

# **SOCIETY AGAINST MARKETS: WORKERS, HOUSEHOLDS AND COMMUNITIES IN ORANGE, AUSTRALIA; EZAKHENI, SOUTH AFRICA; AND CHANGWON, SOUTH KOREA**

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## **INTRODUCTION**

The rapid growth of economic liberalism over the past 25 years has led to the current period of world history being defined as a Second Great Transformation (Munck 2002). The theoretical work of Karl Polanyi is influential in the construction of a sociology of this transformation (Peck 1996; Burawoy et al. 2000: 693; Burawoy 2003; Silver 2003; Munck 2004; Harvey 2006: 113–115). The starting point for an understanding of Polanyi's work is his concept of 'embeddedness' – the idea that the economy is not autonomous, but subordinated to social relations. This is a direct challenge to economic liberalism, which rests on the assumption that the economy automatically adjusts supply and demand through the price mechanism. The idea of a fully self-regulating market economy, Polanyi argued, is a utopian project. In the opening page of Part One of *The Great Transformation* he writes: 'Our thesis is that the idea of a self-adjusting market implied a stark utopia. Such an institution could not exist for any length of time without annihilating the human and natural substance of society' (Polanyi 2001 [1944]: 3–4).

This is the Polanyi problem: creating a fully self-regulated market economy requires that human beings, nature and money be turned into pure commodities. But, he argues, land, labour and money are fictitious commodities, because they are not originally produced to be sold on a market. Labour cannot be reduced simply to a commodity, since it is a human activity. Life itself is not sustained by market forces, but is reproduced socially: in households, in communities, in society. Land is not simply a commodity, because it is part of nature. So, too, is money not simply a commodity, because it symbolically represents the value of goods and services. For this reason, Polanyi concludes, modern economic theory is based on a fiction, an unrealizable utopia. The current economic crisis starkly reminded us of this.

In his classic study of the industrial revolution Polanyi (2001) showed how society took measures to protect itself against the disruptive impact of unregulated commoditization. He conceptualized this as the 'double movement' whereby ever-wider extensions of free market principles generated counter-movements to protect society. Against an economic system that dislocates the very fabric of society, the social counter-movement, he argued, is based on the 'principle of social protection aiming at the conservation of man and nature as well as productive organization, relying on the varying support of those most immediately affected by the deleterious action of the market – primarily but not exclusively, the working and the landed classes – and using protective legislation, restrictive associations and other instruments of intervention as its methods' (Polanyi 2001: 138–139).

Polanyi's theory is profoundly shaped by moral concern over the psychological, social and ecological destructiveness of unregulated markets. This assessment resonates today because such a relentless drive towards a market orientation lies at the very heart of the contemporary globalization project. As a consequence, market-driven politics dominates nations across the globe (Leys 2001). The discourse of this politics centres on the language of the market: individualism, competitiveness, flexibility, downsizing, outsourcing and casualization.

With reference to the First Great Transformation, Polanyi countered this discourse with a language growing out of a new ethics that challenges the market definition of persons and society. Such a definition reduces all human encounters to relationships between

commodities in a conception where, as Margaret Thatcher argued, society does not exist. Polanyi's moral intervention is grounded in the notion of the innate value of persons, hence the centrality of constructing a just and free society, where participatory democracy, at work and in society, recognizes the rights of persons and their communities. In this vision, persons, communities and society are the priority. Thus markets have to be socially regulated. Within such a structuring of social relations, society asserts its control over markets to counter the corrosive effect of insecurity.

Polanyi's work also contains a warning. Insecurity may not necessarily result in progressive counter-movements. It could, and it has, led to its opposite. Indeed, this was the central preoccupation of Polanyi's classic work, namely that the unregulated liberalization of markets between 1918 and 1939 would lead to the rise of fascism. It was this response to liberalization that led to Polanyi's concern with democracy.

Given this warning, how do workers respond to the insecurities they face at work? Much of the current literature on labour internationalism assumes a progressive response; that workers will organise across borders. But is this necessarily the case? To understand increasing insecurity in the workplace, it is not sufficient to identify the heightened power of global corporations and the convergence of labour processes and management practices, as Nichols and Cam (2005: 208) in their study of the white goods industry do. Instead, there is a need to be context and place specific, if one is to understand the impact of globalization on labour and go beyond the workplace to examine the household and the community. This paper is based on research we conducted in three places; Ladysmith in South Africa, Changwon in South-Korea and Orange in Australia. Our research is based on observation, document studies, and interviews with workers, trade union officials, managers, local government officials and community activists (see Webster, Lambert & Bezuidenhout 2008). Central to each of these places is white goods manufacturing; a company called Defy in Ladysmith, LG in Korea and Electrolux in Orange. In each of these plants, workers are faced by insecurity brought about by corporate restructuring, including the relocation of production, work intensification, and casualisation through outsourcing. We enter the 'hidden abode of reproduction' and the communities in which these households are located, to examine the impact of restructuring on workers' lives. We show how households in Orange, Changwon and Ezakheni are structured differently and respond differently to these external pressures as they search for security.

The household is an income-pooling unit. It is 'the social unit that effectively over long periods of time enables individuals of varying ages of both sexes, to pool income coming from multiple sources in order to ensure their individual and collective reproduction and well-being' (Wallerstein & Smith 1992: 13). Wallerstein and Smith identify five major forms of income: wages, market sales (or profit), rent, transfer (such as state grants, remittances or inheritance) and 'subsistence' (or direct labour input) (Wallerstein & Smith 1992: 7-12). The changing nature of the household, they suggest, can best be understood as a response to cyclical patterns in the expansion and contraction of the global economy:

Global contraction will lead to squeezes which force units of production to find ways of reducing costs. One such way of course is to reduce the cost of labour. This may in turn lead to changes in the mode of remunerating labor ... A household is a unit that pools income for purposes of reproduction. If the income it receives is reduced, it must either live on less income or find substitute income. Of course, there comes a point where it cannot survive on less income (or survive very long) and therefore the only alternative is to find substitute income. (Wallerstein & Smith 1992: 15)

This process of expansion and contraction and its impact on the household is exacerbated by the continuous restructuring of work, even in the expansionary phases of capitalism. Households that are least able to 'find substitute income', they suggest, are those most dependent on wage income. Those households which can most readily invest in non-wage activities are the most 'flexible' as they can increase their income by autonomously engaging in such non-wage activities as subsistence activities, renting out a room, or trying to secure

additional transfer income from the state. But the ability to secure non-wage income is itself a function of the boundaries of the household. A small family may not have the hours available to generate the necessary non-wage income. As a result changes in the world-economy create pressures on household structures that either expand their boundaries or shrink them, depending on their needs and resources (Wallerstein & Smith 1992: 15–16). This conceptual framework is useful in making sense of the differences in the nature of the households in the three sites.

An obvious point to make is that the sizes of the households in the three research sites are very different. This suggests intriguing differences in the ways in which these households search for security. What is clear from our comparative examination of households in Australia, Korea and South Africa is that these core institutions are always embedded in a specific social context. It is to this examination we now turn, beginning with Ezakheni, South Africa.

## **STRONG WINDS IN EZAKHENI**

### **The Place ...**

Ezakheni/Ladysmith is the home of Ladysmith Black Mambazo. This African male vocal group became known beyond South Africa's borders after they featured prominently on Paul Simon's album *Graceland*. In the song 'Homeless', they sing about the landscape around their home village. They sing about 'strong winds' that destroyed their homes and about the many people who died in the area. The lyric reminds us of the trauma of apartheid's forced removals and of civil war. The chorus is hauntingly beautiful:

And we are homeless, homeless  
Moonlight sleeping on a midnight lake ...<sup>1</sup>

Ladysmith was a typical South African colonial settlement. The town attained its name from the Spanish wife of a colonial administrator Sir Harry Smith – Juana Maria de los Dolores de Leon, or known to the locals as Lady Juana Smith. It was formally proclaimed as a township in 1850 by the British colonial administration of the Colony of Natal and is located in one of the most spectacular of South African landscapes. The Tugela River flows nearby, and to the west is the Drakensberg mountain range, which is often covered in snow during winter. The town itself is surrounded by hills covered in African savannah and acacia trees. Today, Ladysmith is marketed as a tourist haven. Nevertheless, despite the natural beauty of the surrounding landscape and a number of quaint Victorian buildings, the strong winds of history have left many homeless in and around this town.

Local authorities and tourist companies in the area prominently market historical battles that took place here as the Battlefields Route. Some of the battles in this part of the country shaped the course of South Africa's history. These include the Battle of Blood River, where the Boers defeated the Zulus in 1838, the Battle of Isandhlwana, where the Zulus defeated the British in 1879, as well as the Battle of Amajuba, where the Boers defeated the British in 1881. A somewhat nostalgic cottage industry has developed around these battles, and enthusiasts of colonial history annually re-enact events.

Ladysmith itself was the site of a spectacular siege. In 1886 a railway line was established between the gold fields of the Witwatersrand and the Durban harbour, with Ladysmith as one of the stopovers. This led to local economic growth, but also war. The discovery of gold on the Witwatersrand and the resulting tussle between the Boers and the British Empire led to the Second Anglo-Boer War which began in October 1899. Because of Ladysmith's logistical position on the transport route, Boer forces besieged the town for 118 days between November 1899 and February 1900. The end of the siege was celebrated as

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<sup>1</sup> Quoted from 'Homeless', by Paul Simon and Joseph Shabalala. Parts of the song are based on a traditional Zulu wedding song. Paul Simon, *Graceland*, Warner Brothers Records.

far as Orange in Australia, where the local racing club referred to the incident in an invitation to local residents to attend the races in the local newspaper. In 1905 a monument was unveiled in Orange to commemorate the Boer War. Ladysmith's name appears on the monument, along with Mafikeng and Kimberley, two other towns that were under siege, and Pretoria, where the peace agreement was signed to end the war (Nicholls 2005: 27, 99–100). But very few present-day residents of Orange are even aware of this memorial. In Ladysmith, however, the siege is still celebrated in the local museum.

All of these celebrated military battles happened in the 1800s. The more recent strong winds of history – battles against apartheid, spatial planning and its forced land removals, as well as the civil war between the ANC and Inkatha, a Zulu ethno-nationalist grouping – are not celebrated or commemorated publicly. While the local library has ample books on the Zulu War and the Anglo-Boer Wars, we tried in vain to find accounts of forced removals and the civil war of the late 1980s and the early 1990s. This is where Ezakheni enters the story.

The authorities under apartheid, drawing on Africans forcibly removed from Matiwanes's Kop and Lime Hill, created Ezakheni to serve as a labour reserve to implement the apartheid state's post-1970s policy of industrial decentralization. This was intended to stem the urbanization of Africans. In the 1980s this strategy had the additional function of circumventing democratic unions, since factories in 'homelands' were excluded from South African labour law reforms which gave independent unions the space to organize. The industrial park in Ezakheni became one of the flagships of this policy. Both the park and the residential area were located within the borders of 'trust land' – or KwaZulu, the Zulu 'homeland', which was administered by Inkatha. The area had the added advantage of propinquity, since it is a mere 15 kilometres from Ladysmith, where white and Asian factory owners, managers and artisans resided.

The end of apartheid also meant the end of subsidies from the central state to keep these decentralization zones functioning. Many factories closed down, but in certain parts local governments stepped in to maintain some form of subsidized services. Unlike many of the textile and clothing firms that closed shop in Ezakheni, Defy is still operating and is even expanding. Despite this, and because of some of the firm's employment practices, workers have a profound sense of insecurity. Furthermore, there are very high rates of unemployment in Ezakheni, and many family members depend on the wages of Defy workers. Indeed, the real differences between Ezakheni, Changwon and Orange emerge when one enters the hidden abode of reproduction, which we attempt to do in this paper. But first, we consider how workers respond to their feelings of insecurity in the workplace.

## **Employment and Insecurity**

In Ezakheni all the full-time workers we interviewed felt that their employment is secure, except for one respondent who said: 'I do not feel very secure particularly when I look around and see all the other cheap appliances, such as those imported from China. And I feel scared that because of lack of money people will opt for cheaper brands and we may lose our customers.'<sup>2</sup> The sense of security among full-time workers can most probably be explained by the fact that Defy is seen as one of the more stable firms in Ezakheni.

In sharp contrast, short-term contract workers (or STCs, as they are colloquially referred to) felt insecure. Five said that felt very insecure; as one remarked: 'I am not secure at all. I don't know when I can be laid off.'<sup>3</sup> In a similar uncertain tone, an STC worker observed: 'You never know what is going to happen. It is the same with overtime; you are only told in the morning that you'll be doing overtime.'<sup>4</sup> This was confirmed by a further worker: 'My contract can be terminated any day. I cannot even open credit accounts ... because I may not have enough money to pay my instalments.'<sup>5</sup> Finally, 'I don't feel secure since I am a

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<sup>2</sup> Worker interview 1, Defy, Ezakheni, November 2005.

<sup>3</sup> Worker interview 11, Defy, Ezakheni, November 2005.

<sup>4</sup> Worker interview 10, Defy, Ezakheni, November 2005.

<sup>5</sup> Worker interview 7, Defy, Ezakheni, November 2005.

contract [*sic*]. I cannot even apply for any of the internal posts, because us contracts are taken as though we don't exist. We are only given a 1–2 weeks' notice if we are going to be laid off.<sup>16</sup>

Still, compared to the many residents of Ezakheni who are unemployed – an estimated 49.2 per cent (Emnambithi Local Government 2002: 4) – contract workers consider themselves lucky. Two of the STC workers we interviewed were ambivalent. One remarked: 'Yes, because when they need you, you are always called. They will always consider you first. At the company we are treated the same as the permanents. My only problem is I don't know when I will be laid off.'<sup>17</sup> Another said: 'One can never be 100 per cent sure of employment security. As long as there is no competition from the Chinese, I feel secure.'<sup>18</sup> To be sure, two of the STC workers – both of whom had accumulated some levels of work experience and skill – felt relatively secure. As one remarked: 'I feel fairly secure as compared to the job I was previously doing as a stock controller at Dunlop.' Another STC worker, anticipating a change in status, said: 'I feel fairly secure because I know that my permanent registration is near.'<sup>19</sup>

Having a contract job in Ezakheni is considered to be better than having no job at all, especially where just under half of the economically active population are unemployed. Clearly, it is a case of with whom you compare yourself, a process of relative deprivation, where your sense of deprivation is lessened when you compare yourself to those who are in a less fortunate position. The sense of relative security is premised on the fact that others are even less secure, for the segmentation of the labour market creates a hierarchy of insecurity. It also creates a sense of relativity and, in doing so, division among workers.

