

MANPOWER - BLACK MOBILITY

1988 - 1989 - ~~1989~~

BLACK BOSSES

C/press 3/1/88

TRAPPED IN

A RACIAL

DIVIDE

176

17



THE position of the black manager in the South African situation is an unenviable one.

In his battle for self-realisation, he finds himself caught between two opposing forces - management and the workers.

South African society is divided into painful categories. Those who have power, money and privilege and those who have no power, no money and few privileges - the racial divide.

The black managerial group finds itself somewhere between the two groups.

Although there are many laws and protective devices developed to protect the interests and privileges of white people, the philosophy propagated is that what applies to whites in the business world applies on an equal basis to white people. Superficially this may appear to be so; that is, until one scratches at the surface.

It is the unwritten codes that cause the most trouble for black businessmen. Many have found that they have to perform, compete or fight as individuals in a ball game played by a group.

Another problem is that, because promotions are often done for cosmetic reasons, the black manager may be uncertain why he was appointed to his post.

MUNTU MYEZA is the publicity secretary of the Azanian People's Organisation. He served a total of six years on Robben Island, after being found guilty in the Saso/BPC terrorism trial of 1975.

A merit appointment would imply potential ability to perform adequately or successfully because of qualifications, experience or for other reasons.

A cosmetic appointment would be performed for socio-political reasons - to promote the company's image.

Whatever the reason, he has to learn the rules of the game, and fast.

White-owned companies seem to be trying to outdo each other in providing themselves with multi-coloured faces. Hence one hears jargon like "black advancement", "upward mobility of blacks", "affirmative action", "management interface" and a host of others.

This situation is not surprising. It could be seen as a move calculat-

ed to nullify political pressure from the black middle class.

The black manager finds himself in the whirlwind of a changing South Africa. The labour movement is making increasing demands on commerce and industry and the black manager is placed in the firing line.

This strategy is intended to blunt the

thrust of union activity.

The manager is in an unenviable position. On the one hand he identifies with the workers, and on the other, it is his job to side with management and safeguard the interests of the company.

The result is that he has to be a warrior under two flags. One step out of line and both sides will shoot him down.

In this context the black manager finds himself alienated. Alienated from himself, his community and his work. An alienated be-

ing is a being that has lost his sense of self - his origins and direction.

He is buffeted by the winds and tossed by the storms. Nothing matters to him but the job at hand. The morality of his decisions is blurred by the ever-present pressure to perform successfully.

The black manager needs to decide whether he is a black manager or a black person in management. The former leads to alienation while the latter leads to self-identification and purpose.

Between two stools?

Few people are in a more awkward position than black managers. On the one hand white colleagues rarely treat them as social equals and on the other their township neighbours consider them to be "sell-outs."

In order to build up a network, as a substitute for the old school tie and golf club of the white world, the Black Management Forum (BMF) was formed in 1976. But in 1987 BMF decided to consciously rid itself of the "social club" label.

Says BMF president Don Mkhwanazi: "We were considered a toothless tiger and the worrying thing was that people were allowing their membership to lapse.

"Our first priority was to create a branch network, as we were previously a Johannesburg organisation with a few spare members in Durban. We now have branches in Port Elizabeth, Pretoria, Witbank, the PWV, Cape Town, Bloemfontein and East London.

"We are also looking at university chapters so that blacks in business courses can be immediately exposed to the challenges of business in the real world and have a chance to find role models.

"It's hardly surprising we were treated as an elitist organisation. The

majority of black managers were either in personnel, to act as a buffer with the labour unions, or in marketing to develop a black market.

"But we have identified a crucial shortage in the area of financial management. There are less than 20 black accountants in SA and we are determined to improve financial skills in our management programmes. This will become an increasingly important part of the three-year Joint Management Development Programme which we run with Nafcoc, the Paris Chamber of Commerce and the Urban Foundation," he says.

But, most crucial of all, BMF is determined to strengthen its links, which are now somewhat frosty, with trade unions and community organisations.

"Black managers are first and foremost *black*," says executive director Shakes Tshabalala. "We would like to ensure that SA will become a land of prosperity and stability and not a country characterised by chaos and stagnation."

As part of its bridge-building efforts, BMF was recently addressed by Sydney Mufamadi, Assistant General Secretary of Cosatu on "A trade union perspective of the role of the black manager."



BMF's Mkhwanazi ... no more a toothless tiger



Says Mkhwanazi: "We will need black managers whether we have a capitalist or a socialist system. Even a socialist society needs administrators, technicians, wealth creators and computer operators."

And, inevitably, BMF has been forced to take a more political stance. A recent issue of their newsletter *Black Leader* spoke of "Business and apartheid — the unholy alliance."

"For too long the corporate world has hidden behind a government policy of exclusion, exploitation and oppression. Industry and commerce are on record as saying that the business of business is business," says Mkhwanazi.

But he stresses that he is not prepared to prejudge the best political system for SA. In fact, BMF will research what it hopes will be the definitive book on black advancement, rather than rely on books written by white "experts."

The final goal of BMF is to help create a distinctive South African corporate culture.

Mkhwanazi agrees with Natal University's Jill Natrass who says: "SA should evolve its own value system which is neither black nor white. Blacks should be circumspect and avoid adopting distorted white value systems, equally whites should derive lessons from black traditional practises such as making decisions through the process of consensus."

Mkhwanazi adds: "This won't mean second best. Look at the way the Japanese have fused their practices with the best of the Western system."

In the South African context such optimism is indeed refreshing. ■



Mr F Essig, Dr Zach de Beer and Mr Lot Ndlovu at the third intake launch of the Joint Management Development Program.

176 24/11/88 C/P/106

South Africa requires more black managers

By KHUME KANGALA

SOUTH Africa had been making great mistakes for a long time, Anglo American Corporation executive director Dr Zach de Beer said at the launch of the third intake of the Joint Management Development

Program this week.

The JMDP is a non-racial body aimed at training and developing competent middle managers in South Africa. The program is run jointly by the Black Management Forum, the Urban Foundation, Nafcoc and the Paris Chamber of Commerce and Industry.

BMF deputy-president Lot Ndlovu said the forum was committed to the transformation of society, the upliftment of the community and the removal of racial discrimination in in-

dustry.

He said it was necessary to be colour-conscious in order to arrive at a colour-blind objective, adding that the argument for black advancement in South Africa had, in the past, been based on false premises which ignored the political and moral angles. Blacks had to be advanced as human beings, he said.

Ndlovu urged companies to actively support the oppressed and launch "a serious assault on racialism".

Although many people were angry at apartheid, it

was still necessary to save South Africa, according to De Beer. He added that sanctions would only worsen conditions in South Africa, increase tensions and compel the government to turn to even more repressive measures.

It was essential to uplift the disadvantaged people and to remove all forms of discrimination in South Africa, said De Beer.

Nafcoc's executive director, Gabriel Mokgoko, said South Africa needed black manager.

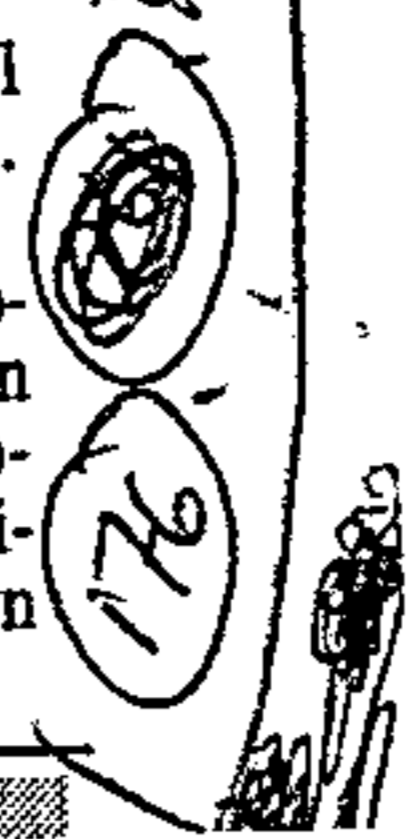
Black people 'welcome' ^{Star 1/2/58}

There is nothing to stop blacks serving on the Water Services Corporations in Natal, says Mr Valentino Volker, the province's acting Administrator.

inquiry from Mr Ismail Moolla of Umzinto North.

He said the Natal Provincial Administration was not opposed to appointing suitably qualified black people. — Own Correspondent.

Mr Volker was responding last week to an



8/2/88 13/2/88

Black women (176) boost ~~manpower~~ reservoirs

PARLIAMENT — Manpower surveys showed that in 1985 32 percent of high-level management consisted of blacks, coloured people and Asians, with the entry of women being the main reason for the increase, the National Manpower Commission (NMC) reported yesterday.

The NMC said there had been a gradual increase since 1965.

A particularly sharp rise was noted in the number of blacks, coloureds and Asians in all categories of middle-level management.

The NMC said that although most of the statutory measures that hampered the mobility of blacks had been lifted over the past few years, a notable exception was the Group Areas Act, which was receiving attention.

However, there were still environmental factors such as housing and overcrowding that had a restrictive influence.

The quality of education and inadequate career services also affected Black advancement.

The NMC said that according to the 1985 census black women represented about 63 percent of all black high-level management. Women of all races represented 39 percent of high-level management and their share in the professional occupational category was as high as 47 percent.

The NMC said that 22 percent and 36 percent of all job vacancies in the country were for high-level and middle-level management respectively in 1985.

Vacancies in high-level management were generally high among technicians, technologists and nurses.

DISAPPOINTING

Bearing in mind that the quality of management was the decisive factor determining the effective use of manpower, the NMC found that interest shown by the business world in the training of the management corps was disappointing.

This was a further indication of the cause of poor productivity performance.

It also appeared that many highly skilled workers engaged in activities which could be performed just as well by less skilled workers.

The NMC said that shortages of entrepreneurs, managers, professional and technical workers could reach substantial proportions by the year 2000. The supply of White high-level management would not satisfy demand and to moderate the envisaged shortages, required the optimal use of black, coloured and Asian high-level management.

Although good progress had been made with raising the population's level of education, needs were growing. Programmes aimed at the development of manpower would have to continue and be further supplemented.

The NMC found that remuneration played an important role in the recruitment, motivation and retention of skilled workers.

Tax also influenced the manpower supply, with fiscal drag clearly discouraging initiative.

The investigation also showed that high-level and middle-level management often worked under great stress. A solution could be found in a greater awareness of the benefits of physical exercise. — Sapa.

Group Areas kills black mobility — commission

Political Correspondent

CAPE TOWN — The single most important remaining constraint on the geographic mobility of blacks, coloureds and Asians is the Group Areas Act.

The National Manpower Commission said yesterday that "a significant sector of the black population" was exposed to environmental factors, such as poor housing and overcrowding, and this may be having a negative effect on their occupational mobility.

In its report on high- and middle-level man-

power, which was tabled yesterday, the commission said various laws had, until recently, restricted the geographic mobility of blacks, coloureds and Asians.

Many of these restrictions, such as influx control and the coloured labour preference policy, had been removed since 1980, or were in the process of being removed.

"But the single most important remaining constraint on the geographic mobility of blacks, coloureds and Asians remains the Group Areas Act," the commission reported.

"This act determines

that the various population groups may not settle in each other's areas, and also applies to the establishment of business activities.

"The introduction of free trading areas will somewhat temper the detrimental effect of this act," the commission added.

"Problems are however envisaged where local authorities do not approve of the participation of black, coloured and Indian communities in business activities and consequently do not apply to have a business area opened."

P/D 13/12/88

176

Cape Times 13/2/88

Rise in number of blacks studying after matric

Political Staff

HOUSE OF ASSEMBLY. — A dramatic increase in the number of black people with post-secondary qualifications had taken place between 1970 and 1985, the National Manpower Commission reported yesterday.

It also said, in its report on high-level and middle-level manpower, tabled in Parliament, that by the year 2 000 more than 1,7 million black people would have matric qualifications, with an annual growth rate of 14,3%, compared with 1,5 million white people, 262 000 coloured people and 160 000 Asians. But although progress had been made with the

establishment of a system of equal education opportunities, there were still inequalities, and expenditure on education would have to increase from 4,5% of the gross national product to 18,1% by the year 2000 to achieve parity in education.

At 1986 prices, the annual education expenditure was expected to increase from R6 800 million to R10 000 million annually.

From 1970 to 1985, the number of workers with post-secondary qualifications increased from 290 000 people to 800 000, an average increase of more than 7% a year. Black, coloured and Asian workers formed about 21% of this total.

SADEF 176
13/2/88
must use
blacks
— report

CAPE TOWN — The defence force would have to make increasing use of black groups to satisfy its manpower requirements in the medium and long term, the National Manpower Commission said yesterday.

It also said military service was an additional burden on scarce manpower, especially since it was mainly drawn from whites, the population group from which most of skilled manpower was drawn.

The commission said in its report, which was tabled in Parliament yesterday, that "in order to satisfy the defence force's manpower requirements in the medium and long term, the various population groups will have to be utilised to a greater extent in the future.

"However, the government has indicated that for the present the system of voluntary service will continue, after which the system might possibly be expanded into a selected national service system, before compulsory national service can be considered."

The commission also said that the optimal utilisation of all people with post-school qualifications during the national service period could result in a reduction of shortages of staff with the specialised skills and, indirectly, in the South African workforce. — DDC

D/D 13/2/88

Education parity distant

175

Political Correspondent

CAPE TOWN — A dramatic increase in the number of black people with post-secondary qualifications had taken place between 1970 and 1985, the National Manpower Commission reported yesterday.

It also said, in its report on high-level and middle-level manpower which was tabled in Parliament, that by the year 2000 more than 1,7 million blacks would have matric qualifications — an annual growth rate of 14,3 per cent — compared to the 1,5 million whites, 262 000 coloureds and 160 000 Asians.

Although progress had been made in establishing equal edu-

cational opportunities, there were still inequalities, and expenditure on education would have to increase from 4,5 per cent of the gross national product, to 18,1 per cent by the year 2000 to achieve parity in education.

At 1986 prices, the annual educational expenditure was expected to increase from R6 800 million to R10 000 million annually.

Between 1970 and 1985, the number of workers with post secondary qualifications increased from 290 000 to 800 000 in 1985, an average increase of more than 7 per cent a year. Black, coloured and Asian workers formed about 21 per cent of this total.

The number of workers with

Standard 8 to Standard 10 qualifications increased by nearly one million between 1970 and 1985 to total 2,1 million. In 1970, blacks, coloureds and Asians made up 25 per cent of this total, but in 1985 this increased to 47 per cent.

The commission said in the area of high-level manpower, large numbers of nursing staff were needed and there was constantly a large absolute shortage of senior administrative staff. Technologists were particularly scarce.

In middle level groups, the police and criminal investigation department "consistently appeared as the occupation with the largest number of vacancies," the commission said.



Living standards may drop,

report warns

Political Staff

HOUSE OF ASSEMBLY.
— SA will not realize its development potential and offer all its people an acceptable standard of living if it persists in trying to satisfy its high-level manpower needs mainly from the white population.

This is the most important message to flow from a new investigation into the use and availability of high- and middle-level skilled manpower by the National Manpower Commission (NMC).

In a report carrying its findings tabled in Parliament, NMC chairman Mr Hennie Reynders warns that if this pattern continues SA can face a relative deterioration in standards.

He stresses that all population groups — in line with the accepted philosophy of the free-market mechanism — should have full and equal opportunity to participate fully in the development processes.

Mr Reynders notes that one of the main reasons for the lack of progress in the advancement of blacks, coloureds people and Asians in management is the attitude of white management personnel.

Although they profess to be positively disposed to helping with the upliftment of these groups, there is a nota-

ble unwillingness or inability to put these views into practice.

He declared that this situation should be urgently addressed.

The NMC loosely defines high-level manpower (HLM) as being those people with at least two years of education and training after Std 10; and medium-level manpower (MLM) as those with a minimum qualification of Std 7 or 8, followed by a few weeks' training.

The HLM made up about 11% of the economically active population in 1985, and MLM about 25%.

White men constituted

the largest single source of HLM, although it was observed that the percentage of the other three population groups among HLM has been increasing.

With most of the statutory measures which hampered the mobility of blacks in the past now mainly lifted, the NMC expected that the advancement of this population group into HLM and MLM occupations should increase.

As regards manpower shortages, 22% and 36% of all vacancies were for HLM and MLM respectively. The absolute number of vacancies in the case of HLM is generally higher among technicians and technologists, as well as nurses.

CAPE TOWN 13/2/88 (176)

176 ~~176~~ HM 26/2/88

HIGH-LEVEL MANPOWER

Not tapping blacks

White managers are not doing all they could to advance blacks into top positions in the economy. The charge — ironic though it may be coming from a National Party government department — is highlighted by National Manpower Commission (NMC) chairman Hennie Reynders.

In the NMC's recently released report on high-level and middle-level manpower (HLM and MLM) in SA, Reynders says: "Many reasons are being offered for the lack of notable progress in the advancement of blacks, coloureds and Asians in management and other professional positions — among others, a lack of education and ex-



Reynders

perience. However, one factor that should not be disregarded is the attitude of white management personnel. Notwithstanding the fact that their attitudes are almost always positive and that many statements are made to this effect, an unwillingness or inability to put these views into practice still appears to prevail in too many instances.

"This situation requires urgent attention, the more so since it influences the acceptability of the free enterprise system" (among blacks, presumably).

The NMC says the "disturbingly low" attention companies give to training managers is a factor in poor productivity. Many skilled workers perform tasks which should be done by MLM, and so on down the line.

The report finds there has been reasonable progress with the advancement of blacks, coloureds and Indians into middle-level positions. However, their progress to high-level posts "appears to be somewhat less than satisfactory."

Reynders therefore reiterates "the most important message" of the 1980 report on the subject: "SA will not be able to realise its development potential and offer all its people an acceptable standard of living if the country persists in trying to recruit its HLM mainly from the white population group."

The study regards HLM as those with at least two years of education and training after matric; MLM is where at least a few weeks or months of training, with a minimum of Standard 7 or 8, are necessary.

In 1985, all HLM made up about 11% of the economically active population, and MLM about 25%. There has been a gradual increase in this percentage. "Taking into account the shortcomings in statistics, it appears that there was a particularly big increase between 1965 and 1985 in respect of engineers, technicians and technologists, certain paramedical workers, educationists, administrative workers, 'other' professionals, and managers. Among MLM, there were sharp increases in sales workers, supervisors and service workers."

The department's manpower surveys indicate that the percentage of blacks, coloureds

and Asians among HLM is also gradually increasing. In 1965, 25% of all HLM were from these groups; in 1985 the figure was 32%. The entry of women from these groups into HLM (teachers and nurses mainly) was especially responsible for the increase.

The sharp rise in the number of black groups into MLM indicates a structural change over two decades, from 20% in 1965 to 40% in 1985. And according to the 1985 census, blacks, coloureds and Indians represent as much as 52% of all MLM workers. Here the increase was especially marked in the categories of clerical and sales staff, artisans and apprentices.

The NMC states that most of the statutory measures that hampered the mobility of blacks in the past have been lifted in recent years, and this should assist their

advancement into HLM and MLM occupations. Notable exceptions are "aspects of the Group Areas Act which are, however, receiving attention." Yet, it adds, there are still environmental factors such as housing, overcrowding, and relations in the work environment which have a restrictive influence on upward mobility. ■

'Buppie' revolution in SA

ARGUS 26/2/88

The South African Press Association reports from New York

176

SOUTH Africa's black upwardly mobile professional people — "buppies" — are spearheading a "peaceful but dramatic revolution" in the country, says the American magazine, Time.

In a two-page report from Johannesburg, the magazine says blacks, headed by an "elite", some of whom can boast "his and hers Mercedes, live-in black servants and jacuzzis", are beginning to flex their muscles as earners and consumers.

Even before the lifting of residence and property restrictions, says Time, blacks were beginning to enjoy better wages, job opportunities and employment benefits.

Expanded credit to township home owners and developers, totalling about R60-million a month, had helped catapult large numbers of blacks from low-income to middle-income and even luxury houses.

Today's black business class contributed generously to anti-apartheid organisations "and many militants now accept it as the protagonist in a new form of confrontation with whites that is taking place in the boardroom".

Far from serving as quislings for the white establishment, said the magazine, the new black elite was emerging in its own right as a powerful arm of the "liberation struggle".

President Sebe opens training centre

DID 28/3/88

Daily Dispatch Reporter — The MDANTSANE Ithemba Training Centre would provide technical instruction on a level comparable with the best on the sub-continent. President Lennox Sebe of Ciskei said here yesterday.

President Sebe and his wife, Virginia, were the guests of honour at a colourful ceremony to mark the opening of the centre which was established by the Ciskei Department of Manpower Utilisation.

The mayors of Mdantsane, East London and surrounding centres were among the 1 000 people present.

The centre, which started out training unemployed people in basic skills to make them more competitive on the open labour market, will offer instruction in various building trades, as well as training fitters and turners, drivers, security officers, secretaries, computer operators and panel beaters.

President Sebe said the centre had been created to fill the urgent need to train those candidates who were equipped to follow technical occupations.

The Ciskei government had invested R20 million in its expansion

and up-grading, he said. "During a recent visit to Ithemba, I was impressed to note the wide area of training that is to be offered, as well as the machinery and equipment that is available.

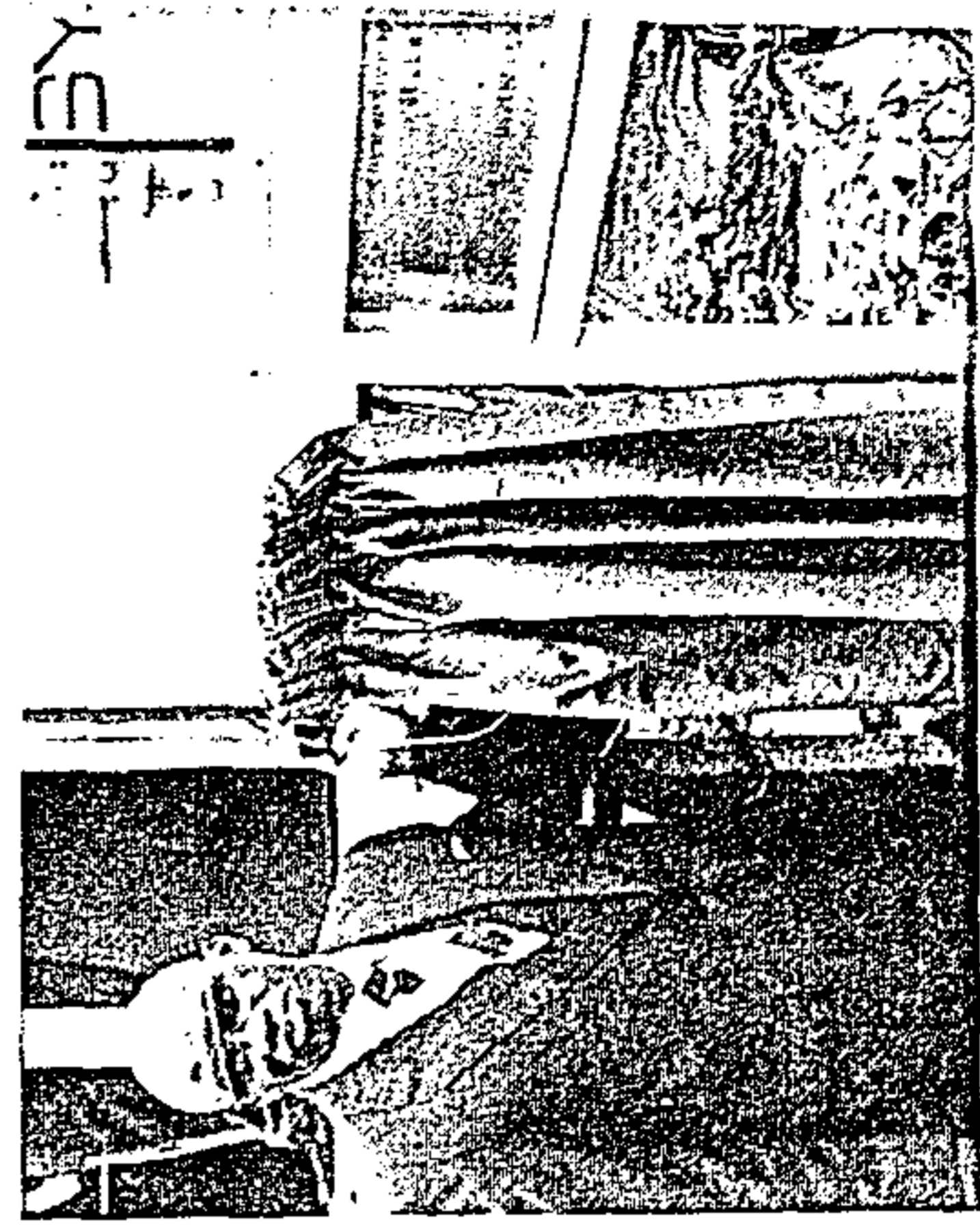
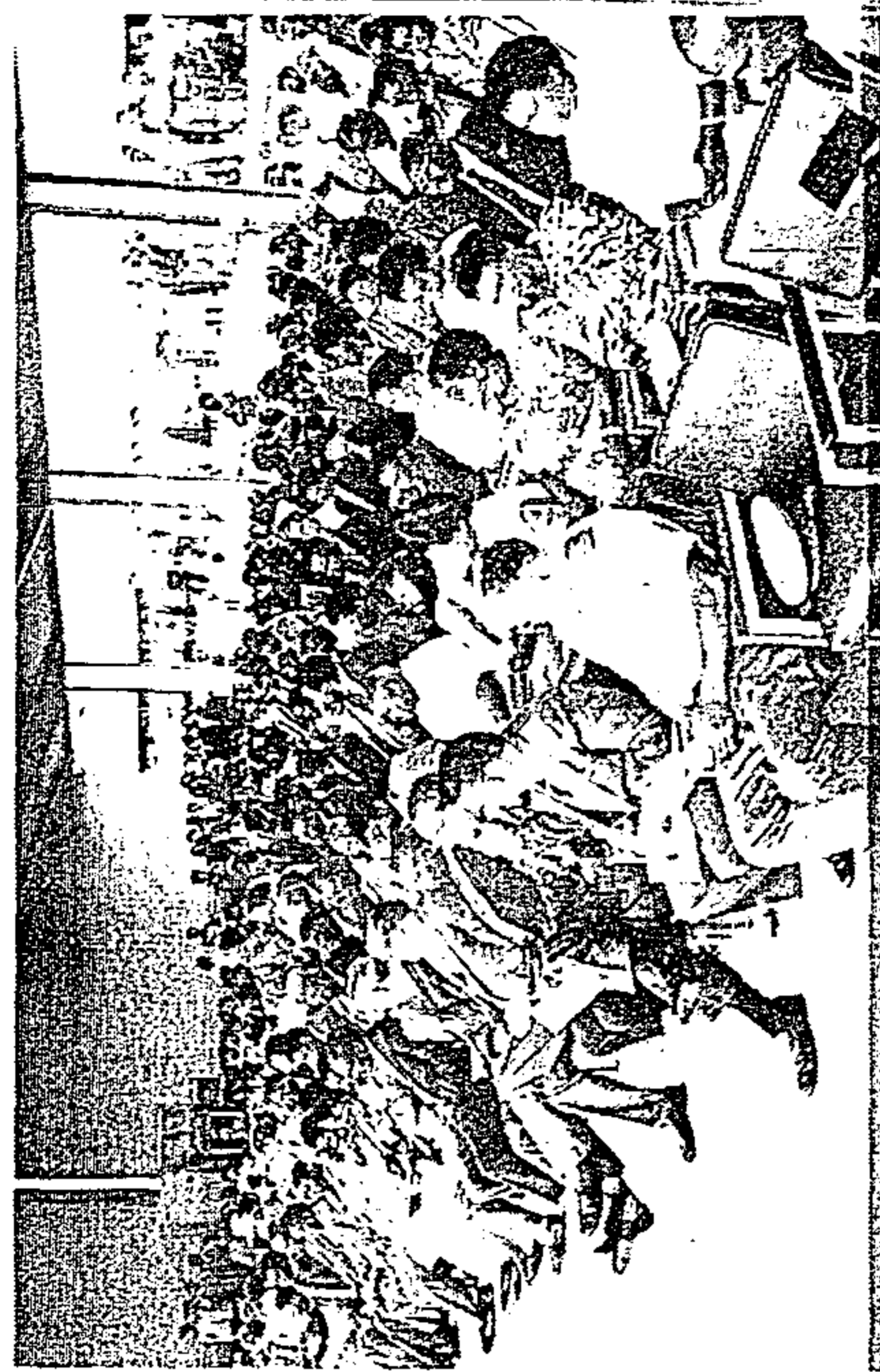
"Ithemba will fill a long-awaited need. It is the realisation of a dream to meet the training needs of our nation, and to develop and uplift the standard and quality of life for all Ciskeiens."

(Handwritten signature)

"I believe also that this centre has the manpower to make full use of the facilities that are now at their disposal."

President Sebe said there were those who had not been fortunate enough to be in the academic stream but who still had practical talents with which to build the nation.

"I hope the Ciskei people will make use of the facilities provided by the Ithemba Training Centre to help find suitable employment. I appeal to the nation to keep the centre operating at its full capacity and to produce a constant stream of well-trained men and women, not only to secure a livelihood for themselves, but also to be part of the machine which operates to build a greater Ciskei."



ABOVE: Part of the crowd that attended the official opening of the Ithemba Training Centre in Mdantsane yesterday, at which the President of Ciskei, Chief Lennox Sebe, and his wife, Virginia, were the guests of honour.

RIGHT: President Sebe unveils a plaque commemorating the opening of the Ithemba Training Centre.

(17x5) 6/8003 21/14/80

INCREASED salaries and standards of living are bringing about a black middle class, but many up-market blacks refuse to be identified with the concept. Their upward mobility is shown by statistics on earnings levels, home and car ownership, hotel occupancy and other indicators.

But with this affluence has come debate on whether they should view themselves as "middle class" blacks. Some see the term as a hollow gesture that would serve only to alienate them from their people.

Paul Gama, executive chairman of the R1-million a month Black-chain supermarket chain, says the black middle class is "a myth — a failed South African attempt to create a buffer between disgruntled blacks and the whites".

Management consultant Llewellyn Mehlomakulu also sees it as a politically divisive concept that has no room in the struggle against apartheid.

But Ephraim Tshabalala of the Black Management Forum (BMF) says the black middle class is there but, unlike whites, blacks don't move house when they reach a certain level of living.

A SA Institute of Race Relations survey recently showed that there had been a marked rise in black living standards in recent years. It quoted a Market Research Africa report that television ownership among blacks increased from 29% in March 1983 to 53% in July last year.

McCarthy Group MD Brian McCarthy says car sales to Africans have risen by an average of 7,1% since 1976 and out of 260 000 cars registered by Africans, 225 000 had been bought second-hand.

The buying of mini-buses rose from 40 000 in 1981 to 78 000 in 1985. The number was rising rapidly because of the kombi-taxi industry.

A Fedhasa spokesman said 6% of hotel occupants in the three-star

Affluent blacks reject labels



□ MEHLOMAKULU ... "class distinction does not work with us"

THEO RAWANA

category and upwards were blacks, the majority being business people.

A Black Data Library income survey shows that 47,3% of blacks in the A income level (R1 100-a-month and upwards) were in the 16-24 age group, and 37,4% in the 25-34 age group. It shows that 59,6% of these have telephones in their homes.

Dr Trevor Woodburn, of management consultants Woodburn Mann, says the company has seen more than 400 blacks into management positions and their salaries ranged between R60 000 and R200 000 a year.

The BMF, which caters for blacks in managerial positions, says it has a paid-up membership of about 1 000 nationally and surveys have shown that there are about 500 other people who are not members.

A spokesman for the Allied Building Society says that, in the 15 months since the society began offer-

ing home loans to blacks, they have granted bonds of about R100m, and this is growing at the rate of R25m a month. The highest-priced house was R400 000 and the lowest R18 000.

And a spokesman for the National Housing Commission says 75 696 houses have been sold to blacks nationally under 99-year leasehold.

Gama, who is also MD of a flourishing hair-care goods importing business and a director of Shareworld entertainment and educational centre, says the black middle class concept has failed because it has no political structures to accommodate it.

"You can't create it in a vacuum. The creation of 'upper-class' residential areas, such as Soweto's Selection

his money is going to be spent. "Whites decide if their money goes to defence or to pensions."

He sees invitations to lunches and dinners as "monetary flirtations" — window-dressing that is bound to fail.

"Whites find themselves in a dilemma. They would like to create a buffer but won't crack the political structure," says Gama.

Mehlomakulu, the first black to take up a bank management post in 1971 and who now runs his own management consultancy, believes it is wrong to categorise black people who are all lumped together in the townships.

"Talking of a black middle class is politically divisive, and the fight against apartheid cannot accommodate that. We all belong to the disadvantaged, and class distinction does not work with us," he says.

Making it in the economic and academic world does not necessarily remove a black from his kind. Although business dealings demand that we attend business lunches and mix with whites, that has not made us forget that we belong to the disadvantaged, nor has it made us stray away from our traditions and our culture.

"Black leaders see through government's wile of dividing blacks and creating a black middle class," says Mehlomakulu, who retired at senior management level with First National Bank. He now holds directorships in a number of companies.

Tshabalala says a black middle class exists in the sense that blacks have moved from a lower level of living to a higher one.

"We all aspire to a better living, and that is why there are blacks who live in expensive houses and have more than one car.

"But climbing the economic ladder does not mean that we have forsaken our culture. What we have done is to take the best from the Western culture and preserved the best of our own."

VERTICAL REFERENCE LINE 10

REFE TL

REFE TL

7-111-11 0V71

BLACK MANAGER GERS

Sowetan
25/14/87
(176)

WASHINGTON — "If you want to reduce unemployment and create wealth for the benefit of all," said the president of a South African black professionals' organisation, "you need to draft blacks into management."

Blacks are rising in South Africa's corporate structure to become mid-

SOWETAN Correspondent

level managers in spite of the apartheid system, according to Mr Don Mkhwanazi, national president and chairman of the board of directors of the Black Management Forum (BMF).

This trend has been especially noticeable in the personnel and corporate communications areas, he said on a recent visit to Washington.

"If you look at projections, there is no way that the white community can satisfy

the needs of the corporate world in terms of the number of managers that are required," he said.

At least in part because of the emigration of skilled white professionals as well as growing needs for such personnel, he added, large South African and foreign firms

"were forced to start drawing from the black community their new breed of managers." The myriad personnel

NEEDED - BMF

problems of the "reservoir of unskilled black labour" — from language to cultural differences — was another factor requiring blacks with professional skills, Mr Mkhwanazi said.

Debate

White mid-level managers simply could not understand or deal with problems of the growing numbers of black employees. When unrest began in the townships in the early 1970s, it was "difficult for the white marketers to get into the black townships, so they had to employ black graduates," he explained.

Increasingly, white-owned firms have tried to "exploit black consumer power," he continued. And black professionals, primarily social

science graduates, have provided a key link in the marketing of consumer products to blacks.

Mr Mkhwanazi and BMF national directors Mr Bheki Sibiba and Mr Steve Kent visited Washington as the last stop on their American tour, during which they met with corporate leaders, United States Government officials, and members of black professional organisations. They also visited New York and Atlanta.

The BMF delegation wanted to raise its profile in the United States, exchange information, seek additional corporate sponsors, and gather information about the current United States sanctions debate.

Ceiling

The Black Management Forum was established in 1976 "to articulate the aspirations of the new black who was becoming a manager in the corporate world," Mr Mkhwanazi said. "First and foremost, we are black, before we became managers," he added.

BMF's membership, originally centred in Johannesburg, evolved over the years into a national organisation with 10 branches and more than 1 100 members.

Mr Mkhwanazi described BMF's mission as "the provision, development, and promotion of effective management leadership" by and for all those disadvantaged by the apartheid system.

"Because business and economics is our domain, we (BMF) are about the acquisition of economic power by blacks in South Africa." Mr Mkhwanazi said that there is an "invisible ceiling" above which black managers can rise only in exceptional circumstances.

He pointed out that when these black professionals reach an income level of R50-R60 000 rand a year, they tend to "leave the corporate world because they are frustrated" by the lack of upward mobility.

They start their own firms, he continued, often setting up management consultancies, communications firms, magazines, or retail shops.

Questioned about his organisation's position on United States sanctions, Mr Mkhwanazi stated the "BMF, as an organisation, has not taken a view on sanctions and disinvestment." He emphasised, however, that you "can no longer sit on the fence in South Africa if you are a black organisation."

IN A MINI-BUS COMPETITION

WIN A TOYOTA HI-AGE

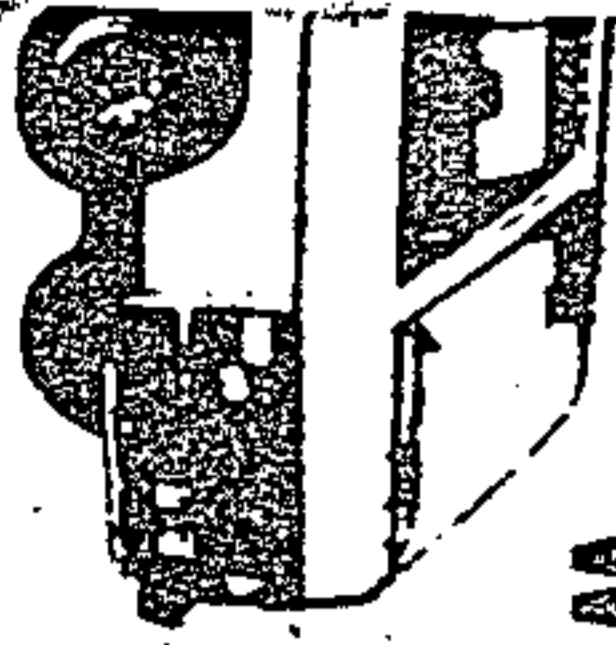
GLX OR HI-AGE

16-SEATER

COMMUTER

OR R30 000 CASH

DONATION OF R25,00



ENTER BY POST TO: ALPINE

Nafcoc in educational venture

A good example of how business enterprise can benefit the educational process is seen in a venture put together by the National African Federated Chambers of Commerce (Nafcoc) at Soshanguve, north east of Pretoria.

As part of its programme for the advancement of black business, Nafcoc, under the leadership of Dr Sam Motsuenyane, is establishing a Management and Leadership Development Centre near its head office.

While the creation of the centre was financially

10/5/88
viable, there arose the problem of funding it on an on-going basis and covering teachers' salaries, visiting lecturers' fees and computer operations.

In discussions with Johannesburg architectural group, The Basil Powell Partnership, which has been involved in African property developments, it was decided to launch a shopping centre nearby, which would generate support money for the centre.

"Often regulations and doors were bumped or slightly bent to allow 'normal' commercial development to take place," says

Mr Basil Powell.

"Development processes are difficult in black areas and institutional finance which is so much a part of development in white sectors, is difficult to get."

Syfreets provided first-bond finance for the shopping centre and Mr Powell believes this group's "enthusiasm and far-sightedness will lead to many more relationships with black business organisations".

Dr Motsuenyane and Mr Powell visited many major companies, institutions and organisations to secure donations but, ac-

ording to the latter "there have been many fine words, but only the Chairman's Fund of Anglo American and the South African-German Chamber of Commerce have provided wholehearted support in terms of money".

Blacks themselves, are understood to have given generously and enabled Nafcoc to proceed with its business college for 120 students.

The shopping centre, which is well advanced and will be handed over by the contractors, Grinaker Building this September, is already more than 80 percent full.

Witness

New firm will foster black business

By Dawn Barkhuizen
The formation of a non-profit-making close corporation to foster relations between big business and black entrepreneurs was announced by US ambassador to South Africa Edward Perkins

176
in Johannesburg yesterday.

The formation of Matchmaker Services was announced in Mr Perkins' opening address to the three-day Matchmaker Exhibition at Nasrec, Crown Mines.

Star 19/5/78
The IBM Projects Fund has already pledged a large sum towards start-up capital for the new venture.

The aim of the new company, headed by commercial and industrial leaders, will be to bring black vendors into contact with large companies, open credit lines, and provide legal advice and marketing assistance, Mr Zuko Tofile, trade assistant to the US Foreign Commercial Service, told The Star.

An interim steering committee has been established, with representation from the Soweto and Witwatersrand chambers of commerce, Anglovaal and major corporations, he said.



ius (left) and he "Spirit of al trip through ent of conser-shen Davimes.

Businessmen discuss their role after apartheid

By Adele Baleta

More than 80 business people met in Fourways, Johannesburg, yesterday to discuss how they could contribute to developing a new role for business in a post-apartheid South Africa.

Top businessmen, including Sentrachem's managing director, Mr Johan van der Walt, and Mr Murray Hofmeyer, chief executive of Johannesburg Consolidated Investments, addressed the Five Freedoms Forum conference and took part in workshops.

The main message that came across was that business could help end apartheid by taking positive action in the workplace.

Business consultant Mr Chris Nel said it was important, especially in business, to develop common values and visions towards which all South Africans could strive.

SEEKING WAYS

Proposals were made that support be given to the "creative minority" who were seeking ways to prepare South African business for a post-apartheid future, and that the Forum act as a mediator between business and education.

Participants in the labour management workshop suggested that strikes be seen in terms of real differences between management and labour and not as a result of intimidation.

Professor Eddie Webster of Wits University's sociology department proposed that blacks be involved in the implementation and design of any programme which would remove discrimination in the workplace.

Another proposal was that the financial press be urged to establish a column for alternative views.

● See Page 4.

Giving help to business

Journalists 25/5186 *176*
THE newly formed National African Business Development Organisation, aimed at providing assistance to small business on the East Rand, will hold its general meeting at the Carlton Hotel on Sunday at noon. including stimulating and developing business skills.

NABDO's chief executive Mr Bongani Cibi yesterday said the conference would discuss various aspects pertaining to black business,

He said: "The quality of life in the East Rand can be improved in convenient locations. Fortunately, there are technically qualified people who can provide essential services to the community, but are stifled by lack of capital or business premises."

It was along these lines that NABDO was formed: to give assistance to small business to create jobs; maintain a free enterprise economy; provide healthy competition in the market place and encourage "grass-roots" development.

The organisation would negotiate loans with financial institutions, direct financial loans and advise members.

For more information contact Mr Cibi at 915-2211 or Ms Lorinda at 915-2168.



Mr BONGANI Cibi ...
NABDO's chief executive.



Giving help to business

General 2575188 *176*
THE newly formed National African Business Development Organisation, aimed at providing assistance to small business on the East Rand, will hold its general meeting at the Carlton Hotel on Sunday at noon. including stimulating and developing business skills.

NABDO's chief executive Mr Bongani Cibi yesterday said the conference would discuss various aspects pertaining to black business, He said: "The quality of life in the East Rand can be improved in convenient locations. Fortunately, there are technically qualified people who can provide essential services to the community, but are stifled by lack of capital or business premises."



Mr BONGANI Cibi ...
NABDO's chief executive.

It was along these lines that NABDO was formed: to give assistance to small business to create jobs; maintain a free enterprise economy; provide healthy competition in the market place and encourage "grass-roots" development.

The organisation would negotiate loans with financial institutions, direct financial loans and advise members.

For more information contact Mr Cibi at 915-2211 or Ms Lorinda at 915-2168.



Japan putting squeeze on insider trade

By Sven Forssman

The Japanese securities industry has drafted its own set of rules to inhibit insider trading, according to stockbroking firm Irish & Co's *International Digest*.

The article says institutional traders would be required to reject orders from investors if they had reason to believe the orders were based on insider information.

A trader would be prohibited from recommending a company's stock to clients if he had access to non-public information on that company's business results.

These self-imposed regulations were laid down in accordance with proposed anti-insider trading amendments to the "Securities and Exchange Law."

The proposed amendments, submitted to the current Diet (Parliament) session, are likely to be passed this month and come into effect as early as next month.

According to the new rules, the enhanced definition of insider information would include information on stock issues, mergers, acquisitions and business tie-ups, dividend payments, product development and major changes in corporate results.

Blacks prove they are their own champions

By Frank Jeans

Don't underestimate black aspirations even now in the South African business scenario and it's a mistake to imagine that they need charity from whites.

This was said by Mr Clem Sunter a director of Anglo American Corporation when he spoke at a lunch in Johannesburg yesterday of the South African-German Chamber of Trade and Industry.

"Dismiss the stereotype idea of blacks being unproductive for in a dual logic economy they have proved that they can be their own champions," he said.

Giving as an example a "black miracle" in business enterprise, Mr Sunter referred to buoyant taxi business which now has an estimated 100 000 cabs on South Africa's road representing an investment of R3 billion which is equivalent to two mega gold mines.

Praising this "alliance between the formal and informal sectors", he said it had also created 300 000 jobs over a period of about four years — which was about 60 percent of the present workforce of the South African gold mining industry.

Upgrading his assessment of world trends, Mr Sunter reiterates that the formula of genuine sharing by all and less "dog eat dog" attitudes of capitalism as one of the keys to South Africa's future.

And on the sanctions issue, he said: "It is regrettable too, that blacks in this country do not have some institution through which they can express their views".

in
Sc
otc
The

are stuck with outmoded

'Black business

has vital role'

Sowetan 21/7/88



MR Gaby Magomola

By JOSHUA RABOROKO

THE Chief Executive of the African Bank, Mr Gaby Magomola, yesterday said South African black business had a vital role to play in transforming society.

In a statement after his return to South Africa from the United States of America, Mr Magomola said he believed that giving blacks economic muscle was an important component for change in the country.

During his visit to the United States he addressed meetings of top level statesmen,

including mayors, state legislators and bankers in Birmingham, Atlanta, Washington. He said that he was "surprised and encouraged" to receive calls from people who volunteered to assist black business in South Africa to grow and prosper.

He said: "The motivation for the trip was to promote the African Bank, but also to clarify

our situation to people living abroad.

"The African Bank is gradually achieving international recognition. We have a vital role to play in our changing society."

He said there was an increasing awareness among South Africans, that the struggle for political powersharing had to be coupled with endeavours for empowering blacks economically. Ownership and

control of the means of production was as important as political power.

"Although black Americans have made significant gains at all levels of government, they are the first to admit that their economic achievements have been less than successful," he said.

Since his appointment as chief executive of Afribank he had been working towards strengthening relation with his US counterparts, Mr Magomola said.

176 *[Signature]*

Desegregation fails to attract black-business

By Kaizer Nyatumba

The opening of central business districts (CBD) to all races over a year-and-a-half ago on the Witwatersrand has not resulted in any dramatic change in the number of non-whites owning businesses in cities and towns, a survey conducted by The Star has revealed.

In Randburg, no applications have been received from blacks, Indians or coloureds since the CBD there was declared open to all races, a spokesman for Randburg Town Council said. The spokesman said 32 hawkers' licences had been granted to non-whites in the past year.

Germiston had received about 30 applications, "mostly from Indians", and almost all of them had been granted, a spokesman said.

Kempton Park had received only seven applications for trading in the CBD area and all had been granted, according to a spokesman for the Kempton Park trade licensing office.

In Randfontein and Krugersdorp on the West Rand, and in Alberton, Nigel and Brakpan on the East Rand, the CBD areas were not yet open to all races, spokesmen told The Star. The Boksburg chief trade licensing officer said as far as she knew the CBD was not open to all races.

A spokesman for the Benoni trade licensing office could not say how many applications his office had received from non-whites "because we do not have a separate list for blacks; we keep all applications and files together and the names are only listed alphabetically".

FEW BLACKS

Mr O Eksteen, Roodepoort chief trade licensing officer, said while the Roodepoort CBD was open to all races, there were "very few blacks, if any at all, trading there because the only way they can come in is when a certain business closes down".

Indian traders, however, were well represented because one side of Roodepoort had been open to Indian traders for years, Mr Eksteen said.

Although the Springs CBD area has now been open to all races for over a year, there were still no black traders in the town, a spokesman for the Springs trade licensing office said.

This, the spokesman said, was because there had to be premises available for new businesses for applications to be approved.

No applications from non-whites had been received by his office, the spokesman said.

In Johannesburg there were about 9 600 licensed street vendors, the majority of whom were non-whites, according to Johannesburg acting chief licensing officer, Mrs Cathy Filmalter.

Mrs Filmalter said it was not possible to say how many black traders there were in Johannesburg, because "we do not distinguish between blacks and whites anymore".

The Johannesburg CBD was opened to all races in February 1986 for trade, industry, professions, entertainment, educational and religious activities.

Mr Nigel Mandy, chairman of the Central Business District Association (CBDA), said there were many non-whites trading in Johannesburg, but there were "no statistics kept since race is no longer a factor".

By SIMPIWE NCWANA

It has become fashionable to use the concept "Black Advancement", a Wits University academic said this week when he delivered an inaugural lecture.

Allan Zimbler, professor of human resource management at the Wits Business School, also said this was unfortunate in that it was in a sense derogatory and patronising.

The problem in South Africa was not black advancement, he pointed out, but white advancement.

He said South Africa had passed the point where it could make business decisions which did not expressly consider the values and feelings of its people.

It was fundamental to recognise that the process for

'Catchphrase' is becoming patronising

C. Rex
(176)

negotiation in the workplace has already begun.

"The South African organisations need to be able to re-define the meaning of conflict.

"We need to liberate ourselves from a past which insisted that conflict was dangerous.

"There is a need in South Africa to develop technologies which have to do with people interfaces, with interpersonal and inter-communication skills and with bridging the enormous gaps in understanding between

different peoples," said Zimbler.

"The advancement of blacks in South Africa is critically dependent on the resolution of the educational crisis, and the provision of adequate and relevant education.

"More and more, workers are asking for company-based courses which will begin to equalise opportunity in our society."

Zimbler added that the phrase "social responsibility" also needs to be addressed as one of the central

features of a change-management in South Africa.

"Developing the South African organisation of the future means creating the conditions necessary for the empowerment of our disenfranchised majority. It means that business has to take a stand, make socially responsible decisions that have less to do with short-term profit than long-term survival."

He said that management in South Africa in particular and white South Africans, in general, were faced with a choice of withdrawal from the dangerous and self-destructive underpinnings of an authoritarian culture.

Zimbler concluded: "This means achieving the psychic and social integration that a future South Africa would need to build on."

Tongaat chief maps out pathway to the future

Star 25/7/88

176

By David Canning

DURBAN — While complex problems await business, the Natal-based Tongaat-Hulett Group has identified opportunities around which it is planning its activities for the 1990s.

Group managing director Dr Geoff Cleasby, speaking at a graduation ceremony of the Graduate School of Marketing in Durban last Friday night, said the future must not be feared, but tackled in an innovative and creative way.

"From our analysis we have deduced that opportunities will certainly lie in the third world population around our cities." Blacks would not only increase in absolute numbers, but also in standards of living, he said.

Lower middle class

More blacks would move into the realms of the lower middle class. The number of black civil servants also would raise the average per capita income.

There would be a great opportunity for providing food for the loss of an agricultural subsistence base for households - and opportunities for supplying the informal sector such as hawkers and cottage industries.

Many areas of opportunities existed for sales of durable items - as had happened with taxis.

With the liberalisation of black

land ownership it is possible that boarding houses and sub-letting will become popular in the older inner-city areas, and that it will be profitable for blacks to build far larger dwellings and sub-let."

Opportunities also would arise in areas of import replacement, particularly requisites for government in the area of schools, hospitals and security forces - especially for vehicles.

Dr Cleasby said a more pragmatic outlook could also lead to export opportunities in Africa.

Over the next seven years, he believed that taxes would remain high, with more emphasis on indirect taxation.

The tax policy would tend to favour the creation of jobs, rather than encouraging capital-intensive expenditure.

Inflation and interest rates would be high and the rand would continue to depreciate, particularly against the yen and Deutsche mark.

There was likely to be continued disturbance on the political front, with all major political groupings attempting to strengthen their power bases.

Over the next seven years there would be further major reforms enacted - but only in reaction to pressures exerted. No major change would be discernible in the short-term but, over seven years,

the changes would represent significant reform.

The political changes would fall far short of what the world was demanding and this would influence SA's trading partners.

Turning to labour, Dr Cleasby said managements had to understand and accept that black unions would be politically oriented as long as the black population had no meaningful say in decision-making.

Industrial development

Black trade unions were essential at this stage of industrial development and should be welcomed, not feared, by management.

It was absolutely essential to establish good industrial relations which would allow true and objective negotiations to take place.

He also said Project Free Enterprise had shown that workers had little understanding of the free enterprise system and certainly no commitment to it. Unfortunately, it was identified with the political system.

A great deal still needed to be done to encourage black workers to make them feel part of the system.

Especially important was the need to show concern for the quality of life of workers.

Executives to discuss barriers^{car} of culture

By Mike Siluma

The critical rôle played by Western culture in the upward mobility of black managers in white South African companies will come under the spotlight when 250 delegates meet at the Black Management Forum's national conference this week.

The theme is "South African corporate culture in the 21st century".

BMF director Mr Zamani Jali said: "It has been said that blacks cannot be promoted into top management positions because there are black cultural aspects which do not correspond with those of white corporate culture.

PENALISE

"What we are asking is whether it is right that the traditional culture of blacks should be used to penalise them by preventing them from moving upwardly in the business world."

One solution might be "corporate indigenisation", whereby white corporate culture would adapt to black culture, (Mr Jali suggested.)

The conference is at the Ritz Protea Hotel, in Cape Town, on Friday, and is followed by the BMF's annual general meeting on Saturday at the same venue.

Conference speakers will include trade unionist Mr Sidney Mafumadi.

Miners in R450 000 venture

176
28/7/88

SIX black mineworkers have decided to put together R450 000 to challenge white owned concession stores on West Rand mines.

Co-ordinator of the group, Mr Jabulani Nqai, yesterday said they would build a supermarket, fast food outlets and other stores near Carletonville.

Their decision comes after negotiations with Anglo American and white businesses because of problems miners encountered in the area.

They managed to raise R150 000 and received a

loan of R250 000 from a bank.

Mr Nqai said the establishment of the businesses would create jobs for many unemployed blacks.

The six partners are Mr Nqai, Mr Paul Sethati, Mr John Lelaka, Mr Frank Manthutle, Mr Ivan Sehume and Mr Elijah Sibiya, who are all members of the National Union of Mineworkers.

Mr Nqai said building of the stores was complete and it was expected they would start trading next month.

Economics is the greatest reformer

I started the struggle in 1976 because I was not satisfied with the education I received, with the way our fathers have been treated.

I was a child and I realised my parents were being exploited. That blacks were taught that whites were bosses. That white women should be called "missus." I said to myself in my life I will not call anyone boss or missus.

We all had an understanding when we saw cars with company logos driving in the townships that they were promoting themselves in order to exploit us more.

When I was a shop steward at East Driefontein mine, I made a lot of representations on behalf of workers. I was fired after organising a strike. It seemed the workers were also not taken into account.

Power

Disillusioned, I felt the only solution to change things would be to burn things down, to fight. Only in this way would we obtain power.

After being fired, I decided the best way of making a living without having a boss would be to sell products. To be a hawker.

It was then that I realised it is economics which will change the political situation in this country.

This is because when I am selling I am not affected by exploitation. Selling brings one independence.

When you sell, the AWB comes to buy. The PFP comes to buy. And they talk to you while they are buying.

Platform

This is the best way of meeting on an equal footing. When blacks and whites meet on a business platform, they each need something from the other. They have to talk. There can be no more powerful and yet more peaceful way of promoting mutual understanding and equality.

Blacks are beginning to understand this. The members of Achib understand this. They realise this is a solution.

A hawker who is arrested one day will be back at the same spot the next day. He will pass money

A speech made by **LAWRENCE MAVUNDLA**, president of the African Council of Hawkers and Informal Businesses at SA Megatrends — the High Road conferences, at Turffontein Race Club, on Wednesday.

through the bars of the police van to ask his friend to buy more stock.

Hawkers have been harassed by local authorities, shop owners and police for more than a 100 years. Yet they remain on the streets because it is a job that does not have exploitation. A job in which a man can feel independent. In which he can do business with whomever he likes. And in which he can dictate the terms.

The rise of our hawkers is a good example of the power of economics in making people listen.

Today major manufacturers are wooing hawkers. They see them as a vehicle to distribute products in the black market.

Instability

However, the motivation is profit. It is not good enough. We have major problems of unemployment and over-regulation. It is a problem that affects everyone. Because it stifles the economy and because it causes instability.

The private sector is by no means working towards change.

Daily, we read in the papers managing directors of big corporations saying nice things. They talk about a lot of money that they are prepared to contribute towards the peace and stability of the country.

But, they don't put their money where their mouth is. They have lost credibility with the grass roots people. Grass roots people have stopped listening, stopped believing.

When they decide to spend money they don't ask the community what it wants. They think for us. The result is projects that are not workable. Projects that will only end up being boycotted.

And they pump millions of rands into sports. I ask myself — will sports feed the hundreds of mouths that are hungry?

How do you companies justify re-

trenching people, people who are illiterate and don't know about PR, then spend money on sports for PR purposes.

I wonder and worry on a daily basis about what big corporations think about unemployment. The Cosatu unemployment union puts the unemployment figure at 6,5 million.

Unemployment is going to bring about another 1976. People like myself, who hold the power for a peaceful solution, are getting discouraged.

I, too, am losing credibility with the grass roots people. This is because I am not getting support to create employment and to remove restrictions which prevent people from entering the mainstream economy.

I have approached more than 90 companies to support two important projects — a deregulation drive and employment creation scheme. Yet I have only received support from six of them. It doesn't make sense.

The same corporations which make nice statements in the press about the need to boost the economy and create employment. These are the same people who say no to me.

Converted

I have given myself twelve months to speak to these people. To urge them to put their money where their mouth is.

If there is no genuine response than I might have to believe again that fighting is the only way to solve this country's problems.

Yesterday a hawker walked into our offices. He was converted to hawking from crime. He has killed two people, stolen and stoned. He came to us because he is being harassed by police. Even though he has a licence. What do you think this person is going to do when he loses faith in hawking?



Can I tell you what you should be doing to stop this. And can I be telling you this for the last time?

(1) Support projects that are for economic change in this country. Like our organisation.

(2) Support employment creation projects.

(3) Back the deregulation of unjust laws.

(4) Give us the skills that you have in order to make us viable.

(5) Stop thinking for us. Do not embark on any project to "help" us without asking us first what we need.

(6) Stop regarding investment in black business as charity. The stimulation of black business means money spent with you. It is a straight business investment.

(7) Stop thinking only of short-term profits. Long-term investment in worthwhile, grass-roots projects means a more stable future.

(8) Stop sloganeering in the press and start working practically and non-confrontationally.

Cape Times: 13/8/88

1000 176

Skills shortage not due to brain drain

Financial Editor

THE shortage of management and other skills in SA is not due to the brain drain, says Steve Finkel, a leading US personnel trainer visiting Cape Town this week.

"I have seen this kind of market before in other countries where the economy is growing while the white birthrate is declining. It is happening in the US, Canada, Mexico, Central America and other countries where there is no brain drain.

"Countries can get by in times of recession but when the economy starts expanding they need more skilled people and the supply is not there."

The answer, Finkel suggests, is for personnel consultants actively to seek out people of all races with abilities they are not developing to their full potential. He believes there are many people whose abilities are being wasted be-

cause they are not good at promoting their careers.

Through his Search system, personnel consultants should build up a reservoir of high achievers "who are good at what they are doing", who could be approached when the right vacancy came along.

Finkel said personnel consultants in SA were of a high standard, but they obtained staff by advertising and then making a selection for the employer to interview.

"If you advertise you do not get top people. The answers you get come from people who are either unemployed, unqualified or unhappy in their jobs.

"But if you actively go out, through Search, and look for high achievers you will find the right people who may not be highly qualified academically.

"You may find a person who is doing a fine job but reports to

someone who is aged only 38, which means that promotion prospects are slim. Such a person may be happy to move to another job with better prospects."

Asked to elaborate on his statement that a declining white birthrate was causing a shortage of skills in the US, Finkel said that blacks made up only a small proportion of the total population.

But as whites moved up to better positions, opportunities were created for blacks also moving up the ladder to get to the top. It was due to this that the black middle class had emerged in the US.

Emphasizing that he was not concerned with political factors, Finkel said it would be a mistake for blacks not to start at the bottom of the ladder and acquire experience on the way up.

"It is self-defeating to move someone into a position he is not qualified to handle."

A different drum sounds a new march in Pretoria

Conference catchphrase is economic empowerment

SOMETHING politically strange happened in Pretoria last weekend. The Conservative Party held its Transvaal congress. While the National Party held its youth congress. And somewhere in the centre of the city, the Association of Black Accountants of Southern Africa (Abasa) held its annual convention. The three bodies had one thing in common. Politics. But Abasa was looking at politics via economic strength. Scores of local blacks were joined by their brethren from Lesotho, Swaziland, Zimbabwe, Malawi and the United States, to debate and examine probably one of the hottest political questions within black South Africa in the 80s - economic empowerment.

And it does not need a genius to know what aspect of the political question the CP and Nat Party congresses were discussing.

CLARENCE BUTCH

But it was the Abasa convention which gave a snapshot view of what troubles South Africa. It was no wonder journalist-economist Eugene Nyathi clashed with black American Clarence Butch on the question of sanctions.

Butch from the United States National Association of Black Accountants had suggested in his address that sanctions cannot work to bring about the necessary change in South Africa.

The fire-eating Nyathi could not take it. Outgoing Abasa president Jeffrey van Rooyen, shot from his chair to protect Butch and chide Nyathi for being personal.

That incident was eloquent testimony of how deep the question of sanctions has cut into the soul of black South Africa. It must have been an education for the sprinkling of white guests in the convention.

EMOTION-CHARGED

But it was in this emotion-charged atmosphere that an elderly Afrikaner academic came, saw and conquered. Political economist Sampie Terreblanche, with a mischievous twinkle in his eyes, mapped out the rocky and bumpy road that lay before black economic empowerment.

"Ours is a Catch-22 situation, said the Stellenbosch University academic. "Only a transitional government can transform South Africa into a true democracy," said Dr Terreblanche.

After this condition had been met it would then that something like a Marshall



Like a tide, the groundswell of black feeling on economic empowerment is growing in this country. ZB MOLEFE reports on some of the waves that lapped at the very edges of South Africa's capital city last week.

Plan could be put into operation - pumping billions of rands in aid into the economy - which would lead to a truly black economic empowerment.

At the end of his presentation Dr Terreblanche received a standing ovation. The man's honesty and bluntness won the day. This was very obvious during tea break and later at a braai when the delegates relaxed after the convention's hard sessions.

Abasa executive director Mashudu Ramano, had put his finger on the pulse of the problem. Whereas blacks comprise 75% of the total population of South Africa they only share 20% of the country's wealth, Ramano said.

SUB-HUMAN

"Vast numbers of blacks in South Africa live in filth, squalor and sub-human conditions in shacks and cardboard shelters just a stone's throw away from affluence, and luxury enjoyed by 20% of the population," Ramano said, drawing this bleak picture.

Maybe it was a story repeated over and over for the accountants who packed the conference hall. But the way Ramano touched the heart strings made the difference.

Ramano then urged his audience: "This convention must explore and seek to answer these crucial questions if it is going to be meaningful and worthwhile. Black economic empowerment is a strategic imperative."

As if lashing out with a whip, unionist Piroshaw Camay was uncompromising. Particularly on the black accountants.

"Willy nilly accountants amongst the oppressed and exploited have become their masters' voices," Camay charged.

He had this advice for black accountants: "You need to start rediscovering those principles of communalism and consensus decision making and engaging that style as a new management style."

University of the Transkei principal Wiseman Nkuhlu was in a class on his own in his talk on the role of international institutions in the realisation of black economic empowerment dream in South Africa.

Professor Nkuhlu did not waste time in nailing his colours to the mast. He is a great believer in self-reliance "since the 60s when I was studying matric and I became aware of the (economic) position of blacks", he said.

"I fight and struggle for success. Against all odds. If any man puts hurdles in my way, I will fight," said Professor Nkuhlu.

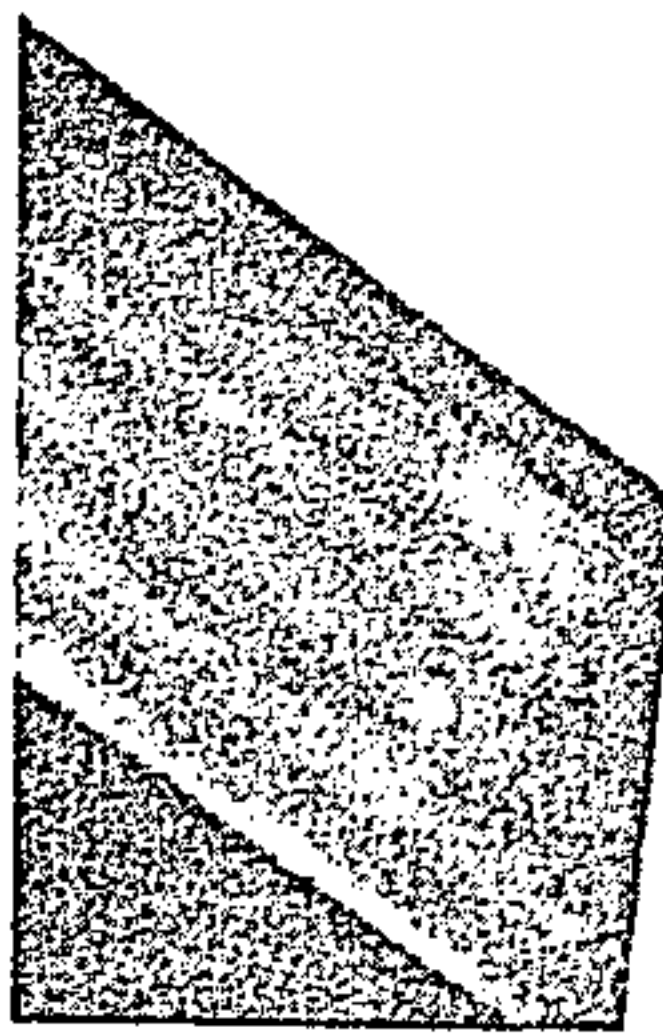
Professor Nkuhlu's message was straightforward. Black South Africa had to aim at entering the technological age. There was undisputable scientific evidence, he pointed out, which showed that successful countries worldwide had a grip on technology.

"I do not mean this in a peronical sense that people must go to technicians as is fashionable," warned Professor Nkuhlu, who said recent studies in Zimbabwe had shown that African nations are waking up to the fact that technological excellence is a priority in economic empowerment.

INTERVENTIONISM

Another speaker who had the convention listening hard to what he said was Cape educationist Franklin Sonn. His argument for black economic empower-

Vast numbers of blacks in South Africa live in filth and squalor just a stone's throw away from affluence, and luxury enjoyed by 20% of the population



Breathing fire... Eugene Nyathi added his heated feelings to the

ment, basically, rested on blacks looking at interventionism.

This strategy, argued Sonn, would help a number of black organisation to network strongly with their counterparts countrywide.

For three days the Abasa convention had listened to an array of leading speakers in their fields. These included African Bank chief executive officer Gaby Mago-mola, Swaziland Finance Minister Sibusiso Dlamini and Association of Chambers of Commerce executive Raymond Parsons.

But the convention was also an emotional homecoming for Edwin Jenkins, National Association of Black Accountants student affairs director, when he said: "I'm the first in my family to return home (to Africa)."

His colleague, the association's executive director Linda Gaston, had a message for black South Africa as it grapples with economic empowerment: "Black Americans want you to avoid to make the mistakes we did.

"We want you to take five years to achieve what took us ten years to achieve."

And this dedication, Ms Gaston reminded her audience, came hours before the United States last Sunday, remembered Martin Luther King's great march in Washington, 25 years ago, when he made his "I have a dream" speech.

A few kilometres away the Conservative Party and the National Party junior congress were also mapping out their destiny.

Something politically strange had happened to Pretoria...

August 1988
City Press

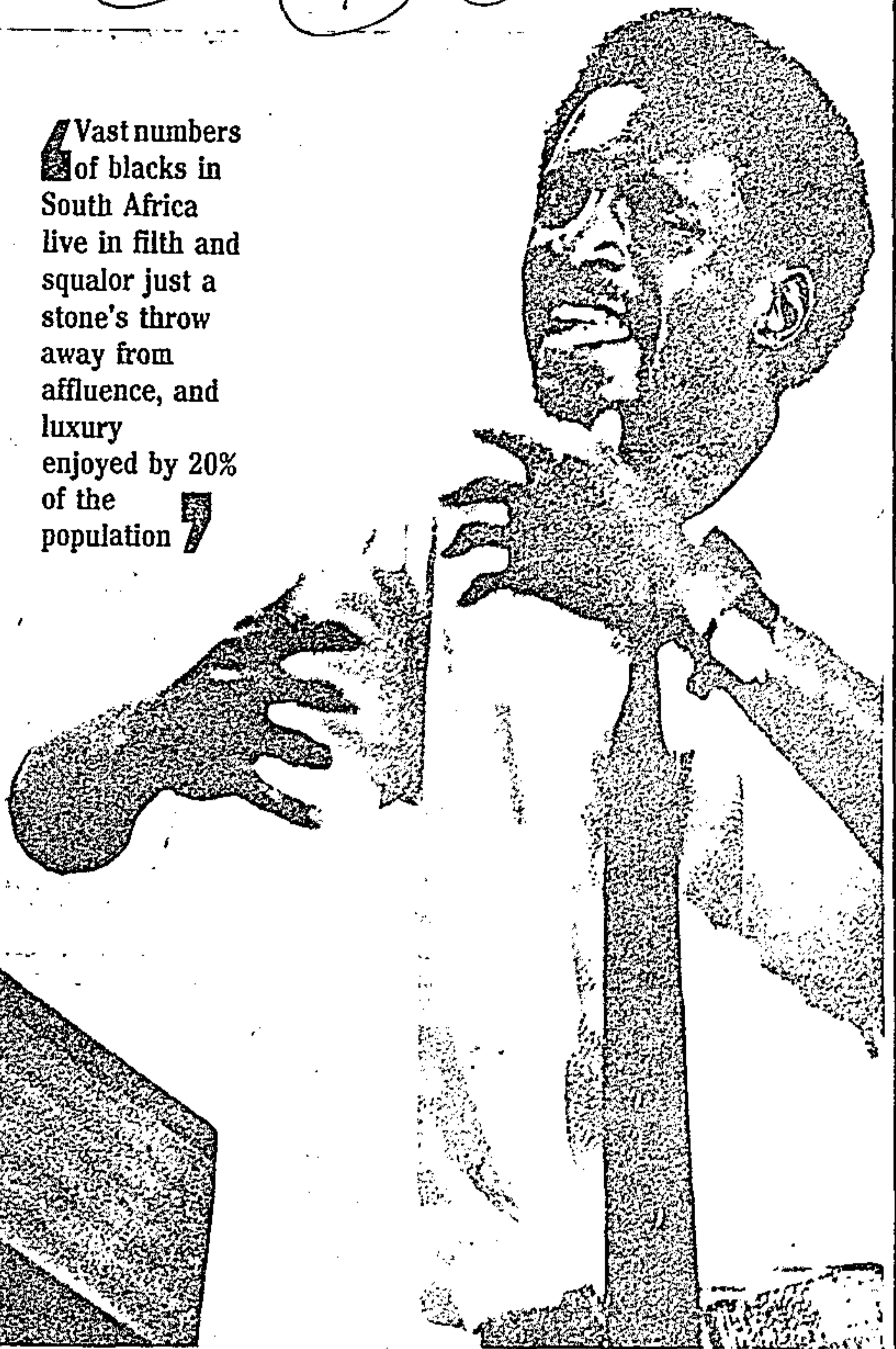
176

(Handwritten scribbles)

Wl
vle

Different n sounds w march retoria e catchphrase ic empowerment

Vast numbers of blacks in South Africa live in filth and squalor just a stone's throw away from affluence, and luxury enjoyed by 20% of the population



Breathing fire ... Eugene Nyathi added his heated feelings to the conference.



Like a tide, the groundswell of black feeling on economic empowerment is growing in this country. ZB MOLEFE reports on some of the waves that lapped at the very edges of South Africa's capital city last week.

Plan could be put into operation - pumping billions of rands in aid into the economy - which would lead to a truly black economic empowerment.

At the end of his presentation Dr Terreblanche received a standing ovation. The man's honesty and bluntness won the day. This was very obvious during tea break and later at a braai when the delegates relaxed after the convention's hard sessions.

Abasa executive director Mashudu Ramano, had put his finger on the pulse of the problem. Whereas blacks comprise 75% of the total population of South Africa they only share 20% of the country's wealth, Ramano said.

SUB-HUMAN

"Vast numbers of blacks in South Africa live in filth, squalor and sub-human conditions in shacks and cardboard shelters just a stone's throw away from affluence, and luxury enjoyed by 20% of the population," Ramano said, drawing this bleak picture.

Maybe it was a story repeated over and over for the accountants who packed the conference hall. But the way Ramano touched the heart strings made the difference.

Ramano then urged his audience: "This convention must explore and seek to answer these crucial questions if it is going to be meaningful and worthwhile. Black economic empowerment is a strategic imperative."

As if lashing out with a whip, unionist Piroshaw Camay was uncompromising. Particularly on the black accountants.

"Willy nilly accountants amongst the oppressed and exploited have become their masters' voices," Camay charged.

He had this advice for black accountants: "You need to start rediscovering those principles of communalism and consensus decision making and engaging that style as a new management style."

University of the Transkei principal Wiseman Nkuhlu was in a class on his own in his talk on the role of international institutions in the realisation of black economic empowerment dream in South Africa.

Professor Nkuhlu did not waste time in nailing his colours to the mast. He is a great believer in self-reliance "since the 60s when I was studying matric and I became aware of the (economic) position of blacks", he said.

"I fight and struggle for success. Against all odds. If any man puts hurdles in my way, I will fight," said Professor Nkuhlu.

Professor Nkuhlu's message was straightforward. Black South Africa had to aim at entering the technological age. There was undisputable scientific evidence, he pointed out, which showed that successful countries worldwide had a grip on technology.

"I do not mean this in a peronical sense that people must go to technikon as is fashionable," warned Professor Nkuhlu, who said recent studies in Zimbabwe had shown that African nations are waking up to the fact that technological excellence is a priority in economic empowerment.

INTERVENTIONISM

Another speaker who had the convention listening hard to what he said was Cape educationist Franklin Sonn. His argument for black economic empower-

ment, basically, rested on blacks looking at interventionism.

This strategy, argued Sonn, would help a number of black organisation to network strongly with their counterparts countrywide.

For three days the Abasa convention had listened to an array of leading speakers in their fields. These included African Bank chief executive officer Gaby Mago-mola, Swaziland Finance Minister Sibusiso Dlamini and Association of Chambers of Commerce executive Raymond Parsons.

But the convention was also an emotional homecoming for Edwin Jenkins, National Association of Black Accountants student affairs director, when he said: "I'm the first in my family to return home (to Africa)."

His colleague, the association's executive director Linda Gaston, had a message for black South Africa as it grapples with economic empowerment: "Black Americans want you to avoid to make the mistakes we did.

"We want you to take five years to achieve what took us ten years to achieve."

And this dedication, Ms Gaston reminded her audience, came hours before the United States last Sunday, remembered Martin Luther King's great march in Washington, 25 years ago, when he made his "I have a dream" speech.

A few kilometres away the Conservative Party and the National Party junior congress were also mapping out their destiny.

Something politically strange had happened to Pretoria ...



Wiseman Nkuhlu ... academic view.

Black elite has been co-opted

Giving a critical evaluation of current economic development programmes for blacks, Eugene Nyathi – internationally recognised political and economic journalist and former editor of the Namibia Features and Press Agency – addressed the recent annual general meeting of the Association for Black Accountants of Southern Africa.

Examples of organisations that I have looked at, are the Urban Foundation, the Small Business Development Corporation, various small business development schemes run by numerous financial institutions and I have also attempted to evaluate black management training schemes run by corporate institutions.

There is no doubt in my mind that South Africa has undergone certain discernible changes in the last twelve or so years.

Following the dramatic events of Soweto and elsewhere in 1976, the government realised the untenability of some of its rigid policies and sought to devise plans that it hoped would pre-empt future black unrest.

Government and private sector leaders pooled resources and ideas on how to best avoid "another Soweto 76".

It is no accident that both Harry Oppenheimer and Anton Rupert were instrumental in the formation of the Urban Foundation and similar outfits.

Within the context of apartheid's constraints, the government and corporate pro-

grammes can only benefit a small group of selected blacks.

Considerable success has been attained in numbing the political instincts of the small black petty bourgeoisie.

Most of the black so-called middleclass live artificial lives that are grounded in pretence and cultural capitulation.

Pretence to imaginary economic power has often gone hand in hand with an identity crisis.

So-called black economic empowerment has amounted to nothing more than selective embourgeoisment of a certain black elite with the specific aim of co-opting them, consciously or otherwise, into a collaborationist relationship with the status quo.

Most blacks who consider themselves made are nothing more than the recipients of breadcrumbs from the apartheid dinner table.

They can never surrender that leverage voluntarily. It does not matter how much money is spent on so called black improvement schemes, as long as the national political question is not addressed, economic power will remain chimerical.

The development of black business is terribly stunted. Save for shebeeners and drug smugglers, black business is virtually non-existent.

Because they can not own land under apartheid, black entrepreneurs cannot raise collateral for commercial loans.

The important lesson here is that until South Africa is politically free, black economic power will remain a cruel joke.

It is nonsense to think one can jump from being a hawker today and be an industrialist tomorrow.

Such analyses should be confined to Department of Information publications, for understandable reasons. Anyway while hawkers' trolleys may be manned by blacks, they are often employed by whites or Indians.

Some international aid agencies are part of the campaign to mislead the world in respect of black advancement. They also have an interest in promoting certain black elites for reasons that have little to do with the overall interests of the majority.



Eugene Nyathi . . . politico-economist



In the August 28 edition of *City Press*, we incorrectly published the name of the director of programmes and research at the SA Foundation. He is Dr Gavin Lewis, not Dr Gavin Evans as published. We apologise for any inconvenience caused.

4/9/78

after

~~(Signature)~~ ~~(Signature)~~

Incorporate black business, economic planners urged

176
Star 3/11/88

Dr Sam Motsuenyane, president of the National African Federated Chamber of Commerce, had a message for white business at the Sunday Star Emeritus Citation Award last night. **WINNIE GRAHAM** looks at the message, the man and the influence he has on black consciousness.

"The survival of the free enterprise system in South Africa will only be ensured by the extent to which blacks perceive themselves as benefactors in that system."

The closing line of Dr Sam Motsuenyane's speech at the Johannesburg Sun last night summed up, perhaps, the growing consciousness of blacks in South Africa who are moving increasingly to organise both their businesses and consumers to compete equally in the South African economy.

On the success of their venture much of this country's economic future could depend.

Dr Motsuenyane has long campaigned for black unity through the efforts of his people.

He has made it plain that the deliberate exclusion of blacks from the mainstream of South Africa's economic life represents one of the greatest historical blunders of successive white governments.

This, he says, has led to the disenchantment with capitalism of young and educated blacks.

Free enterprise

"The development of a more favourable attitude towards the free enterprise system among blacks will demand first and foremost the opening up of the system," he says.

"For instance, a special venture capital fund must be created to enable blacks to acquire shares in white companies — either via the stock exchange or privately.

"Blacks must sit on the boards of companies and be eligible for promotion to the highest positions — on merit.



Dr Sam Motsuenyane . . . "The deliberate exclusion of blacks from the mainstream of South Africa's economic life represents one of the greatest historical blunders of successive white governments."

"In the black townships, funds should be provided to black businessmen to develop viable infrastructure, including new industrial areas with potential for job creation.

"Black business must grow big and aim at capturing a fair share of the growing South African market and, more especially, the African market."

Black business, he says, is believed to attract only 10 to 20 per cent of the enormous growing buy-

ing power of black consumers expected to rise to more than R22 billion by the year 2000.

The situation worries black businessmen. When deadlock in negotiations is reached, the potential weapon of boycott may, in future, be more readily used than in the past.

Dr Motsuenyane, who was involved in talks with the ANC in Lusaka earlier this year, said the economic strategy in post-apartheid South Africa was the subject of an intense discussion.

In his speech following the presentation of the Emeritus Citation, Dr Motsuenyane noted the great dilemma that would face South Africa in the post-apartheid era was "how to rapidly integrate blacks into the First World sector of the economy".

"How smoothly this essential transition will be, will depend largely on the foresight and imagination of our economic planners of today," he said.

"Although the Government and the private sector have made generous contributions towards the development of black entrepreneurship since the mid-seventies, the future holds even greater challenges if the existing black demands for economic empowerment are to be fully met."

Restrictions

Blacks, he said, had made noteworthy progress during the past two decades. Hardly 30 years ago, the unimpeded participation of blacks in the economic life of this country was construed in official circles not only as a threat but as "not being in the national interest".

"At the time everything possible was being done to handicap, prohibit and even retard the economic integration of blacks into the business life of our country," he said.

"Legislation and official policy restricted black businessmen from forming companies, from engaging in wholesale or industrial ventures, from accumulating funds for the purpose of establishing financial institutions and from doing any business which went beyond meeting the bare essential needs of the black community in the townships.

"Nafcoc (National African Federated Chamber of Commerce) was formed at the time to fulfil two important roles. Firstly, it served to unite businessmen in a concerted effort to persuade central government to adopt a more realistic policy towards black participation in the South African economy and, secondly, it was formed to help mobilise the black community establish institutions to promote their own economic development," he said.

THURSDAY
November 3 1988
Johannesburg

45c + 5c GST
Natal and Cape
54c + 6c GST

The Star

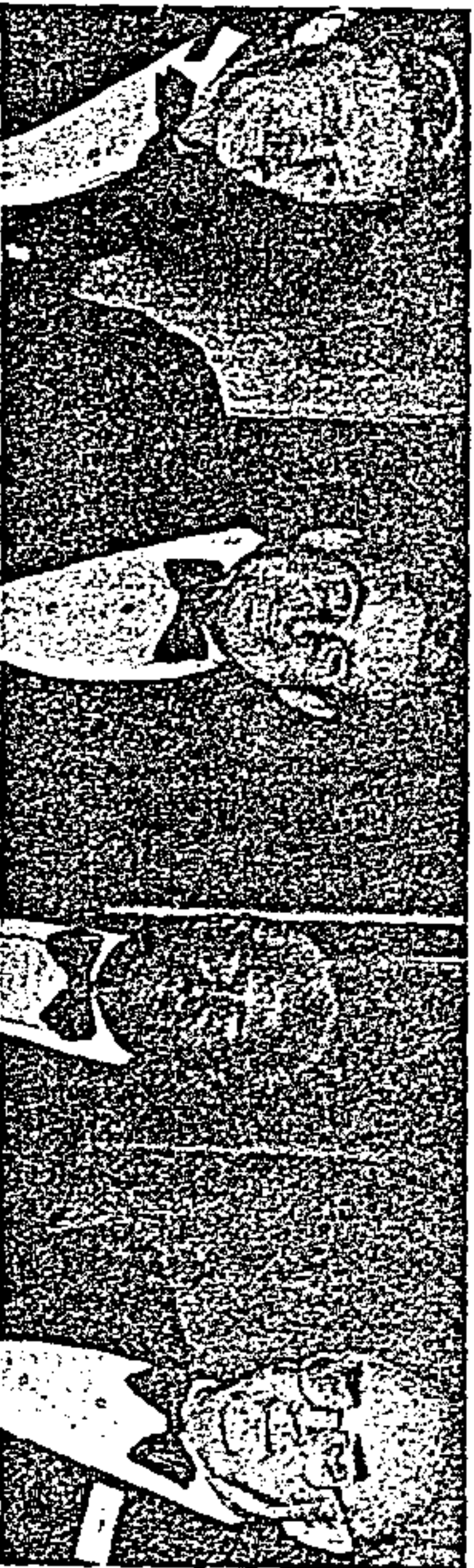
South Africa's largest daily newspaper.
Established 1887.



LATE EDITION

fontana
YOUR EVERY DAY AND
EVERY NIGHT FOOD STORES
We sell peace of mind
24 hours-a day
17054

Man who rose to pinnacle of business success wins coveted award



At the Emeritus Citation awards last night were (from left) Mr Harvey Tyson, Editor-in-Chief of The Star, Mr Richard Todd, national director of LEAF, Dr Sam Molsuenyane, president of Natfoc, and Mr Denis Paxton, chairman of the Allied Group.

Dr Sam Molsuenyane, president of the National African Federated Chamber of Commerce, chairman of the African Bank and six other companies, director of conglomerates, foundations, institutions and trust funds, a graduate of an American university and chancellor of a South African university, was last night awarded The Sunday Star Emeritus Citation for 1988 at a banquet in Johannesburg.

The Emeritus Citation is an award designed to honour, encourage and support national leadership which is proven by years of achievement.

Mr Richard Todd, national director of the Leadership, Education and Advancement Foundation (LEAF), the organisation re-

Star 3 111188 176

By Winnie Graham

ponsible for establishing non-racial senior colleges in South Africa, was named the Allied Visionary of the Year.

The Emeritus Citation was presented by the Editor-in-Chief of The Star, Mr Harvey Tyson.

"He believes that black businessmen can bridge the divisions in our society only by actively fighting the restrictions of apartheid," Mr Tyson said. "His message is the same that Mr Harry Oppenheimer gave to whites the other night."

In past years, he said, The Sunday Star had cited two great Afrikaans-speaking South Africans, Dr Frans Cronje and Dr

Anton Rupert, and two great English-speaking South Africans, Mr Harry Oppenheimer and Mr Mike Rosholt.

Mr Tyson said: "Dr Molsuenyane is championing the cause of his people. There is no need for me to have to explain his goals. All I need do is remind you of his stature — a stature based on his lifetime vision — and the qualities that took him from herdbooy and messenger to the planes of private enterprise."

Mr Denis Paxton, chairman of the Allied, said his group had created an educational trust because it wanted to mark its century by "investing in the future rather than looking back".

● See Page 10.

(176) (178)
CP News
6/11/88

The law needs you

CP Reporter

SOUTH Africa had a great need for more black lawyers, the president of the Cape Law Society, Mervyn Smith, told the society's annual conference in Kimberley recently.

He emphasised that students at the University of the Western Cape were mistaken in their belief that the law profession was limiting the entry of blacks.

"I want to state categorically, so there can be no misunderstanding, that we want more black lawyers in the profession," said Smith. "Our society does not make any distinction on grounds of race, creed or colour."

The need arose not only because there was a shortage of lawyers. People who had been trained in and practised law would bring to the "negotiating table of the future their skills, their understanding and their appreciation of the role the law plays in providing justice for all".

This year, the legal profession had provided 27 bursaries worth a total of R65 000 for underprivileged students. So far, 147 black students had been helped to qualify for the LLB degree, and there were now more than 700 black lawyers in the country, compared with fewer than 300 six years ago.

Smith acknowledged the difficulties the students faced. The constraints on them studying for five years were enormous, and their efforts came "against a grind of daily life so unlike the happy and carefree student days many of us remember".

He referred to the increase in funding of the Legal Aid Board from R9,5-million to R12,9-million, but said that was still far from adequate. He asked whether the Treasury had a proper appreciation of "what the whole system of justice can contribute by way of bringing stability to the country".

Within the attorneys' profession, the greatest dissatisfaction at the moment was the fact that jurisdiction of magistrates' courts had been vastly increased without any increase in fees.

"The lawyers of this country simply cannot understand why it takes months and years and, sometimes never, to bring their hard-earned fees onto any kind of realistic level.

"I urge the Department of Justice and the Rules Board to place this matter at the top of its agenda," said Smith.

Career guidance in schools for budding accountants

By ELIAS MALULEKE

THE Association of Black Accountants in Southern Africa has made great strides since it was formed in late 1984.

There were only five qualified black chartered accountants then, but today there are 19 and the number is growing rapidly to meet the demands of the year 2000.

Abasa has created centres and offices in major cities to inspire school pupils to join the field of chartered accountancy.

According to Israel Skosana, president of Abasa, apartheid was the cause of the shortage of qualified black accountants in South Africa.

"Big corporations are still sceptical of accepting blacks as competent ac-

countants in their companies, the excuse being that blacks are lazy or lack the skill. But that is not true," he says.

Skosana was one of five accountants who came together to form Abasa as a tool to motivate fellow-blacks to enter accountancy and at the same time fight to end apartheid in the profession.

Skosana pulls no punches when he speaks about the surroundings he finds himself in as a black person.

"I don't have to," he says. "The fact that a rich country like South Africa has only 19 qualified chartered accountants out of a black population of 26-million speaks for itself.

"Facts cannot be twisted to justify the unjust cir-

cumstances apartheid created for this huge disparity," he says.

To sidestep the unjust circumstances created by apartheid, Abasa has undertaken to take education to the people before their liberation.

"We see apartheid and the inferior education in the same light as other organisations, but we have drawn a line as far as that is concerned to uplift the education of the black child.

"It's a lie that education in South Africa is equal, because you cannot have equality in separateness," he says.

To overcome that, Abasa started by taking career guidance lectures to black schools, established chartered accountants

training centres and approached big businesses to open their doors to blacks.

"We made it clear that employing black accountants in their companies was not a social service but a financial management service for their companies.

"The guidance lectures to black schools is to give the black child the guidance which Bantu Education did not give as it gave the white child.

"We took it upon ourselves to do what the government could not do for black pupils and it is amazing what career guidance can do to open the scope of learning," he says.

"For example," Skosana points out, "career guidance to the schools has helped to boost the image

of chartered accountants among blacks.

"Today we have 52 chartered accountants in colleges and over 100 JC pupils in centres before they go on to universities."

The pressure on big business also bore fruit for Abasa - not only in job opportunities but also in financial grants.

Abasa has created a scholarship fund for black matriculants who want to study accountancy.

"The trust fund was launched with a target of R20-million endowment capital, R12-million for 150 bursaries per annum until 1990 and R8-million for other purposes."

