in Bophuthatswana to

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# Unions and the motor industry

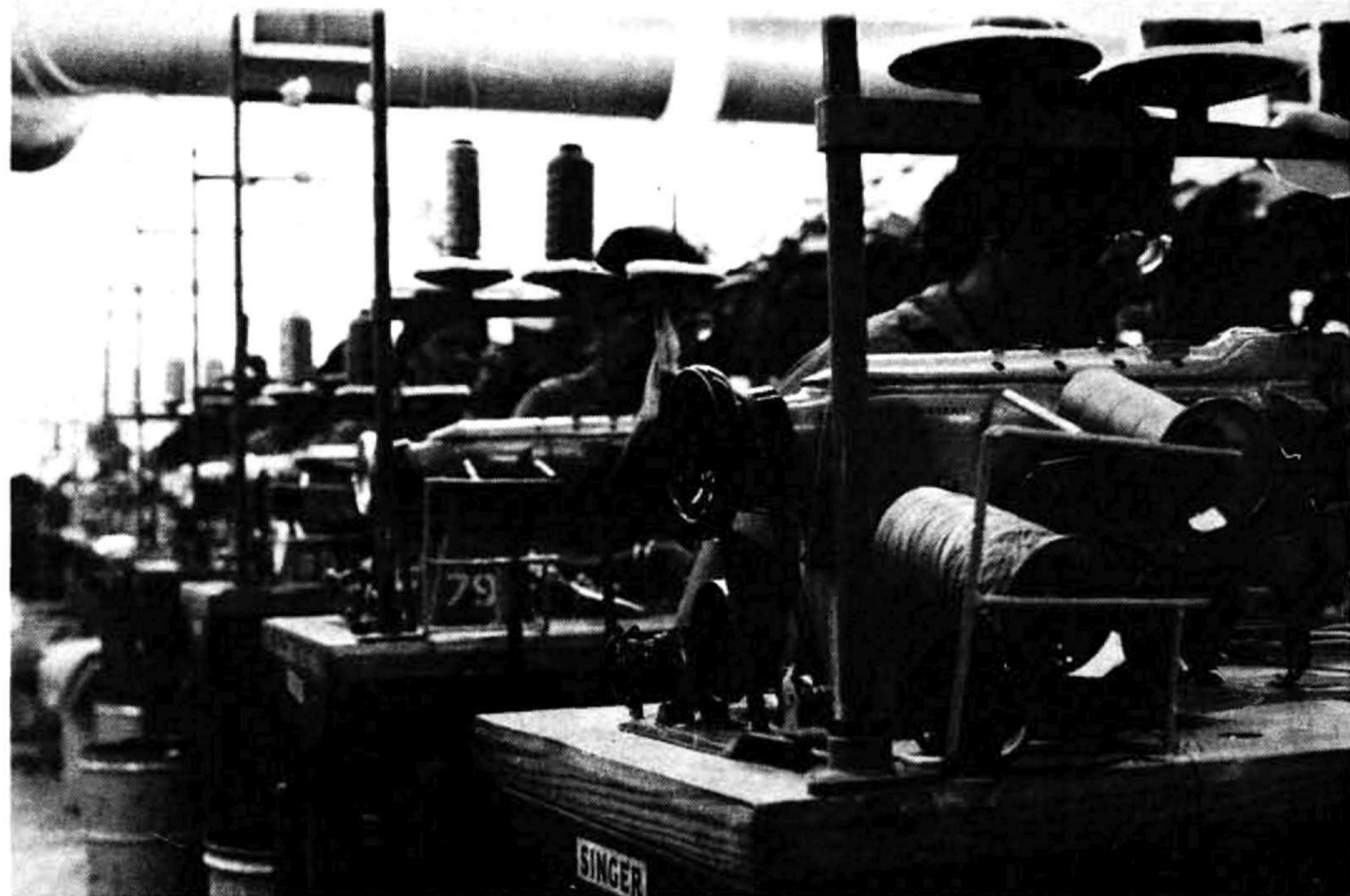
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provide the windscreens they need. Also, the largest retailing operation in the car industry, McCarthy, is owned ultimately by Anglo American.

## Unionisation

The motor assembly industry is the most highly unionised in the country. The National Automobile and Allied Workers Union has organised about half of the industry and negotiates in all the assembly plants except Nissan. NAAWU has over the past 10 years improved wages and working conditions to the point where they are the best in the country. NAAWU's organising campaigns have included a number of firsts including the first, and probably still the only, union to have organised the majority of workers of all races in one industry into a union. In 1980 it was the first union to break the R2 per hour minimum wage level and in 1984 it passed the R3 an hour minimum wage. In 1982 NAAWU was the first union to organise an industry-wide strike (the Ford/GM/Volkswagen strike). And it was the first union to organise a nation-wide company strike (the 1983 Autoplastics strike).