We asked respondents whether employment security had changed over the past five years. In Ezakheni three STC workers felt their sense of security had changed. Others felt that the more years they worked, the more secure they were.<sup>10</sup> Because their registration as 'permanents' was imminent, they felt more secure. The other six contract workers felt that their insecurity had remained at the same level. However, those workers who had become permanent had an increased sense of security since they had experienced the benefits of certain rights in the workplace<sup>11</sup> and they have acquired more skills.<sup>12</sup> While another worker, who did not feel secure, said, 'I've always felt that my job security was on and off. Recently, I do not feel very secure.'<sup>13</sup>

In Ezakheni most of the STC workers were actively adapting to the market by either undergoing additional training or applying for more stable jobs either in the firm or elsewhere. For example, one worker was studying 'criminal justice' to secure a job in the Department of Correctional Services.<sup>14</sup> Another had completed a sewing course<sup>15</sup> and a further contract worker was doing a pre-university course with the University of KwaZulu-Natal in order to qualify for acceptance in a course in engineering.<sup>16</sup> Four had applied for other, more stable jobs, all in government departments.<sup>17</sup> The permanent worker who felt insecure said, 'I have

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<sup>6</sup> Worker interview 6, Defy, Ezakheni, November 2005.

<sup>7</sup> Worker interview 16, Defy, Ezakheni, November 2005.

<sup>8</sup> Worker interview 9, Defy, Ezakheni, November 2005.

<sup>9</sup> Worker interview 3, Defy, Ezakheni, November 2005.

<sup>10</sup> Worker interviews 3, 9 and 10, Defy, Ezakheni, November 2005.

<sup>11</sup> Worker interviews 2, 4, 5 and 8, Defy, Ezakheni, November 2005. One of the interviewees was registered as a permanent worker the previous year (interview 14).

<sup>12</sup> Worker interviews 15, 17 and 19, Defy, Ezakheni, November 2005.

<sup>13</sup> Worker interview 1, Defy, Ezakheni, November 2005.

<sup>14</sup> Worker interview 7, Defy, Ezakheni, November 2005.

<sup>15</sup> Worker interview 10, Defy, Ezakheni, November 2005.

<sup>16</sup> Worker interview 11, Defy, Ezakheni, November 2005.

<sup>17</sup> Worker interviews 3, 6, 16 and 18, Defy, Ezakheni, November 2005.

tried to study. I once enrolled in a computer course, but I dropped out after a few months because of the shift system which did not allow me sufficient time to do the practical work.<sup>18</sup>

Others displayed a fatalistic attitude towards changing employment conditions. For example, one respondent remarked, 'In this firm the environment doesn't encourage one much. In fact I am tired of this firm's atmosphere. Right now I am here mainly so I can sleep on a full stomach. I would leave the firm without thinking twice if another form of employment arose.'<sup>19</sup> Five of the other permanent workers felt that there was 'not much' or nothing else that they could do to improve the security of their jobs.

Four of the STC workers felt that if they became permanent they would have a much better chance of improving their security by applying for a supervisor's position,<sup>20</sup> going for training,<sup>21</sup> getting a bursary to study at college.<sup>22</sup> One worker said, 'I think I need to put more effort into the work that I do and be more dedicated. Maybe I might be lucky to get registered [i.e. get a permanent position].'<sup>23</sup> The other four were fatalistic about their chances of improving their security. One worker said, 'Even if you were to work harder it is all in vain; nobody notices. Studying is even worse; it does not benefit you within the firm.'<sup>24</sup> Another pointed out: 'I've heard other workers say studying does not help in this firm.'<sup>25</sup>

### Households and Insecurity

Compared to the households in Orange and Changwon, those in Ezakheni tended to be very large, consisting not only of a nuclear family, but also of a range of dependents and extended family members. For those we interviewed, the average household size was seven. This is above the average household size in KwaZulu-Natal, which is 4.8 (Statistics South Africa 2004)

The structure and function of households in Ezakheni differ substantially from those in Changwon and, in particular, Orange. It is clear from our research that most of the households in our Ezakheni sample do not receive a living wage. As a result, members of these households have increasingly had to find work outside wage labour in order to supplement their wage income.<sup>26</sup> Importantly, they are not a privileged sector cut off from society, but are rather deeply embedded in communities of poverty, sharing their earnings among their large households. Low wages thus affect everyone in Ezakheni.

At the core of our research findings is a systematic comparison of the two groups of workers we interviewed in Defy: those on short-term contracts (STCs) and those who are full-time workers (Fakier 2005: 36–47). A systematic comparison of wage levels as well as household income and composition, shows considerable differences between permanent employees and STCs. In terms of actual wages, permanent employees generally earn nearly double the wages of STCs.<sup>27</sup> One also has to consider that the overall household income levels of the permanent workers we interviewed tended to be much higher than those of

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<sup>18</sup> Worker interview 1, Defy, Ezakheni, November 2005.

<sup>19</sup> Worker interview 2, Defy, Ezakheni, November 2005.

<sup>20</sup> Worker interview 10, Defy, Ezakheni, November 2005.

<sup>21</sup> Worker interviews 12 and 18, Defy, Ezakheni, November 2005.

<sup>22</sup> Worker interview 16, Defy, Ezakheni, November 2005.

<sup>23</sup> Worker interview 7, Defy, Ezakheni, November 2005.

<sup>24</sup> Worker interview 6, Defy, Ezakheni, November 2005.

<sup>25</sup> Worker interview 11, Defy, Ezakheni, November 2005.

<sup>26</sup> This is not new or peculiar to Ezakheni. Writing in the 1990s, Beittel suggests that 'On the Rand today, it is common to find Black households which derive substantial portions of their income from non-wage sources, as well as White households which are not completely reliant on wages' (1992: 224).

<sup>27</sup> Of course, based on such a small sample, one cannot generalize these findings to all workers at Defy. Nevertheless, when one considers the average wage of STCs of R1,943 per month, compared to an average income of R3,395 per month of permanent employees, this extensive gap in income does seem quite stark. One also has to consider that STCs do not have access to non-wage benefits such as a provident fund and medical aid.

STCs – in fact, these levels are two thirds higher. There also seems to be a strategy of clustering, where households with higher incomes tend to attract more members as a coping strategy (see Mosoetsa 2005). Indeed, the STC workers tended to have fewer children in their households – mostly one child per household – whereas permanent employees we interviewed often had three children in their households (see Fakier 2005).

These STC workers cannot survive on their wage incomes alone. They are forced to engage in non-wage income generating activities such as selling clothing and shoes, undertaking electrical repairs, selling linen, driving a brother's taxi and plumbing. Of course, they also obtain income from other household members, as well as state transfers, such as pension grants, but the bulk of their non-wage income is derived from what we described earlier as non-wage 'market' income activities. Indeed, the highest earning STC worker at Defy draws nearly as much income from her non-wage 'market' income activities every month (R2,000) as she does from her employment at Defy (R2,233, 33).<sup>28</sup> In contrast to STC workers we interviewed, the full-time workers tended to get very little income from non-wage activities. Indeed, only one full-time worker gets any non-wage 'market' income – he estimates this income to be around R1,000 a month for his activities as a herbalist.

Unlike in Orange where household responsibilities do not go beyond the small nuclear family, in Ezakheni the household includes an obligation to pay for more distant relatives, such as a nephew's tertiary education. Furthermore, as Murray demonstrates in his study of migrant labour in Lesotho, households in Southern Africa are not a co-residential group; 'the energies and resources are divided between a variety of activities in Lesotho and South Africa' (Murray 1981: 47–48). Money and other resources are distributed beyond the boundaries of one place of residence, increasing the household size significantly.

Ironically, STC workers in Ezakheni save more on average than full-time workers. Among those STC workers we interviewed, an average of R875 was saved monthly, while the full-time workers saved an average of R513. Clearly, STC workers are more insecure and try to increase their savings to help them survive when they are unemployed. Indeed, three STC workers said that, while their wages were not enough to sustain their basic needs, they were able to survive by 'limiting' themselves.<sup>29</sup> Or, in another example, the respondent remarked, 'I manage fairly well, but when I am laid off it is difficult and I rely on my plumbing job.'<sup>30</sup>

Responses of Defy workers in Ezakheni suggest that there are two levels of insecurity, two different modal or ideal-type responses. On the one hand, there are those in full-time work who feel a degree of security and belong to the trade union, NUMSA, and engage in less non-wage income activities. On the other hand, there are those on short-term contracts who constantly feel insecure, feel they have to work harder, do not belong to NUMSA, and are constantly searching for new employment opportunities both in Ezakheni/Ladysmith and by migrating to other urban centres (Fakier 2007). KwaZulu Natal has the third highest rate of migration (after Eastern Cape and Limpopo) of the nine provinces; 78,444 people migrated between 1996 and 2001, with this figure steadily increasing in the past five years (PCAS 2006: 55). What distinguishes households in Ezakheni from those in Orange and Changwon is that Ezakheni is surrounded by the legacies of the traditional homestead economy of KwaZulu-Natal. This is reflected in the households of 2006. A culture of reciprocity and sharing remains in these households, as does the large extended family where children are expected to share in the work tasks of the homestead. Household members engage in multiple economic activities, which include the herbalist drawing on indigenous knowledge or others making and selling commodities.

However, subsistence (in the traditional sense of being separate from the market economy) has ceased to be an alternative for these households. Furthermore, it is misleading to see the non-wage income activities of Defy workers as a 'second economy'. 'Most of the economic activities in the periphery are dependent on markets created by formal

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<sup>28</sup> Worker interview 3, Defy, Ezakheni, November 2005.

<sup>29</sup> Worker interviews 6, 9 and 11, Defy, Ezakheni, November 2005.

<sup>30</sup> Worker interview 8, Defy, Ezakheni, November 2005.

economy activities. It is likely that such activities will be able to expand only to the extent that the formal economy itself expands' (Webster & Von Holdt 2005: 36).

While drawing on non-wage forms of income may help to explain why workers in Ezakheni are able to compensate for low real wages, this cannot be the solution to the STC workers at Defy's search for security. As competition intensifies in the white goods industry globally, Defy managers are 'resolving the crisis of the post-apartheid workplace disorder by displacing confrontation, antagonism and disorder into the family, the household and the community. This generates a broader social crisis whose symptoms are the breakdown of social solidarity, intra-household and community conflict, substance abuse, domestic violence, and the proliferation of other crimes' (Webster & Von Holdt 2005: 31).

This 'crisis of social reproduction' cannot be properly understood if the household is defined simply as an economic unit that pools income. Households are also, as Mosoetsa suggests, a 'social core of socialization, emotional support, caring and feeding of household members' (Mosoetsa 2005: 3). To understand the household 'sociologically' requires an examination of the intra-household dynamics through ethnographic research. By undertaking such an examination in KwaZulu-Natal, Mosoetsa confirms our finding that the household is emerging as a site of 'fragile stability' in response to the social crisis generated by unemployment and fuelled by HIV/AIDS (Mosoetsa 2005). The household, she suggests, has become a place to which people retreat. It is the major site for sharing economic resources such as housing and income through state grants such as old-age pensions, child and disability grants and grants to those who have HIV/AIDS.<sup>31</sup> Households have become, she suggests, sites of production and reproduction attracting poorer family members in search of security.

However, Mosoetsa is able to demonstrate through her ethnographic research that these households are not homogeneous, tension-free institutions. Sharp conflicts, based on gender and generation, emerge around the allocation of household resources (Mosoetsa 2003: 7–8). Interviewees, Mosoetsa observes, often cited the loss of income through alcohol abuse by unemployed men in the household. Young women who receive child support grants on behalf of their children are accused of spending the grants for their benefit only, especially on cell phones (mobiles), clothes and hairstyles. The power struggles that surround the allocation of resources threaten the potential benefits of these networks in reducing individual and household insecurities. They also lead to high levels of interpersonal and domestic violence.

Households have become places to hide one's poverty and, through links with rural households, places to 'hide away' those with AIDS (Mosoetsa 2003: 8). With declining household incomes, members are no longer able to make monetary contributions to stokvels<sup>32</sup> and burial societies and are instead offering 'in-kind help such as cooking and baking and lending the bereaved family dishes and pots during funerals' (Mosoetsa 2003: 12). The nature of such relationships is based on reciprocity and those 'households that are known for helping others get more support from the community than those who do not' (Mosoetsa 2003: 12).

## **Restructuring, Political Parties and Community**

In Ezakheni, the ANC is the hegemonic political force and 14 of the 19 workers we interviewed were members of the ANC. However, there is growing disillusionment with the capacity of the ANC to deal with the pressing issues facing the community. Five of the respondents did not belong to the ANC and were not members of an alternative party. One respondent explained why he no longer had any faith in political parties, 'because these

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<sup>31</sup> Monthly social grants vary; R850 old age pension; R640 disability grant; R190 child grant for parents with no other means of support. The average HIV infection rate for the KwaZulu-Natal province is estimated to be 34 per cent (Emnambithi Local Government 2002: iv). Those with full-blown AIDS are entitled to the disability grant.

