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Masculinities, trade unionism and global business ideology in the South African brewing industry c.1980-c.2005

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Introduction

Workers in the brewing industry in South Africa are overwhelmingly male, predominantly black African and relative to other workers in the manufacturing sector, more skilled and better paid. Employed almost exclusively by a single producer (South African Breweries) which enjoyed a de facto monopoly in the production of malt beer, they began to organise themselves into a trade union in the mid-1980s (a decade after union activity re-emerged in Durban) and soon demonstrated that their status as an ‘elite’ labour force was not a bar to militant labour action. Rather, trade union organisation and the shop stewards committee in particular provided a locus for the construction of a new masculine identity centred on the values of anti-apartheid, anti-exploitation assertion.

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When the major employer sought to lead the union into world class manufacturing - the new business ideology of globalising manufacturers – the shopstewards led an intense onslaught against this 'new frontier of capitalism'. Militancy enhanced the power of the shopstewards and reaffirmed the union as a locus for the making of manhood. This power enabled union leaders to cope with retrenchments and then sit through a protracted court case. Legal victory did not get the workers' jobs back. Without work and without the union, hundreds of retrenched men found themselves casting about for a new identity, a new vision of themselves as men. The few who remained on the shop floor worked in teams of highly skilled superworkers. Their identity cohered not so much around collective militancy but around the ability to perform at a high level. The discourse of individual career displaced that of solidarity with fellow workers.

Introduction

This paper explores shifts in national and workplace politics changed in the final two decades of the twentieth century, framing the ways in which male workers might experience themselves as men and construct ideas about appropriate masculinities. As the locus of power shifted on the shopfloor and as the nature of work was redefined, the meaning of manhood, too, was rendered unstable and masculinities were reconfigured. Workers in the brewing industry were overwhelmingly male, relatively skilled and better paid than many other workers in manufacturing. While many of those with long service were migrant workers from the rural homelands, most of those with more years of schooling and greater confidence in the workplace and beyond, had been raised in the cities. Technology rather than manual labour dominated their working lives. SAB's 'supertanker' breweries were capital intensive and designed to operate with a high degree of automation.[2] Labour was replaced by technology at each stage of the brewing process. The traditional, circular hand-beaten copper kettles gave way to rectangular stainless steel vessels with a central control panel from which the entire brew was controlled. Scientific control of the beer recipe was achieved through conveyors which enabled the brewer to select and pre-set a recipe on an electronic panel and have the ingredients 'poured' into the mix at the press of a button. Metering pumps ensured that measurements of additives such

[2] The volume of beer produced increased from over 5.3 million hectolitres (mhl) per year in 1976 to over 13.7mhl in 1986, see Appendix, Table 1. SAB produced over 95% of this volume.

as flaked maize were standardised, scientific and delivered automatically. Advancements in the filtering of chemical processing and technology for monitoring and controlling effluent reduced the need for human labour.[3] Automation was also a feature of bottling, canning and packaging. At Alrode, a plant which produced a thousand cans per minute, the operations of depalletisation (unloading), conveying, washing, filling, seaming the can, pasteurising the beer, checking the filling level, coding and packing for despatch were all operated by a single worker from one control panel. Where eight labourers per shift had loaded the palletisers (conveyers carrying crates of beer to the final dispatch point) manually, two men operated six automated lines in the early 1980s. Conveyers running on tracks reduced the need for forklift trucks and their drivers.[4] Bottling lines operated at high speed, producing 1 600 bottles per minute.

But the skilled labour needed for these sophisticated operations was scarce and SAB's training centre in Durban could not make up the shortfall. Brewers and specialist technicians were brought in mainly from the British brewing industry at considerable cost.

In the late 1970s, under pressure from anti-apartheid activists inside and outside the country, the apartheid regime began to cast about for reform measures that might incorporate blacks as junior partners.[5] The nationalist government borrowed from reform models under way in other parts of the region - in Ian Smith's Rhodesia and in South West Africa/Namibia - where settler regimes were engaging in last-ditch efforts to control the inevitable process of change. Apartheid reform also took into account codes of conduct drawn up by multinational corporations and the recommendations for a new labour dispensation set out in two government commissions.[6] Africans were to be allowed to form trade unions, albeit on a segregated basis. The 'homelands,' erstwhile African reserves, now ethnically purified Bantustans, were to be expanded so that they might become self-governing and ultimately 'independent.'[7] 'Coloureds' and Indians would be

[3] 'Special survey on SAB Beer Division-- *SA Food Review* (December 1977), 7-74.
[4] *Ibid*., 87-89.
[5] The term 'blacks' is used here to denote a political category encompassing all people of colour.
[6] The Sullivan Code set out principles for multinationals doing business in South Africa and the Riekert and Wiehahn Commissions made recommendations for regulating the process of urbanisation and the labour force. See Charles Feinstein, *An economic history of South Africa: conquest, discrimination and development* (Cambridge: Cambridge University Press, 2005), 200-251; Stephen Gelb (ed), *South Africa's economic crisis* (Cape Town: David Philip, 1991). Government of South Africa, Commission of Inquiry into Labour Legislation (Wiehahn) Report (1979); Government of South Africa, Commission of Inquiry into legislation affecting the utilization of Manpower (Riekert), Report (1979).
[7] SAB moved to make use of this opportunity. Capital for SAB's brewery in Transkei was set aside in 1977, pending political developments. Southern Sun Hotel Holdings Limited, a subsidiary of SAB headed by Sol

incorporated into national politics in an advisory capacity through a tricameral parliamentary system. While the majority of South Africans scoffed at this tinkering with apartheid, restructuring created new spaces through which blacks might advance their interests. Intense political activity permeated all aspects of South African life. In this context, the multiple sites of liquor production, distribution and consumption provided spaces for contestation and social change.

SAB welcomed the apartheid regime's reforms. Like other leading manufacturers, SAB was eager for educational reforms that might lead to the development of a more skilled labour force. They also welcomed the opportunity to implement new guidelines in labour relations and established in-house workers' committees.[8]

This paper explores the way in which the meaning of manhood for workers in the brewing industry was framed in two key moments in the late twentieth century. The first of these was the unionisation of workers in the brewing industry and the formation of a shop stewards committee within the union. The union and the shopstewards committee became powerful sites for the construction of a militant masculinist identity linked to worker solidarity and assertion. The second moment occurs in the 1990s with the introduction of world class manufacturing at SAB's plants and the displacement of hundreds of established workers by a handful of highly skilled superworkers.

1980-1990: The shopstewards' committee - locus of workers' power and manhood

Brewery workers were affected by the unsettled politics of the 1980s, particularly by the massive increase in trade union activity across the country. Employees of SAB were awakened to the benefits of independent labour organisation in 1981 when their colleagues at the Isando plant joined the Sweet Food and Allied Workers Union (SFAWU). After support from the union had strengthened these workers in their wage negotiations, word spread to other SAB plants. At Cape Town's Pinelands depot, Whitey Maphanga and several other young men who had experienced the 1976 student uprising

Kerzner was granted exclusive rights to casinos in the homelands in 1978. See SAB records. SAB Board minutes (c. May 1978). Blacks would own 49% of Southern Sun's Transkei operations.