Black students with good JC passes are encouraged by Abasa to register at the centres for chartered

accountants until they pass an equivalent of matric, then it's off to university.

"These centres are privately-owned with highly-trained and qualified staff members to aid the students."

"The idea is to stop our children being fed with useless subjects which put them into the same old fields.

"Black students in schools are taking accountancy, bookkeeping and other subjects at the expense of maths and without maths they have done nothing to equip themselves better.

"We believe a child with a good maths background has no need to do bookkeeping and accountancy at school."

179
B/ruen 1/11/88

Product choice will be limited

By Ann Crotty 11/11/88
In the longer-term the choice of products in SA stores will become more and more limited, says Mervyn King, executive chairman of the Frame Group.

He told delegates that there would be fewer imported goods on the shelves; black spending power will exceed white spending power; the target market will be colour blind and there will be many smaller stores to accommodate the "successful" informal trader as he grows.

In the shorter-term, he said, import surcharges, a weak rand, rising inflation and an economy applying the brakes will impact on the distribution industry.

Mr King also listed a number of factors that would continue to impact on the distribution industry to the turn of the century.

"The spending power of the

non-white shopper; the increase in demand for late-hour and week-end shopping and the establishment of secondary shopping centres at major commuter points.

DEREGULATION

Other factors included the deregulation of trading generally; rationalisation of over-traded retail segments; concentrations of purchasing power swinging away from one area to another area on the abolition of the Group Areas Act of the privatisation of an industry; changing shopping patterns from the rural to the urban areas; specialisation in segments of the distribution industry."

Elaborating on the deregulation of transportation, Mr King noted that it was having an enormous impact on the distribution industry.

"The mini-bus industry has re-

sulted in the non-whites and the underprivileged classes generally being able to be more mobile". The consequence of this increased mobility is that shopping patterns have changed in the CBD area which has meant that merchandise mixes in stores have had to alter.

"The mix is interesting because the bulk of the trade is done with the non-white shopper and yet merchandise must be kept for the white shopper who does his shopping at lunch times during the week."

Referring to squatters, Mr King stated that it had to be accepted that these people are not going to go away, and "like the pavement traders, one has to start accepting the inevitability of their presence. The authorities have to try to legalise the situation and improve their lot."

Product choice will be limited

sjw By Ann Crotty 11/11/88
In the longer-term the choice of products in SA stores will become more and more limited, says Mervyn King, executive chairman of the Frame Group.

He told delegates that there would be fewer imported goods on the shelves; black spending power will exceed white spending power; the target market will be colour blind and there will be many smaller stores to accommodate the "successful" informal trader as he grows.

In the shorter-term, he said, import surcharges, a weak rand, rising inflation and an economy applying the brakes will impact on the distribution industry.

Mr King also listed a number of factors that would continue to impact on the distribution industry to the turn of the century.

"The spending power of the

non-white shopper; the increase in demand for late-hour and week-end shopping and the establishment of secondary shopping centres at major commuter points.

DEREGULATION

17b Other factors included the deregulation of trading generally; rationalisation of over-traded retail segments; concentrations of purchasing power swinging away from one area to another area on the abolition of the Group Areas Act of the privatisation of an industry; changing shopping patterns from the rural to the urban areas; specialisation in segments of the distribution industry."

Elaborating on the deregulation of transportation, Mr King noted that it was having an enormous impact on the distribution industry.

"The mini-bus industry has re-

sulted in the non-whites and the underprivileged classes generally being able to be more mobile". The consequence of this increased mobility is that shopping patterns have changed in the CBD area which has meant that merchandise mixes in stores have had to alter.

"The mix is interesting because the bulk of the trade is done with the non-white shopper and yet merchandise must be kept for the white shopper who does his shopping at lunch times during the week."

Referring to squatters, Mr King stated that it had to be accepted that these people are not going to go away, and "like the pavement traders, one has to start accepting the inevitability of their presence. The authorities have to try to legalise the situation and improve their lot."

Furniture sales staff compete on equal basis



By Winnie Graham

A top South African company which has eliminated all forms of racial discrimination within its structure is going all-out to give its sales staff — men and women of all races — the opportunity of competing on equal terms in the market place.

Bradlows has just completed a 10-week pilot study at which 33 furniture sales people were trained in human relations and product knowledge. The graduates, who included English and Afrikaans-speaking South Africans and a large number of blacks, have received certificates from the company's director of human resources, Mr Len Segal.

PLANS TO EXPAND

So successful was the course that there are moves afoot to expand the study to include all 1 200 sales people in the 180 store group — including Bradlows, Joshua Doore, World Furnishers, Price 'n Pride and Score.

The salespeople, regardless of race, earn the same basic salary. Top earners (two-third of the company's top 25 sales people are black) take home in excess of R50 000 and R80 000 a year.

Mr Segal told the graduation ceremony that the course was designed not so much to better sales figures, but to improve "confidence and the quality of your lives".

"If you feel good about yourselves, the sales figures will look after themselves," he said.



Black and white sales staff from the Bradlows group display the certificates they received at the end of their 10-week course.

Picture by: Karen Fletcher.

"The whole emphasis of the pilot course is to show that you are special to us."

Black sales people said they had no difficulty selling furniture to whites. Several added they had loyal white customers who returned to them again and again.

Mr Jeffrey Cupido, a salesman from Rustenburg, said: "It is a question of attitudes. If you approach customers in the right way they don't resent a black salesman, even on the platteland."

Mrs Elizabeth van Coller of

Potchefstroom said she had always been nervous of selling furniture to whites because they were always well-informed and took care to inspect furniture carefully.

"I learnt on this course that honesty is important," she added. "The other day a man asked me for solid imbuia furniture, but when I pointed out the cupboard in our store was not solid but finished with an imbuia veneer, he was impressed and eventually spent R5 000."

When he received his certificate, Mr Ike Ntshalintshali of Kempton Park, told the group

the course had broadened his mind and his approach.

Mr Alfred Mahlangu of Middelburg, Transvaal, added: "I guess there will always be a few whites who won't want to be served by black salesmen. When this happens to me — and fortunately it very seldom happens — I ask a white sales person to take over. After all, we don't want to lose the sale."

Starbridge was launched to help close the gap between the races. If you have ideas of how this can be done, write to Starbridge, Box 1014, Johannesburg 2000.

Stokvel boss tells of trust fund plan

The informal sector planned to launch its own version of modern banking to help finance the introduction of more black entrepreneurs into the economic mainstream, it was revealed by Mr Andrew Lukhele, chairman of the National Stokvels Association.

Plans were being laid to channel cash into a special new trust fund that would provide loans to set up business enterprises when funds were unavailable from financial institutions in the formal sector because of their strict procedures with elaborate documentation.

By Michael Chester

Mr Lukhele said the potential viability of such a trust fund was underlined by the fact that more than R200 000 was now changing hands every month inside black communities via a vast network of stokvel savings clubs.

Stokvels had already made a start in bridging the gap left by financial institutions in feeding credit to informal and semi-formal business ventures, where often the amount of capital needed was a modest R200 to R1 500 to

start a hawker or taxi operator or shebeener in business.

At the moment, the Lebowa-based Lebaka Bakery was still the only black-owned company whose shares were quoted on the Johannesburg Stock Exchange and it had been forecast it was unlikely that the JSE would see many more black companies applying for a listing.

"Given a chance, blacks, with their own informal venture capital fund, can turn the tables — and also perhaps allow more blacks to start buying shares in white companies."

Star 17/11/86

Informal sector 'under a mountain of rules'

By Michael Chester

176

Despite assurances from the Government of moves to relax restrictions hindering black entrepreneurs, the informal sector was still forced to operate under "a mountain of rules and regulations hampering us from making the economy take off", said Mr Nico Ferreira, director of Small Business Advisory Services.

"It is difficult to grasp why it is impossible to get rid of these shackles," he added. "There are obviously people who like to keep them."

South African business had a lot to learn from countries such as Japan where close relations had been cultivated between big and small enterprises.

On a recent tour of Japan, a group of black small manufacturers had been impressed to find large companies operating almost purely as assembly plants — buying supplies of components from numerous mini-factories in a well-organised pattern of production flows, Mr Ferreira told the conference.

Black small industries in SA might not yet be sophisticated enough to fill the role of such satellite suppliers, but big business could play a major role in training them to undertake such contracts.

"The size and role of the informal or unrecorded sector has become so significant that the financial institutions will have to come to grips with the issue."

SAW 17/11/88



By Michael Chester

Black suspicion highlighted by Nafcoc's Negota

(176)

Even more than a decade of debate about the virtues of the free enterprise system had failed to win over the universal support of black society, Mr George Negota, of the National African Federated Chambers of Commerce and Industry, told the conference.

The implementation by big companies of controversial clauses in the new Labour Relations Act, such as clearance to sue trade unions, was bound to cause more severe damage to the image of free enterprise as an economic philosophy, he said.

An escalation in attacks by companies on

the Congress of South African Trade Unions and the National Council of Trade now threatened to cause deeper alienation among blacks towards the system.

The prevailing poverty inside black communities was seen as a failure of the free enterprise ideology to cater for the needs of all citizens. Poverty was also attributed to government policies — "and the government is

seen as in cahoots with the private sector."

"The two are coupled as bad players in a political and economic scene that has delegated blacks to the back seat of the economy," he said.

Since blacks had no real access to loans from the financial institutions to take full advantage of deregulation and major business opportunities, privatisation would only serve to increase the eco-

nomie power in the hands of the whites.

Deregulation was bound to be seen not as serving the interests of black business but rather as an opening of doors by the government to white business to enter black business areas.

"We cannot therefore condone the activities of white business in building shopping complexes around black townships. The truth remains that it is black business that is targeted for suffering.

"Only big business with massive wealth will develop — and extend their influence by swallowing black business.

"Deregulation and privatisation, without money, will not make blacks better off."

12/11/88

Group aims to find jobs for the people

The "unemployment disease" which threatened to corrode the entire social structure of Alexandra has given rise to a dynamic new organisation known as Progress Through Employment (PTE), which is having growing success in finding jobs for people.

Aware that nearly half the people of Alex were jobless, concerned officials last year invited the private sector's senior management to join them in a rash-storming session seeking solutions to the problem.

Mr Steve Burger, the administrator of Alexandra, said this week that the group soon realised there was no single answer. I decided, therefore, to implement a five-prong plan of attack:
• Whenever possible, jobs would be found for unemployed men and women within the existing commercial and industrial sectors.
• Home industries would be protected and sale avenues identified.
• Training, both formal and on-the-job, would be provided.
• Small business would be prompted and venture capital provided.



Now there's a glimmer of hope for the youth of Alexandra, but much work still has to be done.

Jobs would be created. Just a year ago, in November 1987, more than 200 senior executives from the private sector were invited to a function at the Alexandra Council's offices where they were told of the unemployment problems and its implications for the town.

Progress through Employment was born at this function. Mr Burger said: "The five-point plan was adopted and the association became active within 10 days of its inception." A youth employment centre was opened on the

council's premises to cater for a December employment drive. A project, intended to provide Alexandra pupils with gainful and constructive activities during their Christmas holidays was initiated.

Mr Burger said it was a "resounding success". More than 600 children benefited from the drive. A similar drive is now under way and 2165 companies have been approached with the request to "create a job for an Alex student this year". The PTE bureau placed more than 1 800

unemployed people in permanent jobs between January and October this year. On the home industries front, the Alexandra Craft Market was established and operates on two Saturday mornings a month — once at the Pick 'n Pay Hypermarket, Norwood, and once at Benny Goldberg's in Bramley.

Mr Burger added: "In the longer term a site within Alexandra has been identified as a market place and plans have been drawn up for the erection of a small business/home industries

centre. Funds permitting, this should become a reality in the latter half of 1989." He said great strides had been made with the training of more than 400 students and unemployed adults who are studying at various tertiary educational or training institutes on bursaries obtained through PTE.

Sufficient funds have also been raised to establish Alexandra's first tertiary education facility — the Business and Commercial College. It will accommodate 180 students and will offer four recognised di-

Helping pupils break into the working world

Alexandra's school-going children have not been left to fend for themselves entirely on their own. An organisation known as Protec is operating in the town to help high-school pupils acquire a variety of skills, from study techniques to critical thinking.

About 250 teenage boys and girls from Starward Six to matric visit Protec's headquarters — a warehouse in Marlboro, just a block from Alex — on Saturdays and during the holidays to attend a number of courses which could help them in their studies or in their choice of career.

ENRICHMENT

Mr Rod Barnett, the Alex branch coordinator, described the work being done by Protec as non-formal education designed both as an enrichment and career development programme. "We started in Alex in 1986 with the co-operation and approval of the youth movements," he said. "The Protec programme was initiated when the engineering sector expressed concern at the few who were going for technological based careers. In the black community, particularly, few persisted with maths and science."

The activities of Protec (free to students) have since diversified to include lifestyle courses ranging from problem solving to career counselling. Apart from formal support for academic subjects, it includes training for "World at Work", through which young people are exposed to the realities of the working world. Visits to factories and offices are arranged so that students can see at first hand various career opportunities. During the holidays the organisation tries to arrange work opportunities for the young people on a two to four-week basis. Camps and excursions are also arranged. "The average white child takes books and travel for granted," Mr Barnett said. "Many township children do not have well-educated parents and have not had the opportunity of getting around — all of which is necessary for a well-rounded education." He said Protec students were given all the assistance possible to complete matric, to find a job or enter university. "It is often difficult for young people to study because their homes are so overcrowded," Mr Barnett said. To obtain the maximum benefit from the courses offered by Protec, parents are included in certain programmes. They meet regularly to discuss such mutual problems as teenage pregnancy. Courses on parenting skills were run to help parents understand and assist their children in their studies, Mr Barnett said.

Ploma courses, including Personnel Management (IPM), Marketing Management (IMM), Accountancy (Wits Technikon) and Senior Level Secretarial (Plumans).

Students have already started enrolling for the 1989 academic year, which will start on January 23 1989.

With the assistance of Colgate Palmolive Venture Capital Trust, First National Bank and the Small Business Development Corporation, PTE is now looking at the small business sphere.

Employment is now the conduit through which the Alexandra entrepreneur can obtain the necessary financial assistance for setting up or expanding his own business," Mr Burger said. Paved and permanent stands have been constructed to assist the "informal" trader.

The site caters for 60 small business traders by providing them with a free communal trading area designed to give shelter against the sun, rain and cold.

Further information is available from the Co-ordinator, PTE, P O Box 39719, Bramley 2018, telephone (011) 786-3813.

18/11/88

Group aims to find jobs for the people

The "unemployment disease" which threatened to corrode the entire social structure of Alexandra has given rise to a dynamic new organisation known as Progress Through Employment (PTE), which is having growing success at finding jobs for people.

Aware that nearly half the people of Alex were jobless, concerned officials last year invited the private sector's senior management to join them in a brain-storming session seeking solutions to the problem.

Mr Steve Burger, the administrator of Alexandra, said this week that the group soon realised there was no single answer. He decided, therefore, to implement a five-prong plan of attack:
• Wherever possible, jobs would be found for unemployed men and women within the existing commercial and industrial sectors.
• Home industries would be promoted and sale avenues identified.
• Training, both formal and on-the-job, would be provided.
• Small business would be promoted and venture capital provided.



Now there's a glimmer of hope for the youth of Alexandra, but much work still has to be done.

Jobs would be created. Just a year ago, in November 1987, more than 200 senior executives from the private sector were invited to a function at the Alexandra Council offices where they were told of the unemployment problems and its implications for the town. "Progress through Employment was born at this function," Mr Burger said. "The five-point plan was adopted and the association became active within 10 days of its inception." A youth employment centre was opened on the

council's premises to cater for a December employment drive. A project, intended to provide Alexandra pupils with gainful and constructive activities during their Christmas holidays was initiated. Mr Burger said it was a "resounding success". More than 600 children benefited from the drive. A similar drive is now under way and 2165 companies have been approached with the request to "create a job for an Alex student this year". The PTE bureau placed more than 1 800

unemployed people in permanent jobs between January and October this year. On the home industries front, the Alexandra Craft Market was established and operates on two Saturday mornings a month — once at the Pick 'n Pay Hypermarket, Norwood, and once at Benny Goldberg's in Bramley. Mr Burger added, "In the longer term a site within Alexandra has been identified as a market place and plans have been drawn up for the erection of a small business/home industries

centre. Funds permitting, this should become a reality in the latter half of 1989." He said great strides had been made with the training of more than 400 students and unemployed adults who are studying at various tertiary educational or training institutes on bursaries obtained through PTE. Sufficient funds have also been raised to establish Alexandra's first tertiary education facility — the Business and Commercial College. It will accommodate 180 students and will offer four recognised di-

ploma courses, including Personnel Management (IPM), Marketing Management (IMM), Accountancy (Wits Technician) and Senior Level Secretarial (Pitmans). Students have already started enrolling for the 1989 academic year, which will start on January 23 1989.

With the assistance of Colgate Palmolive Venture Capital Trust, First National Bank and the Small Business Development Corporation, PTE is now looking at the small business sphere.

"Progress Through Employment is now the conduit through which the Alexandra entrepreneur can obtain the necessary financial assistance for setting up or expanding his own business," Mr Burger said.

Paved and permanent stands have been constructed to assist the "informal" trader. The site caters for 60 small business traders by providing them with a free communal trading shelter against the sun, rain and cold.

Further information is available from the Co-ordinator, PTE, P O Box 39718, Bramley 2018, telephone (011) 786-3813.

Helping pupils break into the working world

Alexandra's school-going children have not been left to fend for themselves entirely on their own.

An organisation known as Protec is operating in the town to help high school pupils acquire a variety of skills, from study techniques to critical thinking.

About 250 teenage boys and girls from Starward Six to matric visit Protec's headquarters — a warehouse in Marlboro, just a block from Alex — on Saturdays and during the holidays to attend a number of courses which could help them in their studies or in their choice of career.

ENRICHMENT

Mr Rod Barnett, the Alex branch co-ordinator, described the work being done by Protec as non-formal education designed both as an enrichment and career development programme. "We started in Alex in 1986 with the co-operation and approval of the youth movements," he said. "The Protec programme was initiated when the engineering sector expressed concern at the few who were going for technology based careers. In the black community, particularly, few persisted with maths and science."

The activities of Protec (free to students) have since diversified to include lifestyle courses ranging from problem solving to career counselling. Apart from formal support for academic subjects, it includes training for "World at Work", through which young people are exposed to the realities of the working world.

Visits to factories and offices are arranged so that students can see at first hand various career opportunities. During the holidays the organisation tries to arrange work opportunities for the young people on a two to four-week basis. Camps and excursions are also arranged.

"The average white child takes books and travel for granted," Mr Barnett said. "Many township children do not have well-educated parents and have not had the opportunity of getting around — all of which is necessary for a well-rounded education."

He said Protec students were given all the assistance possible to complete matric, to find a job or enter university. "It is often difficult for young people to study because their homes are so overcrowded," Mr Barnett said.

To obtain the maximum benefit from the courses offered by Protec, parents are included in certain programmes. They meet regularly to discuss such mutual problems as teenage pregnancy. Courses on parenting skills were run to help parents understand and assist their children in their studies, Mr Barnett said.

335

HELP FOR BUILDERS

THE newly-formed Professional Builders Federation aimed at easing the housing shortage in South Africa is to be inaugurated at a meeting at Crown Mines on Saturday.

The federation has been formed to provide black builders and merchants with skills and training according to the federation's public relations officer, Mr Keith Laskey.

He said the federation

Sowetan 23/11/88

By JOSHUA RABOROKO

176

would also provide operators with the advantages and support usually only available to larger companies and organisations.

"The theme of the meeting on Saturday will be the role of the emerging professional small builder in the SA housing crisis," Mr Laskey said.

Delegates from all over the country are expected to attend the inaugural meeting which will be addressed by representatives from the

Urban Foundation, the National African Federation of Chambers of Commerce, the South African Housing Trust and other organisations.

THE Department of Education and Training has in recent years given attention to career education with special emphasis on technical education.

This becomes evident when one looks at figures for technical colleges between 1980 and 1986.

There were only two technical colleges with 401 students in 1980, compared with 20 such colleges with an enrolment of 5451 students in 1986.

One such college is "Isidingo" which means "that which is needed" in Xhosa. The college is sited at the southern end of Daveyton (about 500 m from the Daveyton railway station) on the East Rand.

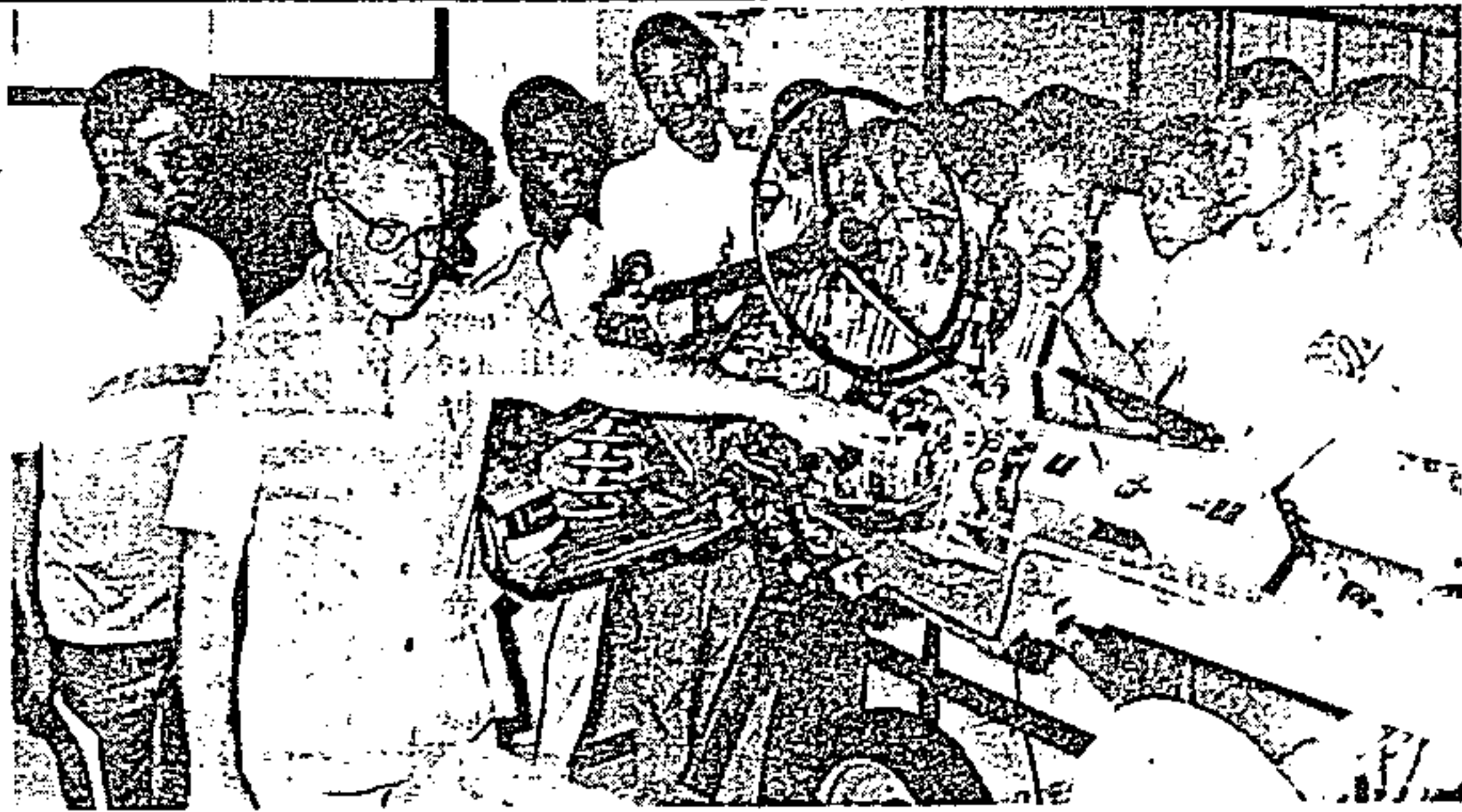
This education centre which caters mainly for Daveyton students and those of neighbouring communities, started operating from temporary buildings at Dinoto Technical Centre, also in Daveyton, in 1983.

Its main buildings were completed in 1984 and the college was officially opened on May 20, 1985.

The college is one of the only three colleges under the DET which this year started presenting practicals on the competency training system. The other two are Thuto-Matlala in Mamelodi and Lekoa in the Vaal.

Mr Andries J Olivier, the college's deputy principal, told the *Sowetan* that the rapid economic development of South Africa in general and of its industries in particular, had led over the past decades to a large shortage of technically skilled people.

He said the establishment of a technical college on the East Rand



Mr HENRY Lyons, a teacher at Isidingo Technical College, explaining the mechanisms of a motor car to his N1 class.

Meeting need for skilled people

Sowetan 23/11/88

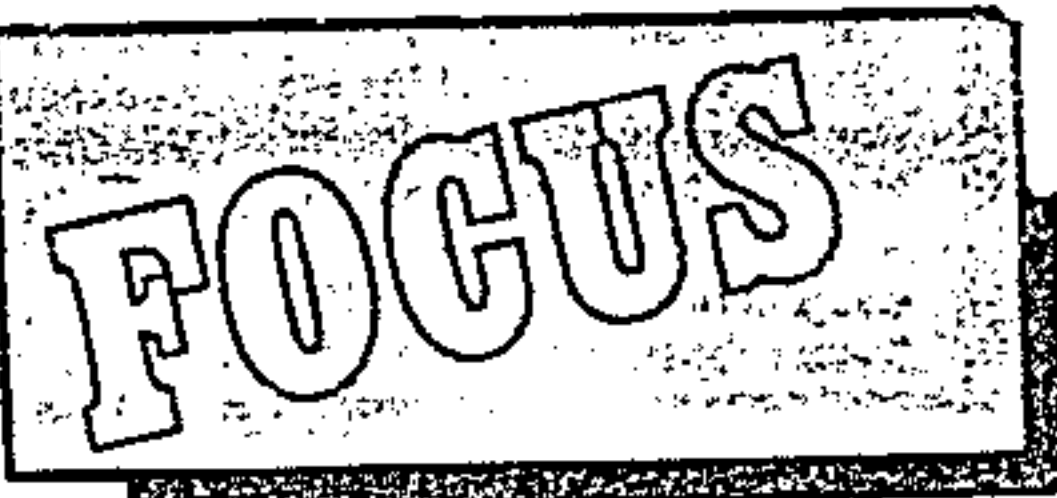


Mr ANDRIES Olivier, deputy principal of Isidingo Technical College.

Growing number of students at technical colleges

was considered a priority in attempting to overcome this technical manpower shortage.

"It is for this reason that our college's main purpose is to provide effective vocational training to young people. We hope that young men and women will move from this college to fulfilling careers in



commerce and industry," he said.

Technical courses offered at Isidingo provide a theoretical training for people interested in motor mechanics, electrical, welding and metalwork, carpentry, joinery and cabinetmaking, electronics, radio and television and motor body repair work.

Release

One of the technical courses offered is a "block release course". Here apprentices are employed and their employers, as a general rule, release them from duty for certain trimesters of about 13 weeks so that they may attend the

By NKOPANE MAKOBANE

full-time theoretical classes at the college.

The other course is the "pre-apprentice training". This course is a one-year full-time course. It is designed for school leaving pupils who want to become apprentices.

During this course, one third of the available time is devoted to theoretical subjects and the remaining two thirds to practical work based on a module system. After the successful completion of the course, the student may find himself employment and register as an apprentice.

The commercial course offered gives an

opportunity to young men and women to equip themselves for a very interesting and lucrative career in the commercial field.

The minimum admission here is Std 8 certificate. Full-time and part-time classes are offered on a semester basis. Subjects offered are typing, accountancy, office practice, communication and finishing.

College

The college also offers culture enriching courses on a part-time basis. They include, sewing, flower arranging, know your car, cake decoration, music, welding art and photography.

No certificates are presented, but a declaration of attendance is issued after the completion of the course.

Mr Olivier said those who enrol at Isidingo — which is proud of its modern facilities — can later move out and make positive contribution to the labour force.

Rewards

"Technical discipline offers unlimited scope in career opportunities where a high level of job satisfaction is coupled to outstanding monetary rewards once qualified," he said.

Inquiries regarding any course or requests for application forms for enrolment should be addressed to: The Principal, Isidingo Technical College, Private Bag X01, Daveyton, 1507.

Application forms are also available at the college. Mr Oliver can be contacted at 424-2107 or 424-3107 or 424-4107.



Political comment in this issue by Aggrey Klaaste and Sam Mabe. Sub-editing, headlines and posters by Sydney Matlhaku. A1 of 61 Commando Road, Industria West, Johannesburg.

The reproduction or broadcast without permission of articles published in this newspaper on any current economic, political or religious topic, is forbidden and expressly reserved to The Argus Printing and Publishing Company Ltd under Section 12(7) of the Copyright Act 1978.

• Write to the Editor at PO Box 6663, Johannesburg 2000. Nom-de-plumes can be used, but full names and addresses should be supplied or the letter will not be published.

Cape launches 'Black Book'

A community-initiated business directory of black business economic activity in the Western Cape has been launched.

The 460-page directory, containing more than 2 600 names, addresses and telephone numbers in different business categories, provides the local community, business institutions, agencies and corporate planners access to the burgeoning black economic sector, according to the publishers.

"The 'Black Book' is a response to the old adage of 'where and who are the black businesses you ask me to support'," Mr Jeffrey Kleinsmith, publish-

176

Staff Reporter

er and managing editor of the *People's Express*, said.

He said the "Black Book" was not a prejudicial directory or an exercise in reverse racism.

"It is an unapologetic, practical attempt to overcome decades of disadvantage and elevate the predominantly black business person — after years of economic isolation and exclusion — to the forefront of business participation in this country."

Bursary available to aspirant black women managers

Sowetan 24/11/88

176

ALTHOUGH the workplace in South Africa is increasingly open to women who now form 36 percent of the workforce compared to 28 percent 20 years ago, top-level training has to be more available to women if they are to fill more executive positions.

This was pointed out

by Executive Women's Club chairman, attorney, Jennifer Kinghorn in calling for applications for the EWC Bursary Fund's 1989 Award — a post graduate bursary open to aspiring black women managers with strong management potential and no other financial means of further study.

The EWC, a body which comprises the country's top executive

women and which promotes the role played by women in senior management, formed the bursary fund in 1985.

In June this year, the EWC awarded its 1988 bursary of R5 000 to a 29-year-old computer science student, Joy Mokgele, enabling her to study for an MBA (Master of Business Administration).

Study

“Our objective is to enable the successful candidate to undertake post-graduate study in fields associated with the business sector. Suitable

candidates should have a university degree and have management potential,” says Kinghorn.

Criteria the EWC council will consider include academic ability, past study performance, economic need and the value of the course for which the bursary will be used.

Applications may be made any time and will be considered in January. Application forms are available from the EWC offices, (011) 880-2408 or (021) 438-9831.

The EWC is sponsored by First National Bank.

'Dynamic force' for change in SA

Women to talk Star 25/11/88 about their role 176 in the economy

By Paula Fray

Economic literacy and development will be the focus of the Women's Informal Training Institute (WITI) consultation symposium at the Wilgespruit Fellowship Centre in Roodepoort at the weekend.

The theme of the symposium will be "Women — transformer and dynamic force for change".

The training and participation of women in the economic life of South Africa would be put under the spotlight during the three-day conference, starting today, said WITI co-ordinator Mrs Lindiwe Myeza.

"Several leading women's groups, including the formidable Black Housewives' League, the National Council of African Women, the Phahamang Women's Club and the professional women's Toastmistress Club, will be present among the lesser known women's



Co-ordinator Mrs Lindiwe Myeza ... attended a United Nations women's conference in Copenhagen.

groups," said Mrs Myeza.

She said the theme would help to educate women and work towards a better understanding of women's role in the economy, a domain that had thus far been dominated by men.

"WITI wants women to become more aware

and be articulate activists in the economy.

"As women we are in the frontlines of every crisis and it is on our shoulders that the final dignity and stability of family life rests.

"It is therefore natural that we should engage ourselves on various fronts to combat whatever threats that may arise," Mrs Myeza said.

Top women's rights speakers and leaders, including Mrs Sally Motlana, national president of the Black Housewives' League, and Mrs Eunice Sibiya, a resources manager for a national beverage company, have been invited to deliver papers that spotlight women's participation in the economy.

The topics include women and tax, shareholding, and financial empowerment.

Mrs Myeza attended the 1980 United Nations Half Decade for Women conference in Copenhagen.

Nafcoc opens shopping centre

176
~~246~~

some four
2/12/88



Mr CYRIL Zwane . . .
Nafcoc manager.

NAFCOC'S new shopping centre will open tomorrow says property manager, Mr Cyril Zwane.

The centre covers an area of 10 000 square metres and will have 48 shops. It was built at a cost of R13 million. All the shops have been snapped up and will cater for customers from Soshanguve, Garankuwa and Mabopane. The centre is situated just behind the Nafcoc offices.

"There is a need in the area for a shopping centre of this nature. We are creating a new type of shopping for South African blacks," Mr Zwane said.

The shops include fast food outlets, clothing

By NTHABI
MOREOSELE

shops, a supermarket, department store, furniture and hardware, two banks, a florist and a jeweller. An unusual feature will be the art gallery.

The centre is the first phase of a development which will be followed by a training centre mainly for middle management.

Forty percent of the shops have been leased to family operations, and the other forty percent to established black business and five of the shops will be run by women.

Small business is now looking like big news

Str 2/12/88
176

By MICHAEL CHESTER

The chasm between big business and the small entrepreneurs is narrowing rapidly, and this could boost the free enterprise concept in South Africa.

Plans are being laid by the Small Business Development Corporation (SBDC) to launch a novel contact-maker scheme to bridge the chasm between big business and thousands of mini industrial and commercial ventures now in operation.

The SBDC is compiling a series of special trade directories as shop windows on small business to guide larger companies on where to find the new generation of mini-businesses — and see where they can fill the role of sub-contractors in their chain of suppliers.

Nationwide network

Most of the mini-businesses have been launched in the phenomenal expansion of the informal sector since the Government started to bow to pressures to lower the bureaucratic barriers that have hamstrung black business initiative.

SBDC managing director Dr Ben Vosloo envisages the creation of a nationwide network in which small businesses act as satellites around the production hubs run by bigger corporations.

The radical concept of mini-enterprises working as satellite sub-contractors is gaining support among a growing list of experts now advising South Africa to help the entry of the informal sector into the main economic mainstream by tapping the potential of closer big/small business co-operation.

Among the advocates is Mr Theo Rudman, executive director of the Self-Employment Institute, who believes the system has provided the main thrust behind the economic success of Far-East countries such as Japan and Taiwan.

The SBDC has already begun the preparation of contact-maker directories of all the operations at work in its network of industrial parks and "industrial hives", which it runs as incubators where budding entrepreneurs are provided premises to hatch their business skills.

Expanded catalogues — packed with the details of entrepreneurs, from carpenters and welders to accountants and motor mechanics — are expected to be in circulation next year.

Outer fringes

"Many small businesses and most black entrepreneurs still find themselves on the outer fringes of the developed business world," says Dr Vosloo.

"Yet, finding a first foothold in the big business environment and access to wider markets has become vital to their development now.

"Large corporations in South Africa have tended to be conservative and deal on the whole among themselves. Small businesses, especially black informal sector, have some justification in claiming that they are ignored by the white big business world.

"However, a growing number of small entrepreneurs have managed to penetrate the corporate structure and become suppliers. We aim to encourage the trend.

"Small businesses do not expect handouts, but rather an opportunity to fill a bigger role in the economy. Big business will find that benefits flow in both directions.

"If one examines the remarkable economic achievements which have been made in South Korea, the United States, Japan, West Germany, Taiwan and Hong Kong," says Dr Vosloo, "it is notable that almost without exception these countries have encouraged the development of a competitive and well-integrated small business sector.

"They have all channelled a substantial share of their financial, human and technological resources into building strong and vigorous small business sectors into their economies, with close linkages between large and smallscale industries.

"Sub-contracting, with all of its mutual benefits, is a commercial practice that still has a long way to go to realise its full potential in the South African market."

"Big business has to concede that time, and time again, it can be shown that small businesses are able to provide specialised goods with better quality and at better prices. In turn, closer links provide small businesses with a wider market, stimulate competition, and allow better access to technology.

"The lowering of restrictions and barriers that have started to allow the launch of more small business ventures should open new vistas to the South African economy. It could be disastrous to ignore the chance to turn the ignition key to start the new economic motors."

T
e
d
T
e
e
o
2
v
n
I
r
C



Nafcoc shopping complex opens

By SOL MORATHI

CPREN 9/12/88

AN ultra-modern R13-million shopping complex will be opened in Soshanguve tomorrow.

The 10 000 square metre complex has been developed by the National African Federated Chamber of Commerce and Industry.

Set in a bright blue and red framework, the double storey Nafcoc centre will cater for Soshanguve's 110 000 residents, plus Mabopane's 100 000.

"It is about time the standard of

living in the townships was uplifted to compare with the white cities and towns," said Nafcoc's property manager, Cyril Zwane.

"This mega complex has been designed to do just that."

Zwane said most of the township's residents would no longer have to buy in white areas because they would have convenience on their doorsteps.

The complex will house a Black-chain supermakert, a hardware store, surgery, fast food outlets, dry-cleaners, boutiques, a night-club, and a bank.

The construction of the complex began in February last year.

Zwane said the tenants had promised outstanding service and would wage a full-scale war to undercut prices.

He added that parking facilities for about 1 000 cars had been provided and "the potential patrons of the centre can expect much more in the way of dynamic marketing concepts and on-going promotions".

He said the community would benefit tremendously from the centre.

SBDC brings out helpful publication

176
20

By JOSHUA RABOROKO

THE Small Business Development Corporation has published a simple, easy-to-understand fact sheet explaining the role of small business in the South African economy.

The publication appropriately entitled "small business and the South African economy" is available from SBDC's managing director, Dr

Ben Vosloo.

He said: "This fact sheet is one of the many fruits of South Africa's first national small business week which was successfully held earlier this month.

"The production of this publication was triggered by the discovery that not a single accessible document elucidating the important relationship between small business and the

So wetem 7/12/88

South African economy existed.

In so doing, Dr Vosloo said, the publication provided a concise and perceptive view of the challenges facing the South African economy.

The first 10 000 copies will be primarily targeted at decision-makers in the public and private sector, but will also be available to educational institutions and individuals on request.

By Michael Chester

"Spaza shops", run from the backdoors of private homes in the black townships — long hidden away from the prying eyes of the law and the taxman — now account for a combined trade turnover of R3 000 million a year.

The estimate of the phenomenal size of the spaza business, virtually unknown to the white community until lately but a common feature in black society, has been revealed in a survey carried out by marketing consultants Perry & Associates, of Johannesburg.

GIANT-KILLERS

The researchers disclose that spazas command business turnovers whose magnitude challenges the size of sales by such giant supermarket chains as Pick 'n Pay, OK Bazaars and Checkers.

Spaza is a Zulu slang word for "dummy" or "camouflaged", an expression used to describe the way traders were forced to operate out of view because they usually broke all the rules and regulations that held back the launch of black business ventures.

But they are now emerging from the shadows in the vast expansion of the informal sector as relentless reform pressures force the Gov-

Turnover puts spaza shops in big retail league

ernment and local authorities to relax the masses of red tape.

The typical spaza, say the researchers, consists of a section of a private house that has been converted into a retail grocery store — perhaps a spare bedroom or garage, or even a corrugated-iron shack at the back of the house.

They are rarely spotted by strangers — especially officials. But they bustle with business among neighbours who like the convenience of a shop around the corner to save them travelling long distances to the big shopping centres.

Their clandestine operations have also often solved the problem of the scarcity of land for development of retail services in black areas.

Almost without exception they are a purely family initiative.

"The sophistication of a typical spaza shop would surprise many people," says Mr Mike Perry, head of the marketing consultant firm.

"Often, garages have been converted into extremely adequate stores, with electronic cash registers and freezers to store meat, chicken and beer.

"All items are neatly packed and categorised, with tinned and packaged goods sorted out according to the type of product."

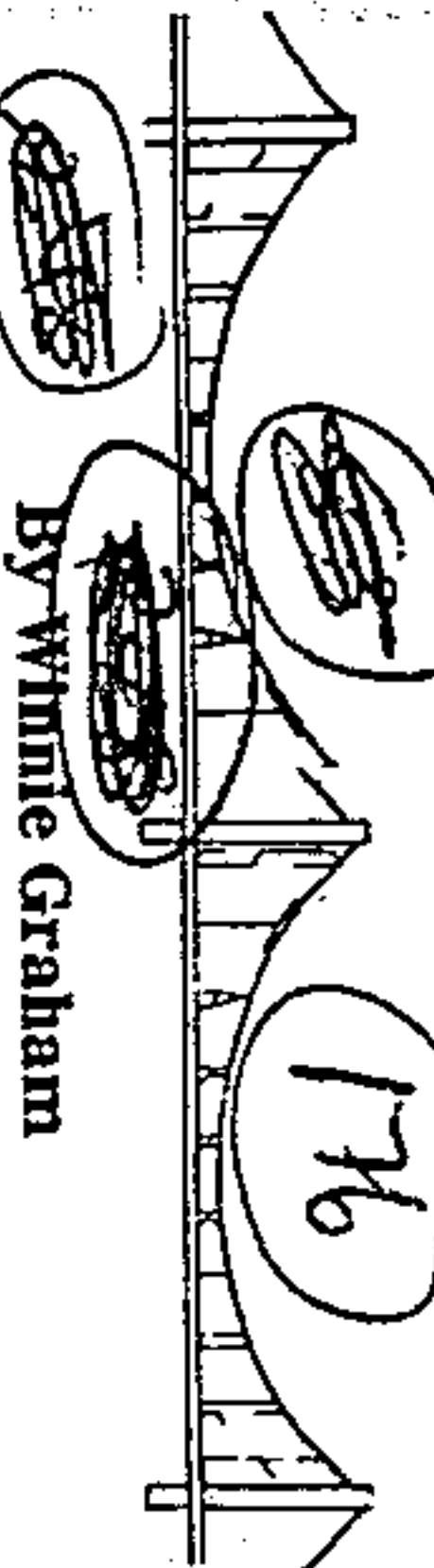
HIGHER PRICES

Prices are usually much higher than in supermarkets and corner cafes in white areas: 1 kg of sugar might cost R1,50 in a spaza against R1,22 in a supermarket; tinned spaghetti, about 49c in a supermarket, might cost R1,20.

The survey found the lowest turnover was put at R100 a day in the week, rising to about R200 on Saturdays and Sundays — meaning a turnover of R3 800 a month.

The top of the range was a spaza in Soweto with a monthly turnover running at R31 000.

Scheme trains black accountants



By Winnie Graham

The student sponsorship programme, initiated by the Chartered Institute of Management Accountants (CIMA) to assist in the training of black management accountants, is set to provide South Africa with its first black management accountants within three years.

Ms Diane Schneider, CIMA's administrative officer, said yesterday that at the end of last year 23 students completed an intensive first year of study and would now work for their sponsoring companies, continuing their studies on a part-time basis.

She said students who had done well in mathematics and English in the matriculation examination were now being interviewed for the first year of the new course — which would be run in Johannesburg and Port Elizabeth this year.

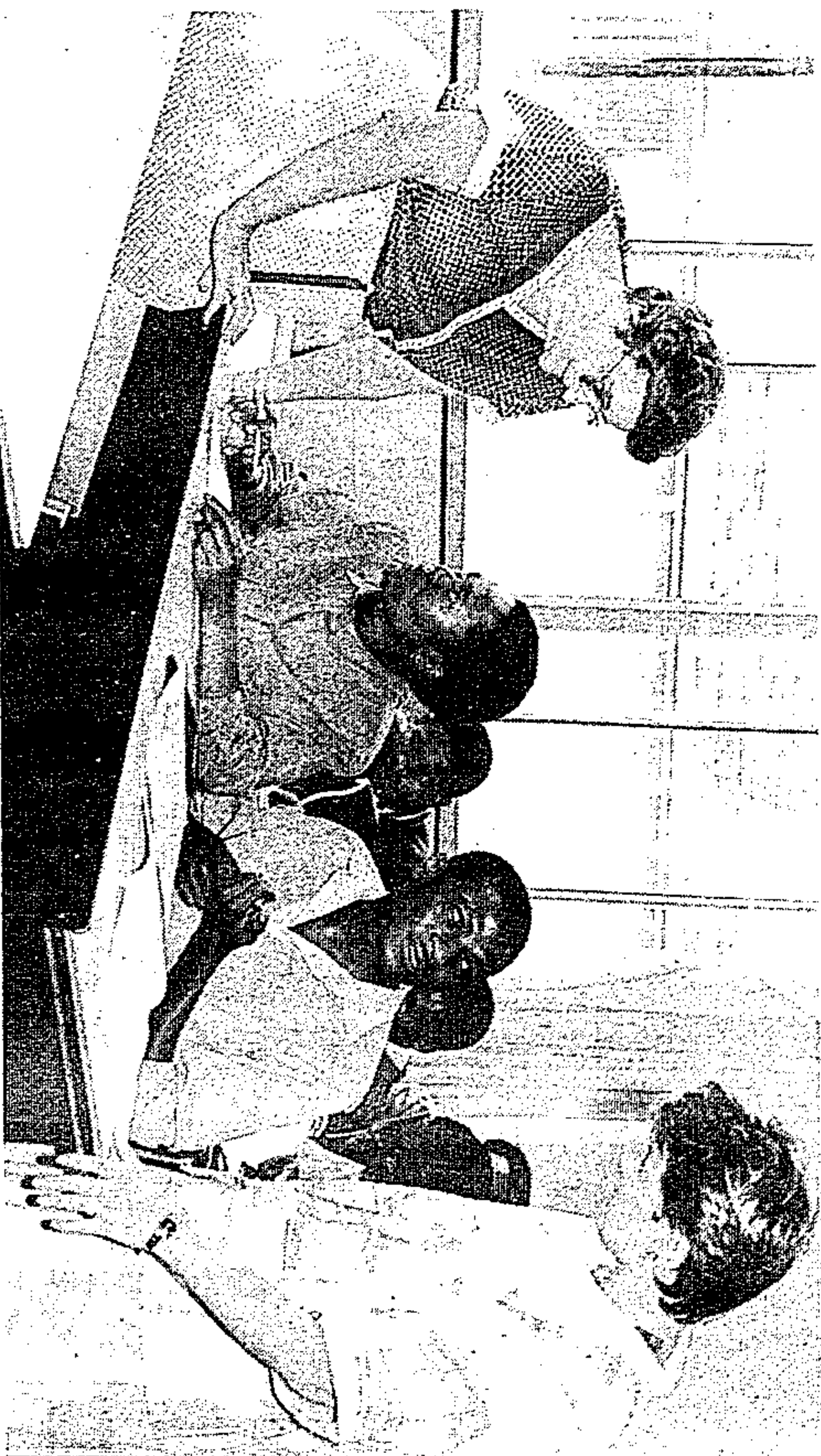
Racial imbalance

At the moment there are no black management accountants in South Africa, against about 800 whites in the profession.

When the student sponsorship programme was launched last year, Mr Terry Burgess, the president of CIMA, said a bold initiative was required to redress both the racial imbalance and provide for the growing demand for these professionals.

"The institute needs to attract the black and coloured population to the profession to meet the growing demands," he said.

Superficial research by the Association of Black Accountants has revealed accountants and people with financial management skills provided at least 60 percent of the executive and managerial skills of major companies and enterprises in South Africa. Blacks are the least represented in the accounting



Black management students at work. Left to right are Mrs Denise Jenkin, president of the SA Council of the Chartered Institute of Management Accountants, Miss Snowy Ndaba, Mr Ishmael Ndlovo and Miss Diane Schneider, administrative officer.

profession: statistics show there are only 17 black chartered accountants, only 60 accounting technicians, no qualified black municipal accountants and few chartered secretaries.

Mr Christo Nel, a business consultant, has predicted that at the current rate of economic growth, South Africa will need 116 000 new managers by the year 2 000. The maximum number of whites who can expect to become managers is estimated at 40 000. The

remaining 80 000 will have to be blacks.

The low number of developing white managers has been attributed to the average age of the white population. More than 50 percent of South African whites are over 35. In contrast, the black population is youthful: 50 percent are under the age of 15 and 80 percent of all blacks are under 30.

The sponsoring companies contribute R6 000 towards the training of each student.

Assimilate blacks, says Motsuenyane

THE major task for Vaal sub-region of business was to confront Soutacoc in Sebokeng, the South African Dr Motsuenyane said Government on the blacks were still faced future assimilation of with negative laws such blacks into the economy, as the Group Areas Act, the president of Nafcoc, the Land Act, and many Dr Sam Motsuenyane, others, despite progress said this week. made since the mid-

Addressing delegates at the inauguration of the

1970s. He said the challenge that faced blacks was that the majority of black businessmen lacked management training because "black education in the past was too academic".

Blacks also lacked access to capital and that was largely due to being deprived of ownership of property and collateral.

He urged members to unite black business in an endeavour to enable them to speak with one voice on matters affecting their interests.

They should also create appropriate institutions to foster the development of the black community as a whole.

Sowetan 26/1/89

Courses boost black business

IN an effort to stimulate and ensure the prosperity of black business, the Small Business Development Corporation has designed a range of short, practical, training courses to meet the needs of emerging and existing black entrepreneurs.

Co-ordinator of the programme, Mr Kenneth Fisher, said yesterday that the programmes being offered are: strategies for survival; how to start your own business and how to draw up your business plan.

The courses are scheduled to start in February at the following centres:

- Funda Centre, February 9, 6pm to 9pm;

- Pennyville — February 8, 6pm to 9pm; and
- Soshanguve — February 7, 6pm to 9pm.

Mr Fisher said the training of black business people played a paramount role in improving the standards of the entrepreneurs.

"The problem is that many people are so preoccupied or obsessed with their business idea or dream that they fail to see and admit that there might be a potential flaw in their plan," he said.

The courses will offer broad schemes that will benefit everyone.

Please contact Magda Britz, Yvonne van Vuuren or Faith Mngomezulu at (011) 643-7351 for information.

Paper looks at context of the small business

176 RIAAN SMIT

LEGAL and economic constraints on small businesses, particularly those run by blacks, have formed the major focus of research into SA small business up to now.

However, a recently published workshop report by Wits University's Centre for Policy Studies (CPS) focuses on whether certain helpful factors exist — other than the absence of legislation or other forms of discrimination — which might foster the development of successful small business activity.

Context

The workshop was organised by the CPS, Wits University's Graduate School of Business and the Institute for the Study of Economic Culture at Boston University.

Gillian Godsell, the co-editor of the report entitled *The Social Context of Small-scale Business Development*, says the factors investigated by the workshop include the family, economic group and ethnic minority in which the entrepreneur functions.

The report does not pretend to be exhaustive. It offers perspectives on small business activity and its results in other parts of the world which may be applicable to SA.

Prof Gordon Redding of Boston University discusses his research findings on entrepreneurs in the Far East.

Association

"Economic development around the Pacific Rim appears to offer clear examples of undeniable economic success in an equally undeniable non-Western mode," Godsell says.

Prof Brigitte Berger, also of Boston University, gives a comparative overview and argues that it is the association of numerous small enterprises, rather than big business, which may be the key to industrial society.

The report is available from the CPS.

Courses for small business

By Deborah Smith
Pretoria Bureau

The University of Pretoria has stepped in with a new management course to close the gap created by a growing number of entrepreneurs.

The course, directed at the small businessman, is to be instituted to train managers in functional areas such as administration, marketing, buying, personnel management and the strategy of small business management.

Only people who own a company or manage a business may enrol for the course.

Lectures will be made available for the participants to apply in their own businesses, so the participant's business will in fact act as a case study.

The practical application will then be discussed at the following lectures.

The advantage of the course is that basic theoretical principles can be applied, said course leader Professor Ludi Koekemoer.

A three-day-long summer school for revision will precede the October exams.

The course will commence on March 11 in Pretoria and Nelspruit and will consist of a Saturday monthly meeting.

For further information contact Professor Ludi Koekemoer at 012-4203144.

BIDC 29/3/89

Boost for black business

A PRIVATE US foundation has launched a programme to boost formal and informal black business associations and to help them articulate their economic and political muscle.

Foundation for Africa's Future director Thor Ronay said the Anglo American Chairman's Fund would support the project.

Peruvian free marketeer Hernando de Soto, whose pro-deregulation book *The Other Path: The Invisible Revolution* has revolutionised economic thinking in Latin America, is aware of the project.

Ronay said the project aimed to demystify those engaged in the informal

PETER DELMAR (176)

sector, give them a voice and plot a strategy for rapid growth.

It would analyse existing black business associations and develop their resource bases, professional skills and other fundamental functions.

A foundation submission to the Anglo fund said structures had to be developed in the black community to stimulate growth and reward individual initiative if SA was to realise its potential as a market-oriented democracy.

The immediate goals of the black

● To Page 2

US foundation to aid black business

business association development programme were listed as analysing various associations, determining how to improve their ability to function "as advocates for reform and growth" and developing their resources, professional and administrative skills and community relations.

"The long-term goal is to enable the associations to perform increasingly sophisticated and necessary tasks typical of such structures."

These include:

□ Micro-economic analysis of existing conditions. How legal structures and other practices and norms adversely af-

fect market entry, market incentives and growth.

□ Documenting the extent to which structures, practices and existing law result in systematic constraints on economic intergration and to count the cost of "enforced informality" to the rest of the economy.

□ Creating constituencies for growth and change by means of a "public education" process involving the dissemination of the above analyses.

● See Page 4

114 = a1
1207 1000

R105 000 p.m. on Friday 29/3/89
24 290 p.m.
507 p.m.

By NKOPANE
MAKOBANE

THE names of eight black South Africans who have been awarded this year's Harvard/South Africa Fellowship have been announced.

The fellowship programme — which celebrates its 10th anniversary this year — offers opportunities for mid-career study to several South Africans each year. It is administered by the South African Institute of Race Relations.

This year's fellows are: Miss Juliette du Preez, a retail manager at the First National Bank; Mr Mahomed Seedat, an engineer at Amcoal's New Denmark Colliery; Professor Arjuna Naidu, head of the Department of Constitutional and International Law at the University of Transkei; Mrs Dora Sekhukhune, a matron at the Millsite Hospital and tutor in nursing administration at Sached;

Mr Steward Lunka, a branch manager at the SA Perm; Mr Mandla Tyala, a senior journalist on the *Sunday Times*; Mr

Harvard

winners named

Muhammad Mayet, an architect specialising in urban design; Mrs Mirriam Zwane, head of the Social Sciences Department at the Soweto College of Education.

Mr Theo Coggin, deputy director of the institute, said many of the applicants aimed to provide "role models" whose example would encourage others to break through barriers of defeatism and prejudice and occupy leadership positions in an increasingly black-managed society.

UPGRADING BLACKS

176
VBA

A SEMINAR on "manpower development; to the year 2000" is to be held in Johannesburg tomorrow at 8am.

It is the first of a series that will be held in other parts of the country this year, according to coordinator Tayyabah Madga.

Among the organisations involved are: the Association of Black Accountants, the Black Management Forum, the Education Opportunities Council, the Education

By JOSHUA RABOROKO

Support Group, the National African Federated Chambers of Commerce, the National Medical and Dental Association, the SA Black Social Workers Association and the SA Long Distance Taxi Association.

The seminar was aimed at creating awareness of manpower needs and at upgrading,

uplifting and training people from disadvantaged communities.

"They will improve the education standard of our people in preparation for the future. Our conviction is that any successful planning for the future must of necessity involve all the concerned people of South Africa," the coordinator said.

• A one-day conference on economics of social responsibility will be held at the Indaba Hotel, Sandton tomorrow, starting at 7am.

Sanolam 15/1/89

WOMAN

By NTHABI MOREOSELE

Patience made her dream a reality

176
Sowetan
15/3/89

MRS Edith Patience Nkosi firmly believes that dreams

should be made a reality. She runs a dress-making and a modelling school in Benoni, a lifelong dream that became real in 1987. But she is already planning to

open a clothing factory.

"I come from a family of designers and dress-makers," Mrs Nkosi said.

"My sister is a top dressmaker and designer in Pietermaritzburg. When I was young I used to draw pictures of dresses I liked. I learned to sew at an early age from my mother," she said.

"I was a competent dressmaker but I decided to acquire qualifications as I wanted to open a dressmaking school. Many women had told me they wanted to learn but did not know where to go.

"I enrolled for a course in interior design and decoration with Nan Spurway and for another certificate with an international correspondence school in Cape Town."

Mrs Nkosi moved to Benoni after getting married and worked for a number of interior

decorating shops. After work she would go home and work on her own projects.

She branched out on her own in 1976. She occupied a tiny room in town and was overwhelmed by the orders.

The Small Business Development Corporation gave her R500 to expand her business. She moved to bigger premises and opened a school. She has eight pupils who learn everything from sewing to knitting.

"I have expanded into leatherwork and knitteds with the help of Mr Steven Nyembe who is a qualified designer."

"I plan to open a factory so that the community can benefit through new jobs and beautiful clothes. The modelling school which is run by Mr J H Cotzeer is also doing well. One of our models won two competitions last year.

"Kgotatso, who is Miss Savells and Miss Business Challenge, is going to Mauritius on a modelling trip. She also won a three-year scholarship to Britain."

MRS Edith Nkosi showing a one-off beaded caftan design.



middle managers occupy strategic positions. They implement black advancement and training programmes and thus help determine the entry of blacks to managerial positions. They interact daily with organised black labour.

The SA Foundation recently commissioned a survey of white middle managers from 36 companies in the PWV area to test their views on black advancement, business and social change.

It not only reveals that their views on broader socio-economic and political issues do not differ substantially from those of mainstream white opinion, but also that to a surprising extent there is considerable accord between their attitudes and those of senior business leaders on reformist issues.

There is, however, one key difference of opinion — white middle management shows signs of sharp hostility towards organised black labour.

White middle managers still dominate the organisational frameworks into which both black managers and workers must fit. Their attitudes thus impinge directly on both the tenor of industrial relations within companies and on the upward mobility of blacks in the business world. Our survey reveals a somewhat mixed picture.

All those interviewed expressed support in principle for black advancement. All endorsed the concept of equal opportunity. Afrikaans- and English-speakers alike accepted the importance of increasing black management and eliminating racial discrimination in the workplace.

On the other hand, when it comes to black advancement programmes in practice, white middle managers expressed considerable reservations. Only half regarded such programmes in their company as being a success. Some 41% felt many black managerial appointments were purely tokenistic.

Some white middle managers reveal doubts about the innate ability of blacks as managers, citing deficiencies in black education and training, or cultural traits such as punctuality and difficulty in adapting to white corporate culture.

White management supports and resents black advancement

Bisness 30/5/89

GAVIN LEWIS

Some managers, albeit a minority, clearly base their cultural rationalisations on essentially racist criteria. More than half of those interviewed identified white racism as a key obstacle to black advancement.

Status and occupational anxieties prompted by the threat of black competition would seem to play a key underlying role for those who reject black advancement on racial grounds; particularly those at the lower end of the middle management scale for whom black mobility seems a threat to their own prospects.

Two other major factors impinge on the attitudes of white middle managers to black advancement. The first is a widespread rejection, particularly among Afrikaans-speakers, of reverse discrimination or affirmative action, as opposed to equal opportunity. A full 90% of respondents rejected affirmative action in principle, arguing strongly for promotion on merit alone.

The second factor is their experience of black trade unionism, a relatively recent phenomenon in SA to which management has had to adapt rapidly.

A major difference between middle managers' attitudes and those of top executives lies in their approach to organised black labour. Afrikaans managers in particular find it difficult to cope with trade unions' rejection of organisational hierarchies and of established lines of authority.

Little sympathy is expressed for the position of black unions.

Unlike top executives, middle managers interface with organised black labour on a daily basis. This accounts to some degree for their varying attitudes towards it, with managers expressing considerable hostility towards the conduct of black trade unions.

The experience spills over into their attitudes to black advancement in general and to other areas, such as employee share opportunity programmes (esops). Most managers support esops in principle, but not if they are used as a mechanism for affirmative action.

Most white middle managers (in the PWV area at least) are largely unaware of the wider implications of militant black labour, and of the reasons for the politicisation of black unions.

Some 59% of managers interviewed insisted that black trade unions should not involve themselves in politics. Almost the same proportion rejected stayaways as a legitimate form of protest.

In this respect, white middle managers' views fit in with those of mainstream white opinion, no doubt for much the same reasons. The survey also reveals that such attitudes among white middle man-

identified the intervention of top management, both to initiate and sustain black advancement programmes, as a key factor accounting for their success — indicating an otherwise hostile environment for such programmes.

There is a proliferation of programmes to produce and extend the ranks of black management. Important as such programmes are, there may be a need to educate white middle managers to cope with the changing demands of a post-apartheid society.

Much of the conservatism of white middle managers regarding black advancement can be ascribed to their stressful experience on a daily basis of newly unleashed organised black labour.

Top executives, it would seem, sometimes forget the pressures confronting managers in this area, indicating a need for better communication between, and consultation at, various management levels on all relevant socio-political and economic issues.

On the whole the picture is encouraging. As the "men in the middle", white managers have to reconcile company policy with the realities of day-to-day encounters with assertive and powerful black unions.

White middle managers have the power to intervene in reshaping industrial and race relations within companies. They can help ensure the success of black advancement programmes, so badly needed for developing management material into the 21st century.

Alongside more conservative traits, white middle managers appear to endorse the process of change away from apartheid and racial discrimination. They deserve greater support in their attempts to adapt to the realities of a changing society.

In the process, white middle managers have the potential to become an important factor in building and sustaining a broader constituency in society as a whole for peaceful change in SA.

Dr Lewis is director of the SA Foundation's Johannesburg office. This is an excerpt from his article in the current edition of the SA Foundation Review.

WOMAN

Top models open a school

TAKE two high profile models, add a young trainer of beauty contestants and the result is a black modelling school.

Siyazazi is the brain-child of Nakedi Ribane, Sonto Mazibuko — both with good modelling and showbiz credentials — and Benjamin Moleleko who trained the current Miss Black South Africa.

"The school was launched at the beginning of the year in response to the need for a modelling school that will turn aspirant black models and beauty con-

testants into professionals," Nakedi said.

"Our services are also open to anyone who wants to be groomed. We feel that everything that modelling schools teach to their trainees is also valuable for other people in the community.

"Every woman has to know about skin and hair care, wardrobe planning and posture, for example. It is NOT only those who want to follow a career in beauty who have to know about these things." She said though the

course was open to everybody, people who wanted to become models would not be misled if they did not have the qualities.

"People will be advised if they are not model material. Our object is not to cheat people by promising them that we will turn them into professional models.

"We will tell them when they are not suitable and encourage them when we feel they have the qualities."

Nakedi, who has been a model for 14 years and currently appears on a TV3 serial, said she hoped that the course will bring some professionalism to the way black models and beauty contestants carried themselves on and off stage.

"Very few of the young girls who enter for these beauty competitions have any background training on stage presentation. Some of them go on stage and embarrass themselves. It is very im-

portant, for example, for anybody who is going to parade in front of people to look neat. Basic things like shaving are very essential.

"If our models want to be treated like their white counterparts they have to strive to be on the same level of efficiency. They should be competent enough to meet their professionalism. They should not always blame everything on discrimination."



Miss SONTO Mazibuko, model and professional dancer.

Nakedi said that they were looking at inviting guest tutors — professional dancers and experts in various fields — covered by the course — to address their clients. "Our goal is to start an agency that will be there forever to serve our people. There are lots of black designers who need exposure. They cannot afford the prices charged for models. "We hope to make our services open to them and help them launch themselves into the market through fashion shows." For further information interested people can call Nakedi, Sonto and Benjamin at 23-2670 or 988-6311. The school is at the Medical Centre Room 722, seventh floor in Jeppe Street, Johannesburg.

Experts

The course, which incorporates dance, lasts for four weeks. Twelve lessons are offered three times a week. There are also weekend classes for people who cannot attend during the week. The dance course, which will be offered by Sonto — a professional dancer — lasts two months if taken on its own.

'Everybody will benefit'

Call to fire up giant engine of black business

By Winnie Graham

White South Africa could no longer afford to maintain an under-developed black majority in a First World environment in a country still in its developmental stages, Mrs Mandi Maepa, national communications manager of the Standard Bank, said at the Matchmaker Fair in Johannesburg yesterday.

The fair is being held at the National Exhibition Centre, Crown Mines, this week to give small black businesses an opportunity of displaying their products and services to corporate buyers.

'Economic dwarf'

Mrs Maepa said it was common knowledge that black business had been stifled and choked over the years so that today it remained an "economic dwarf" which contributed very little to the value of the country's gross domestic product.

It was evident, she added, that if this trend continued, South Africa would become more and more impoverished and no resident would be able to escape the resulting drop in the standard of living.

"My message to you is that we, the business community of South Africa, black, white, big and small, need to work together and to aim at fostering day to day economic relationships.

"We have a very important role to play in the economic and social well being of the country and we should constantly be looking for opportunities



Mrs Mandi Maepa . . . black business has been stifled.

to do business in a more productive and professional manner."

White business was not doing black business a favour. The growth of black business would ensure that everyone enjoyed the benefits of interacting with a large number of high calibre businessmen throughout the country.

If the corporate world did not respond to the call for black business development, we would suffer the consequences of our neglect in the future.

"The challenge is to work together towards improving the competitiveness of black small business in South Africa," Mrs Maepa said.

SPREAD YOUR WINGS

776
008

Southern
26/5/69

QWAQWA Chief Minister Dr T K Mopeli yesterday said blacks have to start more businesses — both big and small — in order to provide jobs and create wealth for the nation.

Addressing the annual conference of the Qwaqwa Chamber of Commerce in Harrismith, he said the time was ripe for black business people to focus their attention much wider than just retailing and distribution.

“More emphasis has to be placed on enterprises such as manufacturing, data processing, tourism, property development, finance houses and other business sectors.

“We do not for a moment hesitate to state



CHIEF MOPELI

that we are totally committed to the system of free enterprise. We will do everything possible to ensure that we create the wealth of the nation by harnessing this system at all levels of community development,” he said.

Black economic empowerment would only come about when blacks owned and controlled a substantial portion of the resources in the country, he added.

Black economic power needed for country's growth

THEO RAWANA

A GROWING, prosperous economy could not be sustained without black economic empowerment, JCI group economics consultant Ronald Bethlehem said in Johannesburg yesterday.

Addressing a Black Economic Empowerment conference, Bethlehem said sanctions would check the increasing black share of the total SA income.

If black economic empowerment was denied, frustration would be such that recurring cycles of unrest and sanctions would become unavoidable, damaging economic performance, he said.

There was an acute skilled manpower shortage in SA and "whites, coloureds and Indians together are not numerous enough to sustain a growing economy on their skills alone".



As blacks became participants in prosperity, their hostility to the established social and political order would logically decline, he added.

Bethlehem said black income, which accounted for about 20% of the total non-agricultural income in 1970, was around 30% in 1985 and indications were that it would exceed 35% by the end of the century, provided the growth of the economy was allowed to continue without interruption.

"The problem with sanctions is that it could check growth and, therefore, also check the increase in the black share of total income," he said.

176

Business groups ^{South} - 19/5/89 to form pressure front on the State

SEVERAL black business groups have decided to ignore the National African Federated Chamber of Commerce and have pledged themselves to break through all business obstacles and provide a national front.

At its first national conference in Johannesburg, the newly-formed Foundation for African Business and Consumer Services declared that it will use all pressure, including co-operating with political and community-based organisations and trade unions to end apartheid in South Africa.

Join

Addressing a Press conference after the summit, Fabcos' interim general secretary, Mr Jabu Mabuza, said they have decided to ignore Nafcoc because attempts at meetings to join hands have been unsuccessful.

He said: "We realise that Nafcoc is a giant business organisation and want to co-operate with them. However, we will continue to negotiate with them in the future."

Fabcos was formed last year to help provide the necessary political clout and co-ordinated approach to fight for business people's rights as well as to seek black economic empowerment.

Mr Mabuza said apartheid still remained a monster to be destroyed because it has hamstrung development of black business and the community in South Africa.

He said they would use all sorts of pressure to

By JOSHUA
RABOROKO

make the government to scrap apartheid. The organisation still has to decide on crucial issues such as disinvestment, sanctions and joining political organisation as means to end vexatious laws in the country.

"We accept that the liberation of blacks from the shackles of apartheid must be accomplished soon," he said.

"Fabcos thinks it is necessary for blacks to enjoy a meaningful stake in the country's economy if we are to prosper," he added.

He said for South Africa to prosper a clear strategy was needed to be developed which included buying, joint ventures, partnerships and share participation in white organisations and companies.

Organisations that form Fabcos are: the Southern Africa Black Taxi Association, the National Black Consumer Union, the National Stokvel Association of South Africa, the South African Builders Association, Farmers Association, the National Hawkers Association and Cottage Industries Taverners Association of South Africa.

Malawi 'safari' for businessmen

Sowetan 19/5/89

176



The South African Transport Services has announced that Mr M P Bodibe, of Sebokeng, is the **Sowetan** reader who has won the "win a free blue train trip to Cape Town and fly back SAA" competition. Here **Sowetan** staffer Miss Thandi Moloi and Sats' PRO, Mr Ephraim Mohale, sort out scores of entries.

The correct answers for the competition, which was published in the **Sowetan** are: (1) Dr A Moolman, (11) Airway Railway and (111) Pretoria - Cape Town. The presentation will be made to day at Sats offices in Johannesburg.

ABOUT 100 black businessmen, led by president of the National African Federated Chambers of Commerce Mr Sam Motsuenyane, are to tour Malawi next month.

The tour represents a meaningful attempt by concerned black business entrepreneurs to explore potential import and export opportunities between South Africa and Malawi, according to tour co-ordinator Mr Willie Ramoshaba.

Ramoshaba, who is also chief executive of WR Consultants said: "The purpose is to broaden the horizon of our black business people and to expose them to meaningful business opportunities in Africa."

The safari mission is a result of numerous behind-the-scenes manoeuvres by Nafcoc in its thrust to foster and encourage business opportunities among its members.

The scheduled tour programme covers virtually all meaningful business parts of Malawi, stretching from the capital Lilongwe, through the business heart of Malawi. Blan-

By JOSHUA RABOROKO

tyre, into the holiday resort of Lake Malawi.

During the visit the Minister of Finance of Malawi is scheduled to officially open the one-day conference of the estimated 200 Malawian and South African business people on June 10.

A number of Malawian and local speakers, including Motsuenyane, will also address the conference.

The group will meet government officials, bankers, industrialists, farmers and other businessmen. Ramoshaba did not rule out the possibility of the group meeting exiled leaders of South African political organisations.

The cost of the trip is R2450 for people who will share and R2850 for single persons. Contact WR Consultants for further information at (011) 331-7454.

Hurry to enrol

Sanlam 22/5/87 (176)

Resource chief hits out at black business

THE Chief Executive of Black Initiative Resource Centre, Mr Kehla Mthembu, yesterday levelled criticism at black business, progressive organisation and trade union approach towards attainment of black economic empowerment.

Economic

Addressing a seminar held in Johannesburg on black economic empowerment, he said there seemed to be scepticism between black leaders themselves on the issue.

He said: "Those in business, save for the public resolutions and utterances, do not seem to be committed to the black development, but to their own esoteric interests."

"The perceived failure of many black business ventures justifies my view. I do not want to mention names as it is obvious who they are."

"The leadership of progressive movements, both community and trade unions, generally display ignorance on how business operates."

Illiteracy

He said that there was a high rate of business illiteracy among black leaders, adding, "most of the time they conceal their ignorance by being rhetoric and radical."

He said that had resulted in many lost opportunities for black advancement in business.

Black economic empowerment could be attained if these organisations co-operated. "Our people need to be conscientised and motivated to be involved in wealth creation programmes."

He also took a critical view at white organisations that were jumping on the bandwagon of black economic empowerment for the sake of exploiting blacks.

Amazing

He said the involvement of "these strange bed-fellows" in black business after such a long time of oppression was "totally amazing."

They have infiltrated black business in fraudulent and self-defeating practices, he added.

He urged the organisations to seriously consider projects like pensions/provident funds to mobilise capital. By engaging these projects "we may develop blacks to have their own Sanlams and other big corporates in the country."

Blacks should also look into the possibilities of buying the disinvesting companies.

61 Day 116/84

SENIOR trainers say future synfuels projects will not be affected by lack of skilled manpower.

Trainers say enough skilled are in pipeline

184

ZILLA EFRAI 176

SA Fabrication and Construction Training Trust Fund executive director Rene Schmetz, and vice-chairman Hugh Brown, gave the assurance while rejecting claims skills shortages limited the possibility of a new synfuels projects in the near future. They add a strategic plan has been un-

veiled to train thousands more workers for new and existing synfuels projects to the turn of the century.

Schmetz says: "We are confident that, despite predictions by other organisations, we can supply sufficient numbers to the

standards required in the future.

"Between now and 1992 the fund will have provided more than 8 000 newly trained people to contractors heavily involved in existing and future capital projects — and not just synfuel projects."

About 2 000 trainees are already working on the Moss gas/Mossref project.

NEW CRISIS OF CONFIDENCE IN BLACK BUSINESS

JUST when black business people should be undertaking big industrial and commercial developments in the townships to compensate for the dwindling opportunity in white areas, it appears their enterprises are collapsing.

Seemingly the reason is not political, but rather a growing crisis of confidence in the ability of black managers to run their concerns effectively in the townships.

The over-supply of retail space in white zones is driving developers and financial institutions to seek new investment opportunities in black residential areas.

So they are turning to previously neglected industrial and commercial areas. However, their development depends on finding the right partners or tenants to stimulate satisfactory returns on investment.

Potential

There is doubtless considerable profit potential in providing convenient shopping centres close to the homes of black consumers who otherwise must spend money in distant central business districts.

There are also many businessmen willing to run such ventures. They have seen how successful

By JOSHUA RABOROKO

FOCUS



Reuel Khoza... entry point for blacks.

black entrepreneurs can be.

Unfortunately for some of these business ventures the path to success is littered with casualties.

An increasing number of black businesses are under liquidation with

the black liquor retail industry being the worst hit.

At least 15 of the 20 bottle stores in Soweto are reported to have closed because of financial trouble.

Complex

One of the business ventures that has experienced financial problems recently is Shareworld—the largest multiracial entertainment centre in South Africa.

When local businessmen Jonty Sandler and Reuel Khoza launched Shareworld they felt they had done much more than develop a R38 million complex of educational, sporting and recreational facilities.

They also felt they had displayed a strong sense of social responsibility.

They said the multiracial centre, set halfway between Soweto and Johannesburg's CBD, would enable black and white South Africans to socialise.

This, hopefully would break down racial preconceptions and depolarise South African society.

Spread

By setting aside 60 percent of Shareworld's ordinary shares for black ownership, they said they had enabled a wide spread of black individuals, associations and institutions to become involved in a major project at ground level.

"Apartheid is the economics of exclusion," said Khoza, executive director of Recreational International, the company which manages Shareworld. "But this is an attempt to provide an entry point for blacks into the mainstream of the economy."

But it has experienced consistent monthly operating losses and the

Standard Bank, financiers of the project, have called in their R45 million loan.

The bank has put Shareworld under liquidation and has offered to refund the subscription share of 50 cents to ordinary and preference shareholders in the project.

The refund offer has



Willie Ramoshaba... training is the key.

already been posted to them, although serious attempts are being made to save the project.

Committed

Shareworld's new managing director, Mr Rene Lion-Cachet, is determined the entertainment centre will succeed.

Khoza says the location and the commitment shown by various companies is enough for the centre's survival.

Black businessmen are understandably reluctant to accept any blame because of the effect on their image in the community.

The managing director of the Small Business Development Corporation, Dr Ben Vosloo, says the heart of the problem lies in the poor black education, right from the lowest level.

Black people come out of school with qualifications which are not business inclined and indulge in business.

He says lack of

training, business skills and expertise seem to be the main reason for the flops.

Lack of capital and inability to handle finance can also be contributing factors. Most blacks go into business without experience.

Adverts

Nafcoc's deputy president Mr Archie Nkonyeni says the failure of business is a result of marketing and education. "Bad marketing and reluctance to advertise have proved to be disadvantageous to many businesses."

He suggests that blacks form bigger groups to negotiate bigger orders and therefore better prices and terms of paying suppliers.

Business consultant Mr Willie Ramoshaba says business training schools for small businesses is what South Africa needs.

"Training must be



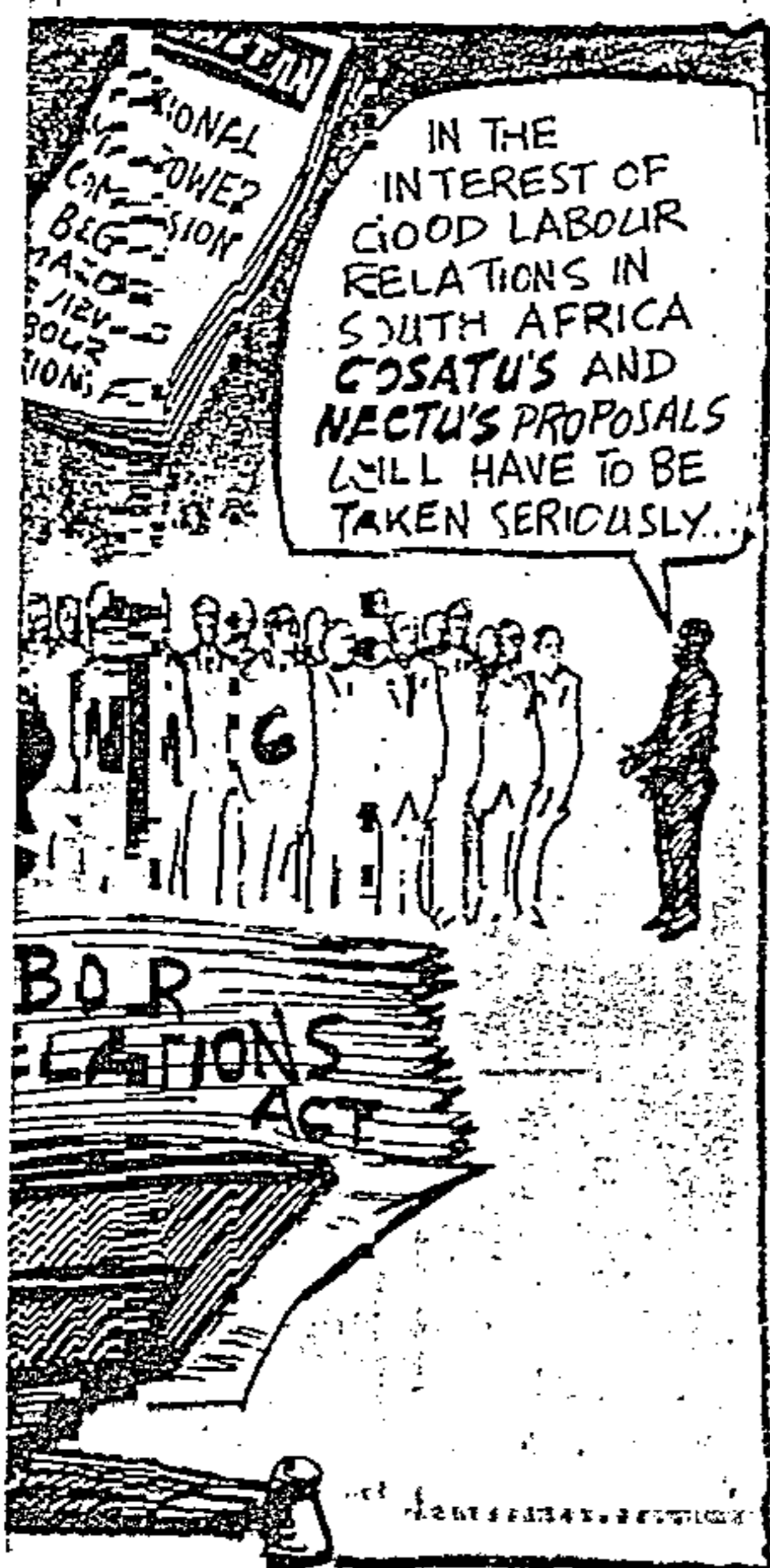
Don Mkhwanazi... perceptions are important.

drawn from existing businesses. Small entrepreneurs must send their staff to school to learn skills. They must fund the training," he says.

President of Black Management Forum Mr Don Mkhwanazi says management contracts can be another area black business can look into. He warns that management contracts depends on the perceptions of the community in which the business operates.

People have tended to perceive business which have management contracts suspiciously and as "fronting" for whites.

"The major element of the management contracts must be the training of people who will take over the businesses' operations," he says.



Political comment in this issue by Aggrey Klaaste and Sam Mabe. Sub-editing, headlines and posters by Sydney Mathaku. All of 61 Commando Road, Industria West, Johannesburg.

The reproduction or broadcast without permission of articles published in this newspaper on any current economic, political or religious topic, is forbidden and expressly reserved to The Argus Printing and Publishing Company Ltd under Section 12(7) of the Copyright Act 1978.

Write to the Editor at PO Box 6663, Johannesburg 2000. Nom-de-plumes can be used, but full names and addresses should be supplied or the letter will not be published.

B/Day 14/6/89

176

Unions 'a major source of power'

EDUCATIONAL disadvantage and economic exclusion were the central issues of contemporary SA politics and would continue to be so for many years, Urban Foundation chairman Jan Steyn said in New York yesterday.

In an address to the Carnegie Council on Ethics and International Affairs, a copy of which was released in Johannesburg, Steyn said black trade unions had been much more stable than political organisations in the last five years, and the biggest unions were now very powerful indeed.



● STEYN

"A representative of a leading mining house recently remarked in public that the fate of his corporation was as much dependent upon the National Union of Mineworkers as upon that of management or the shareholders."

But the other major source of power for blacks — the ownership of productive assets — was not anything like as encouraging. The black share of productive assets was pitifully small, but a number of tendencies already existed that would tend to affect the present situation beneficially.

Urbanisation was rapidly creating a

TIM COHEN

much bigger and more concentrated market.

"Small black entrepreneurship is growing rapidly and becoming much more visible. The principal constraints to further progress are the lack of technical and management skills and the difficulties of financing.

"The SA education system is grossly deficient in technical and management training. The reasons are deep rooted.

"One is a poorly trained stock of teachers whose capacity to participate in innovative programmes is limited.

"Another is a persistent 'academic' bias among parents and pupils."

The difficulty in financing black entrepreneurial development were two-fold; firstly how to grant and collect repayments on the loan without incurring administrative expenses; and secondly, how to make loans against assets that were not conventionally regarded as collateral or against no assets at all.

"We need to be flexible in our approach to the future. No single strategy can succeed to resolve the complex issues that we face.

"What I am sure of is that economic ruin will inevitably be followed by the construction of a new authoritarian political system with no guarantee of real development of people," he said.

Urbanisation was rapidly creating a

Star 15/6/87

The Star
Finance



Business back-up for black entrepreneurs

By Jabulani Sikhakhane

The Southern Transvaal Chamber of Commerce (Soutacoc), one of the biggest affiliates of the National African Federated Chambers of Commerce (Nafcoc), is to launch an incubator programme to provide business management back-up services for its members.

-Soutacoc president Joe Hlongwane said yesterday: "We have talked for too long. Now is the time for action."

"The country's Gross Domestic Product has gone down because of the restrictive nature of the Group Areas Act, lack of incentives and assistance. But in a small way we can motivate our people."

Soutacoc had met 32 chief executives of financial, mining and industrial companies to solicit their support for its programmes, he said.

"We have received their support for the incubator offices, a concept which I experienced in the US. The offices, to

be spread in the five regions of Soutacoc, will provide management and secretarial services for our members. There will also be trained people to help members with preparation of business plans, provision of tendering services and general training in their various areas of business," said Hlongwane.

From its central office, Soutacoc will run a business procurement centre which will liaise with the incubator offices. The procurement office will compile a list of all manufacturers and their type of products and help them with marketing.

"The corporate world has been very co-operative. Some of the big corporations have given us a list of their needs. We have to locate the manufacturers who can produce those goods."

"We are also looking at the service sector," said Hlongwane, "The cleaning of offices, catering, printing can be done by the small black entrepreneurs."

ay
US
ir-
u-
id
se
to
r-
e-
y
e
S
t
e

Blacks must prepare to fill skills shortage

ONE TIME BOMB
15/6/89
176

By AUDREY D'ANGELO
Financial Editor

DEMOGRAPHIC factors make it inevitable that black people will eventually dominate "all the infrastructures of our society", the national president of the Black Management Forum (BMF), Don Mkhwanazi, said in Cape Town yesterday.

Stressing the need for blacks to acquire managerial and other skills in preparation for this, Mkhwanazi said the brain drain was already causing difficulties in SA.

SA blacks must prepare now to avoid facing the same problems as "our brothers in Zimbabwe", where emigration after independence caused a critical shortage of skills.

"When we arrive at our promised land, the political kingdom, we must not be caught napping and ill prepared for our task."

Mkhwanazi and Linda Human, who heads the Centre for African Management at the University of Cape Town Graduate School of Business, were speaking at a breakfast in the Newlands Sun to launch the third annual BMF Excellence in Achievement award.

Human advised BMF members to avoid becoming token managers without real responsibility. They should look for jobs with the potential to develop rather than a fat pay cheque.

She said that SA companies should practise affirmative action in selecting black candidates for management training but subsequent promotion should be on merit regardless of sex or race.

However, she warned that black trainees and managers were sometimes handicapped by negative expectations from their superiors. They



Moaketsi Shai has been appointed executive director of the Black Management Forum. He is a systems engineer at a major computer hardware and software company. His appointment, announced at yesterday's launch of the Excellence in Achievement awards, has ended a year-long search for the right candidate.

should be seen as individuals not as stereotypes.

Mkhwanazi said the oversupply of unskilled labour, under-utilisation of manpower and millions of unemployed represented "a highly explosive — moving — time bomb within our borders."

"This time bomb must be defused by investment in human resource development programmes and the upgrading of skills of our lower level manpower."

At the same time a shortage of work skills inhibited economic growth. Training and development should be regarded as an investment from which both the employer and the country could reap numerous benefits.

Black managers were privileged members of their community and had a duty and a responsibility to plough back some of their resources into it. "It is their responsibility in concert with other relevant organisations to see to it that this country does not become an economic wasteland or a banana republic — as seems to be happening now."

He continued: "One area where black managers can contribute is by making sure that all members of our society are allowed to develop to their full potential."

There was no doubt that blacks would eventually run this country. "We must prepare ourselves for our eventual dominance of all the infrastructures of our society."

Pointing to events in other countries Mkhwanazi went on: "We have seen how political power has not been translated into concrete economic terms elsewhere for a number of reasons. We have seen economies failing to create jobs and wealth opportunities after Uhuru."

"The development of our greatest asset, our people and our numbers, has become critical."

Stressing the need for individuals to make the most of every opportunity for self improvement, Mkhwanazi said that although the whole world knew that blacks in SA had been handicapped from the start "the time to blame apartheid for everything is flying past".

Individuals must rise to the challenge. The people who would be honoured by the BMF Excellence in Achievement Award were blacks who had succeeded against all odds but had not forgotten their roots.

The prestigious award, sponsored by Kelloggs, includes two weeks study in the US for the national winner.

It will be presented to the man or woman belonging to the BMF who has demonstrated the greatest management abilities.

T
S
R
th
d
J
C
Re
po
na
ba
dit
gol
pe
for
an
ne
pe
d
ec
gol
ute
of
ma
po
ac
po
for
19
40
ed
ma
(
pa
ter
po
bu
ab
yel
yel
7
gol
ma
no
su
lar
da
no
G
a d

Malawi offers export scope for black business

By Jabulani Sikhakhane

Provision for small businessmen to enjoy benefits from the trade agreement between Malawi and South Africa should be made in the new agreement to be signed soon by the two countries.

This is one of the proposals made during a business tour of Malawi by a group of South African black businessmen.

The tour was backed by 15 black business, professional and service organisations and led by the president of the National Federated Chambers of Commerce (Nafcoc), Dr Samuel Motsuenyane.

Willie Ramoshaba, the tour organiser and MD of WR Business Consultants, said that SA's black businessmen and their Malawian counterparts felt that the revised trade agreement between the two countries should accommodate small businessmen.

"Specific provisions must be made for the small businessmen in both countries to enjoy the benefits of the new agreement. For instance a certain portion, about 10 percent of the volume of trade between the two countries, could be set aside for small businesses in terms of the available foreign currency and product categories.

"A need was also identified for the financial institutions to devise schemes to finance export/imports by the small

businessmen. In SA one would be looking at the financial institutions, the Small Business Development Corporation and the Development Bank of SA to come out with tailor-made financial packages for import/export," Ramoshaba said.

There is also a need for simplified export and import procedures to make the entry of the small businessmen to the import/export trade easy. A directory of services and goods that both countries require would make life easier for the small businessmen.

Ramoshaba said five black businessmen had concluded 'meaningful' business deals with their Malawian counterparts during the tour and would be going back to Malawi to tie up further loose ends.

"The primary objectives of the trip were to expose SA black businessmen to potential business opportunities in Malawi, look at Malawi's business practices and see if there were any lessons for us, look at import and export regulations and explore possible areas of joint business ventures.

"Black businessmen in SA have developed to the level where something drastic and imaginative has to be done to save them. They service a small dwindling market which has limited business capacity. There is the growing need to look for something new and the import/export market is one possible area," he said.

White managers slammed

THE president of the Black Management Forum, Mr Don Mkhwanazi, yesterday said white managers have been fed a superiority complex and "baasskap mentality" from cradle to grave.

Speaking at the opening of the annual

By JOSHUA RABOROKO

BMF/Kellogs Excellence in Achievement Awards in Johannesburg, Mkhwanazi said while white fears were understandable, they were a luxury blacks could no longer afford. *South African*

Fears

He said: "If we continue entertaining these white fears this country is going to find itself in a worse situation, an economic wasteland and a banana republic."