<sup>32</sup> A stokvel is a community savings scheme common in the black community; it provides small-scale rotating loans to its members.



parties want membership by promising us many things. I once joined the IFP<sup>33</sup> because it was the leading party here and they promised to help us with bursaries and work. But all we did was to go to rallies.<sup>34</sup>

The reasons the respondents gave for supporting the ANC were essentially to do with their basic needs. Six said the ANC had given them housing; four said they had been given access to clean water and electricity. Two said they had been given help by the ANC in a community dispute, while another mentioned help for AIDS orphans. As one respondent remarked: 'I have a site where I've built a house for my family which would have taken longer time to obtain [if it was not for the ANC]. I can have a say in my community if I wish to.'<sup>35</sup> However, a female contract worker who was a nominal member of the ANC was more sceptical in her support: 'I belong to the ANC in name only. I'm not an activist ... I have been promised job opportunities but all I have is this contract job.'<sup>36</sup>

The roots of the ANC lie deep in these areas and their present responses are shaped by their broader commitment to the ANC's role in the national liberation struggle. As one observed: 'The ANC is the organization that I have grown under and many people sacrificed their lives for it. One such person is my brother who died during the 1991–1993 political violence.'<sup>37</sup> Given the chance, I believe the ANC can do wonders.'<sup>38</sup> Another respondent introduced an important qualification by saying that he would only support the ANC if it was led by its controversial deputy president (at the time, now president of South Africa), Jacob Zuma: 'No, except if its leader was Jacob Zuma. I love the ANC and have great faith in its leaders. Particularly I love Zuma because he seems to understand the working class.'<sup>39</sup> A 31-year-old male contract worker commented, 'I don't think there will ever be a more stable party like the ANC. Some come up and disappear. It is one of the more credible organizations.'<sup>40</sup>

Four respondents made it clear that they no longer had an interest in party politics. One said: 'Political parties do a lot more talking than actually acting. At least I am used to the ANC and its shortcomings. Anyway it would not make much of a difference because I am not active anyway.'<sup>41</sup> Another, a 51-year-old male, permanent employee at Defy, who was a Seventh-day Adventist, said: 'My religion does not allow me to belong to a political party, but I align myself to the ANC.' When asked if he would join a political party to improve conditions at work, he said, 'I am tired of politics'.<sup>42</sup> Another permanent employee, a 26-year-old female, said: 'Politics do not interest me. I just live my life quietly day by day. Most of the time politicians just talk to get votes; they are not really dedicated to the community.'<sup>43</sup> A younger female contract worker (21 years old) said: 'Politics is not my thing. I am not interested in them with their empty promises.'<sup>44</sup> Only one respondent suggested the need for an alternative political party: 'It would have to be a new party, not any of the existing ones, but first I would have to see it keeping promises.'<sup>45</sup>

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<sup>33</sup> Inkatha Freedom Party, Mangosotho Buthelezi's Zulu ethno-nationalist party.

<sup>34</sup> Worker interview 11, Defy, Ezakheni, November 2005.

<sup>35</sup> Worker interview 5, Defy, Ezakheni, November 2005.

<sup>36</sup> Worker interview 6, Defy, Ezakheni, November 2005.

<sup>37</sup> This is a reference to the civil war that took place in KwaZulu-Natal.

<sup>38</sup> Worker interview 8, Defy, Ezakheni, November 2005.

<sup>39</sup> Worker interview 3, Defy, Ezakheni, November 2005.

<sup>40</sup> Worker interview 9, Defy, Ezakheni, November 2005.

<sup>41</sup> Worker interview 10, Defy, Ezakheni, November 2005.

<sup>42</sup> Worker interview 17, Defy, Ezakheni, November 2005.

<sup>43</sup> Worker interview 14, Defy, Ezakheni, November 2005.

<sup>44</sup> Worker interview 11, Defy, Ezakheni, November 2005.

<sup>45</sup> Worker interview 19, Defy, Ezakheni, November 2005.

To understand the hegemonic position of the ANC in Ladysmith/Ezakheni it is necessary to delve deeper into local resistance to racialized dispossession. As Gill Hart has shown, the Ladysmith/Ezakheni area was one in which significant opposition to the apartheid state's attempts to dispossess black people of their freehold land (the so-called black spots) took place in the 1960s, 1970s and 1980s (Hart 2002: 96–126). Indeed, the legendary ANC leader Govan Mbeki led a 'less elitist form of ANC-organizing' in the area in the early 1950s and many of those who were removed to Ezakheni and the surrounding areas in the 1970s were part of a tradition of local resistance (Hart 2002: 97–98, 120–126). When industry was established in the area, union activity followed in the late 1970s and early 1980s, led by what was later to become NUMSA (Hart 2002: 109–110, 123–126). As Hart writes: 'The overlapping land and labour movements in and around Ladysmith represent a locally specific form of social movement unionism that flies in the face of claims that the articulation of workplace and community politics was a distinctly urban phenomenon' (Hart 2002: 110). This alliance included youth activists, as this observation by a unionist who had been closely engaged with support of the youth movement illustrates: 'Many people here are still in the places where they were born. Our resistance to forced removals brought us together' (cited in Hart 2002: 125).

This anti-apartheid alliance that emerged in Ladysmith and its environs in the 1980s wove together, Hart suggests, 'Zulu patriarchal sentiments and practices associated with an agrarian past merged with those that were startlingly new' (Hart 2002: 125). It was also to lead to strong support for the ANC when the first local government elections took place in 1996. In Ladysmith the ANC won 62 per cent of the seats, roundly defeating the IFP which emerged with only one seat (Hart 2002: 241). The result was that the town clerk of Ladysmith resigned, along with at least six other senior municipal officials including the borough engineer, the town treasurer, and the chief of health services (Hart 2002: 244). When the new, democratically elected ANC councillors took over in February 1996, they immediately convened 'large and extremely lively open-budget meetings at which residents were explicitly invited to educate the councillors about their priorities' (Hart 2002: 254).

The result of raising the expectations of their constituents was, of course, to confront the 'disabling' impact of globalization. In the latter part of 1996 the newly elected ANC mayor visited India and China as part of a delegation organized by the KwaZulu Marketing Initiative (KMI) to solicit foreign investment. At the end of 1997 a local economic development forum was formed with representatives from capital, labour, the local state and NGOs. This initiative came to a standstill when the unions made it clear that they strongly opposed the foreign investment strategy pursued by the council (Hart 2002: 273–274). That these visits to solicit investment from East Asia continue, and that they circumvent the involvement of the community and the local NUMSA branch, was confirmed by the manager of local economic development in Ladysmith/Ezakheni<sup>46</sup> and the NUMSA local organizer.<sup>47</sup>

While the ANC in Ezakheni managed to attract nearly 70 per cent of the vote in the next local elections in 2000, the open budget meetings they had initiated had led residents to develop a 'sense of themselves as political actors in relationship to elected officials as well as local bureaucrats' (Hart 2002: 285). Importantly, Hart suggests that

township dwellers were pressing demands for urban services in the language of rural rights, and invoking histories of forced removals to drive home their claims. These histories went far beyond personal loss and hardship to address much broader issues of dispossession. A number of speakers drew attention to the much lower cost of living in surrounding rural areas that had managed to resist dispossession, contrasting how their own lives had become commoditized, and stressing how any increase in service charges would be an impossible burden. (Hart 2002: 285–286)

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<sup>46</sup> Themba Qwabe, interview, 2005.

<sup>47</sup> Mbuso Mchunu, interview, 2005.

In the late 1990s unions had spoken about developing a strategy around the social wage by forging connections between townships and surrounding rural areas (Hart 2002: 287). However, ongoing job losses with large numbers of retrenched workers had begun to impact on the surrounding rural communities, making it difficult for the ANC to win local support. The result was growing realization of the limitations of political parties and a search for security within the community rather than political parties.

The inability of political parties to deal with the magnitude of the social crisis facing the community has led to religious organizations playing a central role in 'healing, community building and teaching' (Mosoetsa 2003: 11). As one worker remarked: 'My religion is more meaningful to me and I see the need to be of more service.'<sup>48</sup> Eight of the respondents said that their community activities were related to their church. Indeed, it was suggested by one community leader that without the support of the churches, government-funded initiatives such as Khomanani<sup>49</sup> would not succeed.<sup>50</sup> Older women in the churches play an important role in house visits to care and pray for the sick, and to offer comfort and support for the bereaved families after funerals. In addition to the established denominations such as Anglican, Catholic and Presbyterian, as well as the traditional African churches such as the Zion church, new religious organizations have emerged, such as the Philipian Youth Revival.

Workers seem to have less time on their hands to engage in such traditional leisure-time activities as soccer. A 32-year-old male worker said: 'I no longer play soccer since I spend more time at work or watching it on TV. Though during holidays I play. I now get tired easily because I often work late.'<sup>51</sup> Another said: 'If I am not working, I am driving the taxi. So now I don't have much time for anything else.'<sup>52</sup> A 24-year-old female contract worker remarked: 'I have lost interest in church and I need my weekends to rest and do my other chores.'<sup>53</sup> Age was also a factor. A 40-year-old male permanent employee says he has stopped playing soccer: 'Time – I don't have leisure time available. Age also does not make me have the energy I used to have.'<sup>54</sup> Another states that he has stopped playing soccer and no longer goes to church as frequently.<sup>55</sup> This was echoed by a 40-year-old male permanent employee: 'I am no longer a frequent churchgoer. My wife does all the churchgoing together with the children so there is no need for me to go.'<sup>56</sup> In contrast, one worker – a 26-year-old female contract worker – has increased her activities: 'as I grow older I am faced with more responsibilities as the breadwinner in the family. I believe my family relies on me for almost everything. So I need strong support of friends and church during my time of need.'<sup>57</sup> At the core of the community's response to the social crisis caused by high levels of unemployment, disease and crime, is the emergence of semi-formal community based organizations (CBOs). In a pioneering study, it was estimated that 53 per cent of the non-profit organizations (NPOs) fit into this category. The study suggests that 'informal, community based networks are on the rise, particularly in the struggle to deal with the ever-increasing repercussions of the government's failure to address HIV/AIDS and unemployment crises' (Swilling & Russell 2002: viii). Community gardens, for example, are

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<sup>48</sup> Worker interview 17, Defy, Ezakheni, November 2005.

<sup>49</sup> 'Khomanani Caring Together' is a R100 million government funded nationwide communications campaign which provides information and a strategic response to AIDS, tuberculosis and STIs (sexually transmitted infections), in general (Department of Health 2003).

<sup>50</sup> Elizabeth Hlatwayo, interview, 2005.

<sup>51</sup> Worker interview 12, Defy, Ezakheni, November 2005.

<sup>52</sup> Worker interview 11, Defy, Ezakheni, November 2005.

<sup>53</sup> Worker interview 6, Defy, Ezakheni, November 2005.

<sup>54</sup> Worker interview 15, Defy, Ezakheni, November 2005.

<sup>55</sup> Worker interview 1, Defy, Ezakheni, November 2005.

<sup>56</sup> Worker interview 2, Defy, Ezakheni, November 2005.

<sup>57</sup> Worker interview 3, Defy, Ezakheni, November 2005.

designed to meet the objective of food security through providing nourishment for the poor and the sick. It also creates jobs for the aged, youth and the handicapped who are employed in these gardens. Crèches have been established through donations. Small businesses have emerged where skills such as beadwork and sewing are utilized to provide employment for the youth.<sup>58</sup>

Many of the activities of these CBOs are gendered and are seen as 'women's work'. 'I do not really have time. It's more of a woman's thing and I don't enjoy activities which involves a lot of people', said a Defy worker.<sup>59</sup> Another said, 'Yes, [I participate in the home-based care organization] if I am available. I help my wife [who cares for their seven children and works] who is a volunteer to feed the people.'<sup>60</sup> Another said, 'I support funerals of members by lending my hands and through financial contributions. I attend all the abstinence meetings and activities [of the youth organization that encourages young people to abstain from sex] because my younger sister is a member.'<sup>61</sup> Yet another said, 'I support mostly the funeral support organization. This is the one that is very busy, because of the high death rate in the community due to illness and crime.'<sup>62</sup> The high death rate can probably be ascribed to AIDS. Our interviewees saw crime as the worst problem facing the community. South Africa has the highest murder rate in the world. This is reflected in Ezakheni, where murders have averaged in the past decade over 58 per year, slightly above the national figure (CIAC 2005). Although murders have declined from a high point in 1994 of 87, property crimes (robbery, etc.) have increased. This has led to growing insecurity among the residents of Ezakheni. A community leader in Ezakheni remarked that this is because the more fortunate (or secure) people living in Ezakheni are not involved in community activities to protect those less fortunate. 'If the privileged don't look out for the poor, the poor will disturb them.'<sup>63</sup>

While workers listed crime and drug abuse or alcoholism as the most serious community problems, they saw unemployment as the root cause of these social problems: 'The lack of job opportunities results in people willing to do anything to make a living, e.g. young girls becoming prostitutes and drug and substance abuse used to drown people's sorrows'.<sup>64</sup> But in the eyes of a community worker the problem goes beyond unemployment to the foundations of society, the youth. 'The youth in primary school sell their bodies to get nice things: to taxi drivers, business men and truck drivers on the N2 road.'<sup>65</sup>

While these grassroots networks provide crucial support in the neighbourhood, they are not seen as having the capacity to solve community problems. A solution requires substantial resources and legitimate authority through intervention by the police, local government and business. The role of the grassroots networks, a community leader observed, is to 'make sure that the job of the government is "functioned" – is done. Government at the top is functioning but as it trickles down to the regions and provinces, less happens. We have to take our political hats off and cook one pot of development.'<sup>66</sup> Fifteen of the respondents said that the trade union organizes activities in their communities. However, they mentioned marches and demonstrations, or sporting activities rather than community development. The impression given by those interviewed is that the trade union is there to defend jobs and does not play a central leadership role in the community. As one STC Defy worker suggested, 'The trade union should ensure that jobs are created and fight for people to be

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<sup>58</sup> Interview, Elizabeth Hlatswayo, community worker, 2005.

<sup>59</sup> Worker interview 5, Defy, Ezakheni, November 2005.

<sup>60</sup> Worker interview 17, Defy, Ezakheni, November 2005.

<sup>61</sup> Worker interview 11, Defy, Ezakheni, November 2005.