[8] Recommendations for reform were made by two commissions: Government of South Africa, Commission of Inquiry into Labour Legislation (Wiehahn) Report, 1979, para 1.2; Government of South Africa, Commission of Inquiry into legislation affecting the utilization of Manpower (Riekert), Report, 1979, para 6.4.

were keen to join a trade union. They invited SFAWU's Chris Dlamini to meet with them.[9] Inspired, Whitey and his friends took up the challenge of organising their more conservative migrant colleagues at the Newlands brewery. Their efforts were highly successful. Within two years, each brewing plant and distribution depot across the country had elected shop-stewards. In 1984, the Pinelands depot and Newlands plant workers engaged in joint wage negotiations with SAB for the first time.

More broadly, the labour movement consolidated its forces by forming the Congress of Trade Unions (COSATU) which introduced a policy of industrial unionism.[10] On Republic Day, 31 May 1986, Sweet Food and Allied Workers Union (SFAWU) amalgamated with the Food and Canning Workers Union to form Food and Allied Workers Union (FAWU). Since SAB held virtual monopoly in the brewing industry, if the workers recruited 51% of the workforce at each SAB plant, the union would achieve formal recognition as the voice of the workers in the industry. SAB workers began to organise on a national level and by the end of the year, they formed the National Council of SAB shop-stewards, comprising 84 representatives, all of them men. While living with full-time shop-stewards who were given time off for trade union activity that did not involve SAB matters would be a new experience, SAB appeared to welcome the new dispensation.[11] In 1987, FAWU and SAB signed a national recognition agreement that provided for wage negotiations at a national level, giving impetus to the national shop-stewards council.[12] For the shop-stewards, striving for a better life was primarily about an improved material standard of living for workers; this struggle also involved a quest for

[9] While SFAWU was based exclusively in the Transvaal and Natal and did not have the capacity to service workers in Cape Town, the union had organised several breweries in these provinces. FAWU agreed that it was best that workers at the Newlands plant belong to SFAWU, email communication, Jan Theron (16 March 2009). At the same time, workers at the Newlands brewery rejected the advances of the white dominated Liquor and Catering Workers Union.

[10] COSATU remained a male dominated organisation throughout the 1980s and beyond. While women made up about 36% of COSATU's membership in 1990, only 8 of its 83 national office bearers was female and its affiliates struggled to see women as members of equal worth. See Jeremy Baskin, *Striking Back: A history of COSATU* (Johannesburg: Ravan Press, 1991), pp.371-384.

[11] Jan Theron, email communication (16 March 2009); Food and Allied Workers Union v SA Breweries Ltd [1990] *Industrial Law Journal*, 11 (1990), 413 (ARB), Arbitration by Clive Thompson (20 January 1988).

[12] The first national recognition agreement between the union and SAB, signed in 1987, provided for annual wage negations at a national level and marks the beginning of a new era in labour relations for the workers and for SAB. The agreement was thrashed out between Jan Theron as General Secretary of the Food and Allied Workers Union and SAB's Graham MacKay and Rob Childs, then Human Resources manager for the Group.

dignity, power and self-assertion. Worker action became an aspect of subjectivity, leading to a redefinition of self.[13]

The first test for SAB shop-stewards came in the midst of the 1987 national wage negotiations. Shop-stewards demanded inclusion of workers and their representatives in consultation around changes in working conditions; representation and consultation were critical issues in reforming labour relations. At this point, shop-stewards and workers wanted to engage in consultation about overtime. SAB wanted to increase beer volumes by 210 million litres a year; the brewer could do this by keeping packaging and transport lines working round the clock in tandem with the continuous brewing process.[14] In mid-1987, the Rosslyn plant introduced a system of 'continuous production' with dramatic changes to the shift system. Work routines and lifestyles were disrupted as the shift system ate into nights and weekends. When more than three hundred workers at the plant refused to accept the new conditions, they were dismissed.[15]

On 11 September, 1987, nearly 1600 workers at SAB's Isando, Alrode, Denver and Wadeville plants in the Transvaal refused to work overtime. Withdrawal of this labour was a powerful blow, costing SAB an estimated R150 000 per day.[16] For nine long weeks, no overtime was worked. SAB claimed that it was 'at a loss to understand what precipitated the strike' since the continuous shift system was not new to South African manufacturing. But, as FAWU general secretary Jan Theron explained, workers would not accept 'unilaterally imposed' changes to working conditions.[17] Such changes required 'joint study' between workers and management. Accustomed to driving the labour process, SAB management chafed at the slowdown brought about by conflict with labour. In a desperate bid to put an end to the industrial action, SAB applied for a conciliation board hearing and appealed to the courts to declare the overtime ban an illegal strike.[18] But

[13] Moore, *A passion for difference*, 50.
[14] 'Much ado about nothing,' *Financial Mail* (3 July 1987), 41.
[15] Food and Allied Workers Union v SA Breweries Ltd [1990], *Industrial Law Journal*, 11 (1990), 413 (ARB).
[16] Ibid.; SA Breweries v Food and Allied Workers Union and Others, Witwatersrand Local Division, 7 October and 17 November 1987, before J Goldstone [1988] *Industrial Law Journal*, 9 (1988), 244-730; SA Breweries v Food and Allied Workers Union and Others, Appellate division, 21 August and 26 September, 1989, J Smallberger with full bench [1990], *South African Law Reports*, 1 (1990), 92-100; Interview, Whitey Maphanga (15 November 2006).
[17] Food and Allied Workers Union v SA Breweries Ltd [1990], *Industrial Law Journal*, 11 (1990), 413 (ARB).
[18] Hearings by the Conciliation Board were provided for by the Wage Act 5 (1957); the legality of the strike would be determined in terms of the Labour Relations Act 28 (1956).

the court ruled in favour of the workers. Both local and appeal courts held that voluntary overtime was not contractual; employees were not obliged to do overtime work.[19] If the definition of work were to encompass voluntary overtime, workers would be deprived of their right to 'withhold labour they are not contractually obliged to perform.' The court pointed out that this right was widely recognised as 'an important weapon' of workers 'in the bargaining process that underlies the theory of modern labour law.'[20] Legislative reform and trade union recognition meant that workers could no longer be treated like 'puppies.' SAB agreed to reinstate all those workers who had been locked out in the course of industrial action. SAB workers celebrated a great victory. The strike and the court's verdict brought workers into the 'public eye' removing them from structural invisibility.[21]

Industrial action had highlighted the vulnerability of SAB's distribution depots to union activity. The depots were staffed by crews of men who loaded and unloaded the trucks, and drivers who distributed crates of beer to shebeens and bottle stores. They were the link between the brewery and the retailer. The opportunity for political agitation and disruption was stronger here than in the more controlled environment of the brewery. SAB was at pains to find a way round this problem. First, the brewer declared transport a non-core activity and looked for ways of outsourcing its truck fleet. Then, in the Western Cape region, SAB instituted a pilot scheme for 'owner-drivers.' Drivers in the employ of the SAB were offered loans to purchase their vehicles and contracts to transport SAB products. These self-employed operators contracted to SAB would be responsible for their own distribution crews. With this deft move, SAB exorcised a particularly militant sector of the workforce. Also, owner-drivers would be responsible for their vehicles and less vulnerable than SAB trucks in times of political turmoil. Carefully trained and tightly controlled by legal contracts, owner-drivers promised a safe, cost-effective and politically acceptable way of distributing large volumes of beer to predominantly black consumers living in townships. Early in 1988, SAB reported that eleven drivers had independent contracts and an option to purchase their vehicles from SAB.[22] In 1989, SAB speeded up the initiative. In 1991, the Newlands branch offered SAB drivers the opportunity to

[19] SA Breweries v Food and Allied Workers Union and Others, *Industrial Law Journal*, 9 (1988), 244-730; SA Breweries v Food and Allied Workers Union and Others, *South African Law Reports*, 1 (1990), 92-100.
[20] SA Breweries v Food and Allied Workers Union and Others, *South African Law Reports*, 1 (1990), 99.
[21] Jeff Hearn, *Men in the public eye* (London and New York: Routledge, 1992), 3.
[22] SAB's a-truck-tive offer,' *Financial Mail* (18 March 1988), 111.

participate in the owner-driver scheme, promoted as a great chance to become one's own man.