He said top management must send their

lower and middle management employees to BMF sponsored and/or run courses.

BMF in conjunction with some reputable black consultancies were running courses to upgrade black managers.

Mkhwanazi appealed to the South African Government to train more blacks into management positions instead of spending millions of rands on defence and other unproductive areas.

"The country needs more than 970 black managers a month by the year 2000," he said.

179

22/6/89

APPOINTMENTS

MANPOWER
AHEROR BY
ROBYN
CHALMERS



PAGES AND PAGES OF THE BEST JOBS IN SOUTH AFRICA

The wrong approach to equal opportunity

EQUAL opportunity programmes have taken off in a big way in South Africa, but serious questions are being raised about the attitudes of white management towards them.

Virtually every organisation in this country has some method in force to remove racial discrimination. Eskom is a prime example, employing an independent consultant to supervise its integrated equal opportunity programme.

The sway towards black advancement has been relentlessly pushed by the trade union movement, and a recent survey by the SA Foundation shows that white managers resent this.

The survey showed that much of this resentment appeared to be because of innate racism, combined with a diffi-



Michael Lane ... new attitudes before new structures. PE Corporate Services associate con-

S/Times
25/6/89

sultant Michael Lane believes the point of departure is the acceptance of the fact that we in SA are part of Africa.

He says we live in a developing country but the majority of our people are still rooted in the culture of Africa — and we tend to forget it.

"When we are planning the political future, the role of democracy etc., we tend to apply Western norms, we see political models with Western eyes and talk very glibly about participation in a free market society to people who haven't a clue what it means.

"And we dwell on denigratable principles which are not accepted elsewhere in Africa. Surely we should first strive for new attitudes rather than new structures."

Yet ingrained attitudes after centuries of racism are difficult to change. For example, Mr Lane says, whites still per-

ceive countless shortfalls in black employees.

These include a lack of fundamental comprehension of the work ethic, poor time management, ignorance of the organisation structure and the function of the employee as well as inept communication, style, skills and performance.

As a result of these perceptions white managers tend to have low expectations of black behaviour, are ignorant of blacks' actual values and often fail to motivate blacks within their jobs.

How does this affect equal opportunity programmes? Quite significantly. The SA Foundation survey found that only half of the managers interviewed regarded these programmes as a success, and about 41% believed black managerial appointments were purely tokenistic.

Reasons for regarding blacks as poor managers get us right back to essentially racist criteria — difficulty in adapting to a white corporate culture, cultural traits such as punctuality and a deep-seated belief that blacks do not have the mental ability of whites.

Contrast this with the real need SA has for managers, and whites are caught in something of a dilemma. The University of Stellenbosch estimates that 500 000 managers will be needed by the turn of the century.

USA SA Leadership Exchange Programme director Lionel Masala says that SA will need 219 000 black managers by that time. This means 43% of managers required by the year 2 000 will be black.

The white manager is no fool, he understands economic considerations, and so he supports equal opportunity programmes in theory. Although I am fully aware that some of these programmes

are a roaring success, one must ask what effect white attitudes is having on others.

I do not support tokenism in the least. If a black becomes a manager he does so because he has earned his stripes, and if an equal opportunity programme is to be worth anything at all, it should have identified certain criteria within the potential manager.

Mr Lane says these include strong underlying achievement drives, cognitive skills — analytical and problem-solving ability, the propensity for moderate risk in writing and demonstrated initiative and/or creativity.

"Other criteria include awareness of the political and social aspects of life and the consequent flexibility to adjust be-

haviour accordingly, a strong belief in oneself, self-confidence and empathy with superiors, equals and subordinates.

Further qualities are individualism, maturity, knowledge of business and of the concept of business as a whole and, perhaps most important of all, an understanding of the expectations which one finds in the business environment. Mr Lane says:

There are a growing number of blacks in SA who fit all the criteria. If they opt to become involved in what many see as a capitalistic, bureaucratic organisation, they will make excellent managers.

They do, however, need mentors who pay more than mere lip service to equal opportunity programmes. Whites have the power to reshape the way SA will look in the 21st century and can make a positive contribution to ensuring a prosperous, peaceful country. Lets hope they don't pass it by.

Star 25/7/87

(176)

(5)

Crucial to build a black foothold in commerce

By Adele Baleta

Black business contributed only about 1 percent to the country's gross national product, said Dr Sam Motsuenyane, president of the National African Federated Chamber of Commerce.

He was addressing the topic: "Economic Participation of Blacks in SA" at a two-day conference in Pretoria last week to discuss "The Second Post-Wiehahn Decade."

Dr Motsuenyane said black business had no representation in the major economic sectors such as mining, manufacturing and agriculture.

There were about 100 000 licensed black traders and 500 000 unlicensed hawkers and traders in the Republic and homelands.

LEGAL BARRIERS

The challenge facing Government and the private sector was to accelerate the growth of black economic participation.

"The focus of attention must be the elimination of all legal barriers which hinder economic development" such as the Group Areas Act and the Land Acts.

Dr Motsuenyane said black businessmen wanted to be involved in the economic life of South Africa. "They do not wish to remain small in a rapidly growing black-dominated South African marketplace.

"The damage caused by the exclusion of blacks is evident by the growing disenchantment with capitalism by young, educated blacks."

Poor technical and managerial skills and inadequate access to capital were dominant problems facing blacks' meaningful involvement in the economy.

Dr Motsuenyane suggested that "unconventional methods of determining credit worthiness had to be evolved to help overcome existing problems" related to access to capital. Most blacks did not have fixed property or insurance policies.

To ensure rapid assimilation of blacks into business life, it was necessary that land be redistributed and the Land Act scrapped. Black business should be given a specified allocation of government contracts.

Big business had to encourage worker and general black participation in shareholding and initiate partnership relations with black entrepreneurs.

For example, he said, the Sorghum Beer industry should be put into the hands of the people who initiated it — the blacks.

The business community needed to lead the Government "bravely to a more peaceful, secure and prosperous future for the benefit of all South Africans," he added.

PUSH ON, BLACKS URGED

FORMER African Bank chief executive Mr Gaby Magomola said black business often referred to as "the sleeping giant" had the opportunity to become South Africa's economic power.



Gaby Magomola

Addressing the national meeting of Business Challenge held in Soweto, Magomola said blacks possessed a powerful, collective bargaining power that could help them dictate the pace of a change in the country.

The economic development of South Africa's blacks should not be deferred to the post apartheid era.

"The time for economic development and

BY JOSHUA RABOROKO

making a greater contribution to the economic pie is now inspite of the tremendous odds that face us," Magomola said.

He said blacks still suffered from lack of access to capital, lack of expertise compounded by poor education and restrictive laws that stifled creativity. This discouraged many from pushing forward.

The managing director of BC, Mr Phil Khumalo said blacks must fight for

political and economic liberation. "We have the power to do that because of our numbers," he said.

He urged members to team up with big corporations but warned that such a marriage should not exploit blacks.

Khumalo said blacks must learn to be job creators rather than to be employees, adding, "that could only be achieved if they flexed their economic muscle".

BC was, like stokvels, formed to enable blacks to rely on their own resources, he said.

Black economic empowerment conference

PROMINENT personalities will address a national conference on black economic empowerment organised by the Johannesburg-based Centre for Labour and Community Research (CLCR). *176* *11/16/87* brace liberation of the economy; the simultaneous appreciation of politics and economics in a changing society; and the connection between black spending-power and the peaceful ending of apartheid.

The conference will be held at Braamfontein Hotel on Wednesday.

Conference co-ordinator Richard Skele said the conference themes would em-

Skele urged those concerned about SA's future to attend the conference.

For more information telephone (011) 29 9055/6. — ANO.

BILLIONS of rands in fluid savings are generated annually by the informal sectors' collective groupings or clubs, commonly known as "stokvels".

Yet, with one notable exception, the country's financial community has thus far made few attempts to attract and mobilise this potentially lucrative market.

It is an African phenomenon, well established among the low earning members of the black community, but no precise figure can be made of the size of the stokvel population. One rough guesstimate is more than 800 000 — each probably made up of between five and 10 individuals.

This estimate is provided by Andrew Lukhele, president of the National Stokvels Association of SA (NASASA), established in February last year to assist and co-ordinate the activities of stokvels. The aim is to mobilise more effectively the funds they generate and channel them in directions which could eventually propel their members into the economic mainstream.

Lukhele estimates that the stokvels under his umbrella organisation are mobilising funds potentially totalling more than R200m each

Tapping the cash potential of SA's 'stokvel' members

CHRIS CAIRNCROSS in Cape Town

month. This figure is regarded as being the tip of the iceberg.

Stokvels, therefore, represent an important source of funding for the creation of employment and small business development at the bottom end of the informal sector. Properly, harnessed, the funds these "savings collectives" generate could make a material impact on the economic wellbeing of SA.

NASASA appears to be the first material effort — as an essentially self-help organisation — at providing umbrella guidance and support

to mobilise the full potential, earnings and spending capability of the stokvel population.

Lukhele, a Wits University graduate in psychology, is the driving force behind the organisation, which flowed from a study of the stokvel phenomenon on behalf of the Urban Foundation.

He says he recognised the need to provide coordination for these small savings groups — which had little access or knowledge of modern, First World savings instruments — so that their potential could be realised. According to Lukhele, NASASA's approach is

to ensure that funds are used to the maximum benefit of members. NASASA intends negotiating benefits and communicating investment opportunities to stokvel members.

Other objectives are to arrange better purchasing terms with shops and other suppliers of goods and services; to provide training to enable members to operate more professionally and profitably; to promote a positive perception of the stokvel concept; to provide an educational counselling service on such subjects as housing, financial management and legal advice; and to serve as a marketing vehicle between the black informal sector and the financial community.

NASASA and its membership has had little support for the stokvel concept from the institutional sector. Only the Perm appears to have seen the need or potential of this massive market by creating the "Club Account" savings scheme a year ago.

The scheme has been a tremendous success, particularly in the Transvaal and Natal, according to a Perm spokesman. "Enormous amounts totalling millions of rands" in fluid savings are flowing in from the stokvel movement, he confirmed.

REVIEW

Edon 4/1/87

176

Black management leader braced for new challenges

By Sue Olswang

Mr Moeketsi Shai, the newly appointed executive director of the Black Management Forum (BMF), is looking forward to being part of a changing South Africa.

"Resigning my job to join BMF was a vote of confidence in the organisation and the role it is destined to play in contributing towards shaping a new South Africa," said Mr Shai. "I accept the challenge headlong."

STALWART

Regarded as a BMF stalwart, Mr Shai (31) resigned as systems engineer at a major Johannesburg computer and software company in order to take up his new position as executive director of BMF, a position he assumed on July 1.

Mr Shai's responsibilities at BMF include directing and co-ordinating all management development and training programmes, advising and recommending policy to the board and maintaining positive relationships with leaders in industry, commerce, education and communities.

"Ketsi", as he is popularly known in

BMF circles, was elected chairman of the Cape Town branch in 1986 and is reputed to be one of the mainstays behind moulding the organisation into its present growth level.

Mr Shai matriculated from St John's College in Umtata, Transkei, in 1976. Fresh from school, he spent one year teaching mathematics and Afrikaans at an Umtata school before entering the University of Cape Town in 1978.

He graduated with a BSc degree and then moved into his first experience as a systems engineer in Cape Town with the firm now known as Information Services Management.

Mr Shai moved to Johannesburg in 1987.

INTERACTION

Fed up with dealing with technical and scientific systems, he took up a position offering more interaction with people. This job was services accounts manager at South African Breweries.

Mr Shai's second stint as systems engineer, before the BMF appointment, was at Corporate Management Services in 1988.

Now based in Johannesburg, Mr Shai is married with two children.

Business Challenge makes major strides for black efficiency

176

THEO RAWANA

BUSINESS CHALLENGE, the organisation founded to create a capital base, provide professional services and educate blacks to become efficient business people, has made major strides since its inception last December.

The Johannesburg-based national organisation is the brainchild of Phil Khumalo, a former Wits Business School lecturer and the first black to be granted a franchise by Nashua SA.

In six months BC can boast a R100 000 car-wash venture in Benoni, a R90 000 social club (Club BC), a membership of more than 2 000 and more than R1m in its bank account, says Khumalo.

A contribution from Allied involves matching every R1 it makes with R1, and assurer Metropolitan Life has invested R250 000 towards small business promotion.



● KHUMALO

Next Tuesday, at the Carlton Centre, BC and Playboy SA are to launch a range of toiletries and cosmetics designed to set up business opportunities and create employment.

BC membership entails a R60 membership fee and opening a transmission account into which R50 is paid monthly. This money goes into the BC trust fund and serves as collective collateral for loans.

Allied Bank has agreed to provide financial assistance to members even where they would, under normal circumstances, not qualify for such financing.

The BC constitution stipulates that no member will be granted a loan through the organisation until he has completed a six-month membership. Also, no member is allowed to withdraw his savings before the end of three years. However, a member is allowed to sell his shares to someone else before expiry of that period.

Khumalo says lack of proper financing is not the only problem facing blacks. "The fact that most retailers have not had the kind of training needed to function in today's business world has been another stumbling block to successful business management."

BC has set up its own retail training programme at Stellenbosch University. It has also set up a professional services team consisting of a legal adviser, a business strategist, a marketing consultant and an accountant.

Khumalo sees the joint venture with Playboy as "active participation", in terms of which big business assists small business development towards wealth and job creation.

Khumalo, as BC's CE, works closely with a 12-member board of directors.

Nafcoc marks 25 years' effort with a look at issues of the day

8/10am 6/7/87 THEO RAWANA



BLACK business organisation Nafcoc's forthcoming conference marks 25 years of consistent pounding at the political system to get justice and more economic opportunity for blacks, says public affairs manager Gab Mokgoko.

Mokgoko says Nafcoc's 25th Anniversary Conference, to be held at Sun City from August 6 to 10, will focus on four major issues facing black business today:

- A national black insurance company;
- Privatisation — how it can benefit blacks;
- Manpower challenges facing black business in SA and how these can be overcome through black initiatives; and
- Promotion of a greater sense of unity among all SA's people.

Speakers at the conference will be drawn from within SA as well as Africa and the US.

"Nafcoc does not see itself in the next 25 years as only an SA chamber of commerce limited to the boundaries and isolation of SA, but rather as part of the broader thrust by the Africans in the Federation of African Chambers of Commerce to get their socio-economic act together," says Mokgoko.

'Lift standard of black managers'

Sowetan 7/7/89

176

MAJOR business groups have been urged to formulate strategies to uplift the standard of black managers and to stop "passing the buck" to other sectors of the South African community.

The president of the Black Management Forum, Mr Don Mkhwanazi, said the time for "passing the buck" had run out.

He was speaking at the

By JOSHUA RABOROKO

launch of the BMF Excellence in Achievement Award sponsored by Kellogs company in East London.

Mkhwanazi said: "South African managers must influence and shape the environment to the benefit of all and not

just a section of our population.

"Black managers have a major role to play in transforming South African society."

He said as long as blacks were excluded from the political decision making machinery in the country, there would not be peace, prosperity and stability.

"There will be no peace as long as millions of blacks continue to live in abject poverty, are unemployed, unemployable and unskilled," he said.

"In BMF we acknowledge the fact that, if it were not for pain, suffering and the struggle of the masses, we would not be talking of black managers."

It was BMF's vision to fight for a democratic



DON MKHWANAZI

South Africa where black and white would share equally the economy and political power.

He said the award recognised men and women who have succeeded and achieved something despite the odds created by South Africa's socio-economic and political environment.

Plea for partnerships

BLACK businessman wanted to be granted franchises to operate in city centres, and not only in townships, Southern Transvaal African Chamber of Commerce (Soutacoc) president Joe Hlongwane said in Johannesburg on Friday. (176)

Hlongwane, also vice-president of Nafcoc, said clothing and other retailers could either grant franchises or use the budding black manufacturing sector as their suppliers.

"We want to trade where our market spends most of its time — in the city — instead of just in the townships," he added.

Hlongwane said Soutacoc was engaged in talks with some white business concerns and had stressed to them they needed to help blacks to

THEO RAWANA

trade in city areas before trying to penetrate the black market in the townships. 6/12/84 10/7/89

"If I can run a fried chicken franchise in the township, what stops me from doing the same in the city centre where the bulk of the market is during the day?" Hlongwane asked.

He said black manufacturers, with their intimate knowledge of what the market needed, could be a boon to any prospective white undertaking.

"What I am talking about is a meaningful partnership. We want to do business with these people, but not only in some faraway township, while the bulk of the market is right here in the city," he said.

Social club to help traders

10/7/83
BUSINESS Challenge, an organisation which assists emerging black entrepreneurs, has formed a social club to share ideas and educate the informal sector on a variety of skills.

Some for
BC's executive director Mr Phil Khumalo said the club will have many influential people with constructive ideas.

Some for
Some of the activities of the club include organising parties, seminars, stokvels, after work get togethers, business meetings and special education classes for those needing them.

For more information contact Emily at (011) 23-4968; Mpho (011) 29-2944 or Queeny (011) 54-9912/3.

Synfuel skills plan goes ahead

SA'S strategic plan to provide a pool of skilled labour for its synthetic fuels energy projects is moving into high gear.

More than 2 000 welders and other technicians have started working on the project since the training programme, run by the SA Fabrication and Construction Training Trust Fund (SAFCTF), began 18 months ago.

Many more are scheduled to graduate from training centres set up to provide a reservoir of manpower for the growing demands of Moss gas

and other energy projects still on the drawing boards. The target is 30 000 skilled workers by the turn of the century.

A SAFTCF spokesman said: "The decision to build future synfuels projects will not be influenced by any lack of skilled manpower. We are confident that we can supply sufficient numbers to the standards required."

ZILLA EFRAT

Playboy deal opens doors for hawkers

13/04/13/2187
176
THEO RAWANA

COSMETICS manufacturer Playboy SA and Business Challenge have launched a joint distribution venture involving black entrepreneurs.

Playboy chairman Phil Rolfe sees the partnership as another step towards dismantling apartheid. The company has pumped in R300 000 and expects to spend R500 000 by the time the scheme is in full swing.

Black Challenge holds 60% of the partnership — BC Marketing — and Playboy the remainder.

Marketing MD of the new organisation, Craig Brown, says: "Small entrepreneurs will be the main distributors. The idea is to get the products through the people."

He adds: "We have our eyes on beauty parlours and hair salons and will identify markets and distribution agents through a network of consultants. Spaza shops will play a major role in this venture."

Brown says: "Through feedback from our consultants we will be able to determine what brand is suitable for a certain area."

Business Challenge CE Phil Khumalo says: "Through Playboy's investment we will engage hawkers to sell these cosmetics."

176 S/Time 30/7/89

KRONEN Paving started small and made lots of mistakes, but now the venture is paying off handsomely.

Sydwell Nxumalo is not one to copy what others are doing. In 1983 he noticed that nobody in the townships was doing paving, so he decided it was wide open for a new business.

The only trouble was, he knew nothing about it. So he looked around for somebody with the know-how. He met David Buthelezi, who worked for a leading paving company, and the two of them got together. Kronen Paving was formed.

Bricks

The first job they got, through a Mrs Motlana, they came up against their first problem — how to quote for a job. So Sydwell, who was never afraid to ask, called in the help of a white acquaintance who was a salesman at a paving company.

The next problem was, where to get the bricks. Again David Buthelezi came to his aid because he knew they could be bought at Concor.

Syd borrowed a smart truck and headed for Concor where he attracted the attention of company director James Vicari. He promptly arranged for an account to be opened in Sydwell's name because he thought Sydwell was an established, successful businessman. Little did he know that this confident gen-

Sydwell and friends pave away to success

By JACQUELINE QOBOZA, of Black Enterprise magazine



Sydwell Nxumalo and business partners pave away at another site

tleman in the smart truck was still pushing his own wheelbarrows.

The sight of Sydwell and David Buthelezi squashed between wheelbarrows in a small borrowed van led to the next windfall. His second client — one of the Sizakane brothers — took pity on the pair and offered them a van that could be paid for later.

Now Sydwell had a decent

van, but he didn't have a compactor, and when the rain came pouring down, the paving he'd done for Mr Sizakane collapsed. He had to redo it and buy himself a compactor, and at the end of the job the only thing between Sydwell and starvation was his last R200.

Trick

Then he met a Mr Pollick, a retired foreman who told him about a big paving job for Corobrick in Bapsfontein. The two of them went together, with Mr Pollick acting as Sydwell's boss. That did the trick and they got the job.

At first Sydwell was intimidated by the size of the job, but he believed that nothing was impossible, and started paving. Unfortunately, he had to leave his five staff members to carry on with the job while he went in search of another contract.

When he returned, he found that 100 square metres of paving had to be lifted and redone.

Sydwell realised that he had to learn more about paving fast, and again Mr Vicari helped him by providing him with books on patterning and other rudiments of the business. He studied those books, and soon he was doing 300 square metres a day.

After three months the job was done, and it paid Syd R45 000. He bought a truck and has never looked back.

Today, 90% of Kronen Paving's contracts come from big business, such as Eskom, Roberts Construction, Versatile Engineering and Field Engineering.

Sydwell is now a member of the Master Builders Association, which has injected a lot of professionalism into Kronen Paving. He was one of the first blacks to become a member.

R1,5m for Unidata training

INFORMATION technology systems supplier Unidata has invested more than R1,5-million in a training programme to counter the skills shortage.

Project manager Mike Jackson says nine carefully selected candidates are nearing the end of a six-month sales-training course.

"The computer industry is the victim of a serious shortage of skills — a crisis aggravated by the so-called brain drain over many years.

"In addressing this problem most

SI Times 16/7/87
computer companies are forced to recruit people from abroad or poach staff from competitors. Unidata has broken out of this circle by recruiting high-calibre people from both inside and outside the industry for professional training."

Mr Jackson says stringent selection criteria for course applicants have been set, based on energy, enthusiasm, drive and ambition. He says a thorough technical knowledge of computers is not important.

Training includes courses in selling skills, technical tuition in information technology system Unix,

product training and intensive MBA instruction.

Mr Jackson says that when the six-month course has been completed, the volunteers will be qualified to provide a "total focus" on Unix solutions.

"The team will be able to provide business and application-based solutions with a thorough appreciation of a customer's needs. The emphasis will have changed from the old concept of having a product to sell and then finding a customer to that of finding a customer and then provid-

ing a cost-effective solution."

Unidata customer education services manager Richard Watermeyer says it is important to provide data-processing (DP) professionals and computer people with training in a broad range of business skills.

"With the increasing importance of information technology as a tool used to guarantee the profitability of any business, DP people need to understand management concepts and how they can play a part in helping to decide the long-term viability and strategic future of a company."

176

TEN black women from different professional backgrounds have launched a promotions company aimed at helping women adapt to the many changes in present-day society, writes SIZA KOOMA.

Black women launch promotions company

Professional Advancement Services hopes to reach out to women through seminars, conferences and workshops that will address topical issues affecting women.



It will also focus on the necessary skills that equipping women with will help them cope with

the changes around them. "There is a great need for skills and job training to help women face up to the challenges in society," Mrs Maria Negota said.

"We believe that as blacks and having experienced some of the problems that people who need help go through, we are better equipped to assist them."

The company will look at training people in personal development, customer relations for business people and supervision of small businesses.

Interpersonal skills, secretarial, catering and marketing courses will also be offered.

Professional Advancement Services will hold its first seminar on the *Survival of Women in a Changing Society* on Saturday April 15 at the Vosloorus Civic Centre.

Speakers include social workers Mrs Estline Shuenyane and Mrs Thembi Ramokgopa. They will speak on parenting in a changing society and family abuse respectively.

The seminar runs from 9am to 4pm. Registration is R20 a person and it includes tea and lunch.

Opportunity or disaster



Andrews

The statistics point to an opportunity for the economy, or a disaster: by 2000 SA will need 120 000 additional senior executives; at best whites can fill only 45 000 spots.

Professor Andy Andrews, dean of the Wits Business School, sees this as an opportunity. Companies will be forced to find, train and promote black managers and that will help dismantle apartheid.

"There has to be black advancement," he says. "We need 1m professionals by the end of the century. We have one manager for every 50 workers, it will be one for every 100 by the end of the century. In the US it's one to seven. We have a hell of a shortage and it'll get worse as the world becomes more complex and competitive."

So Andrews is changing direction. On Monday he's leaving his post as dean and will begin a year's sabbatical. His mission: to research and develop his idea to start a centre for black executive training. He's been thinking about this for some time. He's talked to the big companies about their need for executive talent and he's talked to black managers about why some fail and others succeed.

Earlier this month, he was part of the 115-member delegation of whites that met ANC leaders for three days of talks. "They were very keen on the idea," he says. "They were

saying: 'you must do it, one of the biggest shortages is black managers.'"

For Andrews, the ANC's interest in the training of black business managers pointed out one of the organisation's many paradoxes. "On the one hand they want to hurt the economy with sanctions to end apartheid and, on the other hand, they want to see the economy develop. They want multinationals here because they know they make a contribution, but they want them out."

At the other end of the spectrum, he has talked to those bastions of capitalism, the top US business schools — Harvard, where he completed his doctorate, Stanford, Wharton, MIT — about sending faculty members to SA for special seminars for black managers. Andrews (44), who put himself through university by working as a travelling coffee and tea salesman, says it's time to step down. "I'm a little burnt out. Seven years is a long time. I need a breather."

Instead, he will research his pet project. He envisions a programme concentrating on blacks who are well along the executive path. "It may be limited to over-35s because I want to work with people who have already emerged as leaders. The most important need is for black managers at the top of organisations."

Whites also would be enrolled in the part-time programme because the success of business depends on blacks being able to work with whites and vice versa, he says.

Andrews believes blacks have made almost no progress in managerial ranks for various reasons: poor education, reluctance of companies to have blacks supervise

whites, the handicap of not living in the same areas and moving in the same social circles.

He believes blacks won't make rapid progress until their numbers reach a critical mass, which he believes is at least 30%. "Only then will they be able to get companies to reorientate themselves. We've got to push quickly to reach that point."

All this will cost money: R15m, he estimates, for building, salaries and an endowment. Funding could come from major corporations, which will gain a larger, more diverse pool of executive talent if Andrews' plans come off, as well as the university.

For the next dean, who will be elected by the faculty board next week, Andrews leaves the school in good shape. The fourth dean since the school started in 1968, he increased applications markedly and so was able to increase class sizes, raise standards and hire more top-rank teachers. He ran the business school like a commercial enterprise, developing a corporate-type logo and mounting extra programmes to earn profits that boosted the endowment. His parting words apply equally to Wits and his project.

"If SA is going to go any place, it's got to develop its people. Now we're developing people for an American-European system. We have to develop them for an African system. In America, you know what your political and economic systems are, because it's all agreed upon.

"Here we have to develop people who are more flexible because we don't know what systems we'll agree on. We may already have delayed too long in developing the leaders of tomorrow."

Nafcoc indaba

THE National African Federated Chamber of Commerce (Nafcoc) is to launch an offensive on laws which inhibit the growth of black business during its 25th anniversary conference at Sun City Bophuthatswana, on August 25.

The theme of the conference will be "Nafcoc 25 years on ... rededication towards hastening a new socio-economic order in South Africa".

Nafcoc's public affairs manager Mr Gabriel Mokgoko said the issues to be addressed will include:

A national black insurance company, a pillar on which black economic empowerment could lean.

Manpower challenges facing black business in South Africa and how these could be overcome through black initiatives.

Privatisation - how it should be shaped to benefit the black community.

Promotion of greater sense of unity among all the people of South Africa, irrespective of race, creed and colour.

Mokgoko said that this year's conference marks a quarter century of consistent pounding at the political system; and of knocking at the door for justice and more economic opportunity for black businessmen.

"The 25 years have been very difficult and challenging for Nafcoc and so were they for the entire black community since the viability of a nation could best be seen through the window of its business community," he said.

R3,5-m spin-off for small businesses

Star 18/7/89

Small-scale entrepreneurship can make at least as great a contribution to the development and employment needs of South Africa as large-scale corporate activity, Mr Relly says in the report.

The Corporation and its associates have therefore decided to try to expand their purchasing and sub-contracting links with small business.

In six months they have been able to place some R3,5 million worth of business spread over close to 50 contractors.

The reshaping of South Africa's "eco-

nomic geography" is thanks to government policies of deregulation, an even more to the "entrepreneurial zeal" of an urbanising and modernising black population, he says.

As examples of the way in which this country's business base is being broadened, Mr Relly cites the black taxi industry, which has transformed the lives of the urban black commuter, the "spectacular" growth of the "sphaza" shop (the back-room grocery store), the practice of hawking, and "stokvels" (innovative savings clubs) which are

helping to mobilise black capital.

The revolution of economic opportunity is enabling black South Africans to liberate themselves from the "oppressive arm" of officialdom and take charge of their lives, thus increasing their self-esteem and dignity.

"As it spreads, that revolution will be felt right through the social and political structures of our country to the benefit of the task of building a nation in South Africa before the 20th century is out," Mr Relly predicts.— Sapa.

BLACK business, which like the black community has been at the receiving end of apartheid, is still faced by formidable challenges despite the relaxation of many of the laws which stunted its growth.

The focus will be on these challenges at the 25th annual conference of the National African Federated Chamber of Commerce at Sun City from August 6 to 10.

"Nafcoc 25 years ... rededication towards hastening a new socio-economic order in South Africa" will be the theme of the conference.

The history of black business is one of controls and discrimination. Black traders were denied resources and were barred from exploiting avenues and opportunities available to their white rivals.

Regimes

Nafcoc, which started as the Orlando Traders Association in 1945, has gone through various regimes of the National Party, one differing from the other only in the severity of the controls imposed on black traders.

The only different type of government it fell under was that of General J C Smuts who was Prime Minister from 1939 to 1948.

But his so-called enlightened reign did nothing for black traders. The Orlando Traders Association was formed to champion the cause of the black trader during this

Looking at the tough road ahead

Sowetan 27/7/89



Mr Sy Kutumela. . . one of the stalwarts of Nafcoc.



Dr Sam Motsuenyane, president of Nafcoc.

BLACK TRADERS WATCHDOG . . . 25 YEARS ON

entrepreneur any opportunity to realise his potential.

Almost all the laws which restricted him and identified by headlines such as "Beware of natives in trade." "No trade in urban areas." "Go back to your homelands," "No expansion," "No partnerships," "One-man-one-door," and "Reverse the monies into the cities," were passed during National Party rule.

Previously black traders opposed many of these laws with fluctuating degrees of militancy, but today they are steady and their slogan is:



BY JOSHUA RABOROKO

freedom had begun. They mobilised themselves into the OTA and persuaded people in the townships to keep cash in the

the struggle for economic emancipation. This year's conference marks a milestone in the history of the organisation.

For 25 years the founding fathers of Nafcoc have pounded on the doors of officialdom seeking justice and equal opportunities in the economy for blacks.

Difficult

must ensure that it remains united. It must recognise the challenge to promote the total acceptance of business as an essential component of the liberation struggle; it must train blacks to acquire skills; it has to upgrade the services it gives to its members; development strategies to compete against white rivals; and develop its members because in doing so it is developing itself", he said.

According to him although many of the hurdles they faced have disappeared there are more challenges to be

176

Later policies flowing from Dr D F Malan (1948-1954); J G Strydom (1954-1958); H F Verwoerd (1958-1966); B J Vorster (1967-1978); and P W Botha (1978-1989), all National Party Prime Ministers, never gave the black-

and we are in the urban areas to stay."

Our early traders saw the danger lights start flickering when the Nationalists came to power. It was time for action and meaningful action. The struggle for economic-



Delegates at the 24th national conference of Nafcoc held at Sun City, Bophuthatswana, last year.

Our political cartoonist is still on

of being a workaholic. Next to Nafcoc president, Mr Sam Motsuanyane, Mr D P Poole, the late Mr J C P Mavimbela and A N Gadi. Mr P G Gumede, Mr Richard Maponya, Sy Kutumela and many others they featured prominently in fighting for their survival as entrepreneurs.

Caught up in the overall struggle they asserted: "The businessman will lead in the liberation of the black man. The black man's liberation lies in his economic liberation."

These early struggles created the necessity for a national organisation as battles had to be launched all over the country. In addition to this they, as Africans always looked forward to the day when they would participate fully in the economy of South Africa.

This gave birth to Nafcoc nine years after the OTA was formed. Since its formation it has been the vanguard of

the formation of a national black insurance company - a pillar from which black economic empowerment can lean against.

Nafcoc must also challenge the discrimination that blacks now experience in the Government's privatisation programme. He insists it must be shaped to benefit the black community.

Mokgoko said: "We must be a catalyst in the promotion of peace and a greater sense of unity among all the people of South Africa, irrespective of race, creed or colour."

"Nafcoc will continue to challenge poor quality housing in black residential areas, unequal education and the ban on organisations and community leaders. We will challenge the Government to dismantle apartheid and negotiate a settlement with our organisations."

"But our major fight will be to fight laws designed to perpetuate black economic subjugation."

"We have to rededicate our efforts towards a new socio-economic order in South Africa."

The organisation is to forge links with chambers of commerce in African states and other business organisations in the world. It has held talks with community-based organisations, including the African National Congress and other exiles bodies.

Prejudice blocks blacks

STews 30/7/81

176

THE traditional mentoring system as an instrument for developing black managers in SA has failed in many companies, says P-E Corporate Services assistant specialist consultant Michael Lane.

Reasons for the failure include misconceptions about the system's function and its place in organisational development. Mr Lane believes the traditional attitude to mentoring is frequently prejudiced by relationships in society. "Whites often have a negative atti-

tude towards black management trainees — an attitude based on misunderstood cultural differences and a general view that black people are unable to adopt the right work ethic, are apathetic and thus cause costly mistakes.

"This leads to an inability to motivate or develop a relationship based on mutual respect. Despite these differences, dynamic progress is being made in black advancement."

Mr Lane says that although statistics are difficult to come by because many successful programmes are still evolving, his experience shows that tremendous strides are being

made.

Tragically, there is an almost complete lack of awareness and understanding in Europe of the progress being made in SA in this field. Mr Lane recently returned from Europe after an extensive lecture tour and client liaison visit.

"Most European corporations, even those with direct links with SA, are extremely defensive about their association with this country."

"Their ignorance of the developments taking place throughout the private sector in areas such as black advancement and training for black managers undermines their ability

to justify doing business in SA."

Mr Lane attributes the lack of awareness of SA achievements to poor public relations and a preoccupation that Europeans have with their own problems.

"European organisations, particularly as 1992 draws nearer, are obsessed with their own economic and social problems and really only react to SA as major issues arise."

"There is a desperate need for SA to promote understanding abroad of the many developments that we may take for granted, such as the commitment to equal opportunity and black advancement."

Giving blacks boost

THE National African Federated Chamber of Commerce has welcomed moves by the United States Agency for International Development (Usaid) to investigate the possibility of a private venture company that would invest in black businesses in South Africa.

But Usaid has warned

By JOSHUA RABOROKO

that such a company should also reach out to rural areas and not confine its operations to the urban areas.

Nafcoe's public affairs manager, Mr Gabriel Mokgoko, said the proposed company should recognise the perspective of a unitary South Africa in its dealings and not fall into the trap of perpetuating divisions created by government and its parastatals.

US Embassy press officer Mr Barrie Walkley said Usaid was in the final stages of selecting a black controlled South African consulting firm to assist in investigating specific issues related to the feasibility of possible

US assistance in forming a private company to invest in black businesses.

Usaid's interest in such a project reflected a conviction that SA's capital markets could perhaps be an important ingredient in enhancing black participation in the economy and of assisting blacks to assume greater control over their own economic destinies and to share more equitably in the economy of the country.

He said the current stage of the pre-feasibility investigation focuses broadly on the suitability of venture capital to the black entrepreneurial market.

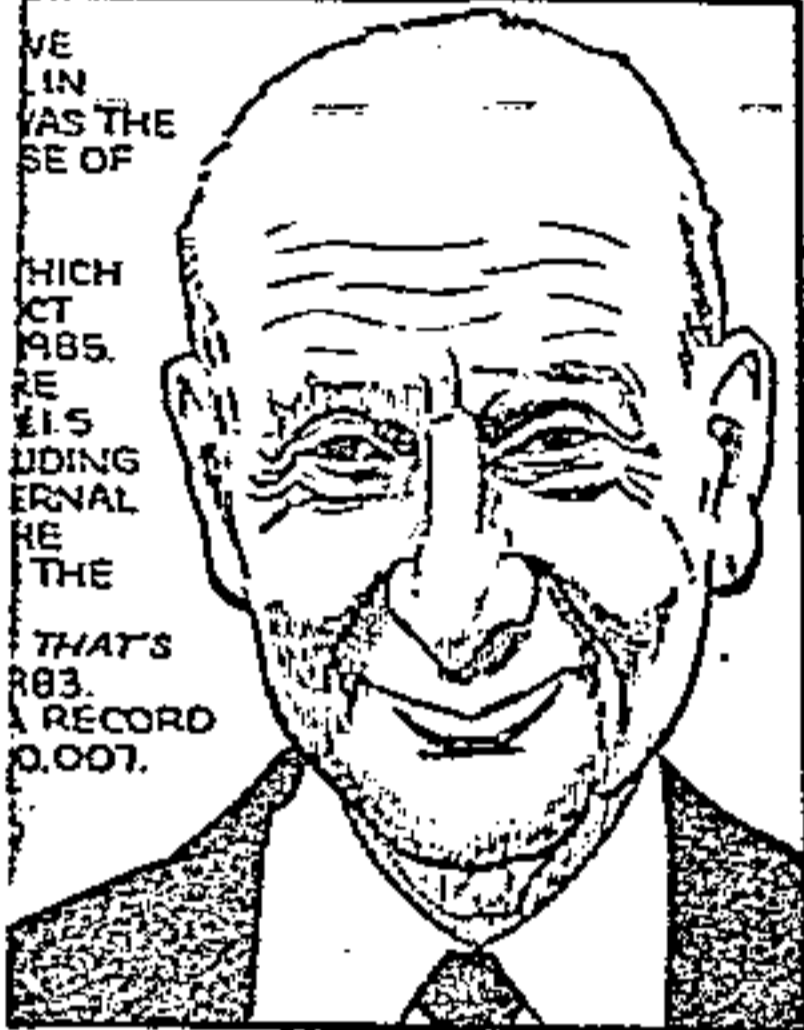
"Lack of capital is an unquestioned obstacle to black business; whether venture capital is the best means of addressing this

hurdle is a wholly separate issue.

"To help resolve this question, Usaid's present study centres mainly on developing a better profile of the precise needs and characteristics of the emerging black entrepreneur," he said.

Mokgoko said the notion must be welcomed because if successful it will assist black business overcome the legacy of past discrimination in which blacks throughout the country were unable to raise the necessary collateral to start a business; to raise working capital and to raise capital for expansion.

He said venture capital might not necessarily be the best means, but was a viable option in a country where few options for financing black business were available.



VE
IN
AS THE
SE OF

HICH
CT
1985.
RE
E'S
DING
ERNAL
HE
THE

THAT'S
883.
A RECORD
0.007.

176

Sowetan 17/8/89

300

208

176

Sowetan - 29/8/89

SOUTH Africa is going through a major transformation and change has become inevitable. The accounting profession either had to adapt or find itself irrelevant to a changing country.

This was the message of the president of the Association of Black Accountants of Southern Africa, Mr Israel Skosana, at the organisation's fourth conference held in Sandton at the weekend.

"It should be clear that for the profession to survive it must be capable of adapting its expertise to the service of the public interest," Skosana said.

Addressing about 200 delegates he said there was a need to review the profession which was rooted within the context of the British imperialist and colonial tradition and was created in a rigid self-perpetuating manner resistant to the needs of a changing economy.

The profession in the country also reflected the apartheid society, being dominated by white males and the professional structures run by "establishment" members.

"There is virtual absence of blacks in the current structures. A

Black CA's are needed

review of this is essential and necessary to ensure that meaningful participation is assured."

The recent establishment of the Female Accountants Bursary scheme - with which Abasa hoped to help about 20 female students to become chartered accountants in the next five years - and a R1-million project to improve financial capabilities of community based organisations served to ensure that Abasa enhanced grass roots development in the community it represented instead of being inaccessible to it.

Skosana said Abasa welcomed and was part of the current drive by all South Africans concerned to find an acceptable solution to the country's problems.



Mr Israel Skosana . . . president of Abasa.

1. K. ...
2. ...

135
5

'Real need' for black CAs in South Africa

Star 30/3/89

2/2/88

176

By Adele Baleta

There was a real need for qualified black chartered accountants in view of the dwindling white minority in an economically active population, Mrs Jane Hofmeyer, of the education department at the University of the Witwatersrand, said recently.

Presenting a paper to the Natal Society of Chartered Accountants, she said the white male-dominated character of the profession was problematic.

Of the 12 000 chartered accountants in South Africa in 1989, about 25 were African and about 400 were women.

Not enough

Mrs Hofmeyer said another problem was that although the profession could generate enough accountants for its own needs, there were not enough to supply commerce and industry. It was predicted that by the year 2 000 there would be a shortage of about 7 000 accountants.

The brain drain of white chartered accountants had to be seen in the context of the predicted expansion of the black labour

force by the year 2 000 — 74,1 percent compared with 14,2 percent for whites 2,4 percent for Asians and 9,2 percent for coloureds.

Short-term strategies proposed by Mrs Hofmeyer to overcome the problem were to maximise the existing pool of chartered accountants and to compete more effectively for the best students.

Chartered accountancy should be boosted by members of the profession at black schools where there were no guidance councillors, she said. Financial aid in the form of long-term, low-interest loans should be encouraged so that more blacks could have the chance of furthering their education.

Affirmative action would have to be taken to open the profession's ranks to all candidates, irrespective of race or gender.

Thought needed to be given to how the profession was perceived in the black communities. For chartered accountants to be effective agents for change, they might have to take a stand on political issues that affected their ability to go about their professional business.

Black business in trouble

BLACK business funding is caught up in a mire of problems which augur ill for the survival and growth of the free enterprise system in SA, says the National African Federated Chamber of Commerce (Nafcoc).

Noting that these problems are impeding black entry into the economic mainstream, Nafcoc has convened a seminar which will look at unconventional funding strategies by financial institutions and development agencies.

Nafcoc is calling on financial institutions and development agencies, government departments dealing with economic development, the private sector, and foreign government agencies seeking to promote black

THEO RAWANA

economic advancement, to attend the conference in Middelburg on April 13.

The organisation feels that lack of collateral, lack of fixed property ownership, ignorance on the part of funding institutions and development agencies, and the common notion that black areas are a high risk, are problems for which solutions must be found.

These have left blacks skirting around the economic mainstream, creating a "dangerous problem for the future survival and growth of the free enterprise system in SA", says Nafcoc public relations manager Gab Mokgoko.

Talks on black economic drive

Sowetan
15/1/79
176

At last, a salesman who knows where you're going.

Joel Shongwe is a salesman at Lindsay Saker. He knows more about the Black taxi market than most other car salesmen.

If you're a taxi operator, go and meet him. He'll offer you a range of services which will keep your taxis on the road and in good running order.

And if you're looking for a minibus to start or to add to your fleet, Joel will recommend the "bigger" VW Microbus, especially re-designed for the taxi market.

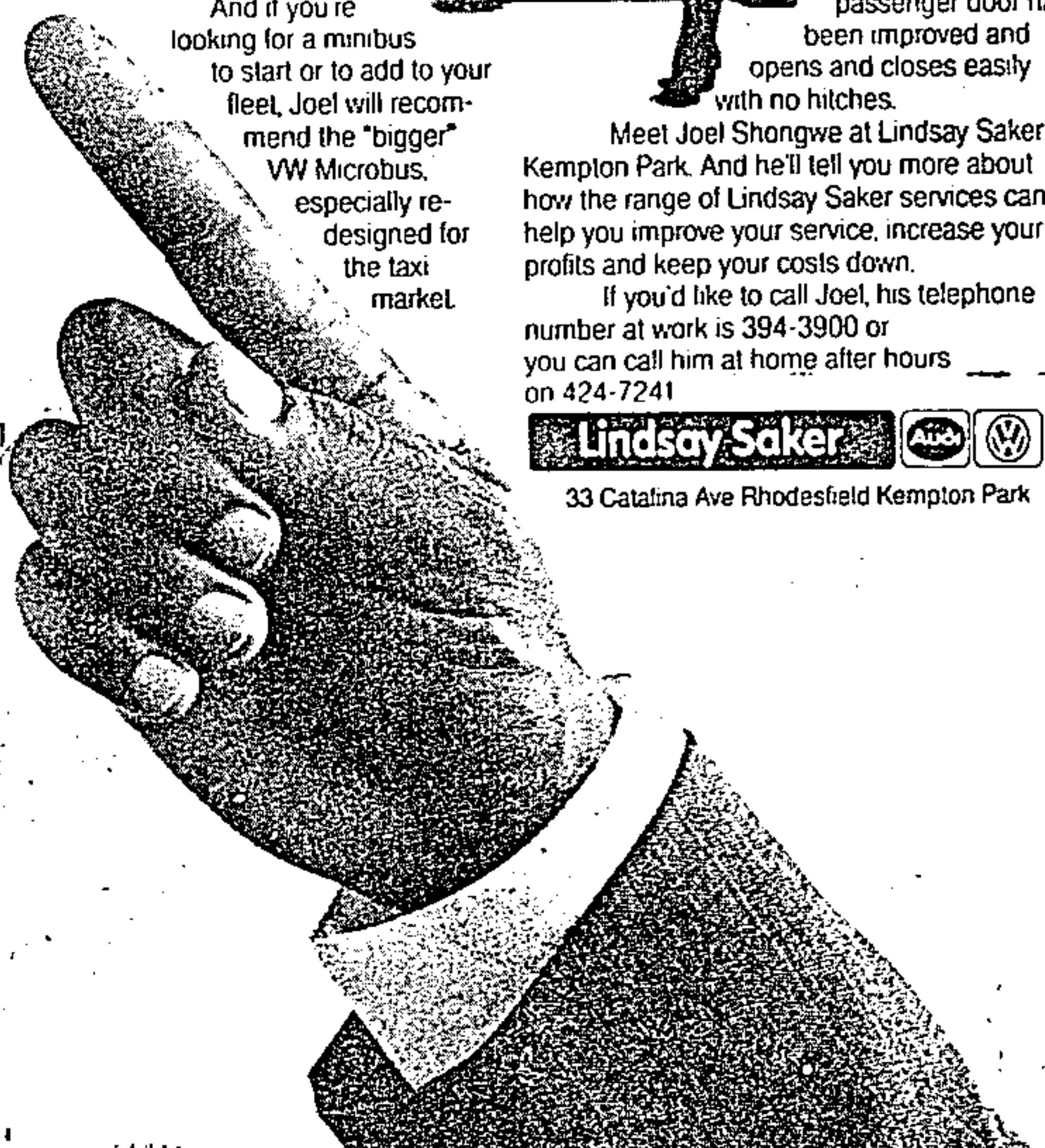


It now comes as a 15 seater. The 1.9 l engine is more powerful and yet more efficient and economical because it is water cooled. The sliding passenger door has been improved and opens and closes easily with no hitches.

Meet Joel Shongwe at Lindsay Saker Kempton Park. And he'll tell you more about how the range of Lindsay Saker services can help you improve your service, increase your profits and keep your costs down.

If you'd like to call Joel, his telephone number at work is 394-3900 or you can call him at home after hours on 424-7241

Lindsay Saker  
33 Catalina Ave Rhodesfield Kempton Park



PROMINENT personalities will address a national conference on black economic empowerment organised by the Johannesburg-based Centre for Labour and Community Research (CLCR).

The conference, to be held at the Braamfontein Hotel on Wednesday at 8am, will have identifiable dominant themes within the concept of black economic empowerment, conference co-ordinator Richard Skele told the Africa News Organisation (ANO).

Among those invited by the CLCR to address the conference are: Cyril Ramaphosa, general secretary of the National Union of Mineworkers, Professor Gerry Coovadia, vice-president of the Natal Indian Congress, George Negota, a senior official of the National Federated Chamber of Commerce, Tertius Myburgh, editor of the *Sunday Times*, Bobby Godsell, group consultant, industrial relations and public affairs of the Anglo American Corporation, Aggrey Klaaste, editor of *Sowetan*, and Khehla Mthembu, chief executive of Active Financial Planning Services.

The name of another speaker, who will present an *Affrikani* viewpoint, has yet to be announced.

According to Skele, the themes to be touched on by the invited speakers will exhibit three viewpoints: the first is that economics, when treated outside political constraints, can yield political solutions, thus necessitating a need to liberate the economy.

The second envisages that economics and politics ought to be appreciated simultaneously in the context of a changing society, and the third asserts that, if blacks can be afforded the means, they will buy their way to power-sharing, thus peacefully ending apartheid.



CYRIL RAMAPHOSA



KHEHLA MTHEMBU

"Central to the matter of black economic empowerment is inequality in income and wealth distribution," Skele said, adding that one of a host of questions the conference will attempt to answer will be: "Does economic black empowerment pose a threat to white security?"

He said that, among others, business planners, trade union leaders, analysts, diplomatic observers and those concerned about South Africa's future should attend the conference.

Attendance will cost R225 a person. This amount includes the cost of tea and lunch.

Skele may be contacted at the CLCR by calling (011) 29-9055/6 for more information about the conference scheduled to start at 8am and to end at 5.30pm.

"It will be a unique event which will provide opportunities for communication between competing and co-operating participants in the socio-political process," noted Skele.

Traders urged to pool money

THE deputy president of Natcoc, Mr Moss Nxumalo, yesterday called on black business people to get involved in a national struggle for inclusion in the economy of South Africa.

Addressing the 19th annual general meeting of Soutacoc in Sandton, Mr Nxumalo said even though there might be casualties in the struggle blacks must formulate a programme of action to move into business ventures.

Mr Nxumalo called on blacks to pool their resources, mobilise the black rand to fight the poverty that has plagued them and to help struggling businesses.

"The time has come for us to call on those who believe that there will be no genuine peace in this country until there is complete economic freedom to join us on the new road that leads to full participation in the economy," he said.

Reform

The conference, whose theme is "Black Economic Empowerment — Initiative or Philanthropy", was also addressed by director of the Part Time University Student Association, Mr Vusi Nkumane, business consultant, Mr Matodzi



SOME of the delegates at the 19th annual congress of SOUTACOC at Sandton Holiday Inn yesterday.

Liphosa and director of Trador Cash and Carry, Mr Albert Koopman.

Mr Nxumalo said without participation of blacks in the government's reform process in this country there would never be stability.

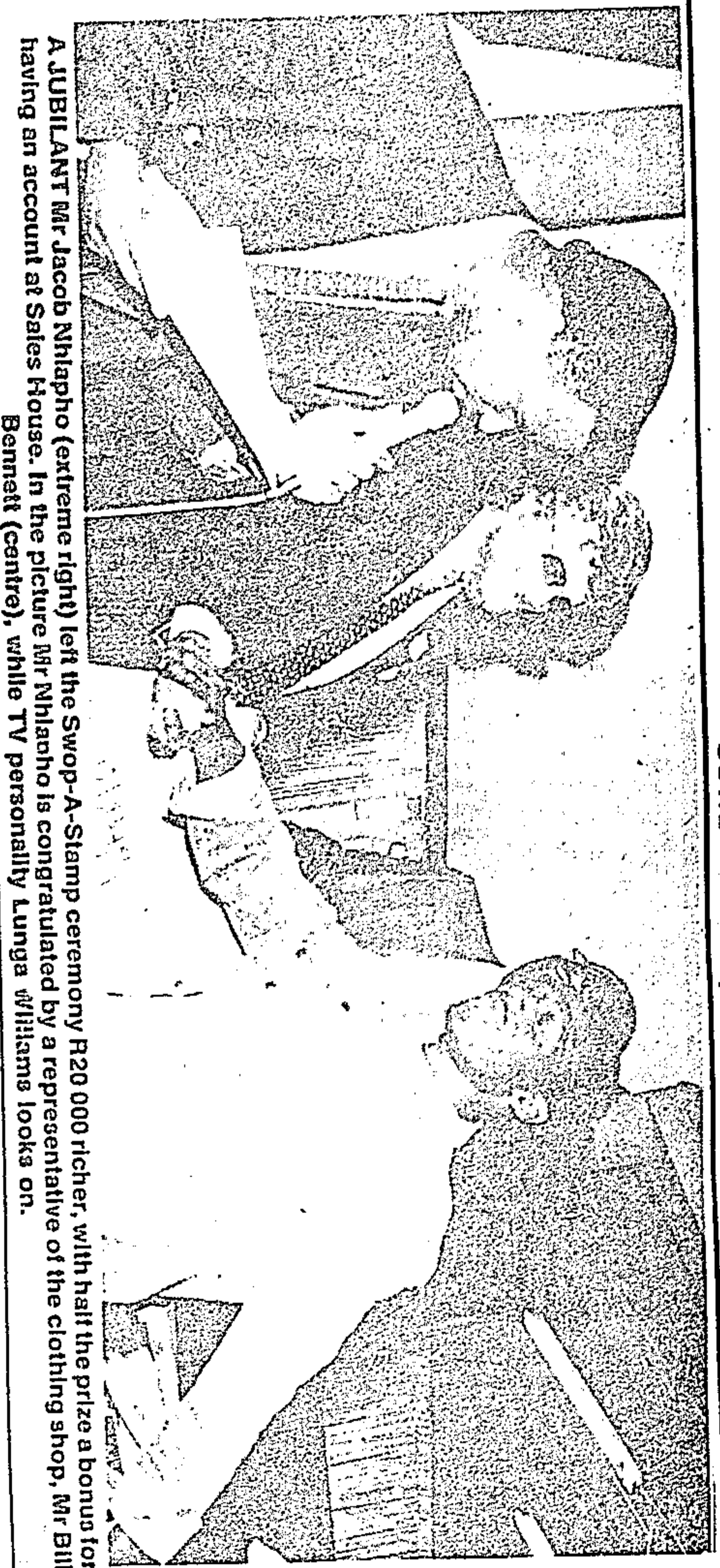
He said in spite of apparent confusion, fear and intransigence on the part of whites to find each other, blacks must find ways to steer the country from a disastrous course.

Business should work together with trade unions, community-based organisations and political groups.

The idea is to create greater contact

Journal 21/9/89

176



A JUBILANT Mr Jacob Nhlapho (extreme right) left the Swop-A-Stamp ceremony R20 000 richer, with half the prize a bonus for having an account at Sales House. In the picture Mr Nhlapho is congratulated by a representative of the clothing shop, Mr Bill Bennett (centre), while TV personality Lunga Williams looks on.

SOWEIAN
Reporter

A MATCHMAKER fair designed to assist black-owned business to establish contacts and develop increased business skills is to be held at the National Exhibition Centre, Crown Mines, from April 26-29.

Matchmaker Services has grown from the annual Matchmaker exhibition, in an attempt to bring black business goods and services to the attention of big business.

Organiser Mr Zuko Tofile said the matchmaker has attracted more than 170 exhibitors, 20 of them buyers exhibiting requirements they suggested could be contracted to black businesses.

Banks, too

Most of the black businesses were service-orientated, such as advertising, marketing and personnel agencies, but they also included printing and packaging services.

Two major commercial banks will have stalls to enable them to finance any deals and offer advice.

Standard Bank executive Mrs M Macpa said the matchmaker concept, which encouraged subcontracting between big and small business was one way of fostering the economic relationships that were needed to accelerate the development of black business.

BLACK business has been warned to be part of the liberation struggle or fall into the trap of being swallowed by big corporates and forced to accept crumbs from the masters' table.

This was the tone of the 19th conference of the Southern Transvaal African Chamber of Commerce (Soutacoc) held in Sandton last week over two days.

The conference, whose theme was *Black Economic Empowerment - Initiative or Philanthropy* - focused on ownership of wealth resources and economic liberation

as pillars on which black political aspirations can be meaningfully fulfilled.

Delegates felt that those who had control over the economy controlled the country.

Black economic empowerment would allow blacks to own and control a substantial portion of the means of production.

Statistics from *Social and Economic Update for 1988* by the South African Institute of Race Relations show that the road to black economic empowerment is arduous and would require an enormous jerk-up.

It is estimated that blacks control less than 1 percent of the economy of the country; less than 4 percent of managers in South Africa are black; black unemployment is estimated to be over 6 million and there is one black company listed on the JSE.

The deputy president of the National African Federated Chambers of Commerce, Mr Moss Nxumalo, said in order to survive, to create jobs and to break the walls of economic exclusion "we have to close ranks and mount a total onslaught to obliterate the impediments that face us."

"Now is the time to sit down and produce action programmes designed to move us into whatever industries we want to control. We in business must mobilise the black rand and fight the poverty that plagues our people and to help our struggling businesses," Mr Nxumalo said.

Some of the factors

SELF HELP ONLY WAY TO SUCCESS

Businessmen look at black empowerment

By
JOSHUA RABOROKO

which he said could lead to economic empowerment are:

- building of shopping complexes and encouraging bulk buying;
- Encouraging blacks to shop in townships, while discouraging them from supporting white supermarkets on the borders of the townships;
- Owning and controlling black originated industries such as

sorghum beer and magueu outlets; and

- Having complete control of the transportation industry in the townships.

"We must invite trade unions, community organisations and other groups to join us towards our liberation," he said.

One of the delegates, Mr M Molete, said business people must help destitute families in their environment.

"If there are deaths, crisis and other mishaps in the community, the businessmen must always be there to offer assistance," he said.

Director of part-time university students association at Funda Centre, Mr Vusi Nkumane said the consumer boycotts in Boksburg and Carletonville demonstrated the effectiveness of black buying power.

"I would not be surprised if we were to disinvest from white financial institutions and invest in our own, such as the African Bank. We will be building the nation," he said.

He felt that the black developmental revolutionary slogan should be the three nows, namely, education now, national unity now and economic empowerment now.

Business consultant Mr Matodzi Liphosa said



SOME of the delegates at the two-day Indaba.

it was well known that the little economic power which the black people possessed was acquired through their own sweat and ingenuity when they established enterprises in spite of restrictive laws.

"Economic empowerment also involves the acquiring of expertise and the onus is on black people themselves to devise appropriate strategies to acquire it."

The conference resolved to:

- Exercise great caution in electing community councillors in executive position of branches;
- Encourage blacks to shop in townships;

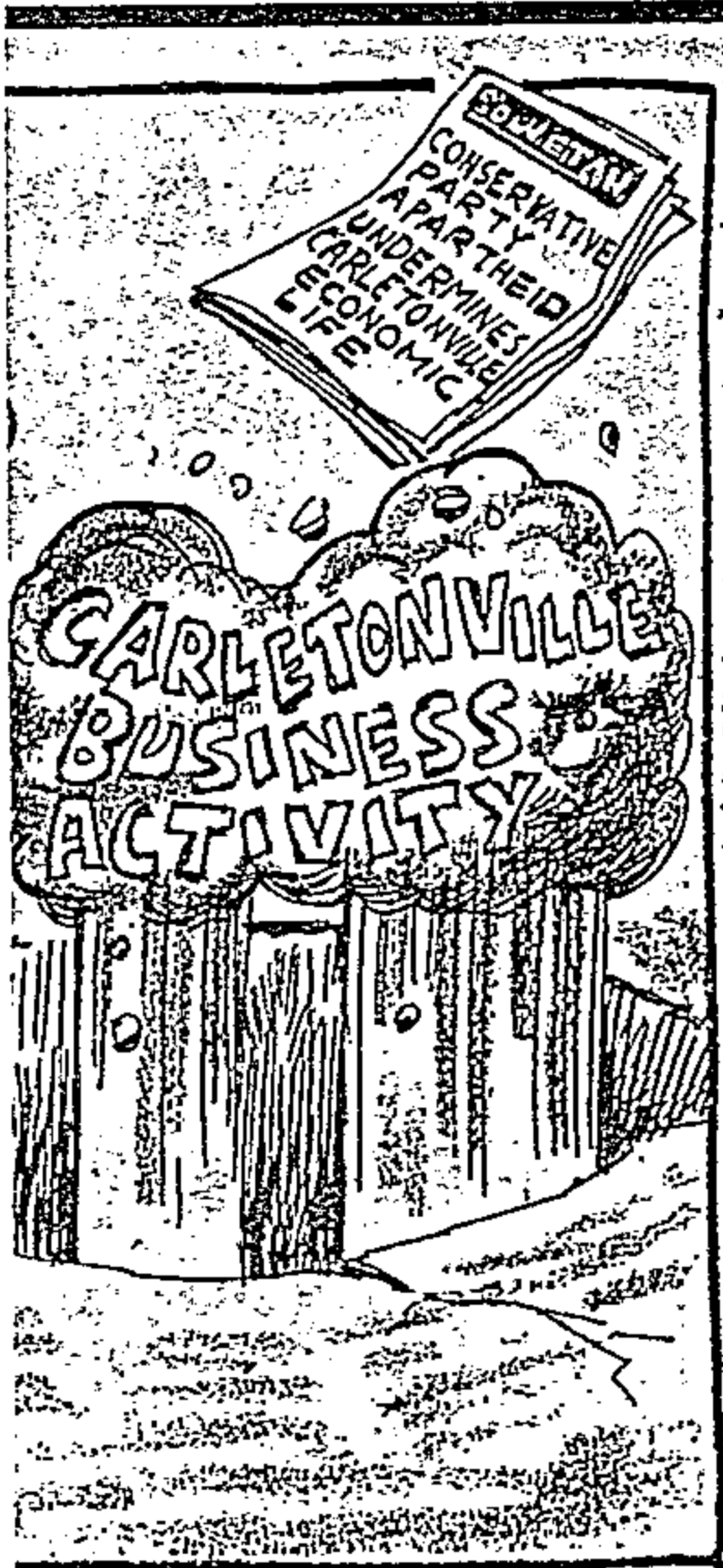
- Call members to propagate the idea of black support for black ventures;
- Appoint a transport committee in the region with a view to encouraging members to share in the transportation of their people such as taxis; and

Request Nafcoc to start a resource bureau on economic trends for the benefit of black business and black consumers.

Soutacoc's president Mr Joe Hlongwane called on the Government to scrap apartheid, adding "time is running short and we are getting tired of living with strikes, boycotts, sanctions, unemployment and the state of emergency."

He slammed at white businessmen who were building supermarkets on the borders of many townships.

"They are trying to kill our businesses, and we must fight against such business ventures by encouraging our people to stop buying from them. They just want our money," he said.



Political comment in this issue by Aggrey Klaaste and Sam Mabe. Sub-editing, headlines and posters by Sydney Mathaku. All of 61 Commando Road, Industria West, Johannesburg.

The reproduction or broadcast without permission of articles published in this newspaper on any current economic, political or religious topic, is forbidden and expressly reserved to The Argus Printing and Publishing Company Ltd under Section 12(7) of the Copyright Act 1978.

• Write to the Editor at PO Box 6663, Johannesburg 2000. Nom-de-plumes can be used, but full names and addresses should be supplied or the letter will not be published.

BLACKS are daily getting convinced that without economic power the prospects of achieving total liberation are nil.

Delegates to a recent seminar on black economic empowerment, organised by a firm of consultants, Matimela and Associates, in Sandton confirmed this.

Consensus was that black economic power will have been achieved when black people own and control a substantial portion of the means of production in this country.

It was also agreed that it implies the ability of blacks to make decisions that will have a significant impact on the economy.

The president of the Black Management Forum, Mr Don Mkhwanazi, said: "Black economic empowerment means the acquisition of economic power by blacks. The acquisition of economic power by blacks will enable them to take greater control of their destiny and of their beloved country.

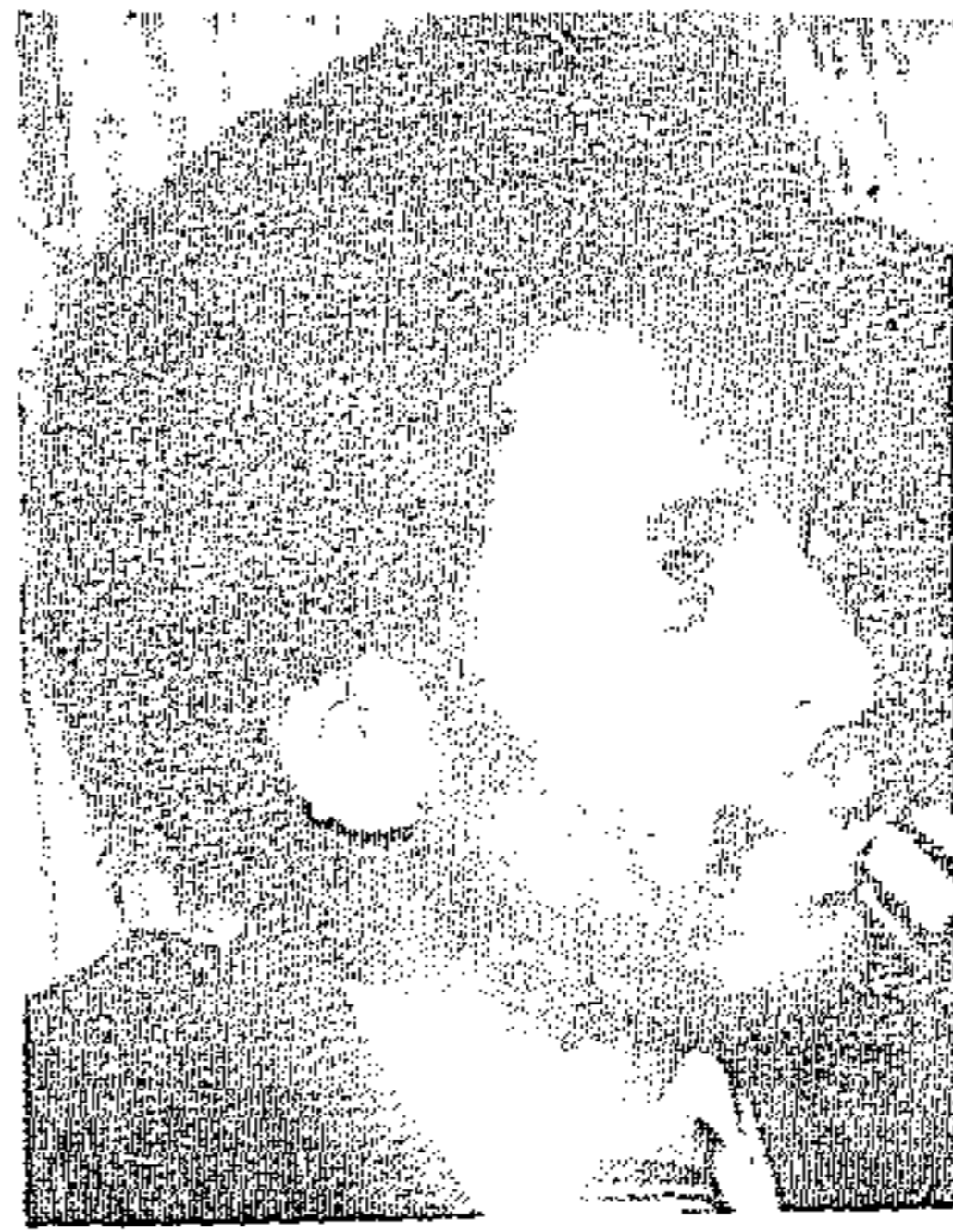
"We can no longer perpetuate our dependence on welfare programmes. Instead we must be seen as contributors in our economic life, not just as labourers, but as equal, if not major, partners in the creation and control of wealth in our country."

It was agreed blacks must enlarge the minute share - less than one percent - they now hold in the economy. They must get larger and commanding shares so that their money muscle could help cut the political shackles that keep them in bondage.

One of the lessons that emerged at the seminar was that black economic power could be achieved primarily through the ef-



BMF president Mr Don Mkhwanazi.



Director of African Studies Mr Eugene Nyathi.



Anglo American Corporation's industrial relations executive Mr Don Ncube.

Start small, think big and grow

Sowetan 7/9/89



The road to black economic empowerment

forts, hard work, and skills of blacks themselves and only secondarily through agencies that have set themselves up to help black business.

Another lesson was that blacks have the capacity to break the barriers and to win - despite all the obstacles which have to be overcome. The process may be slow and require all the patience that the people of Africa have acquired in abundance over the generations, but the end result was attainable.

It could be achieved



By JOSHUA RABOROKO

firstly by blacks running their own businesses and institutions and secondly by getting more and more blacks to occupy positions in corporate and public structures where they are in charge of important resources.

"The idea is to start small, think big and grow," the executive director of Business Challenge, Mr Phil Khumalo, said.

Evils

He said black economic empowerment would not succeed without the involvement of the informal sector. He said black economic empowerment meant the eradication of South Africa's evils of poverty, unemployment, inequality. It meant political freedom; it was nation building.

The Anglo American Corporation's industrial

barbershop, the fish and chips shop and others.

Blacks should not be kept on the periphery of the economy, but should be brought into the mainstream of the economy.

"I suggest that blacks should initiate the process of deconcentration and devolving economic power from the few to the many. The fundamental economic problem in our society is the gross disparity of wealth between blacks and whites.

Solution.

"Too few own the wealth of the nation; too many own nothing," he said.

He said the solution would be "to create new property for the poor without taking old property from the rich."

The chairman of the Anglo American Corporation, Mr Gavin Relly, said big business and government had a role to play in black economic empowerment and in helping to redress the imbalances of the past.

They should rethink the foundations of their

sibility of those interested in black economic empowerment was to ensure that the economic system was open to all, especially the poor, powerless, widows and orphans.

Docile

The director of the Centre for African Studies, Mr Eugene Nyathi, said so-called black economic empowerment programmes promoted by the Government and the private sector have amounted to nothing more than half-hearted attempts at "selective embourgeoisment" of some hand-picked blacks.

"The idea has been to carefully choose a selection of docile and ineffectual blacks who are then given contrived impressive titles and kept there for public relations purposes. The sum total of the strategy is the creation of a black middle class which will be too small to threaten white control..." he said.

He said: "Black economic empowerment must be seen within the context of the continuing quest for political and economic

Learn about business

176

Sowetan 11/9/87
SOWETAN recently announced the launching of the Sowetan Business Development Programmes, a series of courses on the essentials of Management, Marketing and Merchandising.

These courses are geared specially for the up-and-coming entrepreneur or aspirant manager who wishes to acquire the skills, motivation, knowledge and general preparedness required to manage every key element of business more effectively.

There are two introductory business programmes of four days each and seven two-day advanced programmes. The advanced programmes can only be done on completion of the introductory programmes.

The subjects covered by the programmes include:

Finance and Administration

Modern Retail Merchandising Techniques

Stock Management

Managing People to Perform their Best

Assertiveness in Business

Marketing and Business

Communications.

The programmes have been developed and will be presented by the staff of the Workwise Business Development Group. They have been running similar courses for aspirant managers for some years.

The adoption by Sowetan of these programmes is another manifestation of the newspaper's commitment to the concept of Nation Building which aims to help rebuild the structures that have collapsed in our communities. The Editor, Mr Aggrey Klaaste, says that the Sowetan Business Development Programmes will make an important contribution to the development of black business people.

"Too often we just assume that business people have natural talents for running companies and playing a role in business. That's not always so. Like anyone else, business people need to be taught the skills required for excellence. The Sowetan Business Development programmes aim to do just that: teach people the basics of business so that

they can go out into the business world with confidence - and in the process help to develop or communities."

The programmes are all run at the Park Lane Hotel in Hillbrow. A special price of R299 will be charged for the four-day introductory programmes that are run this year. Next year the price rises to R499. The programme for this year is

Finance/Merchandising
September 25, 26, 27, 28
October 16, 17, 18, 19
November 20, 21, 22, 23

Managing
People/Marketing
October 2, 3, 4, 5
November 6, 7, 8, 9
December 11, 12, 13, 14

Details of these courses and the advanced courses to be run this year can be obtained from Lisa at Workwise Development Group or Anne on telephone (011) 888-1556. (Please do not phone the *Sowetan* number).

Sowetan believes that this initiative provides major South African corporations with another opportunity to play their part in Nation Building.

In the first place, companies can sponsor their own staff members on these courses. In the second place companies can provide sponsorships for independent entrepreneurs in the townships. Companies wishing to take advantage of this opportunity should telephone Mr Mel Stamelman on (011) 888-1556.

The launching of the Sowetan Business Development Programmes coincides with the start of a new section in the newspaper, *Sowetan Business* which will appear as a weekly section from September 28. These pages will be edited by Senior Assistant Editor, Thami Mazwai, who recently spent some time at Harvard Business School in the United States.

The pages of *Sowetan Business* will be sponsored by large corporations who have linked up with Sowetan to help market the wares and services of township entrepreneurs. All businesses in the townships are entitled to a 50 percent discount on advertising that they place in the new business section.

B/Dan 13/9/89

SA needs to train more black managers prof

176

176

176

RIAAAN SMIT

SA HAD to train more black managers, new dean and professor of Business Administration at Wits Business School Keith Yeomans said in an interview yesterday.

Yeomans succeeded Prof Andy Andrews on September 1.

He said SA had a much higher level of managerial requirement to supervise others than was usual in Europe and North America.

"This represents the point of stress so many South African managers are experiencing at the moment because their span of control is so much wider."

The result was managers tended to be promoted at an earlier age and with less experience than in most countries, which in turn could affect the efficiency of business operations, he said.

"If one simply looks at the white component in our society as providing managerial expertise, the

problem of span of control is going to get worse, because the growth of the white population is relatively small.

Yeomans said there was an untapped potential of people that were not being brought into management positions. As a national need, SA had to have more black managers in its businesses.

He also stressed the "enormous challenges" posed by the need for trained managers for the public sector in a post-apartheid SA.

Yeomans pointed out that about 20% of students at Wits Business School (WBS) were black. He



● YEOMANS

would like to see at least a 50% participation rate in the next five to 10 years, without lowering the standards of the school.

This would necessitate the development of support programmes for students because the task of WBS did not end with recognising potential through selection procedures, he said.

WBS, which started in 1968, had the unfortunate image of being white and elitist, mainly because it had never really promoted itself among other communities.

Yeomans said he would like to see an active recruitment drive to market the school among target groups.

Yeomans obtained an MSc in economics at Keele University in 1971 and a PhD in management from Aston University in 1978.

He has lectured and published extensively and was awarded a gold medal by the SA Association of Business Management in 1986.

B/Dan 13/9/89

'Agricultural changes vital'

GERALD REILLY

PRETORIA — The restructuring of the agricultural sector is vital to the efficient functioning of the whole economy, says a Directorate of Agricultural Economic Trends report.

The directorate said factors affecting agricultural development had been identified at a national level where state involvement seemed necessary.

In the process, the changing nature of the national economy, in which market forces were to play a bigger role in price determination, should be taken into account.

The report stressed agricultural assistance should not be aimed at supporting commodity prices but should be given only to deserving cases.

Assistance should be based on borrowers' abilities to pay.

Government was committed to the principles of the free market mechanism and farmers would have to adapt to the changing policy and re-evaluate traditional approaches. *General*

Black empowerment to beat sanctions — mayor

CAPE TOWN — Mayor Gordon Oliver spoke out against sanctions yesterday and in favour of the alternative of "black empowerment".

At the start of the 700-delegate annual conference of the Institute of Municipal Treasurers and Accountants here, Oliver said sanctions were already hurting industry.

Cape Town was a major centre of the insurance, oil, clothing and fishing industries, he said, and a further million people in the western Cape were dependent on the agricultural sector.

B11 Day 20/9/87

Own Correspondent

It was worrying that Cape Town's industrial sector was employing proportionally fewer people than other cities.

"Our industry is suffering as a result of sanctions already," he said, giving the example that the US had closed its lucrative clothing markets to SA.

"I believe black empowerment is a better option than sanctions."

However, there was much to be opti-

mistic about if one considered fundamental shifts in the economy, he said.

Firstly, the falling rand favoured manufacturing and agricultural exporters.

Secondly, greater Cape Town was establishing itself as a centre of high-technology industry relying on human skills. The city's educational levels were among the highest in the country.

Thirdly, Cape Town's rapid population growth had increased the size of the market and the number of opportunities for growth and development.

Sowetan 25/9/89

Blacks urged to get economic freedom

By JOSHUA
RABOROKO

BLACKS needed to empower themselves economically to prepare for the post-apartheid era, the chief executive of Business Challenge Mr Phil Khumalo said at the weekend.

Speaking at the opening of the East Rand Expo '89 in Kwa Thema near Springs, he said both political and economic freedom were inseparable if blacks were to escape the evils of South Africa such as unemployment, malnutrition, starvation and poverty.

He said: "It is pathetic to call ourselves a liberated nation when in reality we are fully relying on others for handouts for survival. I want to believe that a man who feeds you tells you what to do -

B/Dam 25/9/89.

Call to help black business take its place

TANIA LEVY

UNLESS black business is assisted in taking its rightful place in the economy there will be demands by a future black-dominated government for enforced redistribution of wealth, says black taxi development company Project Spear.

In a study entitled *Creating the Economy: SA Business in the 1990s*, it says a large and prosperous black business movement will assist and accelerate political change, a process known as black economic empowerment.

Action must begin now and show significant results by the end of 1990. Business must be restructured to form smaller versions of today's English and Afrikaans giants among black businesses.

The study says by 1994 black business must include a smaller version of Anglo and Sanlam conglomerates.

The three will together form the "new economy", an essential counterpart to the new constitutional dispensation to be devised by politicians.

The restructuring of SA business must take place at the same time as political and economic changes.

Whereas the 1980s have been the decade of grants, the 1990s' need is for investment, it says.

Time and effort

Investment will take two forms: large-scale financial investment, possibly from sources outside SA and development investment by established business and other agencies which wish to see black business develop.

They must invest not only money — though this is essential — but time and effort to ensure black business develops rapidly from the informal to formal sector.

There must be partnership at all levels between black entrepreneurs and white established business.

In the new economy the momentum must come from a combination of black entrepreneurs working with white entrepreneurs able to offer the necessary business skills.

Two developments which show the way to the new economy are mentioned in the study.

First is Black Enterprise magazine's recently created New Economy Trust, an agency applying funding from local and overseas sources to the financial needs of black entrepreneurs.

Secondly, the paper says the SA Black Taxi Association has set up a joint venture with a white-owned company with specialist skills in business, training and transport.

The aim is to provide education and training for the taxi industry and new business opportunities

Representing R3bn in capital investment, the black taxi industry could become the leader of the new black formal business movement more quickly than any other group in the informal sector, the paper says.

Black income tips economic balance

B17cm
25/9/89

176
GERALD REILLY

PRETORIA — The rising income of blacks is reshaping the economic balance in SA in their favour and steadily increasing their economic empowerment, says Economic Advisory Council member Hohale Mahanyele.

Speaking at a Pretoria University Graduate School of Business function last week, he also warned that SA was heading for a management crisis if the country persisted in recruiting managers mainly from the white population.

Currently whites constituted 90% of the managerial corps.

On earnings, Mahanyele said black incomes had grown faster than white incomes since 1973.

Between 1986 and 2000 earnings growth was projected to average 50% for blacks, against only 10% for whites.

Disposable incomes showed an even faster increasing trend.

Other projections were that blacks would constitute 84,1% of the economically active population by the end of the century.

It was accepted that growth of 3% a year was the absolute minimum if SA was to stave off massive unemployment which could result in serious socio-political upheavals.

Managerial pool

On the looming managerial crisis, Mahanyele said in excess of 210 000 additional managers would be needed by the year 2000, according to authoritative estimates, with whites only able to contribute a maximum of 40 000.

Everything pointed to the need for blacks to be drawn into the managerial pool, especially as the black population would total over 80% by 2020.

The ratio of workers to managers was 50 to 1 in SA, compared with 12 to 1 in Japan, 14 to 1 in Australia and 16 to 1 in the US.

Some estimates claimed the SA ratio would deteriorate to 76 to 1 by the turn of the century.

Some companies tended to rationalise away the need to appoint black managers because of their educational and experience background, said Mahanyele.


Others advanced blacks into management because they saw a new political and economic order with a different distribution of power.

Most blacks occupying or aspiring to managerial jobs cited racial discrimination as the main cause of their inferior status in the organisation.

Existing black company employees rarely got promoted to managerial level.

It was obvious that although advancement of blacks to managerial jobs had become an economic necessity, companies still held back, he said.

It's
my
business



By THAMI MAZWAI

176

Entrepreneurs need more than crumbs

Sowetan 28/9/89

IN line with his promise of a fair dispensation, which among other things means economic fairness, President FW de Klerk should give the drive for black economic empowerment a massive boost by giving sizeable Government contracts to black entrepreneurs.

Several years ago a delegation from Nafcoc petitioned the Government to set aside a percentage of contracts for black contractors.

They cited the case of the United States' affirmative action programme for disadvantaged communities.

Nafcoc was told this was being considered very positively.

Now, more than five years later, a school is being built in Kwa Thema right behind the industrial park. Hardly a cent of business has been given to the entrepreneurs in the park.

When this practice is questioned we are always told that contracts are allocated on a non-racial basis. The best tender gets the job.

This is baloney. Take Giant Blackpool and pit them against the England side Liverpool - you will see the worst massacre in soccer. Likewise when black entrepreneurs tender for contracts they do not have a ghost of a chance against white industrialists.

Black traders have always had their hands tied behind their backs. The Government has passed vicious laws that barred them from the manufacturing sector, from forming partnerships and companies in the urban areas. This left them underdeveloped.

White business, instead of coming to the defence of its black counterpart, took advantage and black business was virtually paralysed.

That is why the opening of white central business districts to black entrepreneurs has not meant anything.

Many of the black businesses that moved into the CBDs were not fully developed and at a disadvantage against white businesses with greater resources and experience. Consumers continue to buy from white shops. What has then been achieved?

For the black entrepreneur to regain lost ground he needs plenty of jobs, not crumbs from the master's table.

Researchers say blacks spend more than 60 percent of their income in white areas. The remaining 40 percent includes rent, electricity, water and transport. The township entrepreneur gets a teenie-weenie two to 10 percent at most.

Government purchases are the injection needed to vitalise black business. In any case government spending, as John Maynard Keynes has stated, is one of the weapons used to regulate the economy.

If at least 20 percent of Government contracts went to blacks or a condition of all Government contracts was that 20 percent of the sub-contracting went to blacks or companies wholly controlled by them, black business would be revitalised and it would begin to grow.

One of the reasons for the rise of Afrikaner business houses, today major institutions in the economy, was that the Government showered them with lucrative contracts - at times even when there were cheaper tenders from English competition.

Why can't De Klerk do the same for black business?


 176

'Economy is black political weapon'

Foreign affairs advert boasts of SA change

LONDON — More fundamental change in South Africa is imminent "and it's going to happen", the Department of Foreign Affairs says in a full page anti-disinvestment advertisement published yesterday in the conservative *London Daily Telegraph*.

Headlined "How to finance the South African revolution", and displaying pictures of products mainly sold by black entrepreneurs — home-brewed beer, snuff, razor blades and various tonics — the advertisement's theme is that disinvestment robs black people of economic power: their most effective means of negotiation and political leverage.

"To say that disinvestment hurts the people it's meant to help, is to obscure the truth. In reality it's much worse.

"If anything it robs South African blacks of their most effective means of negotiation and political leverage: their economic power."

It should be realised that the economy was the people and not the government.

Sourcing statistics to the University of South Africa's Bureau of Market Research, the Department of Foreign Affairs says: "Consider that in seven years from now — unless the economy is crippled beyond repair — black spending will represent way over 70 percent of the gross national product."

There were 20 000 black-owned backyard shops in the townships of Johannesburg and Pretoria that had achieved a combined turnover equal to that of South Africa's largest super-market chain.

"Even more remarkable is that they've achieved this turnover selling no more than the basic odds and ends you can see scattered over this page."

The advertisement refers to the SA Black Taxi Association (Sabta) as another example of the power of the emerging "black rand", saying it had in

under 10 years become the country's largest private consumer of fuel, motor oil and accessories.

"As a transport company it is 20 times larger than its state-subsidised equivalent, directly providing work for 300 000 people, transporting two billion passengers a year and supporting a mushrooming informal business sector so large no one has dared to estimate its size.

"This is the economics of change. The revolution which is putting apartheid out of business."

By supporting the many South African companies and organisations fighting for a free economy, rather than supporting the systematic destruction of the economy, *Daily Telegraph* readers would help South Africa achieve its goal, the Department of Foreign Affairs says.

This goal was the creation of a free and democratic society for all. — Sapa.



Institute of Personnel Management

Times Survey October 15, 1989

THE ratio of managers to workers in South Africa is dropping all the time as the skills shortage worsens.

In 1987, estimates suggested there was one manager for every 44 workers and experts were warning of dire consequences. Now the ratio is estimated at 1:50 — compared to about 1:15 in the USA — and the situation is unlikely to improve without a sustained, innovative effort.

Equal employment opportunity (EEO) is no longer seen as purely a social responsibility issue but rather one of economic survival. Nor is EEO concerned only with black advancement but is multiracial and addresses women and the handicapped.

IPM training manager Dan Mitchell says: "We will not be able to meet our manpower requirements, particularly those of professional people, from the existing company employee pool."

Using all the resources

STimes 15/10/89



"The traditional slow career path is not going to work either. We need to accelerate advancement. There is a great need for more black managerial staff right up to board level."

However, there are serious problems with accelerating black advancement as standard education and stay-aways, which often result in the pupil's education being incomplete, leave them poorly prepared to face the challenge.

Says Ms Mitchell: "There is a shortage of good black matric students and everyone wants them."

"Traditionally, we have taken black matrics and placed them on a variety of bridging

programmes. They are then pushed up through accelerated on-job-training.

"There would also be a range of quasi-educational programmes covering areas such as communication skills, business and assertiveness."

"But while they would perform well on the programme, results when back in the workplace were disappointing."

"This led to the development of the 'mentor' system."

The mentor is a person who acts as a combination of coach and support in the work environment. The idea being that the mentor would show the black staff member "the way we do things here".

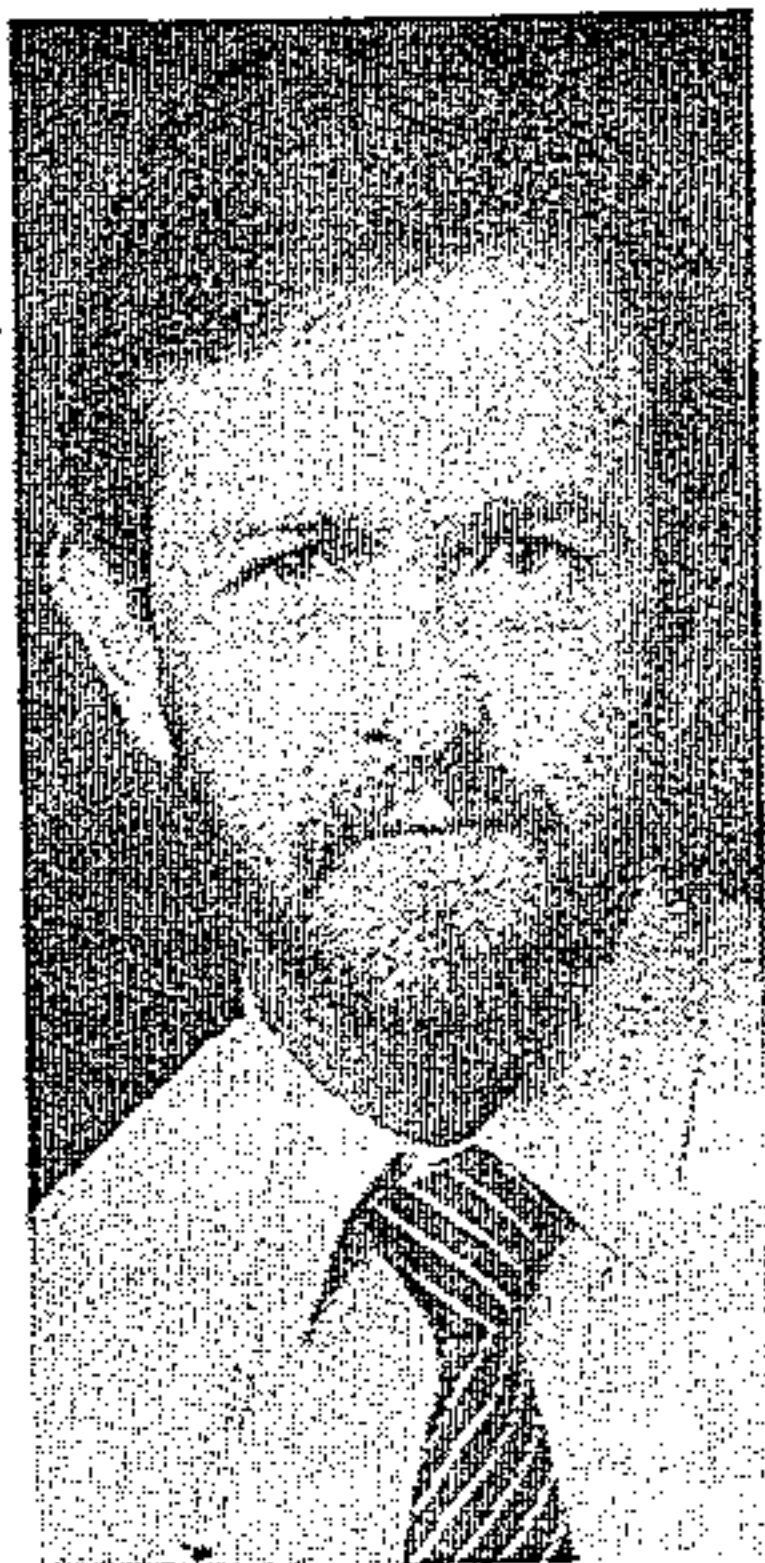
But though the idea has produced some

positive results, it does not address the lack of success due to the negative reactions often experienced in the work environment.

Ms Mitchell says: "White employees often feel threatened by rising black stars. There is a need for input to reduce resistance and racial tension. You can't just have black advancement, it must be multiracial and designed to develop all the rising stars, regardless of race."

She notes that due to the lower ratio of managers, skilled staff are subjected to enormous amounts of stress. This lowers their performance and often leads to ill-health.