<sup>62</sup> Worker interview 4, Defy, Ezakheni, November 2005.

<sup>63</sup> Interview, Elizabeth Hlatswayo, community worker, 2005.

<sup>64</sup> Worker interview 2, Defy, Ezakheni, November 2005.

<sup>65</sup> Interview, Elizabeth Hlatswayo, community worker, 2005.

<sup>66</sup> Interview, Elizabeth Hlatswayo, community worker, 2005.

registered permanently, at least, after 6 months.<sup>67</sup> The demand for 'decent work' brings to the fore the central contradiction facing the local state in the era of neoliberal globalization. This is captured succinctly by Hart:

In the name of both democracy and efficiency, local councillors and bureaucrats have been called upon to confront massive redistributive pressures with minimal resources. Simultaneously they have been assigned major responsibility for securing the conditions of accumulation under the aegis of 'local economic development'. The local state, in short, has become a key site of contradictions in the neoliberal post-apartheid order. (Hart 2002: 7)

These contradictions can be seen in the policy of the local state towards incentives offered to foreign investors. One of the major incentives for investing in the Ezakheni/Ladysmith area is the abundant supply of water from the Tugela River and the Drakensberg mountains. To attract investors the council has reduced the cost of water by 13 per cent less than that charged to the local community. To pay for this increase, the cost of water to households has been raised from R1.53 to R4.50 per kilolitre, evoking great outrage from the community.<sup>68</sup> Furthermore, water has emerged at the centre of the power struggle between the IFP, which controls the district council in charge of water delivery, and the ANC, which is in charge of the local town council.<sup>69</sup> What is of particular concern to local residents is that the community gardens in Ezakheni do not benefit from the subsidization of water given to investors. In fact, the poor in the local community are subsidizing investors, sharply foregrounding the contradiction facing the local state in post-apartheid South Africa. Not surprisingly, the privatization of municipal services such as water, has been the most overt source of conflict between unions and community organizations on the one hand, and municipal authorities on the other, often placing township councillors in a difficult position. Our analysis of the role of the less formal community based organizations in Ezakheni is that, in alliance with the trade unions and the local ANC, they could provide the basis for an alternative local economic development strategy to that of the current neoliberal orthodoxy.

## ESCAPING SOCIAL DEATH IN CHANGWON

### The Place ...

Not to have a job, it is said in Korea, is to experience 'social death'. A popular song tells the story of a man who loses his job. Instead of telling his family of his predicament, he leaves his home every morning pretending to go to work. His son sees him in a video-game arcade. He does not confront his father, and does not tell his mother or siblings of the shameful secret that he shares with his father. He does not have a job.

The city of Changwon's website shows three photographs. The first depicts a rural landscape with a mountain in the background. The second shows a massive construction site. In the third photograph, there is a modern city, with a central boulevard consisting of eight lanes – four lanes running in each direction. The only feature that remains constant is the mountain in the background.<sup>70</sup> Changwon is a microcosm of South Korea's rapid economic and social transformation. The place was transformed from a rural peasant land into a huge industrial complex. The city itself was a creation of the military regime of Park Chung Hee, who announced a programme of *Heavy and Chemical Industrialization* in 1973. The small town of Changwon, which is close to the port of Masan, was targeted for the manufacturing of machine tools. The regime established the Changwon Machine-Building

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<sup>67</sup> Worker interview 6, Defy, Ezakheni, November 2005.

<sup>68</sup> Duduzile Mazibuko, interview, 2005.

<sup>69</sup> 'The mayor of Ladysmith stated that the increase in the cost of water was decided "unilaterally" by the IFP district council, while Mr Lindsay states that the R1.53 per kilolitre at which water used to be charged was the result of incorrect calculations made by the ANC town council' (Fakier 2005: 54).

<sup>70</sup> [www.changwon.go.kr/foreign/english/](http://www.changwon.go.kr/foreign/english/) (accessed 16 October 2006).

Industrial Complex and more than a hundred new factories were built in order to reduce the country's dependence on foreign machine tools (which was 86 per cent in 1970). The strategy was a huge success. By 1977, Korean manufactured parts accounted for 90 per cent of locally manufactured cars. Machine building in Changwon increased by 36 per cent per annum during the Third Five-Year Plan (Cumings 1997: 324–325).

The city's website states that Changwon was Korea's 'first artificial city to be developed by city planning'.<sup>71</sup> The city planners were inspired by Canberra in Australia, with ample parks and clearly demarcated residential and industrial areas. It was officially declared a 'city' in 1980, and it had integrated the neighbouring Dong-myeon, Buk-myeon and Daesan into its borders by 1995. The city is located at the far southeastern end of the Korean Peninsula. This is the part of the country where its military rulers came from. It is a segment of a massive industrial belt that was created by Park's regime. Popular wisdom has it that Changwon was also designed to serve as a fall-back capital should Seoul fall in the war with North Korea. In the eyes of the military rulers at the time, the Korean War which started in 1950 was far from settled when the ceasefire was declared in 1952. The city is strategically surrounded by mountains – Mount Cheonju to the northwest (656m high), Mount Bongnim to the east (567m), Mount Bulmo to the southeast (802m), Mount Jangbok (566m) to the south, and Mount Palyong (528m), also to the south. Since the city is surrounded by mountains, it can be defended from ground forces. The wide boulevards are said to double-up as runways for aeroplanes to supply the city with food and munitions in case of a siege.

In December 2005, Changwon had a population of 504,520 (257,961 men and 246,559 women) living in 168,141 households. In 1980 the city had a population of just over 110,000.<sup>72</sup> This means that the city's population increased nearly five times over in 25 years. Most residents of Changwon live in huge apartment blocks typical of modern-day Korea. The construction of the Changwon Industrial Complex was announced on 1 April 1974. It was completed in 1978. The LG factory was opened in 1980. By 1981 there were 76 tenant firms in the industrial complex. By the end of 2003 these had increased to 1,137 firms located within the complex and an additional 207 firms outside of the complex. These firms are the employers of almost 76,000 workers. The complex accounts for 3.8 per cent of South Korea's exports. Changwon is pretty much an urban industrial centre. However, some farming activities take place within the administrative boundaries of the city. There are 6,100 households, consisting of 19,300 individuals who are engaged in agricultural activities, accounting for 3.7 per cent of the city's population. The largest part of agricultural land is covered by rice fields, followed by general agriculture and some orchards. The average size of agricultural land per household is 1.7ha.<sup>73</sup>

### **Employment Relationships and the Growing Sense of Insecurity**

In Changwon irregular workers (those on short-term contracts or working in outsourced companies) felt the pressure of international competition more than regular workers. For example, one irregular worker observed, 'My employment is not secure; because the LG Company is limited under global competition and my company [an internal outsourced company providing goods and services to LG only] is heavily dependent on the mother company in operation and production. The existence of the company itself is very uncertain and vulnerable to the LG's situation and external environments.'<sup>74</sup> Another remarked: 'The orders for production is very precarious and fluctuates. Because I belong to the outsourced company as a dispatched worker, I am so worried about my unstable employment situation. I do not know how long I can work.'<sup>75</sup> Or: 'LG company wants to utilize the outsourcing

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<sup>71</sup> [www.changwon.go.kr/foreign/english/](http://www.changwon.go.kr/foreign/english/) (accessed 16 October 2006).

<sup>72</sup> [www.changwon.go.kr/foreign/english/](http://www.changwon.go.kr/foreign/english/) (accessed 16 October 2006).

<sup>73</sup> [www.changwon.go.kr/foreign/english/](http://www.changwon.go.kr/foreign/english/) (accessed 16 October 2006).

<sup>74</sup> Worker interview 2-4, Changwon, July 2005.

<sup>75</sup> Worker interview 4-2, Changwon, July 2005.

company with big flexibility ... If LG stops making orders from [the company] where I work, my employment agency can dismiss me.<sup>76</sup> Similarly: 'I feel my employment has been very insecure. I have been an irregular worker with a monthly contract. I have had to sign my contract every month with the same employer around four years.'<sup>77</sup> The seven respondents who felt relatively secure were in regular employment but they nevertheless expressed uncertainty about the future: 'I feel some fears or uncertainties about my employment security, because the mother company, LG Electronics, has moved its components to China.'<sup>78</sup>

In Changwon, respondents identified two changes in the employment relationship that led to greater employment insecurity. First, the number of regular workers had been reduced and the number of irregular workers had increased.<sup>79</sup> This increased sense of insecurity was clearly reflected among respondents who had been 'internally outsourced':

I have moved around some companies related to LG. During the past five years, I have been working in LG, but I have not been an LG worker. The regular workers of LG can enjoy better employment security than so-called 'irregular workers' like me who are working in internal or external outsourced companies related to LG. I feel my employment security has deteriorated.<sup>80</sup>

Similarly a regular worker in one of LG's suppliers observed: 'In our company the number of irregular workers has dramatically increased. Many jobs of regular workers have been replaced with irregular ones ... They make me to be worried about my employment security.'<sup>81</sup> This sense of insecurity was echoed by an irregular worker in the supplier company:

When I was a regular worker in the LG factory, I enjoyed relatively better working conditions and wages. But, now I am an irregular worker in a labour agency (outsourced company). This means I am under very vulnerable and precarious conditions.<sup>82</sup>

A second change that has created greater insecurity has been the outsourcing of production to China. This has affected regular workers in LG.

For my colleagues at the workplace, employment security has deteriorated. Many workers have had to leave the company because their assembly lines moved to China or have been outsourced internally and externally.<sup>83</sup>

The workers in Changwon provide an interesting contrast to Orange, as many of them emphasize the importance of collective action through the trade union movement. As one irregular worker in a component manufacturer remarked:

I think trade unions can do something to change irregular workers into regular workers. My trade union has demanded that management stop recruiting irregular workers through the labour agency company. We need to organize a kind of struggle led by the union.<sup>84</sup>

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<sup>76</sup> Worker interview 4-4, Changwon, July 2005.

<sup>77</sup> Worker interview 5-2, Changwon, July 2005.

<sup>78</sup> Worker interview 3-1, Changwon, July 2005.

<sup>79</sup> Worker interview 1-4, Changwon, July 2005.

<sup>80</sup> Worker interview 2-4, Changwon, July 2005.

<sup>81</sup> Worker interview 3-1, Changwon, July 2005.

<sup>82</sup> Worker interview 5-2, Changwon, July 2005.

<sup>83</sup> Worker interview 2-2, Changwon, July 2005.

<sup>84</sup> Worker interview 3-2, Changwon, July 2005.

While this is an important observation, as it is an attempt to socially regulate the labour market, the difficulty of organizing irregular workers was stressed by one worker: 'Unity of irregular workers is urgently needed. Unfortunately, it is very difficult for irregular workers to organize themselves.'<sup>85</sup> Another worker remarked, 'I depend on the trade union. The trade union has strongly demanded that management guarantee employment security. Active participation in union activity is necessary. Also, work hard.'<sup>86</sup>

This response to working harder is of interest for two different reasons: first, the demand for guaranteed employment security harks back to the practice of lifelong employment that was a feature of the Korean labour market until recently; second, this demand for guaranteed employment exists alongside the emphasis on the need to work hard. The emphasis on hard work is echoed in the response of other workers to the question of what measures they would take to improve employment security. A number of respondents mentioned increasing productivity, as well as encouraging their wives to earn money. These market adaptations are also reflected in the response of two other workers who wanted to start their own businesses. One said, 'I am planning to have my own shop. This means I want to be self-employed and have my own pub.'<sup>87</sup>

## Households

While also resembling nuclear families, households in Changwon tended to consist of two parents and a child. The average size of the households of workers we interviewed was three. Households in Changwon are somewhere in between Orange and Ezakheni in their size, structure and function. Many Changwon households send money to their parents and parents-in-law or siblings. Because Korea does not have a developed state social security system, workers tend to invest in private health and accident insurance with a premium payment of 100,000–200 000 won per month (US\$100–200). Although they earn good wages, the majority said that their income is not enough to meet basic needs and they have to rely on credit. Some workers pointed out that members of their households brought in additional income. 'My income is not enough', said one. 'My wife manages a small shop for supporting family livelihood.'<sup>88</sup> Another said that his wife earned money to supplement their livelihood.<sup>89</sup> Others were attempting to cut their household expenses. 'I have been economical not to use my car ... Also, I have reduced the cost of basic needs like food and clothes.'<sup>90</sup> Said another: 'I just manage to maintain my basic life ... I should be economical of my spending even for basic goods.'<sup>91</sup> One of the interviewees had some support from his parents: 'I am provided with basic food like rice and vegetables from my parents who are farmers in a rural area.'<sup>92</sup> Others are concerned about rising debt: 'My income is not enough. I have borrowed [revolving] money from credit cards.'<sup>93</sup>

From our interviews we generally gained the impression of workers who felt that they were barely managing. As one worker said, 'With my wage, I just manage to maintain my livelihood.'<sup>94</sup> The opportunities for generating income from non-wage activities in Changwon are limited. Workers tend not to own their own homes, but rent very small apartments. Only one worker rented out a room, securing a 100,000 won a month extra. Indeed, when

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<sup>85</sup> Worker interview 3-4, Changwon, July 2005.

<sup>86</sup> Worker interview 3-5, Changwon, July 2005.

<sup>87</sup> Worker interview 2-3, Changwon, July 2005.

<sup>88</sup> Worker interview 1-4, Changwon, July 2005.

<sup>89</sup> Worker interview 2-4, Changwon, July 2005.

<sup>90</sup> Worker interview 2-1, Changwon, July 2005.

<sup>91</sup> Worker interview 4-1, Changwon, July 2005.

<sup>92</sup> Worker interview 2-2, Changwon, July 2005.

<sup>93</sup> Worker interview 2-3, Changwon, July 2005.