Concerned that they were about to lose their jobs, Whitey Maphanga, the shop-steward at the Pinelands distribution depot asked the union to look into the implications of the scheme. In the meantime, the workers acted on their own initiative, securing a written guarantee from Newlands management that none of the crew would be retrenched when the depot closed down. Their comrades at other depots were less fortunate and faced redundancy as SAB introduced the owner-driver scheme across its operating regions. For their part, the owner-drivers fell between two stools. As 'self-employed' men, they were not protected by the Labour Relations Act; they could not join a trade union or embark on strike action. But they were tied to their former employers by tight contracts that restricted the use of the trucks to SAB business alone.[23] If this outsourcing was in line with the international trends, the context for the initiative was shaped by local political changes in the era of apartheid's reform.[24]

By mid-1989, F. W. de Klerk had taken over as president of the country and youth organisations sympathetic to the exiled ANC adopted a strategy of making the country ungovernable. Rumours of the imminent downfall of the apartheid regime were rife. In this climate, FAWU and SAB embarked on their annual wage negotiations. As anti-apartheid activity drew in more and more workers and spilled over into trade union politics, some SAB shop-stewards developed an acute sense of their own power. Claiming that unless they 'asserted themselves' they would be 'trampled on,' leading shop-stewards pushed the union to demand substantial wage increases and paternity leave for the new man. Driven by a desire to achieve a new social order, these demands failed to acknowledge that SAB workers were 'relatively well-paid' within the SAB Group.[25] For its part, SAB sought to set limits to this muscle-flexing and argued that as a 'progressive employer,' the company was at risk of being 'milked.'[26] Encouraged by the union's determination to push ahead with their demands, 6000 members of FAWU at seven

[23] Interview, Whitey Maphanga; see also Nndateni Ndou, 'The changing nature of employment relationship: the South African breweries (SAB) owner-driver scheme,' (University of Cape Town, Bachelor of Social Science Honours thesis, November 2002).
[24] See, for example, P. Cappelli, *The new deal at work: Managing the market –driven workforce* (Boston: Harvard Business School Press, 1999).
[25] This comment was made in relation to SAB's beverage manufacturing. Workers in retail companies like Edgars, owned by the SAB Group were paid considerably less; email communication, Jan Theron (16 March 2009). Long serving general secretary of FAWU, Jan Theron was on sabbatical leave at this time.
[26] 'Edging closer,' *Financial Mail* (September 1989), 53-54.

breweries, two malting plants and 13 distribution depots came out on strike. However, as some workers began to question the wisdom of the decision to strike, the union struggled to keep its members disciplined. Incidents of workers lashing out at political rivals, strike breakers and scab labour were reported across the country. A non-striking worker in Kimberley was stabbed by a shop-steward and the child of a non-striker was injured by a fire-bomb attack on his home in Pietersburg. SAB delivery trucks were stoned and one driver averted an attempted hijacking. There were also deaths: one truck driver was shot at the wheel near the Prospecton plant outside Durban; at the Newlands plant, the teenage son of a scab worker died from detergent fumes after lowering himself into a beer tank to retrieve a fallen spanner.[27]

Beyond the workplace, shop-stewards called for a boycott of beer. Youths 'inspected' shebeens (illicit drinking places), spilled their beer and routed the patrons. 'Don't sell beer or we will burn your house down,' they threatened.[28] The boycott was supported by the NTA and the National Stokvel Association but not the more conservative Ukhamba Association.[29] Zanosi Kunene, vice president of Ukhamba, reported intimidation of bottle store owners. 'We have had a mixture of types walk into our stores and demand to know why we are selling beer. Without giving traders an opportunity to explain, unemployed looters and hooligans have smashed or taken beer. FAWU members (and high school pupils, believing the boycott is "for the struggle") have also been enforcing the action.'[30] SAB struggled to counter media reports of a widespread beer boycott and an impending dry Christmas. Describing this story as 'so much junk' SAB's marketing director claimed 'we are brewing, bottling and selling appreciably more beer than we were this time last year.'[31] Nor was SAB's marketing man to be unsettled by the NTA purchasing Windhoek lager from Namibian breweries. His rebuttal collapsed a little,

[27] 'A dry season' *Financial Mail* (20 October 1989), 45; 'Thirst for trust,' *Financial Mail* (27 October 1989), 50. Interview, Whitey Maphanga.
[28] Interview, Whitey Maphanga.
[29] The National Stokvels Association of South Africa (NASASA) was established in 1988, bringing together thousands of informal credit unions with an estimated membership of 108 000 of the approx. 1,3 million stokvel members. These credit unions encompassed three major types: burial societies, investment syndicates, *imigalelo* groups for purchase of major items. Parties where food and drinks were sold were a major source of fund raising for many of the stokvels. For detail on how stokvels operated in this period see Andrew Lukhele, *Stokvels in South Africa* (Johannesburg: Amagi Books, 1990); see also Sidropolous 'Black Economic Empowerment,' 20; 'Digging in,' *Financial Mail* (10 November 1989), 60.
[30] 'Digging in,' *Financial Mail* (10 November 1989), 60.
[31] 'Loyal to the last drop,' *Financial Mail* (27 October 1989), 92; 'No surrender yet,' *Financial Mail*, (17 November 1989), 54-55.

however, when he pointed out how a boycott would affect shebeen workers. 'There are 1 400 licensed black liquor outlets and no one knows how many shebeens. Each of these probably employs six people, which means that just the licensees employ 8 400 people. What the union is saying is that all these people must starve.'[32]

When the strike finally ended six weeks after it had begun, FAWU was weakened. Hundreds of workers were dismissed and those who remained were disenchanted with the union. The leadership admitted that they had not focused clearly enough on the immediate needs of the workers. Instead, they had allowed their demands to be clouded by the general grievances of black people under apartheid. The fault did not lie entirely with the union. A labour analyst pointed out that SAB had 'forced the "power route"' by declaring a dispute on the third day of negotiations. Nor was the union the only loser. SAB's 'power' strategy had damaged relations with the union so seriously that both agreed to embark on a process of mediation.[33] In the course of mediation, SAB and FAWU agreed to establish a national forum for negotiating non-substantive issues like canteens, ablutions and housing subsidies. If the forum skirted core issues, it allowed both the union and SAB to save face. Driven by the heady politics of the 1980s, Whitey Maphanga and the powerful shopstewards in the brewing industry had over-reached themselves.