She says companies are beginning to realise the need to become more "Africanised" and adopt the best of both worlds. She points out that SA cannot afford to neglect any of its resources and this means advancing women into positions of greater responsibility and employing handicapped people.



KARL HOFMEYR ... challenges of the 1990s

HR top of the list

51 Tues 17/12/89

(176) (circled)

A SURVEY by Unisa's School of Business Leadership shows that SA's middle managers see human resources (HR) management as the major challenge of the 1990s.

Karl Hofmeyr interviewed 240 middle managers. Almost 50% of them singled out challenges relating to HR management as a priority.

Other matters regarded as important included industrial relations, the need for increased productivity, the skills shortage, training, managing black-white relationships and black advancement.

Professor Hofmeyr says 5% of the responses dealt with management

styles. Mention was made of participative management and employee involvement, the management of change, the need for vision and for a unique SA management style.

Comparing his findings with trends he identified in the US, Professor Hofmeyr says many of these challenges are similar to those faced by American managers. But there is a different view here of what managers must be able to do and hence what is needed in SA management education.

"Industrial relations, productivity, job creation, the emphasis given to political challenges, the references to issues of race and culture and the need for attitudinal changes are what differentiate SA priorities from those of the USA.

"To the extent that issues such as these are not addressed in our management education in the Nineties, business schools may lack relevance. Rigid adherence to American curricula will not help us to meet SA's challenges."

An immediate implication, he says, is that these challenges should be dealt with more directly in courses on human resources management and organisational behaviour at business schools.

"Management education in SA has to prepare managers to understand these issues and to be able to place them in the context of a society which has major technical and structural problems."

MANPOWER — BLACK MOBILITY

1990

IPM calls for faster training

5/10/90 23 11190
COMPANIES in SA needed to increase the number and step up the pace of advancement programmes for workers, Institute of Personnel Management president Theo Pegel said in a statement yesterday.

The private sector and particularly human resources managers could play a major role in combating the severe skills shortage in SA.

Pegel outlined a policy for such a programme, reminding IPM members that even if the present education system was reconstructed tomorrow, it would take 10 to 15 years before the results of such a restructuring would be realised.

"In the meantime, the private sector must make do with the present pool of people in the country," he said.

"It is up to each and every one of us as human resources managers to create a culture of education and training in our own organisations," he said.

"This attitude will ensure education and training is stressed at all times on all levels within our organisations," he added.

More black personnel needed to be brought into supervisory levels and into technical positions to assist in the implementation of these programmes.

Training strategies should concentrate on responsibility for self-development by managerial and executive staff, with more direct training being aimed at the lower levels.

EDWARD WEST

Companies should become involved with the education of their future employees in the geographical areas in which they are located.

Pegel stressed that support to schools in the neighbourhood could have a major positive implication.

"Don't try to do it on your own. Form an alliance with similar minded businesses in your locality. As a group you can achieve so much more than trying to do everything alone," he said.

Pegel emphasised the need to focus on vocational training. SA should take a good look at introducing a system similar to the Vocational Education Training system which is used in West Germany.

In Germany, everyone who left school to enter the job market needed to undergo an apprenticeship which applied to more than 400 different trades.

By adopting a similar system, SA could ensure its workforce was far better equipped vocationally.

The IPM has taken the issue of the skills shortage and education system in SA as part of its theme for the 1990's and intended bringing practical ways and means of handling the problem to its 8 000 members during the coming months, said Pegel.

176
Workforce

Alienation

key to slow development

176

ALAN FINE

A KEY factor in the slow pace of black management development and in under-performance of black managers is the marginal position of these managers in the company and the society they live in.

This is one of the main findings of a survey of black management development programmes commissioned by the SA Foundation (SAF) from Prof Lawrence Schlemmer of Wits University's Centre for Policy Studies. *By Alan Fine 24/11/90*

In a summary of the survey, which is to be published soon, SAF Johannesburg director Gavin Evans said that among reasons for the black managers' marginal position was that they had to reconcile the segregationist society in which they live with a corporate environment in which they were supposed to compete as equals with whites.

The experience of discrimination was aggravated by several factors: lack of exposure to white informal networks; experience of tokenism in appointments, of unequal remuneration in the past, and of resistance from shopfloor and some white colleagues.

There was also a conflict between demands in the workplace for performance and demands of the black community for solidarity.

These factors, according to the survey, result in high levels of stress and insecurity, lack of self-confidence, and, often, alienation from the corporate structures and the wider society.

Schlemmer emphasised it was not black "non-modern" cultural values which were the obstacle.

The survey found there were certain key ingredients to making black management development programmes successful.

These included a publicly-expressed commitment from top management, and following through "by selecting targets for black management development, including line management and not just personnel (and) incorporating training programmes as part of a broader strategic advancement strategy."

SOWETAN BUSINESS

Help blacks create wealth in townships

176
Sowetan
25/1/90

Hard work is the name of game

IN last week's Sowetan Business we reported on the plight of black school uniform manufacturers being snubbed by township schools who give contracts for tunic to outside traders, notably Indian and white businessmen.

These township traders asked the inevitable question: "What is meant by black economic empowerment if we are ignored by our own people?"

A very legitimate question.

Record

For the record there is nothing new about calls for the economic empowerment of blacks. Our political organisations have at one stage or the other called "buy black campaigns", asked us to support black ventures or, as late as 1975, asked us to make sure all rands stay in the townships.

Malcolm X said the same before his death when addressing the economic plight of blacks in the United States.

For mankind the debate is as old as the hills. When Governments push exports and minimise im-

ports it is for the economic empowerment of their countries. Americans turn livid every time a Japanese product is bought for this reminds them they have lost control of global markets.

With us cries for economic empowerment have now become a battle cry with some mystical quality to it that makes us believe it is the panacea for ills plaguing the black business community at that particular moment, colleague, Jabu Sikhakhane, has noted. What is new about it today is that our beloved whites have jumped onto the bandwagon, and for no other reason but to protect their interests. As a result there are so many variations of black economic empowerment that parameters need to be defined when the next conference on this concept is called.

All talk

In my view it is the embodiment of the quest by Africa's nations for full nationhood. Similarly here at home it must be seen as the determination by blacks to have the kind of economic clout that will make them masters of their own destiny and full partners in the economy of this country.

For this reason Joe Hlongwane, president of the Southern Transvaal Chamber of Commerce, last year called on black businessmen to lock themselves in some conference hall and themselves map their destiny. We should define our vision of black economic empowerment and how this will be attained.

I therefore do not understand why whites are invited to conferences on black economic empowerment. If we want to be masters of our destiny going to white boardrooms is the wrong way of going about it. But this is another issue.


Unfortunately Hlongwane's suggestion has not materialised and instead later this year we will once more witness Nafcoc's pilgrimage to Sun City where apartheid will get its usual hammering from black business and the annual call for a just deal for black entrepreneurs will be made. This is the lot of black business today - all talk and very little action.

The Government version of black economic

empowerment is talk about creating opportunities. Ours is talk about what should be. In line with this trend black economic empowerment has become conference material. Heady stuff. The subject has become so sophisticated, academic and high flown, and now fails to generate grassroots consciousness that will make the man in the street feel guilty for supporting outside traders instead of Diamini next door - provided the price is right.

That is why the Mrs Mhlambis, who maintain their prices are competitive, simply get confused when black economic empowerment fails to translate into rands and cents, the only language businessmen understand. The black consumer has not been told what black economic empowerment is about. He has not been told how it will benefit

It's my business



THAMI MAZWAI

Sowetan Business

1716

In answer to a critic

LAST Friday I received an angry call from somebody who differed with my sentiments on black economic empowerment, published in this column last week. He refused to give his name.

Obviously distressed, the angry caller said: "Are you now telling us that blacks are not entitled to this country's existing wealth, and they must create their own?"

"You are now being a lackey of the imperialists and capitalists. That is precisely what they like to hear, that they built everything in this country and we must build our own".

Quite a mouthful. In the first place the caller is accusing me of something I did not say.

The ownership of the country's resources is more of a political issue than an economic one, although the two cannot be separated.

A political settlement will thus determine ownership, or continued ownership, of the country's resources.

For instance last week ANC leader Nelson Mandela made his views, known and earlier this week the MDM did the same. The Government, Democratic Party, Pan Africanist Movement and other groups in the country also have their views.

What I wrote about last week was black economic empowerment and the plight of the township manufacturer.

I will stick to this topic for the time being. My view on black economic empowerment is that vibrant black business communities must be created and the manufacturing sector developed.

The country's wealth is not only the gold, diamonds, agricultural produce etc, in other words the commodities. It

includes the bridges, the cars, the railways, in fact just about everything owned by the residents, including assets in the public sector.

Natures gifts are also part on the nation's wealth. According to research, blacks own about five percent of the country's assets. This leaves me angry.

My understanding of the creation of wealth is that it involves, among other things, the transformation of material, raw or semi-processed, to usable like cars, fridges, food etc.

When wealth is created skills are developed or honed, and in the process jobs get created.

Looking at the colonial period, raw material was taken from Africa to

Europe, the so-called Mother Countries. It was then turned into usable products, which were then sold in world markets.

Not only were jobs created in Europe, but their manufacturing know-how was also developed. Although our continent is richly endowed with the gifts of nature, our minerals and forests, huge chunks of it remain undeveloped.

As the processing of raw material was done elsewhere skills could not be developed, hence the dearth of skilled labour in the developing world. It imports more than it exports.

Our situation is no better. Job reservation saw to it. Thus developing skills is what we need to concentrate on. We need

these skills even for the post-apartheid South Africa.

When township consumers support our fledgling manufacturing industry they help in developing skills. Our Mrs Esther Mhlambi will hire more dressmakers. Because of competition she will find easier and faster methods of sewing uniforms, and may even invest in advanced capital equipment.

Her employees will then need training for these sophisticated machines. On the other hand

she or one of her workers may adapt her machines to do more.

This is innovation. The money flowing into her kitty and those of other manufacturers or operators will generate other economic activity in the townships. Trade in our townships will grow. Learning to fish, instead of being given fish, is crucial in economic empowerment.

Needless to add, massive infusions of capital are needed from the private sector and the Government.

Schools using outside traders must ensure a portion of the business stays in the township. What is, however, more preferable is loading those manufacturers with work.

What I may perhaps add, and for the benefit of my angry caller, is that mine is one view. There are many other outlooks. Hopefully, at the end of the day we will have a mix that accommodates most views. But for us to succeed, the township consumer has to be a major component of black economic empowerment.

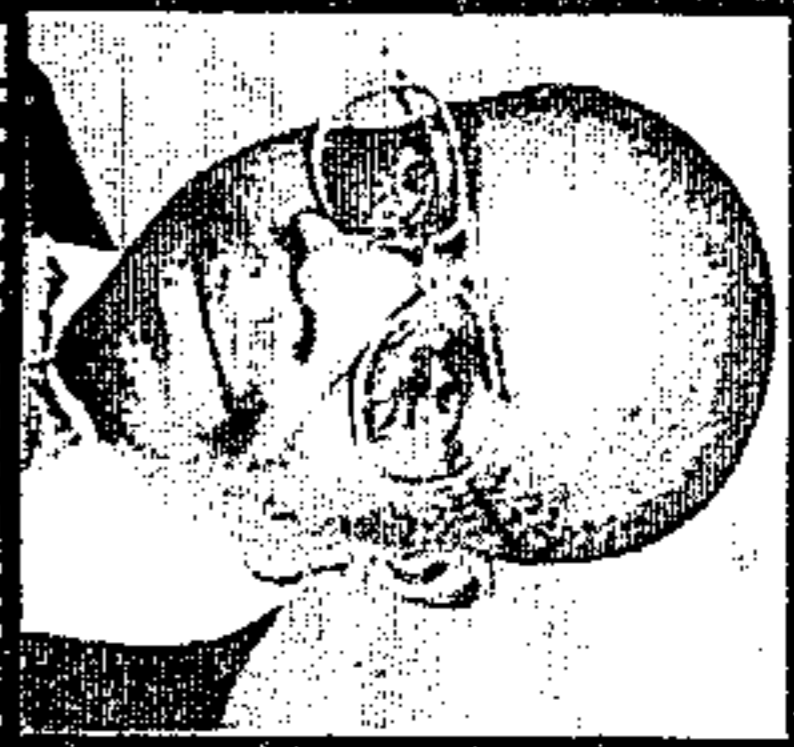
I hope our teachers get the message. About time uniform manufacturers in the townships were supported, that is if they can compete in price and quality.

Schools using outside traders must ensure a portion of the business stays in the township. What is, however, more preferable is loading those manufacturers with work.

WHAT DO OUR READERS THINK ABOUT BLACK ECONOMIC EMPOWERMENT?

Send your letters to Business Editor, Box 43003 INDUSTRIA 2042.

It's my business



THAMI MAZWAI

It's time to start moving, chaps

AFTER FW de Klerk's stimulating speech last Friday, one is once more forced to ask: as we are now definitely headed for change, how is black business poised for a stake in the country's future economy?

For the record, that speech caught everybody flat-footed - even the ANC and PAC.

I was stunned. I never thought the man would have the gumption to go that far.

The bottom line is that De Klerk has set the country on the road to negotiation. The real work to create a non-racial South Africa must now start. While everybody is pinning their hopes on negotiation, it must be pointed out that what will be negotiated is the political future and the broad outlines of the economy.

The real economy, the business itself, remains the responsibility of industrialists, black and white. They must see that it caters for the needs of the country as a whole and not for the minority. For this to happen it must be controlled by South Africans, and not white South Africans as in the past. This is the challenge facing our entrepreneurs.

Enterprises

Since last week there has been much speculation on the future economy. Most black organisations are calling for nationalisation. White South Africa on the other hand wants the economy freed from any form of state control, save normal laws to protect markets.

While the debate on the -isms is not at this stage for the likes of me, I do know that running those enterprises, nationalised or not, will be the responsibility of businessmen.

To illustrate my point, one of the common denominators between a planned and a free market economy are economic units. These may be called collectives, businesses, or co-operatives etc. If their function is the production or provision of goods and services, they can only operate on the accepted golden rule - output must exceed input. Only business minds have the skills to ensure that output does outpace input. God forbid that politicians ever be entrusted with such a responsibility.

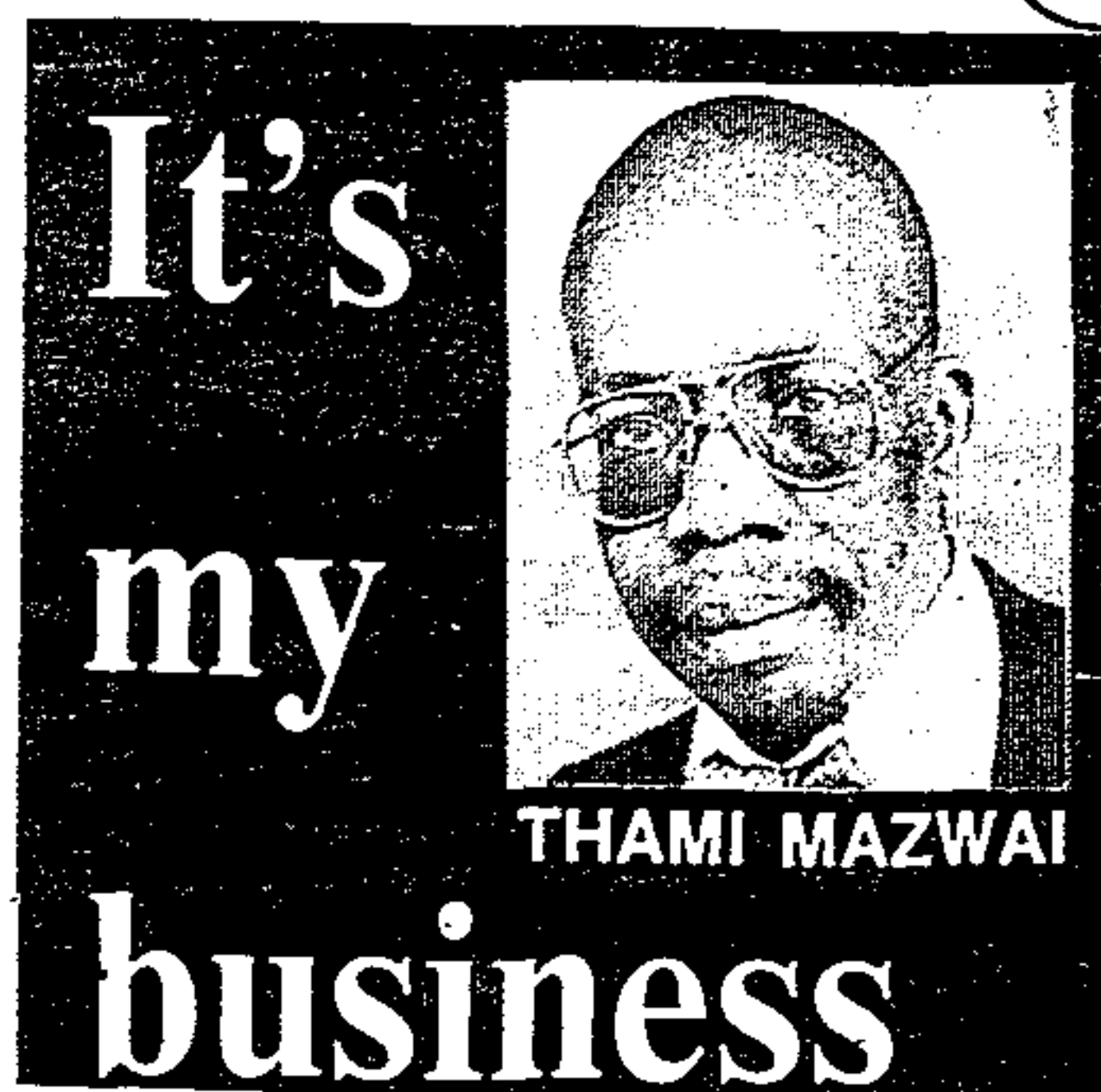
The collapse of economies worldwide, capitalist and socialist, is testimony to the ineptitude these nice gentlemen and gentleladies have in reconciling their idealism and strong sense of righteousness with hard economic realities, the facts of life.

Some of them are so involved in bettering mankind that they sometimes "by mistake" roll national wealth into their pockets. But that is another story.

Knowledge

Looking at the Government's opening of white central business districts to black entrepreneurs, it is now history that through no fault of their own, very few of our entrepreneurs could survive competition from their white competitors. Even deregulation has seen whites get into the previously all-black taxi industry.

Superior white know-how and resources have put paid to many black hopes, and this is still going to fea-



ture in our lives. Liberation is not going to create a corps of black businessmen able to stand their ground against white competitors.

That is why I fear for the future of the black entrepreneur. It should now be more evident that black economic empowerment, still in the realm of the metaphysical and the surreal, must be made a reality.

Last year *Sowetan Business* organised big business to subsidise advertising by black entrepreneurs by 50 percent, a programme which started on September 28. Companies such as Barlow Rand, South African Breweries, Anglo American, Genmin, Sasol, AECI, Anglovaal, Hoechst and many others - for instance SAB today - were involved.

Although the response from our entrepreneurs was heartening, it was not as it should be and we came across some strange reactions. Said one entrepreneur: "that R50 is needed for stock". Said another: "the subsidy must be 100 percent".

Tragic. What the first was telling us was that he is prepared to keep on buying stock even if he does not tell buyers of his wares. The second was saying he is not prepared to invest his money on advertising his business, and somebody else must risk his money for him to make a profit.

This is the type of thinking that makes one weep, it allows whites to run roughshod over us in the marketplace.

We still want to fight their superior resources with picks and shovels.

Now that the country could well be on the way to a non-racial South Africa, I can only hope our businesses will realise that the situation is grave. The country's economy will continue to stay in white hands, this time not because of colour, but skills. If we want to control this economy, or part of it, it is time we developed the skills that will ensure this. Let us leave the politicians to do what they enjoy most - talking about kings and cabbages. There is a nobler calling - creating wealth. In that pursuit is man's independence, innovation, integrity and dignity enshrined. The way to go about this is to make black economic empowerment a consciousness transcending political divisions.

Sowetan Business

Nationalisation: Black business reacts

By JOSHUA RABOROKO

BLACK business organisations have responded to a statement by African National Congress leader, Mr Nelson Mandela on the proposed nationalisation of certain sectors of the economy.

The National African Federated Chamber of Commerce and Industries (Nafcoc) and the Foundation for African Business and Consumer Services (Fabcos) said they believed in the economic advancement of black people.

They were reacting to a statement by Mandela after his release on Sunday. Mandela confirmed the ANC's policy of nationalisation of mines, banks and monopoly in-

dustries, and that a change of the ANC's views in that regard was inconceivable.

The statement said black economic empowerment was a goal fully supported and encouraged, but in South Africa State control of certain sectors was unavoidable.

ANC secretary general Mr Alfred Nzo said the statement was part of the organisation's policy.

Nafcoc president Dr Sam Motsuenyane who had met Mandela at Victor Verster Prison, said while nationalisation

would not necessarily solve South Africa's socio-economic and political problems, it could undoubtedly contribute to providing some answers.

He said: "We must be in a position to determine whether there are other ways of achieving wealth other than through nationalisation. There are a few options which could be examined as alternatives to nationalisation."

He suggested the following alternatives:

* Corporate restructuring of the economy in which companies are persuaded to hive off chunks of their assets and pass these to the disadvantaged;

* Affirmative action backed by the Government and business to facilitate the process of black economic participation by creating the necessary climate and appropriate legal and funding structures;

* The creation of trusts designed to enable blacks to acquire a meaningful stake in the economy.

Motsuenyane said Nafcoc and the ANC supported the concept of a mixed economy, although Mandela had told him the organisation did not have an economic policy.

"The economy should have public, private, small-scale family and co-operative sectors, ie the Government will have

to run some State enterprises in almost the same way as is done all over the world," he said.

A Fabcos spokesman said State control of certain sectors of the economy is unavoidable.

"Furthermore, it is extremely difficult to jump to conclusions regarding nationalisation of certain aspects of the economy, as these are early stages of a negotiated South Africa."

"It is our view that Mandela's statement is not a fait accompli from a black point of view, but a proposition, given the give-and-take character of negotiations, to the South African Government," the spokesman said.



Nelson Mandela ... "nationalisation of some sectors of the economy is unavoidable".

Doors opened for blacks

S (Tues) 25/12/90

PERSONNEL consultant Dalene Stiff decided about a year ago that little more than lip-service was being paid to finding solutions to the black unemployment problem.

Private-sector organisations talked a lot about burgeoning jobless numbers, but no steps were being taken to combat the problem. Although personnel agencies adopt a non-racial approach to their re-

cruiting, few are prepared, except in exceptional circumstances, to look for applicants to fill vacancies where salaries are less than R1 000 a month.

FIRINGS

The result is that employers seeking staff for those positions either advertise them or take people off the street. This can result in firings, retrenchments and general inefficiencies. Mrs Stiff says that blacks competing with whites

for top jobs fare badly because they do not have a properly prepared curriculum vitae (CV) and are not versed in the art of being interviewed. She decided to form the personnel consultancy Black Jobs.

"I first traded from a shop in Delvers Street, Johannesburg, opening in January 1989, but I soon had to move. In response to my first newspaper advertisement, the pavement and road outside were jammed with more than 500 work-seekers. It was a problem which

did not diminish until we moved offices to more expansive premises in Market Street."

SHOPPING

The operation is fully computerised, and all applicants for skilled positions are interviewed by Mrs Stiff or the black personnel consultants she employs. Details of the experience and capabilities of each prospective employee are recorded. The result is that when employers come shopping

for applicants to fill their vacancies, suitable people are usually immediately available for an interview.

Black Jobs also has a training division where short but effective courses are held to teach people how to conduct themselves during interviews, what to say and what not to say, what they should wear and other hints.

For those wishing to try their own hand at seeking jobs, professional CVs are prepared by interviewers at Black Jobs.



DALENE STIFF Job-seekers blocked the roads

Parliament and Politics

'Best man for job policy

CME
Tracks
27/2/90
176



Dr De Villiers

Political Staff

THE Post Office has switched to a "best man for the job" policy, Dr Dawie de Villiers, Minister of Public Enterprises, said yesterday.

He said in his budget speech yesterday that in line with government policy, the Post Office fully subscribed to the principles of equality in the labour field.

"All measures that may still have had a discriminatory connotation have been eliminated," he said.

All personnel could now participate equally in the service.

"Henceforth, educational qualifications, selection-test results, experience, age, language proficiency and personal qualities will be the only criteria for the employment of people.

"The principle of the best person for the post, without considering the population group to which a candidate belongs, has been implemented."

Postmen may become a thing of the past

Political Staff

DR Dawie de Villiers warned in Parliament yesterday that the familiar postman could become a thing of the past.

Street deliveries were probably the most labour-intensive facet of the postal service and could be replaced by "mail collection points".

Up to now collection points were used only when street deliveries were complicated by the geography of an area or a shortage of delivery staff.

L I S C

Soweto town clerk to promote development

NEW Soweto Town Clerk Piet Geers wants to see local traders developing the muscle to stem the flow of business to surrounding shopping complexes.

The former Verwoerdburg town clerk told businessmen gathered at the council chambers yesterday that Sowetans had the buying power which could be used to develop the area into a proud city.

To this end a forum was going to be created to facilitate communication between the council and the 400 000-strong business sector.

Currently communication was so bad that only four or five business people responded to tenders for trading sites, Geers said.

"We are creating this forum so that businessmen can be schooled in the finer points of the trade through courses conducted by experts in the field," Geers said.

"At this forum business people will be able to make suggestions and voice whatever complaints they may have," he said.

A meeting of the council and developers the previous day resolved to set up a similar forum for local developers and con-

176
2223
176

THEO RAWANA

tractors who, through ignorance of the concept of tendering and lack of capital, had found themselves losing out to bigger developers in the acquisition of sites.

Soweto PRO Johan van der Westhuizen said that at this forum developers would be informed on available sites and educational programmes for smaller developers would be worked out.

Soweto mayor Sam Mkhwanazi had said earlier smaller developers, who had failed to respond to tenders when they were put out, had complained that sites were given to larger white developers.

Van der Westhuizen said the concept of the forum, which would accommodate all developers and in which they would have input on the planning of business and residential developments of Soweto, would be constituted on May 21.

Van der Westhuizen said the meeting looked at tender procedures currently in practice and it was decided that the council would in future place the tenders on boards at the council chambers, instead of relying only on newspaper advertisements.

SA 'netted'

SRDC advice for...

S/Times 15/3/90

Steyn

VOWS:

Racial

laws

will go

(176)

De
dly
uld
all
co-

the
we
to
its
el-
th

hat
be
ng
In-
ed
co-
ni-

the
sur
ed
ve
ter

ut
al
m-

!
he
at
of
ld
es

as
te-
00

c
y

m
re
ly
et
in
se
l-
ly
r-

r
d

Political Correspondent

THE application of the new R2-billion trust fund for black upliftment will go hand in hand with the lifting of laws that block equal opportunities, says fund chairman Jan Steyn.

Mr Steyn, also chairman of the Urban Foundation, said he had sought an assurance from the Government that racially discriminatory legislation still on the statute book — which could inhibit the initiative — would be scrapped.

Mr Steyn said he had been assured this would be done "with all deliberate speed".

Commenting on his approach to his new task, Mr Steyn said his priority would be to consult with leadership groups from all sectors of the communities involved and with the business sector.

Resource

"Without their involvement our task will be even more onerous than it already is."

He described the trust's task as addressing "the unacceptable heritage of unequal opportunities".

The trust, he said, should not be seen as a fund giving handouts to the needy but a resource that would open the way to economic and other opportunities.

Existing organisations would not be supplanted by the trust. The Urban Foundation, he said, would now have "many more opportunities" to contribute to the advancement of urban communities.

By DAVID JACKSON and ALAN DUGGAN

LEADERS in the private sector have enthusiastically welcomed the R3-billion black upliftment package announced by President F.W. de Klerk.

And the Urban Foundation's Mr Jan Steyn — the man appointed by President De Klerk to mastermind the R2-billion Independent trust — will play a pivotal role in closing the socio-economic gap between black and white South Africans.

Details of the new trust were announced by President De Klerk at a press conference in Cape Town on Friday.

The State President said the Government would supplement the R2-billion committed to Wednesday's budget with an extra R1-billion raised by privatising government-controlled assets.

Of the R3-billion, R1-billion will be used by the Government to eliminate backlog in education and to acquire land for black urbanisation.

The remaining R2-billion will be used to launch a private trust managed by Mr Steyn, the Urban Foundation's honorary chairman. Administration of the fund will be in non-government

BUSINESS leaders praise F.W.'s R2bn plan for black upliftment

hands to encourage funding from the private sector and foreign sources.

Mr Steyn said he had already asked large corporations and financial institutions for their support and said he would like to include the ANC in discussions on the plan.

One of the first areas likely to benefit from the crash programme is KwaZulu-Natal, which Mr Steyn has identified as a "high priority" region.

The civil war in the area has inflicted damage worth millions of rands on property and intensified a severe housing shortage.

The first extra-parliamentary reaction to the fund came from Mr Nelson Man-

delo, deputy president of the ANC.

He described the move as "good news".

"We welcome that," he said. "But it is not sufficient to give us the resources we require to solve the problems facing our people."

Prominent black businessman Mr Richard Maphonya said the formation of the fund was "a great move".

"I only hope the money from the fund will be properly distributed to the needy areas," he said.

Mr Derek Keys, executive chairman of Gencon, told the Sunday Times yesterday: "It sounds like an intelligent allocation of resources."

"I also like the fact that the possibility of contributions from outside the country is also envisaged. And I think the best thing

of all about the R2-billion fund is the appointment of Jan Steyn. The business community has learned to trust him as an extremely practical and effective leader."

He thought private sector involvement would probably start off relatively slowly.

"But as the work of the trust starts to become manifest, I think this will become a prime object of corporate donations."

The Government is keen to assess the full reaction of extra-parliamentary groups in allocation of the huge fund.

At the weekend, however, spokesmen other than Mr Mandela were preoccupied with his return to SA and were not available for comment.

Mr Tom de Beer, president of the Afrikaanse Handels-Instituut, regarded the pro-

gramme as "a major step in the right direction".

He added: "The State President is to be congratulated on the selection of Mr Steyn to manage the trust."

"The private sector should respond in kind and help him start off relatively slowly, which he will need."

"His management style is based on participation and I've no doubt that he will be able to involve the community to help develop the practical working of the trust."

Anglo-American Corporation chairman Mr Basil Herrov saw the R3-billion programme as "an acknowledgment by the Government of the long-standing and desperate need to remove inequalities."

"The appointment of Mr Steyn takes it out of the political arena. Everybody, black and white, in South

Africa and overseas, acknowledges Mr Steyn's astute and pragmatic approach.

"I acknowledge the enormous impact he has made already in changing the picture in South Africa through his efforts in the Urban Foundation — such as doing away with influx control."

"One man can't do it on his own — and he will need strong support from the private sector and from Government. But I believe Jan is the sort of man who will get that support."

"I'm sure if anyone can be able to involve the whole spectrum of influence in the country on a common basis and take the animosity and feuding out of it,"

Mr Steyn will, together with

foreign funding, Mr Herrov said. "This gives them the opportunity to say we are not giving money to Government — we are giving it to a private sector trust handled by a man we know is honourable."

Mr Herrov thought the emphasis on education was a "critical aspect" of the programme.

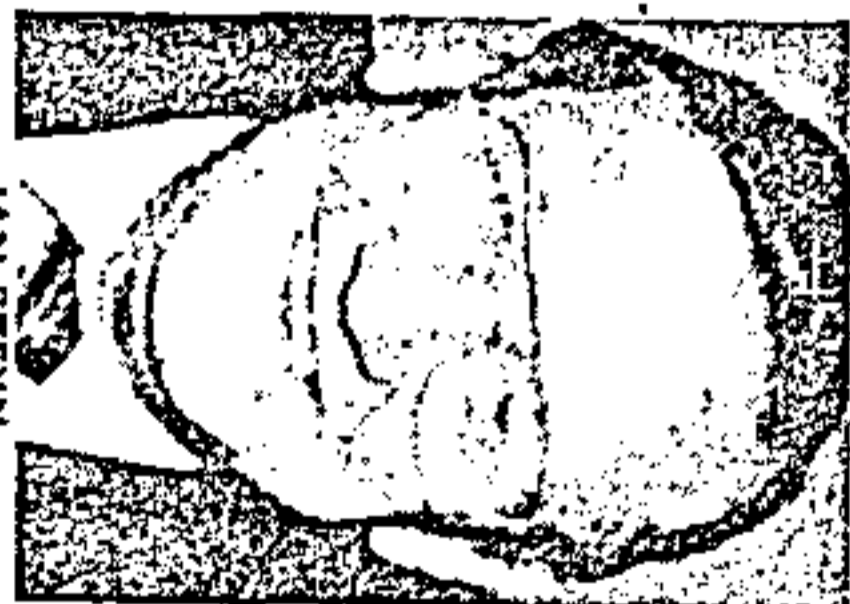
"I think it indicates to people there is a change of heart and a change of direction."

Mr Gavin Kelly, former chairman of the Anglo-American Corporation, said: "We are delighted that the Government has been able to approach the enormous problem of structural and opportunity imbalances in this imaginative way."

"Under Jan Steyn's leadership, it will be possible to involve a wide spectrum of our society in producing a dynamic process towards a new and more equitable South Africa."

Mr Julian Ogilvie Thompson, chairman of De Beers Consolidated Mines, said: "I look forward to the opportunity that the fund provides for creating new relationships between business and community organisations."

"No one more suitable than Jan Steyn could have been selected for this vital task. De Beers will, together with



JAN STEYN Pivotal role

the Anglo-American Corporation, give this initiative its full support."

Democratic Party co-leader Dr Beau Worrall said the party was especially pleased the fund was to be administered independently of the government.

The creation of the trust provided an opportunity to involve representatives of organisations excluded from central government decision-making, Dr Worrall said.

The DP had asked foreign governments wishing to encourage the process of change in SA to make contributions to the fund, Dr Worrall said.

Earlier, President De Klerk said he was fully aware that R3-billion would not be enough to eliminate all of South Africa's socio-economic problems.

But he emphasised that the funds were over and above the normal allocations to Government departments and bodies such as the Development Bank and the South African Housing Trust.

Mr Steyn has stressed that the initiative should not be seen as a fund for providing handouts for the needy. Instead, it should be regarded as providing access to economic and other opportunities.

"We will never resolve the fundamental tensions in our society until disadvantaged people feel that they have some control, not only over their political fortunes, but also over their personal future and that of their families," he said.

As an indication of the problem, Mr Steyn said that fewer than 50 percent of black South Africans could afford the cheapest houses available.

The housing backlog was estimated at anything between 500 000 and 800 000 homes, he said.

Lack of trust over shortage of money

W/Ment 23/3-29/3/90



By JOHNNY MASILELA

MISTRUST characterised the response of black professional people who attended a budget review seminar held in Johannesburg last week by *Black Enterprise* magazine, Trust Bank and the Association of Black Accountants.

At the seminar, which was addressed by economic advisor to the Department of Finance Dr Japie Jacobs, delegates fired a volley of questions, expressing reservations about the budget.

One delegate suggested that by going the privatisation route, the government was clandestinely planning to hand over major businesses to "rich whites" soon before a black or non-racial government could take over.

"The question of privatisation was addressed long before the present talk about a new South Africa. What we lack in this country is mutual trust and I personally blame lack of communication," Jacobs replied.

Another delegate asked him to explain why black and white people were equally taxed but there was a disparity in pensions. Jacobs said the matter was receiving the government's attention.

A delegate said there was no need for the government to "boast" about relaxing taxation on interest and dividend income because many blacks are too poor to invest money.

Soweto town clerk to promote development

Blowan 25/3/90.
NEW Soweto Town Clerk Piet Geers wants to see local traders developing the muscle to stem the flow of business to surrounding shopping complexes.

The former Verwoerdburg town clerk told businessmen gathered at the council chambers yesterday that Sowetans had the buying power which could be used to develop the area into a proud city.

To this end a forum was going to be created to facilitate communication between the council and the 400 000-strong business sector.

Currently communication was so bad that only four or five business people responded to tenders for trading sites, Geers said.

"We are creating this forum so that businessmen can be schooled in the finer points of the trade through courses conducted by experts in the field," Geers said.

"At this forum business people will be able to make suggestions and voice whatever complaints they may have," he said.

A meeting of the council and developers the previous day resolved to set up a similar forum for local developers and con-

176
176
176
THEO RAWANA

tractors who, through ignorance of the concept of tendering and lack of capital, had found themselves losing out to bigger developers in the acquisition of sites.

Soweto PRO Johan van der Westhuizen said that at this forum developers would be informed on available sites and educational programmes for smaller developers would be worked out.

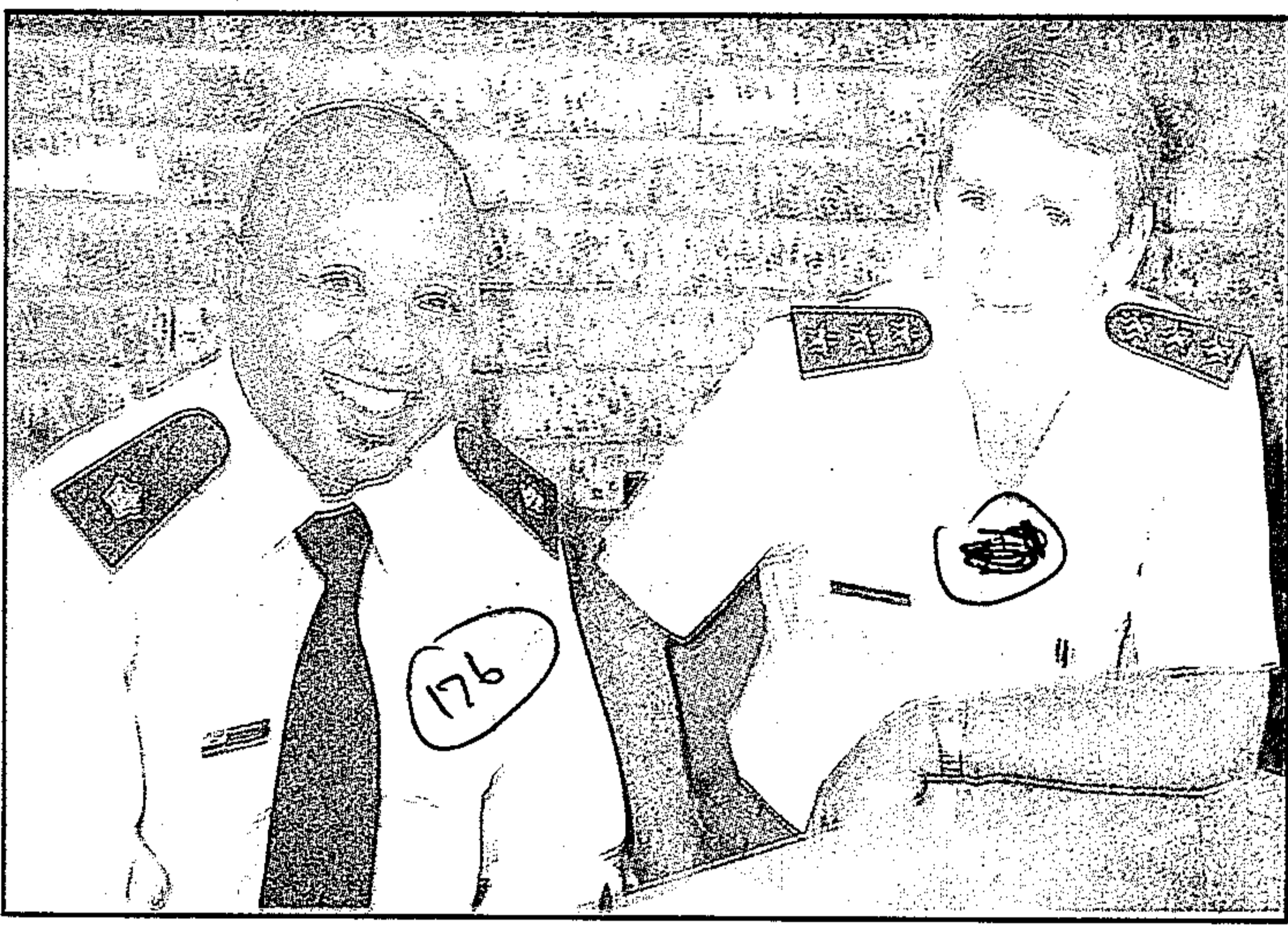
Soweto mayor Sam Mkhwanazi had said earlier smaller developers, who had failed to respond to tenders when they were put out, had complained that sites were given to larger white developers.

Van der Westhuizen said the concept of the forum, which would accommodate all developers and in which they would have input on the planning of business and residential developments of Soweto, would be constituted on May 21.

Van der Westhuizen said the meeting looked at tender procedures currently in practice and it was decided that the council would in future place the tenders on boards at the council chambers, instead of relying only on newspaper advertisements.

Star 3/7/90

NEWS



Major Themba Mahlangu has joined Captain Ogies van Straaten on the SAP's eastern Transvaal liaison team.

Appointment for black SAP major

By Therese Anders,
Highveld Bureau

The only black police officer in the eastern Transvaal, Major Themba Mahlangu (39), has been appointed to the region's liaison team.

Until now the team has been all white.

Major Mahlangu said his job would be to help create a better impression of the police among all citizens of the region, but espe-

cially in the black communities.

"The majority of blacks do not understand why there should be policemen, so it will be my job to help them understand that the police are their servants and there to protect them," he said.

Major Mahlangu, who is senior in ranking to the liaison department's two white officers, said he had been fully accepted by all the officers at the Eastern Transvaal regional headquarters.

This included eating in the formerly "all white" officer's tea-room.

Major Mahlangu, a soccer enthusiast, was born and educated in Middelburg's Mhluzi township and joined the police as a constable at 18.

After five years in the uniform branch he was transferred to the security branch, where he worked until his new appointment this week.



Skilled and qualified workforce vital need for SA'

AM645

4/4/90

176

BLOEMFONTEIN. — One of the most important needs of South African society today and tomorrow is a skilled and qualified workforce.

This strategic economic need would prevail no matter who the government of the day was, Miss Isabel W Direko, president of the National Council of African Women (Ncaw) said here.

She was delivering the 19th Bertha Solomon memorial lecture at the 54th conference of the National Council of Women of South Africa.

Miss Direko said no matter the political dispensation, it followed that the development of the managerial core to lead and motivate the ever-increasing numbers in the workforce deserved priority attention.

Pace slow

Until now the pace of black manager training and development had been slow. Black managers reconciled with difficulty to the society in which they live and work.

In their personal lives, they were expected to show solidarity with the common communal cause for freedom. In the workplace, they were pressured to fit in with the predominantly white managerial corps. This stressful situation led to a loss of security and low self-esteem, said Miss Direko.

This kind of friction would be compounded by the fact that "We live increasingly in a society of fission".

"The bogeys of yesterday vanish leaving a bemused and unsure populace, suddenly exposed to different values, different preachers. The question of loyalties becomes more urgent and problematical under these circumstances."

Miss Direko said a new perception was needed more than ever, a new way to look at problems, relationships and people, a new force of negotiation that took heed of the one side of the coin while working earnestly to forge the whole piece.

"The ANC, as an element in the negotiating process, has to be sensitive to the struggle in which it shares the same goals for which many have died. At the same time, its leaders must work unstintingly at reworking the rhetoric of the past to address the new issues of reform and white fears," she charged.

President De Klerk had to reassure his constituency that the reform measures were the best strategy to implement a more dynamic policy of power-sharing. At the same time, he had to display continually the results from the sincerity for which he had been widely praised, said Miss Direko. — Sapa.

Bl Day 4/4/90

176

Black entrepreneurs get R6m in Anglo deals

CONTRACTS worth more than R6m had been entered into since Anglo American Corporation started sub-contracting for goods and services from black entrepreneurs in April last year, SBDC development services GM Sonny Tarr said yesterday.

Anglo had set the trend in making greater use of small business, thus starting "the most magnificent mode of the distribution of opportunity in SA" which was now being followed by other big corporations, Tarr said.

Anglo's then chairman Gavin Relly, committing Anglo to the sub-contracting concept, said last year the philosophy was "wise", but it was not one of philanthropy.

THEO RAWANA

"It is based on sensible, rational decisions aimed at improving profitability and, in the process, expanding the free enterprise system and the economy of SA to the benefit of all South Africans." Yesterday Tarr said: "With the SBDC helping in identifying entrepreneurs who could provide the products and services, contracts have been taken up with Anglo to supply mine products and clothing contracts. Services offered range from catering, transport, gardening, general cleaning and to waste recovery, particularly timber reclamation.

"It must be understood that Anglo is not a charity organisation, that this is a business relationship between the two.

Standards are maintained and Anglo must get these at the right price and at the right time."

Among entrepreneurs Tarr could name yesterday were M Moetsi, who supplied canvas goods; A Makwala and E Rensburg, who provided clothing, and I Mdlalose, who supplied signs to the mines.

"The advantages to Anglo are that small business is more flexible and, with low overheads, it can produce at the right price, and savings are achieved all round," said Tarr.

Anglo was prepared to help the entrepreneur's cash flow by amending the normal terms of pay and redrafting tender documents into simpler contracts to help the small businessman, he added.

Magomola party aims to set up second black bank

SERIOUS work had begun on the establishment of the second black bank in SA, former African Bank CE Gaby Magomola said yesterday.

Talk about the establishment of the bank started last year, a few months after Magomola, who left Afbank earlier, joined black business organisation Fabcos as marketing chairman.

Fabcos is the acronym for Foundation for African Business and Consumer Services, an umbrella organisation under which taxi organisation Sabta

THEO RAWANA

falls.

Magomola said yesterday Fabcos and his Johannesburg-based marketing company Gaby Magomola & Associates had not reached finality on who their partner in the banking venture would be.

But, he said, it would be one or a number of financial institutions.

"We have to ensure that we go to bed with an existing financial institution,

since there are no resources among the community," he said.

Magomola said last year he saw his appointment to Fabcos as another opportunity to pursue his vision of creating a major financial resource within the black community.

Such a vision had been frustrated when he was fired by Afbank, which was the brainchild of another black business organisation, the National African Federated Chamber of Commerce (Nafcoc).

What big business must do

FIM 614190

176



Paul Browning is a Pretoria-based transport consultant and author of "Black Economic Empowerment: Shaping SA Business for the 21st Century."

Since President F W de Klerk's opening address to parliament events have made it clear that real political change is on the way. But there must also be changes of equal substance in business.

The ANC has stated plainly that it will insist on a complete restructuring of the economy in order to redistribute wealth. It has placed nationalisation on the table as its starting point but ANC leaders have sent strong signals that they no longer see this as the best means of creating fairer shares for all. They have, in effect, challenged business to come up with practical and demonstrably effective options.

A more balanced distribution of wealth must be created, not by artificial means, but as an integral part of the process of expanding the economy. The best means of achieving this is the emergence, in a very short time, of a large black business movement operating in the mainstream economy.

By 1995, at least a significant minority of firms listed on the JSE must be owned by black entrepreneurs. They will be the third wave of businesses to complement today's English and Afrikaans giants.

If the small enterprise of today is to be-

come the big business of tomorrow, it must acquire general management skills — finance, administration, personnel, marketing and production control skills. This can be achieved only with the co-operation of established businesses. They must seek interaction with black business to help it grow and, at the same time, to pass on the skills and culture of formal business.

One of the best means of achieving this is through subcontracting on a large scale. This can be either internal, such as assisting the company's truck drivers to become self-employed contractors, or external.

Another way is through the creation of franchises in a wide range of fields — construction, travel, electrical contracting, passenger and freight transport, for example. Franchises enable the entrepreneur to remain independent but acquire necessary management skills through the support and guidance of the franchisor.

Franchises would be developed to meet the market needs of established businesses that wish to sell their products and services to blacks, buy products and services from black businesses, or provide specialist training and other services to the franchisees.

In either case, subcontracting or franchising, the established company must be prepared to become deeply involved in transferring business skills to the black entrepreneur.

That will not be without cost, so the established businesses must be able to see direct financial benefits in at least the medium term from its interaction with emerging black businesses. It could then view development expenditure as investment. The funds

could be found in the budget now devoted to social responsibility activities.

A large and profitable black business sector will be able to undertake educational and housing projects within its own community without them being seen, as they often are today, as paternalistic handouts from the profits of apartheid.

Established businesses cannot afford to divert too much time or effort to these new developments, so a new kind of intermediary is needed.

Some of the giants of business have set up their own inhouse small business units to act as this intermediary. Second-tier companies won't be able to afford this. They will be looking for a consultancy service specialising in interaction.

This will be provided by profit-orientated companies filling a clear market need, derived from the proposition that established businesses can gain calculable economic benefits from encouraging black economic growth. These consultancies will offer specialist services for a fee, just like an advertising agency or PR firm.

This mechanism of interaction will help to create, in the shortest possible time, a large group of black entrepreneurs who have the ability and confidence to act in the mainstream economy and the staying power to grow big.

Moves of substance on the political front will take place rapidly in order to achieve a constitutional settlement later in the decade. Equally, changes in the shape of business must begin now so that they advance in harmony with the political changes.

Blow 11/4/90

176

Black entrepreneurship gathers steam

BLACK entrepreneurship is a dynamic which is gathering momentum through the determination of a growing number of people to win rewards for themselves in the market place. Today their unmeasurable efforts are broadly lumped together in what is loosely defined as the informal sector but, as Sowelan business editor Thami Mazwai says, it is rapidly becoming part of the business sector without any adjectival distinctions.

And he knows. He gets the playback from the growing readership of his weekly six-page business section, published with its own masthead, Sowelan Business. The articles range from reportage to educational, from stories about entrepreneurs who are

succeeding to readable, non-jargon pieces on economics, business practices and personal finance. Publicity is given to the activities of trade associations and grassroots organisations, broadening their memberships.

Interestingly the youth in the business world appears to be a major policy objective. Twelve bursaries to universities and technicians donated by major SA companies are being offered to matric pupils at recognised black schools who will take part in what is a business game. The entries will be judged by the Associ-

HAROLD FRIDJHON

action of Black Accountants and the Black Management Forum.

The Sowelan has raised funds to give R10 000 to each of 15 would-be entrepreneurs with an original business idea. The Small Business Development Corporation (SBDC) is participating in this venture. It will control the funds, monitor the businesses and pay the bills.

Pledging businesses operating in black communities cannot afford to advertise their wares and services.

To overcome this disability, Mazwai has induced white companies to subsidise the advertising expenditure of these business to enable them to extend their markets.

A well-developed philosophy motivates Mazwai.

"Ideologies must be taken out of business," he says.

"There is neither left nor right in business, just the science of understanding inputs and outputs, and controlling these elements from start to finish."

He regards his mission as encouraging developmental grassroots

business people, and then helping them advance and express themselves, in trading and in industry. Last month he organised a well-attended post-Budget seminar.

"People want to know and understand," he says and he is trying to help them.

Mazwai is a self-trained, self-motivated writer on business affairs. His interest in economics was aroused while he was in detention and read smuggled copies of newspapers. Last year he was awarded a short-term scholarship to the Harvard Business School which further broadened his interest in business affairs. Occasional business articles have led to his present regular business section.

Blacks get chance to join industrial mainstream

S1 Times

22/4/90.

~~176~~

176

BLACK businessmen may now own land and operate in the former whites-only industrial area of Alrode South, Alberton.

The reform came as a result of persistent lobbying by East Rand industrial township development company Investron, says managing director Allan Goldring.

Investron has advocated open industrial areas for more than a decade.

Advantages

Mr Goldring says: "The move heralds a new era for the black entrepreneur wanting to develop a strategically located factory or workshop. He can enjoy the advantages of his white counterpart."

Alrode South is a major industrial growth point in the Pretoria-Witwatersrand-Vereeniging area. Its prox-

By Charmain Naidoo

imity to large townships and their labour pools makes it an ideal industrial base.

Mr Goldring says: "The black businessman is now able to buy land freehold, build and operate his own factory or buy a ready-made one. If he prefers, he can lease a production facility."

Mr Goldring believes that the property ownership reform will have a positive ripple effect across established industrial areas.

"It will create more opportunities for black businessmen as well as provide for more employment, keener competition and an all-round better image for SA."

There have been too many restraints on businessmen who have had to invest in proclaimed black industrial areas, most of them far from markets.

"There are other stumbling blocks for those operating from isolated black industrial townships — the availability of development finance, insurance and mortgage finance is severely restricted.

"Another problem has been lack of contact with white businessmen and distribution networks which are reluctant to enter black townships for fear of violence and intimidation.

Overheads

"The black industrialist has also tended to have little or no contact with other businessmen, many of whom — in other circumstances — would have become important stakeholders as suppliers, associates or customers."

Much of today's industrial growth, Mr Goldring says, is

attributable to the small industrialist who establishes a small production facility employing between five and 50 people.

"The emerging black industrialist needs to be placed among other established and aspirant entrepreneurs to gain access to wider markets and better technologies.

"They produce essential products and services but need to curtail their overheads.

"Shared costs — security guards, secretarial and administrative services — reduce overheads."

Investron has launched a project to help black industrialists realise their dreams of owning or leasing property.

"The company offers an industrial property solution in the form of individual sectional title factories that share certain facilities."

'From bush fighter to economist'

HARARE — The SA liberation struggle was "gradually working away from the era of the bush fighter" to the "era of the new economist", Soweto civic leader Nthato Motlana predicted yesterday.

Motlana, leader of a 105-member delegation of black SA businessmen to Zimbabwe, said SA was plagued by a lack of trained black economists.

Motlana told a seminar on opportunities for trade between a post-apartheid SA and its neighbours that while it was hard to name five black SA economists with the necessary qualifications, there had been an upsurge of black businessmen with import-export licences, issued by a government keen to circumvent sanctions.

Motlana said the 1976 disturbances had prompted the formation of the Small Business Development Corporation, backed by state funds.

"But to our utter dismay it turned out that the major part of that money went towards establishing the small white business and the blacks, as usu-

MICHAEL HARTNACK

ally, were left sucking the hind titty.

"In present-day SA in order to qualify for a business licence you have to be very careful about the political stance you take in public, about the statements you make.

"When you do get a licence you are seen as someone willing to bend under the strain," he said.

Motlana urged recognition that black businessmen could perform an essential role with the same social conscience as academics.

Opening the meeting in Harare yesterday, Industry and Commerce Deputy Minister Moton Malianga said while current policy of the Southern African Development Co-ordination Conference (SADCC) and the East and Central African Preferential Trade Area was to reduce dependency, SA would resume a focal role once apartheid was abolished.

"We should then fully realise the 'complementarities' in the economies of this region. Developments in SA have taken a promising turn and we are watching developments with caution and interest," he said.

"Co-operation would have to be radically different from the colonial type of monetary union which SA wants to foist on its neighbours," said an Industry and Commerce Ministry paper tabled at yesterday's seminar.

It predicted that, like Rhodesia after 15 years of isolation, post-apartheid SA would not fully recognise the cost of present policies "until the time of reintegration".

President Robert Mugabe's former special adviser on sanctions, and current head of the parastatal Zimbabwe Development Corporation, Christopher Ushewokunze, predicted that a majority rule government would come to power in SA with a political base but not economic one.

It had to design strategies for "economic involvement" by itself and the black majority, he said.

176
Caution
STYLING
B.P. 200

Demand grows in black sector

TOP black business consultant Willie Ramoshaba says growth amongst emerging black entrepreneurs will continue to boost demand for services of organisations like his WR Consultants.

"Also more white-run companies want knowledge of the black market.

"This is beneficial to experienced black consultants who have some insights to share."

He expects management consultants to become increasingly important in matching the differing expectations of black and white business.

Emerging

Ramoshaba's organisation helps emerging businesses to raise finance. "We usually handle amounts above R100 000." It also helps operators to run their businesses once they are off the ground.

"Our contacts and good communication links help us to structure agreements between black businesses and big companies.

"We also do management accounting for the top end of the black market."

One of his company's most valuable functions, he says, is to establish contact between SA businessmen and their counterparts in Europe, America and the rest of Africa.

WR Consultants recently arranged for more than 100 black businessmen to visit Zimbabwe on a fact finding, contact building mission.

"The response was phenomenal," he says.

Nurturing the businessman

10/24/27/14/90



THE Wits Business School Centre for Developing Business offers counselling and training to small business operators, most of whom are black.

Centre head Ian Clarke says: "Black business is not as successful as it should be, largely because of inherent barriers.

"But we're working to improve things and have already enjoyed some very satisfying successes."

The counselling is relatively informal. "Our approach is to help identify what the businessman wants and how he can achieve his goals.

"We teach lessons that will be used in any business situation.

"The last thing we want to do is impose unnecessary values (which often get rejected) onto the smaller operators."

The centre aims to ensure people do the right thing — and not just on a once-off basis.

It has an important role in the SA economy, especially given the current situation in which so few people and companies are interested in getting involved in businesses at grass roots level, says Clarke.

176
Lucrative

"Even the black management consultants prefer the more lucrative business of consulting on strategic issues for large companies.

"They are earning big money from clients who want to learn something of black business thinking."

What other avenues are open to emerging businesses?

"We offer regular



IAN CLARKE

courses designed to assist smaller businesses," says Clarke.

"These are reasonably priced and have derived visible benefits for the businessmen who take the initiative and enrol."

There is a growing group of educated black entrepreneurs with some business experience and a good feel for business, says Clarke.

"It is this success-orientated group which can gain the largest benefit from consulting services."

176 180
B/Dcy 27/4/90

Shortage of skills calls for increased flexibility

THERE is no way the skills in SA can do the full rounds, says the head of Finansbank's management consultancy arm Jan de Coning.

"This is why management consultants are in such demand."

De Coning was deeply involved in the strategic repositioning of many organisations in Namibia before independence and lessons learned there have made deep impressions on his views of political and economic change in SA.

"We have less time than Namibia had. The process started there 10 years ago, but in spite of the time to adjust mind-sets and prepare for future growth

there was still much confusion," he says.

"As in Namibia, our role in SA is to take the agony out of unavoidable change."

SA companies face rapid repositioning.

"Many are seeing their planning horizons changed through political and economic developments."

The most important thing is to maintain and enhance flexibility.

"Rather than simply cruise, companies must learn to bob and weave without losing sight of the long-term targets."

Most consultants confirm there has been an increase in strategic awareness among SA organisations.

"Planning is beginning to

melt into the minds of top management," says De Coning.

There is a need to establish qualified blacks in senior positions.

"Over the years, black entrepreneurs have been squashed. We desperately need to revitalise entrepreneurial thinking and action amongst blacks."

Style

De Coning says SA is in a unique position to develop its management style without simply relying on overseas influences.

"Firstly, the key is to open the economy to all, get rid of barriers to entry and allow anyone to get into business," he says.

Finansbank focuses on organisational development consultancy. This includes organisation development, systems and integration and specialised training and development.

Organisation development involves managing change in a company through the development of human resources.

"We are geared towards making organisations flexible and innovative. This is particularly relevant in the constantly changing SA business environment," says De Coning.

The team helps facilitate strategic planning projects and stays with the client while change is implemented.

"Usually we're involved

over a two to three-year period."

Many companies have excellent strategies but for various reasons have not implemented them, says De Coning.

Involvement in systems integration involves helping a company to enhance the usefulness of its systems, he says.

"We are not involved with initial design of the computer system, but are interested in helping the client to use the best system to facilitate change."

As far as specialised training is concerned, De Coning's teams design solutions, after which the custom-made package becomes the property of the client.

Black managers look for respect, responsibility

ABOUT three years ago Don Ncube, who now holds a very senior position in Anglo American, delivered a paper on the plight of the black manager.

According to him black managers found themselves between the devil and the deep blue sea.

Management expected them to uphold company strictures while the black workforce wanted them to identify with their struggle.

Torn between these two forces, many were not effective as managers.

Attitude

Don's paper came to mind when the top company found that some of the people applying for jobs did not want supervisory posts, or work in the personnel department. This attitude vindicates Don's analysis.

When people refuse senior positions, with the increases and perks that accompany them, it is time to ask: "just what is wrong?"

A little birdie tells me many of the country's major employers are to blame.

They expect their black managers to be little "white men" or "yes-men" instead of being managers.

Some of these managers are nothing better than messengers. What makes it worse is that some of them accept this.

Corporate culture in an anti-apartheid society will have to be different. It will have to be taken into account that South Africa has its own environment, with challenges far different to those in Europe.

The input of innovative black managers into the country's future corporate culture, will be invaluable. After all, these managers know the environment, which is becoming more black, better than their white

colleagues.

When many companies in the past appointed black managers, they did it for political reasons.

Boss

Also, they needed somebody who could talk to his brothers and advise management. The discussion would go along these lines: "tell your people this is how it must be, and how it is done in the rest of the world".

"You must also tell me who the agitators are," the boss would whisper.

This, as far as the managing director thought, was consultation with his black managers.


The poor soul even forgot his company was in South Africa, not in the rest of the world.

When black managers are ultimately accepted as managers,

making a noticeable input into their corporations, respect from the black workforce will start flowing in their direction.

Only then will applicants join companies wanting to be more than ordinary workers

It's
my
business



THAMI MAZWAI

Problems

In his book, "For my People", James Cone refers to problems faced by black managers in the United States.

Most made the mistake of allowing themselves to be sucked in by the culture of their organisations, forgetting that it did not cater for their aspirations or uphold their values.

When these black managers allowed themselves to be drawn into this culture, they became "little black masters".

They were immediately alienated from the black workforce. On the other hand those who did not adapt to the system found themselves on the way out faster than they came in.

South Africa's corporate world, which has a good number of frustrated black managers, must now start changing its attitudes.

Black managers will be worth their weight in gold in days to come.

By THAMI MASWAI
JOHN van Reenen has an offer than can't be refused. He is calling on black entrepreneurs whose activities can be utilised by his steel company to come forward. If they have what he wants, he will offer them contracts.

"I do not believe in giving a man a contract for the sake of it, he must work hard and justify my giving it to him," he said.

The tall and medium-built Van Reenen is chairman and chief executive of Van Reenen and Nicholls, a medium-sized steel company whose profits were R400 million last year.

It is situated at the Alrode Multipark, Alberton. It has branches in Welkom, Rustenburg, Port Elizabeth, Durban, Witbank, Klerksdorp, Cape Town, East London and Pretoria.

Company

The company will spend up to R500 000 a month in business to independent black operators.

These include welders, panelbeaters, mechanics, plumbers, window cleaning, and any other activity needed by a steel company.

Recently two black contractors cleaned the company's Alrode offices and carpets.

Why the interest in black business?

"I have now reached where I wanted to be and want to put something into the community. Black entrepreneurs were suppressed for too long and I must now help in their development.

"They need the breaks, and these must be provided by companies like ourselves. All of us must make the country prosper," he said.



Mr John van Reenen

Van Reenen, a 41-year-old trained accountant started his concern 12 years ago. This was after he failed in three other initiatives.

The first was a concrete company, the second in showbiz promotion and the third as a consultant.

As a showbiz promoter he brought Jimmy Smith, Lou Donaldson and Willis Jackson into the country.

Before going it alone he has also worked for three companies. He lasted three months in an electrical company, a year

in a concrete company and three in one manufacturing TV sets.

"They considered my management philosophies too radical.

His steel company cuts steel for the mines and the industrialised countries.

When he started out with his partner they stocked steel, selling it to buyers needing urgent supplies.

"As it took time for orders to be delivered, we could satisfy many customers wanting emergency supplies. We later bought Amsteel and Jackson, and this increased our activities.

"With us the customer is king. We differ with many companies in that they say we produce this and that. We ask the customer what he wants and deliver it. Because of our reliability and service we got plenty of orders. It is the customer who decides how fast you can grow.

"We compete with 32 other companies. We must thus make sure we do it right," he said.

His staff understands this philosophy. To achieve this, a programme to make workers understand the workings of the business world has was

introduced.

"They must understand that good customer service decides their paypackets. If more people like our service they will obviously keep buying from us and this means we grow as a company," he said.

Van Reenen, who has three children, also has interests in West Germany and the United States.

Van Reenen says a shortcoming of black businessmen is that they do not sell themselves.

"They are too shy to come forward. Even those manufacturers who

Sowetan
 10/5/90
 176
 (scribbled signature)

long wanted to give black entrepreneurs contracts could not find them readily. I now want them to come forward and talk to my company.

"With other companies in this area also interested in giving some of their contracts to black operators, the operator may find himself kept busy seven days a week.

As many black entrepreneurs do not have the expertise in dealing with major companies, we will help as much as we can," he concluded.

All those interested must telephone Martina Henshall at 908-1540.

**A chance to
 take a step
 forward in
 SA's steel
 industry**

Sowetan
 10/5/90
 176
 (scribbled signature)

Few weeks ago I voiced concern at the concept of Black Economic Empowerment, saying most of the time little came from these conferences in terms of grassroots strategies.

Instead, industry's white captains got a chance to tell us how they hated apartheid, and what they were doing for poor us.

For some blacks it was a chance for another, release of frustrations. Many a time the ordinary entrepreneur did not even know of these conferences, and that they were also about him.

Black skills: getting it at grassroots level

Today we carry a story and advert that has some direct meaning for the grassroots entrepreneur.

John van Reenen, of Van Reenen and Nicholls, is advertising services he needs from black entrepreneurs.

More companies must now follow suit. All they have to do is place an advert in *Sowetan Business*

and thousands of entrepreneurs in our area of circulation will respond.

Van Reenen has challenged our entrepreneurs to offer him their skills. Like anybody else, he will accept the best tender. Only blacks will compete in this market.

Many overseas companies in the past adopted black businesses into

which they poured money and resources. This was fine.

There were also those businessmen who asked black entrepreneurs to do work for them, say print their stationery.

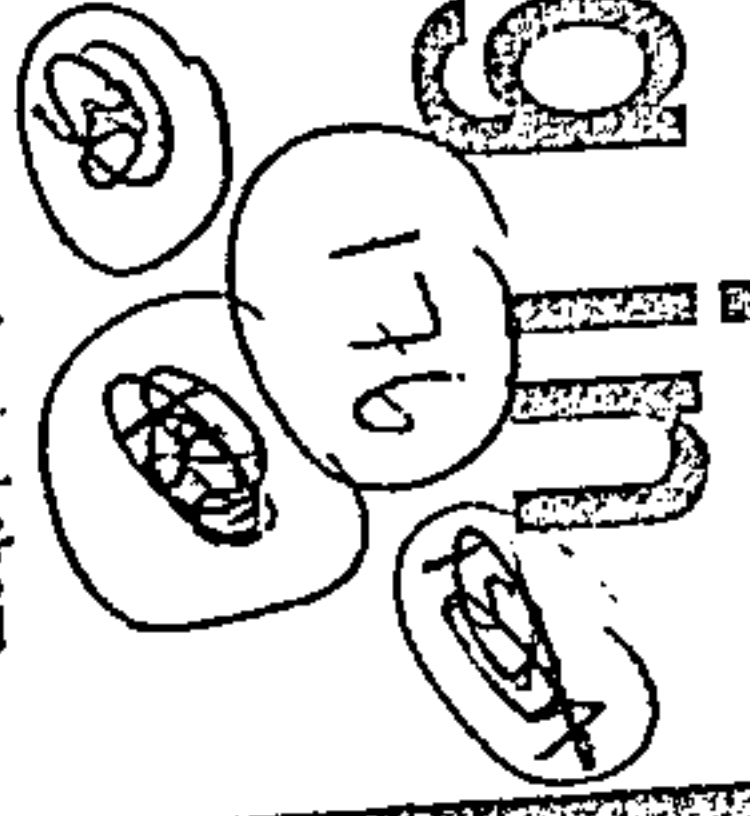
What the black entrepreneur did not know was that his merchandise was destroyed on receipt and that from a white company, far superior in quality, used. Hypocrisy in its most naked form.

To make it worse the black trader was paid from the company's social responsibility budget. In other words, he was in the same queue with Cripple Care and other charity organisations.

Initiative

John's initiative will obliterate this. A market has been created in which blacks will compete with each other.

They seldom survived in the general market, apartheid saw to that. This is not racism, as many will suggest. It is giving our entrepreneurs



opportunities denied them over the ages.

With each job done to specifications more contracts will follow. Skills will improve.

The many plumbers and other types of artisans trained at Bantu Education schools now have a chance to sell their skills.

We know that even the Department of Bantu Education, which controls the schools that gave them training, hardly offers them this opportunity when needing services.

The department instead uses white contractors or, like it was proved last year, the services of companies owned by children of white officials.

Early this year Dr Dawie de Villiers, then Minister of Mineral and Energy Affairs and Public Enterprise, scorned a suggestion that blacks get 10 percent of Government contracts.

IT'S MY BUSINESS
THAMINAZAWA

even rejected suggestions that a separate market be established where only blacks would participate.

I won't remind the Minister that National Party governments granted contracts to Afrikaner businesses over the last 40 years, all to help Afrikaners develop their economic clout.

By now we are aware that what is sauce for the gander is not necessarily sauce for the goose as far as Government reasoning goes.

That is why De Villiers does not agree with the concept of a market specifically created for blacks. All of a sudden they are now talking of the spirit of tendering.

Has Dr de Villiers noted that an astute businessman considers this idea worth exploring?

In fact, when we visited Van Reenen it appeared he was hardly aware of the suggestion to the Minister, but, believe it or not, he was all excitement as we got down to the nuts and bolts of developing this concept.

In closing, I can only say that our chaps will now also be able to sharpen their tendering skills, their downfall in the general market.

Develop

In the blacks' only market, which will be a passing phase, efficiencies will be developed.

I have no doubt within years, or even months, our fellows will be in the general market giving their competitors hell, just as many are doing well in the white CBD's despite coming in from behind.

Tendering

He argued that this would militate against the spirit of tendering. He

A MASS-TRAINING method to teach sophisticated analysis to people with low literacy levels is being put to the test by cooperatives from Zimbabwe, Botswana and South Africa.

The method of training professional and managerial skills to large numbers of individuals working within self-managed enterprises was developed by Brazilian social scientist, Clodomir Santos de Morais. It has been used successfully since 1973 in Latin America and the Caribbean.

Full control

The workshop is set up with a minimum of 40 people, who have full control of the means of production (tools, machinery and installations), and freedom to organise themselves.

DIY co-ops for worker power

(176) 

The aim is to achieve self-reliance as a group. Technical advice is given only if the trainees ask for it.

During the workshop, trainees are expected to work eight hours a day. They may not drink alcohol and may not leave the site until the newly-created organisation has set relevant rules. Everything that occurs during the workshop has to be recorded by the trainees in a final document.

When the workshop is completed, all the tools, machinery and installations are checked against a

People with low literacy levels working in cooperatives are being trained to organise themselves into self-managed enterprises. The training method was devised by a Brazilian social scientist, using a new approach to social psychology:

detailed inventory. All losses and damages are paid for by the group.

After some teething problems, the trainees begin to create a horizontal structure and democratically elect various committees to carry out different tasks.

Ivan Labra, a Chilean exile who has been teaching the De Morais method in Zimbabwe and Botswana, explains that the De Morais theory of organisation is a new approach to social psychology, based on the idea that people develop certain psychological characteristics depending on the complexity of the productive process they are involved in.

During the workshop, the director gives a talk on the problems created by the self-sufficient, individualistic artisanal "know-it-all" form of labour.

Once people in the workshop become aware that the problems they are

facing are caused because they have not overcome the "bad habits" of the artisan, they are able to organise themselves better.

By the end of the workshop, the group will create an efficient, self-managed enterprise with a sound level of division of labour. It will achieve self-reliance and even some profits.

'Pastoralism'

The workshops held in Africa and Latin America have to take into account different historical backgrounds. In Africa, "pastoralism" becomes a bigger issue than the "artisan problem" of Latin America.

The pastoralist will sit down and wait until something happens to overcome a bad situation. If there is no rain, for instance, he or she will wait for God to do something about the lack of rain; at the beginning of a workshop, he or she will wait for someone else to start the ball rolling. —

AIA

OUR BULLETIN

VERY EFFICIENT ADMINISTRATOR:

the office

financial administration

distribution procedures

deal with correspondence

SUCCESSFUL APPLICANT WILL:

administrative and bookkeeping experience

have computer experience

aligned to the democratic labour movement

initiative and efficiency needed to run a

positions with at least two written references to:

Johannesburg 2000 Tel: (011) 3378511

or applications: 31 May 1990

FEW weeks ago I received concern at the concept of Black Economic Empowerment, trying most of the time little came from these conferences in terms of grassroots strategies.

Instead, industry's white captains got a chance to tell us how they acted apartheid, and what they were doing for poor blacks. For some blacks it was a chance for another release of frustrations. Many a time the ordinary entrepreneur did not even know of these conferences, and that they were also about him.

Black skills: getting in at grassroots level

Today we carry a story and advert that has some direct meaning for the grassroots entrepreneur. John van Reenen, of Van Reenen and Nicholls, is advertising services he needs from black entrepreneurs.

More companies must now follow suit. All they have to do is place an advert in *Sowetan Business* and thousands of entrepreneurs in our area of circulation will respond. Van Reenen has challenged our entrepreneurs to offer him their skills. Like anybody else, he will accept the best tender. Only blacks will compete in this market.

Many overseas companies in the past adopted black businesses into

which they poured money and resources. This was fine.

There were also those businessmen who asked black entrepreneurs to do work for them, say print their stationery.

What the black entrepreneur did not know was that his merchandise was destroyed on receipt and that from a white company, far superior in quality, used. Hypocrisy in its most naked form.

To make it worse the black trader was paid from the company's social responsibility budget. In other words, he was in the same queue with Cripple Care and other charity organisations.

Initiative

John's initiative will obliterate this. A market has been created in which blacks will compete with each other.

They seldom survived in the general market, apartheid saw to that. This is not racism, as many will suggest. It is giving our entrepreneurs

opportunities denied them over the ages.

With each job done to specifications more contracts will follow. Skills will improve.

The many plumbers and other types of artisans trained at Bantu Education non schools now have a chance to sell their skills.

We know that even the Department of Bantu Education, which controls the schools that gave them training, hardly offers them this opportunity when needing services. The department instead uses white contractors or, like it was proved last year, the services of companies owned by children of white officials.

Early this year Dr Dawie de Villiers, then Minister of Mineral and Energy Affairs and Public Enterprise, scorned a suggestion that blacks get 10 percent of Government contracts.

Tendering

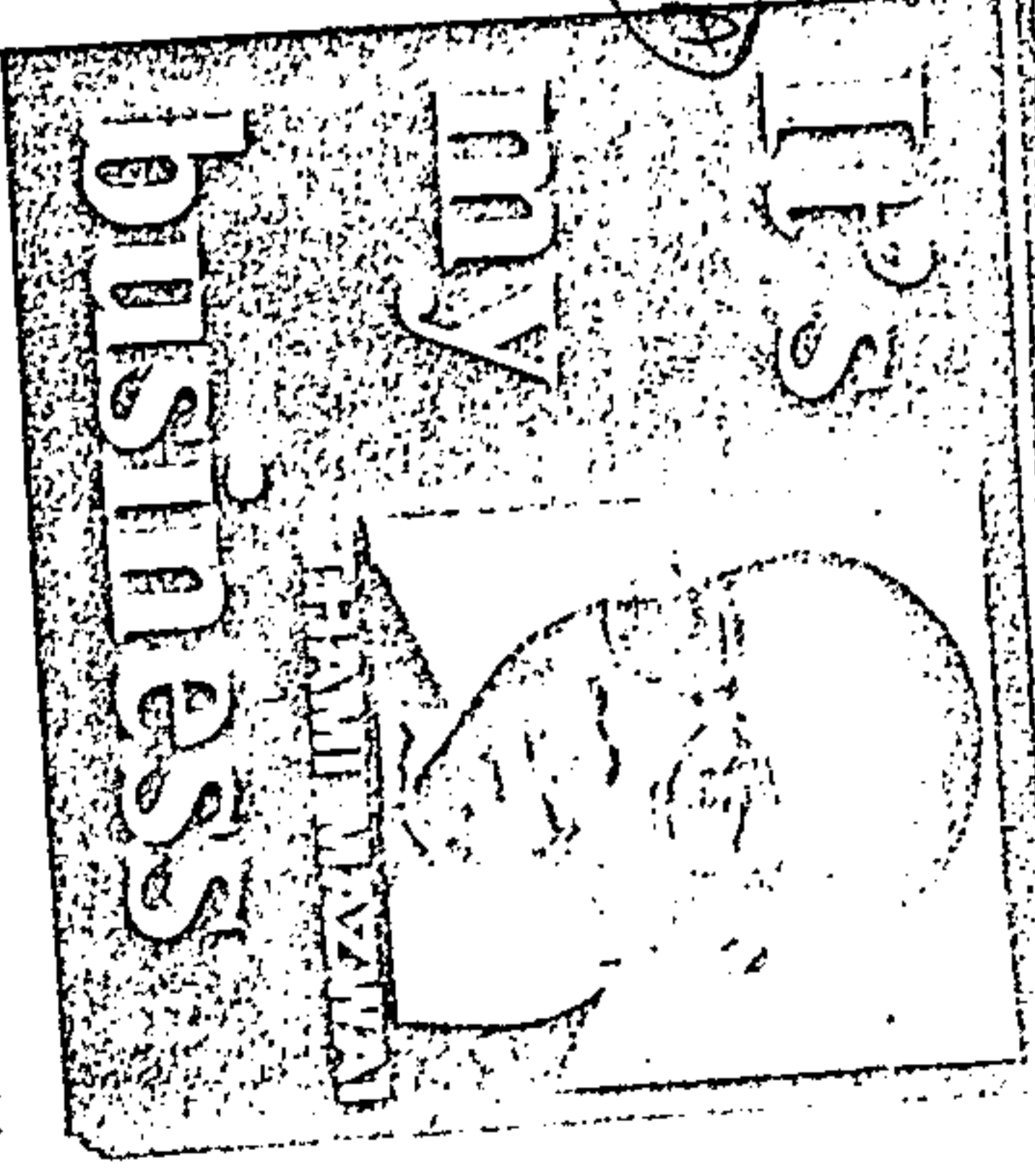
He argued that this would militate against the spirit of tendering. He

even rejected suggestions that a separate market be established where only blacks would participate.

I won't remind the Minister that National Party governments granted contracts to Afrikaner businesses over the last 40 years, all to help Afrikaners develop their economic clout.

By now we are aware that what is sauce for the gander is not necessarily sauce for the goose as far as Government reasoning goes. That is why De Villiers does not agree with the concept of a market specifically created for blacks. All of a sudden they are now talking of the spirit of tendering.

Has Dr de Villiers noted that an astute businessman considers this idea worth exploring?



In fact, when we visited Van Reenen it appeared he was hardly aware of the suggestion to the Minister, but, believe it or not, he was all excitement as we got down to the nuts and bolts of developing this concept.

In closing, I can only say that our chaps will now also be able to sharpen their tendering skills, their downfall in the general market.

Develop

In the blacks' only market, which will be a passing phase, efficiencies will be developed.

I have no doubt within years, or even months, our fellows will be in the general market giving their competitors hell, just as many are doing well in the white CBD's despite coming in from behind.

Beer (176) to go black

THE Government was waiting for guidelines on the most equitable manner in which the sorghum beer industry could be transferred to black ownership, the Minister of Privatisation and Public Enterprises, Dr Dawie de Villiers, said yesterday. *Sowetan 11/5/90*

Introducing the Extended Public Committee debate, he said approaches and requests had been made by various black organisations such as Nafcoc and Ukhamba to transfer ownership of the entire industry.

"This presents an ideal opportunity not only for blacks to be directly involved in a large, viable business, but for a genuine partnership between community interests and the workers."

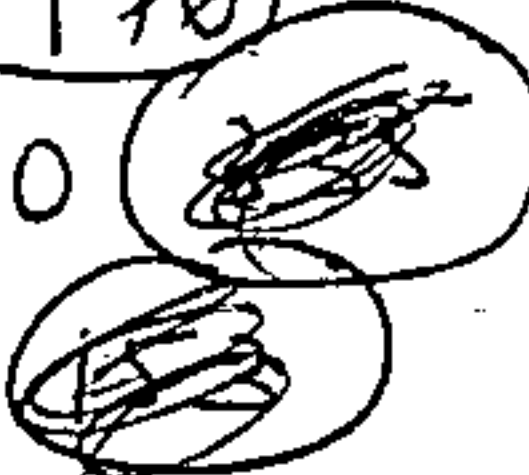
It was logical that the control and ownership of the sorghum beer industry, whose customer base consisted solely of blacks, should rest with that community.

"In view of the specialised nature of operations and the vast market opportunities within this industry, it is hoped that this measure will lead to an even greater enhancement of job opportunities and skills training in its different facets." - Sapa.

Unemployment, inflation adding to SA's problems

176

Southern 25/5/90



SOUTHERN Africa was faced with a wide diversity of severe socio-economic problems and constraints which included low economic growth rate; poor and inadequate housing in black areas, Nafcoc president Dr Sam Motsuenyane, said this week.

around the country threatening to destroy its existence," he said.

"What is gratifying is the fact that new leadership of Mr F W de Klerk, has committed itself towards the total phasing out of apartheid and the creation of a new South

Africa.

However, he said, on the economic front black entrepreneurs remained severely hamstrung and artificially restricted by discriminatory laws and regulations. He referred to the Group Areas Act, Land Act, Separate

Amenities Act and others.

"The black entrepreneurs presently operates on the marginal fringes of the South African economy, largely as small retailers, manufacturers, peasant farmers and operators of various service industries.

Speaking at the diploma-day ceremony at the M L Sultan Technicon in Durban, he said the rampant inflation, escalating unemployment, shortage of skilled manpower, flight of capital from the region due to the imposition of international sanctions and disinvestment, had added to the problems.

The political, financial and other major constraints that must be overcome to enable blacks to become meaningfully integrated into South African economy did present the country with problems of momentous proportions.

On the political front, some hopeful signs of possible positive changes in the near future were already beginning to emerge. One such signal was the candid acceptance, at long last by the South African Government, that apartheid was not only morally indefensible, but it also hung like "milestone



Shikwane... started
with only £70

176

F/M 25/5/90

factory and assist him with his books, provided he establish his business in a homeland. Financially, it made sense.

In 1961 he moved to Hammanskraal where he lived and worked for 16 years until, he claims, the Bophuthatswana bureaucracy prevented him from expanding. "Tribalism," he says, was the root cause. He is a Northern Sotho.

Shikwane relocated to the capital of Lebowa — Lebowa Kgomo — in 1978 and hasn't looked back. In addition to cane furniture he owns Kgabong Construction & Window Frames which he aims to make the largest window and door frame factory in SA.

Gateway Snacks, which makes corn chips, is another successful enterprise. Northern Feed Manufacturers (Pty), which produces cattle feed and has a feedlot to fatten cattle, is the least successful of his endeavours but probably the one he enjoys the most. "I love to watch them, especially late in the day when they get frisky."

He is a devoted family man and his wife, Nellie, works at his side and is his closest friend. Shikwane (63) works from 5 am to 7.30 pm seven days a week. "Work is my hobby." However, once a month the two travel to an expensive game lodge for a weekend's game viewing. They have five children and three grandchildren. ■

HABAKUK SHIKWANE 176

F/M 25/5/90

Always on the move

Habakuk Shikwane's wife was opposed to her young husband starting his own business. He had a good job at a factory where his boss was so confident of Shikwane's abilities that he would often go on holiday and leave him in charge.

This was precisely what started the young man thinking about starting his own business. Today he claims to be the largest black industrialist in SA with four factories and a feedlot, employing 455 people and turning over about R13m a year.

In 1951, the newly married Shikwane left his job, took his life's savings — £70, bought a bundle of cane and began making chairs to sell to Soweto neighbours.

Within four years his business had grown to such an extent that he had 43 relatives living and working in his backyard. Four years later they were all arrested for contravening the pass laws and Shikwane duly paid their bail of £3 each.

This attracted the attention of the authorities. "They knew that here was possibly the first black manufacturer in the country," he recalls.

The then Bantu Investment Corp offered to lend him money to build a bigger

SOWETAN
Building the Nation

HOW WE INVEST IN PROPERTIES

New hope for blacks

Building market is set to open up

All stories by Sy Makarunge

UNEMPLOYED black matriculants who have failed to enter the lucrative home building market will get their chance now that the Group Areas Act is about to be scrapped.

A new company, Urban Projects and Finance in Parktown, will soon start running a series of courses on property broking, among other things, for unemployed matriculants with limited skills.

The course is based on the requirements of the Estate Agents Act of 1976.

The Act stipulates that no person can act as an estate agent without a fidelity fund certificate.

He or she must also have passed the Estate Agents examination.

Mr Anthony van Wyk, of Urban Projects and Finance, said with the imminent scrapping of the Group Areas Act there would be many opportunities for real estate agents in the black community.

He said there were more than 25 000 licensed estate agents in South Africa.

Wealth

"The private sector has not been successful in demonstrating to the black community that it has an ability to generate wealth.

"Whites still own 83 percent of the land and command almost complete control of production and wealth creation.

"This total domination is kept intact by the lack of skills and economic opportunities among the blacks," Van Wyk said. He said the expanding economy required skilled workers.

The courses will be held on a rotating basis in Cape Town, Johannesburg, Durban and Port Elizabeth.

Van Wyk said candidates need only pay a nominal fee of R30.

The balance would be paid by the sponsors.

For more information contact Van Wyk at (011) 484-4145.

Sankar 21/5/90

19 (17)

Being 'small' is now big business

S/Times 3/6/90

176



A NEW-LOOK central business district for the new South Africa is springing up in downtown Johannesburg.

Once the domain of retail giants, swanky head offices and corporate blocks, the city centre is being occupied by small black businesses.

Landlords of buildings that housed corporate tenants — most moved out of the area surrounding the railway station because of security and parking problems — are taking advantage of the trend.

They are encouraging budding entrepreneurs to take space at low rents and are turning buildings that stood empty for months into hives of money-making activity.

Apart from generating income from rent in otherwise unlettable buildings, the new pattern has opened avenues for businessmen starting with little capital.

Letting agent I Kuper & Co — in the Investec stable — is responsible for several buildings close to the station.

I Kuper has let Automutual Mutual House — sold for R45-million after the AA Mutual short-term insurance company was liquidated — by using this tenant base.

For nearly a year, much of the building stood empty after advertising efforts failed to draw suitable tenants.

I Kuper broking division chief Steve Grupel says: "We tried to let it as a school, but the building was unsuitable."

"Finding a single tenant was impossible. We thought that by broadening the tenant mix we could fill the building. It's working well."

"When the owner bought the building, he had an 8% return — from rent paid for the ground and first floors, taken by a clothing retail company."

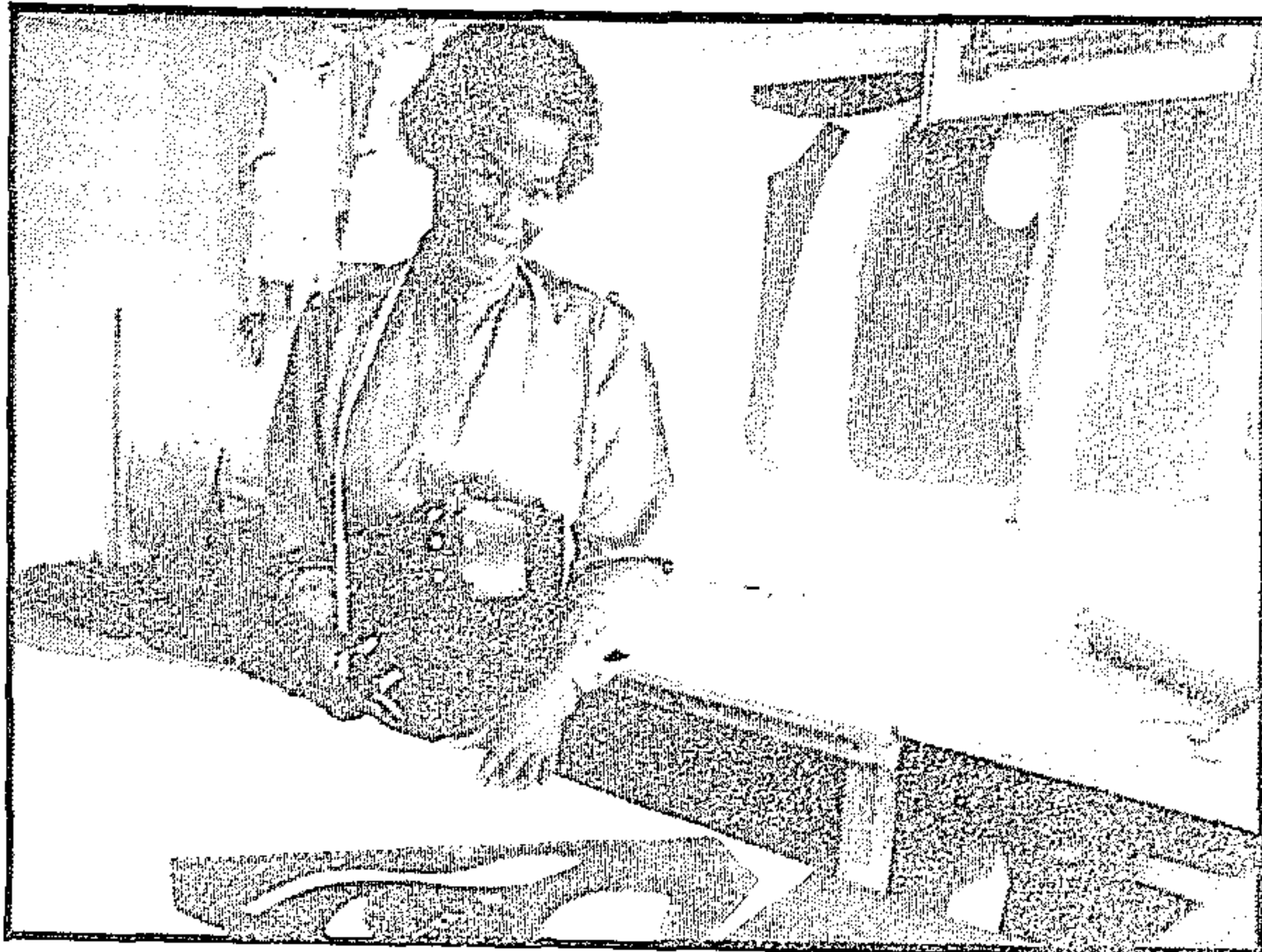
Needs

"Now that we have opened up the other eight floors to small businesses, he is assured of at least a 16% return."