<sup>94</sup> Worker interview 4-3, Changwon, July 2005.



respondents were asked what they most wanted they often mentioned a larger apartment. For example: 'I want to move to a bigger house';<sup>95</sup> 'I want to buy a bigger house and a plot of land';<sup>96</sup> 'I want to buy a bigger apartment';<sup>97</sup> 'I want to move to a bigger house';<sup>98</sup> 'I require a bigger house and a car';<sup>99</sup> 'I want a car and a house';<sup>100</sup> 'I want to move to a bigger room with more space';<sup>101</sup> 'I want to move from rented apartment into my own house or apartment'.<sup>102</sup>

Opportunities for subsistence activities are also limited, although a few do have access to land. While a number of respondents mentioned that their wives were engaged in informal market activities such as running a small shop, the dominant response to emerge from our interviews is that workers respond to the feeling of insecurity by working harder. We were surprised by the length of time our Korean respondents work every day, week, month and year. The norm seems to be ten hours a day, six days a week. Since Korea only introduced a five-day work week quite recently, workers tend to work on Saturdays to boost their overtime income. Indeed, our respondents typically worked 11 hours overtime a week. Some in our sample, especially those who were irregular workers in component suppliers, even worked on Sundays as a rule – this is in addition to work on Saturdays! LG's own irregular workers also tended to work longer hours than regular workers in LG and the component supplier where we conducted our interviews.

If this indeed is the case, then workers in Changwon are working nearly 20 hours longer every week than those in Orange. They are also earning more than their counterparts in Orange, mainly because they boost their income by working overtime. More importantly, they are working longer hours because they are doing on average 11 hours of overtime per week. Workers tend not to take holidays and reported that they worked 12 months of the year. The concept of leisure is still something unfamiliar to the working people of Korea.

### **Restructuring, Political Parties and Community**

The ruling political party in Korea is the centre-right Grand National Party. However, only three of our respondents belonged to a political party, namely the Democratic Labour Party. It is a small party formed to represent workers, with only nine representatives in the 299-strong National Assembly. Their support for the DLP is largely because Changwon is an industrial city (in the words of one of our interviewees, 'a workers' city') with a high proportion of workers employed in Samsung, GM-Daewoo and LG Electronics. The Changwon industrial complex was established, as we showed earlier, by the military government in the 1970s 'as a planned industrial city and as a result the infrastructure and transport is better than other cities and regions'. Workers' identification with the DLP is also linked to the fact that the KCTU launched a network for irregular workers the Korean Contingent Workers' Centre in 2000, in association with the DLP.<sup>103</sup>

Unlike Ezakheni, where one party has the support of most workers, the majority of the respondents do not belong to any political party. 'I am not interested in politics and political parties' was a typical response from many of the workers we interviewed.<sup>104</sup> Another said, 'I am not interested in politics and sick and tired of the existing political parties'.<sup>105</sup> Two

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<sup>95</sup> Worker interview 1-1, Changwon, July 2005.

<sup>96</sup> Worker interview 1-2, Changwon, July 2005.

<sup>97</sup> Worker interview 1-3, Changwon, July 2005.

<sup>98</sup> Worker interview 2-3, Changwon, July 2005.

<sup>99</sup> Worker interview 3-2, Changwon, July 2005.

<sup>100</sup> Worker interview 3-4, Changwon, July 2005.

<sup>101</sup> Worker interview 4-1, Changwon, July 2005.

<sup>102</sup> Worker interview 5-1, Changwon, July 2005.

<sup>103</sup> Interview, Shon, Seok-hyeong, Yoon, November 2005, Changwon.

<sup>104</sup> Worker interviews 1-1, 1-2, 2-2, 2-3, 4-3, 4-4, Changwon, July 2005.

<sup>105</sup> Worker interview 1-4, Changwon, July 2005.

interviewees, both working for a component supplier, said they were too young for politics: 'Politics is too complicated to me as a young man. I do not know what politics is.'<sup>106</sup> 'I am too young to be interested in any political party and politics itself.'<sup>107</sup> An irregular worker said the following: 'No time, no interest.'<sup>108</sup>

Most of our respondents are not actively involved in community activities because they work too hard. A third of them listed sport – mountain climbing, specifically – followed closely by religious activities such as attending the Buddhist temple or church, and one mentioned involvement in charity activities.

As one worker remarked when asked what he would like to do: 'The community issue is too big for me to give an answer. I want to say about my personal wish. My life is so monotonous, too simple and very boring. It is a very routine life. I want to change my personal situation. I want to join a sports club like mountain climbing. I want to go up the mountain regularly for my refreshment.'<sup>109</sup> The two Filipino migrant workers among our respondents attend a church for migrant workers and participate in its Korean Alphabet Education Association.<sup>110</sup>

Most of the respondents had some knowledge of trade union activities in the community and a number of issues were identified. LG's permanent workers were aware of their union (this is the LG company union affiliated to the FKTU) collecting money for donations, as well as supporting activities for the disabled and the poor, and supporting cultural and sport events.<sup>111</sup> Some of the irregular workers at LG knew of some social meetings and cultural events.<sup>112</sup> Members of the union in one of LG's suppliers seemed to be more active, listing a range of activities. These included 'a marathon event for remembering our national division issue' organized by the KCTU regional office, as well as 'a cultural event of a song contest, [and] rallies and demonstrations focusing on labour and social issues'.<sup>113</sup> Another mentioned: 'The KCTU regional office organizes some meetings where I can meet labour activists to discuss pending issues', as well as 'some demonstrations and rallies'.<sup>114</sup> Also mentioned was the fact that 'the KCTU regional office has organized the various activities of the reunification movement, as well as political activities and sports events.'<sup>115</sup> Of the other irregular workers interviewed, one mentioned her union, the National Women Workers' Union, which was 'a national-level union, not affiliated to the national centres (KCTU and FKTU)'. She said, 'I belong to the Changwon local branch of the union. My union organizes demonstrations, rallies and cultural events.'<sup>116</sup> Another was more sceptical of union activities, mentioning a company union that was 'not active and strong'. He elaborated: 'Many union members are complaining about the current union leadership.'<sup>117</sup>

However, when we asked them whether they participated in trade union activities in the community only a few answered in the affirmative. It is clear that for most of our respondents, especially irregular workers, the trade union is seen as distant from their concerns in the community. An LG regular worker even felt that unions were 'too much politicized for an ordinary citizen like me to join'.<sup>118</sup> LG's irregular workers pointed out that they were 'not

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<sup>106</sup> Worker interview 3-3, Changwon, July 2005.

<sup>107</sup> Worker interview 4-1, Changwon, July 2005.

<sup>108</sup> Worker interview 5-2, Changwon, July 2005.

<sup>109</sup> Worker interview 4-1, Changwon, July 2005.

<sup>110</sup> Worker interviews 5-3 and 5-4, Changwon, July 2005.

<sup>111</sup> Worker interviews 1-1, 1-2, 1-3 and 1-4, Changwon, July 2005.

<sup>112</sup> Worker interviews 2-1 and 2-4, Changwon, July 2005.

<sup>113</sup> Worker interview 3-1, Changwon, July 2005.

<sup>114</sup> Worker interview 3-2, Changwon, July 2005.

<sup>115</sup> Worker interview 3-4, Changwon, July 2005.

<sup>116</sup> Worker interview 5-1, Changwon, July 2005.

<sup>117</sup> Worker interview 5-2, Changwon, July 2005.

<sup>118</sup> Worker interview 1-1, Changwon, July 2005.

invited to these events' because they were not union members.<sup>119</sup> The irregular workers of the component supplier to LG seemed particularly disillusioned with trade unions. 'I don't have any network to have information on trade union activities. Actually, the existing trade unions are not interested in me as an irregular worker', said one. 'Frankly speaking, I am interested in union activity', he elaborated, 'but my employment condition is not suitable for it, because I am an irregular worker. My company does not have a union. The [company] union does not allow me to join it, because it is an enterprise union.'<sup>120</sup> Another did not even want to join, saying: 'I have no interest in union activity. It is none of my business. I am busy in maintaining my livelihood and household.'<sup>121</sup> 'I have no interest in union activity. Union is something very distant from me', said another irregular worker in this component supplier.<sup>122</sup> The member of the National Women Workers' Union mentioned earlier had some criticism of her union: 'Actually, my position is not consistent with that of my union. I want my union to focus on organizing in the manufacturing sector. But my union branch has focused on social and cultural events, and on organizing in the public sector.'<sup>123</sup> The two Filipino migrant workers we interviewed said they were interested in unions, 'but foreigners are not allowed to participate'.<sup>124</sup>

A key issue that emerges from these interviews is that the union movement is failing to represent the growing number of irregular workers and that these workers feel increasingly alienated from society as well as the trade union movement.<sup>125</sup> However, as Shin Seung Chel, the vice-president of the KCTU, pointed out in an interview: 'Organized labour is the only social actor that has an interest in protecting irregular workers. We have prioritized irregular workers because they face more exclusion and alienation from society.'<sup>126</sup> This is why the Korea Contingent Worker Centre (KCWC) was established with the central aim of putting the rapidly emerging 'irregular worker' issue 'on the social agenda'.<sup>127</sup> In his keynote speech to the Seventh Congress of SIGTUR in Bangkok in June 2005, Shin suggested that to 'counter the ideological attacks on labour it is important to change the issue of casual labour into a social issue – one that refers to discrimination including issues of gender, race and citizenship' (Shin quoted in Bezuidenhout 2005). Indeed, the issue of 'irregular' work has become a major political issue in Korea and labour law reforms that attempt to further relax regulations were stopped in parliament – for now. At the global level, struggles to fight casualization are already gaining pace, Shin argued. The ILO's discussions on the scope of the employment relationship show that there is serious engagement with the issue. Other international organizations such as the International Trade Union Confederation (ITUC), formerly the ICFTU, are also putting the issue at the forefront. In order to win these campaigns, Shin pointed out, the issue has to be presented as not only being about labour law, but about the suppression of rights. 'The casualization of labour needed to be made a global issue' (Shin quoted in Bezuidenhout 2005).

It is clear that how unions respond to the challenge of casualization is emerging as fundamental to the future of labour. 'How to cope with irregular workers', the officials from the KCWC observed, 'will be the decisive issue to decide the future of the labour movement.'<sup>128</sup> A two-pronged strategy is emerging in Korea to deal with this challenge: on the one hand, the KCTU is trying to reduce the number of irregular workers by fighting for the regularization

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<sup>119</sup> Worker interviews 2-1 and 2-4, Changwon, July 2005.

<sup>120</sup> Worker interview 4-2, Changwon, July 2005.

<sup>121</sup> Worker interview 4-3, Changwon, July 2005.

<sup>122</sup> Worker interview 4-1, Changwon, July 2005.

<sup>123</sup> Worker interview 5-1, Changwon, July 2005.

<sup>124</sup> Worker interviews 5-3 and 5-4, Changwon, July 2005.

<sup>125</sup> Interview with Kim, Sung-Hee, and Kim, Ju-Hwan from the Korea Contingent Worker Centre, July 2005, Seoul.

<sup>126</sup> Interview with Shin, Seng-Chul, Vice-president, KCTU, July 2005, Seoul.

<sup>127</sup> Interview with Kim, Sung-Hee, and Kim, Ju-Hwan, July 2005, Seoul.

<sup>128</sup> Interview with Kim, Sung-Hee, and Kim, Ju-Hwan, July 2005, Seoul.

of 'irregular' workers, and on the other hand, they have begun to organize irregular workers directly.<sup>129</sup>

This two-pronged strategy has encountered a number of obstacles. First, the KCTU has tried to persuade trade unions to open their doors to irregular workers by amending their constitutions. They have tried to persuade them to revise their collective bargaining agreements by extending them to irregular workers. But the government is eager to make the labour market more flexible by expanding the number of irregular workers and, of course, there is growing pressure from capital to make the labour market more flexible. Furthermore, irregular workers are usually excluded from labour rights. It is necessary therefore to campaign to change the labour legislation, and the institutions designed to protect workers, in ways that will make the workplace less insecure.<sup>130</sup>

But to organize workers, financial and human resources are required, and the KCTU has embarked on a campaign to 'collect money from regular workers to support irregular workers'. However, as Shin observes, 'Regular workers feel a natural sense of superiority. This means that you have to change their consciousness and make them recognize that irregular workers are also workers ... to harmonize regular workers with irregular workers you have to narrow the gap in lifestyle and the culture of the existing unions.' In addition to questions of identity, and especially since the 1997 economic crisis, 'there is a strong sense of insecurity among regular workers. They are now faced with unemployment and fear for their future. Who will be next, they ask.' Indeed, Shin continues, 'sometimes unions themselves make deals by agreeing to the employment of irregular workers. These deals are minority cases, but they happen. So we want to change the trend so it does not increase.'<sup>131</sup>

A further division exists in the Korean trade union movement, as 60 per cent of the unions are still enterprise unions. The KCTU has embarked on a campaign to build industrial unions as 'a tool to decrease tension between regular and irregular workers'.<sup>132</sup> The aim is to merge unions into seven 'super-unions' by 2007. However, irregular workers tend to be scattered, so it is difficult to organize industrial unions of irregular workers. The result is some tension between the organizing activities of the general unions based on regions and the existing trade unions, including those who have recently merged. They are sceptical of the idea of industrial unionism. What are needed, they suggest, are new forms of organization, not collective bargaining. 'General unions that are rooted in communities what you call social movement unionism', they remarked.<sup>133</sup>

What possibilities are there of embedding unions in the community? It was estimated by our respondents that approximately forty community based organizations/social movements existed in Changwon. Very few of our respondents indicated knowledge of these community based organizations or social movements or said that they participated in them. One respondent mentioned the local Women Association and the local Youth Association, both local government organizations consisting of civilians. Others mentioned the Village of National Reunification, a nationalist movement for reunification of North and South Korea, the Association of Women and the Association of Women Workers as well as the House of Workers, a labour support organization. A further organization involved in unification is the People's Solidarity-Reunification Solidarity, a nationwide organization with local branches in Changwon.