1990-2000: World class manufacturing and the new meaning of manhood

For South Africa's monopoly brewer, the end of apartheid signalled the need to catch up with international developments in brewing technology and workplace organisation. Any moves to become internationally competitive would have to comply with post apartheid national legislation. While the new government was in the process of drafting new labour legislation it was not clear how the needs of labour would be balanced with those of the national economy and to what extent labour might set limits to management strategies.[34] By 1995, the most significant of the new state's restructuring initiatives was the Labour Relations Act (1995), (LRA). Institutions established by the

[32] 'Frothy tussle,' *Financial Mail* (3 November 1989), 83.
[33] Staff reporter, 'Labour Action,' *South African Labour Bulletin* 14, 5 (February 1990), 4-5.
[34] For debates on industrial policy strategy in post apartheid South Africa, see Nicoli Nattrass, 'Economic restructuring in South Africa: the debate continues,' *Journal of Southern African Studies* 20, 4 (December, 1994), 517-531; Raphael Kaplinsky, '"Economic restructuring in South Africa: the debate continues": a response,' *Journal of Southern African Studies* 20, 4 (December 1994), 533-537.

Act, including the Labour Court and the Commission for Conciliation, Mediation and Arbitration (CCMA), a mediating council for alternate dispute resolution, upheld the right of workers to a fair hearing. In recognising workers' rights to collective bargaining and strike action, the new labour dispensation represented a powerful weapon; trade unions that negotiated recognition agreements with their employers were in a powerful position to protect their members. Management efforts to introduce new workplace dispensations would have to follow prescribed procedures involving continuous discussion through workplace forums and co-operation with management.[35] The aim of the LRA was not to hobble management but to prevent the rise of adversarial relations. The law was a hurdle rather than an obstacle for companies seeking to introduce workplace changes.

At the same time, the international alcoholic beverage industry was becoming more consolidated.[36] 'The big brewers are circling each other,' Graham MacKay explained.[37] SAB believed that survival depended on expanding its global footprint. Management moved in this direction in the mid 1990s. The first step was to access international capital markets. To this end, SAB prepared to move its domicile to London. In March 1999, SAB listed on the London Stock Exchange as SAB plc.[38] The second step for SAB was to embrace 'world class manufacturing,' the ideology of leading global manufacturers on the new frontier of business. 'Frontier' implied the juxtaposition of two

[35] Jeremy Baskin and Vishwas Satgar, 'South Africa's New LRA,' *SA Labour Bulletin* 19, 5, (November 1995), 46-55; see also Paul Benjamin, 'LRA- organisational rights,' *SA Labour Bulletin* 19, 5 (November 1995), 56-59; Norma Craven and David Cartwright, 'Labour Relations Act Ten Years On,' *SA Labour Bulletin* 27, 5 (October 2003), 42-43.

[36] Bevcon Shareholders – Johnnic (who took over Premier's shares, Anglo American Corporation and Liberty Life) controlled 29% of SAB issued share capital; Bevcon shareholders also had direct stakes in SAB; their combined holdings amounted to about 40% of SAB share capital. See 'Consolidation is brewing among beer producers as market leaders seek global brands,' *Business Day* (12 November 1998).

[37] See 'Consolidation is brewing among beer producers as market leaders seek global brands,' *Business Day* (12 November 1998); Charlotte Matthews 'Interbrew says it has looked at SA Breweries,' *Business Day* (29 November 2001); 'Building Castles in the Air?' *Business Day* (29 November 2001); 'More than froth?' *Business Day* (30 November 2001); 'Sounds good after beers,' *Business Day* (5 December 2001).

[38] SAB, 'The F97 Annual Report to employees of the SAB Beer Division,' 50. Annheuser-Busch Inc topped the list at 110,6 million hectolitres per annum, followed by Heineken (70,6), Miller Brewing Co (52,8) and SAB at 38,8 million hectolitres; See 'SA Breweries: milestone equity offering,' *Financial Mail* (18 October 1996), 136. Between 1994 and 2006, SAB acquired substantial brewing interests in Asia including China, India and Vietnam; in Eastern Europe, including Poland, Romania, Hungary, Slovakia and the Czech Republic, as well as Russia and Italy; in Latin America, including Colombia, Honduras, El Salvador and Peru. These interests were augmented by ventures in the United States of America in 2002 and North Africa in 2004. At the same time, SAB consolidated interests in established markets in Africa. For a list of these developments, see Fundamentals: SABMiller plc http://www.sainvestor.com/SDT/data/00125/Notes.asp Accessed 28 July 2006.

distinct cultures and the possibility of conquering or accommodating differences. Either way, it represented a borderline that businesses would have to cross if they were to survive in the international economy.[39] Positioning oneself at the business frontier was not simply a matter of engaging market forces.[40] It required a global outlook, a managerial mindset that was strategically and structurally flexible and understood technological innovation as 'a necessary part of normal commercial life'.[41] This commitment entailed endless internal restructuring to reduce costs, improve efficiencies and utilise new skills on the shop floor and to create new systems for managerial hierarchies to follow in corporate structures.[42] Appropriating Mohamed Ali's advice to boxers, those seeking to implement this business ideology were advised to 'float like a butterfly and sting competitors like a bee'.[43] SAB set off in this direction in the early 1990s.

'Our shop stewards must become world class manufacturing'

In the new global context, competitiveness centred on the ability to manage people, technology and the relationship between them in a rapidly changing environment. Machinery was becoming increasingly complex and the range of interconnections between technology, information and skill was changing the nature of work. As one SAB manager put it, the latest machines did not simply run by themselves 'they also fix themselves, diagnose their own errors…decision-making logic has been programmed into the technology.'[44] Operators no longer simply minded mechanical activity; they had to respond to information, maintain equipment and implement quality checks. The key was

[39] For discussion of the ways in which the notion of 'frontier' has been used in the social sciences, see Kerwin Lee Klein, 'Reclaiming the "F" word, or Being and Becoming Postwestern,' *The Pacific Historical Review* 65, 2 (May 1996), 179-215.
[40] Robert D. Nixon, Michael A. Hitt and Joan E. Ricart I Costa, 'New managerial mindsets and strategic change in the new frontier,' in Michael A. Hitt, Robert D. Nixon, Joan E. Ricart I Costa (eds.), *New managerial mindsets: organisational transformation strategy implementation* (Chichester, New York, Weinheim, Brisbane, Singapore, Toronto: John Wiley and Sons, 1998), 1-12.
[41] King, 'Brand building,' 3-13.
[42] See John Scott, *Corporate business and capitalist classes* (Oxford: Oxford University Press, 1997), 207-220.
[43] Nixon, Hitt and Ricart I Costa, 'New managerial mindsets and strategic change,'.2. The authors acknowledge Sifonis and Goldberg for their use of Ali's butterfly and bee metaphor.
[44] Evidence of Denise Smith (training controller then Human Resources Consultant at Alrode) for SAB, FAWU and 33 Others v South African Breweries Ltd in the Labour Court of South Africa, Case C363/2002 and C1008/2001, (hereafter, FAWU and 33 Others v South African Breweries Ltd), 174. I am grateful to attorneys Chennels Albertyn and Glynn Williams for access to these records.

to ‘keep structures flat and maximise the responsibilities within the line organisation’.[45] This meant that there was no place for unskilled and semi-skilled workers on the shop floor. The next step towards international competitiveness was to embrace the new business ideology of post-fordism or ‘world class manufacturing’ which centred on the notion of flexibility – a flexible production process based on flexible systems and machinery and a flexible workforce.[46] In this model, production was organised along the lines of the Japanese inspired methods of total quality control (implying no wastage in the production process) and ‘just-in-time’ (a strategy for keeping inventory stocks to a minimum).[47] Embracing flexibility entailed recognising the need to overcome the skills and educational weaknesses of the workforce so that workers might cope with information processing. The final step was to recast the character and composition of the workforce without falling foul of the new Labour Relations Act (Act 66 of 1995) or provoking organised labour.