Many little shops are open 24 hours a day, seven days a week, to meet the needs of commuters using the nearby taxi rank and station.

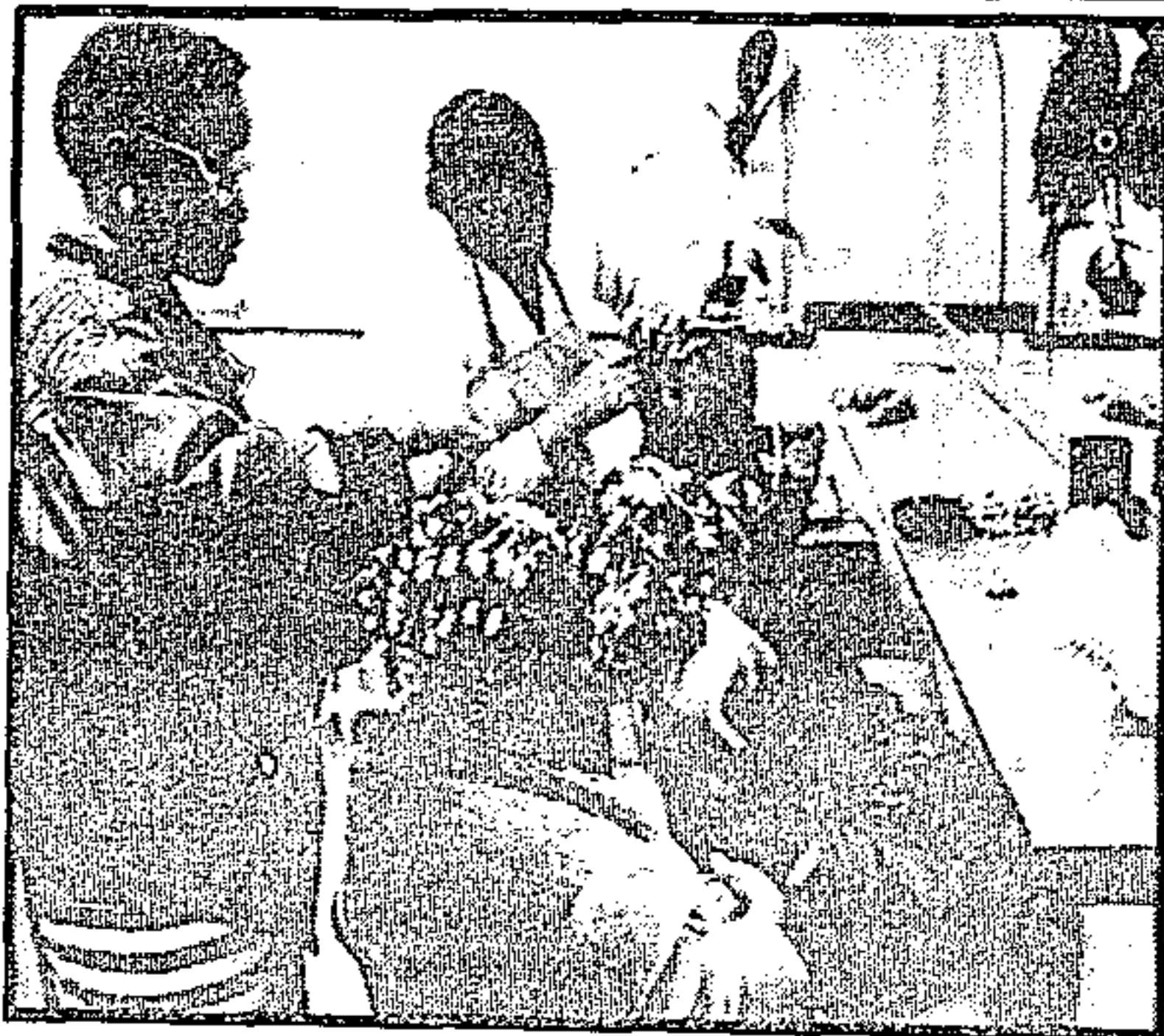
Automutual House's second floor houses a taxi-training service, a licensing office for the Taxi Association, five hairdressing salons, two dressmaking academies, a herbalist and a cash-register training school.

Then there are hawkers who use the offices to store stock. Three small trade



THEMBISILE NHLENGETHWA ... a specialist in stylish clothes for girls

By CHARMAIN NAIDOO



DEFT FINGERS at work ... perm time in Dudu's hair salon

unions have also rented space.

Mr Grupel says a 24-hour security service — for which the tenants each pay a small fee — has been introduced.

Tenant Gladys Nonca and four of her friends got together to open five hairdressing salons

side by side. She says that being able to rent affordable space in the heart of one of the busiest areas in the city has enabled her to expand her business — she now has two CBD salons.

Mrs Nonca, proudly showing her mirror-bedecked salon, says there is healthy and friendly competition among the five women who are "loyal to one another".

"As long as they don't allow any more hairdressers to operate here, there's enough work for us all."

Letting agent Adrienne Carriger says: "The women chipped in for a hot-water geysers and basins."

"They are industrious and it's a pleasure to watch them develop their little businesses."

Rent in the upper floors is R12 a square metre. Space on the ground and first floors costs big retail outlets up to R100/m².

Cash

Mr Grupel says: "This means that the average 'office' costs about R125 a month with an additional R25 for security."

He admits that for the first few months, until the new tenants settle in and begin making money, there is sometimes a problem with late payment of rent.

"But as soon as business improves, they pay — in

cash. We insist on two months' deposit and the first month's rent upfront so that the owner is covered if anyone defaults."

Most leases are for three years, but there are some monthly tenants.

"We discourage monthly agreements because the owner prefers stable tenants."

The area is ideal for a differing tenant mix, especially because parking space is at a premium and few tenants or their customers have cars.

Many blocks of flats in the area are also being converted to take hawkers, fast-food outlets and other small businesses.

Mr Grupel says: "Some blocks of flats have long waiting lists. In others, we have stripped out the baths and basins and turned the bachelor flats into offices and storerooms for hawkers and non-retail tenants."

SBDC plans Sandton centre

THE SBDC, finding it difficult to cope with the demand for entrepreneurial training, is planning to establish a training centre in the Sandton area.

SBDC training manager Kenneth Fisher said yesterday the corporation was in the process of buying a site near Alexandra, and expected to start operating in February.

"The SBDC, which has seen more than 4 000 small business trainees becoming entrepreneurs over the last three years, has met with so much demand it has decided to expand its training services," said Fisher.

"In the new centre we expect to produce between 5 000 and 6 000 students. "And, bearing in mind that about 60% of the people who take up our courses complete them, and 40% of these become entrepreneurs, we feel we will be going some way towards coping," Fisher added.

Fisher said the Linbro training centre was close to Alexandra Township, with

THEO RAWANA

easy access to Pretoria and the East Rand.

He said SA lagged far behind the rest of the world in the proportion of entrepreneurs it had.

"Less than 5% of the economically active population of SA become entrepreneurs, while the world

average is between 10% and 12%. (176)

"In the US between 14% and 15% of the economically active population are entrepreneurs," he added.

The SBDC was providing training in all the major centres in SA, with emphasis on the neglected areas where the need was greatest, he said.

Conference highlights black achievement

THE extent of black achievement in the face of apartheid was highlighted yesterday at a conference organised by the SA Institute of Race Relations.

Entitled *Winning Against Apartheid and Surviving in the Future*, the conference featured speakers who "beat the system" in the areas of mass media, art, mixed suburbs, squatters, mixed schools, she-beens, hawkers and black taxis.

It was part of an initiative by the institute to inform the business community of successful strategies used to bring about practical change in SA, while outlining difficulties and possibilities for the future.

Sowetan newspaper business editor Thami Mazwai told of the black Press's resilience in the days of "granite apartheid" and problems faced by black journalists over the years.

He said the pressures were from "government, elements in the liberation movements, the newspaper proprietors, and

DANIEL FELDMAN

self-censorship".

He estimated that "more than 60% of what was happening did not reach the public" during the most restricted years.

New Era Schools Trust director Steyn Krige called for the formation of a single education department.

"We need to start from scratch. To try to reform our existing education system is like trying to reform apartheid."

Other speakers included African Council of Hawkers and Informal Businesses president Lawrence Mayunda, Southern Africa Black Taxi Association executive member Knox Matjila, SA Taverners' Association president Sam Tuntube, writer Kaiser Nyatsumba, Weller's Farm Residents' Committee chairman Olga Lutu, and spaza owner Sydney Themba.

See Page 6

ADVERTISING SALES
TANIA LEVY (57)

8-111 said the same problem existed on another squatter site in Midrand. In that instance provincial authorities had under-

implicit right to evict people before demolishing the shacks, it should not have been granted without giving the families notice of the demolition.



SAIRR vice president Lawrence Schlemmer, left, and executive director John Kape-Berman at yesterday's conference on Winning Against Apartheid.



Executive director John Kape-Berman at yesterday's conference on Winning Against Apartheid. Picture: ROBERT BOTHA

Black business to examine rebuilding SA's economy

REPRESENTATIVES of black business will discuss reconstructing the SA economy at the 26th annual conference of the National African Federated Chamber of Commerce (Nafcoc) in Durban next month.

Nafcoc public affairs manager Gab Mokgoko said yesterday the conference would "attempt to bring to the fore what the real issues ought to be in the reconstruction of a mixed SA economy, the extent of the mix and the mechanisms required to ensure and hasten full black participation in such an economy in the '90s".

The destruction of black business property during riots would get special attention, Mokgoko said.

The conference would also address the role of women in the national strategy for economic liberation.

"The president of Nafcoc (Sam Motsuenyane) is expected to give an insight into what he considers should be the framework of an economic agenda to be pursued during the 1990s, as well as the key elements of such an agenda in order to achieve economic parity among South Africans," Mokgoko said.

Chambers of commerce in the southern African region would also

THEO RAWANA

attend the congress, he added.

With an eye on its future role in Africa, Nafcoc has established a Joint Working Committee with the Lesotho Chamber of Commerce.

Mokgoko said the committee met last month to examine closely the unfolding political situation in SA and its economic impact on Lesotho and the southern African region.

Assist

It also considered mutually beneficial projects and programmes.

"The committee recognised the urgent need to assist indigenous Africans to share in the Lesotho Highlands Water Project beyond the level of worker," Mokgoko said.

Another matter discussed was the membership of Nafcoc on various regional and Pan-African business formations.

"The committee was also briefed about the discussions held between Nafcoc and the ANC in Lusaka and in Johannesburg, discussions with the PAC in Johannesburg and the Wild Coast Conference on restructuring the economy," he added.

Mokgoko said Motsuenyane led the Nafcoc executive to Lesotho last year to lay the foundations for mutual cooperation.

He said the binding principles of the two chambers were:

□ To serve the indigenous African business community and to ensure the advancement of members in commerce and industry;

□ To evolve a framework for utilising the strengths of each chamber for the betterment of the collective membership;

□ To develop the talents and abilities of members through education and thereby enable them to compete more efficiently in commerce and industry, domestically, regionally and internationally; and

□ To form joint business projects and programmes to harness scarce resources.

Mokgoko said the principles were the "pivotal reasons of Nafcoc's thrust in its relationship with various African chambers of commerce on the continent".

Nafcoc members serving on the committee are A S Nkonyeni, Sy Kutumela, E F T Maahlo and Mokgoko, while the Lesotho chamber is represented by A Majara, M Putsua and Z A Tsotsi.

NEWS FOCUS

176

P1 Day 19/6/90

The name of the game: black empowerment

THE ANC has got business on the hop. Nelson Mandela's economic views have scared the hell out of white executives. They are arguing desperately against nationalisation, and scrabbling about for ways to deflect the threat.

They are also worried about how the redistribution of wealth might happen. The conglomerates that control the economy have been singled out as targets to be broken up.

White business leaders have their backs to the wall. They are fighting for the very survival of their organisations, even as they are charged with creating more wealth and fuelling economic growth.

Quotas

These problems won't go away until blacks understand how business works and are brought into the mainstream of business affairs, because black advancement is no longer just a good idea; it's absolutely vital. But it demands sober thought and much caution.

Affirmative action has been around for some years. There was a time when a number of major companies set quotas for black employment. Others instituted mentorship programmes. Still others appointed well-known blacks to their boards.

But where are the successes? They are few and far between. Companies that previously trumpeted their goals and their programmes now quietly get

on with the business of making money. The Sullivan and EC codes are history. Many companies have given up all pretence of pushing blacks up the corporate ladder.

Now there is a new impetus for action. In response to outside pressures, we're about to see a new set of promises, projects and problems — a new wave of frustration.

Not long ago, after an impressive presentation by a black manager in a low level staff position, the MD of a major company said: "Well, at last I've got someone I can promote. I'll move him into an important job soon."

"Would you do it if he was white?" I asked. The answer, clearly, was no. The black executive had no line experience. He wasn't responsible for profits. He had little general business knowledge.

SA firms employ many people like this. They sit in "safe" jobs, out of the firing line, but often in close touch with top management. When an opinion is sought on the black market or black political views, they are brought in.

Yet to ask them "what blacks think" about a particular issue is like asking me what whites eat for breakfast, or how they feel about F W soap powder, conservation, or feminism.

To promote a black person because he or she is black would, under normal circumstances, be stupid, irresponsible and unfair. But right now, we're caught between a rock and a hard place. We're damned if we do, and damned if we don't.

So what's the answer? How do we make affirmative action work?

In the wake of the meeting between 400 businessmen and 40 ANC representatives, predictably foolish strategies are likely to get more attention than they should, argues **TONY MANNING.**

First off, management must accept that the only reason any firm should give blacks special attention is to ensure future competitiveness. The first social responsibility of a company is to survive, because jobs follow profit.

The second thing that management should recognise is that affirmative action is a matter of choice. For some companies, it will be the only choice. For others, it makes no sense at all.

A third consideration is this: the best strategy might not be to spend too much time trying to push blacks into top jobs fast, but rather to empower those already at lower levels to manage themselves.

The ratio of managers to non-managers in most highly industrialised countries is about 1:10. In SA it was about 1:42 in 1985, but it is now about 1:56 and it will probably hit 1:100 by the year 2000. These numbers will prompt many organisations to try to buck the

trend by developing more managers. That might be the most futile path.

Some of the most progressive firms in the world are today deliberately aiming at a 1:100 ratio. They want fewer managers, and more people who manage themselves. In other words, empowerment is the name of tomorrow's game.

Taking advantage of a situation might make far more sense than aiming at 1:10 against the odds.

Before doing anything, companies should ask themselves four questions. Firstly, how important is it that the structure of our work force mirrors the racial structure of the population as a whole? Secondly, if we do not develop black managers, will we have enough managers to go round in five or ten years' time? Thirdly, if we do make a concerted effort at developing blacks now, will we be better off or worse off in the future? Finally, can we afford the short- to medium-term costs of affirmative action?

These decisions must be thought through and acted out deliberately, not by default. Every time a black employee fails, whites say: "Blacks can't make it in a white world." If I were black and getting that message, I would be angry, easily provoked to strike and easily persuaded that nationalisation was a great idea.

In the long-term we must produce a generation of well-educated young people who have grown up in a stable environment, who have had plenty of formal and informal exposure to the workings of business, and who will be

prepared to spend 10 or 15 years learning to manage.

But in the short-term, we need other strategies. Every worker who will be employed between now and 2000 has already been born. Most have been poorly educated; changes to the education system will come too slowly to benefit the rest. Also, most have suffered serious deprivation.

The best we can hope for, under such circumstances, is that a few remarkable people will succeed despite the system. But business can give them a chance to show themselves, and a helping hand when they do.

Judgment

Every worker should at least be literate and numerate. Every worker should understand how business works, the challenges his or her company faces in the marketplace, how the company is performing, and how profits are distributed. Every worker should be trained, over-trained, and cross-trained.

Many executive skills can be taught. But one ability that is vital in an effective manager — judgment — must be learned. And that doesn't happen overnight. It happens through constant exposure to the hurly-burly of business debate.

Let's start "counting in" the people who will count in the new SA. Just one year of serious effort could make a huge difference.

SOUTH Africans need to understand the depth of black resentment which underlies the calls for economic redistribution to eliminate the evils of capitalist exploitation. Surveys have clearly shown blacks believe that free enterprise does not work in their favour and that capitalism is not capable of moral judgment.

They further believe that: free enterprise is organised taking away from blacks; free enterprise is preoccupied with bottom-line profit without concern for the work force or for the social environment in which it operates; big business is a white free market system with its own racist norms; and free enterprise ensures that 20% of the population owns 80% of the land of SA.

The consequences of these beliefs expressed in terms of business are disturbing. In the first place, apartheid and business are seen to be inseparable and black business success is bracketed with this.

Secondly, abolishing apartheid will not make the poor rich overnight, and the redistribution of wealth does not mean "taking away from them that have and giving to them that have not". The redistribution of wealth means complete

White business has a vital role to play in black empowerment

By Dan 21/6/90

JOHN R WILSON

equality of access to ownership of assets without restriction. Abolishing apartheid makes this possible.

In post-apartheid SA the negotiated compromise between free enterprise and socialism could well lie in the greater involvement of capital and labour in industrial planning, strategy formulation and the allocation and productive utilisation of resources for the benefit of all.

Business organisations, through their members, could play a leadership and co-ordinating role in changing the perceptions that blacks have formed of a free market economy by encouraging them to join and become active participants in traditionally white business organisations and by teaching the basics of business through, for example, training programmes and business games. This could lead to direct involvement in the economy by promoting "investment stokvels", or syndicates for direct participation in developing black businesses, or in share ownership on the JSE.

If we don't start today to educate and train blacks to play a major role in the economic life of the country, then we will be the ones who will ultimately be to blame for the failure of the economy.

Key in this is the adoption of an affirmative action programme by companies for total equality in the

work place and the advancement of blacks to management levels, not as a right but purely on merit. Such plans should specify targets, designated jobs and detailed career paths. I would view this as an essential step in the redistribution of wealth.

There is no quick fix to inadequate black education because the nub of the problem is a dearth of qualified black teachers. This is a problem that cannot be solved by money alone, but will also take time, in fact as long as it takes to obtain a primary, secondary and tertiary education. We will have to find non-conventional solutions to this problem to speed up the process, as time is not on our side.

Apart from adopting a single educational system with integrated schools dedicated to maintaining standards, what about a crash programme using all the facilities of white education, including teachers in a second session each day as well as in school holidays? We must also give serious thought to using the teaching methods of cram schools as well as using the television network in a high profile educational drive.

First priority, however, is going to be to remotivate black youth to want to go back to school. Calls by black parents, the ANC and Nelson Mandela for youth to return to the classroom have been ignored and we have a major problem which requires an imaginative solution. The solution has to be an alternative to the excitement of gang warfare and being rul-

ers of the townships while school boycotts are in progress, which has been the situation for most of the decade of the 1980s.

Late as it is, we have got to avoid the tragedy of an uneducated generation who will be in the prime of life in the 21st century.

If we aspire to winning nation status, then we need to study the economic success of Japan and Korea. In both of these countries the economic miracle was preceded by a restructuring of the educational systems and a massive drive to educate the whole work force for the economic needs of the country.

We are way out of step with the job needs of SA by offering as the norm a classical education.

People's education is a misunderstood concept. It is not a call for the lowering of educational standards, but rather a call for the participation and involvement of blacks in designing an educational system relevant to their needs and aspirations.

The voice of business needs to be heard loudly and clearly on the relevance of our present educational system in meeting the needs of a developing technological society.

The urgency of economic empowerment of the black community is that more than 50% of SA's population is under the age of 16 and a growth rate of at least 8% a year is necessary to provide jobs.

Economic empowerment of blacks is predicated on eliminating the morass of financial and legislative barriers erected by white SA since the last century to keep blacks in serfdom. While progress has been made in deregulation, free competition will come about only when the Group Areas Act is abolished and there is equality in access to the ownership of land and other assets.

In the meantime, the development of the informal sector and small black business is seen by many as the answer to the unemployment problem as well as the introduction of blacks to the free enterprise system.

While there is no doubt small black business is very significant in the economy, much of it provides a service activity that keeps money in circulation but does not create wealth. As a result of deregulation this position is changing, and black entrepreneurs are moving into manufacturing, which is the real generator of wealth in the economy.

These new businesses are important contributors to the GDP and important to note that co-operatives are favoured by blacks over small individual businesses, because of the concept of collective responsibility and the sharing of scarce human resources that is possible in this business model.

However, the growth of black business in SA in the near term is constrained by factors such as a lack of general management skills; a lack of financial and marketing expertise; and a shortage of venture funding for new business enterprises.

If we are serious about growing the economic cake through black economic empowerment as the most effective means of wealth creation and redistribution, then we must be concerned about these limiting factors. We must also be concerned as to how to grow black business so that it becomes an integral part of SA's economic activities.

A blueprint for this will be a priority for our economy to flourish in a post-apartheid society.

White business has an important role to play in this through the establishment of a skills base for the transference of business expertise to speed up the process of black economic empowerment.

Wilson is former chairman of Shall SA. This is an excerpt from his address to the Institute of Directors in Johannesburg yesterday.



□ WILSON

Black consultants help big business

176
Sowetan 2/6/90

By JOSHUA RABOROKO

THE burgeoning black consultancy business has become the modern muti for business survival in South Africa.

Until a few decades ago, black businessmen used traditional doctors, herbalists and even 'prophets' in an attempt to inject adrenalin for the prosperity of their businesses.

However, modern times have forced them to change this archaic practice as they have resorted to black consultants for business advice.

The importance of seeking consultants for blacks when starting business will be effective and efficient if they are to compete favourably with their white counterparts who are experienced and have the expertise.

Black consultants, few as they are, are undoubtedly today the main source of increasing black

participation in the economic mainstream and encouragement towards economic empowerment.

The few that are already in existence include the Coordinated Marketing, Ebony Management, Consumer Behaviour, Manchu and Associates, Perfect Malimela and Associates, S M Communications, Goza Business Consultancies, W R Consultants and Thembalethu Financial Services.

Most started their operations in the mid-1980s.

Several others are mushrooming as there is an increasing desire for people to get into big business while the informal sector is also playing a leading role in the country's economic growth.

One of the cardinal things they have done lately is to go through a re-education programme to gear themselves for the black market which has taken a long time to recognise their importance.

Director of S M Communications Mrs Suzette Mafuna says blacks' notion of the herbalist has become a relic of the past.

Blacks are now seeking the help of consultants before engaging in business, adding, "this has become a challenge to us."

Mafuna, who started her own business in 1985, says public relations in business has replaced the usage of traditional doctors. Blacks are slowly realising the intricacies of modern business and engaging special consultants in different fields.

Mr Joe Manchu, of Manchu and Associates,

says they focus on strategies and changes in various business sectors. His business helps to provide management skills for black and white business, although he started with small entrepreneurs three years ago.

"I am hopeful that black business is on the way up the ladder and given the opportunity they will contribute more to the country's mainstream economy."

Mr Willie Ramoshaba, director of W R Consultants, says the wheels of knowledge are turning the modern black businessmen. When he started as director of Ebony Management in 1982, they ran around knocking at the black businessmen's doors to explain the importance of their services.

Today, they are running after consultants because they have realised their worth.

Mr Eric Mafuna, of Consumer Behaviour, says the issue of black consultants is becoming a "hot potato" as many are mushrooming, apparently for the sake of making a "quick buck."

He says just like in the taxi and spaza shops business every available person is running for this job, and he expresses fear that "this may lead again to the failure of black business."

Mr Samuel Baloyi, of Goza Business Consultancies in Giyani, says although their operation started this year, they are reaching many emerging black businesses in the area. They help to provide them with finances, prepare their financial statements and advice on many issues. "The business is good," he says.

Soweto traders join hands in new wholesale venture

Soweto 22/6/90

176

A GROUP of Soweto independent shopkeepers has formed a private company aimed at establishing a wholesale concern that will help members to engage in bulk buying for the advancement of blacks in the area.

Announcing the formation of the company at a meeting in Soweto this week, the deputy secretary of the Soweto Independent Shopkeepers Association, Mr Boy Shogwe, said the company had been registered under the name of Champion Challenge (Pty) Ltd.

Shogwe said shareholders would be invited to participate in the activities as well as the interests of the company.

It would be open to the business community in view of the growth in wholesaling and the prevailing monopoly by a few cartels.

Soweto shopkeepers must come together to tackle the problem of "how to keep the bulk of the money in the township and to let it circulate among the townships' traders within the area before it is exchanged to other hands.

At the same meeting shopkeepers made a scathing attack on 'irregularities' as well as poor

By JOSHUA RABOROKO

supply of beverages to their stores by a leading soft drink company.

They claimed that deliveries were poor and no explanations were given to business people who often became victims of rude customers.

The poor service rendered by the company would lead to the downfall of the enterprise, they said.

The shopkeepers also complained about the safety of their businesses following a spate of violent incidents, including robberies and harassment from "tsotsies" whom, they said, made their lives a misery.

"It is no longer safe to be in business in our townships and we are living in fear," one shopkeeper said.

"We are going through a torrid time in the history of black business," he added.

A senior black sales manager of Amalgamated Beverage Industries, Mr Lucas Mokonyane, said his company would look into the problems of the traders and report back to them next month.

Franchising to aid black entrepreneurs

TAKING a proactive role in the new SA is Colfin's mergers and acquisitions division, which operates through subsidiary Colfin Corporate Trading (CCT).

As part of that proactive stance, Colfin has been pursuing the franchising of existing businesses for black entrepreneurs.

CCT head Mary-Anne Tennant says: "This reduces the risk element associated with new ventures while opening opportunities for participation in new markets with committed management skills."

She says it is the most exciting aspect of corporate finance, which depends to a large extent on the client service offered.

Maximise

"We believe strongly that businesses and investors have to be well-matched to maximise the value for both parties — a data base of high quality businesses and potential investors is critical to the process, and Colfin is constantly seeking to augment its network of contacts," says Tennant.

Colfin is expecting to increase merger and acquisition activity over the next year.

"As the economy cools down, companies will find it difficult to generate

profits. In addition, they will be hard pressed to generate internal growth and will have to look outside the company."

One of the primary objectives of mergers and/or acquisitions is operating economies of scale.

Tennant says there are examples of the synergistic benefits of a merger or acquisition, such as:

Reduction

- Elimination of duplicated facilities (eg computers, training.) A common feature is the reduction of the combined overheads;
- Better terms of trade from suppliers and reduction in inventories;
- Complementary marketing facilities. For example an export market may be added to an internal market to the benefit of both;
- Shared fixed costs and plant capacity. This can be critical in the battle to reduce unit costs;
- Better use of under-utilised assets. A fresh look by a more aggressive new management can unlock better performance.

She says the disposal of underperforming assets can be equally important.

"It often takes new people with no emotional ties to an investment to dispose of it purposefully."

BLOAN 276190

Franchising to aid black entrepreneurs

TAKING a proactive role in the new SA is Colfin's mergers and acquisitions division, which operates through subsidiary Colfin Corporate Trading (CCT).

As part of that proactive stance, Colfin has been pursuing the franchising of existing businesses for black entrepreneurs.

CCT head Mary-Anne Tennant says: "This reduces the risk element associated with new ventures while opening opportunities for participation in new markets with committed management skills."

She says it is the most exciting aspect of corporate finance, which depends to a large extent on the client service offered.

Maximise

"We believe strongly that businesses and investors have to be well-matched to maximise the value for both parties — a data base of high quality businesses and potential investors is critical to the process, and Colfin is constantly seeking to augment its network of contacts," says Tennant.

Colfin is expecting to increase merger and acquisition activity over the next year.

"As the economy cools down, companies will find it difficult to generate

profits. In addition, they will be hard pressed to generate internal growth and will have to look outside the company."

One of the primary objectives of mergers and/or acquisitions is operating economies of scale.

Tennant says there are examples of the synergistic benefits of a merger or acquisition, such as:

B10am 27/6/90

Reduction

Elimination of duplicated facilities (eg computers, training.) A common feature is the reduction of the combined overheads;

Better terms of trade from suppliers and reduction in inventories;

Complementary marketing facilities. For example an export market may be added to an internal market to the benefit of both;

Shared fixed costs and plant capacity. This can be critical in the battle to reduce unit costs;

Better use of under-utilised assets. A fresh look by a more aggressive new management can unlock better performance.

She says the disposal of underperforming assets can be equally important.

"It often takes new people with no emotional ties to an investment to dispose of it purposefully."

FNB on track in black advancement programme

By MZIMKULU MALUNGA

FIRST National Bank's Black Advancement Programme has nearly achieved its target.

With six months still remaining before the trial period expires, the figures of the bank's black staff are approaching the target.

Last year, when former managing director Chris Ball declared that FNB's objective was to have 40 percent black clerical staff by the end of this year, doubts were expressed in various quarters—including some of the bank's black employees.

General manager Colin Hunt says black clerical staff now make up 33 percent of the FNB clerical staff. The figure excludes messengers, cleaners and some of the blacks staff doing non-clerical jobs.

Hunt says it is not certain the target will be reached by the end of the year, but he feels success is beyond expectation.

of West 61 1190

Another main objective is to increase the number of black managers from 360 to 550 by the end of this year. Judging from the current figure of black managers, Hunt says the company is optimistic the target will be reached.

Currently FNB has 504 black managers and 153 of them are in the categories of middle and senior management, while 351 are in junior management.

There were about 70 black middle and senior managers at the start of last year.

The Black Advancement Programme was initiated in 1986 and, says Hunt, FNB was prompted to embark on the move due to the changing political situation and other socio-economic factors. The company changed its recruitment method to achieve this goal objective.

Most of the training programmes for the upgrading of staff skills are conducted by the bank's management college and the Centre for Management Studies. Another programme is organised in

conjunction with the Black Management Forum (BMF), the National African Federated Chamber of Commerce and Industry (Nafcoc), the Urban Foundation, as well as the Paris Chamber of Commerce. This programme is called the Joint Management Development Programme (JMDFP).

At the time when the Black Advancement Programme was made public, BMF president Don Mkhwanazi said training projects for black managers should be structured in way that would equip them to manage in a hostile environment.

He said there was a lot of resistance from white employees at grassroots level who felt threatened by such programmes.

However, Hunt says: "So far, none of our white employees have indicated they feel threatened by equal opportunity programmes." Meanwhile, BMF has initiated its own

programme for managers, and acting director Mooketsi Shai says the move is in line with the organisation's commitment to prepare black managers for a post-apartheid South Africa.

The course, run by PE Corporate Services, is divided into three categories. The first is an introduction to personal computers. It is a two-day course aimed at all "managers who wish to improve their productivity" and costs R550 a delegate.

The second is a five-day course in project management which is intended for project managers and specialists involved in project management. The course costs R1 250 a delegate.

The third course is aimed at equipping managers with strategic planning and formulation. It is a two-day course which costs R550 a delegate.

Shai says the programme is aimed at all corporate managers, not only BMF members.

Business resources directory launched

Sowetan 24/7/90

176

By JOSHUA RABOROKO

THERE could no political solution without there being solution to the economic issues in South Africa, delegates attending the newly launched business resources directory, were told in Soweto this week.

The chairman of Get Ahead Foundation, Dr Nthato Motlana, said many people aspired to get involved in economic activities. Historically, they could not do so because of the laws of the country.

He said that there were a whole host of laws which precluded blacks from entering into economic activities. It was pleasing that Get Ahead was in the throes of pre-

paring a business directory, which was mainly meant for the development of the informal sector.

The 51-page directory, launched by Get Ahead, has the list of all business and community organisations and aims to reach out existing business; and to those people who wish to become involved in setting up their own business.

It is hoped that the book will act as catalyst to people to become more involved in economic activities, and hence their own economic empowerment.

The directory is also aimed at promoting economic empowerment of

black people and lists various organisations and institutions which can offer assistance to the would-be entrepreneurs.

It will be distributed as widely as possible, to encourage more people to become economically active.

In his address, Motlana said the informal sector had created jobs for millions of unemployed people. It was essential that blacks created wealth and provided food and shelter for their children communities.

He said the ANC and its deputy president, Dr Nelson Mandela, would not put roofs over everybody's head, but "we have to concern ourselves with building economy for the whole community."

He said nationalisation was a dangerous tactic because it meant redistribution of wealth and "we cannot redistribute something we do not have."

Resources

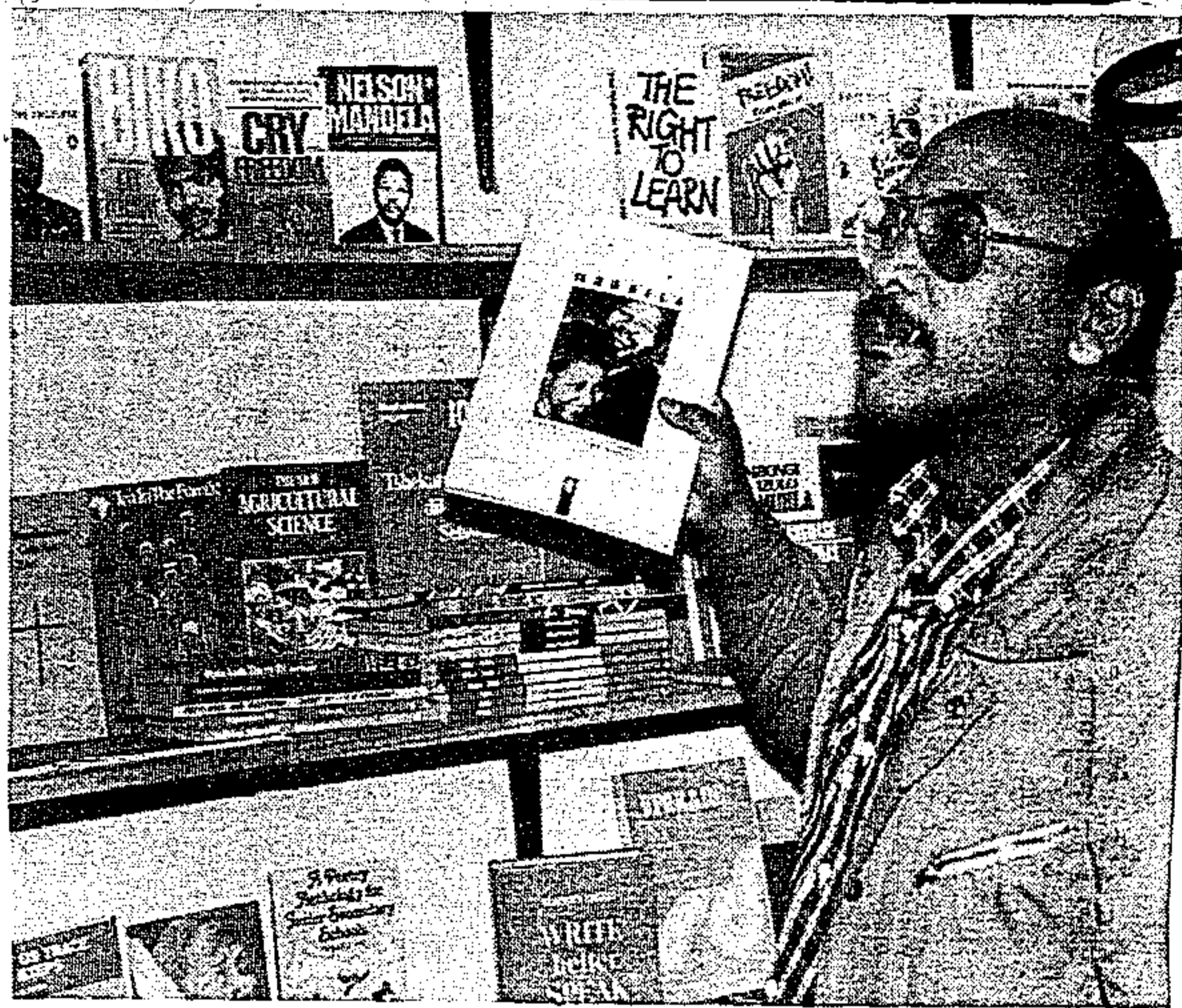
In other words, he added, that economic policy would not work unless the people have the resources.

"The informal sector must grow into big business. For too long we have told that this sector contributed R3-billion to the country's mainstream economy. We must get up, stop resting on our laurels and do something to develop ourselves," he said.

An executive member of the Institute for Democratic Economic Development, Mr Jeffrey Kleins-

mith, who was responsible for the compilation of the directory, said blacks must get out of the dependency syndrome and create wealth.

The directory, he said, would teach blacks to be players in their economic advancement. It was through economic activity that people would be equipped in many fields, including that of politics and education.



Michael Buti Maeli in his bookshop.

Disinvestment gave Maeli his big break

Sowetan
12/7/90
176

MR Michael Buti Maeli (48) has always been a man of great ambitions, but his big break came when a multinational company disinvested from South Africa because of international pressure.

His enthusiasm and love for reading drove him to open a shop that sells a variety of books, mainly textbooks for schools, biographies, novels, classics and magazines.

He carries more than R100 000 in stock.

His shop, called Liberty Educational Suppliers, is situated at Letshoho shopping complex in Katlehong. It serves hundreds of schools and interested people in the Pretoria-Witwatersrand-Vereeniging area.

It was not easy for Maeli to develop his business, he says.

"I did not have enough money when I started and at the same time, I did not want to be a front for any white person."

Today his business represents a monument of knowledge with books on leaders like the deputy president of the ANC, Dr Nelson Mandela, black consciousness stalwart, Steve Biko, Anglican Church Archbishop Desmond Tutu and a host of others.

He was born in Dukathole, near Germiston, and passed his Junior Certificate examination at Pax High School in 1959.

He was expelled from school when he attacked the Bantu education system in 1960.

He studied book-keeping, shorthand and typewriting with a private institution while working for a firm of lawyers in Germiston.

In 1963 he passed Matric by correspondence.

He obtained a diploma in Management Advance Programme from Wits University in 1980 and studied at

By JOSHUA RABOROKO

Boston University where he passed a course in marketing programmes.

He enrolled with Unisa for a B Com degree, but dropped out in 1981.

He was interested in becoming a lawyer and was inspired by few black attorneys such as ANC leaders, Mr Oliver Tambo and Dr Nelson Mandela at the time. He did articles under the supervision of his employers, but their business was liquidated.

He worked for Juta book company as representative for schools. He left them to join the United States McGraw-Hill book company which disinvested from South Africa in 1988.

By this time he was keen to start a company to sell books, but did not have enough money and financial institutions were strict because they regarded blacks as "economic risks."

Used pension

He used his pension money to buy a few books and started selling them.

He used his skills to market the business at schools, churches and other places. His family also gave him assistance.

Maeli intends creating job opportunities by engaging school teachers and students who will sell books for him during their leisure.

"I also want to show videos on educational matters, especially prescribed books, biology and mathematics to students."

He is considering a bursary for the needy, although his business is not doing very well at the moment.

Maeli is married to Joyce and the couple have four children.

Blacks may get control of R350 million beer industry

THE vibrant sorghum beer industry, estimated at having a turnover of more than R350-million a year, is set to be owned and controlled by black entrepreneurs in the future.

This follows an announcement by the Minister of Mineral and Energy Affairs and Public Enterprises, Dr Dawie de Villiers, that the interests of sorghum industry have now been rationalised.

All related assets, liabilities and the right to brew the beer were transferred from the Industrial Development Corporation (IDC) to the existing company, the National Sorghum Breweries (NSB) Ltd from July 1.

There is speculation that the industry is soon to be privatised, but interested parties such as the National African Federated Chamber of Commerce and Industries and Ukhamba Liquor Association, have expressed their scepticism.

The Minister said having consolidated the NSB interests and having formed an autonomous board, the industry would be geared to enter an exciting and challenging new era.

He reaffirmed the Government's views as stated in his Budget Vote speech that it was only logical that control and ownership of the sorghum industry, whose customers mainly came from the black communities, should rest with those communities.

By JOSHUA BABOROKO

Board

"The Government is currently awaiting guidelines which will be devised by the board, on the most equitable manner in which this could be achieved."

The new board formed consists of consultants director, Mr Mohale Mahanyele, as chairman, former manager of SAB, Mr Sam Mosikili, managing director and members, IDC general manager, Mr Jan de Bruyn, Corporate Image director, Mr Moses Leoka, current adviser to de Villiers, Mr Eugene van Rensburg and Pretoria University

School of Management director, Professor M J van Vuuren.

Mahanyele said the board would be responsible for the control of the entire sorghum beer in the country. The board did not have specific figures of how much the industry was worth. However, informed sources disclosed that the industry was handling more than R300-million a year.

He said they would consult with various organisations and interested people, particularly blacks, on the matter because "we are not a monopoly industry and will like to embark on a shareholding scheme."

A merchant bank and a black consultant company were looking into such possibilities.

Nafcoc's executive director Mr Mofasi Lekota said that the move came after they held series of talks with the Government concerning the handing over of the sorghum beer industry to blacks. They had made recommendations to the government concerning the terms under which the industry could be privatised.

However, he said, it was hoped that the board appointed by the Government would not only consider the industry as related to so-called South Africa, but would go to the homelands.

The board, he added, should unravel the industry from the perspective of a unitary South Africa and ensure that the sorghum beer industry was re-examined in the main areas of: manufacturing, distribution and retailing.

"We are waiting the guidelines to be devised by the board and will observe how far reaching the government intends to go in placing the industry into the hands of blacks," he said.

Response to floor awaited

ROBERT GENTLE

THE number of users of the controversial R3,3m gilts and futures trading floor in the JSE annexe will only be known tomorrow, after floor managers Floorco decided on Friday to extend the offer deadline.

Floorco, jointly owned by Safex (SA Futures Exchange) and the BMA (Bond Market Association), had initially set midday on Friday as the deadline for return of written applications.

Safex CE Stuart Rees, explaining the extension, said many applications had gone out too late. Extra time was needed for a proper and documented response.

Certain key players like Rand Merchant Bank and Prima Bank had already given verbal commitments by telephone, he said.

"I am cautiously confident at this stage that the floor will be opened."



New chairman of National Sorghum Breweries, Mohale Mahanyele.

Picture: CATHERINE ROSS

'Blacks need a stake' 176

BUSINESS could learn from the sorghum industry how to offer blacks a meaningful stake in the running of the economy, newly appointed chairman of National Sorghum Breweries (NSB) Mohale Mahanyele said on Friday. 5/10/87 16/7/90

Mahanyele is also a member of the President's Economic Advisory Council.

NSB was formed by the Industrial Development Corporation (IDC), when the IDC took the responsibility on April 1 1987 for managing the sorghum industry. It operates 19 breweries throughout SA.

Mahanyele said a wide range of interest groups — consumers, investors, employees and management — was being consulted with regard to the industry.

"Various exercises are being undertaken at present and consultation over a broad spectrum of interest groups is taking place to determine the most effective and acceptable way of transferring this industry to the black community," said Mahanyele.

However, before such a transfer could take place, it was vital to first restructure the industry financially.

The 3 000 employees would be given a significant stake in the industry, and plans for a listing on the JSE were in the pipeline once this became a viable option, perhaps within three years.

"The estimated worth of NSB is at best inaccurate, and financial exercises are be-

ACHMED KARIEM

ing undertaken to determine its real worth," Mahanyele said.

He said more blacks should be given the opportunity to own and control the economy, and the means had to be found to make this a reality.

"Very often the issue of education and experience is raised. However, the truth is that opportunities are denied. Educating the entire black population cannot make them owners and controllers — it must go along with opportunity.

"I am optimistic government and the ANC are committed to a democratic future for SA. The longer we wait the more complex the problems will become."

Nationalisation

White business had to alter its attitude towards blacks as stake holders and controllers of the economy.

Mahanyele said he felt strongly sympathetic towards calls for nationalisation, although it was impractical as an economic concept.

"I believe the clamour for nationalisation is a result of the absence of blacks as stakeholders and part of management. The issue is not nationalisation per se but whether blacks are given opportunities to control."

gems open

SOWETAN BUSINESS

Afrosure breakthrough

Sowetan 16/7/90

By JOSHUA RABOROKO

IN what has been regarded as a "historic move towards black economic empowerment" the black-controlled Af-sure Insurance Brokers have signed insurance contracts worth R1,3-million with the Daveyton and Dobsonville Town Councils.

This is a major breakthrough as the company is the first black-controlled insurance to be awarded such contracts by Black Local Authorities, according to the managing director of Af-sure, Mr Khehla

Mthembu, who said "this is a historic move towards black economic advancement."

He added that normally, local authorities tend to grant contracts of that magnitude to major, established brokers. "We are encouraged by the bold display of faith in

Af-sure was established under the chairmanship of former bank executive, Mr Gaby Magomola, and the management black consciousness exponent, Mthembu.

The company has stressed always as its goal the need "to participate in the mainstream of South Africa's economy through a professional and highly ethical insurance and financial broking company, sensitive to wide-ranging client demand, and capable of providing excellent service."

He said Af-sure saw the move as an act and step towards the realisation of its goal as well as a tentative move towards black economic empowerment.

Af-sure's chairman



Steve Nkatto

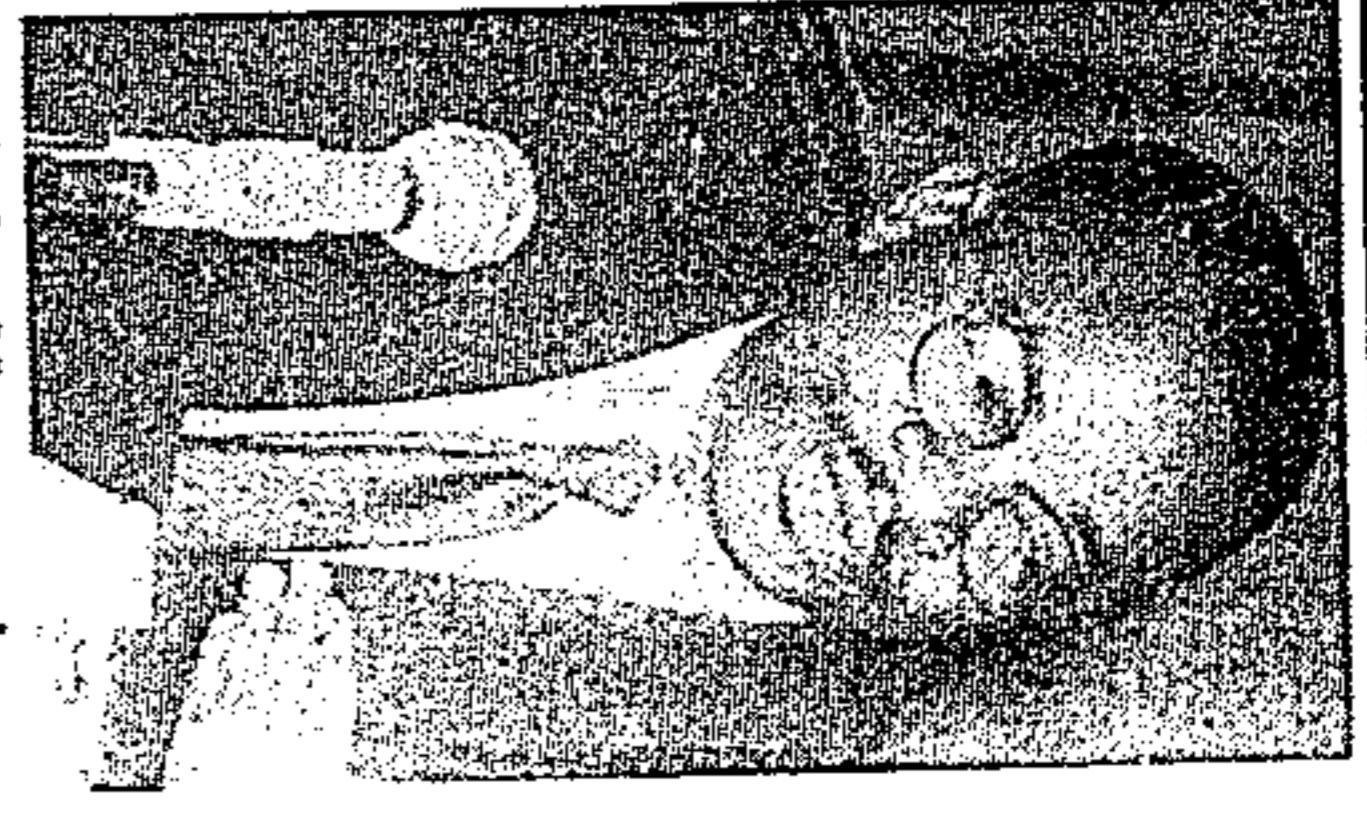


Tom Boya

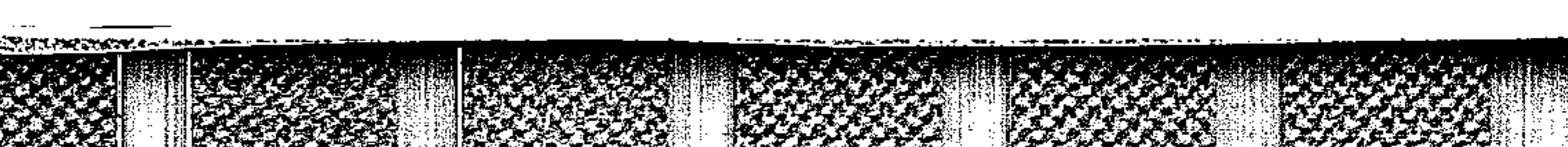
Magomola said the move was an indication that "the black rand must circulate among the black people." The company was gunning for major black ventures, including the insuring of the National Soccer League and establishing a financial institution.

The mayors of the two councils, Mr Tom Boya and Mr Steve Nkatto, paid tribute to Af-sure and said that they hoped the money would be used for black advancement.

Boya said the local authorities have been plagued by financial problems because people were not paying their rent and the fact that councillors had lost credibility among their communities.



Gaby Magomola



Blacks on rise in civil service

GMF T-715 17/7/80 (176)

Own Correspondent

PRETORIA. — Blacks are set to play a far more important role in the public service in the years immediately ahead, the chairman of the Commission for Administration, Mr Piet van der Merwe, said yesterday.

In an interview here, he stressed that there were no barriers to the advancement of qualified blacks in the service and no place for tokenism. The commission was colour-blind —

"We want the right man for the job, irrespective of colour or race."
The service currently consists of 41% whites and 38% blacks.

He also said the service's image had suffered grievously because of the unjust discriminatory laws it was compelled to administer under the apartheid regime of the past four decades.

How, he asked, could any public service avoid a poor and oppressive image when it was antagonising 75% of the population.

"It is vital that we restore the trust and confidence in the service which has been broken down under apartheid."

Mr Van der Merwe said it could be expected that blacks would overtake whites as a majority, and not only in low-level jobs.

There was nothing to prevent a black person even now rising to the rank of director general heading a state department, he said.

And as more blacks became educationally qualified, their intake into senior posts would increase.

Asked if an increasing integration of blacks into the service would be resisted by white workers, he said: "I believe not, provided promotions are seen to be strictly on merit, based on qualifications and the ability to do the job."

The number of blacks in the service would more and more reflect the composition of the population with its 16% whites.

Mr Van der Merwe said public service numbers were small compared with other countries, with the possible excep-

tion of Japan.
In West Germany, for instance, the spread of the public service was greater by half relatively than the SA public service.

The public perception of the service was that the 980 000 workers in the public service all worked in central government departments.

It should be noted, he added, that included in that number were 230 000 teachers, 91 000 nurses, 240 000 labourers and 140 000 in the security forces.

Diplomat to help in black advancement

176
Sowetan
171790



DONALD WOODS

MELBOURNE - A former Australian diplomat in South Africa yesterday advocated holding seminars there to help blacks improve their political and economic knowledge.

Mr Bruce Haigh made this statement when he returned from Johannesburg after a month-long visit in which he chose 12

young blacks to work in Australia for a year.

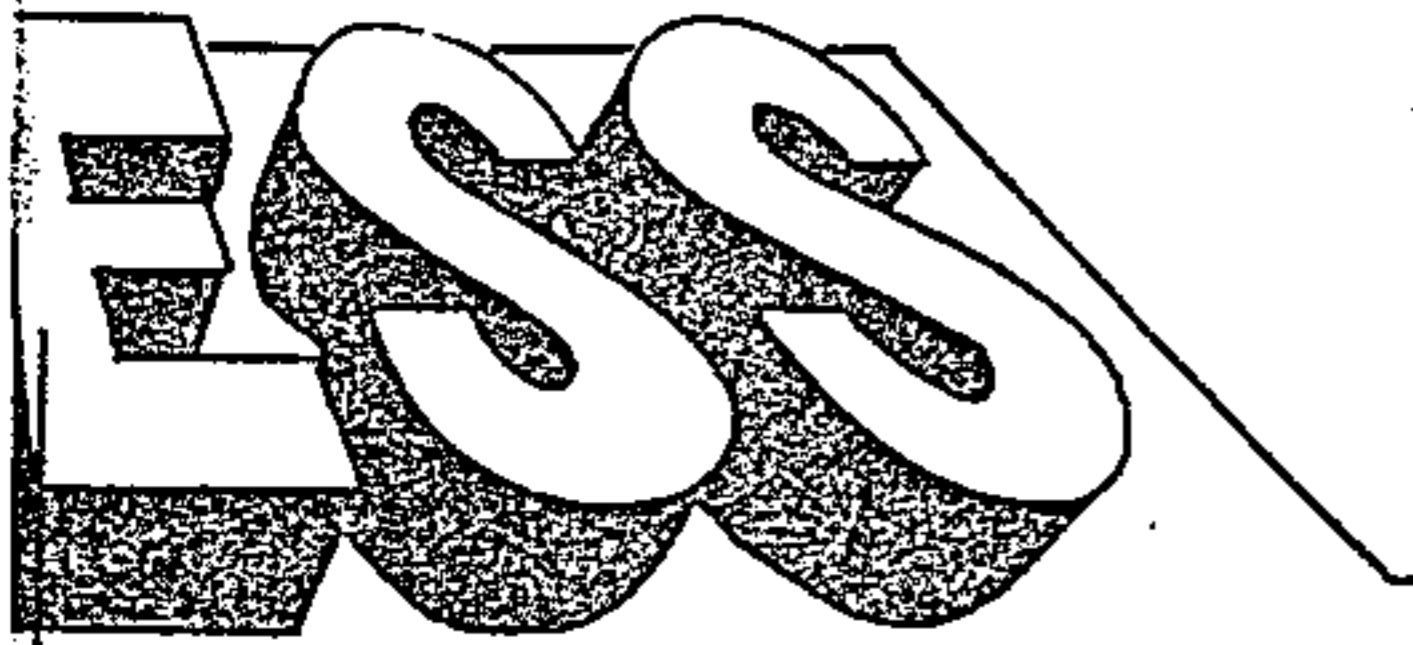
Haigh was second secretary at the Australian Embassy in Pretoria from 1976 to 1980 when he helped banned newspaper editor Donald Woods defect.

He believes Australia and other Western nations should assist the emergence of blacks with business and union advice.

He also thinks it is important for Australia to

assist progress towards a multiracial democracy by acknowledging not only the African National Congress but the plethora of fledgling political groups. - *Sowetan Foreign Staff.*





Graduates praise new programme

176

Sowetan 19/7/90

SOUTH Africa needs a stable economy, sound management, effective administration and a credible education system.

This was the message from 10 small entrepreneurs and professional people who graduated in merchandising, self-motivation, management skills and marketing

By JOSHUA RABOROKO

courses at the school run by Workwise Development Programme in conjunction with *Sowetan Business*.

One of the graduates and owner of a bookshop in Mabopane, Mr Abel

* To Page 18

Course praised

* From Page 17 176

Tsatsane, came to the course with four members of his staff.

He said the course was an eye-opener and was pleased that his staff would be able to plough back what they had learnt to their customers.

"We are talking about women and men who will stand their ground anywhere in the world. Black managers are the illegitimate children of the struggle by the oppressed and they need not only be major consumers but also producers and distributors," he said.

Initiatives such as the one embarked by *Sowetan* and *Workwise Programme Group* were shining examples of what was needed to stimulate blacks to economic empowerment, he said.

Mrs Mavis Afrika, a sales representative at a supermarket in Mabopane, said the course was good and inspiring.

Blacks had a huge reservoir of knowledge and skills. That reservoir was still untapped. Companies should get this wealth of information and brains together to use it effectively.

Mr Modise Phekonyane, an officer of the Foundation for African Business and Consumer Services in Bloemfontein, said the course was enriching, particularly in the light of the changing political climate in South Africa.

There are several bursaries available for those wanting to participate in the course. Phone 888-1556 for more details.

Some gains from VAT to go to black business

GOVERNMENT would channel some of the gains from Value Added Tax (VAT) towards black economic empowerment, Deputy Finance Minister Org Marais said in Soweto yesterday.

Marais was addressing a seminar on VAT, organised for black businessmen by Sowetan Business newspaper.

Saying GST had to be phased out because it had too many distortions, Marais said exemptions on such items as food resulted in the rich benefiting, with the benefit-targeted poor people receiving nothing.

"Government spent R2,4bn in 1989 financing GST exemptions, and R420m of this went to the exemption of food, which, because the system was not fool-proof, went to finance the rich."

Asked by one businessman if government would use the savings gained from VAT, Marais said: "We wish to bring black business into the economic mainstream, and if we have to use money for that, we will."

Marais invited blacks to join VAT-COM, a committee comprising members from the public and private sectors, to which interested parties could make submissions on VAT. "I am prepared to talk to all interested groups, be they ANC, PAC or Inkatha," he said.

VAT was a tax imposed on all goods

THEO RAWANA

and services which would be broadly-based and would address GST's two main shortcomings: tax evasion and double taxation, Marais said.

Government intended to introduce VAT at 12%, yet the same amount as under GST would be taken "provided exemptions are kept to a minimum".

The Department of Inland Revenue would embark on a R4m VAT information and training programme, directed at business people and the man in the street. Training seminars for people, organisations and professions closely involved in the implementation of VAT would be embarked on.

Condemning the GST's "cascading" double-taxation effect, Marais said the intention of food exemption was to assist the needy.

To redress the inequalities that stemmed from double taxation, government intended allowing manufacturers a credit for tax paid on capital goods.

"To discourage, however, the postponement of capital goods purchases, a tax on capital goods will be introduced for a limited period.

"In the case of intermediate goods (consumables), a credit will be granted for any tax paid after the introduction date of VAT," he said.

B/P/26/7/90

Going on a mission

When 80 SA business leaders travel to the US in October for an 18-day observation mission it will be with the blessings of the ANC, which says the trip will help to prepare "black business persons for a more meaningful role in post-apartheid SA."

With that seal of approval Willie Ramoshaba, the businessman arranging the mis-

FIM 27/7/90

FINANCIAL MAIL JULY 27 1990

sion, can move ahead with his grand plan to help the black business community get ready for its next stage of development. He has



Ramoshaba

already run trade missions to Malawi and Zimbabwe and his plans for next year include visits to Nigeria and Europe.

"Apartheid is just about to go," says Ramoshaba, of Johannesburg-based W R Consultants. "It's time for blacks in business to prepare themselves to play a major role in commerce and industry. They should be at the doorstep."

Making the trip will be manufacturers, retailers, wholesalers, farmers and bankers as well as 40 people from Swaziland, Zimbabwe, Malawi, Botswana and Lesotho. Ramoshaba says 10% of the delegates are white, 5% coloured and 5% are Indian. They will visit trade shows, farms and corporate headquarters, tour the World Bank and White House, and in general get the red-carpet treatment from business concerns — such as franchisers — looking for a toehold in the SA market, where blacks hold half the spending power.

The trip echoes Nelson Mandela's visit with stops in New York, Washington, Atlanta, Los Angeles and Detroit. The mission adds on Chicago. Hosting them will be the US Chamber of Commerce and three groups comprising leading black Americans: Brain Trust of America, Coalition of 100 Black Women and 100 Black Men, which lists New York mayor David Dinkins and actor Sidney Poitier as members.

Leading the mission are Nthato Motlana, of the Get Ahead Foundation; Ellen Kuzwayo, Foundation for African Business and Consumer Services; James Ngcoya, SA Black Taxi Association; Solomon Morewa, Soccer Association of SA; and Jeff van Rooyen, Association of Black Accountants.

Ramoshaba says American interest in the mission has exploded since Mandela's visit last month. It makes sense, considering that Americans have developed a new love affair with things South African, especially those approved by the ANC. What's lacking in the States is a real understanding of the status of black business, which many assume to be non-existent or illegal.

"Americans have a negative image of black South Africans," says Matthews Mafane, who is producing a video about the country's black business community to take on tour. "We have to show them we (business people) are a reality, not an aberration."

In addition to seeking contributions to help defray the trip's expenses, organisers are still looking for R200 000 to pay for the 30-minute documentary, which will focus on the effect of apartheid and reforms on black business.

A Washington company is interested in

syndicating the video to US TV stations. It will be produced by South Africans and Americans with an American news presenter supplying the narration.

Though it has approved the trip, the ANC is quick to point out that the mission "should not be construed as signalling a relaxation of economic sanctions . . . and neither should it be used to circumvent these."

Ramoshaba says the mission is a get-acquainted session and not an attempt to do business, even though US trade with black South Africans is not prohibited by sanctions legislation. That's why the trip is called an observation mission and not a trade mission.

"This is not a sanctions-busting trip," he says. "We want to do deals when sanctions go. We say: 'Politically, you chaps are talking. Can we?'"

Maureen Sullivan

Montsi resigns

By AUDREY D'ANGELO
Business Editor

SAM MONTSI, GM of the beer division of SA Breweries in the Western Cape for the past three years, has resigned to set up in business as a consultant.

As director of Montsi & Associates, with offices in Incholm Place, Gardens, he plans to act as a facilitator in the setting up of partnerships and joint ventures between black and white business people.

He will be working closely with the Small Business Development Corporation (SBDC) whose Western Cape regional manager, Wolfgang Thomas, recently stressed the need for more black entrepreneurs to be seen to succeed in the formal sector.

Interviewed in his office at the SAB headquarters in Newlands yesterday, Montsi admitted to being excited "and a little nervous" at resigning from one of the top jobs in the Western Cape to start up on his own.

"But I have done it before," he said cheerfully. "I prefer to work for myself."

He was MD of the Lesotho Development Corporation when he resigned in 1982 to set up Maseru-based MB Consulting, which mainly offers feasibility studies and surveys for products and industries in nine countries belonging to the Southern African Development Co-ordinating Council (SADCC).

The main object of his work then was to help make these countries less dependent, economically, on SA. But, with apartheid disappearing, Montsi is likely in the future to play a part in developing Southern Africa as an economic region in which SA will play a leading part.

"I am a realist," he said. "Things are changing and it does not make sense for the other countries in Southern Africa to live apart from SA."

CAH T173 28/7/90
'Realist' 102
looks to 176
consultant
business 153

"The SADCC countries want, now, to engage with SA. They realise that SA is the engine to power development in the whole region."

It was as a result of contacts with SAB made when he was MD of the Lesotho Development Corporation that Montsi was approached in 1987 and offered the job of GM of the beer division in the Western Cape.

"I told them that I would give it three years, to broaden my perceptions and gain the experience of working for a large corporation, but that then I would go back to working for myself."

He believes he has "gained a lot — and hopefully contributed something. Now I am ready to move."

His appointment surprised some people in the Western Cape, but Montsi — who disapproves strongly of the practice some companies have followed in the past of appointing "token" blacks to managerial positions without real responsibility — says things are changing.

"More SA companies, especially the large groups, have realised that they cannot rely

on white people for managerial and technical staff because the numbers are not there. The days are gone when it was easy to attract expertise from England and America.

"This is not due only to political perceptions — which are changing — but because the European economies are doing very much better than ours. These people are needed in their own economies and can earn more there.

"And more SA companies are realising that it is only fair to give their own people a chance."

Montsi said the visible success of black managers would have an impact on the thinking of people in the townships. "One of the tragedies of SA has been that, because of Verwoerdian thinking, some blacks were also convinced that they would not be able to develop the ability to take over some jobs."

He is optimistic about the future of SA and convinced that, in spite of black-white polarisation and fighting between extremists, most people in this country are in the middle ground. "That is why I have not gone back to Lesotho or anywhere else, but have bought a house in Cape Town and am opening an office here."

But he stresses the importance of training blacks for a fair share of the top jobs to avoid the mistakes and disasters of "Africanisation" — with inexperienced people given responsibilities for which they were not ready — which have occurred in some other countries.

"White graduates will still have good prospects in this country. There will be no need for them to feel that they must leave to have successful careers."

But he believes it is vital that, when a new government comes to power, it finds that business is already racially integrated.

Montsi resigns

By AUDREY D'ANGELO
Business Editor

SAM MONTSI, GM of the beer division of SA Breweries in the Western Cape for the past three years, has resigned to set up in business as a consultant.

As director of Montsi & Associates, with offices in Incholm Place, Gardens, he plans to act as a facilitator in the setting up of partnerships and joint ventures between black and white business people.

He will be working closely with the Small Business Development Corporation (SBDC) whose Western Cape regional manager, Wolfgang Thomas, recently stressed the need for more black entrepreneurs to be seen to succeed in the formal sector.

Interviewed in his office at the SAB headquarters in Newlands yesterday, Montsi admitted to being excited "and a little nervous" at resigning from one of the top jobs in the Western Cape to start up on his own.

"But I have done it before," he said cheerfully. "I prefer to work for myself."

He was MD of the Lesotho Development Corporation when he resigned in 1982 to set up Maseru-based MB Consulting, which mainly offers feasibility studies and surveys for products and industries in nine countries belonging to the Southern African Development Co-ordinating Council (SADCC).

The main object of his work then was to help make these countries less dependent, economically, on SA. But, with apartheid disappearing, Montsi is likely in the future to play a part in developing Southern Africa as an economic region in which SA will play a leading part.

"I am a realist," he said. "Things are changing and it does not make sense for the other countries in Southern Africa to live apart from SA."

CMF T1975 28/7/90
'Realist'
looks to
consultant
business

"The SADCC countries want, now, to engage with SA. They realise that SA is the engine to power development in the whole region."

It was as a result of contacts with SAB made when he was MD of the Lesotho Development Corporation that Montsi was approached in 1987 and offered the job of GM of the beer division in the Western Cape.

"I told them that I would give it three years, to broaden my perceptions and gain the experience of working for a large corporation, but that then I would go back to working for myself."

He believes he has "gained a lot — and hopefully contributed something. Now I am ready to move."

His appointment surprised some people in the Western Cape, but Montsi — who disapproves strongly of the practice some companies have followed in the past of appointing "token" blacks to managerial positions without real responsibility — says things are changing.

"More SA companies, especially the large groups, have realised that they cannot rely

on white people for managerial and technical staff because the numbers are not there. The days are gone when it was easy to attract expertise from England and America.

"This is not due only to political perceptions — which are changing — but because the European economies are doing very much better than ours. These people are needed in their own economies and can earn more there.

"And more SA companies are realising that it is only fair to give their own people a chance."

Montsi said the visible success of black managers would have an impact on the thinking of people in the townships. "One of the tragedies of SA has been that, because of Verwoerdian thinking, some blacks were also convinced that they would not be able to develop the ability to take over some jobs."

He is optimistic about the future of SA and convinced that, in spite of black-white polarisation and fighting between extremists, most people in this country are in the middle ground. "That is why I have not gone back to Lesotho or anywhere else, but have bought a house in Cape Town and am opening an office here."

But he stresses the importance of training blacks for a fair share of the top jobs to avoid the mistakes and disasters of "Africanisation" — with inexperienced people given responsibilities for which they were not ready — which have occurred in some other countries.

"White graduates will still have good prospects in this country. There will be no need for them to feel that they must leave to have successful careers."

But he believes it is vital that, when a new government comes to power, it finds that business is already racially integrated.

Computer training centre aims to boost black power

COMPUTERS are becoming an increasingly vital aspect in the daily lives of the majority of blacks today, including the effective running of big and small businesses. ... (176) (1000)

There are relatively small private and commercial centres which offer excellent training programmes that are of great benefit to computer literacy, a prerequisite for entry into many job categories.

One such centre in central Johannesburg is that run by Mrs Angie Makwetla, wife of prominent businessman, Mr Bobby Makwetla.

The centre, AM Ultimate, has plenty of willing students who are prepared to learn the skill but have financial problems while the country is gripped by recession.

Angie has established the training centre to use her knowledge and experience for promoting computer skills. This will enable students to play a decisive role in their chosen careers.

"In our efforts toward achieving black economic empowerment, we should endeavour to mobilise black buying power and to direct it into black business.

"Black entrepreneurs, on the other hand, have to try to offer a competitive service at affordable prices, coupled with consistent product quality," she says. Sowetan 30/1/90

For this reason AM Ultimate has extended its course content to include a special computer course directed at executive and professional business people.

The course is run over two evenings a week for one month and includes the following:

* Teaching Lotus 1-2-3 - which is useful for producing cash-flow charts,

By JOSHUA RABOROKO

financial budgets, profit and loss statements, sales statistics and schedules. The course is presented in a practical manner through various examples on how to use the spreadsheet commands and design customised worksheets.

* Teaching the quick and easy way to access, manipulate and manage information. A database enables one to set up records containing information such as a list of customers with their names, addresses and telephone numbers.

* Word processing. This course will teach you how to create, edit, save and print a document on the computer.

However, not everything is running smooth at Angie's centre.

Her aim is to empower blacks, but she finds big businesses trying to stifle this goal.

There is an influx of students who will do anything to learn the skills in computer training but do not have funds.

Angie says she aims to educate informal business to prepare them for the future.

"We must become big, we have been small for a long time," she adds.

Her objectives are to change perceptions of computers and computer training as being inaccessible to the average person, to contribute towards alleviating the shortage of skilled manpower in South Africa and to provide blacks with technical courses.

Angie started her career as a social worker which, she says, did not meet her financial requirements. She quit and joined IBM, where she worked for 15 years.

She soon realised that working for a "master" was not worth it and opened a store in Soweto.

ESS

Nafcoc to address issues of the future

Sowetan 30/7/90

(176)

MANY black businessmen and women are expected to address the issue of hastening the process of black participation in a mixed South African economy when the National African Federated Chamber of Commerce start their four-day 26th annual conference in Durban today.

**BY JOSHUA
FABOROKO**

The conference is taking place against a backdrop of dramatic developments in South Africa as a result of the momentous and courageous initiatives by State President F.W. de Klerk and ANC deputy president Mr Nelson Mandela.

Nafcoc's executive director Mr Mofasi Lekota says the congress will attempt to bring to the fore the real issues which ought to be in line with the reconstruction of a mixed South African economy to suit the conditions of the country.

Delegates will be expected to consider the ex-

pected to consider the ex-

pected to consider the ex-

pected to consider the ex-

pected to consider the ex-

pected to consider the ex-

pected to consider the ex-

pected to consider the ex-

pected to consider the ex-

pected to consider the ex-

pected to consider the ex-

pected to consider the ex-

pected to consider the ex-

pected to consider the ex-

pected to consider the ex-

pected to consider the ex-

pected to consider the ex-

pected to consider the ex-

pected to consider the ex-

pected to consider the ex-

pected to consider the ex-

pected to consider the ex-

pected to consider the ex-

pected to consider the ex-

pected to consider the ex-

pected to consider the ex-

pected to consider the ex-

pected to consider the ex-

pected to consider the ex-

pected to consider the ex-

pected to consider the ex-

pected to consider the ex-

pected to consider the ex-

pected to consider the ex-

pected to consider the ex-

pected to consider the ex-

pected to consider the ex-



SAM MOTSUENYANE



THABO MBEKI

new socio-economic order.

Nafcoc has also met leaders of the ANC and the PAC to discuss the future of black business, as well as the role that is expected from entrepreneurs in the liberation struggle.

Lekota says the voice and efforts of black people in this reconstruction period has never been so crucial as it is now.

Sensitive

Nafcoc has been sensitive to this involvement since its early days.

This year's congress is very significant because participants and speakers

will cut across a spectrum of political and economic thinking in the country.

Among the speakers will be the ANC's director of information and international affairs, Mr Thabo Mbeki, Deputy Minister of Finance Dr Org Marais, deputy managing director of Get Ahead Foundation, Mr Israel Skhosana, Advocate Dikgang Mosenke and Nafcoc president Dr Sam Motsuenyane.

Besides Nafcoc members, both corporate and ordinary, invitations have been extended to all black organisations and corporations in South Africa, neighbouring states and diplomatic missions.

Black leaders' TV image to be analysed

A CANADIAN expert on image communication has joined a Human Sciences Research Council team in analysing the television appearances of five black leaders - including Nelson Mandela and Mangosuthu Buthelezi - in order to help them use the medium effectively. *Sowetan 31/7/90*

According to Professor Nikos Metallinos, professor of Communications Studies at Concordia University in Montreal, the television image of a politician is vital. He cites examples of United States politicians since Richard Nixon who fared badly at the polls largely because of poor communications skills.

"They (HSRC) have asked me to come over here and make an assesment of the major emerging black leaders as to the way they communicate and project their thoughts...through the medium of television," he said last week.

The project would come out with a scientific study which provided serious, solid, empirical guidelines as to how one should use television to project his or her ideas. *(176) (S)*

"It is not our intention to give recipes to anyone. What we want to do is provide a document that can be utilised by the black laders, but also by anybody else, so that when they utilise the medium of television they really have to be aware of very important principles that govern the medium."

Metallinos said these could be divided into three aspects - the message, the medium and the audience.

Students are urged to learn

Sowetan 2/8/90

BLACK South Africans should consider education as their first priority in preparation for leadership positions in a post-apartheid society.

This was said by the United States Ambassador to South Africa, Mr William Swing, in his farewell speech to a group of South African students who left for the United States.

In his speech at a banquet for the 117 students

in Kempton Park, Swing urged students to take note of the challenges facing South Africa in the host country.

176 Recruited

He said it was important for the groups to learn and acquire the best they could and "impart their knowledge to the people involved in community projects".

The group was sponsored by the Educa-

tional Opportunities Council. They will begin their post-graduate degree programmes at various US universities.

The candidates were recruited on a wide basis "and must commit themselves to return to South Africa" upon completion of their degrees.

High costs of discrimination

By MANDLA TYALA

STANDING on the threshold of what could be a free-for-all economy, black capitalists looked back this week and took stock of the damage done to black initiative by decades of racial discrimination.

While Deputy Minister of Finance Org Marais sold them on the virtues of free enterprise, black businessmen considered such striking consequences as the R50-billion that will be needed by the state by the year 2 000 to significantly improve black education.

In a keynote address to the conference Mr Dikgang Moseneke said the bulk of blacks had not practised agriculture since the First World War.

"This is the most telling and saddest statistic," he said. "It explains why blacks are everything else but producers of food."

Mr Moseneke noted that although blacks comprised 80 percent of the population,

formal black businesses contributed less than two percent of the gross domestic product. Only 0,5 percent of companies listed on the Johannesburg Stock Exchange had black directors.

A second speaker on the subject touched on another sore point — black access to capital.

Mr Israel Skosana, of the Get Ahead Foundation, said most financial institutions refused to handle small loans, citing high transaction costs.

"On the other hand we are told by advocates of free enterprise that we have to start small," he said.

"However, an interesting characteristic of the financial sector is that they go out of their way to mobilise black savings. They have even come up with special products to make sure they capture this part of the market.

"Unfortunately there is no reciprocity on the part of the financial institutions to deploy capital resources in those very communities which have made their bottom lines look good."

5/11/90
5/18/90
Food 176

Perspectives

Black Business: In search of the third way

ORGANISED black business came out of a three-day huddle in Durban this week leaning heavily towards the African National Congress's view of a post-apartheid economy. Although reluctant to give unqualified support for the ANC's economic policies, the National African Federated Chamber of Commerce and Industry found common ground with the organisation.

At a time when the Government has declared its intention to move towards a laissez-faire economy, Nafcoec is adding its voice to the request for the "third way" between an unbridled free market and a centrally planned economy.

The mood was best summed up by Dr Oscar Dhlomo, former minister in the KwaZulu government, who said at the conference: "We commend Nafcoec for developing

and perfecting the philosophy that business must operate in, and positively identify with, a given socio-political milieu.

If that milieu is iniquitous, business must support and encourage efforts to change it.

The traditional approach, which maintained that the business of

business is business, has long since been discredited and those who still subscribe to it shall not survive the socio-economic challenges that lie ahead.

Although they acknowledge the efficiency of a market economy and reiterate their commitment to free enterprise, black businessmen

worry that free markets do not only create growth, but also help to create inequality.

Professor Wiseman Nkulu, chairman of a Nafcoec economic task force, said: "The solution lies rather with Adam Smith (the father of capitalism), not Karl Marx (the father of socialism)."

Citing Far Eastern economic successes like Taiwan, South Korea and Japan, black businessmen favour a measure of state intervention in the economy to accelerate black empowerment and to redress the inequalities created by apartheid. They find alternative action an appealing proposition.

Mr AS Nkomoeni, Nafcoec deputy president, said: "For a start, we could consider a black-biased, apartheid-reverse procurement law which guarantees a certain percentage of Government tenders for black contractors."

"There may be many variations to this theme, but the significant point is an aggressive method of correcting historical imbalances in such a way that blacks are placed on a par with their white counterparts," Deputy Finance Minister Oet Marais told the conference.

that the problem with the South African economy was "big government" — large-scale social engineering whereby the Government tried to manage all facets of life, from the investor to the retailer, to the worker to the consumer.

Mr Marais spent much of his speaking time lecturing the conference on the virtues of unfiltered capitalism. He said that through privatisation the

Government was trying as much as possible to leave the running of the economy in private hands.

But black business was sceptical of Mr Marais's message.

"Black aspirations in relation to the manner in which the ownership of wealth should be restructured go far beyond the fragmentation of big government," said Mr Nkomoeni.

"Black people have deep reservations about what they regard as a



WISEMAN NKULU



OSCAR DHLOMO



OET MARAIS

MANDLA TYALA



at the Nafcoec conference

unilateral privatisation programme under the direction of an unrepresentative government, more so at this time.

Although hints of the ANC's intentions for a post-apartheid economy have raised a horn of protest in the white business community, Nafcoec is determined to work closely with the movement.

The two organisations have established a joint commission to study models for the economy.

Nafcoec has, however, been cautious in dealing with contentious issues like nationalisation, as Professor Nkulu observed:

"The need for state intervention in the economy is accepted, but there is still no unanimity about what the liberation movement refers to as nationalisation. The matter, therefore, requires further research and discussion."

Business 'must not rely on dialogue'

The likelihood of the ANC making concessions to business as a result of dialogue is limited, says Centre for Policy Studies director Prof Lawrence Schlemmer.

In an article in SA International, Schlemmer says while dialogue has other

TIM COHEN

worthwhile benefits, the duty of business leaders to protect their interests calls for more serious strategies.

Some of the "political" interests that all businesses have in common are, among others, stability, predictability in the policy

environment, sensible rates of taxation, sound administration and effective education and training.

Schlemmer says spokesmen have suggested several "political" strategies to achieve these interests.

He quotes SA Foundation president Warren Clewlow as saying: "What I cannot accept is degeneration into economic chaos.

"Any constituency trying to bring this about will have to contend with the not inconsiderable strength and resources of the business community ranged against them."

Schlemmer writes that while resolute opposition is always a useful strategy, the method it would use is unclear.

He also suggests that redistributive development and black empowerment could be promoted on the assumption that such strategies would reduce the ANC's and 'other movements' "legitimate" reasons to oppose the established economic order.

But this would take time and massive resources, and although it is vitally essential in the medium term, on its own it will not be sufficient.

The third suggestion has been to give blacks a greater vested interest in a free economy through development strategy, black business development and empowerment.

Although this would be worthy in the medium term, a more immediate strategy would be to build alliances and constituencies.

He quotes JCI economist Ronnie Bethlehem as saying businessmen should work creatively with socialists, promoting co-operatives and even seconding management.

Schlemmer points out that co-operatives have a poor track record in Africa but adds that Bethlehem's idea of loan-based joint ventures should be taken further.

Business should also be involved in the creation of a new constitution.



Lawrence Schlemmer, of the Centre for Policy Studies.

CERAMIC TILE BUSINESS FOR SALE — DURBAN

Long established and reputable local and imported ceramic tile retail business with sound history of profits for sale. The business has well-trained management team and operates only on cash basis. Sale price and terms are negotiable.

Interested parties, please contact:

**MR A K ESSACK
COOPERS & LYBRAND
PO BOX 2535
DURBAN
4000**

DBN1112



ANC looks
for a ¹⁷⁶
place at
^{so wetem 16/8/90}
the top

By JOSHUA
RABOROKO

MIDDLE management have an important role to play in the liberation struggle, the publicity and information officer of the ANC, Mr Joel Netshitenzhe, said yesterday.

He said that their role in the boardrooms of managements should include creating jobs; fighting poverty and clammering for more training and education for the oppressed masses.

He was speaking at the launch of a new publication, *Just Managing*, published by the Business and Economy Forum of the Five Freedoms Forum and edited by Mike Loewe.

ANC looks
for a
place at
the top

By JOSHUA
RABOROKO

MIDDLE management have an important role to play in the liberation struggle, the publicity and information officer of the ANC, Mr Joel Netshitenzhe, said yesterday.

He said that their role in the boardrooms of managements should include creating jobs; fighting poverty and clammering for more training and education for the oppressed masses.

He was speaking at the launch of a new publication, *Just Managing*, published by the Business and Economy Forum of the Five Freedoms Forum and edited by Mike Loewe.

Soweto societies band together

Soweto 16/8/90
AN association of cooperative societies, incorporating black burial societies, women's and Mōholisano clubs was launched in Soweto this week.

The aim of the group is to achieve a socio-economic advancement.

The societies and the clubs met to alleviate poverty, through the application of cooperative principles and to improve the lives of the ordinary men and women in the

By JOSHUA RABOROKO

townships.

Speaking at the ceremony, the chairman of the board of directors, Professor John Makhene, said black communities needed to advance beyond survival, beyond a subsistence economy.

"We need to develop strategies which can help us to become main participants in the

mainstream economy in South Africa. This is even more urgent in the face of impending moves towards a non-racial democratic society in which full black participation in every sphere of life is an imperative," he said.

"When one looks at the position of the black people in the South African economy, two things strike the mind immediately: Firstly, there is massive poverty. A number of factors are

287
176
responsible for this, but immediate ones are illiteracy and lack of skills: a large part of the heritage of apartheid education.

"Secondly, blacks who are educated and skilled, at whatever level, are on the periphery of the economy. They are not participating in the mainstream of the economy of South Africa."

He said that the result of all this was that the black people who comprised 85 percent of the population were job seekers and depended on whites (comprising 15 percent) for employment. Surely, he added, something was wrong.

"The problem becomes even more acute as one recognises that by the year 2 000, the black people will make up close to 90 percent of the South African population.

He said the idea behind forming the clubs and societies was to make blacks aware of their ability to provide a distinct service for the people.

LABOUR & CAPITAL

W/ Mail Suppl 17/8 - 19/15/ 90 (176)

BEE - Something of a business buzzword

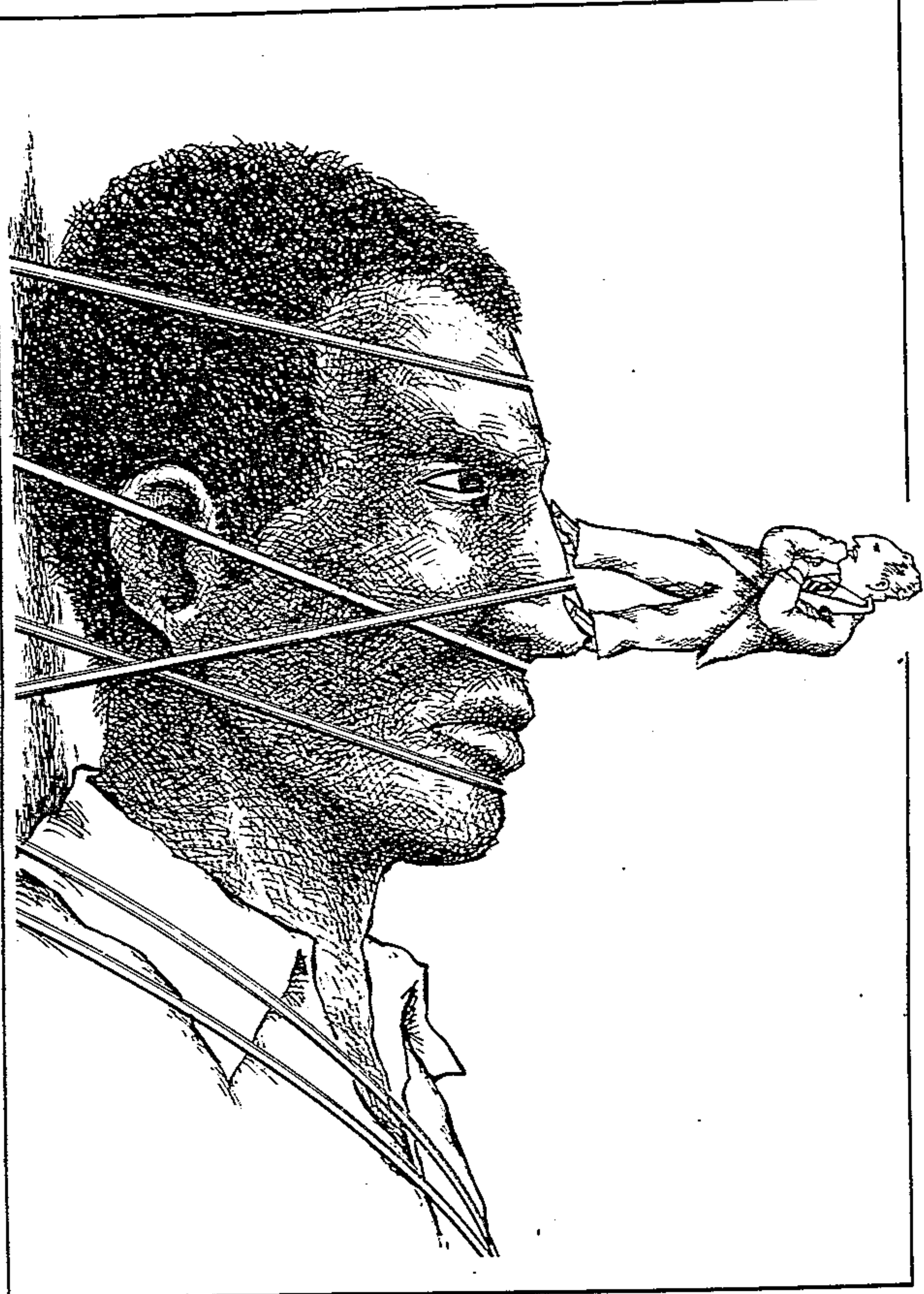
Black Economic Empowerment, BEE, is becoming something of a buzz word. What does it really mean? It means different things to different people, depending on who is using it.

By **Rod Crompton**
General secretary of the Chemical Workers Industrial Union

BUSINESSES are glibly tossing a new phrase around in their glossy company magazines and at business lunches. When businessmen speak of Black Economic Empowerment what they really mean is quite different to real empowerment.

Firstly they mean throwing the scraps of the economy to the informal sector and small business. In their magnanimity business see themselves making economic handouts to the have-nots.

It's as ridiculous as giving someone bootstraps and hoping they can pick themselves up by their own bootstraps. The possibility that these black have-nots might have legitimate rights to a say in the economy and that this has been denied them for a very long time is quickly overlooked. Business's version of BEE is a transparent punt for their favourite hobby horses — privatisation and deregulation. The fact that these initiatives represent a ruthless attack upon the pitiful level of economic empower-



Economic empowerment... Strapping workers to the factory floor or giving them a real say over their lives?

the toothless Machinery and Occupational Safety Act (Mosa) was unilaterally imposed on workers in 1983 just as unions were beginning to do something about the dreadful conditions in which some members have to work.

If business's are serious about BEE they should support the fight for

buying power enables them to get more for every retirement Rand. It also allows some BEE in the sense that half of the trustees are elected by the members. In this way it is hoped that some trustees are elected through which workers' collective

by members. In this way it is hoped that some retirement monies will begin to be used to the advantage of the working class instead of the employers. This represents a very minimal intrusion into the traditional preserves of white power. If businesses were in the least enthusiastic about BEE and the expected new political dispensation, one might expect them to be clamouring to join the CINPF.

Far from it. Many of the negotiations have been long and drawn out as employers grappled with their paternalistic instincts. In several cases particularly the foreign multinationals, the union is facing stiff opposition.

Last year the US-based Cyanamid fired its entire workforce when they took strike action in support of their demands. Union pressure managed to win reinstatement for the strikers after five weeks. Cyanamid used the LRA to prohibit another strike within 12 months. They went even further and attempted to get the workers demanded for the CINPF declared an Unfair Labour Practice by the Industrial Court.

Rolfes, the East Rand chalks manufacturer, was the next to take a hard line. They withstood an eight-week strike on the CINPF. Workers returned to work and pursued the issue which has recently led Rolfes to accept the CINPF.

Far from real BEE coming as a handout from liberal companies, black workers are going to have to fight and claw every inch of the way.

have, is quietly swept under the carpet.

Secondly in business's view, BEE means the introduction on the factory floor of the new "Japanisation" techniques. These techniques are designed to bluff workers into thinking they have a little bit more control over their lives on the shop floor. In practice, business's real objective is to surreptitiously squeeze more productivity out of workers.

Doublespeak from the bosses is something the Chemical Workers Industrial Union (CWIU) has considerable experience in dealing with. In the late 1970s when codes of conduct for foreign companies were all the rage, the CWIU was in the forefront of exposing the false information submitted by some reporting companies.