Those who participated in community activities generally also donated a part of their wages to these causes. 'I donate money to social movement organizations. And I actively participate in the Association of Women Workers and the House of Workers',<sup>134</sup> said one worker. Another said, 'I donate money to this organization. Also, sometimes I participate in its

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<sup>129</sup> Interview with Shin, Seng-Chul, vice-president, KCTU, July 2005, Seoul.

<sup>130</sup> Interview with Shin, Seng-Chul, vice-president, KCTU, July 2005, Seoul.

<sup>131</sup> Interview with Shin, Seng-Chul, vice-president, KCTU, July 2005, Seoul.

<sup>132</sup> Interview with Shin, Seng-Chul, vice-president, KCTU, July 2005, Seoul.

<sup>133</sup> Interview with Kim, Sung-Hee, and Kim, Ju-Hwan, July 2005, Seoul.

<sup>134</sup> Worker interview 3-1, Changwon, July 2005.

events.<sup>135</sup> And, finally, a worker supported an organization that strives for the reunification of North and South Korea: 'I have participated in the Village of National Reunification. I have donated 10 per cent of my wage to this organization.'<sup>136</sup> These were all workers in the component supplier who were members of the union that associated itself with the KCTU.

The nature of the problems identified in the community by our respondents related to the social impact of rapid urbanization in the city and the spread of irregular employment. The contrast with Ezakheni is striking. None of our respondents mentioned unemployment, as the unemployment rate in 2005 was 3.7 per cent in Korea (World Fact Book 2004: 7). No one mentioned HIV/AIDS, as the prevalence rate is less than 0.1 per cent. Deaths from HIV/AIDS are less than 200, and only 8,300 people in the entire country in 2003 were living with the disease (World Fact Book 2004: 4). Only one person mentioned crime (the growth of teenage crime) as an issue, as Korea is designated 24th out of 60 in a global ranking of per capita crime (United Nations Office on Drugs and Crime, Centre for International Crime Prevention 2005).

The responses to the question of what problems face the community were distributed as follows:

1. Housing: lack of accommodation and housing costs
2. Environmental problems: lack of public parks, uncollected garbage and air pollution
3. Employment insecurity: relocation of factories to China and irregular work
4. Transport: too many motor cars and inadequate public transport

The cost of housing is placed at the top of the list as a number of companies such as LG, have moved their assembly lines to such countries as China, India, Vietnam, Indonesia, Russia, Thailand and Mexico and have sold their land, leading to a surge in real estate prices.<sup>137</sup> The high cost of land has also become a significant financial burden to the existing companies and potential investors.<sup>138</sup> When respondents were asked who should address these problems, the largest number mentioned local government, followed by the community and social movements. Very few mentioned the police or trade unions.

Our interviews revealed a minority of respondents who are active in the militant trade union federation, KCTU. These workers were also active in local politics through feminist movements and the struggle for national unity between North and South Korea. Most of these activists worked in a company that supplies components for LG and other larger firms, and their union activities were conducted in a quasi-underground way. They are not formally affiliated to any of the national centres, since they fear that their firm will then lose their contract from LG, which is seen not to allow unions in any of its suppliers. However, they participate in KCTU activities, and have a good relationship with this federation's local office. As the president of the local branch remarked, 'I am a movement activist as well as a trade unionist. I want to do my best as an activist.'<sup>139</sup>

This militancy was shared by another committed activist: 'I have a dream to live for workers. I want myself to be more involved in the labour movement, especially organizing irregular workers and raising their consciousness.'<sup>140</sup> These views come closest to what we have called a social movement approach, in that they see the trade unions working together with the community based organizations to solve the problems facing society. The perspectives of this grouping are best captured in these three responses:

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<sup>135</sup> Worker interview 3-2, C hangwon, July 2005.

<sup>136</sup> Worker interview 3-4, C hangwon, July 2005.

<sup>137</sup> Interview with Sul, Sang-seok, November 2005.

<sup>138</sup> Interview with Shon, Seok-hyeong, November 2005.

<sup>139</sup> Worker interview 3-4, C hangwon, July 2005.

<sup>140</sup> Worker interview 5-1, C hangwon, July 2005.

The trade union should play the most important role to resolve these problems with the cooperation of civic groups. The wage gap cannot be solved only by government measures. The rich people should abandon their wealth to the public. Who can enforce the rich to do it? I think the role of union and social movements is very significant.<sup>141</sup>

I believe that united struggle and solidarity consciousness can pave the way for resolving community problems.<sup>142</sup>

In order to resolve the issue of irregular workers, I think the role of national and local government is the most decisive. The governments need to improve political and legal institutions for irregular workers.<sup>143</sup>

## **SQUEEZING ORANGE**

### **The Place ...**

In their song 'Truganini' the Australian band Midnight Oil sing about their country as a road train on its way to nowhere, where the 'roads are cut' and the 'lines are down'. They sing about environmental degradation, farmers who 'are hanging on by their fingertips' and about blue collar workers who are caught in a debt trap. In the lyric, they address working people directly: "Somebody's got you on that treadmill, mate... And I hope you're not beaten yet."<sup>144</sup>

In 1999 Defy's current operations manager in Ezakheni visited the Orange plant. At the time he was still working for Kelvinator in Johannesburg and the factory in Orange was still owned by Email, the local Australian corporation. Email was considering taking over Kelvinator in South Africa. He told us that he was impressed by the Email operation – he considered it to be a highly productive plant. He sensed Australians liked their sport and that the plant was 'heavily unionized'. Moreover, Email was able to compete against its competitors, and they were proud of this. Indeed, when we mentioned that Electrolux had bought the plant in Orange and that they were in the process of downsizing the operation, he seemed genuinely surprised.

When Electrolux took over the plant in 2002, they brought a group of Korean workers from the LG factory to visit Orange. Leon Adrewartha, the director of manufacturing for Electrolux Australia, explained how the company viewed the Korean work ethic:

I mean those people [Koreans at LG], when I say work, they work. They're doing exercises in the morning not to feel good, it's so they can work flat out for eight to ten hours a day for six days a week. How do I create an environment that lets us work at the same rate and tempo that they do?<sup>145</sup>

Orange is a company town. White goods manufacturing is central to its local postwar history. We began our research here in 2002, following the Electrolux buyout. To be sure, the production facility in Orange was one of the most significant manufacturing sites in the country. Also, the factory is central to Orange's local economy. When the Census was conducted in 2001, there were 2,186 local manufacturing jobs. This accounted for 14 per cent of the 15,425 jobs reported to the statistical authority at the time. Roughly 1,800 of these manufacturing jobs were in the Electrolux plant. The company has downgraded the manufacturing facility to an assembly operation and slashed the number of production workers to a mere 450 individuals, of whom 100 are employed as casual workers. The local

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<sup>141</sup> Worker interview 3-2, Changwon, July 2005.

<sup>142</sup> Worker interview 3-4, Changwon, July 2005.

<sup>143</sup> Worker interview 5-1, Changwon, July 2005.

<sup>144</sup> Lyric from the song 'Truganini' composed by Jim Moginie and Rob Hirst, from Midnight Oil's album *Earth and Sun and Moon* (2003), published by Warner Records.

<sup>145</sup> Interview with Leon Adrewartha, the director of manufacturing for Electrolux Australia, Orange, August 2003.

impact has been devastating. As a worker in this factory said in an interview: 'We are now just a clock number; we're just a tally to get out. That is what Electrolux is about. That is how we feel.'<sup>146</sup>

To get to Orange, you have to travel for 260 kilometres from Sydney in a westerly direction on the Great Western Highway, across the Blue Mountains. Orange City is characterized by its rural nature. There are expanding residential areas, as well as some land used for industrial and commercial purposes – notably the Electrolux factory. Its administrative boundaries encompass a land area of about 290 square kilometres. Of this, 90 per cent is rural land, mostly used for forestry, mining, sheep and cattle grazing, crops, orchards and viticulture. Most residents live in the city of Orange, but there are also smaller villages, including Lucknow and Spring Hill, as well as even smaller settlements such as Huntley, March, Shadforth and Spring Terrace.

The area was originally inhabited by Wiradjuri Aboriginal people. However, in 1822 Captain Percy Simpson established a convict settlement called Blackman's Swamp. John Blackman, the Chief Constable, was a guide who had accompanied Simpson and another explorer before him into the region. The local union delegates were aware of a massacre of Aboriginal people that took place where the town square is today. According to them, there were massacres in other surrounding towns as well. In 1846, Major Thomas Mitchell renamed the settlement Orange, in honour of the Dutch royal Willem van Oranje (William of Orange), whom he had met during the Napoleonic War. Like Ladysmith in South Africa, the discovery of gold also impacted on the town. In 1851 gold was discovered at nearby Ophir, and the resulting Gold Rush led to an influx of migrants into the area. Orange became a central trading area. Because of good agricultural land and weather suited for farming, Orange also became an agricultural hub and was proclaimed a municipality in 1860. A few years later, in 1877, the railway from Sydney reached the town. This contributed to the growth of Orange.

By 1933, Orange had a population of 7,700. The most significant development occurred in the postwar years, with the population doubling between 1946 and 1976, to nearly 30,000. During the 1980s, population growth slowed down, but picked up again in the 1990s. The population has steadily increased over the last ten years, from 35,000 in 1996 to its current size of just under 38,000.<sup>147</sup>

Today, the local tourism agency markets Orange to residents from in and around Sydney and other visitors as 'a home away from home'. 'It is easy to find your way around Orange. You'll feel like a local in no time', a promotional video at the information bureau tells us. The video promotes local history, wildlife, food and 'cool climate wines' now produced in the vicinity. It boasts a civic theatre and art galleries, as well as 'quaint shops' at the historical Millthorpe village. The town is also targeting Australia's growing cohort of pensioners. Local hospitals and healthcare facilities are being upgraded.

In short, there is an attempt to build a town that is not a company town – a post-industrial settlement, where the mining industry is part of a manufactured nostalgia, and not the environmental destruction caused by modern opencast mines. This nostalgia has little tolerance for factory workers or massacres. Old Victorian working-class homes are fixed up for urban yuppies who want to escape from the city for a weekend. McMansions, as the new double-storey houses are called in the local vernacular, are rising like mushrooms next to the botanical garden at the edge of town.

### **The Employment Relationship and the Growing Sense of Insecurity**

In Orange all the workers we surveyed in 2005 felt insecure about their possibilities of securing long-term employment. One worker remarked, 'The company is putting people off left, right, and centre; they are closing sections down. I don't know how long I will be

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<sup>146</sup> Interview with shop floor worker, Orange, August 2003.

<sup>147</sup> (accessed 19 October 2006).

employed.<sup>148</sup> Another observed, 'It has become worse with free trade agreements; you cannot compete with lower wages in other countries, which makes their product cheaper.'<sup>149</sup>

In Orange, workers displayed a range of responses with both fatalistic reactions (there is nothing you can do) and market adaptation (additional training or looking for another job) predominating. However, these workers also hinted at collective resistance to liberalization by suggesting that workers should only buy Australian products or, more significantly, make it cost-effective not to outsource.

The company's capacity to command and produce space, to use geography to reinforce its structural domination over labour, has further undermined workers' belief in the value of unionism, for unions seem paralysed by these changes. Fatalism pervades Orange. An internal memorandum from union organizers in the town argues that a majority view the loss of their jobs as inevitable. They do not believe that they have the capacity to 'turn it around' with only a 'small minority' being 'prepared to take industrial action'. The majority feel betrayed by the company. They had turned their back on the union and sided with the company during the enterprise bargaining process only to discover that Electrolux had abandoned them. Organizers believe that the majority have become 'very conservative and are unable to comprehend the implications of free trade and global competition on their day-to-day lives in Orange'.<sup>150</sup> The response of organizers is also fatalistic, with the primary focus on redundancies thereby signalling that the restructuring decision cannot be challenged. The organizers also noted that the restructuring will undermine the viability of the union branch because of reduced membership. They doubt the 'long-term viability of the plant' due to its reduced status in the global production chain and Electrolux's global capacity to absorb what will be left of Orange over the next three years.

Our interviews reveal that workers experience the new work regime as a psychological shock, tearing at the material basis of the lives that they had constructed in this country town. They are divided between their feeling of belonging in Orange and their experience of restructuring which creates profound insecurity, a condition which erodes a sense of well-being. For example, some of the Orange workers that we interviewed spoke enthusiastically about the small plots of land that they had acquired by taking out a mortgage. Yet in the next breath they would articulate their fear that the restructuring would end this lifestyle that they had come to enjoy.

Certainly, the geographically based, structural domination of capital, reinforced by the Australian state's anti-union laws, has undermined belief in an alternative. Workers already speak nostalgically of life in the town before the Electrolux onslaught, when they felt relatively secure in a meaningful place, believing they had lifetime employment. Now their world has changed, seemingly irretrievably. We returned to Orange in late April and early May 2005 to discover that the overwhelming ethos of workers in the factory and those who have been dismissed is a paralysing pessimism: nothing seemed to stand in the way of global corporations who can restructure at will. Speaking to workers at the factory gates during an afternoon change of shift, this viewpoint was repeated: 'What happens, happens, there's nothing I can do.' In an interview, a union activist commented, 'No one gives a fuck anymore; they just experience Electrolux as a big company that has just taken over their lives. Everyone knows that they are just a number now. That's why they don't give a shit about anything.' Then there is Sarah, a union shop steward, who had been a fighter. On a previous field trip in 2004 at a union rally, she was articulate; a fiery person, unafraid to speak her mind. At a local council meeting the night before the rally, she stood up and attacked councillors who were real estate agents, and who had argued that there should not be a fuss over the threatened closure, as this might affect their businesses. She warned, 'Just remember, the community elected you and the community will chase your fat arse at the next elections.'

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<sup>148</sup> Worker interview 13, Electrolux, Orange, 2005.

<sup>149</sup> Worker interview 5, Electrolux, Orange, 2005.

<sup>150</sup> AMWU, internal memorandum, 11 May 2004.