The context in which SAB operated posed enormous challenges. In 1992, SAB set up a manufacturing development team to work on a model for redesigning workplace organisation in line with the Japanese approach. The development team initiated an experiment in ‘best operating practice’ (later termed BOP 1); operators and artisans moved out of rigid functional silos into horizontal team structures which might approach ‘core processes’ in a more integrated way. The aim was to establish whether team structures would improve performance, increase responsibility and achieve flexibility in the work process. The end goal was improved worker performance and enhanced factory efficiencies. Success would be measured by the amount of beer actually produced as a percentage of ‘what could possibly be produced’.[48]

First off, SAB introduced voluntary, part-time adult education in all its operational regions. Since many of its members had not completed more than a year or two at secondary school, the Food and Allied Workers Union (FAWU) welcomed the employers’ encouragement of workers to attend the two hour classes, one hour of which was offered in company time. But progress was slow. Operators were not developing the proficiencies

[45] See John Pendlebury, ‘Creating a Manufacturing Strategy to Suit Your Business,’ in Basil Denning, *Making Strategic Planning Work in Practice: The Best of Long Range Planning No 3* (Oxford, New York, Beijing, Frankfurt, Sao Paulo, Sydney, Tokyo, Toronto: Pergamon Press, 1989), 84.
[46] See Huib Ernste and Verena Meier (eds.) *Regional Development and Contemporary Industrial Response: Extending Flexible Specialisation* (London and New York, 1992), 29.
[47] *Ibid*., 68.
[48] SAB, ‘The F97 Annual Report to employees of SAB Beer Division,’ 51.

necessary for the goal of multi-skilling. Full time adult education courses (known as fast track Adult Basic Education and Training [ABET]) were introduced. SAB was encouraged in this initiative by national moves to find ways of measuring the value of prior learning and work experience. The South African Qualifications Act (1995) made it possible for non-formal learning to be measured against formal learning and for adult education programmes to become officially accredited. SAB hoped that their 'competency acquisition process' would align with the education and training levels set out by the National Qualifications Framework to be implemented under the Act.

After three years, SAB's BOP 1 experiment proved only moderately successful. Intensive training did not yield the anticipated results; line managers were concerned that problems were still not solved on the same day, on the same shift, 'in real time'. While workers were able to operate three machines, their skills remained within a limited 'operational stream'. Operators, artisans and quality controllers were still not 'interfacing information' effectively enough to improve efficiencies. The experiment had led to some improvements but it had achieved only limited multi-skilling and flexibility in performance.[49] Management concluded that operators needed higher levels of education if they were to handle information more efficiently and communicate more effectively. Precisely how this was to be achieved would be guided by a deeper application of the principles of world class manufacturing.[50] What this meant in SAB's case was that workers needed to become conversant with a range of machines and operations and interact with information across these functions. They would need to work as teams and communicate across them and so engage in a process of continuous learning. In this model, communication meant less dependency on external technicians and created the possibility of greater initiative by workers on site. This daunting challenge was made more so by the protection afforded workers by the Labour Relations Act. But SAB had the right man; tough, determined and ambitious, newly appointed managing director Norman Adami would lead restructuring at SAB from the front.[51] The challenge for Adami and SAB was how to 'remake' the workers so that they behaved in fundamentally different ways.

[49] Evidence of Denise Smith, FAWU and 33 Others v South African Breweries Ltd, record 1.
[50] Nixon, Hitt and Ricart I Costa, 'New managerial mindsets and strategic change,' 2.
[51] Norman Adami grew up in Kroonstad, joined SAB in 1979 and was appointed MD of Beer Division in 1994; chairman of SAB in 2000 and CEO of SABMiller Americas in 2006. He resigned for family reasons in mid-2008 and resurfaced as CEO of SAB Ltd a few months later.

The support of organised labour was critical to this process. In February 1995, SAB management invited FAWU's shop stewards, including Whitey Maphanga, to join them on 'a visit to the future'.[52] Together, management and workers' representatives would embark on an international study tour of leading manufacturers. En route, the joint study group would discuss how they might adapt what they observed for local conditions.[53] SAB, an unthreatening brewer from a developing nation was warmly received, among others, by leading breweries in Germany and by Millers' brewery at Trenton, Ohio in the United States of America. Their observations suggested that German breweries, where the number of workers on the shop floor had been reduced to a mere handful, represented the high road of capital intensive automation. Some of these advanced breweries employed as few as three operators on a bottling line that processed 50 000 bottles an hour. SAB management was excited by what they saw at Millers: the Trenton brewery combined state of the art technology with a team based, process oriented and multi-skilled operating practice. They were keen that the union should see the Trenton 'combination' route as the way forward.[54]

Soon after the tour, SAB arranged a conference where trade unionists and members of the new business elite with trade union backgrounds debated the implications of the world class manufacturing strategy for the new nation and its workers. FAWU leaders struggled with the competing pressures of nationalism, economic growth and job security. 'We are going to be scared of WCM,' said Ernest Buthelezi, national organiser of FAWU. 'It is a new concept for workers and management, but we have to grapple with it and make sure we understand. Our shop stewards must become world class manufacturing.'[55] A few months later, FAWU and SAB management established a joint 'world class manufacturing task force' to look into job grading and the envisaged job losses. But the union would not turn its back on the workers. In December 1995, FAWU announced that they would continue to participate in discussions around WCM on condition that there was a

[52] See evidence of Denise Smith, FAWU and 33 Others v South African Breweries Ltd, record 1.
[53] See evidence of Jacobus Joubert Burger, SAB Industrial Relations Manager, FAWU and 33 Others v South African Breweries Ltd, record 2, 347. The study group included, among others, Richard Davies, Human Resources Director; JJ Joubert, Industrial Relations Manager; Ernst Buthulezi, FAWU General Secretary; Mthunzi Neville, Chairman of the National Shop Stewards; (Whitey) Maphanga, Shopsteward at the Newlands plant and Daniel Letsoalo from Rosslyn and Vusumzi Phandle from the Eastern Cape.
[54] *Ibid*, 351.
[55] Ernst Buthelezi quoted by Mr Gauntlett, Senior Counsel for SAB, FAWU and 33 Others v South African Breweries Ltd, record 2, 357.

moratorium on retrenchment.[56] Management turned to the International Labour Organisation (ILO) for back-up, sending a delegation of shopstewards, FAWU officials and their own industrial relations staff to Geneva. The ILO's 'enterprise forum' would host a workshop on the global problems of jobless growth and increasing unemployment. Leading manufacturers across the globe, said the ILO, were moving towards more automated technology and restructuring their workplaces. These processes inevitably entailed retrenchment. But, the ILO insisted, trade unions had developed expertise in working with management to ameliorate the impact of job losses.