As those codes of conduct were falling on to the dust bin of history, business and their newspapers became increasingly hysterical about the word disinvestment. The CWIU was at the forefront of exposing the fact that very little, if any, disinvestment was taking place. Instead corporate camouflage was passing for disinvestment. This process of transferring equity to non-equity ties under the guise of disinvestment is now internationally recognised.

Other examples of this myopic doublespeak are close at hand. It is universally accepted that trade unions are the best means of protecting workers' economic interests in society. Instead of empowering the unions, big business and the state forced the union-bashing amendments to the Labour Relations Act on to the unions.

It took a number of major general strikes, including the biggest in South African history to change the employers' minds. This resulted in the Congress of South African Trade Unions' (Cosatu) agreement with Saccola, which has still not been gazetted because some powerful employers were able to block it. If business is serious about BEE, they should be advocating more, not less, rights for trade unions.

One might expect the right to work in a safe and healthy environment to be satisfied before economic empowerment. Again legislation, this time

workers to defend their lives on the factory floor by supporting the call for Mosa to be replaced with decent legislation.

BEE is just another example of business doublespeak which must be exposed in the media and in practice. On the factory floor in the chemical industry the CWIU is challenging this doublespeak around the issue of retirement funds.

The assets of the private retirement fund industry (excluding the states old age pension) are currently estimated to be over R100-billion. This is larger than the 1990/91 total state budget of R71,9-billion. It is safe to assume that black workers have reasonable stake in that R100-billion, which means that they own a sizeable chunk of SA. Ownership of those assets is not, however, mean control over those assets.

In most Western democracies it is considered reasonable for the members of pension funds to have a say, if not control, over their pension monies and to use them in the members' best interests. However, in South Africa this kind of, albeit limited, economic empowerment has not been the norm.

Instead the ownership of pension assets by the pension fund members has been neatly severed by the mechanism of boards of trustees controlled by employers. Black workers are obliged to put their pension savings into funds over which they have no say and about which they have no information.

To add insult to injury this gigantic fraud is perpetrated in the same magnanimity on the employers' part, and workers are expected to be grateful for the favour.

Using the compulsory pension savings of their captive workforces, white business has set about enriching themselves and the white community with investment capital at the expense of blacks. Most dismissed black workers have in real terms got less out of their pension funds than they put in while in some cases white directors have free pensions.

In response to membership dissatisfaction with pension funds, the CWIU, together with some employ-

The art of development

Vincent van Gogh died a pauper. In his day, no one acknowledged his mastery. How tragic to think that an artist of his stature did not have a patron or a market that recognised him.

At the Development Bank of Southern Africa we are constantly looking to become developers of talent that, if unnoticed in the present generation, could also go to the grave in sorrowful dispossession rather than in rich heritage. That is why, in addition to supporting economic development in the poor communities of Southern Africa, we selectively acquire works of artists from the areas in which we operate.

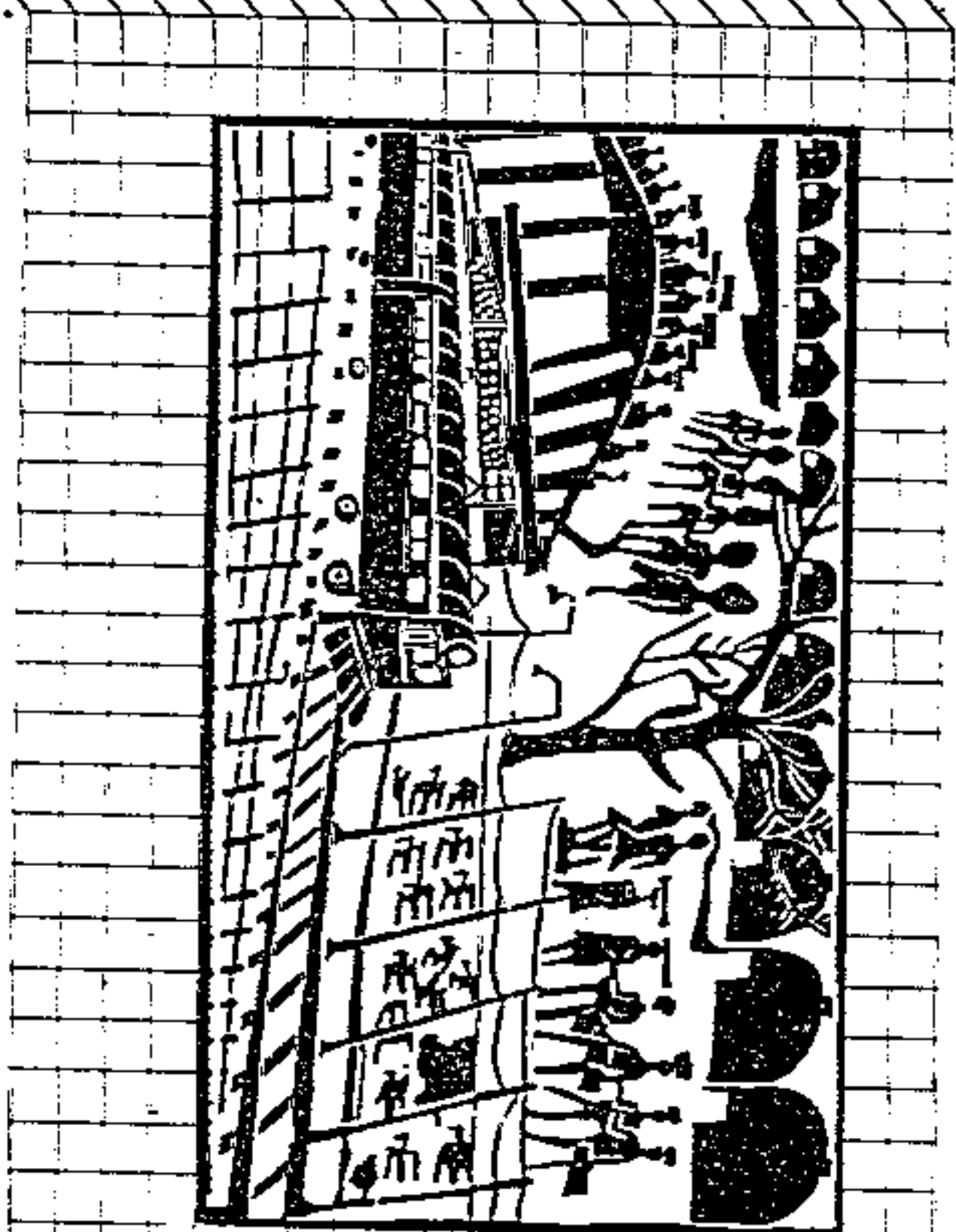
We place some emphasis on artists who may not have ready access to the art market, such as Bhokisani Manyoni of Kaitleng whose woodcut below depicts the spectrum of development activities that the Bank supports.

What qualifies this work is its theme: People and Development. That is exactly where we fit in. However, our paintbox is somewhat different: it contains various professional skills that can help conceive and structure development projects, and funds to help bring them into being.

Our canvas is Southern Africa: visible in the background are many people - mostly poor. In the explosion of colour and contrast, which is unmistakably Africa, the detail is less attractive. In short, what you see can best be described as social and economic deficits, framed in an economic debate on the future of the region.

We are contributors to the Renaissance of this generation. To those of the other participants, that are making a contribution by working with the poor towards improving their economic condition, we add our brush strokes in the hope that the quality of the picture on the canvas can be improved.

You see, we are in the art of development.



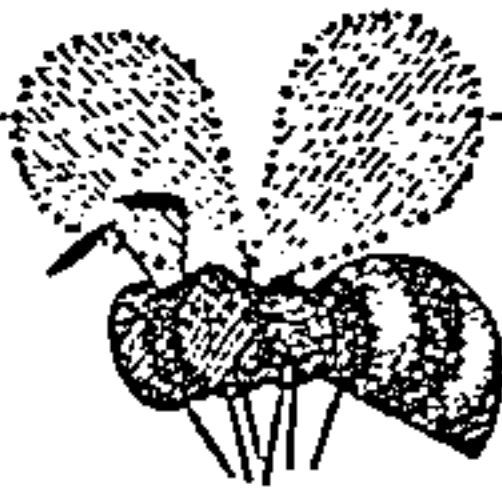
Development Bank of Southern Africa
PO Box 1234, Halfway House, 1665

Telephone: (011) 313-3811
Telefax: (011) 313-3086, Telex: 4 25546

Review/Economy

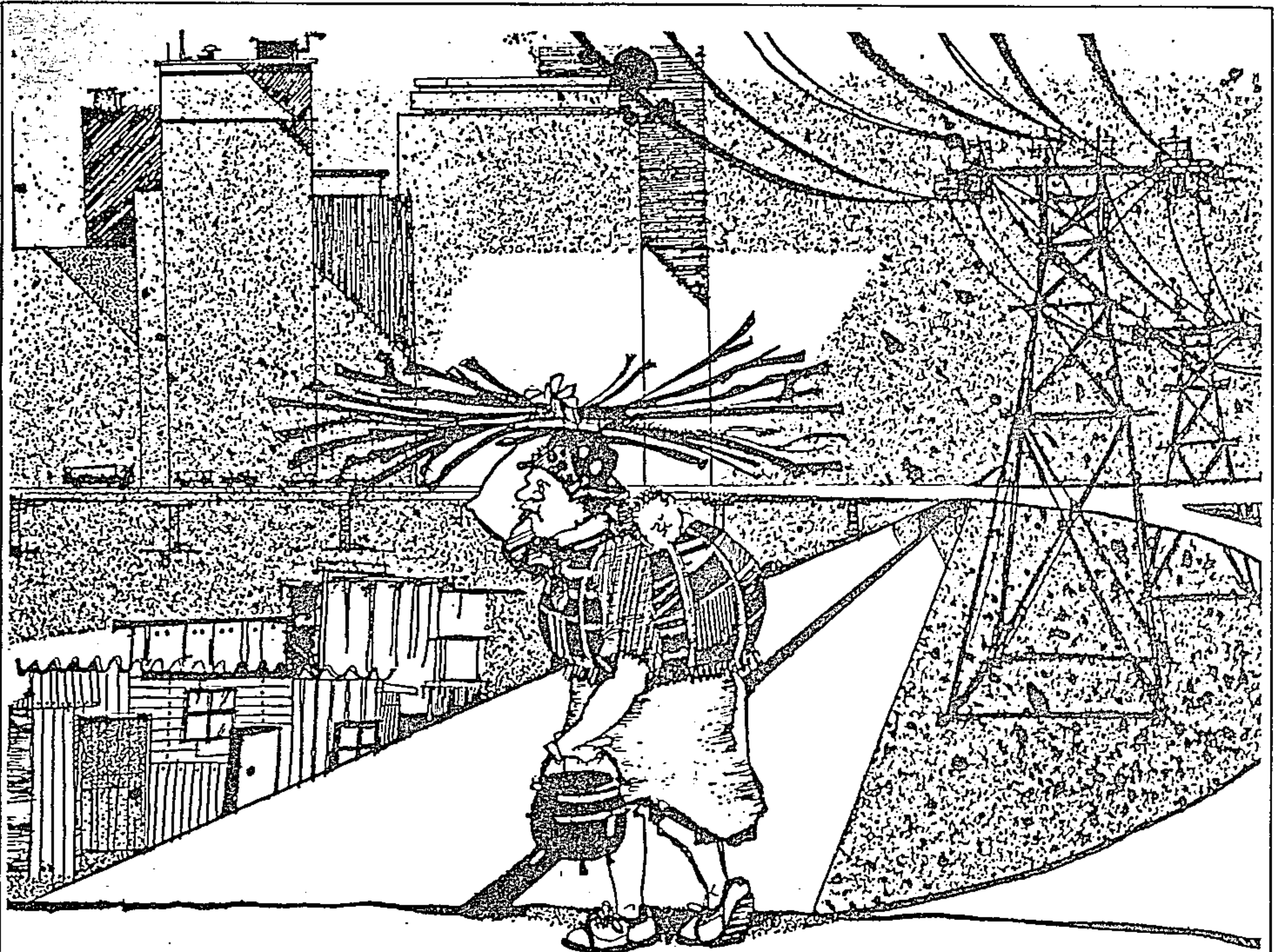
TAKING THE BUZZ

Experts from across



OUT OF THAT 'EMPOWERMENT' CLICHE

the business and union spectrum debate the issue



Empowering black South Africans ... a question of real stakes in the crucial sectors of the economy, not just the chance to struggle along at the bottom **DRAWING: MERRIFIELD**

ECONOMIC "empowerment" has become a loaded concept in South Africa. It first came to the fore in the mid-1980s as a conservative response to the disinvestment campaign.

The Reagan administration in America promoted the idea that foreign investors empowered blacks in South Africa, and that to remove the investment would weaken the power of blacks.

Whether or not this adequately rebuffed the sanctions initiative, there was a grain of truth in the empowerment argument. Large foreign companies had helped create South Africa's powerful black working class, and some multinationals, sensitive to overseas pressures, resisted unionisation a little less doggedly than most domestic employers.

Other connotations of "empowerment" are equally mistrusted, especially by organised workers. A trade union contribution to this Review refers dismissively to the concept of "black economic empowerment" as a "buzzword". Empowerment can mean, it argues, tossing crumbs to the unemployed through promising small business development, or hoodwinking workers into higher productivity through Japanese-inspired management.

If the concept of empowerment has been abused in the past, it is not irrelevant today. Black South Africans excluded for centuries from political and economic power are demanding redistribution. This means political power and economic power. Until the white monopoly of economic power has been broken,

W/Mail Supp) 1718-1918/90 (176)

Power to the people

An old sixties catch-phrase turns into a rallying cry for capitalism. But is that reason enough for unions to dismiss the concept as fraud? ALAN HIRSCH introduces our survey of 'economic empowerment'

en, black South Africans will remain alienated from the economic structures, and antagonistic towards them.

This is why Nelson Mandela felt mandated to express the commitment of the ANC to nationalisation on his release from prison. If political power was democratised, political institutions could be used to redress economic imbalances and injustices.

But economic empowerment does not necessarily mean nationalisation, and nationalisation does not necessarily mean economic empowerment. Nationalisation experiences in Asia and Eastern Europe, and closer to home, in Africa, have often led to inefficiency, to nepotism, and to the control of the economy not by "the people" through the state, but by an elite within the state.

Not that nationalisation is bad necessarily. Some nationalised industries, especially in public utilities, have worked very well. State control of investment, through banks as in the

Far East, or through other kinds of public corporations elsewhere, have contributed enormously effectively to long-term economic development programmes. But sometimes nationalisation does not work, and often nationalisation does not mean empowerment in any real sense of the term.

In this *Economic Review* we present some proposals and critiques of paths to empowerment that do not necessarily involve nationalisation as it is conventionally understood.

It is not surprising that unionists are suspicious of capitalists talking about transferring power away from themselves. In a capitalist system power is based on private property, and it is as difficult to imagine capitalists really giving up their proprietary power as it is trying to imagine fish giving up water.

But those "masters of the universe" (using Tom Wolfe's phrase) who are concerned about the long-term future of their businesses, and about the growth of the economy, do ac-

cept that some power must be lost. Some are driven by the idea that giving up some power now is better than giving up all, sooner or later, while others are driven, perhaps, by a belief that economic power-sharing is a sensible strategy.

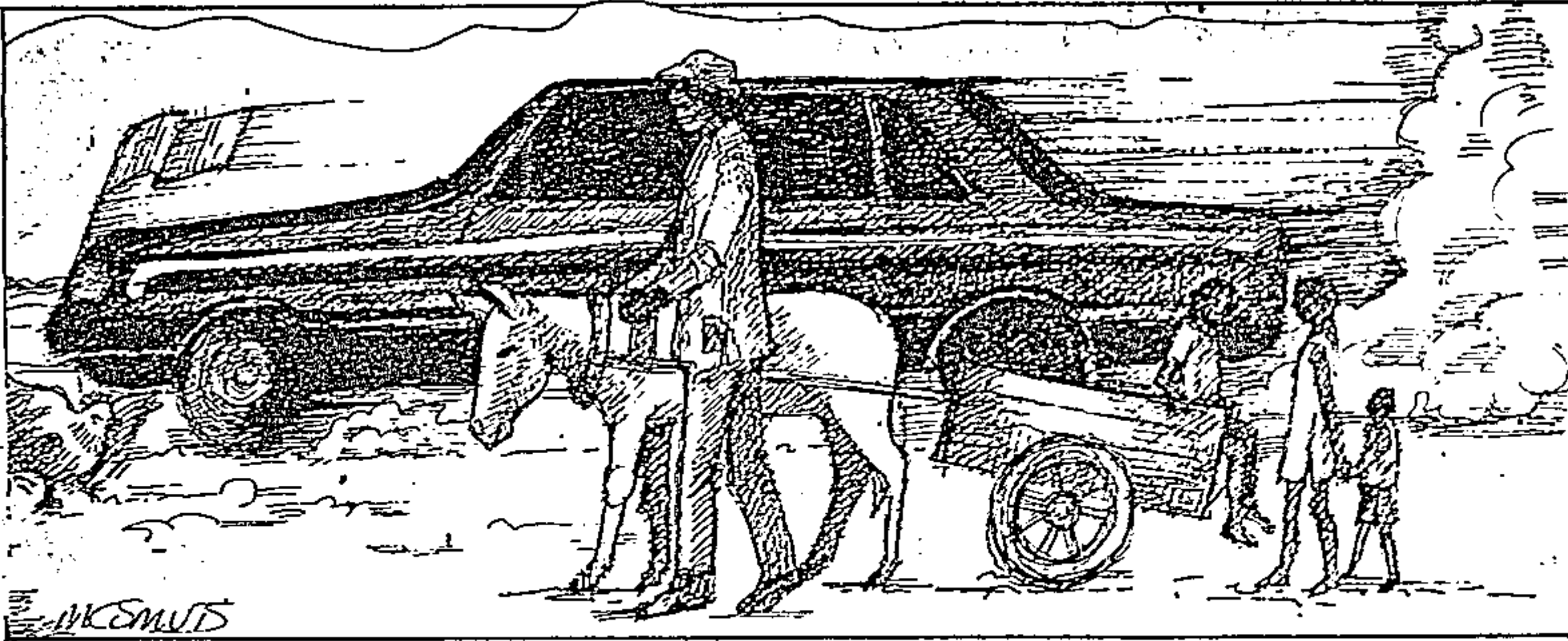
How much power changes hands is a question that will be decided in the course of the struggles that will inevitably accompany the period of transition that we have entered.

Empowerment is about "the people" getting a real stake in the economy, not about hoodwinking workers, or casting crumbs to the poor. The contributors to this *Economic Review* examine their own experiences, and the experiences of others pursuing or finessing the elusive goal of economic empowerment.

This review is not exhaustive, but it does examine some important mooted forms of empowerment in greater depth than newspaper articles conventionally do. Amongst the issues covered are small business development, cooperative movements, small farmer development, affirmative action programmes, employee share ownership schemes, participatory management, and the exercise of financial power by the organised working class.

The debates on the redistribution of economic power in South Africa are moving fast, and most commentators have already moved beyond simplistic tiffs about nationalisation (though some participants in the debate are still tempted into taking cheap shots from time to time). But the debate cannot move fast enough as our time-frame into the future is concentrated, day-by-day.

SMALL BUSINESS



6 The lack of land ownership among blacks seriously restricts their ability to provide collateral for loans and could be viewed as one of the most debilitating factors for black entrepreneurial growth 9

Finding a new strategy for black business

W/Mail suppl 1718-1718/90

Black-entrepreneurs remain largely powerless. But this is changing with the political climate and pressure from organisations like the SBDC.

By **WOLFGANG THOMAS** (176)

Western Cape Regional Director of the Small Business Development Corporation

THE small number of independent black businesses, except in the informal sector and a few special types of small enterprises — primarily taxis, spazas, panelbeaters and taverners — has often been seen as proof of black powerlessness in the South African capitalist economy.

Whether black employees in managerial positions of larger enterprises set out to either take over a business or start on their own, or if the group approach is followed like Black Chain and few other shareholder schemes — it is difficult to show spectacular success stories at this stage.

Aside from the informal sector, the significance of which itself is often disputed, the share of African owned or effectively controlled enterprises in the business sector is probably still less than four percent, irrespective of the criteria used for measurement.

The Small Business Development Corporation (SBDC), in existence for almost a decade, shares this experience, even though it operated on a strictly non-racial basis right from its formation.

Reacting mostly to applications for loan capital, the bulk of its black applicants have come from the informal sector, where high risks and lack of security restrict the mini-loans to R5 000 and much of the effort centres around the collection of repayments and rather basic "after-care".

Pro-active involvements largely focused on the development of a wide range of shopping centres inside black townships — where virtually no other developers were willing to risk their capital — and the rapidly increasing number of small industry hives, located in close proximity to townships, but open to all races.

Recently the SBDC opened its 52nd hive with more than a dozen more under construction.

The quest for more rapid black advancement in the business sphere caused the SBDC to reconsider its strategy for black business support and step up efforts in a variety of areas.

Most progress has probably been made in the legal sphere where most of the hundreds of restrictions on black entrepreneurial participation — still stringently enforced a mere 10 years ago — have gone into disuse or been abolished, many of them thanks to low-key pressure from the SBDC.



There's a certain investor's account that's attracting a lot of interest.

N-5000 is a unique concept in personal money management that offers a money-market related interest rate with immediate availability of your money. It requires a minimum balance of R5 000 and yields a high effective interest rate of 15.5%.

For your convenience, your N-5000 is accessible by cheque. Cheques are guaranteed up to R1 000 and transactions over R500 carry no service charges.

Complete flexibility makes N-5000 an ideal investor's account. It's available from no other bank.

15.5 PERCENT
YOUR MONEY
INTEREST RATE

We never forget whose money it is and how hard it was to earn in the first place.



NEDBANK
IF YOU'RE SERIOUS ABOUT MONEY

SOWETAN BUSINESS

Soweto scheme to upgrade builders

Sowetan 31/8/90 (176) (22)

THE Soweto City Council is embark on a massive scheme to upgrade small black builders and contractors by running business management courses for them.

The aim of the course will be to create job opportunities for thousands

By JOSHUA RABOROKO

of unemployed people.

At a special course to be run by the Building Industries Federation of South Africa at the Klipspruit Water branch on Wednesday at 9am, the small contractors and builders will be taught

how to improve their business management and tendering skills.

The council's senior technician, Mr Mduduzi Mkhize, said the course would become a pre-qualification for building contractors, plumbers, bricklayers and other small entrepreneurs to expand infrastructure and

upgrade facilities in the townships.

After graduating, he said, they would be contracted by the council to replace old water pipes, install storm water drainage and improve structures of buildings and other facilities.

They would, he said,

create jobs for many unemployed people.

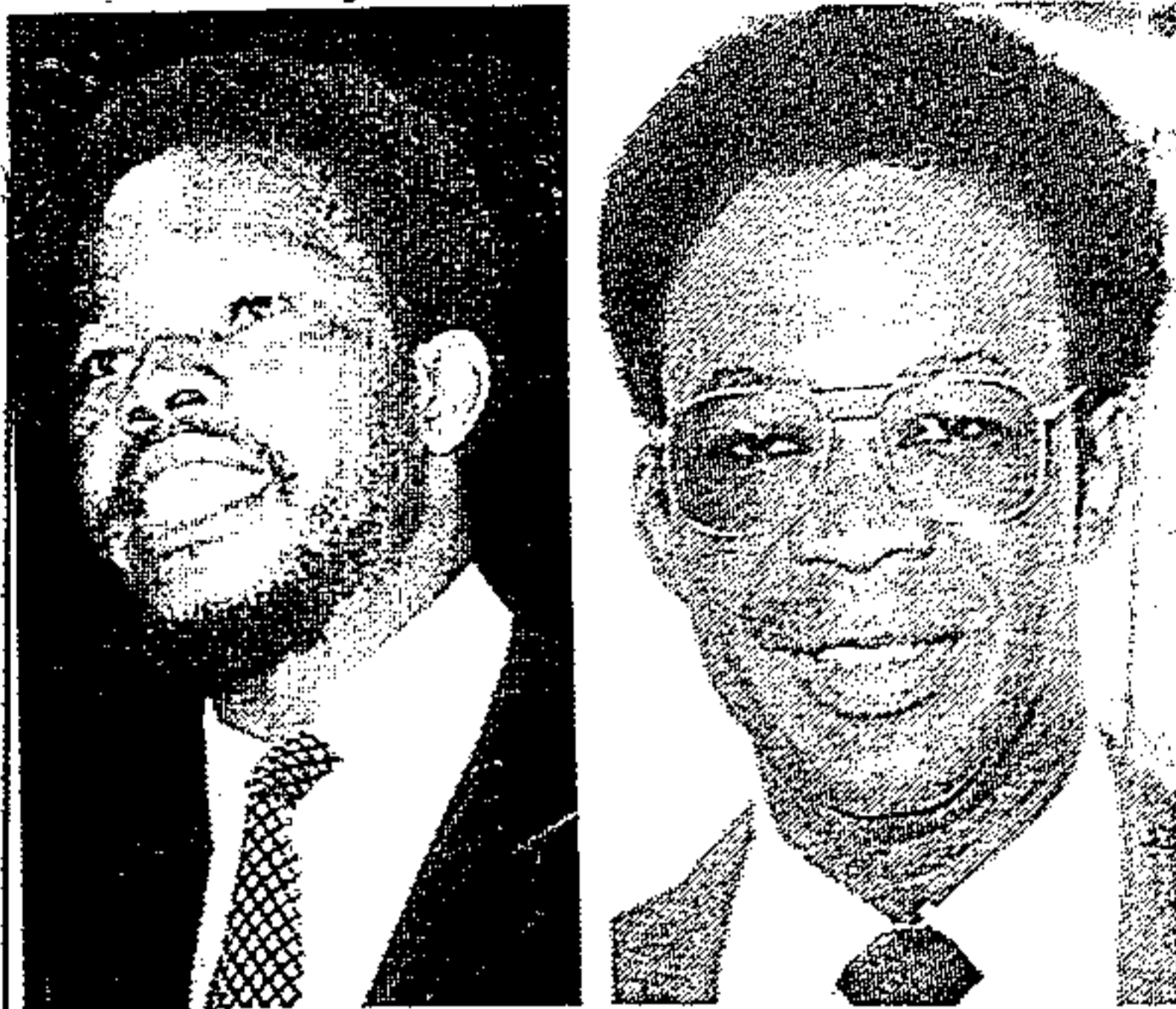
He said the council had already contracted 18 people in the programme which has, to date, cost about R15-million.

The money was made available by the Regional Service Council as the city council did not have money because of the rent boycott.

Those interested in attending the course should contact Mduduzi at (011) 938-1734.



Mrs M MAPONYA



REUEL KHOZA

JAMES SEUTLOADI

Top speakers for the Job Market 176

By VANESSA PERUMAL

THE *Sowetan* Nation Building Festival's Job Market which will be held in October this year has attracted several leading figures in the business community.

Job Market is sponsored by AECI, and will take place throughout the country. *sowetan 31/8/90*

Well-known business consultant and director of WR Consultants Mr Willie Ramashaba will be speaking on motivation in the changing environment and the opportunities which await the youth in the new future.

Other speakers include prominent community leaders and legal representatives. They will be speaking on a variety of topics aimed at the youth.

Caltex's corporate social responsibility manager, Mr James Seutloadi who is a firm believer in self-development and a deep sense of duty to the youth and their future, will provide information on self development strategies and career guidance.

Mr Reuel Khoza will speak on career opportunities.

Legal representatives from each area will provide information to the youth on their legal rights.

More Blacks enter the business world

Sowetan 29/8/90



176

THE number of small business ventures now in operation in South Africa has been boosted to well over 1 million as more and more black entrepreneurs join the economic mainstream.

The phenomenal spread of small enter-

SOWETAN Correspondent

prises in both the informal and formal sectors was confirmed yesterday in the 1990 annual report of the Small Business Development Corporation.

SBDC managing director Dr Ben Vosloo, who was among the first active

critics of the red-tape barriers that blocked or delayed black economic advance in recent years, said small operators now accounted for more than four in every five business enterprises at work in the country.

He said a new count showed the overall total of business enterprises at between 1,4 and 1,6 million - with as many as 85 percent of them listed as small-scale operations.

The combined clout of small businesses in both the formal and informal sectors today accounted for no less than 40 percent of all economic activity.

Moreover, 75 percent of all the new job opportunities were generated by small operators - at only a fraction of the cost incurred by big business in the creation of extra employment.

No fewer than 70 percent of business opera-

tions were unrecorded by official statistics and run without formal trade licences.

The number of new loans approved by the SBDC to encourage small business ventures stayed on an even keel at about 3 000 in the past 12 months, but the annual amount handed out jumped from under R117 million to well above R197 million.

The average value of loans have climbed from R39 138 R68 240.

The cumulative grand total of loans granted to pioneer projects now stood at 8 660, to small builders at 5 122 and to start-up ventures at 2 455.

The value had grown to R776 million.

However, because of the combination of the economic slowdown and political instability and unrest, many businesses were struggling to meet financial and rental commitments.-

Gunman kills woman walking on bridge

A WOMAN was shot and fatally wounded at a foot-bridge on a Lindley, Muldersdrift plot on Monday by a white gunman who ordered her and three companions to turn around and leave the area.

Captain Henriette Bester, liaison officer for the West Rand Police, said Elizabeth, Lena and Charles Nkumu and Eric Banda were walking to the river on the plot which is situated behind the Lanseria Airport.

They were on a small bridge crossing the river when an unidentified white man ordered them to turn around and leave.

They turned to go and a shot was fired. Elizabeth was fatally wounded.

The police are investigating the incident and no arrests have yet been made.

SOWETAN BUSINESS

Massive funeral scheme launched

Sowetan 27/8/90

176

AFSURE (Pty) Ltd., one of the most successful black insurance broking company in the country, has launched an R8 million funeral insurance scheme for the National Stokvels Association of South African.

The scheme involves 84 000 members from 700 stokvels.

This is by far the biggest billing to be landed by the year-old company, and it is not the last, according to Khehla Mthembu, managing director of the company.

In terms of the scheme members will pay a

monthly premium of R8, resulting in a benefit of R3 000 in case of death of a member, spouse or dependants.

It will be managed by Afsure Funeral Insurance Schemes' Mr Japie Moropa, Afsure's executive director for marketing, who said they were ready to arrange schemes for all organisations in the community.

The Nasasa burial scheme, which was announced and effected immediately, attracted a lot of interest from people who made inquiries, although no single group had signed-up so far, Moropa told *Sowetan Business* this week.

"We are encouraging groups and individuals to join this giant move of circulating the black rand in the townships."

Moropa said that Nasasa and Afsure - the great believers of black economic empowerment - for the past six months had been involved in developing a financial benefit to:

- * advance the lot of black people to generally advance themselves; and,

- * specifically assist the Nasasa members to have a funeral insurance scheme unequalled by any they might currently be attached to.

Nasasa's president Mr Andrew Lukhele said

members had for long urged them to investigate ways and means of modernising and professionalising funeral benefit structures and as a result they had consulted with Afsure and were proud to announce the scheme.



ANDREW LUKHELE

New chamber established

THE National African Federated Chamber of Commerce and Industry is to establish a new chamber, the National Industrial Chamber, which will focus on developing black industrial concerns. *Sowetan 27/8/90*

The NIC will be an independent chamber, with its own administrative staff. It will also raise and control its finances.

Members of the dissolved Nafcoc Industrial Committee, which initiated industrial conferences and other services for manufacturers, have formed a steering committee for the launch. *(176)*

A spokesman for the committee, Mr Joe Mogodi, said that the NIC had the following objectives:

- * To be of service to the emerging industrialists by providing information, facilitating consultations, seminars, workshops and conferences;
- * To facilitate and negotiate for better deals on the purchasing of raw materials by industrialists;
- * To publicise a regular newsletter, matters of interest to manufacturers.



SKILLS POLARITY CREATES A NEW CLASS STRUGGLE

w/ E Mail 1718 - 23/8/90

176 176

By DREW FORREST

THE workless and desperate shanty-dweller — and the relatively comfortable bank clerk, sales rep or skilled factory operative: they represent two magnetic poles, dragging the black labour movement in opposite directions.

Seismic changes in the nature of the black work force in the last two decades have been thrown into stark relief by new research. New and deepening divisions are seen as “the major problem facing the democratic union movement and a future government in South Africa”.

The old race/class gulf of the 1960s — between unskilled and semi-skilled blacks, and skilled and white-collar whites — has been eroded by economic crisis and the rise of the black

Skills polarity creates new class struggle

From PAGE 1

trade unions. Measuring the degree of erosion are University of Durban-Westville academic Doug Hindson and Owen Crankshaw, a researcher for the Human Sciences Research Council.

On the one hand, they point to an absolute fall in unskilled jobs, with a corresponding rise in jobless blacks unlikely ever to find work.

On the other, there is a rapid expansion of the black middle classes and the semi-skilled work force.

Hindson and Crankshaw take as a "minimum figure" manpower department estimates that there were close to 600 000 middle-class blacks in 1987 — a threefold increase since the mid-Sixties.

Although only 19 percent of all black wage-earners, blacks made up 28 percent of the total middle class. If people classified coloured and Indian are defined as "black", the figure rises to a startling 43 percent.

Almost half of all middle-class Africans fall into the "routine white-collar" category — non-manual, non-supervisory work associated with matric qualifications. At one end of the spectrum are clerks and salesmen — who make up half the group — and at the other, employees such as office machine operators, messengers, ushers and nursing assistants.

Other middle-class groups are in junior jobs in the police, Defence Force and security firms (20 percent) or are teachers (19 percent), nurses (four percent) and supervisors (five percent).

Also emerging from the analysis is a remarkably strong showing of Afri-

can women in some middle-class occupations. They make up no less than a third of all female semi-professionals and technicians.

In fact African, coloured and Indian women make up 48 percent of all female employment in the semi-professional group and 42 percent of female routine white-collar workers.

The researchers throw a harsh light, however, on the continuing white stranglehold on managerial and professional posts. Of 220 000 managers in 1987, 92 percent were white and 2.3 percent African.

Among South Africa's 90 000 professionals, the breakdown was similar: 91 percent white and 3.8 percent African.

Changes in the structure of the black working classes have been no less dramatic, Hindson and Crankshaw demonstrate.

Over the past two decades, the unskilled proportion of the black work force has fallen from 48 percent to 40 percent, with the result that white, coloured and Indian workers have increased their share in the job market.

Half a million jobs were shed in agriculture between 1960 and 1985, at a stage when total employment rose by two million. Another stronghold of the unskilled, mining, also showed a relative fall, from 12 percent to 10 percent of total employment.

In manufacturing, the changes have been nothing short of revolutionary.

A doubling of the work force to two million strong, coupled with an explosion of semi-skilled jobs — machine operators and drivers — has eroded both skilled and unskilled categories.

Over 20 years, the unskilled contingent dropped by a third to below 200 000, while the number of semi-skilled manufacturing workers doubled to 800 000. Of these, 73 percent are black, as against 40 percent in 1965.

"In 1965 most African workers were unskilled. In 1987 most — in the formal sectors — were semi-skilled," Hindson and Crankshaw write in a recent *SA Labour Bulletin*.

An examination of the giant metal industries shows, however, that these massive shifts have not broken down, and may have hardened, the racial division of labour.

As blacks have flooded into semi-skilled jobs, white operatives have declined. At the same time, increasing numbers of whites have moved into middle management, professional, semi-professional and supervisory work.

Another trend highlighted by the researchers is an accelerating influx of women of all races into the economy. Their rate of growth over the past two decades has exceeded that of men, with the sharpest increase registered among African women.

The researchers stress that this was from a very low base. In 1985 about 60 000 African women worked in formal jobs outside agriculture.

In the 1950s and 1960s, Hindson and Crankshaw say, black workers were largely divided on residential lines, between migrants and locals.

"This has been replaced with a stretching out and multiplying of the lines of differentiation, as African workers have been drawn into increasingly skilled work and given

credit for it," they write.

What are the implications for black unions?

Rising skill levels have moved training further up the list of union priorities — significantly, Cosatu's giant metal union tabled extensive training demands in industry-wide wage talks. In 1987, only 7.8 percent of black workers were artisans, and there remains enormous scope for black participation at this level.

And the influx of women, particularly into the commercial sector, has brought a growing union emphasis on maternity and child-care rights.

But with opportunities come dangers. Against a backdrop of continuing economic crisis, employers have reacted to the growth of the black unions by retrenching, while upgrading and paying higher wages to a smaller but more skilled work force.

Unwittingly, the new unions have spurred restructuring and have deepened the rift between "relatively privileged employed workers and the impoverished unemployed".

A major challenge for the unions will be to defend and advance the gains of members, while promoting job opportunities for the workless.

Hindson and Crankshaw add: "The unions and their members are flanked by two great groups of the non-unionised: the rising middle classes and the increasing unemployed and impoverished."

"Grave dangers lie ahead for the union movement, and indeed for all democratic forces in South Africa, if attention is focused on one of these large social strata at the expense of the other."

SPARRING WITH THE BIG BOYS

The threat of boycotts and myriad other problems continue to prevent the three major retail chains from opening outlets in black townships.

They are now allowed to hold as much as a 49% share in townships stores, but the National African Federated Chamber of Commerce (Nafcoc) has consistently opposed joint ventures, no matter how much the deal is structured in favour of the black trader.

Pick 'n Pay's Raymond Ackerman said recently: "We had a plan to supply 80% of the capital and give local traders 80% of the equity. Whenever we tried to get this plan off the ground Nafcoc has withdrawn its support at the last minute. And we wouldn't open stores in the black townships without the support of local businesses."

Nafcoc president Sam Motsuenyane says: "We've opposed joint ventures because of our past experience in which traders lost their independence as part of these deals."

So there are no Pick 'n Pays, Checkers nor OK Bazaars in black townships, though Pick 'n Pay and OK each have a store in the coloured township of Mitchell's Plain, near Cape Town, and Checkers has an interest in a development in the Indian township of Chatsworth, near Durban.

There has been speculation for months that OK would open a branch in Alexandra, but this hasn't happened. Checkers MD Serge Martinengo recently said "the best opportunity (for growth) will come when we can open in the black dormitory areas, probably with black equity participation" (*Business* June 29).

While the Big Three struggle to find the door to the townships, the fourth largest retailer, Spar, continues to build up its significant presence there. Spar suffered from unofficial boycotts in the Seventies and early Eighties but is now supported by Nafcoc and has become an established part of the township scene.

Spar stores are owned by franchisees and supplied by the Spar group, so it has been able to open in black areas without the re-

strictions placed on white-owned stores.

The first black Spar franchise was awarded 27 years ago. There are now 40 black franchise-holders, out of 506 outlets, and most operate the smaller Spar Savemor stores. Spar awards three types of franchises — Spar for larger stores, Kwiksave for smaller stores in urban areas, and Savemor, mainly for rural areas and townships.



Mosololi ... selling groceries the Spar way

"Spar has earned its stripes over time," says business consultant Willie Ramoshaba. "It might have been seen as a white chain and the store-owners just front men, but the stores are now identified with the owner. The black market is still getting used to the idea of franchising and Spar is the first franchise to gain a measure of credibility."

Spar national marketing director Brian Beavon says he expects the number of black franchise-holders to increase, but the requirements for a franchise are strict. "The problem is finding qualified applicants. Normally our franchise-holders own existing stores but

they need to conform to our rules in size, image and turnover. Spar operators tend to become leaders of their community, which puts heavy requirements on their time." He hopes spaza operators will evolve into café owners and then into recruits for Spar.

Joel Mosololi, who holds the Spar franchise in Daveyton, East Rand, says Spar offers assistance such as on-the-job training, promotions, advertising and pricing. "It also helps to draw up a feasibility study when the franchise applicant is applying for capital."

Spar says it's been successful in preventing whites from operating through black fronts. The franchise is awarded to the major shareholder, so if a black applicant was backed by a white, the franchise would be awarded directly to the white, or whoever was putting up most of the money. Spar requires detailed proof that the store-owner is the true major shareholder.

Transvaal marketing director Basil Jansen adds that while Spar franchise-holders can have their franchise revoked, if they consistently fail to follow Spar's rules, it isn't any more usual for this to happen among black than other franchisees.

Spar owners in townships have a high-density population at their doorstep. Mosololi says 80 000 people go to his store every month and most come on foot. Like all Spar owners, he is required to operate a butchery, bakery and fresh produce department. "The bakery doesn't provide great returns on the investment I've made but it brings feet into the shop."

While retailers are traditionally a noisy bunch, Spar has kept a low profile. Since Tiger Oats took control of the holding company, W G Brown Investments, two years ago, it has gone more public. For instance, its advertising, produced by Bates Wells, Durban, is now considered the most innovative in food retailing.

Beavon isn't worrying about the major chains setting up branches in the black urban areas. "We've managed to co-exist everywhere else. We never fear competition."

Stephen Cranston

RETAIL GIANTS

	Turnover (Rbn)	Branches
1) Pick n' Pay	4.3	110
2) OK Bazaars	4.2	215
3) Checkers	3.2	166
4) Spar	2.0	506

Conference will focus on black economic power

Sowetan 20/9/90

176

THE Federation of African Business and Consumer Services (Fabcos) will hold a one-day conference on black economic empowerment at the Eskom Conference Centre, Dale Road, Midrand on September 28.

The conference will focus on the taxi industry, the black insurance and the building industries, the stokvel, consumer, travel and the liquor industry to name a few.

The various speakers will focus on translating black economic empowerment into reality.

By JOSHUA RABOROKO

A spokesman for Fabcos said it was essential that the country's business leaders and captains of industry attend this conference so as to know what they can do to be part of the process.

At a Press conference in Johannesburg, Mr Mike Maisela, executive director of Village Communications, said the emergence of Fabcos was a most important event in the move towards the restructuring of the economy called for by black leaders.

His organisation is coordinating the conference.

He said black business did not even have credible representation in any of the major economic sectors such as mining, agriculture, manufacturing, financial institutions and the retailing world.

Awareness

The president of Nasasa, Mr Kehla Lukhele, who also addressed the media conference, said the stokvel movement was aimed at bringing black awareness

towards economic advancement.

Other speakers will be:

* James Ngcoya, president of Sabta, who will talk on "Taking South Africa for a Ride; The black taxi industry."

* Dr Ellen Kuzwayo, life president of National Black consumer Union, who will focus on "Black consumerism; Threat or Marketing Opportunity."

* Mr Andrew Lukhele, president of Nasasa, whose talk will centre around "The Stokvel Movement; Creating Cap-

* To Page 21

'Black economic' conference

Sowetan 20/9/90

176

* From Page 20

ital Out of Goodwill."

* Mr Kehla Mthembu, managing director of Assurance Pty Ltd, speaking on "Paying for the High Risk - The black insurance industry".

* Mr Lawrence Mavundla, president of Achib, who will talk on "Hawking, the informal sector - how to identify

opportunities in the black hawker's market."

* Mr Joas Mogale, president of African Builders association, who will talk on "Building for the Nation' An overview of the black building industry."

* Mr Mandla Msomi, director of Batasa, who will speak on "Discovering South Africa - The black tourist market."

Black salaries are lagging far behind

DESPITE the pace of political reform, the average black employee is almost six years behind his white counterpart in salary.

Black Jobs MD Dalene Stiff says over the past two years her company has monitored salaries paid in Johannesburg in several categories.

"Based on a portfolio of more than 10 000 black job applications, we have found blacks are earning the equivalent of what white workers with similar qualifications and experience were being paid during 1984," Stiff says.

"This is particularly true in small to medium-sized companies and in posts such as administration

clerks, telephonists and general office secretaries.

"The major corporations are an exception, upholding their claim of equal pay for equal work and equal opportunity regardless of race, sex or creed."

~~178~~ **No option** 176

A company can often save up to 50% on a salary by employing a qualified and experienced black person.

At the same time, economics dictate that many black people have no option but to take the job at a below-average salary.

"The gap can be attributed to a perceived supply and demand situation,"

Stiff says.

"The perception is that there is a shortage of skilled staff — and if an employer insists a white person be recruited, the employee could be in a position to demand remuneration at an inflated level.

"On the other hand, the oversupply of black job-seekers ensures black employees accept what they can get because the alternative is no job at all."

Other factors also put the employer into a strong bargaining position when recruiting a black employee, she says.

For example, few blacks below senior management level are recruited through

traditional channels, such as recruitment agencies.

This is partly because many agencies prefer not to devote their resources to job categories that pay less than R1 500 a month.

B 17/26/90
Explosive

As a result, black people in these fields are recruited by word of mouth, by answering classified advertisements and by knocking on doors.

"The salary gap between white and black staff is a potentially explosive issue that could become important in the SA of tomorrow," Stiff says.

"Political parties to the left are already calling for

the redistribution of wealth and accelerated black advancement.

"Pressure from the political quarter to redress salary imbalances will be led by trade unions."

The personnel recruitment industry, she says, has a part to play in defusing this situation.

"By bringing together black office staff and employers, the industry can play a mediating role.

"The opportunity is there to help close the salary gap, ease unemployment and help employers discover the skills shortage is not as drastic as many would have us believe," she says.

New group to promote blacks' aspirations

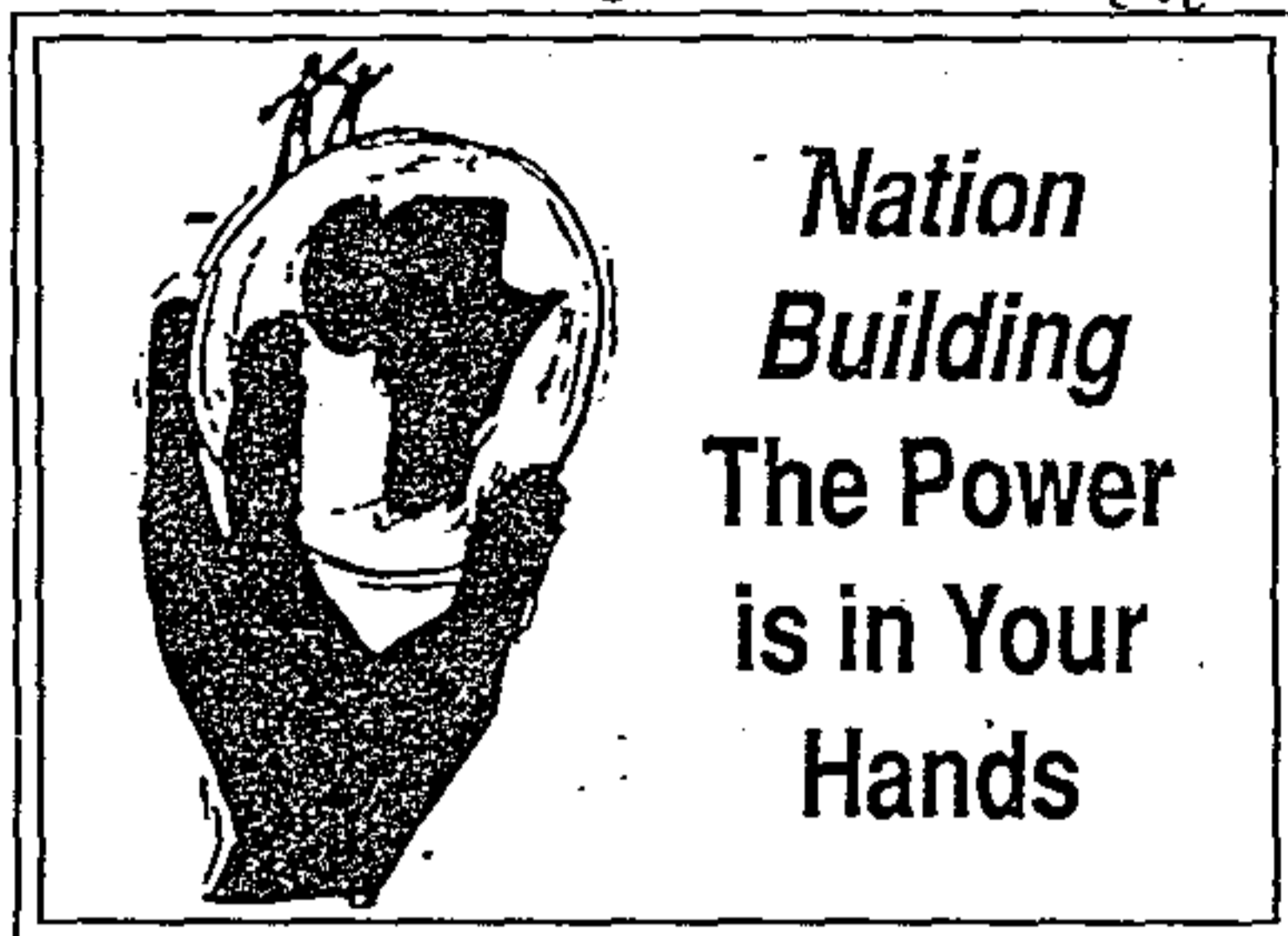
Sowetan 28/9/90

176

SOWETAN business editor Thami Mazwai is to talk on Nation Building at the official launch of the South African Black Technical and Allied Careers Organisation at the weekend.

A spokesman said the launch will be held at the offices of the Development Bank of Southern Africa in Midrand tomorrow.

Sabtaco is an organisation concerned with the interest, coordination and promotion of black technical and allied professions such as engineers, architects, town planners, land surveyors, quantity surveyors, building scientists, development economists and associated



technicians and draughtsmen.

Its purpose is to empower and address the unique problems, needs and aspirations of blacks.

It also aims to coordinate the activities of these professionals and strengthen their capacities to undertake varied development projects.

The spokesman said Sabtaco came about as a result of a number of problems.

These include: un-available technical orientated education within black communities, insignificant role played by black tech-

nical experts and prejudice inhibiting black consultants to participate in the development of the country and their local areas.

"Although Sabtaco's name is qualified by the term 'black', its membership is open to everyone. The membership is divided into corporate and non-corporate members," the spokesman said.

He added that interested, but not necessarily paid-up members within the cited disciplines exceed 300.

He said since the formation of the organisation this year, much has been achieved and more is expected to be achieved after the launch.

BUSINESS

SBDC brings enthusiasm and imagination to creating jobs

WILEMAD 31/8 - 2/9/90

AN unused prison in East London was transformed into a shopping centre. A vacated Ford assembly plant became a communal factory for hundreds of craftsmen. Reunited textile workers formed a company that beat their old employer to huge contracts.

When the Small Business Development Corporation (SBDC) applies its enthusiasm and imagination to something, anything seems possible — even zinc shopping malls designed to be built-up and bulldozed-down over and over in squatter camps.

The SBDC, which describes itself as a lender of last resort, has helped set up 26 000 businesses in nine years.

"We have created 260 000 jobs with R830-million, which is less than the price of a jumbo jet.

"It costs the formal sector R60 000 to create one job," says the SBDC's Davie Kraus.

The SBDC sees itself in the vanguard of post-apartheid banking, lending money to black entrepreneurs who have great ideas but no collateral and developing property where the Group Areas Act forbids businessmen to go.

"Winnie Mandela was our first tenant," Kraus says, pointing to a Sandton-style office block in Orlando West, Soweto.

There is hardly a black township where the SBDC has not built a shopping centre, but residents still prefer to shop in neighbouring white cities.

"You can understand people wanting to get away from all this," Kraus says, referring to Soweto's shabby suburbia.

The fourth biggest of the SBDC's 26 industrial hives is at Pennyville, on Soweto's northern edge.

The Small Business

Development Corporation describes itself as a lender of last resort. But in its nine years of operation it has created 260 000 jobs and is in the vanguard of post-apartheid banking, reports **ROBERT LAING**

The hive was a furniture factory before the SBDC bought it. The workshop has been split into cubicles that are rented to craftsmen. Metal and carpentry machines, too expensive for individual small businessmen, are placed at the centre for all to use.

One tenant is a glass blower who makes laboratory equipment, one makes protective clothing and another makes traffic signposts. Many are subcontractors to large mining houses.

The SBDC helps them market their products and runs training clinics. Rentals start low, but increase as hive businesses become more successful to encourage them to graduate to the formal sector.

Potential entrepreneurs are encouraged to start by doing the SBDC's course "How to start your own small business". No previous qualifications are required. If you can read and write and understand very basic business principles then this is the right course for you, according to the SBDC's brochure.

Training manager Ken Fisher says:

"Since starting in May 1988 we've trained 2 432 people throughout the country."

About 60 percent of the candidates completed the course. Out of these, 40 percent went on to start their own small businesses.

Fisher says this is high — considering only five percent of South Africans ever become entrepreneurs. In the Far East 18 to 20 percent of the economically active population are small businessmen. In the United States it's about 12 percent.

"This country has few entrepreneurs because school children are not encouraged to consider self-employment as a career option."

The SBDC is addressing the problem by arranging business plan competitions at primary and high schools.

Pupils entering attend a free SBDC three-hour workshop on "How to draw up a business plan". Pupils then compile and submit their own business plan.

The winning high school pupil gets a R6 000 study bursary and one year's free cinema tickets from co-sponsor Ster-Kinekor.

Fisher attributes the course's high drop-out rate to people becoming disillusioned after being taught the harsh realities of their proposed businesses' chance of survival. The course emphasises planning business strategies and teaches people how to analyse the viability of their venture.

"The course is a rude awakening for many. People become heartbroken after discovering their business idea won't work," Fisher says.

One of the SBDC's success stories is Jeffrey Molo who owns The Blue



Helping small entrepreneurs... Emily Tripe manufactures and mends clothing for hostel-dwellers of Saalplaas Gold Mine

Fountain Bar Lounge and Bortlestore in Soweto.

"Most small businesses in the townships do not know how to cost and price their products," Molo says. The course taught him how to calculate financial statements, stock levels and his break-even points.

Other success stories include helping a couple start a novel idea in fast foods — fresh pies guaranteed not to contain any unidentifiable or inedible bits.

One woman was helped to patent and manufacture her invention — hi-tech knitting needles that can weave.

The SBDC prides itself on being a profit-making business. Kraus attributes its success to the 4:1 ratio on its board of businessmen to government officials.

The SBDC was founded in 1979 by Rembrandt chief executive Anton Rupert. The state puts an equal amount into the bank as it manages to raise from business.

Four exhibitions will provide fun

*Sowetan
1/10/90*

VAAL, East Rand, Soweto and Pretoria residents are in for a treat of their lives this weekend.

Our small business exhibitions will be in full swing in Sebokeng, Daveyton Lionel Kent Centre, Soweto's Vista University and near the Denneboom station in Mamelodi.

The exhibitions, which are part of our Nation Building Festival, are sponsored by Caltex. They were organised by the Small Business Development Corporation, which is now also busy with Small Business Week.

Promote

Caltex has committed itself to doing all it can to neurship, this time to helping black manufacturers exhibit their wares for the community.

"We have to develop black entrepreneurship in our endeavour to build a new South Africa. Our people must take their rightful place in the mainstream of the economy," Mr James Seutloadi, public affairs manager, has said.

Sowetan Business editor Thami Mazwai said the launch of *Sowetan* Business was specifically to play a role in developing black entrepreneurship.

"Black economic empowerment must be

for all

176

NATION BUILDING



The power is in your hands

transformed into a reality. This, however, means that the black entrepreneur must take his rightful place in being the provider of goods and ser-

vices. I appeal to our community to come in thousands to these exhibitions, as they will then realise that some of the things they buy in town

are provided by the man next door.

"When the man next door gets support from his community, we will then be showing confidence in ourselves, which is a prerequisite in developing a vibrant nation," he said.

In addition to the display of wares, there will be entertainment galore for the family. Holders of lucky tickets will win prizes.

ANC urges Blacks 'be ready for challenge'

176
153
Sowetan
1/10/90

THE African National Congress would take affirmative action through certain guidelines to involve blacks into South Africa's economic mainstream, the organisation's administrator, Mr Tokyo Mosima Sexwale, said last week.

Addressing guests at the opening of Reggy's Pep Store in Soweto, Sexwale said blacks should be ready to take up the challenge of running the country effectively in political and economic spheres in the post-apartheid South Africa.

The organisation had committed itself to taking political, economic and social power through the process of negotiations with the present Govern-

By JOSHUA RABOROKO

ment, he said, adding, "if that course fails, we will go back to armed struggle."

He said the opening of Reggy's Pep Store, which is the eighth in a black residential area, was an important milestone towards black economic empowerment.

Example

It was an example of how blacks could take affirmative action in creating wealth, although, he added, they should avoid being used as "fronts" by whites.

"We must learn to create and distribute wealth among ourselves

and contribute to the country's economic advancement.

"We have reached a turning point in the history of our liberation and we must prepare ourselves for the future," he said.

Sexwale said the ANC was often accused of talking about nationalising certain sectors of the economy.

Nationalisation was debatable, and there were other strategies the organisation could take to economically empower the oppressed people in South Africa.

The organisation believed in private enterprise and building the corporate and the informal sectors.

But, he warned, the black business, which had been restricted by certain laws, should "take stock of itself" because if the Group Areas was abolished "gates will be open to the Highgates, Eastgates and Westgates that have already been established around near townships."

He urged black business to act through their organisations, such as Nafcoc and others.

SOWETIAN BUSINESS

ANC project aims to raise R12,5-b

Sovelan 4/10/90

By JOSHUA RABOROKO

PLANS are afoot overseas to raise more than R12,5 billion to set up a development operation for the ANC in a post-apartheid South Africa.

The operation, which will handle the raising of funds locally and from overseas, is expected to create enormous investment potential as it will not be tied to existing South African banks or the Government.

ANC economist Mr Tlho Mboweni said the idea was mooted after the organisation's deputy president, Nelson Mandela, held talks with business people overseas to fund the "reconstruction" of a post apartheid South Africa.

He said funds would be raised both from governments and the private sector. They had agreed to put the money together to create some form of investment bank in South Africa. A working committee, comprising business

people and ANC representatives, has been set up to study the possibility of creating such an institution.

The move comes at the time when anti-apartheid organisations, including the ANC, have called for economic sanctions against South Africa, although it is understood that some countries are moving away from their original stances in the wake of reforms introduced by President F.W. de Klerk.

Loans

However, a spokesman for the US embassy, Mr Barry Watley, said in Pretoria yesterday that new private sector investment was permitted for firms owned by South African blacks.

He said the main thrust of US anti-apartheid legislation prevented investment in South Africa by American companies, although there were exceptions.

The ban did not include loans for education, housing and on humanitarian grounds.

He did not have information about the establishment of a bank for the ANC, nor any US banks which were willing to participate.

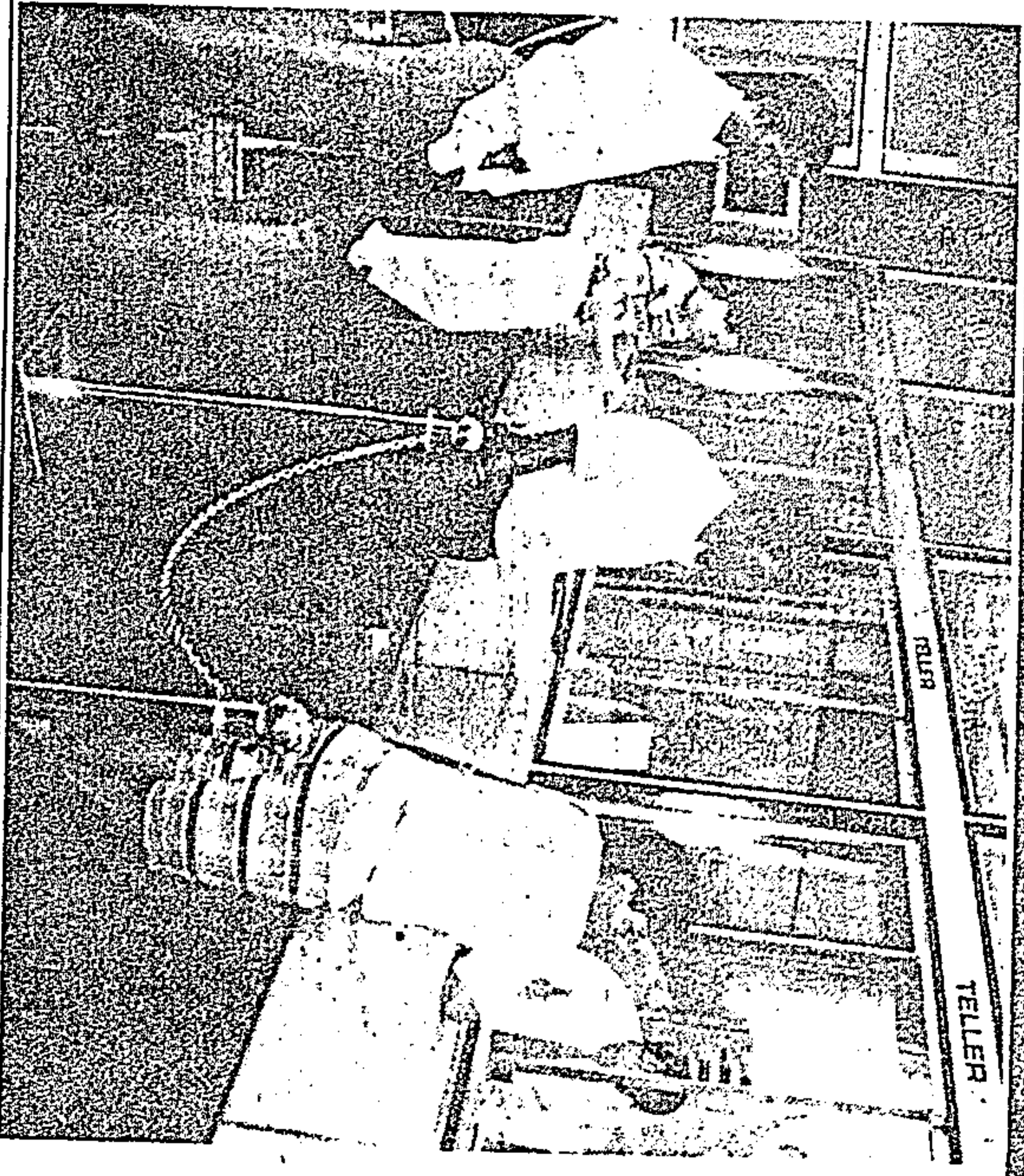
The Registrar of Banks at the Reserve Bank, Mr Hennie van Greuning, said in Pretoria that he was not aware of any move by the ANC to open a bank. Anybody who wanted to establish a bank would have to get approval from his department, through the Bank's Act.

He said that capital, expertise and other aspects would be criteria for anybody to establish a bank in South Africa.

He welcomed anybody or group, especially blacks, to open a bank in the interest of the public, although he was of the opinion that the country was overbanked.

He said, however, that any political party would have problems starting a bank.

THE African Bank, which claims to have survived 14 years of storms, has opened this new luxurious branch near its head office 50 Marshall Street Johannesburg. This brings to 11 the number of branches already in operation. The bank is in the process of opening offices in Nelspruit, Lusikisiki, Queenstown and Bisho.



Sowetan 4/10/90

New group aims to boost black technical skills

176

A NEW organisation catering for black professionals in the engineering and related fields was launched at the Southern African Development Bank this week.

The launch of the South African Technical and Allied Careers Organisation (Sataco) coincides with numerous Nation Building events being hosted by the Sowetan countrywide.

The major objective of Sataco as expressed by its first president, Mr James Ngobeni, at the

BY SELLO
MOTLHABAKWE

launch, was to address the huge backlog in technical and technically orientated skills in the country, particularly among the black community.

In Ngobeni's view this backlog was created by an education system that is biased against technical skills training in general.

He went on to say that: "Sataco is geared towards mobilising black professionals and involve them more meaningfully in wealth creation and the economic development of the country".

Sowetan Business editor Mr Thami Mazwai, who was guest speaker at the launch, said the country's past and current methods of career selection as applied in the schools was at variance with South Africa's immense needs.

"Instead the system is producing generation after generation of unemployable people", he said.

Access to capital is still major impediment

176
Somelaw
4/10/90

THE third annual Small Business Week, organised by the Small Business Development Corporation, got off to a good start throughout the country this week.

An array of more than 100 events directed at involving existing and potential entrepreneurs.

By JOSHUA RABOROKO

big business, youth, informal sector and local authorities are taking place throughout the country.

SBDC's Donne Tarr yesterday said all the events provided promotional opportunities for those business and organisations involved.

One of the highlights of the events was a symposium held at Sun City, he said.

Prominent speakers such as Nafcoc president Dr Sam Motsuenyane, president of South African Chamber of Business, Mr Raymond Parsons, Nafcoc executive, Mr George Negota and SBDC's managing director, Dr Ben Vosloo, participated during the event.

Motsuenyane said that the right type of education

was a necessary prerequisite for entrepreneurial development.

In South Africa, especially among blacks, there was presently a tremendous need for upgrading the quality of education. Not only must blacks have compulsory education like the whites, but they should form an education system which laid emphasis on technical, professional and skills training.

Problem

He said although the problem of access to capital was being dealt with more effectively than in the past years, it still remained a major impediment to most black entrepreneurs.

The disability of the small business people to have easy access to capital centres primarily around the lack of ade-

quate security or collateral.

He said that many laws restricting small business must be scrapped, although the Government had tried to deregulate small business.

"If the deregulation process does not totally do away with discrimination, based on colour, the process shall not have gone far enough and will consequently not elicit a favourable response from those who have for a long time been the victims of what is perceived as an unjust socio-economic order."

He called on the Government and the private sector to take affirmative action in promoting the small business by awarding contracts to them and by eliminating imbalances in the economy.

He said issues to be addressed in the process of wealth redistribution were: land redistribution; total deracialisation of business; big business entering into partnerships with small business; and increased support for black business.

SOWETAN BUSINESS

Small businesses get a big chance

Sowetan 4/10/90

176

THE stage is set for more than 200 small entrepreneurs who will participate in the Caltex Oil-sponsored exhibitions to be held at four venues in the

By **JOSHUA RABOROKO**

PWV area as part of the *Sowetan* Nation Building campaign.

The exhibitions start

tomorrow.

Caltex and the *Sowetan* have joined hands to promote the rapidly-growing township business sector. "The more we expose our entrepreneurs, the better it is for all of us", editor Aggrey Klaaste said this week.

"This is also the time for all of us who believe in developing our communities to come to these exhibitions to see some of the things done by our own people."

Mr James Scutloadi of Caltex said his company was excited about Nation Building for it was not only concerned with improving relations, but was part of self-realisation in the context of political, social and economic terms.

It was in the economic context, he said, that his company wanted to help and support the informal sector in whatever way they could be helped to improve themselves.

"Black manufacturers have the skills, but they often battle to expose their wares to the market they desperately need. During these events it will be an opportune time for them to exhibit their articles," he said.

His company was participating to encourage wealth and job creation among small entrepre-

neurs.

The events will take place at Vista in Soweto; Lionel Kent Centre in Daveyton; Sebokeng Zone 10 Industrial Park on October 5, 6 and 7, and near Denneboom Station in Mamelodi on October 5 and 6.

Drum majorettes and bands will grace the events which are expected to attract many people.

Food vendors have been arranged to cater for the thousands expected.

A variety of T-shirts and balloons will be given to children and a carnival type atmosphere will prevail. Everyone is encouraged to become involved in the festivities.

Ms Mandisa Maepa, who is organising the exhibitions in Daveyton, said the stage was ready for their Small Business Week, which will be opened by the local mayor, Mr Tom Boya

***To next page**



AGGREY KLAASTE

Big chance

Sowetan 4/10/90
***From previous page**

today at 3pm.

176

Sowetan editor Aggrey Klaaste, Scutloadi and SBDC's Donne Tarr will speak on Nation Building.

The Afro Jazz Group will provide music for the duration of the exhibition.

Mr Piet Malefahlo, of Mamelodi, said they were also ready. Music will be rendered by a local group and drum majorettes.

US envoy plots course for new SA

8/10/90

176

THEO RAWANA

THE future prosperity of SA would be based on the fulfilment of black needs rather than on the exploitation of black labour, US ambassador William Swing said in Johannesburg last night.

Swing was addressing a farewell dinner for the Black Business Observation Mission — a group of 120 black businessmen who will tour the US as part of their preparation for a meaningful role in a post-apartheid SA.

The mission, co-ordinated by business consultants W R Consultants, is led by Soweto civic leader Nthato Motlana.

Swing said: "It has been said that in modern SA it is as difficult for a white entrepreneur to fail as it is for his black counterpart to succeed.

"If a post-apartheid government is to be successful economically, it must unleash the entrepreneurial energies of its black business sector, the skills of its black managers and workers, and the purchasing power of black consumers."

Only an economy which enabled its citizens to use their talents to the fullest would be capable of generating the wealth needed to deal with the country's socio-economic demands.

"Indeed, the future prosperity of SA will be based in large part on the fulfilment of black needs, rather than the exploitation of black labour."

The optimism over the increased dia-

logue now taking place should not blind South Africans to wide differences in vision and expectations over the future.

"Many blacks understandably expect the coming of a non-racial democratic government to be followed rapidly by substantial and tangible improvements in their standard of living.

"They associate capitalism with the injustices of the apartheid-based economy, whose laws restrict blacks' access to land, employment, education and capital.

"They see the tremendous disparities in income, skills and wealth which exist between blacks and whites and view government intervention as a panacea for black economic advancement."

Swing said the extent to which apartheid's socio-economic heritage could be eliminated within a reasonable time-frame would be one of the great tests of whether democracy could flourish in SA.

At the same time, many whites feared fulfilment of black aspirations would come about through a transfer of wealth and a decline in their standard of living.

Reconciling these conflicting perceptions might be one of the most difficult tasks confronting negotiators.

He said black business would play an essential part in resolving this conflict.

HOUSING



Black builders are bound to benefit from recent initiatives by the African Builders Association and the National Federation for the Building Industry. These groups aim to improve training, gain greater access to land, obtain better prices for materials and improve the marketing and financial skills of builders.

Black builders get a good ally

Sowetan 11/10/90

176



TAKOLIAS Hardware

59 UNION ROAD, KLIPTOWN. TEL. 945-1753
AZAADVILLE HARDWARE
 13 TAJ MAHAL ROAD, AZAADVILLE. TEL. 413-1343

YOUR ONE-STOP HARDWARE STORES FOR THE BEST DEAL IN TOWN!!!

5 litres ENAMEL R19,95	WHY PAY MORE?	5 litres PVA R11,95
GUTTERS R4,25 per metre	WINDOW FRAMES NC2 R 65,00 NC4 R110,00 ND11F R165,00	CURTAIN RAILS R14,95 per metre
SECURITY MERANTI FRONT DOORS R289,00	FREE ADVICE FREE QUOTES VERY PERSONAL SERVICE	CLAY ROOF TILES R1,15 each or R1 100 per 1000 Delivery Incl.

PROMPT DELIVERY - FINANCE ARRANGED
SEE FOR YOURSELF AND BE CONVINCED!

Trust Business College

410 Argosy House
 President St., cor. Salisbury St.,
 Germiston. Tel. 487-1090

If you have Std. 7 or higher you can become a computer bookkeeper in one month and be in line for the best jobs.



Enjoy high salary and manage a responsible position in an organisation.

S 7109

ORGANISATIONS of black builders appear to have found a powerful ally in their quest for a bigger role in providing housing on a national scale.

The annual report of the South African Housing Trust (SAHT) says they share the belief that black builders are uniquely placed to speed the delivery of affordable shelter.

Recent initiatives by the African Builders Association (ABA) and the National Federation for the Building Industry (NFBII), are aimed at improving training, gaining greater access to land, obtaining better prices for materials and improving marketing and financial skills.

By **KENOSI MODISANE**

done by a range of companies.

A recent report indicated that the SAHT was prepared to move the focus of its operations into the lowest price brackets. This suggests a growing role for the small black builder.

Goals

The smaller builder development programme set up by the SAHT two years ago, shares these goals and is already delivering results.

During the last year, the housing trust was involved with 33 projects nationwide. A total of 9 114 houses - mainly in the price bracket below R20 000 were built.

SAHT chairman Dr Simon Brand said larger concerns would continue to have a place in the "mix" on SAHT projects.

But no one could be in any doubt that he shared the view that the small black builder would have a growing role.

He said opportunities existed for local communities to retain incomes generated through providing housing.

The building work was

L M I BRICK WORKS

Manufacturers of Bricks & Blocks

BEST PRICES ON STONE, BUILDING - RIVER - & PLASTER SAND.

R500 for 3000 Bricks

GST & DELIVERY INCLUDED.
 (WEST RAND AREAS ONLY)

TRY US - WE'RE THE BEST!

Plot 37
 Farm Vlakfontein
 Roodepoort

Tel 785 4400

FABCON

39-43 Kimberly Road
 NANCEFIELD
 JOHANNESBURG



PRECAST

P.O. BOX 38193
 BOOYSENS 2016
 TEL: 945-1101

Manufacturers of high quality Concrete Blocks, Bricks and Coloured Pavers

WALL BLOCKS

RECTANGULAR BEVELEDGE PAVERS (in various colours)

DIRECT TO THE PUBLIC FROM THE

Tips for designers



Sowetan 17/10/90

The South African Fashion Designers Association (Safda), in association with the training department of a leading departmental store, held an all-day seminar for its members and other interested people in Crown Mines this week.

The purpose of the seminar was to help fashion designers improve their negotiating skills when entering new business deals and to encourage them to put more emphasis on the quality of their work.

Participants at the seminar were addressed on training of buyers and planners, negotiation skills, quality assurance and visual merchandising by experts on these fields.

176 **SKILLS**

"This was one of many seminars and meetings we plan to have to help our members improve their skills and their businesses," said Safda president, Sonwabile Ndamase.

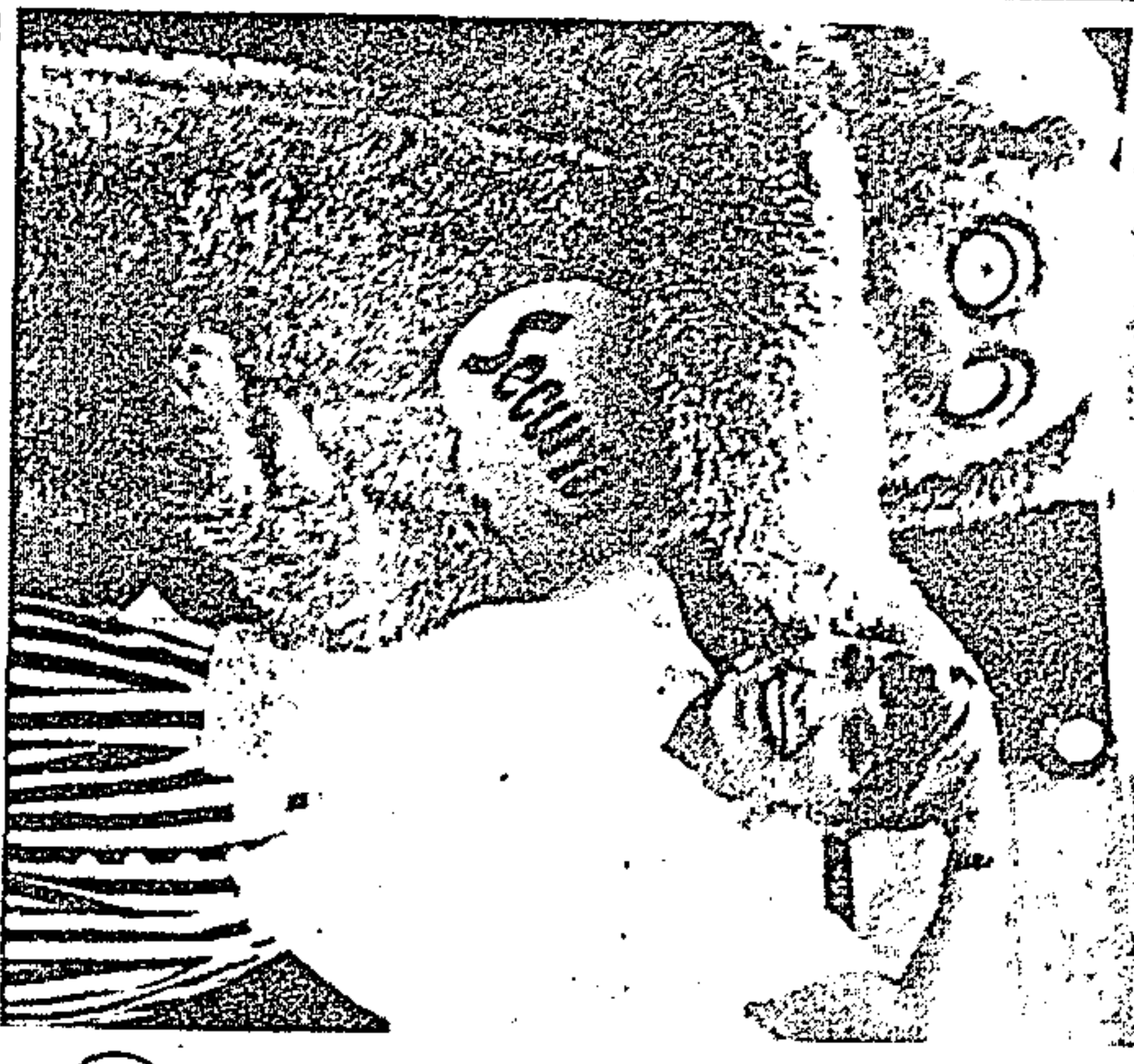
"We had a very good response to this seminar

and I am very happy about the way it went. I hope that our members benefited from what they learned and will not hesitate to come back and ask questions if they still need clarification," he added.

Funds

Safda was started in 1986 with the aim to raise funds for the development of fashion designers through education and training of members, provide economic empowerment for them and to find a market for them, especially in the mainstream fashion industry.

"Our long term goal is to find factory premises and a training institute that will give our members the necessary facilities to enhance their skills and create opportunities for them to exercise their natural talents," said Ndamase.



Tanya Logan of Childline and a friend during the prize-giving ceremony for the Childline poster competition for schools held at Sandton City. Childline is a non-racial telephone counselling and referral service for abused children and their families under the auspices of the Southern African Society for Prevention of Child Abuse and Neglect. They can be contacted at 484-3044.

Top speakers to address Sun City conference

182
176

Sowetan 15/10/90

ANC's director of international affairs Thabo Mbeki will address the annual convention of the Institute of Personnel Management at Sun City next week.

By ELIAS MOERANE

Mineworkers official Mr Marcel Golding, will look at various strategies to improve this imbalance.

IPM's 34th convention takes place between October 17 and 18. The theme of the conference will be "The new South Africa: Implications for human resources management".

Other speakers include Professor Charles Handy from the London Business School, Professor Thomas Kochan from Sloan School of Management, KaNgwane Chief Minister Enos Mabuza and the world's leading authority on down-sizing of companies Bob Tomasko from the United States.

Handy will discuss a topic entitled "Organisations of Tomorrow: the challenge for leadership". Kochan will present a paper on "Gaining competitive advantage from human resources and industrial relations policies - an international perspective".

Mabuza will speak on "People development priorities for the new South Africa".

Among the speakers to address a workshop on education crisis on the first day of the conference are Mr Ihron Rensburg, general secretary of the National Education Crisis Committee, and Mr Brian Angus, executive director of the Steel and Engineering Industries' Federation of SA.

The issue of uneven distribution of wealth will be discussed by a panel representing the full spectrum of South African society.

The panel, which includes National Union of

Black business to
take a look at its
stand on sanctions

176

THEO RAWANA

BLACK business organisation Nafcoc will take a fresh look at its stand on sanctions when it holds its 6th biennial summit in Venda on October 19.

The 1986 resolution, which was re-endorsed at the 1988 meeting in Bloemfontein, stipulated that Nafcoc would not take part in future efforts to encourage new investments in SA in all cases where blacks were not meaningfully involved.

It also said the organisation would not campaign to oppose disinvestment or sanctions.

Nafcoc public affairs director Gab Mokgoko said Nafcoc would begin at this three-day summit to formulate policy that would place it in position to play a vital role in the new SA.

"A fresh look will be taken at existing policy in the light of current developments, while new policy will be worked out.

"Unlike previous summits, which have taken place against a background of systematic repression, this meeting takes place against a background of far-reaching changes in the total life of the black man and the country as a whole," said Mokgoko.

Various reports

He added: "Top on the agenda is a resolution taken at the last annual conference in Durban which pledged that Nafcoc would serve as a unifying factor in promoting peace and better understanding among the different warring groups through consultation and negotiation.

"The Nafcoc resolution on sanctions, adopted at the 1986 summit and re-adopted at the 1988 Bloemfontein summit, also comes up for review."

Different regions will give reports on:

- Proposals for policy framework regarding land ownership;
- Proposals for policy framework regarding entry of blacks into the world of corporate business;
- Proposals for an action programme geared towards the promotion of ownership and control of productive assets of certain corporate businesses; and
- Nafcoc's continued participation as observer on the Preferential Trade Area (PTA).

BLACK BUSINESS F/M 12/10/90

AMERICA OR BUST

ANC deputy president Nelson Mandela and US ambassador Bill Swing were among the 400 political and business representatives at Sunday's gala send-off for 85 business leaders on an 18-day Black Business Observation Mission to the US.

They will visit five American cities, including New York, where the mayor will give them the key to the city.

Willie Ramoshaba of WR Consultants, who arranged the mission, had originally hoped to get 120 participants. The R14 000 price tag and foreign exchange limitations on would-be members from neighbouring countries kept the final total down, he told the gathering at the World Trade Centre near Jan Smuts Airport.

So as not to be seen as a sanctions-busting effort, the group is not calling itself a trade mission. But members are hoping to make contacts that will serve them well in the years ahead. One of the stops will be at McDonald's, the Chicago-based hamburger giant, where several members are expected to discuss franchising opportunities.

"We want to study at first hand how (the US) system works," says Dr Nthato Motlana, leader of the mission and chairman of the Get-Ahead Foundation. "We come from

BUSINESS & TECHNOLOGY

F/M 12/10/90

a country where a racial oligarchy created a socialist welfare system for the whites and virtually enslaved the blacks to subservience in this system. We blacks are thus without an entrepreneurial culture.

"On our visit we hope to learn from both black and white Americans how to turn the 80% of our people who have always been job-seekers into creators of jobs and wealth." ■

Industrial chamber launched for black manufacturers

THE emergent black manufacturing industry has been officially recognised with the launch of the National Industrial Chamber (NIC) by black business organisation Nafcoc on Tuesday. *BlPw 11/10/90*

Addressing the launch in Johannesburg, Nafcoc president Sam Motsuenyane said: "Among the specialised services in which the new industrial chamber seeks to provide assistance to emergent

THEO RAWANA

manufacturers are: The raising of finance, location and premises; procurement of raw materials and the pricing, marketing of manufactured products." (176)

Although the the chamber is part of the Nafcoc family, it is autonomous, with its own office-bearers and committee, membership funds, programmes and projects.

Sowetan 11/10/90

Exhibition a success

THE Caltex Oil Company-sponsored Small Business Week events which took place at four venues on the PWV area were a successful attempt to expose small entrepreneurs to the public, participants said this week.

The oil company had joined hands with the *Sowetan* Nation Building campaign to promote the more than 100 members of the informal sector who exhibited their self-manufactured and attractive goods in Mamelodi, Daveyton, Sebokeng and Soweto.

A number of exciting events, such as flea markets, fast food competitions, drum majorette processions and jazz bands kept the exhibitors on their toes during the three days of fun.

Mr P Kolobe, who displayed his carpentry and upholstery wares at the Sebokeng exhibitions, said: "I have always had problems with getting customers. Most patrons of the show have seen what blacks can do.

"I have been able to attract many people who promised me new deals. I am happy to have participated in the Small Business Week exhibitions which I read about in the *Sowetan*. It was a wonderful experience and exposure for me."

Mr J Mthembu, a Sebokeng plumber, said most people were not

By JOSHUA RABOROKO

aware of black plumbers in the townships. They often went to whites to seek help.

"Now that they have seen my work, they have promised to support my course."

Scarce

Repairing refrigerators in the townships was a scarce undertaking, so, Mr Simon Molahloa, whose enterprise was completely unknown, said: "The exhibition was an eye-opener to dozens of people who could not afford to pay transport to town and be charged huge amounts to repair their goods."

A self-taught builder in Daveyton, Mr Daniel Mashele, said he was able to recommend various schemes to home-seekers, especially in the low income group, how they could acquire homes easily.

"I am happy that most of our people will get cheaper deals for their homes, unlike the huge



A shoemaker displays his wares at the Small Business Week exhibition.

amounts of money they are normally expected to pay to white builders.

"There is a great shortage of homes in townships and there are people who take advantage of the situation by exploiting the poor," he said.

Frames

Ms Angel Skosana, who manufactures picture frames, said she was delighted to have received exposure after the *Sowetan* and Caltex sponsored the exhibitions in Mamelodi.

Skosana, who received the first price for exhibi-

ting the best stall, said she was proud to be winner and would make another appearance at the Small Business Week exhibitions. (176) (1347)

"I have gained more customers, I do not know how to thank you," she said.

Mr James Seutloadi of Caltex said generally he was very happy with the high performance staged by the exhibitors.

He was hoping that more people would participate in the next Small Business Week exhibitions.

He said it was however, regretted that the

Soweto exhibitions had to come to an abrupt end following a storm that swept the tent in which the exhibitors were displaying their wares. He urged them not to be discouraged but to keep up the spirit.

Message

His message to exhibitors was that they should improve their wares and consumers should "please take advantage of the cheap prices that you pay in the townships and compared them with those in towns".

Business

The Small Business Week aimed at making people aware of the ever increasing small business in the economy of South Africa, Editor of *Sowetan* Mr Aggrey Klaaste, said.

Use positive discrimination, urges Mbeki

By Paul 11/1/90

ANC international affairs director Thabo Mbeki yesterday urged the SA business community to accept the ANC's principle of affirmative action to redress economic imbalances.

Referring to programmes already initiated by business, Mbeki told the annual Sacob convention in Johannesburg there should be no need to argue the general principle of affirmative action.

Housing

"We speak here of affirmative action not as an act of charity or a means to assuage a guilty conscience, but as an instrument to achieve development, growth and

PETER DELMAR

equity," he said.

It appeared there was a strong case for favouring of the poor as regards housing.

"This would constitute affirmative action which would address a real and desperate need while assisting in the process of economic growth and bridging the gap between the haves and the have-nots."

Mbeki also proposed helping would-be entrepreneurs to overcome the problems of lack of collateral and high interest rates.

Mbeki said overseas investors should be made aware of the country's development goals and the

need to address inequalities as a consideration in their investment decisions.

There should be no fears that the ANC would do anything which would weaken or destroy the SA economy, he said.

Growth

"We take it as a given that we cannot solve our problems unless we have a strong and growing economy."

"We also take it as given that... growth in itself does not guarantee the achievement of the objective of equity."

Mbeki said the ANC was busy with a wide-ranging discussion on

ways to end poverty, and looked forward to discussions with business on evolving a possible joint consensus on "what needs to be done to abolish the Third World through development".

The ANC, he said, realised the First World economy was the engine of economic upliftment and that a strong, modern economy was needed to create wealth at an increasing rate.

Mbeki said business had to be involved in the process of bringing about a just political order.

It should also help end violence inside the country, he said, referring to efforts by business organisations to mediate in the Natal conflict.

ANNOUNCEMENT TO DISCERNING SMOKERS

Story of Success



Black business projects to get \$85m US loan

B1004 31/10/90

176

THE Import/Export Bank of America (Eximbank) is to fund black business projects in SA with a loan of \$85m.

And in a further development, several US companies, including McDonald's Hamburgers and Johnson and Johnson, are expected to announce extensions of franchises to black SA businessmen.

The moves were confirmed yesterday by business consultant Willie Ramoshaba, who co-ordinated the 65-man Black Business Observation team's visit to the US this month.

He said the loan, which would not be underwritten by local banks, was one of the major successes of the trip.

Details of the local projects would be released in due course, he said.

Ramoshaba said several companies, including McDonald's and Johnson and Johnson, had indicated they were interested in making franchises available to black businessmen.

"The funding by Eximbank, at 10,8% interest, is exempted from sanctions legislation in terms of Congressional approval which granted the bank power to back black business ventures," Ramoshaba said.

"The agreements have to respect the prevailing sanctions laws, so all, except the Eximbank agreement, will only come into effect after sanctions have been lifted," he added.

The US Consulate's senior commercial officer Richard Jackson said Eximbank, which finances US foreign trade, had been given authority to finance black SA ventures under the original sanctions legislation in 1986.

THEO RAWANA

He had not yet had any feedback from the US on the loan and had not spoken to local business on the matter.

Ramoshaba said the mission, led by Soweto civic leader Dr Nthato Motlana, was the first to get the support of sanctions lobbyists, and it was fully backed by black organisations in SA.

He said the US-based International Finance Corporation (IFC) was also considering various schemes to finance black business ventures in SA and was expected to make an announcement soon.