A year later in May 2005, Sarah was unrecognizable. She had shifted from fighter to fatalist. She said, 'There is nothing that you can do. You just have to move on. I've now got a low-paid job as a cleaner in a hospital. I just want to move on – you can't do anything about a big company like Electrolux.' In a real sense there was nothing that she could do, because the unions had done nothing other than routine activity, caught as they were in an institutional groove that was effective in the age of national unionism and bargaining rights. There are also gender issues here, as Sarah's partner is against her becoming involved in any campaign against such an 'important company' in the town. Others we interviewed echoed Sarah. Dennis said, 'Life has just got to go on. You have got to make it go on.' He is a victim of the 'downsizing exercise'. Stressed and anxious, he reflected, 'I have got nothing in my bank account. Centre Link won't pay me now – they say I will get my first payment at the end of May. I will try and live on my A\$1,500 balance on my credit card.'<sup>151</sup> With no prospect of collective resistance, workers have shrunk into their private world of personal struggle, a daily grind just to survive. Patric reflected, 'I have been kicked in the gut. I don't have it in me to fight anymore. I just want to take my A\$50,000 redundancy payment and run.'

According to a union delegate, who was still working at the factory when we conducted our last research visit to Orange in November 2006, most of the workers who were laid off were actually 'glad to see the end of Electrolux'. Those who did not move elsewhere, found jobs. But like Sarah, most workers got jobs in the service sector, where wages are lower and conditions are less favourable. According to the union delegates, a new opencast gold mine has recently opened up in the area and could last for about twenty years. In reality, Orange has become a microcosm of the broader structural shifts brought about by trade liberalization in Australia. Manufacturing closes down, shifting workers into the service and mining sectors. Australian unionists often talk about their country's new status as 'a quarry for China', referring to the resources boom that led to the mining renaissance in the country. The downside, of course, is that a strong currency built on the back of resource exports further undermines the competitiveness of manufacturing.

Despite this bleak picture, commitment from a minority to resist coexists with this inward turning pessimism and passivity. While Electrolux has used downsizing to rid the company of union delegates, remarkably, those who have survived the purge are determined to fight. A tattooed bikey<sup>152</sup> delegate (or shop steward) nicknamed 'Hungry' refuses to kowtow to management and supervisors and their anti-union campaign, proudly wearing his shirt with a bold union logo. He is an archetypical Aussie worker, humorous, upfront and honest. 'I'm not afraid of them; they don't scare me; I'm with the boys.' Then there's John, who has steadfastly remained a union member for the past 20 years. 'The union saved my job on two occasions. I will never leave the union.' Brad has had enough of Electrolux's ways. He has suffered from serious repetitive strain injury (RSI) for the past three years after the speed of the assembly line accelerated dramatically. 'We are just a number now, just a clock card. There's no human side now – just push, shove, hustle, go, go, go! They have jacked up the speed by about two thirds and workers are finding it difficult. The injury rate has gone up.'

The remaining delegates form a small nucleus of committed activists who are prepared to risk everything rather than submit to the corporation. These leaders are a classic illustration of the optimism of agency, confirming Herod's (2001: 5) view that 'there is always opposition to power and domination' in the face of 'the juggernaut of global capital'. Their brash, fearless opposition to the company's plans confirms Harvey's argument that the 'transformative and creative capacities' of persons 'can never be erased' (Harvey 2000: 117). His contention that persons are 'the bearer of ideals and aspirations concerning, for example, the dignity of labour and the desire to be treated with respect and consideration as a whole living being'

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<sup>151</sup> Centre Link is the Australian government agency responsible for managing the social welfare system. Unemployment benefits are currently under review, with plans to tighten them to ensure that the out of work look for work. Dennis has searched for the past eight months to no avail.

<sup>152</sup> A member of an Australian motorcycle gang.

certainly comes into play. For example, there is a universal hostility to the dramatic increase in line speed that is proving so damaging to their bodies.

Despite the existence of this opposition within the factory, questions remain. Given the hostile anti-union environment, how can this small, beleaguered group transform the fatalism of the majority? Considering these questions was a crucial juncture in the research process when we came to the obvious conclusion: left to their own devices and armed only with the classic union response to downsizing and future closure, namely, nothing can be done except to negotiate redundancies, their opposition to restructuring would remain largely ineffectual.

This predicament challenged the union's national leadership – would they simply concede defeat, or could they envisage a strategy that would give new direction and hope to this minority? This is a struggle which has taken place within the union leadership between opposing perspectives that believe that resisting restructuring is a lost cause and challenging those who believe an alternative is possible.

## **Households**

The unemployment rate in Orange was 7.3 per cent when the 2001 Census was conducted; 61.7 per cent of those older than 15 years worked in full-time jobs and a further 28.6 per cent worked in part-time jobs. We can see how the shift to insecure forms of employment has already impacted on the local community. Compared to people living in Ezakheni, Orange does come across as an affluent society: 90 per cent of households in Orange owned cars; 40 per cent owned one car, 30 per cent owned two cars, and a further 10 per cent owned three or more cars. The overwhelming majority of working people in Orange drive to work in their own cars (62.5 per cent); 83.4 per cent of residents own the houses they live in, with the rest in townhouses or apartments. Orange is also a relatively homogeneous community. The overwhelming majority of the residents speak English at home (92.4 per cent), with speakers of minority languages including Italian, Russian, Polish, Tagalog, Croatian, Greek, German, Arabic, Spanish and Chinese. Those who do not speak English as a first language add up to just over 1,200 individuals. The overwhelming majority of Orange residents were born in Australia (87.4 per cent), with half of those born in foreign countries coming from mainly English-speaking countries.

The households of the workers we surveyed in Orange are typical nuclear families, quite often with only one or two people. Indeed, the average size of these households was 1.6. According to the 2001 Census data, the overall household size in Orange is 2.59. Many of the workers we surveyed were young couples without children, which explains the lower average household size. Households are dependent for income largely on their wages and rely on state transfers in the form of unemployment benefits and their pensions if they are laid off or facing early retirement because of closure. Although these benefits are being eroded, Australia's welfare state provides these workers with a reasonably comfortable alternative to wage employment. Furthermore, they are not obliged to provide an income to any other persons than their immediate nuclear family. Although they earn relatively good wages (A\$700 a week on average), they save very little money monthly and spend most of their discretionary income on consumer goods and sporting activities. Respondents said they work a 40-hour week and occasionally do overtime in the season. This conforms very much with the average for working men in Australia, although if women and men are calculated together the average of working hours per week drops to 35.6. In Orange we can see the results of a century of social democracy. Australian people believe that they have the right to a life of recreation outside the workplace. The question is whether this lifestyle can survive the longer-term effects of global competition facilitated by the introduction of extremist anti-union labour laws in December 2005, which facilitate the cutting of material conditions and the flexibilization of working hours.

## **Restructuring, Political Parties and Community**

Orange represents a significantly different response to that of Ezakheni as no one belongs to, or participates in, any political party. The feelings expressed were ones of betrayal by the Labour Party in Orange because it had introduced market liberalization which has had such an impact on work and lifestyle. The ALP's economic policy has also produced endless restructuring that has changed their way of life. Furthermore, respondents evidenced a low political awareness except for some support for One Nation, a right-wing party that won some support in the 1990s for its anti-immigration policies and its desire to return to a more protectionist trade policy (Kingston 1999).

One Nation's leader, Pauline Hanson, emerged, according to veteran journalist Margot Kingston, 'as though she was the hidden underbelly of the Australian psyche, throwing up ideas and values most of us had thought buried or even gone' (Kingston 1999: 4–5). Although the Australian electorate eventually firmly rejected her and her party, she did strike a chord among ordinary workers when she spoke 'of the evil of economic rationalism' and the need to keep Telstra in public hands in order to save jobs, and criticized corporations for undermining small enterprises. In Hanson's own words:

And I'm not for this free trade, and I've spoken about that for the last couple of years, and just recently Bill Clinton's done a turnabout on it. We hear Dr Mahatir is actually doing a turnaround because he says now that free trade is destroying his country. Is it all right when they say it, but when Pauline Hanson says it I'm wrong or I'm simplistic? (Quoted in Kingston 1999: 63)

Underlying her popularity among what Australians refer to as the 'battlers' was a xenophobic racism, as illustrated in this quote by one of her classically insecure and frustrated young Labour blue collar voter turned One Nation supporter:

She talks what she believes in and not what everyone else wants to hear ... And the way I look at it now, being eighteen, is she's saying basically along the same lines: the Asians are coming over here and taking the Australian jobs from the Australian youth. And there is just nothing left for us to take. It's like we have to fight doubly harder, and if we take that job we've got to take the pay cut rather than taking the proper pay that we should get, because you've got the Asians coming over here and they work for next to nothing, basically. Which is really hard for a bloke like me. My dad, he was on the hierarchy on the State Rail Authority and so was my grandfather before that, and my uncle. But for me, the railway is a dying breed, it's being run from computers. (Quoted in Kingston 1999: 175)

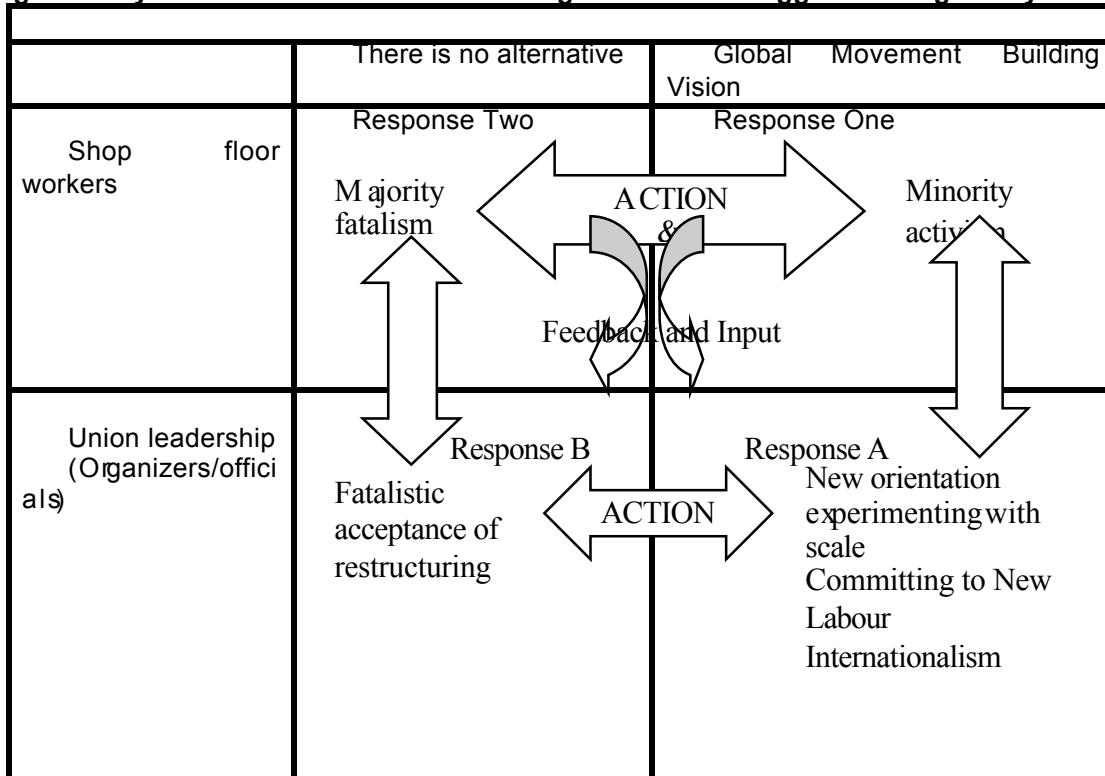
Ironically, Orange used to be a Labour stronghold until independent Peter Andren was elected, but those we interviewed indicated that political parties had no active support. They did however suggest that what was required was more state intervention to protect local industry. One stressed the need for an alternative approach to politics and supported the independent candidate, Peter Andren.

What was striking about our respondents in Orange is their active involvement in a wide variety of outdoor sports; in 'footy' clubs (Australian slang for football), in cricket clubs, in golf, in touch football, in horse riding and hunting (the Ulysses Club), and in bowls. What is of special interest in this comparison with Korea and South Africa is how Australian social democracy emerged in a way that made sport accessible to all, including working people. Australian identity became associated with the idea of 'this sporting nation' and some of the greatest sporting heroes came from working-class families. The key concept in developing the notion of a sporting nation was the traditional slogan of the 8-hour working day. Indeed, Australia was the first country to win the campaign for the 8-hour day in 1881. The campaign was built around the slogan of 8/8/8 – 8 hours for labour, 8 hours for sleep and 8 hours for leisure. However, this cosy, secure life centred on the Rotary Club and the exclusively male Masonry is under threat in Orange. Although it is a small town, both violent crime and property crime are above the national average.

Our respondents saw the trade union as involved in the community, organizing rallies from time to time, having meetings, running courses and providing Christmas dinners for the local pensioners. But we have identified a sense of fatalism over the future of Electrolux in

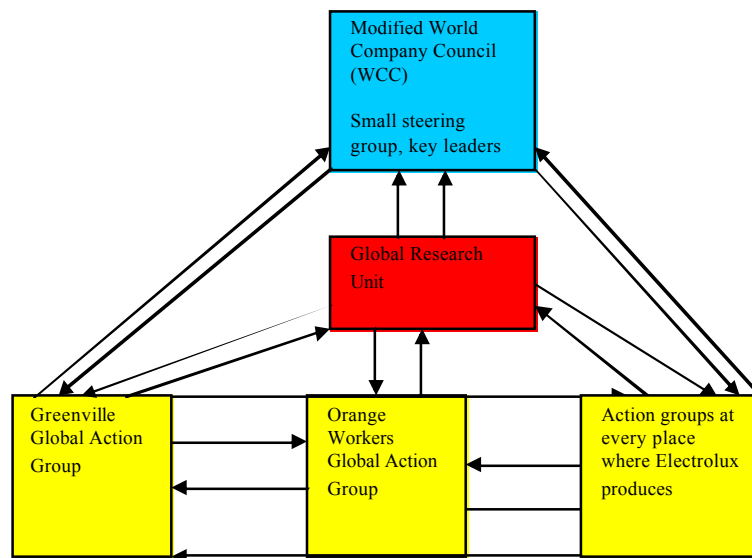
Orange leading to a struggle inside the AMWU's leadership. On the one hand, there were those who said there was no alternative to the gradual downsizing of the plant and its relocation to China and the union should concede defeat. On the other hand, there was a minority group of activists willing to resist and who were looking to the AMWU leadership for a new approach to restructuring in the era of neoliberal globalization. The intra-organizational struggles inside the union are illustrated in figure 1.