In 1997, following the Geneva workshop, SAB and FAWU set up Project Noah, a social security net for retrenched workers. Project Noah provided the traditional services of financial and emotional counselling for retrenched workers, but also trained interested ex-employees to become entrepreneurs, establishing and running their own businesses.[57] A project making traditional games like *morabaraba* (played by moving pebbles from one pocket to another until all but one of the pockets were empty) was established alongside bakeries, panelbeating shops and sign writing companies, some of them contracting to SAB. While the ILO hailed the project as a model of what might be done to soften the blow of retrenchment, two shop stewards on the project's committee resigned. Distancing themselves from a strategy that they believed divided workers into past and future, they declared, 'Project Noah was giving SAB a green card to retrench'.[58]

Meanwhile, an opportunity for further experimentation with workplace changes presented itself when the Alrode brewery at Alberton on the East Rand needed to augment its packaging facilities. This expansion was a moment for much excitement at the brewery. As a 'green-field site,' Alrode line 12 enabled SAB to develop a deeper approach to 'best operating practice' (BOP 2) in line with 'world class management' strategies. It was an opportunity to apply the 'learnings' from Millers Trenton brewery. Starting from a zero base, SAB was able to install the latest technology without having to adapt outdated equipment. Once the best available high speed technology was installed, production

[56] See evidence of Jacobus Joubert Burger, SAB Industrial Relations Manager, FAWU and 33 Others v South African Breweries Ltd, record 2, 362.
[57] Between 1997 and 1999, 181 registered small businesses were set up with help from Project Noah. By 2003, the number of businesses with Noah support reached 398. 1500 retrenched workers took up skills training; 120 found jobs through Project Noah. SAB invested R2m in the project. See evidence of Jacobus Joubert Burger, SAB Industrial Relations Manager, FAWU and 33 Others v South African Breweries Ltd, 368-9; 404-5.
[58] Interview, Whitey Maphanga (15 November 2006).

managers could experiment with innovative work processes.[59] Four full time FAWU shop stewards worked alongside management to design the work process, establishing job titles and skills criteria for recruiting appropriately competent workers. Since the level at which the recruitment crossbar was set had implications for the prospects of employees, it became critical to establish levels of literacy and numeracy required of new recruits. Once again, SAB used the National Qualifications Framework and its guidelines for Adult Basic Education and Training (ABET) as a guide. After gathering the data that the new process operators would need to manage, the project team compared these operating tasks with the literacy and numeracy 'outcomes' listed for the different levels of ABET. They then set the entry specifications for each position in the team. The new structure was 'more than the sum of its parts'; it would generate new synergies that 'freed up value'.[60] SAB finally had a blueprint for a world class manufacturing strategy.

Flexibility changed the meaning of what it meant to be a worker. With fewer workers taking responsibility for a wider range of tasks, individual progress rather than collective action characterised the workplace. The new design held out the prospect of career advancement: a 'best operating practice' operator with the required higher education levels could take a trade test and become an artisan, moving up the ladder to 'process operator'. With further training, he (generally speaking, in the male dominated manufacturing plants of the SAB) might become a team leader. The path to becoming a new man in the employ of SAB was to 'acquire the necessary literacy and numeracy skills to operate in the changing world of work' and to adapt to new situations in a 'flexible' manner. At the same time, it meant living with continuous workplace restructuring and job insecurity.[61] Career rather than union was the watchword of the future.

Restructuring achieved its goal of increased productivity, in the view of one of its designers, 'by a mile'.[62] But it was not cheap; BOP 2 was not a cost-saving exercise--the wage bill for 15 new positions exceeded that of 21 redundancies on a packaging line.[63] Satisfied that the pilot had moved the labour process a step closer to flexibility, the SAB board adopted a business case for implementing the new processes across all its plants.

[59] See evidence of Denise Smith, FAWU and 33 Others v South African Breweries Ltd, 77.
[60] See evidence of Ingmar Boesenberg, Manager of SAB Newlands brewery, FAWU and 33 Others v South African Breweries Ltd, 679.
[61] Evidence of Felicity Miller, SAB human resources practitioner, Food and Allied Workers Union and others v SA Breweries Ltd, [2004], *Industrial Law Journal* 25 (2004), 2008 (LC).
[62] See evidence of Denise Smith, FAWU and 33 Others v South African Breweries Ltd, 154.
[63] Ibid., 247.

But the shopstewards objected. Applying their own 'learnings' from the international study tour, they insisted on a moratorium on retrenchments as a condition of further co-operation. Following the 'Heineken concept,' FAWU would not support the rollout of BOP 2 unless there was a three year moratorium on retrenchments.[64] They also objected to the outsourcing of non-core activities (such as laundry work) at Newlands. FAWU refused to be part of a joint workplace change agreement. But management was unrepentant; their march towards WCM was not to be halted. Workers not included in the new vision were disposable. As the industrial relations manager put it, 'Some of those guys were not ever going to be able to be trained up to do that job…there's no ways you're going to be able to train up all those people, they just won't be able to make it'. SAB did not want to wait for natural attrition nor did they have the patience for a protracted voluntary retrenchment process. 'We had the details, we knew what needed to be done, it was time that we got a bit more traction on the whole thing,' said the industrial relations manager.[65] If BOP 2 could not be achieved in one stroke, at national level, its implementation would be negotiated brewery by brewery, line by line across the country. To this end, management began 'rolling out' the process at the first 'brown fields' sites. Progress was uneven as some breweries, like Prospecton in KwaZulu-Natal, moved ahead rapidly while others, like Newlands, took several months to prepare for the changes.

At the end of August 1998, SAB's Newlands brewery conducted a 'readiness assessment'. A year later, Newlands management presented a business case for organisational redesign at the plant to the Western Cape region of FAWU. As SAB's principal export brewery, Newlands handled an extraordinary 'proliferation of brands and packs' and also bottle types, each with a different height and diameter.[66] Every time a bottle or pack was changed, multiple adjustments had to be made on many machines throughout the packaging line. Quality control was a challenge. If labels needed straightening, machines had to be adjusted, time was lost, production costs were raised and ability to meet demand was threatened. Because the nearest SAB plant was hundreds of kilometres away, Newlands did not have the option of changing products between

[64] The shopstewards had learned from their visit to the Heineken that it was possible to insist on a moratorium on retrenchments as the Amsterdam workers had done; interview Whitey Maphanga.
[65] See evidence of Jacobus Joubert Burger, SAB Industrial Relations Manager, FAWU and 33 others v South African Breweries Ltd, 517.
[66] Newlands brewery produced brands across SAB's product range – mainstream, premium and 'free-living and abandon' or alcoholic fruit beverages (FAB's) also known as alco-pops.

breweries. Increasing the pace towards the new workplace design was a matter of urgency. Existing training was not delivering fast enough; the new workplace design needed a more flexible workforce with sophisticated competencies.[67]

The roll out of BOP 2 at Newlands began, cautiously, in 1999 with line 1 in the packaging department. Once line 1 was up and running, Newlands management readied themselves for the final drive. Human resources manager, Khaya Ngcwembe, advised workers to participate in the SAB ABET classes in order to 'help prepare for the future requirements by (sic) the company'.[68] In November 2000, management conducted a workshop in preparation for rolling out BOP 2 to all manufacturing lines at the brewery. All positions in the old structure were to be declared redundant, new entry level specifications were to be drawn up and employees who did not meet the minimum entry requirements were to be redeployed or retrenched.[69] Critically, ABET levels of literacy and numeracy were deemed to be a necessary but not sufficient qualification for the job; demonstration of competence in further training was needed to secure a position. On 1 December 2000, Pieter Keyter, the SAB man who had implemented BOP 2 at SAB's Prospecton brewery was transferred to Newlands. On 18 January 2001, management presented its business case to the shop stewards and FAWU officials. Again, management explained that all the posts on lines two, three and four would be made redundant and workers would have to apply for new positions. Alarmed by the imminent retrenchment of a large number of their members, Whitey Maphanga and other FAWU officials requested that consultation be held off for a month while they studied the business plan. Management baulked at the delay and insisted that consultation take place on a weekly basis but the union went off to study the document leaving management to hold its 'consultation' meetings alone.