The components industry is not so well organised. Part of the problem here is that the in-



Long rows of women workers sew the car trimmings

dustry is very widespread — there are a large number of factories, many of which employ small workforces. However, the improved relationship between unions affiliated to International Metalworkers Federation (NAAWU, the Metal and Allied Workers Union and the Motor Industry Combined Workers Union) promises better union organisation. Hopefully, in the near future, wages and working conditions for the component industry will reach the levels won by NAAWU in the motor assembly plants.

The same co-operation is evident in the Tyre and Rubber industry where NAAWU and

MAWU between them have organised close to 70 percent of the industry and together with another FOSATU affiliate, the Chemical Workers Industrial Union, have turned their attention to the industrial rubber sector. NAAWU's first negotiations at the Eastern Province Tyre and Rubber Industrial Council, where it replaced the whites-only Iron and Steel Workers Union as the major negotiating union, achieved a minimum wage of R2,15.

## The Future

At the present time the future is hard to predict. Undoubtedly, motor vehicles will continue to

be built in South Africa. In fact, it is likely that more and more vehicles roll off the local assembly lines. However, these will be produced by fewer manufacturers. And we can expect that some of the current motor companies will either withdraw, go bankrupt, or merge. As a result many workers will lose their jobs — a serious problem which the closure of the Ford Neave plant in Port Elizabeth has revealed. On top of this, the reversal of government policy protecting the local motor industry will expose the motor companies to competition from the mass producers of America, Europe and especially Japan.

This will put even more pressures on the employment situation. The final ingredient in this unemployment pie is the increasing mechanisation and robotisation of the motor plants.

The motor companies are encouraging the increasing control of the industry by just a few manufacturers, both at a local level and internationally. The South African government is not interested in preventing this. So, the only ones who can are the unions. But, in order to overcome these problems confronting motor workers will require unity, strength and far-sighted leadership.

# The struggle for trade unions

## What is a trade union?

When workers come together and decide to form an organisation to help them at their work, this organisation is called a trade union. But, as we will see it is not always easy to form trade unions, and workers have had a very long struggle to do so.

## How did trade unions start?

This is a long story, and we will only look at the most important points. The first trade unions were started in England and Europe about 200 years ago. They were started by workers who had to work very long hours in dark, dirty, dangerous and noisy conditions in the factories, workshops and mines. They were paid very low wages for the work they did. The people who worked were poor and powerless, while the bosses for whom they worked were rich and powerful.

But why did workers have to work like this? Couldn't they have done something else — something nicer?

Well the problem for workers then, and for workers today, is that they had no real choice. They had to work, and they had to work for the people who owned the factories.

It had not always been like that in Europe. Great changes had slowly taken place.

## Traders become capitalists

For more than 1 000 years, the people of what we now call Europe, had traded with other countries mainly in the Middle East and Far East. These traders were often called merchants, and they traded in gold, silver, beautiful cloth, spices to stop food going rotten, salt, iron and many other things. Many of these goods came from Africa and Asia, and were carried by land and sea to Europe.

About 600 years ago some of the kings and queens in Europe grew stronger and decided to try and deal directly with the far-away places producing these things, rather than rely on traders. So, they sent explorers such as Marco Polo, Christopher Columbus and Bartholomew Diaz to search for the areas where these goods could be found. The explorers wanted to get to India and China by sea, and they also wanted to get to the gold mines that they knew lay south of the great deserts of Africa.

The explorers who tried to sail around Africa succeeded. Others like Christopher Columbus, sailed west and came to

This space in each edition will be set aside specially for students. For the next few issues of FOSATU Worker News, we will be carrying a simple history of trade unions. It will be looking at how and why trade unions were formed, who they represent and how they operate. In future, together with features on interesting topics, we hope to carry poems, letters, drawings and comments sent in by student readers. So if you have something to say or send, write to The Editor, P O Box 18109, Dalbridge 4014.



Explorer, Christopher Columbus, 'discovers' South America while trying to find a new route to India

America. Eventually they sailed around America and reached India and China because, as you know, the world is round like a ball.

These voyages led to greater trade between Europe and these far-away lands, and had huge effects on the whole world. The traders were becoming more powerful because they began to hoard their wealth. They were beginning to change into what are called capitalists.

Certain powerful and determined people saw that if they could take over the control of this trade, then they could become very wealthy. But, to control the trade, they would have to control the way in which these goods were transported. So these people grouped together to form companies which bought the ships. In fact, when they grouped together they found that they could build bigger and more powerful ships, and also that they had the support of the kings and religious leaders. Of course, trade was very profitable, and it was regarded as something which was virtuous and important. How did trade make these people wealthy?

Next issue we look at how these early capitalists became wealthy through profits and how their greed for profit drove them to war.