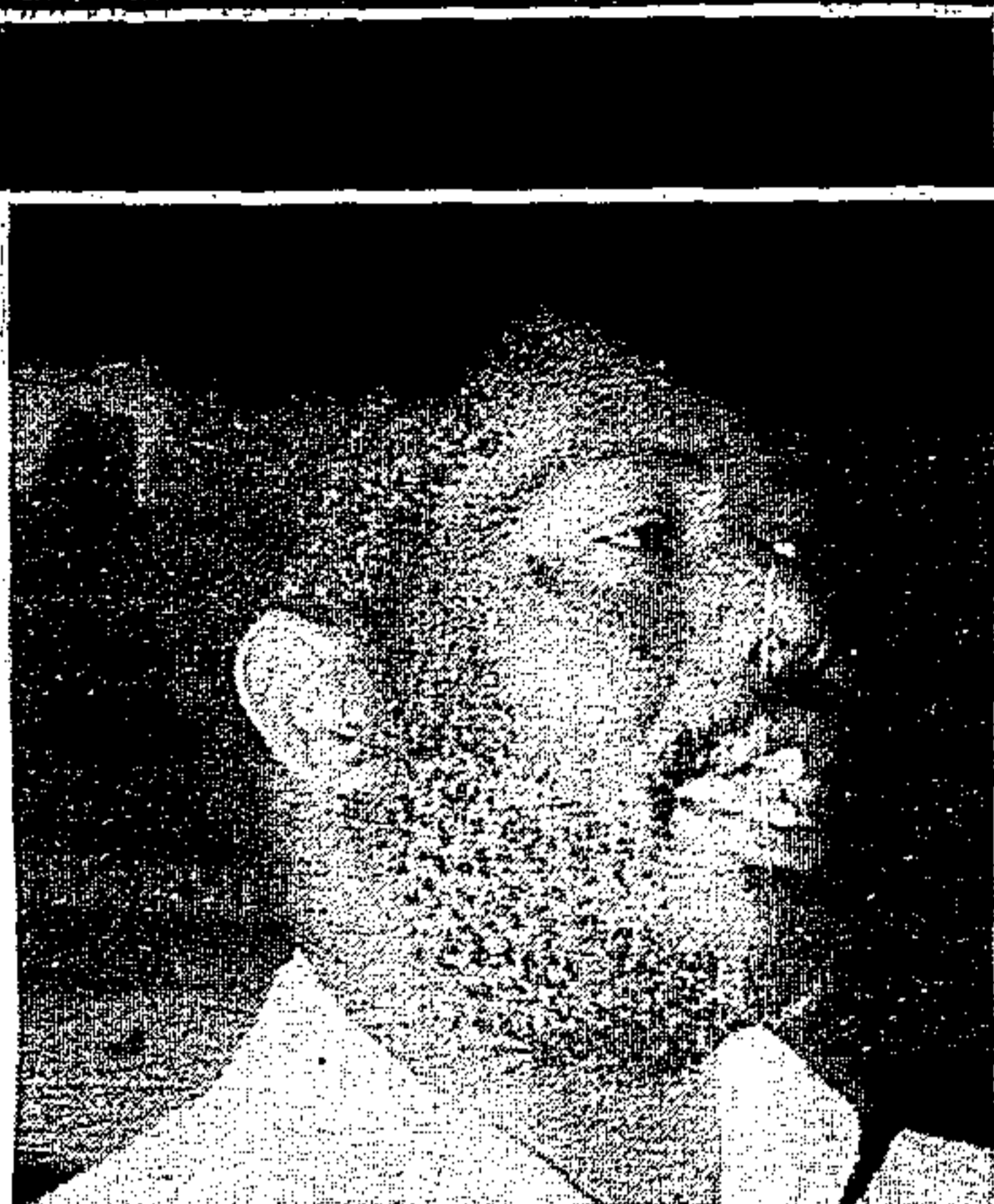
"We also expect an announcement from various entrepreneurs black investors who are fine-tuning schemes to invest in SA through the African Growth Fund, which we started before we left."

The objectives of the mission were to expose black businessmen to market opportunities in a First World environment, to show them how their counterparts did business with new ideas and technology, Ramoshaba said.

The team also set out to interest black Americans in doing business with blacks in a post-apartheid SA and look at the possibility of future funding of black business projects.

The mission left SA on October 7 and returned last week.

□ In July, ANC deputy president Nelson Mandela wrote to US Congressman William Gray, a leading proponent of sanctions, asking him to support the SA business leaders' mission.



Mr WILLIE RAMOSHABA

Mission to US was an eye-opener: delegates

Sowetan 29/10/90

By JOSHUA RABOROKO

THE 65 black business people, who went on an "observation mission" to the United States, were not used as sanction-busters, the executive director of WR Consultants, Mr Willie Ramoshaba, said when the group arrived back in Johannesburg.

Addressing a Press conference at Jan Smuts Airport, Ramoshaba, who was a coordinator of the mission, said there were many black Americans who were interested in pumping money towards the economic development of South Africa entrepreneurs but were hamstrung by the sanctions lobby in their country.

He said that the American community was sympathetic towards the plight of blacks and had indicated that they would only invest in the country once apartheid was dismantled.

The International Finance Corporation and the African Development Bank were prepared to help black businessmen develop, especially in the fields of manufacturing, agriculture, import and export trade.

The group, consisting of black entrepreneurs from South Africa, Botswana, Malawi, Lesotho, Swaziland and Zimbabwe, visited Los Angeles, Chicago, Washington and New York, where they exchanged views with their counterparts.

Among the leading personalities on the tour were Dr Ellen Kuzwayo, second

vice president of Fabcos; Dr Nthato Motlana, chairman of Get Ahead Foundation; Mr James Ngcoya, president of Sabta, and Mr Philemon Makhetha, chairman of the Greater Soweto Chamber of Commerce.

There was disappointment from some of the relatives who had come to welcome their loved ones when it was announced that through a fault by travel agencies, some of the tourists were left stranded in Zambia. However, they were expected home at the weekend.

Apartheid must end

At the Press conference, Mr S Molefe, a member of the SADCC from Botswana, said South Africa should dismantle apartheid if it was to be accepted by the international community, especially African states, as a trading partner.

The president of the National Stokvel Association of SA, Mr Kehla Lukhele, said the Americans welcomed the South African concept of stokvels. They had their own stokvels and wanted to exchange ideas with their counterparts elsewhere.

Most of the people who went on the tour said the mission was an eye-opener. "We will be able to plough what we gained in our businesses and the community," Mrs Mary Mabaso said. "Our black women have to be exposed to business."

Nafcoc gives big business 10 years to redress balance

BY MONDLI MAKHANYA

BLACK businessmen have given corporate South Africa 10 years to redress the lack of black participation in the formal sector.

This was one of the demands of the National African Chamber of Commerce and Industry which held its sixth Summit Conference in Venda last weekend. A landmark decision was taken to open membership to all races.

Nafcoc drew up a four-point programme for big business to give meaning to the Black Economic Empowerment campaign. It recommended that within 10 years:

- All JSE-listed companies listed should have 30 percent of board members drawn from the black community
- 40 percent of their shareholdings should be controlled by blacks
- 50 percent of outside purchases should come from black suppliers and contractors
- 60 percent of top managerial staff and personnel should be black.

Nafcoc executive director Mofase Lekota said the organisation had "a lot of ideas" as to how this could be achieved and would discuss its strategies with big business.

Pointing out that the recommendations were based on research, Lekota said: "We are flexible about the issue of percentages. We just want them to agree about the principle of increasing the level of black representation."

Another resolution was that Nafcoc should play a leading role in designing a new economic system and its economic commission should draw up such a document "as a matter of urgency".

"However, we cannot set a deadline because it will have to be in-depth research. The whole thing may take up to two years but reports will be issued periodically," he said.

Nafcoc opens its doors to all races

Sovetem 23/10/90

176

229

THE National African Federated Chamber of Commerce resolved at the weekend to open membership to all races but stopped short of calling for the lifting of economic sanctions against South Africa.

In resolutions adopted at the sixth National Sum-

By MATHATHA
TSEDU

mit Conference held at Thohoyandou, Venda, Nafcoc also demanded that to ensure "tangible expression and meaning to black empowerment", all companies listed on the Johannesburg Stock Exchange should, within the next 10 years:

- * have at least 30 percent of their board members from the black community,
- * at least 40 percent of their total share holdings must be controlled by the black community,
- * 50 percent of the value of their outside purchases must come from black-owned suppliers

and contractors, and

* at least 60 percent of their top managerial and professional personnel must come from the black community.

The two-day conference also commissioned the drafting of an economic framework that will address "the needs of a free South Africa".

The conference further noted "with sadness that centuries of deprivation, humiliation, and naked oppression" had led to the loss within the black community of the values of creativity, self-reliance and self-confidence.

A campaign designed to "resuscitate these well-treasured" black values must be embarked on.

In an interview after the conference Nafcoc president Dr Sam Motsuenyane said the country was moving into an integrated society and there was pressure on his organisation to review its exclusivity.

Membership would, however, still be restricted to those who believed in the principles of freedom, justice and equality.

He said Nafcoc had not imposed sanctions and could, therefore, not lift them. The organisation was, however, calling on the Government to "expedite the implementation of an equitable political settlement that would bring about the lifting of sanctions".

'Business must aid political leaders'

By JOSHUA RABOROKO

BLACK business people have been called upon to help political leaders in transforming South Africa into the economic giant of the continent, in particular in the Southern Africa.

In a keynote address to the annual conference of the Afro-Hairdressing and Beauty Association of Southern Africa (Ahabsa) in Johannesburg yesterday, the executive chairman, Mr Xolani Qubeka, said without a strong economy, there could be no happy future for South Africa. In fact, he said, there could be no peace at all.

Unite

He called members of Ahabsa to join hands with manufacturers so that the hair industry could become a united force for the advantage of all the children of the country.

He said blacks would have to strive for education and training if they wanted to improve their lot.

The business community had more challenges to face once the Group Areas and other laws were repealed because whites would infiltrate the townships.

Jobs

Also addressing the conference was the ANC's administrator, Mr Tokyo Segwale, who said that the informal sector, such as the hair and beauty industry, would have to be encouraged so that it could create jobs in the post-apartheid South Africa.

He said that the ANC had many strategies which would help empower black economically in the future.

He said nationalisation was one of the strategies, but, he added, it must not be seen to be ultimate end towards economic liberation.

He called on black business to send their contributions on the draft document which gave guidelines to the ANC's economic policy. By so doing, he said, business would be helping the movement to shape the new South Africa's economy.

Cabbsa bolsters team to aid small trader

176
Sowetan 22/10/90

A STRONG small business sector among blacks was vital if the current excessive unemployment situation was to be adequately addressed in a developing country like South Africa.

This was the message from the newly-appointed chairman of the Canadian Association for Black Business in South Africa (Cabbsa), Mr John Turpin, who said that it was the aim of the organisation to meet the challenges it faced in providing support services to black business that shows the potential to grow and create jobs. Turpin said that effective

BY JOSHUA RABOROKO

management and utilisation of resources was the key to the success of any small business, and it was here that he saw the association's greatest involvement.

At the same time Cabbsa announced the appointment of Israel Skosana as chairman and Mr Barney Tsita as chairman of the projects committee.

Skosana is the president of the Association of Black Accountants of South Africa, as well as a senior manager of an auditing firm, while Tsita is a senior consultant at

the University of Witwatersrand Centre for Developing Business.

Turpin said: "With these appointments, we believe we have strengthened our infrastructural support and we are now able to offer a better service to developing black business."

"We are now in a position to operate more efficiently and would welcome applications for assistance from the black business community."

Cabbsa provides support services in the following areas: marketing and positioning; feasibility studies; introduction to sources of finance; initial advertising and

promotion; bookkeeping; general business administration; target market analysis and marketing plans; and general counselling on business matters.

Another aspect of Cabbsa's activities is to

link successful black business with big business in order to encourage the latter to procure products and services from the former, without compromising standards, such as price, competitiveness and quality.

NO HANDOUTS NEEDED

FIM 2/11/90

Willie Ramoshaba and the 65 other members of the Black Business Observation Mission arrived in the US last month with the element of surprise on their side. Many of the Americans they met had no idea that SA had a viable black business community.

"We had the upper hand," says Ramoshaba, whose WR Consultants organised

FIM 2/11/90

the 18-day trip to New York, Chicago, Washington, Los Angeles and Atlanta. "We had conceived the trip, spearheaded it and got *them* involved. They were shocked."

Americans were surprised to discover that some black South Africans think economics is just as important as politics. "They thought blacks were only interested in politics. We showed them that we are not Third World and we don't need handouts."

Though most of the trip involved laying the groundwork for post-sanctions business deals, one immediate result was a working agreement with the Import-Export Bank in Washington. Previously, the bank's loans had to be guaranteed by a local bank.

"The mission managed to change that. If you're in business and black and have a good idea, then they are prepared to do deals and loans. And it doesn't depend on sanctions (which never applied to doing business with blacks). They will do deals of \$85 000 and upwards, though they prefer to start at \$200 000. We feel that we have brought something to the folks back home."

Ramoshaba says the two issues that came up in each of the five states visited were violence and nationalisation. They answered the inquiries by asking for help with the obvious problems.



Ramoshaba

"We need them more during these times. They shouldn't stand on the fence. We need their input now, not later. They have got the experience we can draw from."

In the next year, he expects about 200 Americans whom they met during the tour to come to SA. But he and the other mission members cannot handle those numbers. "We need help from companies and individuals with the expertise and resources to properly and professionally manage the visitors or else they will go home with the totally wrong impression of this country. We need to give

them the same kind of reception they gave us."

Plans for another mission next October are already in the talking stages. The Far East and Europe are the top candidates.

One regret? "We should have had President Bush on our schedule." ■

South Africa's lack of scientific skills disastrous

Sowetan 1/11/90

176

SOUTH Africa's future welfare may rest heavily on its ability to resolve a crisis in black education.

"I think it is no exaggeration to say that our future constitutes a race between education and disaster," says Kennedy Maxwell, former president of the Chamber of Mines mineowners' association.

Maxwell is one of many prominent businessmen to voice concern over the critical lack of skills needed to support a prosperous post-apartheid society.

Education

"To say that there is an education crisis is a gross understatement," declared John Kilroe, chairman of Shell South Africa.

Brian Clark, president of the state-funded Council for Scientific and Industrial Research, describes the country's technological backlog as frightening.

"Today anyone worth his salt in the developed world knows that science and technology are the major levers generating economic growth," he says.

Yet in South Africa, scientists and engineers make up only 1,7 percent

of the population, well below the world average of 2,3 percent and nowhere near the 8,5 percent of Israel and 12,6 percent of North America.

Maxwell says vocationally-oriented studies which have produced economic revolutions in Pacific countries such as Taiwan and South Korea are virtually unknown in South Africa.

It has 23 000 artisans in training when it should have 100 000. Compared with Australia's 800 000 students in technical education, South Africa, with double the population, has 60 000, he says.

The crisis has its roots in an education policy instituted by Hendrik Verwoerd.

As Minister of Native Affairs in 1953, he introduced Bantu Education, portraying blacks as fit only for menial work.

"What is the use of teaching a Bantu maths?" Verwoerd once asked. "There is no place for him in the European community above the level of certain forms of labour."

The Government spends nearly five times more on a white child's education than it does on a black child. The result, by some estimates, is that up to a half of the country's adults are illiterate,

while half of school-age youngsters do not attend classes.

Those that do are crammed into dilapidated, overcrowded schools where textbooks are shared by up to three pupils.

Malnutrition stunts potential. Black teachers are underpaid, many of them are underqualified, and there are far too few to cope.

Of every 10 000 black school entrants only 130 achieved school-leaving certificates last year. Only one of those passed with mathematics and one with science. A mere two percent of black adults continue formal studies beyond school.

Uprisings

Black uprisings in the 1970s and the 1980s, which spawned the slogan "Liberation before education", contributed to school boycotts and what commentators call a lost generation.

"A situation in which a school certificate is a far less effective weapon in the battle for jobs than is a driver's licence, provides a strong disincentive to learning," the Standard Bank Investment Corporation remarked in a recent review. - Sapa-Reuters.

Bank denies report on aid to SA blacks

Sowetan 2/11/90

176

By THEMBA MOLEFE

THE Export-Import Bank of the United States, a government agency that promotes and finances foreign trade, has rejected a report that it is to give South African black business a R212.5 million boost.

In an interview with *Sowetan* in the United States, an Eximbank spokesman said: "We have received no application, approved no loans and have not been approached for these things."

"Besides, the agency has no intentions of funding black business in South Africa."

He said the bank complied with the Comprehensive Anti-Apartheid Act of 1986 which enforces sanctions against South Africa.

The bank was reacting to South African reports by executive director of WR Consultants Mr Willie Ramoshaba, who coor-

minated the 65-man "Black Business Mission" team to the US last month, that the US agency would finance black business projects in South Africa to the tune of R212.5 million.

The report also said US companies, including McDonalds, Hamburgers and Johnson and Johnson, were expected to announce extensions of franchises to South African blacks.

However, Ramoshaba, who spoke to *Sowetan* in Johannesburg yesterday, said he was misquoted and indicated that the newspaper report was inaccurate.

He said that he had met a top official of the bank, a Mrs Ann-Marie Mallet, on several occasions and discussed the possibility of financial assistance to black businesses in South Africa.

"I personally made a

proposal for a business venture to Eximbank, but this was not successful because my application could not meet certain demands, which included a minimum loan of about R215 000," he said.

During the US tour by South African black business people he had met the official and discussed the issue of financing export-import projects between the two countries.

Ramoshaba said at that meeting it was suggested that black business people submit their proposals for export and import projects to the bank.

This would, however, depend on requirements needed for such ventures, including bank guarantees and ideas of the business to be undertaken.

He said the discussions had resulted in a working agreement with the bank in Washington. The mission had managed to discuss with and changed the minds of many US business people.

ANC man, Investec in new investment trust

LESLEY LAMBERT

CAPE TOWN — Investec Bank has joined a group of black business leaders, including a senior ANC member, to create a new retirement investment trust aimed at "economically empowering" the mass black market. *Blom 22/11/90*

The National Investment Co-operative Trust (Nico) was designed by former Sanlam manager David Geary and is negotiating to manage major corporate and trade union retirement funds.

Investec subsidiary Metboard Asset Management (MAM) will manage the funds it attracts, while broader policy decisions will be made by a board of trustees dominated by black business leaders such as Black Management Forum president and head of the ANC's Natal economic task force, Don Mkhwanazi, and Nafcoc vice-president Max Tlakula. *(176)*

Investec chairman Bas Kardol and PG Bison director and Consultative Business Movement co-chairman Christo Nel have also been appointed as trustees, while Geary will act as managing trustee.

Geary and Nel said yesterday the trust would aim to economically empower the black market by giving it more direct control of the assets in which its retirement funds were invested. This would be achieved through a board of trustees more representative of the target market.

An important but potentially controversial part of the process would be to build up

□ To Page 2

New trust *Blom 22/11/90*

influential stakes in smaller listed companies, they said.

"Up to now, the funds invested by this market have been used for the economic empowerment of the massive life assurance companies," said Geary.

"By establishing a black-controlled board of trustees who will be able to exercise the voting rights attached to shares in the portfolios... we will make retirement investment a more democratic process."

Geary said that while negotiations with some funds had reached an advanced stage, the corporate sector had expressed

(176) □ From Page 1
concern about responsible trusteeship and investment performance. Trade unions, on the other hand, had wanted assurances that greater worker participation in companies would not undermine their collective bargaining position by shifting bargaining into the boardrooms.

Other trustees are: Transkei University principal and Independent Development Trust trustee Wiseman Nkuhlu; Hulett Refineries personnel director J B Magwaza; UCT Commercial Law professor Dennis Davis; and Association of Black Accountants of SA head Willie Ramoshaba.

17 US firms in SA 'on probation'

WASHINGTON — The US State Department has placed 17 firms "on probation" after judging that their SA subsidiaries had taken inadequate steps to train and promote black employees and had been insufficiently active in community development.

One company, National Utility Service, has been assessed as "failing to meet the basic requirements" of the labour code contained in the Comprehensive Anti-Apartheid Act, and faces loss of government export assistance.

Nine firms are deemed to be making "satisfactory progress".

The findings are contained in the State Department's latest annual report on the conduct of US subsidiaries whose parents

BIDM 15/11/90
SIMON BARBER

do not subscribe to the Statement of Principles and monitoring system that grew out of the old Sullivan Code.

The report urges all US companies still in SA to stay put because "a continued American business presence in post-apartheid SA will remain a vital contributor to growth and equal opportunity".

It issues a plea to state and local governments — whose punitive policies against firms with SA ties have been a major factor in the withdrawal of US investment — "to react positively to further progress in SA".

Eighty-five US firms registered with the

□ To Page 2

US firms

department last year with an aggregate SA workforce of 27 918, down from 37 693 in 1988. BIDM 15/11/90

Twenty-seven companies opted to answer a State Department questionnaire rather than submit to the Arthur D Little audit performed on those companies that signed the Statement of Principles.

Subsidiaries of companies placed on probation include Echlin-Charger Manufacturing of Johannesburg, Precision Valve of Randburg and National Standard Co of Uitenhage. The report does not explain what "probation" entails.

All companies, except NUS, whose returns were incomplete, were judged to have met the basic standards set by the CAAA. These included an appropriate minimum wage — averaging R787 a month.

Overall, wages for black employees in

the reporting firms averaged R1 434 a month for salaried workers and R1 089 for hourly workers — an increase of 33% and 23% respectively over 1988 levels.

Also up dramatically were per capita expenditures on employee training and education — from R187 in 1988 to R323 last year.

The firms claimed to have spent a total of R4.2m on non-employee education and community development in 1989, up from R1.6m in 1988.

Others on probation are: Wynn's Car Care Products, Air Express, Buckman Laboratories, Consolidated Pneumatic Tool Co, Coulter Electronics, Erierz Magnetics, L & M Radiators, MacDermid, Preformed Mine Products, Salsbury Veterinary, Schenectady Chemicals, Simplicity Patterns, Lohmann & Co, and Wilbur-Ellis Co.

176 □ From Page 1

SOWETAN BUSINESS

SAB boost for small business development

Sowetan

5/11/90

176

By JOSHUA RABOROKO

SMALL business development should be encouraged by all companies concerned about a strong, integrated economy and in order to create thousands of jobs between now and the turn of the century.

This was said by Mr Geoff Johnson, general manager SAB; Isando Beer division, when he handed over grants totalling R235 000 to 11 small business development organisations.

The money was presented at a ceremony in Isando to the African Council of Hawkers and Informal Businesses (Achib); the Free Market Foundation; Dilate African Management Services; the Junior Achievements Organisation; the Sowetan Business Plan

Project; Matchmaker; Get Ahead Foundation, Small Business Education and Training Academy; Zishap, Business Achievers Foundation and the Get Up Fund.

Johnson said: "SAB has repeatedly stressed that a healthy company can survive only in a healthy environment. A healthy environment requires the creation of an economy that has strong links between big and small business.

"It is the small business sector that will create jobs needed between now and the turn of the century. It has a growth rate, but we believe it needs more support.

"At SAB, we pride ourselves on our relationship with the small business sector. Its systems are appropriate for the future environment and we are delighted to be able to continue our support for groups like those here today."

He said to create jobs needed it required an economic growth of at least five percent. Unfortunately, South Africa's track record for the



SAB's Isando beer manager Mr Geoff Johnson (centre) congratulates the executive director of WR Consultants, Mr Willie Ramoshaba, and director of Small Business Education and Training Academy, Mr Lucas Ntuli, at a presentation ceremony.

past six months was only about one percent.

"If that trend were to continue there will be between seven and nine million unemployed people in the formal business sector by the year 2000.

"According to our information, the informal business sector already provides jobs for about three million people in this country and there is potential for this figure to rise to eight million by the turn of the century with continued support, particularly from big business.

Achib will use the grant to support thou-

sands of spazas, Free Market Foundation will enable 50 hawkers to attend training sessions; Dilate will provide loans to various entrepreneurs, Junior Achievement will set up an education trust; Sowetan will help set up training courses; Matchmaker will help the body to organise its annual fair; Get Ahead will support a

glass manufacturing company in Soweto; Zishap will help the disabled and Achievers Foundation will provide funds to help groups of women buy raw material.

All the organisations represented at the ceremony thanked the SAB for the contribution aimed at helping the small entrepreneurs.

Insurers urged to heed ANC

Sowetan 8/11/90



LIFE insurers have been warned not to resist the initiatives of the ANC in requesting that "a fraction of pension and provident funds be directed to socially responsible projects".

The warning was sounded yesterday by Mr Don Mkhwanazi, convenor of the ANC task force for economic policy for Natal.

Speaking at the economic development conference in Durban, Mkhwanazi said a future South African government would be forced to intervene if current levels of deprivation among the black population were not addressed.

He called for "socially responsible behaviour"

SA Press Association

on the part of financial institutions and big business and asked why the voice of big business - which was often a major shareholder in financial institutions - had not been heard on the issue of raising funds.

Big business should be insisting that pension fund managers should invest a fraction of their funds in projects which assisted disadvantaged communities, he said.

"There are still an endless number of companies which do not even have a housing policy. They believe that by donating funds to the Urban Foundation, they are fulfilling their obliga-

tions. But they must remember that charity begins at home.

"If corporate South Africa does not begin at this late hour to invest in management and skills training, it will face the consequences of its actions further down the line," he warned.

Calling for management approaches and philosophies to be changed, Mkhwanazi said that to date, many millions had been poured into small business and the informal sector.

"But, in fact, black participation in the mainstream of the economy is essential. The growth of the informal sector is actually an indictment of big business for failing to create job opportunities." - Sapa.

Bank denies report on aid to SA blacks

By THEMBA MOLEFE

THE Export-Import Bank of the United States, a government agency that promotes and finances foreign trade, has rejected a report that it is to give South African black business a R212,5 million boost.

In an interview with *Sowetan* in the United States, an Eximbank spokesman said: "We have received no application, approved no loans and have not been approached for these things."

"Besides, the agency has no intentions of funding black business in South Africa."

He said the bank complied with the Comprehensive Anti-Apartheid Act of 1986 which enforces sanctions against South Africa.

The bank was reacting to South African reports by executive director of WR Consultants Mr Willie Ramoshaba, who coor-

dinated the 65-man "Black Business Mission" team to the US last month, that the US agency would finance black business projects in South Africa to the tune of R212,5 million.

The report also said US companies, including McDonalds, Hamburgers and Johnson and Johnson, were expected to announce extensions of franchises to South African blacks.

However, Ramoshaba, who spoke to *Sowetan* in Johannesburg yesterday, said he was misquoted and indicated that the newspaper report was inaccurate.

He said that he had met a top official of the bank, a Mrs Ann-Marie Mellet, on several occasions and discussed the possibility of financial assistance to black businesses in South Africa.

"I personally made a

proposal for a business venture to Eximbank, but this was not successful because my application could not meet certain demands, which included a minimum loan of about R215 000," he said.

During the US tour by South African black business people he had met the official and discussed the issue of financing export-import projects between the two countries.

Ramoshaba said at that meeting it was suggested that black business people submit their proposals for export and import projects to the bank.

This would, however, depend on requirements needed for such ventures, including bank guarantees and ideas of the business to be undertaken.

He said the discussions had resulted in a working agreement with the bank in Washington. The mission had managed to discuss with and changed the minds of many US business people.

176

Sowetan 2/11/90

EUROMONEY CONFERENCE

Nafcoc maps out black advancement

CAPE TOWN — At least 30% of JSE-listed companies' boards must be black, 40% of shareholders must be black, 50% of outside purchases must come from black-owned suppliers and 60% of top managerial and personnel must be black, a Nafcoc resolution states. *Blom 27/11/90*

Nafcoc president Sam Motsuenyane told the Euromoney Conference yesterday this should be achieved within 10 years if not sooner to restructure the formal economic sector to include blacks in its ownership, management and operational activities.

He said Nafcoc had decided at a conference in September this would give expression and meaning to black economic empowerment.

While the business community was concerned at how a post-apartheid government would solve the problem of redressing the imbalances in the economy, it had a responsibility to make positive proposals as to how these could be redressed.

Other areas which required attention were black access to land and capital, labour mobility and access to education and training of good quality.

To attend to land ownership discrepancies, the Lands Acts of 1913 and 1936 had to

be scrapped as well as the Group Areas Act. This step was already envisaged by government, Motsuenyane said.

The farming industry had to be de-racialised and black and white farmers be given the same recognition by government.

The various agricultural departments should be rationalised to ensure the optimisation of resources, and an appropriate funding structure established to help individual black farmers or syndicates to buy state or white-owned land.

The communal land tenure system in the homelands had to be revised to allow individual ownership and title to land, and new training centres for black farmers and farm managers needed to be opened to improve their level of performance and managerial abilities.

Black access to capital, while it had been improved recently, still suffered from the lack of collateral, fixed property or long-term investments.

On the education problem, he said to achieve satisfactory levels of economic growth SA had to produce the right quantity and quality of specialists, managers and leaders in every facet of professional, technical or academic education. The present system fell far short of meeting these demands. — Sapa.

SOWETAN BUSINESS

Black builders are angry, frustrated and helpless

176
~~177~~
~~178~~
~~179~~

LACK of education and training, lack of finance and credit facilities, legal restraint and exploitation, had continued to face black builders in South Africa, the director of the Southern Africa entrepreneurial development, Mr Colin Griffith, said yesterday.

Speaking at the presentation of certificates to Soweto builders, he said that it was hardly surprising that many small builders joining the course expressed anger, frustration and helplessness.

By JOSHUA RABOROKO

He said: "Once on the course, they soon find that they are not alone with their problems and over the months which follow they gain in knowledge and self confidence.

"We have seen many

examples of builders on our courses taking individual and group initiatives to address their problems and bring about changes in their own environment. The formation of the Isoseng Builders Association in Soweto

last year is one such example.

In addition to the individual development which took place, "we believe that the more builders who receive our training the greater will be the synergy effect."

He said that in metropolitan areas like

Soweto with its relatively large number of builders, the synergy potential was important. a point which has gone unnoticed by the Soweto Developers Liaison Forum.

Relevant

"In making our courses relevant to the needs of specific communities we have identi-

fied a number of local builders who were willing and able to assist us as instructors. One such man, who worked with both of the groups receiving certificates today, is Christopher Jiyani. I would like to thank him for the help which he has given us and ask you to show him your appreciation," he said.

He announced that by the end of the year they would have run 40 courses at either introductory or intermediate levels in various parts of the country. Of these, seven introductory and four intermediate courses have been run in Soweto.

The intermediate certificates awarded have the necessary entrepreneurial skills to manage a small building contracting business. However, what has excited them most in conducting these courses, has not been the skills learnt but the change of attitude demonstrated.

SBDC seeks more capital for projects

B 1 Day 28/11/90 (176)

Reports by
CHARLOTTE MATHEWS

THE Small Business Development Corporation (SBDC) is investigating new ways to put its properties into the hands of its black tenants as part of its business development programme.

So far the SBDC has sold 85 projects worth R90,4m to tenants, but it is now trying to harness outside capital to enable blacks to acquire property.

Senior GM promotions Dawie Crous says most blacks have been excluded from owning property for historical reasons. This is now changing.

By selling its properties to its tenants, the SBDC will provide black businessmen with collateral and make more money available to invest in other developments.

Crous says the scheme will be possible only if funding comes from outside the SBDC, which has R249m invested in completed properties with a total lettable area of close on 800 000m². It has about 3 000 tenants employing nearly 30 000 people.

Its property holdings include industrial hives, general commercial facilities and industrial parks. Industrial hives are usually factory buildings which are refurbished and divided into a number of units.

The hive concept, which is central to SBDC policy, developed out of a disinvestment by a major company, which left factory premises vacant.

The SBDC was able to provide space and a range of support services for local entrepreneurs.

Support services include information, advice, training and marketing assistance. It has industrial hives at Pennyville to

the north of Soweto, with 600 occupants, and Chatsworth in Durban, accommodating labour-intensive textile industries. There are also hives in Witbank, Phoenix, Blackheath, Silverton, Maritzburg, Worcester, Paarl and Wadeville.

The SBDC's latest completed industrial park is the R3,4m Arcadia Business Park in East London, which was officially opened last week.

It is on the site of the old Transnet mechanical workshops, which were leased to the SBDC for a nominal R500 a year.

Crous says the SBDC tries to achieve a net return of about 6% on its properties in spite of the fact that rents could be as low as R4/m² in some hives. He says the SBDC can do this because it generally uses shareholders' funds instead of loan funding.

"Our hives have been opened to all races and include both big established businesses and small entrepreneurs as tenants, because there is synergy between the different businesses."

"In many cases the people in the hives were unemployed but had specific skills. We found we could make those skills useful to the market by giving assistance with marketing."

Projects under way include Hennops Park, a light industrial development, and another hive, Eriksen's Ford.

To date the SBDC has granted R915m in loans. It has played a major role in deregulating the economy.

Nafcoc plea for black top brass stirs storm

SI Times 2/12/90

176

DERISION has greeted Sam Motsuenyane's demand for a radical programme of affirmative action

The president of the National African Federated Chamber of Commerce (Nafcoc) told delegates at the Euromoney magazine conference in Cape Town this week his organisation had resolved that within 10 years:

- All companies listed on the JSE must have at least 30% of black board members;
- At least 40% of their total shareholding must be controlled by the black community;
- At least 50% of the value of their outside purchases must come from black-owned suppliers and contractors;
- At least 60% of top managerial positions must be held by blacks.

Guidelines

Business leaders said the demand was totally impractical, and the Financial Mail wrote that "it is difficult for us to reconcile Nafcoc's desire for economic growth, backed by the efficient allocation of resources, with its willingness to see both processes impaired — at obvious cost to black job creation — by the application of racial quotas to the running of quoted companies".

It said: "The object of a free SA must be to ensure that wealth and income flow to those with merit — not to those with a certain skin colour."

But Mr Motsuenyane says there is no need for alarm.

"These are merely guidelines. We do not aim to dictate to business. Instead, we would like to work with them on issues that need to be addressed.

"We certainly do not want to see tokenism or promotion without merit. We do want more education and training and more formal inclusion of blacks in the economic structure."

JSE president Tony Norton says the 10-year target is ambitious.

"The concept of black involvement is not only laudable morally, but physically essential. However, you cannot have a public market with a quota of shareholders. That is self defeating.

"On the other hand, we would be delighted if, through natural economic

By CHARMAIN NAIDOO

forces, the number of black shareholders increased."

Mr Norton believes revolutionary change should be avoided.

"I am an evolutionist. Change is necessary, but we need to avoid excesses."

Jimmy McKenzie, senior general manager at equal-opportunity employer First National Bank, says the bank has been on the course suggested by Nafcoc for many years.

The bank employs 25 000 people, 40% of them black and 560 in managerial and supervisory roles.

"It takes about 10 to 12 years to train a young person to become a competent banker. It does not happen overnight.

"For companies starting now, there will necessarily be a long catch-up period."

SA has had growth of less than 2% for the past decade. It is locked into a recession where retrenchments are more the rule than hiring people.

Mr Motsuenyane says: "I believe R50-billion needs to be allocated to education and training.

"That is three-quarters of the Budget and sounds implausible. But over 10 years at an additional R5-billion the figure becomes less daunting."

When sanctions are dropped, the cost of servicing foreign debt will fall. When duplication in the public service ends, the money saved should be spent on priority issues like education.

Agent

"We need to persuade the private sector and the Government that we need an action programme. I hope companies will show an interest.

"Since the mid-1970s the private sector has been an agent for change. But it is expected to do much more.

"This is a Nafcoc initiative and we have not consulted the ANC about the issue. However, we will talk to it."

Asked whether the 40% black shareholding figure is not unreasonably high, Mr Motsuenyane says: "Blacks will soon represent 85% of the population with whites only 10%.

"If we don't do something, white economic domination will supplant white racial domination."

Builders become own bosses

THREE black small builders have been rewarded for having the tenacity and the courage to realise their dreams.

Mr Khasha Goyose, Mr Joseph Fesi and Mr Jannie van der Colf, are ordinary men, who, after working for others for many years, decided to become their own bosses. And they wanted to own construction companies.

A few years ago they joined the South African Housing Trust's Small Builder Programme and they have become national winners in the programme's first Small Builder of the Year competition. Khasha in the basic category, Joseph in the intermediate section and Jannie in the advanced sector.

Many companies, large and small, pay lip service to job creation. Many of the unemployed lack the get-up-and-go to polish their skills and increase the chances of their future employment.

Small building firms

By JOSHUA
RABOROKO

schooled in the disciplines of affordable shelter provision are a national asset - as are skilled individual craftsmen used to working in this testing environment. (176)

The SAHT has vigorously sought to nurture this type of entrepreneur and this type of skilled building industry workers. Its Small Builder Development Programme is unique.

It is also central to the SAHT mission, which involves not only the provision of affordable shelter, but the creation of jobs and entrepreneurial opportunities within poorer communities.

It liaises with industry bodies and training institutions in order to fit entrants to the building sector with basic skills. The workers are then able to market their skills to small builders working on developments facilitated by the trust.

SOWETIAN BUSINESS

Strong trade links beckon new S Africa

sowetan 6/12/90

BY ALI MPHAKI

EXISTING trade links in the southern Africa region will be significantly strengthened during the post-apartheid era, Gaby Magomola, executive director of Fabcos told a conference organised by the Confederation of Zimbabwe Industries (CZI) this week.

He said already, some trade interface coordinated by organisations such as the South African Trade Organisation (Saflo) has been occurring at a low-key level. "It must, however, be

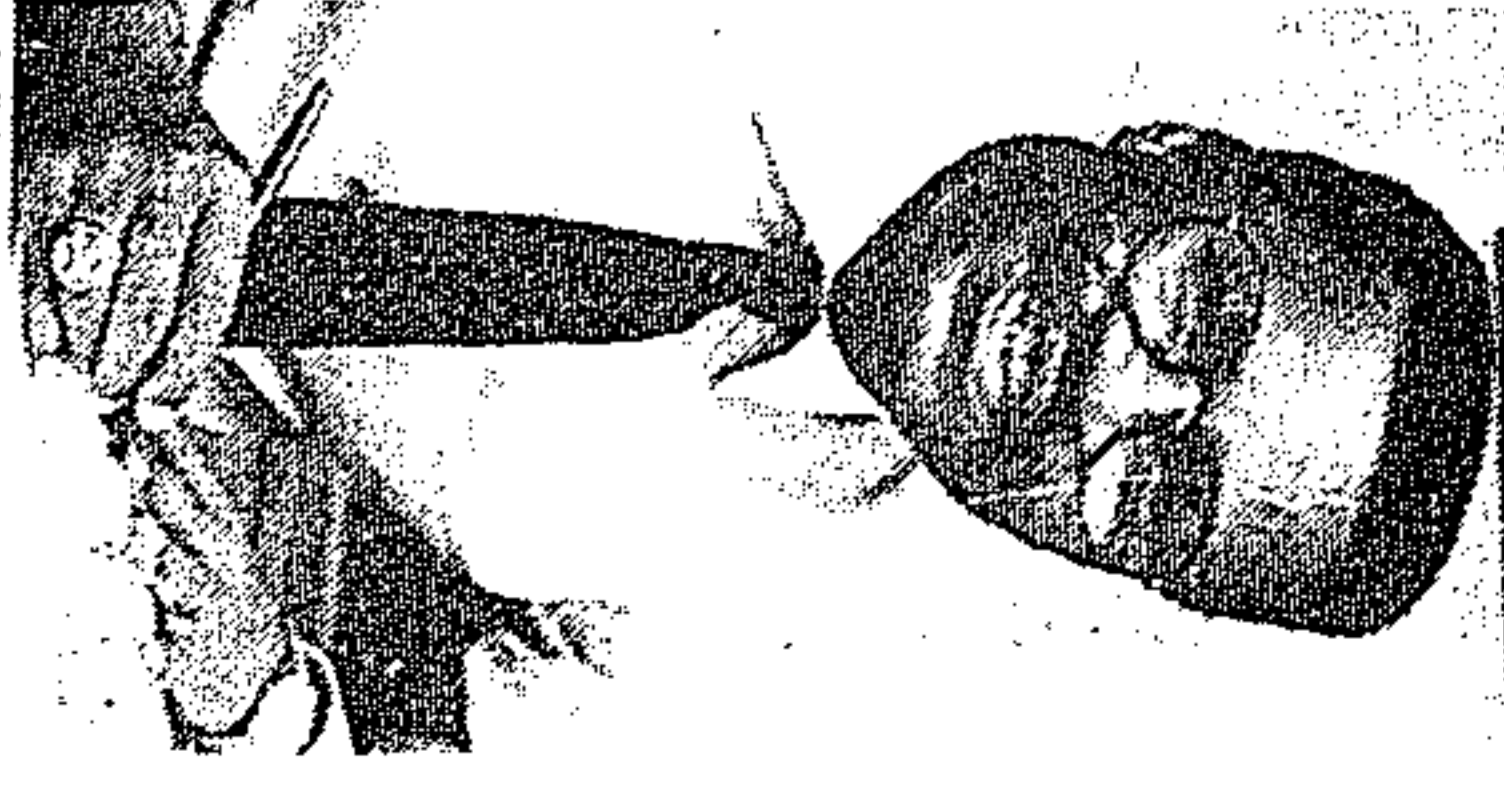
stressed that any trade that has taken place with South Africa has excluded the indigenous traders," Magomola said. Magomola, together with Mr Cyprian Lebeso, Fabcos general manager of satellite companies, represented their organisation at the conference.

Dr Sam Motsuenyane, the president of Nalcoc, also attended the meeting. Magomola said Fabcos was on the verge of estab-

lishing a trade company and links have already been forged with African businessmen as far as Kenya, Zaire and Tanzania. "One of the great prospects of businessmen within South Africa is that for the first time, African businessmen within South Africa will not want to be left out of the race for trading with their counterparts within the region," he said. "This exchange of

ideas, without one party dominating the other, will pave the way for thriving cross-border trade opportunities and will consequently expand the regional economy," he said. Other organisations which attended the historic conference included the Afrikaanse Handeclsinstituut, Federation of Black Chambers of Commerce and organisations representing bankers and accountants. All 10 countries of the Southern African Devel-

opment Conference and many members of the Southern and East African preferential trade area were also represented. A spokesman for the organisers said the conference was held in view of the political developments in South Africa. He said there had to be a coming together of some kind of working arrangements as to how a new democratic South Africa is going to fit into the regional economic structures.



GABY MAGOMOLA

Let's buy black

- Phil Khumalo

Sowetan 13/12/90

176

By ALI MPHAKI

IMAGINE Nelson Mandela buying his grocery at one of the black-owned stores? That would be symbolic and would give credibility to black business.

This is the view espoused by director of Business Challenge, Mr Phil Khumalo, in his year-end speech and challenges facing black business in 1991.

Khumalo, speaking in an exclusive interview with *Sowetan* yesterday, said black businessmen always uplift their politicians but the latter seldom reciprocate.

"I think its about time our political organisations initiated a move to support black business. Buying black would willy-nilly empower us to be economically strong.

"I think there are many commodities which could be sourced out through black hands. I yearn for the day when I would hear our leaders say on platforms that black business is imperative. Politicians must realise that the liberation of our country also depends on our economic power," he says.



MR PHIL KHUMALO

Khumalo stresses the importance of buying black and further exhorts politicians to persuade the people that black economic support is a major tool to get black business into the mainstream economy.

Khumalo warned black business that 1991 would be tough a year, what with the latest economic indicators reflecting a widespread weakness within the world's major economies, the US, Britain and France.

"While 1990 would go down as a bad year for black business mainly because of the political, unrest and the ungorvenable townships, there is a need for co-ordination and effective communication between business and politicians.

"It will be very foolish for us to look at

our economy after independence. That would be too late."

Lambasting some members of the black business community, Khumalo said some are just out there to make a quick profit.

He called for reconciliation between business and the community "as soon as possible", suggesting that black business should offer temporary jobs for students during school holidays.

Visible

"Admittedly, we have not been very much of assistance to our communities. While there are organisations like Nafcoc, Fabcos and others, we need individual business to play their role as visible as possible. Each businessman must make it his duty to employ temps during holidays."

He said he was worried about the shabby service offered at township shops, and urged each businessman to decide as policy that any staff member showing contempt to a customer should be dealt with as quickly as possible.

Shares for all, says PAC

THE PAC envisaged a post-apartheid SA in which companies would be "asked" to create funds to enable workers to buy shares, the organisation's Zimbabwe-based economist Siphoshe Shabalala said in Johannesburg yesterday.

Giving a PAC perspective at a seminar organised by the Wits Centre for Policy Studies and the Konrad Adenauer Foundation, Shabalala said to avoid over-capitalisation, existing shareholders would be asked to reduce their level of shareholding by selling part of their shares to workers.

Shabalala said new shares should be issued to workers where the problem of over-capitalisation did not exist.

"Here we are not talking about token share participation by workers, but sizeable magnitudes. The shares must also have voting rights attached."

The exact size and percentage could be

THEO RAWANA

investigated further with full participation by workers, management and government officials where considered necessary.

Saying the state would also directly or indirectly support the fund, Shabalala added: "The state might consider money contributed by existing firms to be tax-deductible within particular ranges of magnitude."

Legislation would be passed to ensure the involvement of workers in financing, investment and dividend/reserve decisions.

The right of workers to have access to information to enable them to participate fully in these decisions would also have to be legislated, Shabalala said.

Once the workers' needs had been seen

□ To Page 2

PAC

to, Shabalala added that direct taxation would be used to transfer income from companies to the state to enable it to effect the redistribution of wealth.

Through collective bargaining — subject to firms' capacity to pay, the need for employment generation and consideration of macro-inflationary effects — "income-denominated" wealth should be redistributed through wage increases in favour of African workers.

Shabalala said firms would be required to effect human resources training and

development programmes to enhance the skills of African workers and to open up promotion opportunities.

"Through the tripartite system and decision-making processes, it shall be made obligatory in labour terms for companies to contribute to the social benefits of their employees such as education of children, housing of workers, health and insurance, recreation facilities, etc."

The PAC-directed state would respect the articulation of workers' needs by the African workers themselves.

□ From Page 1

No listing planned for sorghum brewer

THE chairman of National Sorghum Breweries, the black-controlled company which has taken over government's near-monopoly share of the giant sorghum beer industry, has denied the company is planning a JSE-listing next year.

Chairman Mohale Mahanyele said this week a statement claiming that the company's 4500 employees would hold at least 25% of shares in the company had not been formally approved by him.

The statement was issued by a public relations consultant and quoted Mahanyele as saying the privatisation of government's

Business Day Reporter

stake in the industry would be completed next year.

Mahanyele also denied that NSB's 4500 employees would definitely hold at least 25% of the company's shares.

NSB owns 18 major breweries and has an 85% share of the R250m sorghum beer market. The state's sorghum interests were transferred from the IDC to NSB in July.

The statement said the company was debt-free with reserves worth "millions". A prospectus would be released in March.

The "spokesman" —

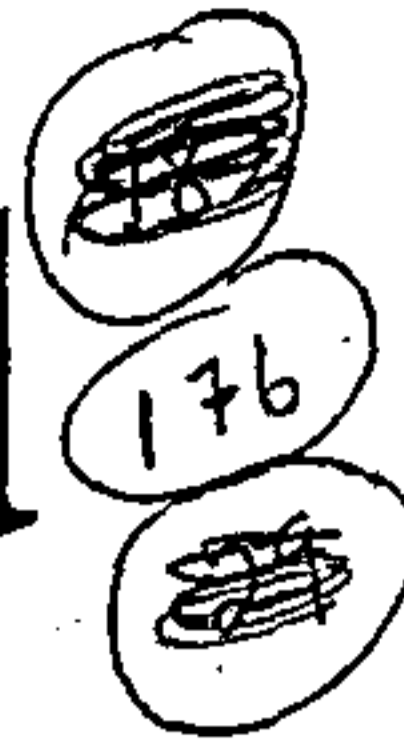
whom Mahanyele confirmed had links with NSB — said the company was planning to expand beyond the sorghum beer market and was looking at other beverages, including markets in Africa and beyond.

In particular, exporting sorghum beer to the US was being investigated, he said. Possible import arrangements with European beer producers were also under investigation.

Social upliftment fund set up

Privatised brewer plans JSE listing

B 10am 27/12/90



THE black-controlled company which has taken over government's near-monopoly share of the giant sorghum beer industry is planning a JSE listing next year, with the proceeds going to a special black social upliftment fund.

Spokesmen for the company, National Sorghum Breweries (NSB), disclosed this week that NSB — which has an annual turnover of R250m to R350m — would seek a JSE listing in the first half of the year. NSB owns 18 major breweries and has an 85% share of the sorghum beer market.

NSB spokesman Patrick Mafafo said yesterday that 4 500 employees would hold at least 25% of the company's shares. There was no possibility of retrenchments as a result of the privatisation exercise.

The mechanics of how workers would acquire their shareholding had not yet been worked out, he said.

An NSB statement said privatisation of the sorghum industry would be completed by the end of next year and the company would be wholly owned by its employees and the black community. The state's sorghum interests were transferred from the Industrial Development Corporation to NSB in July this year.

The statement said the company was debt-free with reserves worth "millions". A prospectus would be released in March.

Mafafo said NSB directors intended expanding the company beyond its single product base and were looking at other beverages, as well as markets in Africa and abroad. There were no plans to "tackle SAB head-on" in the clear beer market. However, NSB was investigating import

PETER DELMAR

arrangements with European beer producers, including the makers of such well-known brands as Guinness and Heineken.

Mafafo said US-based consultants were also researching the feasibility of exporting sorghum to the US. They were particularly looking at whether sorghum should be aimed at black Americans, for whom the product had an "ethnocentric appeal", or whether it should be aimed at the large health market.

CSIR studies had shown that sorghum beer was a viable food supplement, he said. Another major short-term strategy would be to expand the more up-market local consumption of clear sorghum beer.

Mafafo said proceeds from the sale of shares — expected to raise more than R100m — would go towards a special "black community upliftment" fund to be administered independently of NSB.

Although details of projects to be funded still had to be worked out, funding would be in line with NSB's mission statement of "paving the way for the entry of the black community into the mainstream of the economy". A "minimal" proportion of the share issue would go towards NSB's expansion beyond its single product base.

Mafafo said that in addition to the employees' 25%-plus share, various sectors of the black community would be given preferential share allocations. Discussions had already been held with black shebeen owners and taverners.

Sorghum beer production has been con-

□ To Page 2

Brewer

10am 27/12/90

trolled by the public sector since shortly after the turn of the century. In the 1950s production was controlled by various white municipalities and later by administration boards, with proceeds being used to finance black township administration.

Black business organisations such as Nafcoc have repeatedly called for the industry to be brought under black control and the issue has been considered by gov-

ernment since 1984. Mafafo said the employees' 25% shareholding would give them an effective veto right over special resolutions. For this reason, black liberation movements were expected not to oppose the move.

NSB chairman is Mohale Mahanye, former Nafcoc executive director and a director of SA Phillips, Johnson & Johnson, York Timber and the SA Foreign Trade Organisation. The MD is Sammy Mosikili.

□ From Page 1



'It's economic war'

Clpers 16/12/90
THE lack of representation of black people in the economic arena needs to be addressed and an "economic war" must be waged, according to Black Management Forum national president Don Mkhwanazi.

The fight for control of productive assets will be fierce and bloody, he told the Eastern Cape Chamber of Commerce conference in Port Elizabeth this week.

Privatisation and deregulation, plus the belief in a free-market economy, were issues which heralded the beginnings of an economic war.

"This is a war which must be led by black business. We must break the chains of economic bondage."

At least 60 percent black representation in top management and greater representation at board level in JSE-listed companies was needed.

This would begin to redress the current imbalance, promote greater participation in economic life and would create a more equitable economic pattern.

"We are past the stage of social

responsibility and beyond do-gooders.

"What we are talking about is the total transformation and fundamental change of ownership of productive assets, management and corporate power.

"We are no longer talking about sponsorship of dinners.

"What we want is that the sponsors of these dinners give us a meaningful stake in their companies and make soft loans and capital available to black business to facilitate and accelerate the process of black economic empowerment."

Attacking the pace of President FW de Klerk's reform initiative, he said the process of change could not be termed irreversible when people were still being detained without trial. Aggressive and unacceptable police behaviour remained part of the government's arsenal, he said.

"We can never say change is irreversible when our comrades are refused indemnity, when indemnity can be withdrawn at any time or when brother and sister are being tried in the courts for fighting for their birthright." - PEN;

Banks get major Lesotho contracts

MAJOR financing contracts for the Lesotho Highlands Water Project have been awarded to Nedbank and a consortium consisting of Volkskas Bank, Volkskas Merchant Bank and Rand Merchant Bank, it was disclosed yesterday.

Nedbank confirmed it had won contracts of R375m and that the consortium had won R370m worth of financing business for the second phase of the Lesotho project.

"The package is very flexible and will be renegotiated at the end of 1992," Nedbank executive GM Mike Leeming said.

The contracts are to be signed at a ceremony in Maseru today, simultaneously with the announcement of the names of the

B.124 14/12/90
NEIL YORKE SMITH
and ANDREW GILL

consortiums awarded the construction contracts for a dam and tunnels.

Phase two of the project includes the building of a 182m high concrete arch dam on the Malibamatso River, a 55km transfer tunnel, a 72mW underground hydropower complex at Muela, a 15km delivery tunnel, and associated infrastructure including the building and upgrading of roads, bridges and communication facilities.

The Volkskas consortium won a financing contract worth R135m — for adminis-

□ To Page 2

Lesotho

trative and general costs — in June this year so that its involvement in the R4,8bn project now totals about R485m.

Government has agreed to guarantee loans by SA banks. This will limit risk exposure and make it easier for the banks to take the assets off their balance sheets and issue them onto the capital market.

"If possible we would prefer to take the loans off our books and securitise the debt," Volkskas corporate banking assist-

ant GM Gerrit van den Berg said in an interview yesterday.

Discussions regarding financing of the third phase of the project had already begun although at this stage no details could be released, Van den Berg said.

SA construction firms Group Five, LTA and Concor are due to be named when two major contracts for the construction of a dam and tunnels (worth R2bn) are awarded to two consortiums today.

□ From Page 1

MANPOWER - BLACK MOBILITY

1991

JANUARY — ~~OCT~~ DEC

Need for change in corporate culture

By **15/7/90** Own Correspondent

(17b)

JOHANNESBURG. — The implementation of black empowerment in the workplace would necessitate a fundamental change in the culture of SA corporations, industrial relations researcher Duncan Innes says.

However, he said in the latest edition of the Innes Labour Brief that most SA companies were not yet ready or willing to make such major adjustments.

"There is simply no way that a future black government, standing in some sort of alliance with a powerful black trade union movement, will allow the present white-dominated hierarchical control structures within companies to remain unaltered."

Innes said the challenge was to find new structures which would enable blacks to participate to a greater degree in the ownership and running of companies while promoting the efficiency of the organisation and — if possible — productivity.

Innes said empowerment of workers should happen through a number of areas. These included eliminating all forms of racial discrimination; promoting economic democratisation at different levels within corporations; looking at black advancement programmes based on affirmative action and improving education and training opportunities for black employees.

Business culture 'has to change'

VERA VON LIERES

THE implementation of black empowerment in the workplace would necessitate a fundamental change in the culture of SA corporations, industrial relations researcher Duncan Innes says.

However, he said in the latest edition of the Innes Labour Brief that most SA companies were not yet ready or willing to make such major adjustments.

"There is simply no way that a future black government, standing in some sort of alliance with a powerful black trade union movement, will allow the present white-dominated hierarchical control structures within companies to remain unaltered."

Innes said the challenge was to find new structures which would enable blacks to participate to a greater degree in the ownership and running of companies while promoting the efficiency of the organisation and — if possible — productivity.

Although black economic empowerment had the same aim as nationalisation, the means of achieving that aim were different, he said.

Innes said empowerment of workers should happen through a number of areas. These included eliminating all forms of racial discrimination; promoting economic democratisation at different levels within corporations; looking at black advancement programmes based on affirmative action and improving education and training opportunities for black employees.

Only 2,2% of top managers are black

VERA VON LIERES

ALTHOUGH many SA companies preach equal opportunities, little progress is being made in integrating management, says Business Challenge CE Phil Khumalo.

In an interview at the weekend, he said only 2,2% of managers in SA's top 100 companies were black, indicating that black employees were — on a practical level — facing obstacles in moving upwards.

A study of 21 top companies conducted by Unisa's School of Business Leadership earlier this year found that only 2,2% of managers and less than 1% of senior managers were black, 3,3% were Indian and 2,6% coloured.

The petroleum industry had the highest percentage of black managers (3,4%), followed by wholesale and retail industries (2,7%).

The study found that poor economic growth and low labour turnover among managers had been detrimental to rapid black advancement and companies did not see the need for black managers.

Khumalo, who will be addressing a joint Transnet and Career and Research Development Strategies conference next month, said many companies did not yet have the confidence to promote blacks to executive level.

Those who were appointed managers often failed to get the necessary support from the corporate team.

Khumalo said SA companies had been late in identifying blacks with the necessary skills and resources to move into management positions.

Increasingly, companies needed to set short-term goals with a view to integrating management hierarchies and pushing rapid black advancement.

But it was wrong for black employees to expect to be pushed into management positions without the necessary skills and effort.

Instead, merit had to be the deciding factor in deciding promotion, he said.

Former Iscor chief Fleming dies, aged 93

MARITZBURG — A former Iscor chairman and prominent businessman Ian Fleming, 93, has died in Maritzburg, it was announced at the weekend.

Fleming held directorships of Dunlop Tyres, Eskom, Metal Box, Raleigh Cycles, SA Phillips, Samancor, Vecor, B K Savings Bank and other companies.

He was on the board of the SA Reserve

Bank and led the first SA trade mission to the Far East and Australasia in 1961.

Fleming was president of the SA Federated Chamber of Industries, national chairman of the SA National Tuberculosis Association, and a chairman of the Border Motor Traders Association. He farmed Brahman cattle. — Sapa.

How black must a boardroom be?

6/10 copy 17/7/91
THAMI MAZWAI

NAFCOC president Sam Motsuenyane's call that JSE-listed companies should make their boards 30% black has been met with widely differing responses from white and black businessmen.

Peter Vundla, MD of the black-controlled advertising agency Herdbuys, said: "Companies refuse to appoint competent blacks as general managers or to positions where they would strategically guide the company as a whole.

"Blacks have been appointed to sit on company boards mainly for token reasons and no substantial contributions were expected from them except to tell the company what was happening in the townships.

"We must be content with being social responsibility managers, public relations officers and so on.

"One of the few challenging positions given to blacks is that of human resources manager, but then the incumbent will only handle the black staff and will of course not be a member of the board."

Motsuenyane's call was made at a Nafcoc (National African Federated Chamber of Commerce) seminar six weeks ago in Cape Town and in an interview this week he spelled out his terms further.

"This country has a sophisticated white business community and a struggling black business sector. These must be integrated if we are to have a non-racial economy," said Motsuenyane.

"We need black directors, producers, investors and employers. It is the responsibility of the corporate sector to embark on affirmative action programmes to achieve these objectives."

To achieve this, he said:

- JSE-listed companies must have a 30% presence of blacks on their boards;
- blacks must own 40% of the equity in these companies;
- black businessmen must provide 50% of supplies needed by these companies to hasten the process of black entrepreneurial development; and
- managements must be 60% black compared with the present 4%.

These percentages, what he calls the 3-4-5-6 strategy, must be attained within 10 years.

Motsuenyane's call provoked an angry

response from the white business establishment, perhaps summed up in the Financial Mail's comment:

"It is difficult for us to reconcile Nafcoc's desire for economic growth, backed by the efficient allocation of resources through a free market, with its willingness to see both processes impaired — at obvious cost to black job creation — by the application of racial quotas to the running of the quoted companies.

"The object of a free SA must be to ensure that wealth and income flow to those with merit — not to those with a certain skin colour."

But black businessman Ruel Khoza countered this argument by saying:

Qualified

"While our white colleagues are quick to denounce Motsuenyane, they forget that an unwritten law of 'no blacks in boardrooms' was in force until recently and many white companies still cling to it.

"It is all very well to talk of merit when government ensured it was whites who had this merit by giving them superior education."

However, the predominantly white Institute of Directors gave qualified support to Motsuenyane's call.

Institute chairman Piet Kieser said his organisation agreed with Motsuenyane but not necessarily with his figures.

"We support the appointment of suitably qualified blacks to boards and we have had discussions with Motsuenyane in that direction," he said.

White business leaders say they cannot find enough black managers, investors, suppliers and potential board members to meet Motsuenyane's demands in the specified period.

They say the education system would have to be massively transformed if Motsuenyane's criteria were to be met within 50 years, let alone 10.

Appointing people to management positions because they are black, or making purchases along these lines, would lead to

inferior management and products, say white businessmen.

They believe the competitiveness of companies would be undermined, particularly against foreigners, and the production levels of SA companies would drop.

Affirmative action programmes, the essence of Motsuenyane's calls, are only effective if they complement merit as the major principle, say whites. If they become the dominant guideline the economy will deteriorate.

"But who must be blamed for this abnormal situation?" asks Khoza. "Why must blacks suffer?" He says this is what repudiating Motsuenyane's call amounts to.

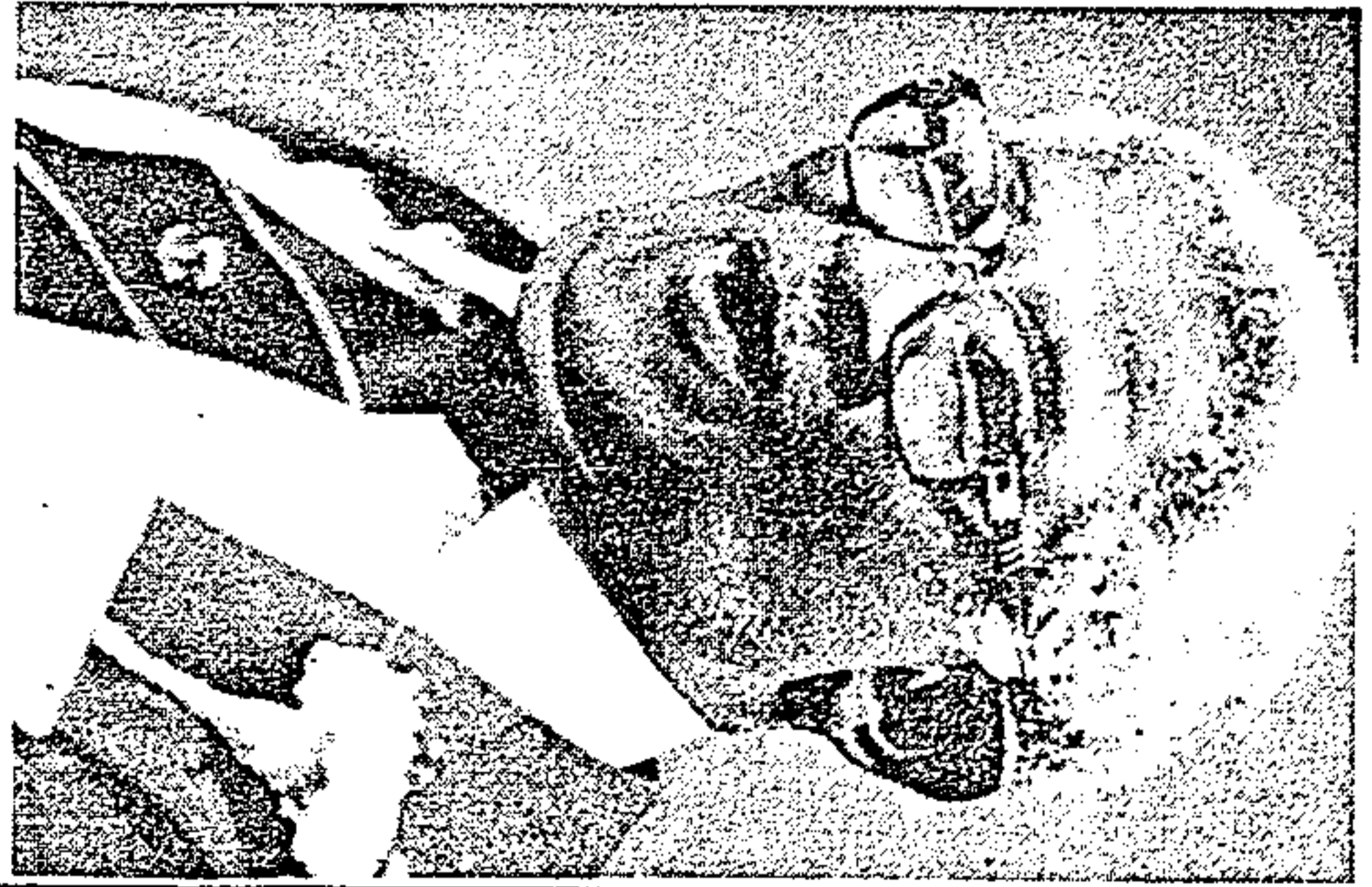
Peter Vundla says whites never look hard and far enough for competent blacks. Khoza said Motsuenyane did not set quotas but targets. "If you aim at nothing, you will hit nothing," he said.

He says there are enough qualified blacks for boardroom appointments.

"We are talking of non-executive directors who contribute to the drawing up of broad policy guidelines, strategic planning, helping the organisation scan the environment and highlighting issues that may impact on the company.

"Any person with intelligence and appropriate qualifications will be able to do this and in return he will be exposed to a new environment with the potential of developing his capabilities. What we need are opportunities."

Black Management Forum executive director Lot Ndlovu and Mike Ntlatleng, public affairs director of the Foundation of African Business and Consumer Services, endorsed Motsuenyane's call, but stressed that merit should be the main criterion.



MOTSUENYANE . . . setting targets

They say that a substantial number of people could be found in the black community to assume senior responsibilities.

Ndlovu said only a few blacks had so far been appointed to boards, and these were now being used as a pool whenever a company wanted a black person on its board.

"There is a desperate need to increase this pool," he said.

Why has Japan become a world economic power? Because the Japanese are a nation of learners, says an international authority on systems thinking as applied to leadership and learning.

Fresh air blows into stale corridors of power

If schools were institutions of learning instead of pillars of indoctrination and the status quo, if corporations fostered extraordinary performance in all their employees, not just the favoured few at the top, then life in a society undergoing rapid, turbulent transformation would be a breeze.

The thoughts on these matters, from one of the world's leading advocates of systems thinking as applied to leadership and learning, Dr Peter Senge, are like breaths of fresh whirlwind in the musty, stale corridors of power (and corruption).

Dr Senge, the director of the Organisation Learning Centre at the Massachusetts Institute of Technology, is in South Africa to speak at the

Leadership and Learning conference at the CSIR in Pretoria today and tomorrow.

The conference is organised by the Centre for Innovative Leadership in conjunction with the Community Leadership Trust, of which Dr Senge is a trustee. To prepare for a viable future for everyone, societies need to shift radically from control orientation to learning orientation not only in business but in public education.

Schools need to change from the orientation of performance to one of learning. Similarly the shift must take place in business if organisations are to survive and thrive into the 21st century. There is a need to prepare

people to be "lifetime learners", says Dr Senge, a task at which conventional school systems fail dismally.

Think of the young child learning to walk, says Dr Senge.

The child does not learn because it fears what its parents will say if it doesn't. And it isn't scared of failure. When it falls (falls down) it picks itself up and carries on trying until it succeeds.

Children are "little scientists, always conducting experiments", he says.

The impulse to learn, after all, says Dr Senge, has been shown to be greater than the impulse to reproduce. Yet this powerful drive is fragile and easily shattered over time by unthinking authoritarian fig-

ures.

The traditional hierarchy in the business world, premised on the belief that the top thinks and the local acts, is inadequate in a rapidly transforming society, he says.

The Western world must now look to the Japanese economic miracle for example, he says, and change to an orientation in which thinking and acting is integrated at all levels, and where intrinsic motivation and interdependence are more strongly recognised.

Japan has risen to become the pre-eminent economic power worldwide, despite lacking what is traditionally needed for economic power: resources and access to resources, because their organi-

sations are "learning organisations", he says.

"Japan has nothing, except a remarkable, demonstrable capacity to learn. They are a nation of learners," says Dr Senge.

The Japanese have cleverly absorbed the tools for the quality revolution in management which had been developed in the United States and imported into their country by the movement's pioneer, Dr W Edwards Deming, to become market leaders.

"Even Porsche and Mercedes now acknowledge that they can't match Toyota and Honda any more," says Dr Senge.

Each society, however, has to evolve its own system of management consistent

with its own culture, he says.

The urgency of the volatile South African situation could mean that this basic shift will take place quickly, he says, because the society no longer has the luxury of a slow rate of change.

The conference at which Dr Senge is speaking is aimed at bringing to South Africa some of the tools, technology and ideas to bring about the shift in emphasis.

He will be participating in "dialogue" in the true Platonic and Socratic sense in which meaning moves through the people as they talk with each other, creating the capacity to learn together.

MARIKA SBOFOS

Management needs blacks

Sowetan 16/5/91

(172)

(172)

(172)

THE lack of blacks in management is a crisis for South Africa, according to a Member of Parliament.

The crisis is compounded by another crisis - the emigration of white professionals, the Democratic Party's Mr Robin Carlyle said this week.

Of the 12 000 chartered accountants in the country, 25 are black; of the 3 239 top civil servants, only 18 are black.

Shortage

The shortage of blacks in management stretches into the Department of Manpower itself.

There are no blacks among the top 100 people in Manpower. On the National Training Board,

Political Correspondent

there is only one black, a general assistant.

The National Manpower Commission has no blacks; the Unemployment Insurance Fund has one black on its board and none on its management committee.

Target

"All of this in a department whose target market is overwhelmingly black and in a department that knows better than any other that our future survival depends on the advancement of efficient black management," Carlyle said.

According to the Centre for Policy Studies, about 23 000 white gradu-

ates left South Africa between 1980 and 1985.

An estimated additional 4 500 white graduates are leaving the country every year and between 30 and 50 percent of all white graduates are contemplating emigration.

To avert certain disaster, the Department of

Manpower should devise a strategy for black advancement, Carlyle said.

"The Department of Manpower should be the first one to show considerable progress in developing blacks to fill key positions by broadening the boards and commissions that fall under the Minister and by including appropriate and efficient blacks."

Chamber's plea on ban

NEW YORK - Chamber of Mines president Mr Clive Knobbs made a strong appeal yesterday for the United States to abandon proposals to deprive South Africa of International Monetary Fund loans even after South Africa had complied with the minimum conditions set for the lifting of US sanctions.

In a statement to the *New York Times* Knobbs said a continued IMF ban would "jeopardise the future financing of the democratic option for which so many of us are striving". - *Sowetan Foreign News Service*.

'Veneer of ⁽¹⁷⁶⁾ racial calm' crippling

Own Correspondent

JOHANNESBURG. — A top-level manpower conference called at the weekend for a radical overhaul of attitudes and for the fact to be faced that blacks had difficulty in attaining executive positions.

The conference was organised by Transnet and human resources consultancy Career and Resource Development Strategies (Cards).

Centre for African Studies director Eugene Nyati called for managers to "at least face up to the truth" that blacks had problems in gaining executive positions, and not to ignore the problem under a "veneer of racial calm".

"In SA we tend to ignore diversity within organisations because recognising racial differences is associated with apartheid," Cards spokesman Keith Rosmarin said.

American corporate consultant Valpordeal Sanders said that people worked best when ways in which they differed from their colleagues were taken into account, not ignored out of fear of racism.

Nedcor Human Resources Group GM Brian Wegerle said that top managers had to be prepared to plant "mental landmines in the heads of people running businesses", to break patterns of people management.

People worked best when they felt valued as individuals, and when they could see that their differences to other people were being taken into account.

New overall concept of business needed

Sowetan 5/8/91

SOUTH Africa needs a new overall concept of business which will take account of the traditions and culture of the African participants in commerce and industry.

This suggestion by Mr Reuel Khoza, managing director of Coordinated Marketing and Management, was made at the first annual national Diversity conference held at the Carlton Hotel this week.

Khoza said the business world as currently conceptualised and structured in most South African corporations is generally cast in a Euro-centric mould.

"Little or no account is taken of what contribution indigenous African world-views can make in better shaping the world of work," he said.

The two-day conference drew speakers and panelists who are internationally and nationally recognised as being in the forefront in recognising and working with the complex issues of work force diversity and change.

If anything, the conference was a good first step toward an understanding that diversity in the work force contributes to a strong economy. Equally important, it shed light not only on the differences in South Africa but also the vast areas of common interest.

Khoza, speaking on the theme "The need to develop a South Africa-based approach to management", said Western managerial ploys such as strategy, organisational structure, systems, and so forth, function optimally in a conducive environment.

"It is to that which would make for a conducive environment in South African commerce and industry that we turn our attention," he said.

By ALI MPHAKI

Referring to his South African-based approach to management as the "community concept", Khoza said this type of management has a strong philosophical base in the concept of Ubuntu.

"This requires that management be approachable, not to say overfamiliar. After all, in African villages the chiefs are highly dignified personalities but yet very approachable."

~~18~~ ~~17~~ ~~16~~ ~~15~~ ~~14~~ ~~13~~ ~~12~~ ~~11~~ ~~10~~ ~~9~~ ~~8~~ ~~7~~ ~~6~~ ~~5~~ ~~4~~ ~~3~~ ~~2~~ ~~1~~ ~~0~~ ~~176~~ **Belonging**

"An atmosphere of informality must overhang the chores and procedures of business if employees across the board are to feel a sense of belonging. The managing director who is unable to engage in occasional informal chats along the corridor with the young trainee several rungs below him cannot hope to generate esprit de corps in the organisation," Khoza added.

Another speaker, Mr Eugene Nyati, director of Centre for African Studies, said he has found "immense" institutional resistance from corporate South Africa to lending to blacks or black management advancement.

"While companies pay lip-service to equal opportunity, promotion of blacks in line management is so insignificant as to be virtually non-existent."

Nyati called for the creation and support of a black middle-class, although ready to caution that such a middle-class should not be large enough to threaten its white patrons, and yet be visible enough to act as a psychological and physical barrier between the whites and the angry and hungry black masses.

Nafcoc (176)

**gets down
to business**

CP news 11/8/91
ECONOMIC transfor-
mation and black eco-
nomic empowerment are
key issues to be discussed
at the 27th annual Naf-
coc conference which be-
gins next Sunday at Sun
City.

The four day confer-
ence, expected to draw
1500 Nafcoc delegates,
will be officially opened
by ANC secretary-gener-
al Cyril Ramaphosa.

Nafcoc executive di-
rector Mofasi Lekota said
the conference would dis-
cuss the chamber's post-
sanctions role in trade
with other countries, and
a new constitution would
be adopted. - CP Report-
er

ATS to jet into African dawn

By LULAMA LUTI

1/18/91
THREE businessmen have established the first black-owned travel agency in South Africa, African Travel Services, and have promised to make it the biggest in Africa.

"We are already handling travel arrangements for big companies like Nafcoc, the SAB, Mobil and

the National Sorghum Breweries, and we are going to clinch other deals," says ATS managing director, Sydney Malabi, a former business consultant.

Realising there was only a slim chance of ATS making it alone, the large company Micor was brought in - but ATS still holds most shares.

176
Although its clients are still largely drawn from the corporate world, ATS hopes to cater for all people, especially the disadvantaged.

Malabi says the removal of key discriminatory laws has started a heavy traffic of people in and out of Africa, and this was a potential growth area.

Pretoria seen as pivotal to Africa's economic axis

THE establishment of a Pretoria-Abuja-Cairo trading and investment axis has been suggested as a way to upgrade Africa's economic performance.

The idea first surfaced during a meeting between President F W de Klerk and former Nigerian head of state Gen Olusegun Obasanjo, writes Nigerian newspaper editor Olanunji Dare in the latest edition of the magazine, Africa Forum.

"The discussions with De Klerk at the Union Buildings in July flowed so smoothly, amiably and constructively that Obasanjo suggested that Pretoria and Abuja (the next seat of the Nigerian government) could constitute a kind of axis on which the continent would spin. De Klerk was clearly excited. He suggested that the concept be expanded to include the Egyptian capital, Cairo," Dare writes.

"Developments in Europe and elsewhere and the emergence of the post-apartheid SA could provide the catalyst of the economic transformation of the continent with a major axis pivoted on Pretoria, Abuja and Cairo," says Dare.

TIM COHEN

Nigeria and SA are roughly equally powerful economically in relation to their neighbours, although in real terms SA would wield more power because of the greater diversity of its economy, Dare writes.

Both countries offer major investment and trading attractions to the outside world as core centres of manufacturing for their regions and because of the size of their markets.

Nigeria offers by far the largest trading market on the continent, and has a greater long-term potential, although SA is more attractive in the short term because of its more developed market and infrastructure.

For Africa, Egypt is a major gateway to the Middle East as well as the Mediterranean. Its infrastructure is one of the best in North Africa and the Middle East and it provides skilled manpower for many Arab countries, he says.

Dare adds that the single European market of 1992, and developments in the Pacific Rim and Eastern Europe are a warning to Africans to look to themselves, rather than others.

Black business tours Far East

THEO RAWANA 176

SIXTY-FIVE black businessmen have planned a 16-day trip to the Far East to set up links with their Asian counterparts, SA Business Interest Group (Sabig) president Lucas Sebobe said on Friday.

The Business Observation Mission to the Far East would visit Taipei, Tokyo, Shenzhen, Gungzhou and Hong Kong, and would participate in the International Electronics Show at the World Trade Centre in Taipei.

"The primary objective of the mission, which leaves on October 3, is to assist small businessmen to establish international contacts for future networking, communications and technological co-operation," Sebobe said.

Highlights of the trip included attending the 80th National Day Celebrations as guests of the Chinese foreign affairs ministry, meeting machinery and plant manufacturers in the Japan Information Exchange Forum, as well as officials of the Keidanern (Federation of Japanese Economic Organisations), and visiting Japanese companies Sony and Nissan.

Trade mission to East

176

ABOUT 65 business people from South Africa will travel on an "observation mission" to the Far East from October 2 to 17.

The mission is arranged under the auspices of the South African Business Interest Group (Sabig), a non-profit business organisation formed to expose small business to worldwide management and operational methods.

The president of Sabig, Mr Lucas Sebobe, said the primary objective of the mission was to assist small businesses in establishing international business contacts for future networking, communications and technological co-operations.

"The mission is open to all South African busi-

By JOSHUA RABOROKO

ness people who are eager to broaden their business scope.

"If they are made to see the invisible now, they will be able to do the unthinkable in the future."

Happy

He said Sabig was happy to announce that the mission programme was firmly in place and structured to meet the entrepreneurial requirements of the country's business sector and budding industrialists who, "we believe, are ready and willing to accept the many opportunities and challenges of taking part in the economic restructuring of southern Africa".

According to Sebobe, who was part of the team which undertook the pre-mission visit to the Far East: "Our findings have proved that not only will we be exposed to the varied and diverse business and industrial practices, but also talk to those who are willing to know about the living conditions, business and investment opportunities in the subcontinent."

Some of the highlights of the mission will include: participation in the International Electronics show at the World Trade Centre, Taipei, Republic of China; attending the 80th National Day Celebration as guests of the Chinese Ministry of Foreign Affairs; and meeting with machinery

and plant manufacturers in Japan Information Exchange Forum.

Inquiries about the mission should be directed to any of the following parties:

Mr Willie Ramoshaba (011) 886-8002; Mr Lucas Sebobe (011) 936-1134 or Mr Macdonald Temane (011) 835-2761.

Sebobe's vision stretches ahead

Sowetan 15/8/91

12/6

Sowetan

By JOSHUA RABOROKO

THE innovative managing director of the first black hair products manufacturing company, Medicos Products of South Africa, Mr Lucas Manyane Sebobe (43), has a great vision to advance an industry often neglected by township entrepreneurs.

He is branching out and his new product - BMW Airfreshner - will breathe new life into your car and home and eliminate all musky smells and tobacco smoke - a major breakthrough for this enterprising black businessman.

Lucas ventured into the black hair product manufacturing industry when he realised that most black business people produced almost the same type of goods and had, therefore, to compete in the same limited market.

Added to that was the major threat of having to share the market with big manufacturers who enjoy the advantages of large-scale manufacturing processes.

Haircare

Medicos Products SA manufactures a variety of professional hair care products which are sold in most stores and saloons in the PWV area and the Transvaal. The firm is situated in the Orlando West Industrial Park in Soweto.

Sebobe became interested in the haircare industry - estimated to be growing into a R400 million giant - after he saw more and more product lines entering the market place.

"We have seen an industry emerging from the ghettos of Johannesburg,

providing employment for thousands of blacks.

"We have also witnessed with pride as all the communities of South Africa, irrespective of race or colour, enter the market as hairdressers."

Lucas, known as Rapeipi (pipesmoker) in business circles, has now turned his attention towards manufacturing new products.

Research

Early this year he started manufacturing the BMW airfreshener. He also hopes to produce other products, like cleaning shampoos.

Born in Newclare, Johannesburg and matriculated at Meadowlands High School he, like many black youths, was forced to leave school at an early age because his parents could not afford to pay for his education.

"I never had any ambition at school because blacks are normally not motivated at school. I just went to school to be there."

Lucas worked for IBM as equal-opportunity manager, which included "affirmative action" programmes for all race groups, from 1985 to 1988.

During this time he also served on various organisations, including the Black Management Forum, various chambers of commerce and the Sullivan Signatory Association.

He has travelled overseas, where he presented a research document based on the impact of disinvestment on the black eco-

economic development to the US Black Caucus, Senators and businesses in the US.

His business supplies and distributes haircare products to most spaza shops in the townships, as well as big companies in the cities.

Turnover

He is reluctant to talk about his turnover, but says the business is doing "fairly well."

He says the past eight years could be regarded as Phase One for him - laying the foundation.

It has been an interest-

ing phase indeed for many individuals and corporations.

Lucas started the business with two partners; however, they have since fallen away and he continues alone. He has 21 employees and believes that his staff must be trained and educated so that they can produce good products.

His future plans are to conduct research with a view to opening other companies in which he will sell shares.

● This article qualifies Sebobe for the Sowetan/Sanlam Entrepreneurs of the Year Competition



LUCAS SEBOBE

SOUTHERN African industry is having to radically review its operations and management philosophy to bring it into line with post-colonial and post-apartheid demands.

The scale of the problem faced by industry in terms of the racial imbalance within senior management was discussed by representatives of industry, governments and international aid agencies at a recent Industrial Society conference in London on development management skills in southern Africa.

Zimbabwe's mining sector provides nearly 45% of export earnings and about 40% of the raw materials used by the manufacturing sector.

But as permanent secretary of Zimbabwe's ministry of mines, David Murangari, told the conference, at the time of independence in 1980 "there were 3% blacks in the engineering category, 20% in the artisans and skilled workers category and none in the middle to higher management category in the whole mining industry".

The training programmes set up by the mining industry in response to the demands of the new government were slow to redress the balance.

Tackling racial imbalances

By 1984, there were only three black Zimbabweans in higher management in the mining industry compared with 106 whites. As Murangari stressed: "There was still a lack of any concrete attempt by the industry to formulate schemes to train potential managers." Murangari gave his support, however, to a scheme which has proved an exception to the rule.

An elite group of blacks has been appointed to management positions in the mining sector after taking part in a programme organised by the Zimbabwe Technical Management Training Trust. The trust, created in 1982, is funded by the international mining group, RTZ Corporation. Of the 54 trainees over the past nine years, 25 are now in senior positions.

The trainees have come from the leading mining companies in southern Africa including, most recently, SA. All have been technical graduates, usually with about four years of experience in the industry. They spend 20 months in Europe

WILLIAM KEELING in London

on three work attachments. When not working, they attend London's City University on a dedicated MSC course involving elements from the university's business school.

But experience has shown that training in general may have to confront different challenges in future. The scheme has highlighted the deficiencies of in-house training programmes, and the approach to management selection by companies within and outside the mining sector may need to be reviewed.

Comments by two members of the conference panel reflect what is arguably a flawed premise for the creation of training schemes.

□ Murangari: "Soon after independence (in Zimbabwe), the country experienced an exodus of skilled white people . . . It therefore became imperative that the new government

had to embark on a massive educational programme not only to redress the imbalances of the past but also to fill the gaps being created by those who were leaving the country."

□ RTZ chairman Sir Derek Birkin: "In the southern African context, it has been clear for many years now that the shortage of local black technical management in industry would inevitably cause future problems as expatriate sources diminished."

Both statements, in varying degrees, take as a starting point the need to train blacks only as a result of a shortfall in white or expatriate managers. This raises the question of whether blacks are given the opportunity to compete equally for management positions where potential white managers still exist, despite the progress being made by those on the training programmes. According to a black delegate they are not.

While the training schemes qualify blacks for management, their white colleagues in many companies are

still given preference. The problem of racism within management was aired. Trust director Jonathan Lawley told delegates: "Residual attitudes towards the role of racial groups in society go very deep in the regional psyche. Black leadership, particularly leadership in the technical sphere, was until recently unthinkable to many."

But delegates were hardly convinced of the need for programmes to enable some white employees to confront their "superiority complex". One delegate believed entrenched racism would crumble if its own accord as black employees climbed the managerial ladder. Others considered it unlikely, however, that racist values would self-destruct in this manner. The need to educate from the top-down, as well as from the bottom-up, was stressed.

Privately, one conference speaker told the story of the appointment of a black branch manager in an SA bank which was staffed primarily by whites. Not only did the new branch manager receive extensive training for his position, but the white staff also had to undertake a programme to prepare them for having a black as boss. — Financial Times.

LETTERS

SOUTHERN African industry is having to radically review its operations and management philosophy to bring it into line with post-colonial and post-apartheid demands.

The scale of the problem faced by industry in terms of the racial imbalance within senior management was discussed by representatives of industry, governments and international aid agencies at a recent Industrial Society conference in London on development management skills in southern Africa.

Zimbabwe's mining sector provides nearly 45% of export earnings and about 40% of the raw materials used by the manufacturing sector.

But as permanent secretary of Zimbabwe's ministry of mines, David Murangari, told the conference, at the time of independence in 1980 "there were 3% blacks in the engineering category, 20% in the artisans and skilled workers category and none in the middle to higher management category in the whole mining industry".

The training programmes set up by the mining industry in response to the demands of the new government were slow to redress the balance.

Tackling racial imbalances

By Day 16/8/91

By 1984, there were only three black Zimbabweans in higher management in the mining industry compared with 106 whites. As Murangari stressed: "There was still a lack of any concrete attempt by the industry to formulate schemes to train potential managers." Murangari gave his support, however, to a scheme which has proved an exception to the rule.

An elite group of blacks has been appointed to management positions in the mining sector after taking part in a programme organised by the Zimbabwe Technical Management Training Trust. The trust, created in 1982, is funded by the international mining group, RTZ Corporation. Of the 54 trainees over the past nine years, 25 are now in senior positions.

The trainees have come from the leading mining companies in southern Africa including, most recently, SA. All have been technical graduates, usually with about four years of experience in the industry. They spend 20 months in Europe

WILLIAM KEELING in London

on three work attachments. When not working, they attend London's City University on a dedicated MSC course involving elements from the university's business school.

But experience has shown that training in general may have to confront different challenges in future. The scheme has highlighted the deficiencies of in-house training programmes, and the approach to management selection by companies within and outside the mining sector may need to be reviewed.

Comments by two members of the conference panel reflect what is arguably a flawed premise for the creation of training schemes.

□ Murangari: "Soon after independence (in Zimbabwe), the country experienced an exodus of skilled white people... It therefore became imperative that the new government

had to embark on a massive educational programme not only to redress the imbalances of the past but also to fill the gaps being created by those who were leaving the country."

□ RTZ chairman Sir Derek Birkin: "In the southern African context, it has been clear for many years now that the shortage of local black technical management in industry would inevitably cause future problems as expatriate sources diminished."

Both statements, in varying degrees, take as a starting point the need to train blacks only as a result of a shortfall in white or expatriate managers. This raises the question of whether blacks are given the opportunity to compete equally for management positions where potential white managers still exist, despite the progress being made by those on the training programmes. According to a black delegate they are not.

While the training schemes qualify blacks for management, their white colleagues in many companies are

still given preference.

The problem of racism within management was aired. Trust director Jonathan Lawley told delegates: "Residual attitudes towards the role of racial groups in society go very deep in the regional psyche. Black leadership, particularly leadership in the technical sphere, was until recently unthinkable to many."

But delegates were hardly convinced of the need for programmes to enable some white employees to confront their "superiority complex". One delegate believed entrenched racism would crumble of its own accord as black employees climbed the managerial ladder. Others considered it unlikely, however, that racist values would self-destruct in this manner. The need to educate from the top-down, as well as from the bottom-up, was stressed.

Privately, one conference speaker told the story of the appointment of a black branch manager in an SA bank which was staffed primarily by whites. Not only did the new branch manager receive extensive training for his position, but the white staff also had to undertake a programme to prepare them for having a black as boss. — Financial Times.

LETTERS

THE present debate on the economic and political future of South Africa underscores momentous challenges facing the country.

For instance, the unbanning of the major resistance movements presages a period of political, economic and social transformation.

People and organisations across the social, economic and political spectrum are also wrestling with vital choices which could alter the course of history.

One such organisation is the National African Federated Chamber of Commerce, which tackles the impending economic transformation and black economic empowerment at its 27th annual conference at Sun City near Rustenberg, starting on Sunday.

Under the theme "The new South Africa: Opportunities for black economic empowerment", about 1 500 delegates are expected to adopt a new constitution which the chamber believes will be essential to its future development.

One of the most important resolutions to come from previous Nafcoc conferences was one urging an economic conference involving all key players to map out a clearly defined economic policy proposal.

In accordance with the resolution, the Nafcoc council decided to establish an economic commis-

Nafcoc meeting to focus on economy

Source 16/8/91

146

146

146

146

Business Reporter JOSHUA RABOROKO previews the important Nafcoc conference which starts this weekend.

tion whose research functions and responsibilities centred not only around the organisations of workshops, conferences and collating data, but also commissioned specific studies into various aspects of the economic and sociopolitical milieu.

Seminars

During 1990 the Nafcoc economic commission was responsible for organising a successful conference in Transkei; and also an important workshop on the land issue in Johannesburg towards the end of the year.

During 1991 several workshops were held, at which specific attention was given to other sectors of the economy. Such workshops were attended by representatives from ANC, PAC, Azapo and



ANC's Cyril Ramaphosa and PAC's Clarence Makwethu will deliver keynote speeches.

the Black Consciousness Movement.

The main objective in arranging such workshops and seminars was to enable Nafcoc, in the long run, to formulate an appropriate and sound macro-economic policy framework that enjoys the widest public support in the country.

Nafcoc executive director Mr Mofasi Lekota said that the theme of the conference was in line with the findings of the commission, which would make recommendations to

ANC secretary-general Mr Cyril Ramaphosa will open the conference, which has been urged to organise and enable black business to participate fully in the current debate on the framing of an appropriate economic policy for South Africa.

Other keynote speakers include PAC president Mr Clarence Makwethu, Azapo president Mr Pandelani Nefolohodwe, University of Cape Town vice-chancellor Dr Mamphela Ramphele and Dr Ali Mazrui, director of the Institute of Global Studies at the State University of New York (Binghamton).