In the meantime, letters were handed to employees informing them to re-apply for the new positions that were advertised internally. Applicants were screened to assess their ABET levels. Those deemed to have the requisite ABET levels passed on to the next stage of psychometric testing. Unsuccessful candidates were handed 'regret' letters. Two deaf mute men, employed over a decade earlier for their ability to cope with a noisy

[67] See evidence of Ingmar Boesenberg, manager of Newlands brewery, FAWU and 33 Others v South African Breweries Ltd, 691.
[68] Food and Allied Workers Union and others v SA Breweries Ltd [2004], *Industrial Law Journal* 25 (2004), 1979 (LC). Court record, 1988 and 2020.
[69] *Ibid.*, 2003.

environment without adverse effect, were now 'unable to operate effectively in the new system'.[70] Eleven other positions were removed as the tasks were outsourced as non-core activities. Asked what these retrenchments had to do with world class management, the general manager of the brewery replied candidly, 'Arguably, not a lot'.[71] By 31 August 2001, 164 positions had been declared redundant; 26 workers were redeployed and 138 retrenched. Nearly all those who lost their jobs were black African men. Ironically, a substantial number of those retrenched subsequently registered with a labour broker and were regularly sent to the Newlands plant where they worked as temporary employees on lines that were not operating on the principles of flexibility. These men performed 'precisely the same work as before their retrenchment' with substantially reduced pay and none of the benefits of their full-time colleagues.[72]

FAWU, spurred on by Whitey Maphanga, sought legal redress in the Labour Court.[73] When the case got under way, counsel for the union slammed the ideology of world class management. 'Everything under the sun, so it would seem, is a component part of this pliable and elastic business philosophy,' he railed, arguing that the dismissals were unfair on substantive grounds.[74] SAB had not shown that new skills were needed on technological or production grounds. The workers had been unfairly dismissed. The court declared that inappropriate educational tests had set the workers up as unable to be trained. Dismissal on the basis of inadequate ABET scores was tantamount to blaming workers who had been disadvantaged by apartheid for their lack of formal education. SAB was guilty of a 'no fault' dismissal. For the workers, dismissal on these grounds was tantamount to the death penalty. To add insult to injury, the brewer had ignored the principle of Last-In-First-Out set out in the National Recognition Agreement with the union. Many of these men had given a lifetime of service to SAB; it was callous to exclude them from the future. The dismissals were also declared unfair on procedural grounds. SAB's consultation was a sham; the decision to implement BOP 2 had been taken by the SAB board in 1998 and by the time consultation began at the Newlands plant, the path to restructuring was a 'fait accompli.' SAB, the unions' counsel argued, was not

[70] *Ibid*., 2025.
[71] *Ibid*., 2023.
[72] *Ibid*.
[73] The Labour Court replaced the apartheid Industrial Court following the Labour Relations Act (no. 66) of 1995.
[74] Food and Allied Workers Union and others v SA Breweries Ltd, 2024.

interested in any ideas that might emerge through consultation. SAB had been in such a great hurry to implement the latest fad in business ideology that they had refused to wait for the workforce to be reduced by natural attrition; their aim was to arrive ahead of others at the new frontier of competitive capitalism come what may. Such thinking was inimical to the FAWU tradition of worker solidarity and to the National Recognition Agreement SAB had signed with the union.[75]

In its ruling, the Labour Court declared that in a market-driven economy, there was no objection to a company restructuring in order to increase profitability. World class management was a valid commercial rationale for retrenchment. The court also rejected FAWU's contention that 'incapacity,' attributable to Bantu education, was the true reason for the dismissal of 25% of the Newlands brewery's workforce. From the judge's perspective, flaws in SAB's approach to adult education, particularly its use of ABET as an instrument for measuring workplace competencies, were the real weakness in SAB's case. Acting Judge Gamble took his cue from the union's expert witness, Darryl McLean who had informed the court that generic ABET standards did not 'necessarily accurately and adequately reflect workplace-specific language, literacy and numeracy requirements'; nor did they constitute valid instruments for testing these 'contextually embedded' skills. Indeed, he suggested, workers provided with appropriate 'contextual clues' might perform complex calculations. But they were unlikely to do well in a written test 'disembedded' from the workplace.[76] Since SAB's ABET assessment was not conducted on real problems in a real or simulated work setting, it tested schooling competencies and failed to assess the 'types of competencies required for multi-skilling' that SAB was looking for.[77] SAB's ABET tests, the court concluded, had no validity in predicting the ability of workers to be trained.

The court agreed with FAWU that SAB was not seriously interested either in ABET training or consultation with the workers. 'The model of restructuring and the entry level specifications for the new jobs had been fixed nationally by the company in a

[75] Food and Allied Workers Union and others v SA Breweries Ltd, 1997-2005; see also cross examination of JJ Burger by Colin Kahanovitz, Counsel for FAWU, FAWU and 33 others v South African Breweries Ltd, 449. See also, Ronnie Morris, 'Laid-off SAB workers to speak,' *Cape Times* Business Report (6 October 2003); Andisiwe Makinana 'Fired workers take SAB to court,' *Argus* (22 July 2003).
[76] Food and Allied Workers Union and others v SA Breweries Ltd, 2015.
[77] *Ibid.*, 2016-2017.

unilateral fashion at a very early stage of the WCM exercise'.[78] ABET was merely a mechanism for getting rid of unwanted workers. For some workers, dismissal had been substantively unfair. In all instances, dismissal had been procedurally unfair. ABET training at Newlands was sporadic, under-funded and flawed in its content and implementation. Workers had not been informed in good time that their future in the company depended on specific ABET levels: the brewery manager had cited budgetary constraints when the programme had been suspended and in the final stages of BOP 2 implementation, workers affected by redundancy were given a last-ditch opportunity to begin fast-track classes. The court declared that Denise Smith, SAB's expert in organisational design, had demonstrated a 'relatively superficial understanding of the use of ABET as an instrument of measurement'.[79] To cap it all, the judge concluded, SAB had chosen to ignore the comments of their external assessors who had warned that ABET measured neither competency nor trainability.[80]

SAB could not lay claim to having pioneered a world class management model of ABET. The brewer had blotted its copybook by deploying a potentially valuable learning device as a mechanism for an unfair labour practice. Further, SAB had acted unilaterally when it failed to win the union over to its business strategy, disregarding the spirit and letter of its agreements with the union. The ruling served a significant precedent. SAB would not be able to undertake an exercise of this kind, in this way, again.[81] Newlands brewery was instructed to reinstate 61 workers who were substantively unfairly dismissed and compensate 54 men whose dismissal was procedurally unfair. It would also have to compensate the families of five workers who had since died. SAB was also ordered to pay the costs of FAWU's counsel, a relatively unusual ruling in South African labour cases.[82] Whitey Maphanga was ecstatic.