**Figure 1: Cycles of transformation: intra-organizational struggles for hegemony**



This approach to restructuring involves the idea of a global movement that will network workers in Orange with workers in Electrolux worldwide. Figure 1 illustrates this debate within the union leadership nationally and workers on the shopfloor for and against a fatalistic acceptance of restructuring. There are middle-level leaders (local union organizers) who argue for acceptance (response B) by highlighting the fatalism of the majority of workers in the factory (response two) to confirm that there is indeed no alternative. They contend that any attempt to resist would simply be a waste of scarce union resources. Eventually, response A, promoted by senior national AMWU leaders, won the day and a new strategy was formulated, which we briefly outline below. The new initiative is grounded in the activism of the minority (response one) and gives encouragement and ideas to their action. If response A had failed to assert its hegemony within the union, this response would have dissipated, with others coming to share the disillusionment of past activists such as Sarah.

**Figure 2: Proposed organizational model for global unionism**



## Spaces of Hope

Linking the local to the global in Orange involved a number of experiments, some of which failed. During the early phases of restructuring, the AMWU, through the International Metalworkers' Federation (IMF), contacted their Swedish counterparts, who then sent three delegates to visit Orange. These Swedish trade unionists, however, deeply disappointed their Australian colleagues. It turned out that they were worker representatives on the company's board and were highly integrated into management's philosophy. They supported the restructuring and resisted any attempt to form networks that could challenge corporate unilateralism. This experience also showed the limits to World Company Councils in their existing format.

The union then changed its tactic and experimented with a more innovative approach. Response A crystallized after months of debate among national leadership of the AMWU in April 2005. A model of global unionism emerged that has been formally adopted as policy. The form of this global unionism is captured in figure 2.

'What happens', David Harvey asks, 'when factories disappear or become so mobile as to make permanent organizing difficult if not impossible? ... Alternative modes of organizing must then be constructed' (Harvey 2000: 56). The AMWU leadership's response to the crisis in Orange answers this question. Transforming union scale through networking is the essential dynamic basis of global unionism. In the Orange experiment, networking is by definition non-bureaucratic and has the potential to revitalize unionism, for the network presents an opportunity for direct grassroots involvement. Factory workers do not have to have the permission of a union organizer to take the initiative: they simply act, then report and seek to win union commitment to new proposals. Networking creates 'spaces of hope' by linking workers across the globe in the same corporation, giving them the opportunity to reflect together and search for ways of applying pressure to block predatory corporate restructuring. The network can build dynamically outwards from the committed minority that exists in the workplace in Orange. These leaders then become the local action group, the node in the network, connecting to other action groups across the global corporation.

The constitution of such an action group in Orange and their empowerment through developing internet skills and creating a website constructively channels their anger into a movement-building project. Initially, they moved in two directions. Their first step was to

establish internet contact with Electrolux workers in the United States. The similarities between the factories in Orange and Greenville, a country town in Michigan, are striking. Both are Second World War converted munitions factories; the viability of both towns is tied to the plant; both have been bought out by Electrolux and then threatened with closure. Greenville is a large factory employing 2,700 workers who produce 1.3 million fridges a year. On 21 October 2003 management announced that the company would close within two years and relocate to Mexico where Electrolux claimed they could save US\$81 million a year through lower wage and environmental costs. This shared experience of workers across the geographic divide provides an objective basis for common action.

In March 2006 this factory was closed and moved to Mexico. Union delegates from Orange also attempted to link up with workers in New Zealand and Electrolux plants in other parts of Australia. These experiments also ran into crisis when all of these plants were closed down. The AMWU's strategy in Australia was also limited by the fact that competing unions were organizing the other Electrolux plants and did not see the need for unity. The Adelaide washing machine plant was closed down after a change in government policy. Rebates were given to households who bought front loader washing machines, since they use less water than the top loaders that Australians traditionally used. Instead of retooling the Adelaide plant, Electrolux decided to close it down. The union's failure to capture the national scale also limited its attempts to jump scale to the global by networking with workers at other Electrolux plants.

A second strategy proved to be more successful in terms of immediate results. This strategy involved the creation of a coalition in Orange through involving local groups in the campaign against Electrolux. Immediately after Electrolux took over the factory from Email, workers organized a protest rally in town. Building on this experience, a Community Forum was set up and another mass meeting was held in June 2004. This was supported by local church groups, and a local Catholic priest spoke about the devastating effects of restructuring on households and living standards. Peter Darley, leader of the local apple farmers, supported the campaign when he spoke at the town rally. He argued, 'We know the Electrolux workers. Your children pick apples for us. We are family farmers. Because of free trade, our jobs are as much on the line as yours. That's why we must unite.' Apart from the farmers' interest in maintaining a strong local economy, they empathize with the workers' plight because of their own struggles against free trade and the threat of importing fire blight disease (a bacterial disease, particularly destructive of apples) into the local orchards. Their campaign slogan is 'Fair trade or failure'. Furthermore, they are engaged in battles with Australia's two large supermarket chains, who they argue are exploiting farmers through their duopoly control on pricing.<sup>153</sup>

Reflecting on these initiatives in November 2006, union delegates felt that the Community Forum had a real impact. The company knew that its actions were being scrutinized publicly, and this made it more circumspect in its approach. They felt that the company was also being somewhat cynical when it outsourced some of its supply functions to local operations, including a protected labour agency. Later, when attention was elsewhere, it applied the 'China price' and shifted its contracts overseas. We asked an official at the local tourism bureau about the status of the factory. She said that the plant was still operational, but that it had been downgraded to an assembly operation. We remarked that she was well-informed, and a local union organizer responded: 'Of course she is. We were bloody well in the news for six months!' To be sure, the result of the union's campaign and the Community Forum was that the restructuring became a subject of public debate. This limited the company's unilateralist approach to some degree.

These initiatives create 'spaces of hope', giving direction and purpose to resisting the negative consequences of restructuring. Agency is created wherein the inner turmoil of victims is transformed through movement building. Our research captures this ongoing

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<sup>153</sup> This may presage a significant political shift as these alliances emerge in other regions of Australia as family farms experience the impact of free trade agreements. The AMWU is currently supporting the protests of Tasmanian fruit and vegetable growers.

process through interviews and observations. Even in this early stage, commitment to place and opportunities for *local* action are indeed created through global networking with workers in other places where they are similarly trapped and in need of an alternative strategy. Contrary to the conclusion drawn by Gibson-Graham, this is not merely 'a left vision of power' which neglects 'opening the local as a place of political creativity and innovation' (Gibson-Graham 2002: 50, 53). Through drawing the small beleaguered group in the factory into global networking, they discover new possibilities of resisting restructuring. Political creativity is already evident in the new global union model developed by the AMWU, a model which has the potential to challenge the dominant discourse and explore areas where the power of global corporations can be tested.

The creation of a global research unit could play a significant role in empowering the network through monitoring the corporation's global strategy and through challenging its restructuring discourse. Corporate discourse obscures the real nature of restructuring, hence closures are 'integrated production systems'; downsizing, casualization and outsourcing are 'manufacturing modernization'; the shift to authoritarian supervision through not allowing workers to speak on the line is 'team building' and work intensification is 'achieving targets'.<sup>154</sup>

## CONCLUSION

Our account of household and community responses to insecurity in Ladysmith illustrates a fundamental contradiction. On the one hand, we see the democratic moment opening up possibilities, for the first time, of popular local economic development. On the other hand, within a decade, this optimism has been transformed into a sense of fatalism and frustration. In spite of attempts to attract investment to this region the number of secure jobs has declined. Although the ANC remains hegemonic at the national level, at local government level it faces demands to meet basic needs that it has not fulfilled. The failure of the party of national liberation to respond to this challenge has resulted in the emergence of a range of semi-formal community based organizations that are attempting to fill the gap. But these attempts are merely coping mechanisms and cannot address the very real and deep desperation emerging from socio-economic underdevelopment.

Indeed, there is a sense of passivity and fatalism in the community and a lack of overall vision of an alternative response to the unquestionably deep social crisis that faces Ezakheni. However, in recent years, many have put their faith in Jacob Zuma, a charismatic ANC leader who skilfully draws on cultural symbols and Zulu identity to mobilize against the top-down style of the Mbeki government and its lack of service delivery. Jacob Zuma has since been elected as the president of the country and it remains to be seen whether his administration will be able to harness this popular support for a developmental project.

As a working-class city, Changwon has experienced the threat of downscaling and relocation of sections of industrial production to China. The national project (the unification of North and South Korea) remains incomplete, as North and South remain divided. Workers on the left of the labour movement feel strongly about the issue, and participate in reunification organizations. They have also put their faith in the KCTU and the Democratic Labour Party.

The Korean case stands out as the clearest example of a trade union movement engaging innovatively with the question of irregular work and attempting to socially regulate the labour market. While casualization is clearly a global phenomenon, it has a special salience in Korea as this is where, until recently, the large companies such as LG practised lifelong employment among their core workers. The rapid growth of irregular employment, as well as the relocation of parts of the production process to China, is a dramatic threat to the rights of core workers established in Korea. This is generating an intense and militant struggle between labour and capital, with the state under increasing pressure to create a more flexible labour market. Whether they succeed is unclear but, as emerged in the seventh Congress of SIGTUR in June 2005 and then in the strike in November 2006, the Korean

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<sup>154</sup> Extracts from the monthly newspaper *Electrolux Down Under*, Spring 2004.

labour movement is determined to define labour law 'reform' as a 'social issue' that undermines hard-won labour rights laid down by the ILO Conventions. Importantly, it is also a struggle that they intend to globalize. Apart from these struggles directly related to the world of work, the issue of national unification is a major impetus to militancy among Korea's labour left in Changwon. Nevertheless, the dominant response among the workers we interviewed to insecurity was to work harder and to increase their overtime work. Furthermore, in the absence of a universal state social security system, workers are responding to household insecurity by investing in private health and accident insurance schemes.

Of the three towns we studied, Orange stands out as a company town that was built on a successful white goods industry that is now being undermined by the destructive impact of globalization. For most of the workers in the plant, there is no alternative and behind the facade of quaint tourist shops and al fresco dining lurks a sense of despair. But we have also seen in Orange the emergence of an innovative attempt to protect society against the unbridled power of the multinational corporation. The union successfully involved other local groupings to support their protest, and in doing so, raised public awareness. Furthermore, a minority of activists in the Electrolux plant have linked up to the national leadership of the AMWU to begin a process of building a global union response to Electrolux. This response is still in an experimental phase and has run up against the sheer magnitude of plant closures, but the AMWU is committed to finding innovative ways of shifting scale from the local to the global. Workers at Electrolux know that they are on a treadmill, as Midnight Oil point out, but at least some of them are not beaten yet.

**Table 1: A typology of responses to insecurity**

	<i>Individual</i>	<i>Collective</i>
<i>Acceptance</i>	Work harder – market adaptation Retreat into the household, fatalism Migration/emigration	Company or business unionism
<i>Challenge</i>	Industrial sabotage Active citizen	Collective mobilization and a search for alternatives

The household is a site where incomes are pooled and a reduction in wage earning places pressure on this vital social institution, forcing members to search for other sources of income. In Orange most interviewees respond fatalistically and seem to rely on the declining provisions of the welfare state, although there are signs of an imaginative attempt to globalize the trade union. In Changwon, where there is limited social security, especially for irregular workers, and few opportunities for non-wage income, workers respond by working harder through increasing the amount of overtime they do. Households in Ezakheni are more 'flexible' and are able to compensate for a loss of wage income by engaging in a range of non-wage income activities. However, these non-wage income activities are not sustainable and we identify a growing crisis of social reproduction in this rural town.

We have examined the changing employment relationship and how workers in these three countries responded to these pressures. Two broad responses can be identified in each site. The first is that of retreat, which can take the form of a fatalistic acceptance of the changes, retreat into the household as a survival strategy, or an adaptation to the market by working harder, or, more dramatically, migrating to another part of the world or country.<sup>155</sup> The second is an attempt to resist through collective action. The first reaction tends to be an individual response to what we referred to earlier as 'personal troubles', but it can also be a collective response, such as company or business unionism, a collective acceptance of

<sup>155</sup> Although migration is an individual retreat from change in the 'home' site, it can have contradictory implications, both because migrants are quite often part of informal social networks that make collective action easier, and because it can also be a way of transmitting radical ideas across the globe.



existing relations of market power. The second response is an attempt to turn a personal trouble into a public issue by engaging in collective action to challenge the power of the market, the corporation or the state. However, a challenge of growing insecurity can lead to an individual response, such as industrial sabotage, or people asserting their rights as individual citizens.

The important point is that 'the economic position of workers is not necessarily determined by individual characteristics of that worker, be it age, gender, or employment status ... a workers' ability to survive, and her economic position, is dependent not only on herself, but on a whole household full of people, notwithstanding the fact that households may not allocate resources equitably' (Kenny 2001: 102). Indeed, there is a qualitative difference in households which have access to a 'good job' – a formal sector, secure job – and households that do not. Those who do not are not only poorer, but they tend to have fewer resources to assist them in other non-wage means of provisioning (Nelson & Smith 1999).

These varied potential household responses to corporate restructuring are rational attempts to respond to changed material circumstances. Social movement unionism could complement these *individualized* household responses by organizing and mobilizing both at the workplace *and* households in the community. Clearly the various branches of labour studies can no longer ignore households and communities when attempting to understand how workers respond to insecurity and change (Burawoy 2008; Castree 2007).

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