The case was a landmark. It was heard in the new post-apartheid Labour Court which enjoyed the status of a supreme court and was presided over by a judge. Argument was framed in terms of the new labour legislation which accorded workers the rights and

[78] *Ibid*., 2031.
[79] *Ibid*., 2012.
[80] *Ibid*., 2017.
[81] Similar restructuring had occurred at the Rosslyn and Prospecton plants resulting in workers' litigation, but these cases had not set precedent. See Agreement between South African breweries Limited and Food and Allied Workers Union and Individual members of FAWU as set out in the documents annexed hereto, signed at Sandton (24 October 2005).
[82] For press reports on the judgment see 'Court finds SAB's retrenchments at Cape plant unfair,' *Sunday Independent* Business Report (September 2004).

protections that had been hard fought and won in the struggle against the racial capitalism of the apartheid era. Court room demeanour was expected to conform to the values of the South African Constitution and the Labour Relations Act. In this court, economic power was not accorded any privileges, said Acting Judge Gamble as he reminded senior counsel for SAB to restrain his aggressive manner. Litigants in the Labour Court were 'to be dissuaded from flexing their financial muscle in attempts to embarrass their opponents.'[83]

Despite the ruling that business did not simply have carte blanche to recast ABET to suit its own needs, Ingmar Boesenberg, general manager of the Newlands brewery, was unrepentant. World Class Management had achieved a 'sea-change in the structure of work,' productivity had improved and efficiency at the plant had risen from 53% to almost 70%.[84] SAB's counsel dismissed the view that his client's efforts at ABET did not stand up to scrutiny. The criticisms presented by the expert witness who testified on behalf of the workers amounted to little more than the rumblings of academics who were not in touch with the realities of the workplace. SAB's efforts had achieved international recognition from none other than the ILO, he said.[85] Nor would his client take back those workers whom the court had reinstated said SAB's counsel SAB would fight the court's ruling.

Outside the courtroom, economic power prevailed. SAB dragged its feet, avoided reinstating the dismissed workers (including Whitey Maphanga) and prepared for another round of litigation. Throwing in the towel and anxious to avoid further legal costs, FAWU settled the dispute with SAB in October 2005. Retrenched workers were paid compensation of up to 21 months and SAB covered the union's legal costs.[86] The settlement was a victory for SAB. The brewer's industrial relations man called FAWU's legal officer to arrange a celebratory meeting.[87] He praised the union for taking the pragmatic route. Angered by the union's capitulation, a group of retrenched workers from the Prospecton plant in KwaZulu Natal challenged the right of the union to settle on their

[83] Food and Allied Workers Union and others v SA Breweries Ltd, 2033.
[84] *Ibid*., 2032.
[85] Denise Smith, their organisational design expert, had written a report edited and published by the ILO on the SAB experience; see Nikolai Rogovsky (ed.), *Restructuring for corporate success, a socially sensitive approach* (Geneva: ILO, 2005). Denise Smith was called from SAB's Czech brewery to provide evidence in this case. After 2002, Smith moved to SABMiller in the US.
[86] See 'Agreement between South African Breweries Limited and Food and Allied Workers Union and Individual members of FAWU as set out in the documents annexed hereto,' signed at Sandton (4 October 2005)
[87] Interview, Vusi Landu (3 November 2006).

behalf and took FAWU to court. In the Durban Labour Court, Judge Ngcamu dismissed their case, declaring that the union had not acted in bad faith when it opted to serve its members by negotiating compensation rather than insisting on reinstatement.[88] While many of these workers adhered to the ideal of the 'new man' that emerged in the 1980s anti-apartheid struggle, they were confronted by the reality that in post apartheid South Africa, the working class, militant, trade unionist had to make way for the educated, skilled workers of the era of global competition.[89]

By the beginning of the new millennium, SAB had moved on to the next level of world manufacturing, closing down small, labour intensive plants in the former homelands and opening up greenfields sites in the cities where capital intensive production followed the principles of world class management. When the Butterworth brewery in the former Transkei was closed down, SAB constructed a new mega-brewery at Ibhayi near Port Elizabeth, closer to supplies and to markets. As a greenfields site, Ibhayi required no painful restructuring. Even so, the construction process was driven by global rather than national economic imperatives. Avoiding the 'Proudly South African' and 'preferential procurement' principles, SAB selected its suppliers from among those who followed world class management principles such as 'just-in-time.'[90] Up and running within twelve months, the highly capital intensive labour process made it possible for Ibhayi to be managed from the Newlands plant, some700 kms away. One of the most sophisticated, capital intensive breweries in the world, where 60 000 bottles and 38 000 cans of beer per hour rolled off the production line – Ibhayi was run by 15 'superworkers' per shift.[91]

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[88] M. Mhlongo and others v. Food and Allied Workers Union and South African Breweries Ltd, Labour Court D 1684/200 and D1214/2002.

[89] For similar developments in other industries, see Anthony Black, 'Globalisation and Restructuring in the South African Automotive Industry,' *Journal of International Development* 13, 6, (2001), 779-796; See also William Freund, 'Organised Labor in the Republic of South Africa: History and Democratic Transition,' in Jon Kraus (ed.) *Trade Unions and the Coming of Democracy in Africa* (Basingstoke, Hampshire, 2007), 220. For a sense of the emasculation of unemployment, see Mtutuzeli Matshoba, *Call me not a man* (Harlow: Longman, 1987).

[90] The 230million litre capacity *Ibhayi* plant was built at a cost of R750m, employed 127 people and bottled 14 quarts per second in November 2000. See Fundamentals: SABMiller plc www.sainvestor.com/SDT/data/000125/Notes.asp accessed 28 July 2006; 'The technology behind Ibhayi brewery: SAB's latest and arguably most advanced in the world,' Science in Africa: Africa's First On-Line Science Magazine (September 2001)http://www.scienceinafrica.co.za/2001/september/sab.htm (Accessed 19 August 2007).

[91] SAB Ltd's brewing capacity in 2007 was 31.4 million hectolitres with the capacity of the 7 breweries in million hectolitres as follows: Alrode 8.3m; Rosslyn 7.2; Chamdor 2.2; Polokwane 1.5; Prospecton 5.3; Ibhayi 2.4; Newlands 4.5. See www.sabreweries.com/SABLtd Accessed 19 Aug.2007.

Conclusion

The SAB's move towards the new frontier of capitalism and the introduction of world class manufacturing techniques at its breweries framed new ideas about masculinity. World class manufacturing rendered collective solidarity impotent as hundreds of workers deemed inadequately literate, were retrenched and replaced by a handful of superworkers whose identities were redefined in an ideology of high performance. The 'new man' of post-apartheid South Africa, then, was not the collectively conscious trade unionist of the anti-apartheid era. Rather, the future belonged to the problem solving super technicians positioned at the new frontier of business. In many ways, however, the very notion of gender was obsolete for world class manufacturing. For the new division of labour, skills were associated with mind rather than body, and gender was no longer a necessary category.