Sanctions

An important highlight of the conference will be delivered by Mr Sam Motsuenyane.

Apart from the economic empowerment issue, the conference would lay groundwork for the chamber's post-sanctions role in trade with other countries, especially with neighbouring African states.

are that it will venture into other sectors of the informal business, such as the stokvels and burial societies.

The chamber will also prepare the ground for its mission to sell the new South Africa to the rest of Africa.

Nafcoc has also relaunched an educational committee to look into the crisis in black education.

Mofasi said the aim of the committee was to train blacks to become not just job-seekers, as in the past, but job creators who used their entrepreneurial skills for the benefit of the community.

Delegates will also discuss the violence that has gripped the country and affected most businesses.

"The bloodbath in the townships is disturbing and needs serious attention by leaders of the warring groups. Let us stop this violence," Lekota appealed.

Plans are also afoot to merge Nafcoc with the Foundation of African Business and Consumer Services and the whites-only South Africa Chamber of Business. Meetings, fully backed by the ANC, have been held in this regard.

To this end Nafcoc has open its membership to all people who subscribe to the principles enunciated in its business charter - the key element being removal of racial discrimination in South Africa.

Wine route from Soweto to buying for New York firm

JANIS FRASER
Weekend Argus
Reporter

IT'S a quite a step from hawking shoes in Soweto — via embalming bodies in England — to selling fine wines on Lexington Avenue, New York, but it's one which Jabulani Ntshangase has found almost as smooth as the good cabernets he enjoys.

Now, after 10 years, he's on a whistle-stop tour of the vineyards giving the seal of approval to the fine South African wines he plans to import.

"I hope to become a wine ambassador," he says.

His walk on the wine side began in 1981, he relates over a glass of Neethlingshof cabernet.

At that stage, the ambitious 27-year-old with only a matric qualification, applied for a United Nations scholarship to study abroad. He'd never even tasted wine.

"I was hawking women's shoes to hospitals, but I knew there was more to life than that. I heard about United Nations scholarships and decided to go for it."

In those days, he said, it was easier to apply from England, so off he went with his life savings and lots of optimism. There was hope for the scholarship, but there was also a waiting period.

"So, I trained in mortuary science — it seemed a good thing to do.

"I got my diploma as an embalmer and worked for a year in England. I'm still a member of the British Institute of Embalmers. Couldn't do it here though, they don't have them."

Then came the good news — a scholarship to Long Island University, and it was goodbye funeral parlours and hello New York.

"I studied for a degree in business administration and the bursary covered living expenses, but New York is an expensive place."

A good friend from Nambia suggested a part-time job as storeman in a swish wine store, and gave him an introduction. "I worked there while I got my degree and became really interested in wine, particularly the French reds, which I began collecting.

"When I got my degree, Acker Merrall, one of the top three wine mer-



Picture: HANNES THIART, Weekend Argus.

□ **NOSE FOR WINE:** Jabulani Ntshangase, the Sowetan who has become a wine exporter in New York.

chants in New York, offered me a job in management.

"I went on to become involved in the marketing side, importing fine wines from Europe and other parts of the world."

Developing a penchant for French wines along the way — "particularly Jean Gros burgundy, my favourite" — he's now been poached by another wine company and will take up his appointment as a marketing manager with Rosenthals on Lexington Avenue when he gets back.

Between jobs, he took the opportunity to fly home and visit his mother in Soweto.

In Cape Town, there's been a brisk walk up Table Mountain and cable-car ride down, but the object of being here is obviously wine tasting, he says, and he has extended his stay by an extra 10 days.

Travelling the wine lands, he's been particularly impressed with wines from Neethlingshof, Kanonkop and Buiterswerwaching and hopes to begin importing them soon.

"The larger wine producers still have a political connotation. That's a fact of life. But, the smaller estates are seen as independent and there will be no problems marketing their wines in America."

Nafcoc prepares for 'after sanctions'

NAFCOC's 27th annual conference at Sun City this week will lay the groundwork for the business organisation's post-sanctions role in trade with other countries, says executive director Mofasi Lekota. *B 10/2/91*

19/8/91
The conference, with the theme "The New SA: Opportunities for Black Economic Empowerment", will be officially opened this morning by ANC secretary-general Cyril

176 THEO RAWANA *2/10/91*

Ramaphosa. It ends on Wednesday.

Lekota says: "An important issue will be co-operation with other southern African countries in trade and development and formulation of strategies to increase the asset base of our members and the GDPs of the country and the region." Nafcoc recognised the post-sanctions, urgent need for foreign investment.

Join front, black business is urged

Sowetan 20/8/91 *(146)*

By JOSHUA RABOROKO

BLACK business has been called upon to join liberation movements in a patriotic front that will encourage economic empowerment in South Africa.

The call was made by leaders of the African National Congress, the Pan Africanist Congress and the Azanian Peoples Organisation at the annual conference of the National African Federated Chamber of Commerce at Sun City yesterday.

The conference, whose theme is "The new South Africa - Opportunities for Black Economic Empowerment", is attended by more than 1 500 delegates from South Africa, African states and overseas.

Opening the conference, ANC secretary general Mr Cyril Ramaphosa said a patriotic conference of all liberation movements followed by the peace convention should come before an interim government.

"The interim government is meant to be a sovereign government that should supervise the transition. The present government would have to step down, thus allowing a government of national unity to assume power. There will not be

any other authority above this authority," said Ramaphosa.

He said the interim government would have to ensure peace and normal political activity.

"In this sense it will complete, consolidate and defend the process that started now, including releasing political prisoners and eradicating all repressive and apartheid laws."

PAC president Mr Clarence Makwetu said

the primary purpose of the patriotic front would be to co-ordinate strategies of transition among liberation movements and to build up support around the demands for a constituent assembly.

"Nafcoc is certainly on the list of invitees and we look forward to meeting your representative at the patriotic front conference to be held in Cape Town next month," Makwetu said.

Azapo president Mr Phandelani Nefolovhodwe said a national economic

agenda should be linked to an overall national agenda for national liberation.

In that regard, Azapo would encourage the formation of a national front of black business organisations.

He said Nafcoc and the Foundation of African Business and Consumer Services needed greater co-operation despite differences, to see a national economic agenda that would work out economic freedom for all South Africans.

Nafcoc rejects plea for black business unity

176

Bl Day 2/18/91

THEO RAWANA

SUN CITY — Nafcoc yesterday rejected calls by political organisations for it to unite with the other major black business grouping, Fabcos.

Nafcoc managed to get leaders of the three major black political organisations — the ANC, PAC and Azapo — to share the stage at its 27th annual conference.

There was a chorus of calls from the politicians for the chambers to merge.

But Nafcoc deputy president Archie Nkonyeni told the 2 000 delegates: "Political parties will not be allowed to prescribe to Nafcoc whom its bedmate should be."

He said unity for the sake of unity would not do for black business.

"There must be commonality of values," he added.

On Monday ANC secretary-general Cyril Ramaphosa, PAC president Clarence

Makwethu and Azapo president Pandelani Nefolovhodwe all laid stress on the importance of black business's role in the cause of black liberation.

Nefolovhodwe said a major white business strategy was to keep black business where it was by further segmenting its ranks.

Cloak

"Big business will be the first to encourage Fabcos to compete with Nafcoc on every venture, under the cloak of competition within a free market system," he said.

Warning that this strategy was designed to keep Nafcoc from challenging big business, he said: "Despite your differences, Azapo would like to see greater co-operation between Nafcoc and Fabcos."

SOWETAN BUSINESS

Business steps into peace plan

Concern over outcome of negotiations

BLACK business has been invited by the Minister of Constitutional Development, Dr Gerrit Viljoen, to present its views on the proposed negotiations for a future democratic and nonracial South Africa.

This was said at the National African Federated Chamber of Commerce's 27th annual conference held in Sun City near Rustenburg.

In his presidential address, Mr Sam Motsuenyane said while his organisation had previously favoured in principle the objective of a negotiated settlement of the country's present political dilemma, "We have at the same time also raised serious reservations and concerns about the unpredictability of the outcome".

Danger

He said the greatest danger to peace and stability could arise if and when the negotiations failed to achieve their intended purpose, about which there could be no guaranteed measure of certainty.

"In the memorandum to the Minister, Nafcoc emphasised the sensitivities inherent in the negotiation process,

By JOSHUA RABOROKO

and in the light thereof urged the Government to reconsider its objections to the idea of an interim government and the creation of a multiparty constituent assembly, supervised by business brokers and not by the present Government itself," he said.

"Under the prevailing circumstances, it appears as if this would be the only way to ensure the participation of the ANC and other black political organisations in the envisaged negotiations.

Violence

"The only negotiations that will have a reasonable chance of success are those that focus specifically on the limited option of how an interim government of a constituent assembly should be constituted."

The conference was also told that, apart from participating as a member of the peace-facilitating committee comprised of church and business leaders, Nafcoc has had formal and informal discussions with various political organisations during the year.



Mr JJ Lesolang and other delegates to the 27th annual conference of the National African Federated Chamber of Commerce held at Sun City on Monday.

Every effort was being made at present to restore peace and stability to a troubled South Africa.

The constant danger that would continue to face it during the delicate transition towards a true democracy was a possibility of losing control of the process and in that event, plunging the country into a situation of anarchy and increased violence.

Referring to the socioeconomic prospect in South Africa, Motsuenyane said it must be conceded that the complete lifting of sanctions and other punitive measures directed against the country because of the apartheid policy would not be done abruptly and without due caution.

The EEC countries, the United States and Japan

had taken the lead in lifting sanctions against trade and flow of new investments.

But, he said, there was no anticipation of a massive inflow of foreign investments into the country until some reasonable certainty about the country's stability was clearly established.

He said recent revela-

tions of secret Government-funded Inkatha projects had evidently dealt a severe blow, not to the peace process per se, but also to the credibility of the Government and that of Inkatha.

He said the economy was going through a period of recession which was characterised by massive

unemployment, poor business performance on the part of many large and small enterprises, a low rate of savings, high inflation, and continually rising costs in the price of consumer goods.

Against that background, Motsuenyane added, it was quite clear that economic prospects would not be bright for

the rest of the year, although a slight economic upturn was expected to take place during the last quota of the year.

Motsuenyane outlined Nafcoc's future projects, including a black insurance company, a shopping centre, job creation centre and the revamp of the Masikela/Mavimbela Bursary Funds.



Speakers at the 27th annual conference of the National African Federated Chamber of Commerce included, from left: Mr Joe Hlongwane, Mr Max Tlakula, Mr Matome Maphonya and Mr SHL Matebese.

UNIT TRUSTS

GENERAL EQUITY FUNDS

	Buyers	Sellers	Yield
Alago	109.53	120.26	5.27
BOE Growth	135.15	125.29	4.62
Fedgro	116.85	109.11	11.22
Guardbank Growth	2243.92	2101.38	5.66
Momentum	227.77	212.55	5.92
Matfund	176.04	164.03	4.79
NBS Halmak	830.40	822.30	6.94
Nonrech NBS	339.33	315.99	7.90
Old Mutual Investors	2573.44	2433.91	4.81
Salagro	125.42	117.33	6.75
Sage	2300.40	2147.97	4.60
Sarlam	1607.56	1501.87	5.24
Sarlam Index	1263.66	1184.84	4.92
Serbank General	117.19	109.26	N/A
Southern Equity	172.38	161.11	5.51
Standard	1056.89	1002.77	7.75
Syrens Growth	243.75	228.20	5.77

All repairs on Fax Machines, Copiers, Typewriters & Cash Registers
Paper also supplied for the above
Contact A. Dlamini at 333-4968

S 1633

Nafcoc's struggle against all odds

(176)

Sowetan 23/8/91



By JOSHUA RABOROKO

THE National African Federated Chamber of Commerce entered the arena 27 years ago at a time of despondency among black people.

It was the aftermath of the Rivonia Trial and at the height of suppression of activities aimed at uplifting blacks.

It was a time that required boldness, vision and dedication in order to be a player — a time when the determination of the Government of the day to keep the black man "in his place" was even stronger than before.

Struggle

Only the most farsighted visionaries could foresee a day when both South Africa and the world would talk of a new non-racial democratic society.

In spite of the odds Nafcoc moved in to play its role in the struggle for liberation with the emphasis on black economic empowerment.

In the past years the efforts of the organisation have resulted in the removal of restrictions which cramped black businessmen.

Liberation

At Nafcoc's 27th annual conference held at Sun City this week the organisation reiterated its stance in the struggle for black economic liberation against the derivation caused by apartheid.

The conference, whose theme was *The New South Africa: Opportunities for Black Economic Empowerment*, was addressed by corporate South Africa, academics, researchers, black business

as well as the major players in the political spectrum.

Delegates tackled the problem of ensuring the new nation will be democratic and allows all equal access to opportunities.

One of the highlights of the conference was the contention that the Government be dissolved and an interim government established as a body that would supervise the transitional period.

A patriotic front of liberation movements and black business was proposed and it was argued that the process must be followed by a peace convention and an all-party congress.

Dissolved

The Government should be dissolved because it was not to be trusted in the wake of the Inkathagate and escalating violence.

Nafcoc chairman Mr Sam Motsuenyane puts it aptly: "The recent revelations regarding the secret funding of certain Inkatha projects by the South African Government have dealt a severe blow, not only on the peace process, but also to the credibility of the Government and that of the Inkatha."

This notion was also expressed by the ANC, PAC and Azapo and delegates from the international community. The ANC also proposed an interim government.

Motsuenyane proposed that

the United Nations and the Organisation of African Unity should act as mediators during the transitional period.

Seemingly this was the only controversial issue at the conference.

The controversial buzzword "black economic empowerment" which was part of the conference's theme came under scrutiny from speakers who were critical about it.

Azapo president Mr Pandelani Nefolovhodwe said: "Black economic empowerment is now a tool of big business, a strategy to keep black people oppressed."

"Black business men and women should realise that those in big business continue to enrich themselves through programmes such as 'black economic empowerment' which they control and manage themselves.

"We need control because black economic empowerment has not succeeded. They should not think that owning grocery shops or fast food outlets has anything to do with economic empowerment and control."

He contends: "It appears to Azapo that the struggle for national liberation needs the involvement of black business men and women. We call on all of you to therefore join hands with us in the struggle leading to economic control."

Delegates resolved to:

●Welcome the invitation to join the patriotic front;

●Address chronic poverty among the majority of businesses;

●Urgently finalise its economic and land policies;

●Make strong representations

to the Government on the structure of VAT, especially with protecting the interests of small manufacturers;

●Call on other business and sectoral organisations to affiliate to Nafcoc with the aim of tackling business and economic issues on a much broader scale instead of fragmenting its role in the pursuit of economic goals;

●Stimulate economic growth and job creation to meet demands of an increasing population and rising material expectations;

●Improve access to social services — education, health care services, water, electricity and housing; and

●Improve the earnings of blacks by enabling them to engage in productive economic activities.

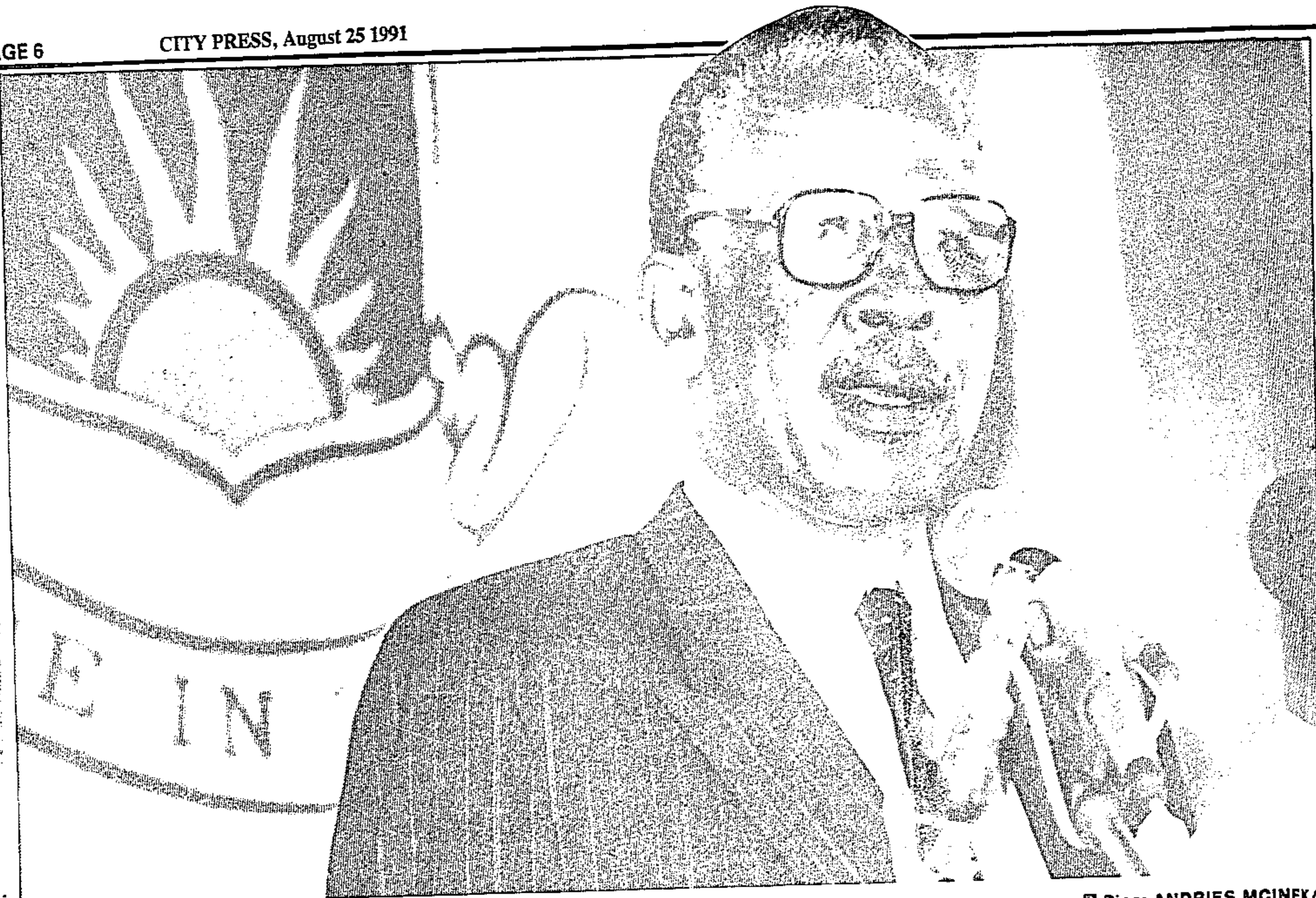
Resolutions

These resolutions were, however, dealt with by Nafcoc at its previous conference — the reason why critics say the organisation has not implemented most of its decisions.

Critics maintain that the conference was "just a futile exercise" because no "affirmative action" was taken.

But, Motsuenyane contends, conferences are important because of the need to discuss vital issues. Otherwise there will be no forum from which crucial issues can be discussed.

ANC secretary-general Mr Cyril Ramaphosa said: "Our people do not expect slogans, rhetoric or ideology from a conference — they expect to be informed about practical steps that will lead to them acquiring economic power."



PAC president Clarence Makwetu addresses Nafcoc's 27th annual conference.

Pics: ANDRIES MCINEKA



UCT vice chancellor Mamphela Ramphela speaks on the causes of poverty in South Africa.

White business

is dividing us — Azapo

By DERRICK LUTHAYI

C/PRESS 25/8/91
176

WHITE businesses encouraged black organisations to compete with each other on every venture in order to keep black business divided. Azapo President Pandelani Nefolovhodwe told cheering delegates at Nafcoc's 27th annual conference held at Sun City this week.

Nefolovhodwe said big business encouraged the formation of ventures which actually duplicated their activities, saying big business was the first to encourage Fabcos to compete with Nafcoc.

"The fact that Nafcoc and Fabcos exist as separate entities serves the interests of big business. Despite our differences, Azapo would want to see a common national economic agenda being worked out to enhance the economic gains of our people, and we encourage the formation of a national front of black business organisations.

"The present form of black economic empowerment has not succeeded in empowering blacks economically."

Owning a fast food outlet or a grocery shop had nothing to do with empowerment and economic control, he said.

"We believe economic control and power is found with the forces that black people should struggle to control," said Nefolovhodwe.

He urged Nafcoc to engage in productive measures that would be capable of feeding our children in the future.

Real power

A future constitution should enshrine the return of the land to the landless and an economic system in which the people have ownership, control and full participation in the creation, distribution and sharing of wealth.

ANC secretary-general Cyril Ramaphosa said people no longer expected slogans, rhetoric or ideology from a conference. They expected to be informed about practical steps that would lead to them acquiring economic power and nothing less.

Ramaphosa said the conference came at a time when the apartheid regime was at its weakest and sized as a result of self-inflicted punches like Inkathathe. The Vat punch was about to make it even more punch drunk.

"Our assertion that apartheid is a system that contains within itself seeds of self destruction has been proved a zillion times over as a result of Inkathagate."

PAC president Clarence Makwetu said the conference was taking place at a very momentous time



internationally as well as in home ground.
"On the African continent there has been little growth. In many African countries, people have not always been making sufficient use of their talents and resources. International poverty and unemployment are a tragedy.
"It is heartening to see that presently there is a surge in demand for the installation of democratic forms of government which should lead to higher levels of economic performance.

Azapo's Pandelani Nefolovhodwe receives a gift from Nafcoc president Sam Motsuenyane as Simon Zuma looks on.

Indipe condemns blacks to penury

STimes (Bus/T) 25/8/91.

By NTATHO MOTLANA, founder and chairman of the Get Ahead Foundation. Dr Motlana joined the board of Adcock Ingram recently.

I BELIEVE that in the new South Africa our townships people will realise that we must use our hands — to create wealth.

It has often been considered offensive to use one's hands.

Now it is more acceptable because there are so many people (including our returning exiles) who are unemployed, or unemployable in other jobs.

We cannot hope to live on welfare. Eastern Europe has lived off its capital — which eroded its assets — and is now virtually bankrupt. We cannot afford to go this route.

I recently returned from a trip with Nelson Mandela. One country we visited was Cuba where we noticed that the economy was at a low ebb. The Cubans blame it on America's economic blockade.

The US may contest this. But as we walked around Cuba, we noticed the very old cars. A trader cannot simply set up on a street corner. With Cuba's centrally managed economy, the bureaucrats would not allow it.

In SA, the expectations and aspirations of our people are being raised daily. Tragically, our people are even turning against cultural learning.

As part of the Soweto Civic Association, we urged the children to go back to school in 1986. However, there has been no effective teaching since then and there is even talk of lowering academic standards to ensure that children pass their examinations.

This is not acceptable — and indeed, if we are to boost our economy, we must make sure that we have a stable,



NTATHO MOTLANA: It's tragic, some of our people are even turning against learning

educated society.

Our people are developing the indipe syndrome — the word "indipe" is the Nguni for "give me", which signifies having a begging bowl in one's hand. Our people seem to have the attitude of holding out a begging bowl and believing that this will serve them for life. Making money is frowned on — and this means we are getting away from the work ethic.

Models

Sadly, many successful businessmen who should be role models have become city councillors or homeland leaders. I am reminded of the comments of an editor who spoke of government by corruption through such people.

I am hopeful that the ANC will be encouraged to get into business and into the private sector itself. One needs more players in the private sector — especially if they are black.

I have been criticised for these views. I discussed them with the ANC executive in Lusaka before the recent changes in SA. Some of its members were not all that happy with me initially. But then I explained to them the need to encourage people to help them-

selves and that much of what we in the Get Ahead Foundation are doing is aimed at survival economics by getting the informal sector going.

An organisation such as Get Ahead Foundation can play an important role in stimulating the informal sector. We have so far created 12 000 jobs.

We pioneered the stokvel lending programme where credit is granted to people who form themselves into groups (stokvels).

Our research has shown that one job is created for every R200 that Get Ahead lends.

Our people must realise that the flip side to political empowerment is economic empowerment.

I am reminded of the words of Pastor Niebuhr who said that real power is economic power. Political power is born from it.

I was interested in the statement of a well-known person who said that nobody has thought of a better way of creating wealth than the free-market system. By learning to master this system, we shall save ourselves.

The speaker was Russia's Finance Minister, Mr Boris Feyodorov.

This is what we are trying to achieve through Get Ahead Foundation.

Black share in business urgent

By Michael Chester

176

Star 26/8/91

African Direct Marketing Association.

Unless black economic empowerment goes hand-in-hand with political empowerment, South Africa may face the risk of pressures to turn into a socialist state, says the Foundation for African Business and Consumer Services (Fabcos).

Fabcos chief executive Jabu Mabuza told businessmen in Johannesburg that if this did not happen there could be irresistible pressures to use "quick fixes", such as nationalisation and punitive company taxation, to seek a redistribution of wealth.

"The result," he said, "may be to condemn South Africa to a decade or more of socialism, before economic realities show it does not work."

Mr Mabuza was addressing a symposium by the South

He urged far faster progress in the creation of more black/white business partnerships to avert the threat of socialism by pooling the formal sector skills of established white companies with the know-how of new black entrepreneurs about how to penetrate the vast black consumer market.

Mistrust

"It is important that marketeers should understand the depth of mistrust among the black community — from the lowest to the highest — when it considered the role of business during the apartheid era.

"There is an absolute conviction that business walked hand-in-hand with the Government.

"But whereas the Government was open about its dis-

criminatory practices, business disguised its participation by extensive displays of breast-beating about the inequities of the system."

Proponents of 'redistribution through growth' theories had the opportunity between now and the mid-1990s to show the merits of their arguments.

"But they had better get moving quickly and they had better mean real business," said Mr Mabuza. "There is no place for tokenism — the black community has had a bellyful of that in the past decade or so."

Marketeers who set out to create new black/white business ventures would not only generate faster sales but would also help to retain the capitalist system as the economic basis of a new South Africa."

THEO RAWANA

LAST week's conference of the National African Federated Chamber of Commerce (Nafcoc) left no doubt that major black political groupings saw the business organisation as a frontrunner in the black liberation effort.

The 2 000 delegates who attended the four-day event at Sun City heard ANC, PAC and Azapo leaders urge Nafcoc to move hand-in-hand with them on the path to ultimate victory.

And the organisation's acceptance of PAC president Clarence Makwethu's invitation to participate in the Patriotic Front conference has placed Nafcoc among the

Nafcoc takes its place in liberation effort

heavyweights in the black cause.

Makwethu said the purpose of the Patriotic Front would be "to co-ordinate strategies of transition amongst our liberation movements and to build up support and commitment around our demands for a constituent assembly. It is a front to ensure a total transformation of our society".

He said Nafcoc was on the invitation list. Perhaps ANC secretary-general Cyril Ramaphosa summed up Nafcoc's perceived responsibility when he said people did not expect slogans, rhetoric or ideology from the business organisation.

"They expect to be informed about practical steps that will lead them to acquiring

economic power and nothing less," Ramaphosa said.

He said Nafcoc stood out alone among many business organisations in terms of its record in "waging war against the heinous system of apartheid and promoting the empowerment of black people".

Azapo president Pandelani Nefolovhodwe, warning Nafcoc against white business's efforts to divide black business to suit white designs, said: "It is our view in Azapo that your organisation occupies a special position in the struggle for economic emancipation."

Urging Nafcoc to unite with the other major black business grouping, Fabcos, Nefolovhodwe said: "The fact that Nafcoc

and Fabcos exist as separate entities does in a way serve the interests of big business. Despite your differences, Azapo would like to see greater co-operation between Nafcoc and Fabcos."

Nafcoc president Sam Motsuenyane, speaking on relationships between political and business leaders, said: "In the past there was a mistaken tendency to disregard or underestimate the role of black business as a vital element of the liberation struggle in our country."

"Political and economic freedom can indeed be assumed to represent the opposite sides of the same coin, both are essential and indispensable to the progress and development of a democratic state."

Get an elephant's eye view

Elephant-back safaris in Botswana have identified SA game enthusiasts as their latest target group.

Well-known wildlife conservationist Randall Moore, in SA for a few days, has extended the safari season by two months and laid on a special package exclusively for residents of southern Africa "as my way of saying thank you for all the support we have received from them over the past few years".

The highlight of the safaris is riding on elephants through the Okavango swamps. These are the

DAVE LOURENS

same elephants featured in the ISM commercial and in Clint Eastwood's movie, White Hunter Black Heart. Guests are accommodated in luxury tents.

Numbers are limited to eight guests per safari.

Moore said the tight restriction on numbers had ensured the safaris were always fully booked. He said most tourists had come from the US, but he hoped the safaris would

gain in popularity in SA. In order to cater for South Africans, the safari had been slightly shortened to make it more affordable.

Moore has been involved in the field of wildlife conservation for the past 20 years. He first became an elephant owner in 1979, when his mentor, Dr H Morgan Berry died and he inherited three full-grown African elephants, who formed the nucleus of his current herd in Botswana.

The elephant-back safaris are unique in Africa. The only similar safaris are in Nepal's Chitwan Park.

Oceana Investment Corporation PLC

("Oceana")

Non-renounceable offers to stockholders of up to 16,785,263 new Oceana ordinary stock units

UAL Merchant Bank Limited is authorised to release the following announcement in South Africa:

"The Board of Oceana announces that the Rand subscription price in relation to the Offer of up to 14,387,368 new Oceana stock units to Oceana stockholders (Offer "A"), which has already been declared unconditional has been set at Rand 12.00 per unit."

Manana plans to create more job opportunities for people

Sowetan 29/8/91

By JOSHUA RABOROKO

THE managing director of two successful companies, Mr Pascal Kagiso Manana (32), ventured into business because he wanted to create job opportunities and development of his black people.

His two businesses - Pascal Landscape and Pascal Products International - hope to create 5 000 to 10 000 job opportunities nationally within two years.

Pascal Landscape specialises in setting out gardens, rockery designs, water features in one's backyard and indoor landscapes.

Detergent

While it has only been in existence for under two years, its growth has been extremely rapid because of the management commitment, expertise and experience, strict adherence to a company philosophy based on quality, total customer satisfaction, consistent performance and competitive pricing.

Pascal Products is a high-quality manufacturing company specialising in selected detergents, perfumes and natural skin care products. It operates a manufacturing/blending division and a marketing division.

These two businesses - presently employing more than 30 workers - are expected to create more than 200 jobs by the end of the year, according to an op-

timistic Manana this week.

Situated at 35 Canterbury Avenue, Gallo Manor in Sandton, most new projects and contacts are made through word of mouth; thus the growth experienced by the company highlights the quality of the company's products.

Manana, who holds a B SC degree from a United States university, was born in Sophiatown. He received tertiary education in England and the USA.

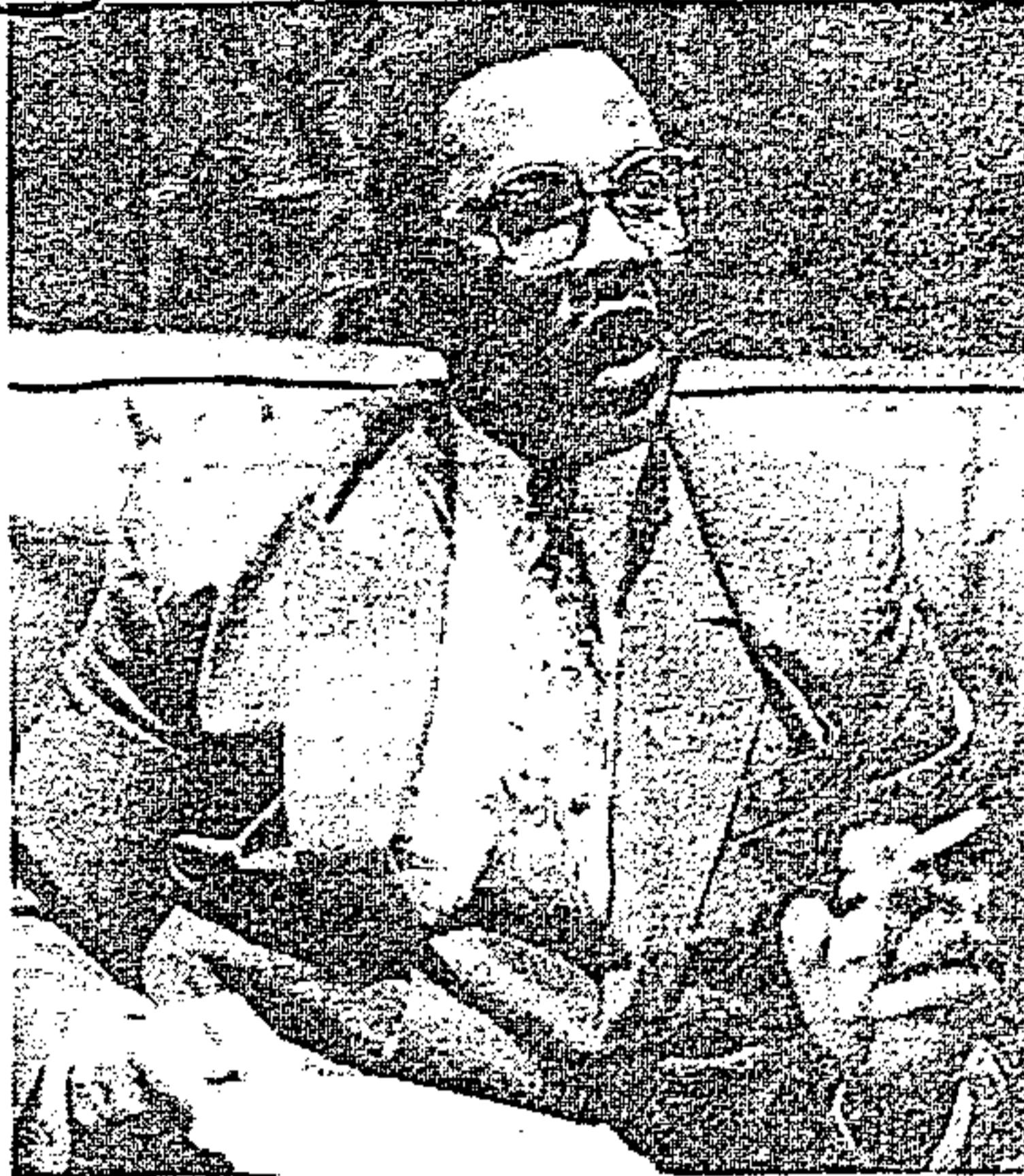
Apart from academic exposure to landscape architecture and horticulture, he also received practical exposure to some outstanding landscape architecture.

This unique exposure to European and American concepts allows the company to bring a professionalism and fresh ideas into landscaping not found in some companies.

Vision

He studied extensively in Belgium on industrial design as well as landscape design. He is able to transfer the customer's vision into tangible and professional drawings, enabling clients to judge and visualise the end product.

Manana says: "At present we are one of the busiest black landscape



PASCAL MANANA

companies in the area and, at our present rate of growth, we hope soon to become one of the busiest of all such companies.

"While competition in the landscaping business is fierce, we welcome it. Competition not only keeps us on our toes and helps improve our standards, it also keeps our competitors on their toes and can only help promote a higher quality and better price in the industry."

With a wry smile, he adds: "Our company philosophy, service and pricing structure, have already gained us contracts which previously would have gone to major established

companies."

He is hoping to engage in importing/exporting some of his products as soon as international sanctions against South Africa have been completely lifted.

"It is easy to start a business," he says, adding: "Everyone is the architect of his own future. If you have it, make sure it happens."

Manana plays tennis, basketball, listens to music and occasionally goes swimming.

●This article qualifies Pascal Manana for the Sowetan/Sanlam entrepreneur of the Year competition.

SOWETAN BUSINESS

Fabcoos chief Mabouza

Warns over socialism

SOUTH Africa could face pressures to become a socialist state if black economic empowerment did not keep pace with political advancement, according to the Foundation for African Business and Consumer Services.

Fabcoos chief executive officer Jabu Mabouza told businessmen in Johannesburg that if this did not happen there could be pressures to use "quick fixes" such as nationalisation and punitive company taxation to seek a redistribution of wealth.

"The result may be to condemn South Africa to a decade or more of socialism - before economic realities show that socialism does not work," he said.

Mabouza was addressing a symposium run by the SA Direct Marketing Association.

He urged faster progress in the creation of more black/white business partnerships to avert the

threat of socialism - pooling the formal sector skills of established white companies with the know-how of new black entrepreneurs about how to penetrate the vast black consumer market.

The start of the black taxi industry, now with a turnover running at no less than R50 000 million a year, was a classic example of the potential of niche markets that had been unexplored until the collapse of apartheid.

Political

Joint black/white business ventures promised not only access to huge new markets but also represented positive moves towards the restructuring of the economy.

At the moment, emphasis was on political reform and on social upliftment in spheres such as housing and education.

Yet, if there was not similar progress towards economic reform, South Africa would still not find the stable platform for

overall advancement that it so badly needed, Mabouza said.

"It is important that marketers should understand the depth of mistrust among the black community - from the lowest to the highest - when it considered the role of business during the apartheid era."

"There is an absolute conviction that business walked hand-in-hand with Government.

"But whereas Government was open about its discriminatory practices, business disguised its participation by extensive displays of breast-beating about the inequities of the system and by tokenism such as 'affirmative action' and 'social investment' programmes," he said.

Proponents of "redistribution through growth" theories had the opportunity between now and the mid-1990s to show the merits of their arguments.

"But they had better

get moving quickly and they had better mean real business.

"There is no place for tokenism. The black community has had a bellyful of that in the past decade or so," Mabouza said.

Marketers who set out to create new black/white business ventures would not only generate faster sales but would also help to retain the capitalist system as the economic basis

of a new South Africa.

"You may think that blacks may be good at digging gardens and playing soccer, but in business would have difficulty in running a booze-up in a brewery.

"If so, you will probably still be thinking that way in a few years time as the first government of the Socialist People's Republic of Azania is sworn in."



JABU MABOUZA

Nafcoc outlines its 10-year plan

Sowetan 30/8/91

BLACK business will be making strong representations to the Government on the shortcomings of VAT.

It is also to mount an aggressive public relations campaign to promote a 10-year plan to raise levels of black participation and ownership in companies listed on the Johannesburg Stock Exchange.

These were two of the outstanding major resolutions passed by the National African Federated Chamber of Commerce and Industries at its 27th annual conference in Sun City.

On VAT, one of Nafcoc's aims is to ensure that the best interests of small manufacturers and farmers are served.

The resolution on black involvement in public companies calls for a 30 percent participation on management boards and a 40 percent ownership by blacks of listed companies.

It also seeks a ruling that 50 percent of the value of the outside purchases made by listed companies should be placed with black-owned suppliers and contractors, and suggests that 60 percent of top management and personnel should come from the black community

176
By JOSHUA RABOROKO

within the 10-year time frame.

The congress also resolved to address "poverty among the majority" by urging business to deploy its resources in a more equitable manner and increase its investment in housing, electrification, employment and education.

Other resolutions included:

- Restructuring education with a bias on acquisition of technical skills with the aim of developing the technology necessary to process raw materials and move away from "colonial practices" of exporting them;
- Recognising the role played by women in promoting the organisation's aims and objectives and a call for them to participate in the decision-making structure of Nafcoc;
- Initiating programmes to develop a spirit of self-reliance within black communities; and
- Rededicating Nafcoc to the "struggle for the establishment of a just economic order".

APARTHEID had a negative effect on all races. Trauma was experienced by black and white. We are aware that those who were severely indoctrinated by the system may have to undergo therapy.

However, for most people in the workplace it may be useful as starters to sit down with people that you "normally" do not talk to and begin to talk. Bear in mind that no language is inferior or superior to the other.

Understandably, in South Africa the theory of communication art - intercultural communication - seems to carry a negative connotation because it teaches us to look at our cultural differences (which have caused the communication problem) and learn to discover common ground in order to begin valuing our diversity as a people of one nation, one country, South Africa.

Failure to accept the diversity of cultures, particularly by corporations, can only mean limiting the ability to appreciate as well as manage it to maximise the advantages.

Therefore, whatever names we use to legitimise the concept of in-

tercultural communication, the reality is such that intercultural communication cannot afford to be ignored in South Africa.

Communication experts argue that embarking on a process of legitimising intercultural communication is an act by "the dominating culture" to introduce brute reinforcement for the perpetuation and domination of its views in order not to disturb the balance of power and create an awakening in the dominated toward the true nature of the communication interaction.

In much the same way as blacks who say that they do not have communication problems with whites, they are speaking within the context of being dominated. In this case, not only is the language clear but power relations are also understood and form the backdrop for all communication.

By definition intercultural communication means the process of communication among people of diverse cultural backgrounds. Culture inculcates biases; however, it is felt that people of diverse social backgrounds can with

Communicating to better know our differences

Dr Gail Mokothe (pictured right), who is employee communication manager at Eskom, is our guest columnist this week and she speaks about intercultural communication.

a little effort communicate with people other than their racial group without being outright nasty.

Contemporary South Africa is inhabited by diverse racial groupings who, by virtue of the disproportionate monopoly of power (social and economic) by people of European descent, and has been marked by a lack of communication between people.

White South Africans used their political hegemony to suggest that non-Europeans (blacks) were inferior. Communication has been made through the statutes and

physical force.

Blacks in turn reacted to what was communicated through acts of violence or in some cases submission. The communication achieved, if any, was that of master-and-slave.

The master gave orders and the slave obeyed or disobeyed and the consequence for the servant/slave was punishment.

Our argument suggests that communication was thwarted because there was absence of equality. Therefore in the absence of equality there is disrespect or fear. Undoubtedly this state of affairs affects healthy com-



agers, both black and white, have to provide leadership in creating a healthy workplace so that intercultural communication may be facilitated.

The time is right for white South Africans to begin to act like ordinary human beings. In actuality, ability to accept other races as equals is truly a mark of greatness. The blacks have to do the same.

The question before us, then, is who must do most of the adjustment? On the other hand, how do black managers begin to create a conducive environment for intercultural communication without being labelled collaborators by other blacks and as being whites in black skins by whites?

S u g g e s t i o n t o Employers

In an effort to effect intercultural communication I suggest that you implement the following at your workplace.

1. Language: White employees should be encouraged to study an African language, such as Zulu, Sotho, Xhosa or Venda etc. Another alternative would be to learn the language predominantly spoken by the majority of

African people in your business unit, including the surrounding area.

Studying a new language opens new frontiers. One begins to appreciate the culture that nurtured that particular medium of communication.

2. Seminars/Sessions: Seminars on intercultural communication can be conducted using consultants in the field. Breakfast or lunch sessions where a speaker is invited are usually taken for granted but their implications are far-reaching.

3. U n i v e r s i t y / T e c h n i k o n C o u r s e s : Besides taking courses that enhance job skills, it is suggested that employees are encouraged to take courses in psychology, sociology and anthropology so that they can start to appreciate the diversity in their company and in South Africa.

4. Internatal Sports: Employers should sponsor sports and recreational activities where contact is promoted between various cultural groupings. This need not be confined to a company, it can also involve interaction with other companies in close proximity.

Abasa to meet for convention

Sowetan 26/7/91

176

SPEAKERS from different schools of thought will address delegates at the sixth annual convention of the Association of Black Accountants of Southern Africa.

The convention will be held at the Empangeni Hotel in Durban from July 28 to 30.

The conference, whose theme will be "Account-

By JOSHUA RABOROKO

ing for reconstruction and managing the transition towards a free South Africa", aims to increase the number of black chartered accountants in South Africa.

Currently there are less than 50 black

chartered accounts.

Specialists from South Africa and abroad will speak at the conference and they include:

* A member of the ANC's department of economic policy, Mr Tito Mboweni, who will give a critical evaluation of the existing development agencies and their role

during construction and transition.

* Professor Wiseman Lumkhile Nkuhlu, principal and Vice Chancellor of the University of Transkei, who will speak on "Effective strategies and policies that would uproot and eradicate poverty to ensure a politically and economically viable South Africa".

* Dr Oscar Dhlomo, chairman of the Multi-party Democratic Institute, whose topic will be "Towards an open and democratic society - how to acquire the culture of democracy and accountability".

Record

Abasa was pleased to announce this year a record quota of 13 black accountants.

This pushes the number of black chartered accountants in South Africa from 29 in 1990 to 42 this year.

Although this development is showing that these figures still have to be considerably increased.

Crucial

"It is of crucial interest not only to the economy but to South Africa as a whole that the number of highly qualified Africans is increasing.

"This applies not only to accountancy, but to every sector of the economy," according to Abasa president Israel Skosana.

SOWETA

No winds of change in economy as yet - UF

Sowetan 26/7/91

By JOSHUA
RABOROKO

WHILE political constraints were disappearing, the economic restraints were not, the chief executive of the Urban Foundation, Mr Sam van Coller, said yesterday.

Speaking at the conference of the National Black Distributors Association on the effects of a new constitution on business, he said violence and uncertainty about economic policies had put foreign investors off South Africa.

He said: "The longer the economy continues to perform poorly because of this unwillingness, the greater the chances that violence will increase.

"This means there will be greater pressure on extra-parliamentary political leaders to talk in terms of a substantial role by central government in any future economic policy under a new constitution.

"We must anticipate, therefore, that until South-

Africa can break out of this cycle, the economy will continue to perform poorly and, given the high rate of population growth, unemployment and poverty will increase."

However, he said there was probably a more fundamental and much more serious dynamic at work in South Africa and that was the long-term and continuing social disintegration of society.

"The symptoms are there for us all to see. They include an increase in brutal crime, the state of war that exists between society and its children, violent conflicts between different interests groups and, in particular, between the haves and have nots, increases in teenage pregnancies, alcoholism, suicide and divorce.

He had no doubt that a new nonracial South Africa would see that these serious obstacles to economic growth started to disappear and would

bring important social and economic gains.

The impact on a new constitution on the business environment would depend firstly on the political climate.

The negotiation of mutually beneficial agreements between employers and trade unions was essential.

Other opportunities existed for housing developers, civic associations and home loan institutions to break the housing log-jam by reconciling their different needs and interests, for large and small business to achieve both greater efficiencies and more equitable distribution of business activity.

He urged members of the association to participate in the process of change.

The launching of the association was one of the many examples of the growing sense of self-reliance among blacks as their struggle for political freedom came nearer the end.

Companies taken to task over 'criminal' retrenchments

By Des Parker *Star* 30/7/91

National Sorghum Breweries executive chairman Mohale Mahanyele yesterday described retrenchments as "criminal" and took companies to task for laying off the lower echelons of employees while allowing managers and directors to keep their jobs and their perks.

Defending NSB's policy of affirmative action in employment — blacks are given preference in all appointments — Mr Mahanyele told delegates to the annual convention of the Association of Black Accountants of Southern Africa in Durban yesterday it was "an indictment of the South African system" that thousands of jobs had to be sacrificed every year so that companies could announce good financial results to their shareholders.

"We have the highest unemployment level in our history. Forty percent of economically active people are out of work and the effect pervades all levels of society," said Mr Mahanyele.

"Yet despite this, there are massive retrenchments by companies that are proud to announce good returns at the end

of the year, never mentioning the fact that thousands of their fellow South Africans have had to be retrenched for them to be able to announce these results and show how effectively they are running the companies."

He said black people had to acquire ownership and control of the "resources of the economy" to ensure political emancipation was translated into economic empowerment and was not rendered meaningless by the continuation of widespread poverty.

Action needed

"Somebody has to step in and take action in the same way economic power was given to the Afrikaners.

"Anglo American gave General Mining to the Afrikaners as part of a strategy to empower these people so they could become major players next to the English and the Jews in SA.

"These things do not just happen due to a process of evolution; somebody has to step in and take action.

"The process has been set to one side in favour of political freedom all over the continent (of Africa) and history has shown that the situation never

gets righted because those who come to power face a situation known as equal opportunity."

NSB, since its creation from the merger of the formerly State-owned sorghum breweries, had changed from a completely white-dominated organisation to one where the structure was rapidly coming to reflect the "population proper".

A lot of blacks had been brought in across the spectrum of positions and three of the six major divisions now were run by blacks. Blacks had to be considered before whites to fill vacancies, while the company endeavoured to make its purchases only from businesses which advanced blacks.

Mr Mahanyele took issue with people who criticised these types of policy as being "reverse discrimination".

"This is a major bluff in this country; you cannot have reverse discrimination in a country which has discrimination on the scale we have in this country.

"If we do not do these things, we are going to end up in the same position as countries like Zaire, where the people have no economic power, only political," he said.

Culture ⁽¹⁷⁶⁾ gap 'a major obstacle?' CT 1/8/91

A suggestion by Nafcoc executive director Mofasi Lekota that black culture would eventually dominate business in SA sparked off discussion among people attending a breakfast at the Ritz Protea Hotel, Sea Point, yesterday.

Sybil Rhomberg, a marketing executive with Engineering Management Services (Cape), who regularly visits other African countries on business, said: "Even after years of independence, business is still run in all these countries on the same lines as when there was a colonial power.

"What different culture does Mr Lekota intend to introduce? And how will SA companies deal with their counterparts overseas if they are run on different lines?"

Lekota commented: "Americans are motivated differently from Japanese.

"There must be a different way to motivate black South Africans and I think familiar surroundings and customs would help us to find it."

Boost for blacks' stake in equities

(176) CT 1/8/91
By AUDREY D'ANGELO
Business Editor

THE National African Federated Chamber of Commerce and Industry (Nafcoc) has started a programme of action to identify and train black business leaders to take their place on the boards of listed companies.

It is also investigating schemes to mobilise capital to increase black equity participation in major companies. These may include unit trusts for black investors.

And it is identifying black suppliers whose products can be matched with the needs of corporate buyers.

Mofasi Lekota, executive director of Nafcoc, said in Sea Point yesterday that business in SA would eventually be dominated by the culture of the majority of the population, as was the case in every other country.

Nafcoc had set 10-year targets to increase black representation on the boards of listed companies to 30%; increase black participation in the equity of listed companies to 40%; increase the value of goods and services supplied by black business to listed com-

panies to 50% of the total; and increase the number of blacks in low-, middle- and top-management levels of listed and unlisted companies to 60% of the total.

Lekota was speaking at a meeting of a breakfast club organised by Fedics Food Services and Protea Hotels. Chandling International co-hosted the breakfast at the Ritz Protea Hotel.

He said black and white South Africans "have more in common than we have differences.

"The worst aspect of apartheid is our inheritance of real inequality; unequal access to economic opportunity; unequal access to income and wealth and unequal ownership patterns.

"One of the greatest challenges we are faced with is to identify those things we have in common, to build on them in order to share a peaceful and prosperous future.

"It is very important that all South Africans rally their support around principles that we have identified as common. It is important to find the future SA on a basis of a national consensus."

It was necessary to find and build a new path of economic development that would generate and sustain a growing economy

and at the same time reduce poverty and address other inequalities of apartheid.

"The inherent challenge in that objective is firstly how to generate and sustain economic growth," said Lekota.

He urged business to reduce the high ratio of capital to labour "that currently surpasses those of other developing countries", in order to create more job opportunities.

Ownership of resources should become less concentrated and income more equitable. This would encourage more competition.

Productivity and efficiency should be increased to make SA industry more competitive.

SA must also "create an environment that will improve investor confidence, develop and engender a spirit of enterprise among our people and re-orientate our economy to manufacturing activities to boost export capacity.

"With a growing economy we will be able to create jobs, offer improved educational opportunities, proper health services and so on.

"All these will help reduce poverty, leaving us with the challenge of addressing past inequalities."

Grooming blacks for boards

TWO training programmes are to be launched for blacks wanting to get into the corporate world as board members.

National African Federated Chamber of Commerce (Nafcoc) president Sam Motsuenyane said his organisation's programme would start at the end of the year.

The Black Management Forum (BMF) would begin a programme "sometime next year", said executive director Lot Ndlovu. His organisation had agreed to the programme in principle but more work had to be done on selection criteria, content and corporate participation.

Said Motsuenyane: "Our course has

176
176
Biday 17/7/91
THAMI MAZWAI
been adapted from one offered by the Institute of Directors. The revamped version will take the backgrounds of our people into account."

The Nafcoc training programme is in line with Motsuenyane's recent call that in 10 years' time JSE-listed companies should have boards that are 30% black.

Although Motsuenyane did not specify the immediate target group, it is likely to be black professionals, who have the necessary academic background to make a successful entry into boardrooms.

● See Page 9

BUSINESS



Mr Kehla Mthembu of Afsure and Martin Sweet of Charter Life.

New Charter plan for black brokers

Sowetan 18/7/91 176

By JOSHUA RABOROKO

CHARTER Life is spearheading a programme of building a sound skills base in black brokerage for the insurance industry.

The programme, which has the full support of Mr Mike Jackson, chief operating officer of Charter Life, is being initiated by Mr Martin Sweet, a senior manager with the organisation.

Sweet said: "Economic growth and prosperity will depend to a large extent on how well South Africa meets the illiteracy and skills crisis in this country."

The company focuses on two areas. The identification and development of new brokerage talent and secondly the empowering of existing black brokers through working with the emerging brokerage to develop their staff to a high level of competence and efficiency.

Great results have already been achieved. To mention one, Mr Dupreez

Vilakazi, of Business Challenge, who, after an intensive two-month training period at Charter Life, is now enjoying great success in selling policies in a competitive market place.

The company investigated various training institutions before entering into an association with Parcon Pty Ltd, which has credibility in black empowerment - both within the corporate and social responsibility fields.

Initially, a two-day programme was designed to address staff knowledge and efficiency in order to comply with brokerage time constraints. The programme has been enthusiastically welcomed by black brokerages.

Mr Kehla Mthembu of Afsure, Mr Moss Nxumalo of XB Brokers and Mr Phil Khumalo of Business Challenge, are keen to support on the development of their staff and have committed themselves to the programme.

Nafcoc in talks with Russians

City Press 21/7/91

A SOVIET trade mission this week met Nafcoc officials behind closed doors in Soshanguve.

According to Nafcoc president Dr Sam Motsuenyane, who led the organisation's delegation, both sides realised the need for friendship and co-operation in the field of trade. He described the meeting as cordial.

The Soviets had formed their own chamber of commerce and had realised the need to move away from a centrally controlled economy to a market-related one, said Motsuenyane. (176)

In pursuit of their new ideal the Soviets were seeking to forge links with business bodies such as Nafcoc. (259) (281)

"We are happy to have met them and to have forged links with them," said Motsuenyane, adding that both parties agreed there was a lot they could learn from each other.



PLENTY TO SHARE ... Nafcoc president Dr Sam Motsuenyane met a high-ranking Soviet trade mission delegation this week.

UK 'to train (176)
blacks to run SA'

ARG-2217191
The Argus Foreign Service

LONDON. — Britain is poised to initiate a massive international effort to prepare black South Africans for government, a Sunday newspaper claims.

The Mail on Sunday says hundreds of young blacks are to be trained in the UK for senior professional jobs.

The plan, which includes training in engineering, mining, electronics, teaching and computing, has been drawn up by a group of academics, and is expected to be rubber-stamped at the Commonwealth heads of government meeting in Zimbabwe in October.

SOWETAN BUSINESS

Mary carves niche in a man's world

Sowetan 25/7/91
176

FORMER nursing sister at Baragwanath Hospital Mrs Mary-Goretti Dzwimbo (42) does not fear any competition after she carved herself a niche in the male-dominated building industry.

Dzwimbo started the MG Dzwimbo and Daughters Building and Construction Company, which is probably the only company that carries a "Ms and Daughters" tag, thus breaking away from the "Mr and Sons" tradition.

Indeed, she realised that black women suffered from sexual discrimination and suffered under apartheid in South Africa and wanted to set herself to get out of it.

"Surely an enlightened society has no need to indulge in professional or employment gender discrimination," she says with a wry smile.

The success behind her achievements is clearly indicated by the number of homes she has built on the Witwatersrand and in Palm Springs - a new black elite suburb near Evaton in the Vaal Triangle.

Lesotho-born Mary is

By JOSHUA RABOROKO

doing a tough job, which is also rough and dirty. You need to see her on duty as she digs furrows, lays foundations, puts one brick on top of the other, climbs on the roof and plasters the building - all a marvel to watch.

After obtain her Junior Certificate she followed the nursing profession at Baragwanath, where she worked for almost 15 years.

Lessons

During her spare time she attended lessons in Krugersdorp where she learnt bricklaying, plastering, roofing and all the tasks involved in the building trade.

She soon left the nursing profession because she was bored with the job.

"I wanted to venture into business and be my own boss," she says.

The turning point in her life came when she was apprenticed to a black building contractor who, she says, was often rude to her.

"I mean, this guy used to order me to climb the rafters of big houses to lay tiles and do renova-

tions. When I became reluctant, sometimes he would tell me: 'You had better do the job - or else ...'"

However, she says: "I was never frustrated because I had a dream that one day I will own my business."

Daughter

There was light at the end of the tunnel when she started her business in 1989 after she was subcontracted to the South African Housing Trust.

Her business is growing rapidly and today she employs more than 30 people - the majority of them men - whom she also teaches the job.

Others are on a sub-contract basis - one of them is her daughter, Monica, who is also a bricklayer.

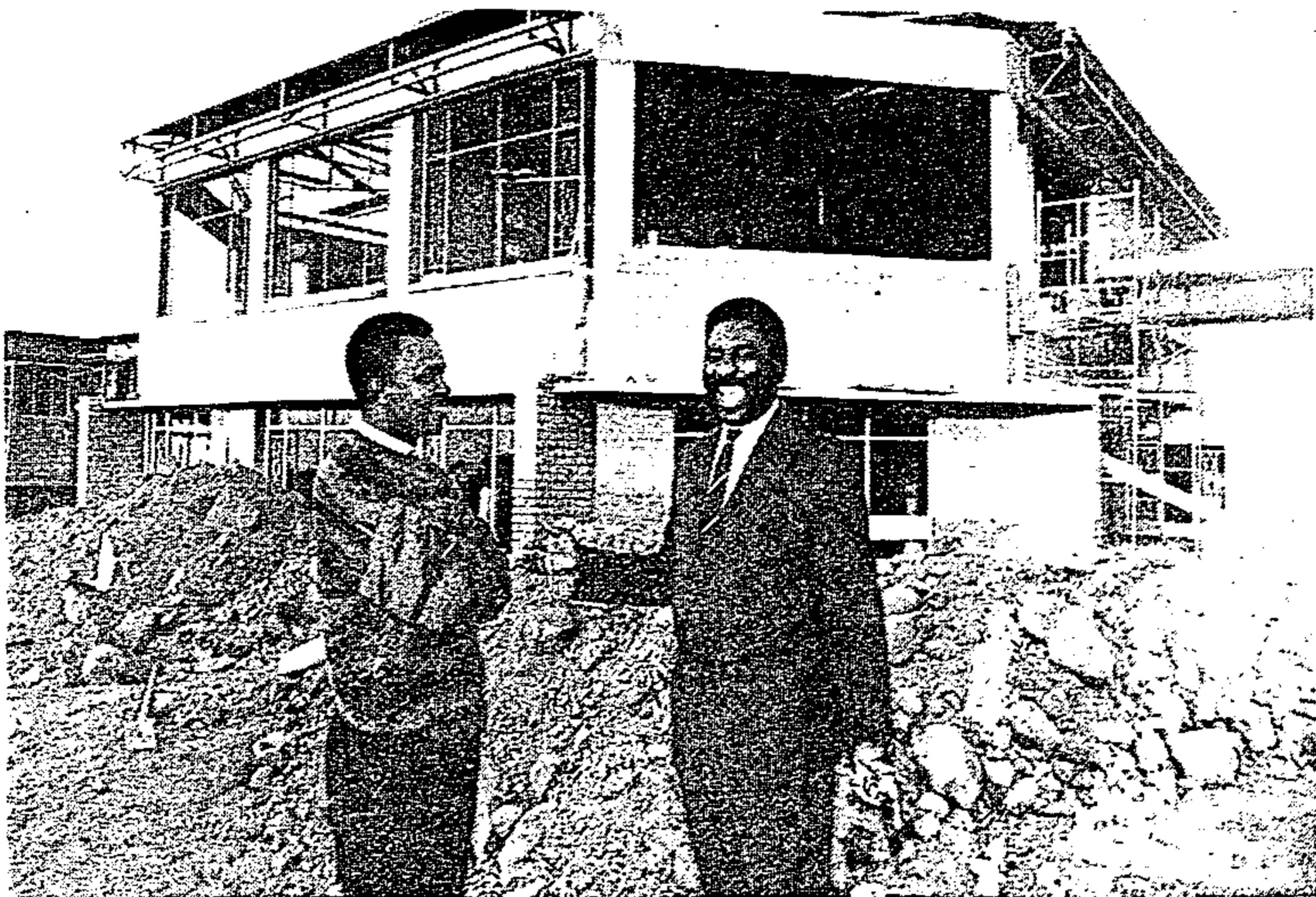
She competes with several big companies in the industry in Palm Springs, but she does not fear anybody, she says. Her husband Desmond is a taxi driver and usually motivates her when the chips are down.

She has three other children and her future plans are to provide equal opportunities programmes which will increase the number of women in the



MARY-GORETTI DZWIMBO ... building a dream building industry. (This article will qualify Mary for the Sowetan/Sanlam Entrepreneurs of the Year competition).

N-BUSINESS



Business reporter Ali Mphaki with Mr Sheiks Makhado with the centre in the background.

Makhado's dream

By ALI MPHAKI

THERE is a distinct nostalgic fondness in Mr Sheiks Makhado's voice as he speaks about the soon-to-be-ready first-phase of the R7 million National African Federated Chamber of Commerce and Industry Management Leadership and Development Centre in Soshanguve.

Makhado, Nafcoc's education officer, sees the centre as a culmination of Nafcoc's dream of redressing the existing imbalances of skills between blacks and whites in the country.

It is also, Makhado explains, a move in line with Nafcoc's resolutions

taken at their 6th summit conference in Venda last October.

The summit strongly advocated far-reaching measures toward restructuring the formal economic sector in terms of black economic involvement in ownership, management and operational activities of the formal sector.

Among the resolutions adopted was that all companies listed on the Johannesburg Stock Exchange should have at least 30 percent of their board members from the black community; at least 40 percent of their total shareholding must be controlled blacks; and at least 60 percent of their top managerial and personnel must come from the black community.

"At the moment blacks represent about four percent of management in South Africa. If by the year 2000 whites might be 10 percent of the

population, how then do we expect to survive if our economy is hoisted by 10 percent of skills?

"Even when the ANC or PAC or Azapo comes into power, these organisations will not have the resources to sustain that freedom if we do not start investing on human capital now. We need to increase the capacity of growth by increasing the skills base," Makhado said.

The initial idea of this centre came around 1987 but due to problems of consultancy, construction was delayed. At the time, cost of the centre was estimated at R3 million.

It has 20 working rooms which can accommodate 10 people each, four lecture rooms with a capacity to hold 35 people each and an auditorium which can accommodate about 150 people.

Apart from servicing Nafcoc's own sectors, Makhado said, the centre would be open to the public. There will also be a library, whose books will be more economically inclined.

The centre will offer multi-dimensional courses. Firstly those at basic level on management - a critical aspect as more than 60 percent of black businessmen are illiterate - computer programming, an executive secretarial course, middle management courses and post-graduate studies.

Second phase of the centre will be residential, to facilitate the use of the centre for even people who are from far and would normally experience accommodation problems.

Makhado said the centre would be opened in two months.

off

"We feel our own black business people must not wait before the final uhuru to start making contacts and connections with other businessmen," Ramoshaba said.

Ramoshaba, whose business premises have

UNIT TRUSTS

GENERAL EQUITY FUNDS

Buyers
107.50

Sellers
100.50

Yield
5.38

Business visit off

A VISIT by about 60 top black American businessmen to South Africa this month has been postponed because of what the Americans dub "the Mandela bashing" and the high-level of violence in the country.

Consultant Mr Willie Ramoshaba, whose firm WR Consultants, was organising the trip, suffered heavy financial losses as a result of the postponement which, he said, was also forced by the threat to call off talks between the Government and the ANC.

"Judging from the Mrs Mandela case the Americans thought there was an orchestrated campaign to villify the Mandela name and with the threat of talks collapsing between the Government and the ANC, that made them very nervous," Ramoshaba said.

"I am talking of the real people who fall in the top 100 category," he added.

The visit was supposed to be a return-visit by the Americans following a successful trip by 65 black South Africans to the United States last October led by Dr Nthato Motlana, Mr James Ncoya and Mrs Ellen Khuzwayo.

Sowetan 25/7/91
By ALI MPHAKI

This trip was also organised by WR Consultants.

An obviously disappointed Ramoshaba also lambasted some "big" South African corporations which, he said, preached black economic empowerment but did little to put their money where their mouth is.

"If we were bringing in white businessmen we would have had big business and even the Government supporting us. But because we are bringing our own black

brothers, no one is prepared to assist us financially," he said.

Ramoshaba's mission to invite black American businessmen to this country is to expose the South African black business people to businessmen they can relate to and do business with.

176 Uhuru 637
He said the American businessmen believed they could play a role in assisting South African black business people in making a meaningful contribution to the South African economy.

"We feel our own black business people must not wait before the final uhuru to start making contacts and connections with other businessmen," Ramoshaba said.

Ramoshaba, whose business premises have now been moved from downtown Johannesburg to Randburg, said they had arranged to take 65 black businessmen to the Far East in October.

As for the black American businessmen, they are now being expected in South Africa in November.

Classified has it all

186
Services and
Tune-ups
to your car

184
Spares &
Accessories
for all
makes
of Cars

Read
Classified

FIKILE PROJECTS BUILDING CONTRACTORS

Stands available in:
Mamelodi and Mabopane
*Want to buy a home of your own? Then do it
NOW!*

- *No deposit
- *Fully serviced. Ready to build on
- *Quiet atmosphere
- *Next to transport
- *Bond finance arranged

For more information!!

Call us at
(012) 323-9295/6

S 1340

Your big chance to study at Harvard

BLACK South Africans in mid-career have a chance to obtain advanced training at Harvard University in the United States.

This can be done through applying for a fellowship with the Harvard/South Africa Fellowship Programme, which is run by the South African Institute of Race Relations.

According to the bursary director of the Institute, Mr Dennis Venter, the programme is intended for those men and women who have shown considerable skills in their chosen fields and who would be likely to benefit from advanced training.

The fellowship provides for up to one year's study at Harvard. It includes all tuition and fees for the period of enrolment at the university, as well as a subsistence allowance and the cost of a return air ticket.

The average age of those selected for the fellowship is between 30 and 40.

Candidates who have just completed, or are busy completing their first degree are not normally selected.

This does not apply to those candidates who are conducting their studies

concurrent with, or subsequent to, professional experience in the workplace.

Venter points out that to be eligible for a fellowship, a candidate need not have received a first degree.

Several fellows without degrees have spent a year at Harvard as "special students", for example, in the programme for management development at the Harvard Business School.

Candidates are expected to attend one full academic year at Harvard.

As the American academic year begins in September, most fellows begin their studies in the September following their selection.

Each year about 200 applications are received, of which from 12 to 15 candidates are interviewed by the selection committee in late January.

The closing date for applications is September 30 1991.

Application forms are available from The Harvard/South Africa Fellowship Programme, South African Institute of Race Relations, PO Box 32597, Braamfontein 2017.

By ALI MPHAKI

Sports tycoon gets the boot

CIPRES 14/7/91

176

By THEMBA KHUMALO

SOWETO tycoon Godfrey "Louis Luyt" Moloji has been kicked out of Western Deep Levels mine near Carletonville, where he has been running the recreation club since last year.

Moloji, also known as "The Godfather", believes this was racially motivated to "pave the way for whites to run their businesses without black competition".

He says whites were becoming jealous of his thriving business which was patronised by at least 1 000 black miners.

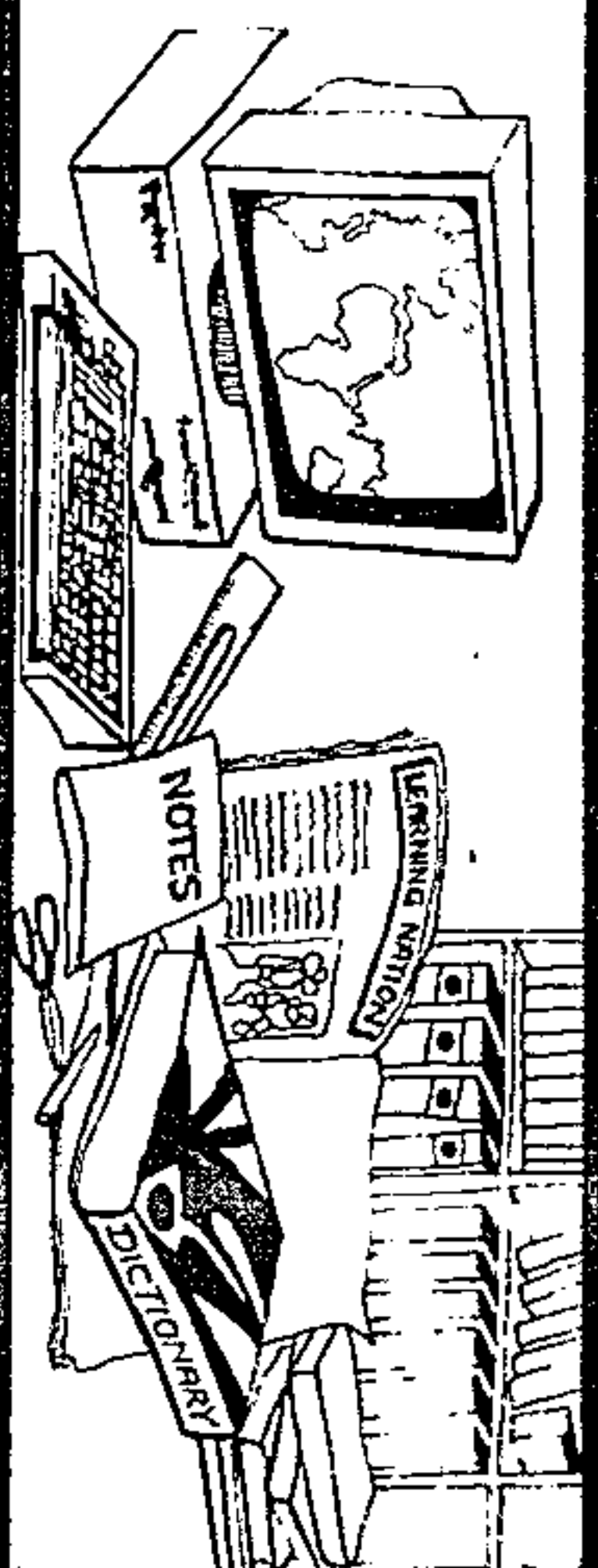
"I was given the boot because I'm a successful black businessman. Why didn't management give me the chance to challenge the dismissal?" he asked. "It's sheer racism."

Head of Ekhayelihle Recreation Club at Western Deep Levels, Johan du Toit, denied Moloji's allegations.

He said Moloji joined the club as its manager and his contract was terminated when it expired on July 4 because he could not manage the affairs of the club properly.

"As a result of his poor management the services of the club deteriorated significantly."

RESOURCES



Developing accounting skills among black South Africans

New Nation (Learning

Nation)

1217-1817/91.

(176)



Bantu education has deprived many people of the skills needed to build democratic organisation. This is a demonstration against Bantu Education which took place in 1955.

Pic: Bailey's African Photo Archives

South Africa is currently in short supply of professional, technical and skilled people. The shortage of these skills is greatest amongst the black population. However, as South Africa moves towards a new political dispensation there will be pressure on all structures, academic institutions and professional bodies to be representative of all ranks. We need skilled people to help build our organisations on the ground.

Many people believe that South Africa has a major role in the development of the rest of Africa. This will also place more demands on the limited skilled people, creating yet further shortages.

An accountancy initiative in South Africa

One of the major skill shortages is among accountants. There are only 42 black accountants in South Africa. During October 1990 representatives of Acca, The Chartered Association of Certified Accountants, came to South Africa to look into possibilities of getting Acca established in South Africa. Acca has worked with the Open University in Britain in developing a comprehensive set of materials for distance learners wanting to study accountancy. The course is divided into modules which can be used for a number of accounting qualifications leading up to full certification.

This programme has been tested in a number of countries in Africa and Asia. The Acca open learning programme will promote the development of basic accounting skills and will also extend access to these skills in community organisations. A number of organisations were invited to an explanatory meeting which was hosted by The Association of Black Accountants of Southern Africa (Abasa). The participating organisations which serve as a working committee are:

- Abasa
- SACHED (DUSSPRO & LACOM)

- BMF (Black Management Forum)
- CDHR (Centre for Development of Human Resources: ANC)
- Acca

Other organisations have been invited to participate. These are: Kagiso Trust, UNISA, I E B, NAFCCOC, FABCOS, COSATU, Dave Douglas and Associates, etc.

Recognition of Accasa

* Abasa has held initial discussions with the Minister of Finance, the Financial Services Board and Public Accountants and Auditors' Board. The latter institution showed openness to the idea and requested that a detailed proposal for recognition be forwarded.

* It has also met the Head of the Department of Education Services at the HSRC and an evaluation of the Acca qualification is being considered.

* The Working Committee has also asked Abasa to compare the Acca with all other relevant accounting qualifications such as CIS, IAT, et cetera.

Preparing for Accasa

The working committee will organise a training programme for facilitators of the seminars. These facilitators will be recruited from different areas. Acca has agreed to assist the committee in conducting the programme for about 25 facilitators some time in August 1991. The purpose of the training will be to:

- * help facilitators gain a better understanding of the project;
- * initiate the facilitators into the open learning material; and

* to establish a nucleus of people who will ensure the sustainability of the project into the future.

After training, the facilitator will organise regional seminars in major centres around the country. The purpose of the seminars will be to involve organisations in the identification of suitable content, testing of the methodology and the promotion of the programme.

The Working Committee is planning to launch the new programme at the beginning of 1992.

The Working Committee has decided to call this initiative: "Project Accasa" - Acca and South Africa.

Are you interested in finding out more about Accasa or would you like to join the programme? If you are interested write to:

Mashudu Romano or Abasa
c/o SACHED TRUST c/o Imogen
6th floor P.O. Box 5282
Allied Building Johannesburg
236 Bree Street
P.O. Box 11350
Johannesburg
2000

or

The Centre for the Development of
Human Resources
60 De Korte Street
Braamfontein
P.O. Box 32280
Braamfontein.

(176)
bloay 9/7/91

Nafcoc backs new union for black farmers

THEO RAWANA

THABA NCHU — Nafcoc president Sam Motsuenyane yesterday backed the establishment of a black farmers' union, saying it would not be easy to unite black and white farmers through existing white-dominated agricultural organisations.

Officially launching the National African Farmers Union (Nafu) at Nafcoc's ninth agricultural conference in Thaba Nchu, Motsuenyane said people would ask why Nafcoc should be creating another union when there was the giant SA Agricultural Union.

"The reason is simply this: that black people have until now not participated fully as members of any of the affiliates of the SA Agricultural Union."

Nafcoc said Nafu hoped to attract 50 000 members by the end of the year.

Motsuenyane said Nafu's key objectives included promoting the acquisition of agricultural land, to ensure and facilitate the transition of black farmers from subsistence to commercial farming, and to work towards the removal of barriers which had impeded black participation in commercial agriculture.

'Closer⁽¹⁷⁶⁾ than ever before

10/7/91

BLACK business organisations Fabcos and Nafcoc yesterday said their working relationship was closer than ever and rejected reports of bitter rivalry as "devoid of all truth" and "mischief-making".

In a joint statement in Pretoria, the Foundation for African Business and Consumer Services and the National African Federation of Chamber of Commerce said they were concerned about recent media reports regarding alleged rivalry among the two organisations.

"If left to continue, the destructive effect of such speculations and innuendoes will work against the unity and the strength of black business for many years to come."

Both reiterated their commitment to the development of black business and their neutrality concerning party political loyalties.

"Our political interests are limited to the extent to which we can contribute to a nonracial, democratic, unified and prosperous South Africa." - Sapa

Invest here for jobs, ANC urged

THE ANC will hopefully liquidate its foreign assets and deploy the funds - potentially R655-million - for job-creating investments in South Africa, the Johannesburg Chamber of Commerce and Industry said yesterday.

The call follows the ANC's announcement at its national conference in Durban last week that it has assets amounting to R655-million abroad, comprising property in Europe, vehicles, farms and two huge estates in Tanzania. *South Africa 10/7/91*

JCCI president Mr Mike Cato also said his organisation "guardedly welcomed" the appointment of top trade unionist Cyril Ramaphosa to the post of ANC secretary-general.

He hoped Ramaphosa would bring to the ANC a better understanding of how business operated and the need for job creation and economic growth.

The chamber, however, regretted that the ANC had decided to remain a liberation movement. - *Sapa*





Alexandra Civic Organisation official Ben Dhlomo.

Picture: CATHERINE ROSS

A 'lawyer' with local standing

WILSON ZWANE

BEN Dhlomo has no legal background. Yet his standing in Alexandra township — he is an official of the Alexandra Civic Organisation (ACO) — has landed him a leading role in the "community court" being set up.

Dhlomo hopes to be equipped for his task by training offered by the Community Dispute Resolution Resource Committee (CDRRC), a committee formed by the Wits Centre for Applied Legal Studies and the National Association of Democratic Lawyers.

The court is the first of its kind to be established in SA and, the CDRRC says, it will precede similar courts in other townships where communities "want this kind of assistance".

"I will be the registrar or the taker and my task is to assess the disputes which are brought to the centre by the community."

"After assessing the nature of a

dispute, I will then have to decide if it warrants mediation — which the centre will provide — or if it merits being referred to the police or social welfare organisations," Dhlomo said.

He stressed that the centre would not deal with criminal or serious cases.

"The centre will deal with minor community disputes such as a quarrel over a shared washing line, for example. And because mediation is voluntary, I as a registrar will have to ascertain if the parties involved in a dispute prefer it to a conventional judicial system."

"Once it has been ascertained that the parties concerned prefer mediation, it will then be my job to get the process going," he said.

Dhlomo, who was born in Soweto 30 years ago, said although he had no

legal background, he was confident that the CDRRC training would equip him with skills necessary for his job.

"I have been made to understand that (after) the training in mediation mechanisms, which I and 10 other people are receiving, I will get special training which will enable me to function as a registrar," he said.

He said that as a member of a civic organisation, he had been involved in dispute resolution "on the ground". "But I have never been involved in the kangaroo courts."

Dhlomo matriculated from Alexandra High School in 1985. He has received no tertiary education "apart from a salesmanship course through correspondence".

"I'm not employed and the involvement in the dispute resolution centre will, I hope, provide me with a livelihood as I will be working full-time at the centre," he said.

Black co-op 'on verge of buying coffin business'

AN ORGANISATION representing more than 100 000 black families is on the verge of buying a coffin-making firm: a deal which it believes will seal its efforts to garner the lion's share of the R300m-a-year funeral industry.

The organisation — Letsema, which means "togetherness" — was launched three months ago by the National Association of Co-operative Societies of SA (Nacssa), an organisation of black burial societies and women's clubs.

Spokesman Sam Muofhe said at the weekend acquiring the manufacturing concern, or part of it, would enable Letsema to sell coffins to the

THAMI MAZWAI

scores of undertakers in black townships. In return Nacssa members, a client base of at least 100 000 families, will give their business to these undertakers.

Muofhe would not name the manufacturing company Letsema wants to buy, as it "would prejudice us".

"All I can say is that negotiations are 70% done, and at a sensitive stage."

At least 130 black burial societies and women's clubs, with membership varying from 50 to

5 000, are affiliated to Nacssa. Some hold 1-million 1c ordinary shares in Letsema. A further 10 000 voting R1 redeemable preference shares are held by the Centre for Black Economic Development, a section 21 company set up by blacks to facilitate black economic empowerment. Nthato Motlana is chairman of Letsema and the centre.

Township funerals are big business. A funeral costs at least R1 000. This includes the Hearse, family car, coffin, a tent and chairs, two buses, a cow and groceries for the wake.

HUNGER SOARS

Award a valuable yardstick

Business Day Reporter

ONE of the best reasons for entering the South African Non-Listed Company Award, says Rand-Air MD Brian Shekleton, is that it provides a measure of your company's performance against industry leaders.

Rand-Air has been a finalist five times in a row — a feat matched by only one other company, Avroy Shlain. The contest is being sponsored again this year by Business Day, Arthur Andersen & Co and the Wits Business School. It is open to companies not listed on the JSE and close corporations meeting eligibility criteria.

Shekleton said that apart from encouraging the company to produce its best, success in the contest had won recognition for Rand-Air in industry, and financial recognition from corporate bankers and suppliers of credit. The award goes to the company which, in the opinion of

le
l-
d

S
n
y
g
s
S

Demise of sanctions to have little effect

Biday 11/7/91
ANDREW GILL

THE lifting of US sanctions would have a minimal effect on dealings with the US in the short term, analysts said yesterday.

Sanctions imposed by lower levels of government in the US were a long way from being repealed and were likely to inhibit American investment in SA.

Twenty-six states, 78 cities and 20 counties have imposed their own sanctions on companies dealing with SA and, according to Nedbank economist Edward Osborn, they are more likely than the federal administration to consult with the ANC on dropping sanctions.

Among the states imposing sanctions is California, which has the world's seventh largest economy.

American Chamber of Commerce executive director Wayne Mitchell said prospective US investors in SA would always be looking over their shoulder at their local governments if they wanted to maintain ties with them.

Osborn said that if SA exporters managed to penetrate the US market on a significant scale there was every possibility that restraint of trade orders would be slapped on their goods.

Any export drive into the US, particularly in the depressed iron and steel markets, could therefore be capped.

Textile exports to the US worth R100m were recorded before sanctions were imposed and this was one sector which was likely to feel the effects of restraint orders if significant inroads were made.

Fruit and shellfish were important sectors and could be the ones that benefited most from lifting sanctions, Osborn said.

However, fruit exports would have difficulty in competing with the Californian market, which had shown tremendous growth.

Shellfish could make a significant re-entry but the SA industry had its own problems with a drastically reduced catch.

Sugar exports, which had a 40 000-ton quota until it was given to the Philippines, would have to wait for the US to grant another quota.

Uranium exports would depend on global markets, which were extremely depressed at the moment.

Coal was unlikely to make any inroads into the "overwhelmingly self-sufficient" US market.

Local producers might, however, get the occasional opportunity to take up short-falls and "dump" coal in the US.

Imports which suffered most from sanctions were supplies to parastatals, military equipment and computer hardware.

Military imports were likely to show little change.

Most important was computer hardware, much of which was now obtained from US franchises in third countries.

In order to circumvent sanctions, many of these franchise-holders signed five-year contracts with the SA computer industry.

Contracts with franchises were now expiring and there was a strong possibility that the franchise-holders would not renew them for fear of angering US state and city legislatures and jeopardising their parent companies' dealings with them.



insen
electronics

SERVICE CENTRE
(PTY) LTD

25 APPEL ROAD,
KRAMERVILLE,
SANDTON

REPAIRS AND
DESKUNDIGES
STEL EN
DING VAN:

IS

Concern over 'imbalances'

Biday 11/7/91
THEO RAWANA *(176)*

A SENIOR adviser to the Bush administration who is visiting SA yesterday expressed concern that lifting sanctions would perpetuate historical imbalances in SA.

Senior adviser on small business trade policy and promotion Thomas S Watson said there was concern in the US about the effects of lifting sanctions now.

Watson is in SA as part of a world tour promoting employment and business opportunities for middle market companies.

"One of the elements of our federal sanctions law was the encouragement of black economic empowerment in SA. That has been virtually ignored by business and by the Press," Watson said in an interview.

"We are concerned that any resumption of commerce (should) be restructured so that black economic empowerment be encouraged and that co-operation between white and non-white business in SA be a major component of commerce between the two nations."

Nafcoc lifts membership

11/7/91 THEO RAWANA 176

RESTRUCTURING has enabled the National African Federated Chamber of Commerce to double its membership to more than 100 000 in the past year, says Nafcoc executive director Mofasi Lekota.

Lekota said on Friday the 27-year-old Nafcoc decided last year to shift from accepting only regional organisations as members to accommodating such national organisations as the 40 000-member African Council for Hawkers and Informal Business (Achib).

He said Nafcoc would prepare ground for its mission to sell the new SA to the rest of Africa when it held its 27th annual conference at Sun City from August 18 to 21.

"To this effect we have invited Dr E Bhenkele, executive director of the SADCC Regional Business Council, to address the conference on Interfacing the Economies of Southern Africa: SADCC's View."

Kenyan political scientist Ali Mazrui would speak on Economic Lessons from the African Continent.

Conference theme is The New SA: Opportunities for Black economic empowerment.

'Business success on merit' in the new SA

1580 1176 32 100 CT 12/7/91

By AUDREY D'ANGELO
Business Editor

IN the new SA black entrepreneurs and other business people will have to succeed on merit, Mofasi Lekota, executive director of the National African Chamber of Commerce (Nafcoc) said at the annual dinner of the Western Province African Chamber of Commerce (Wepcoc) yesterday. Lekota stressed that injustices of the past would have to be righted through better education and training, the provision of more jobs and better communication between people of different race groups.

He urged employers to halt the present trend towards becoming more capital intensive and less labour intensive. But he pointed that blacks would have to plan for the challenges that will come with a post-apartheid society.

"We cannot continue to blame the evils of apartheid for our under-development. "In a few years' time nobody will be listening to that justification and — worse

— no one will give us sympathy on that basis.

"Apartheid was intrinsically evil, no question, and we are victims of that system. But we cannot afford to sit back and mourn our miseries for an indefinite period."

Lekota said Nafcoc would continue to call for affirmative action programmes to address inequities.

But, he continued, the success of affirmative action would depend on the level of response from black business people.

"Unless we are good and strive to be the best in whatever we are doing, unless we deliver in time and unless we dedicate ourselves, no amount of affirmative action will help.

"Our attitude towards work and perfection must change. A few years ago it made sense (at least, political sense), to slow down at work and arrive late on Monday morning because we all felt overworked and underpaid by the white Establishment.

"We used to find ways and means of cheating on the Receiver of Revenue

whenever possible. That made political sense because we regarded it as some form of protest. 'No tax without representation,' we said.

"In a few years time we will be represented in Parliament and Mr Pasiwe there (Themba Pasiwe, president of Wepcoc) might be our Commissioner of Inland Revenue.

"The democratic Government will be budget-squeezed to pay for the provision of education, health care and housing. There will no longer be justification to evade tax.

"Without any excuse for failure and without justification for slow growth, the black business people will have to work harder than ever before to succeed. In that real world there will be no preferential treatment based on colour.

"It is during that time that true entrepreneurs will be separated from the chancers. It is during that time that creativity, self-discipline, quality and dedication will make the difference between success and failure."

New move to bring blacks on board

Finance Staff

Star 3/7/91



The Institute of Directors in Southern Africa (IOD) has offered to assist the National African Federated Chamber of Commerce (Nafcoc) in its drive to increase to 30 percent the number of blacks on the boards of listed companies within ten years.

The IOD is the only organisation in southern Africa to represent leaders of the free enterprise system as individuals. Its membership includes many decision makers in commerce, industry and the professions who contribute in large measures to the success of private enterprise.

Chairman Brian Hawksworth said the IOD fully endorsed Dr Sam Motsuenyane's call for sharply increased black involvement in steering the affairs of South Africa's listed companies.

"We believe, however, that this is possible only if an increasing number of blacks are educated in the responsibilities and duties of directors, and the IOD has offered to provide Nafcoc members with training and whatever other assistance is required.

"We also have encouraged Naf-

coc to identify possible members of the IOD, as this will provide continuing education and the opportunity to meet regularly with other directors of companies who, as IOD members, are committed to the improvement of expertise, status and professionalism."

Mr Hawksworth said his organisation's support for Dr Motsuenyane's objectives stemmed partly from its concern about the very small number of black IOD members.

"IOD membership stands at record levels and, of course, we are very pleased about this.

"We are concerned, however, that only one percent of our members are black, and that ongoing recruitment efforts have met with little success. Hopefully Dr Motsuenyane's call will prove to be a turning point."

Mr Hawksworth said the IOD had donated a R5 000 bursary to the Wits Business School, and that this had been awarded to Jack Jeremiah Mnisi, a candidate for the MBA Diploma.

Other highlights included the establishment of an Eastern Cape branch, and the holding of two relevant and successful conferences.

Big changes brewing

NATIONAL Sorghum Breweries executive chairman Mohale Mahanyele says he is singularly aware of the almost total absence of blacks as owners and directors in successful medium to large business undertakings throughout South Africa. Mahanyele adds that NSB's mission is a serious and significant policy as well as a strategically important plan to address this situation.

One of the things NSB has done to rectify the situation has been to offer shares mainly to blacks and a few white staff members. The share offer closes on Wednesday.

This control on ownership is the latest twist in the politically-charged history of the brew in South Africa, where for many years the government used it to help pay for apartheid.

Mahanyele controls a company which has 3 500 employees and a turnover of R350-million a year. He is also a director of 13 other companies countrywide.

"NSB's corporate mission is planned, directed, implemented and monitored on a daily basis by myself in my capacity as executive chairman.

"Our mission is black economic empowerment through ownership, control and management of a group of companies in the beverage food and leisure industries.

"It is worth noting that this policy is driven by 'affirmative action' on employment, procurement of supplies and provision of professional services - all of which must be sourced from the black community first and foremost before resorting to other groups.

"It stands to reason that the board of directors, management and employees must reflect the South African population profile. In the beverage industry black consumers pay 88 percent of the R15-billion a year,

NSB policy is to have more blacks in management

and yet only retain about R500 000 of the business.

NSB supports black business efforts, hence its multi-million rand distribution of sorghum beer is now open to any interested transport companies.

The directors at NSB are Mahanyele; managing director Sam Mosikili; Moss Leoka; Prof MJC van Vureen and J de Bruyn.

The African Bank has been earmarked for special support and NSB is the single largest shareholder in it and also has a significant investment in the bank.

Various black-owned businesses, such as travel agents, accounting firms, florists, construction companies, insurance houses and many more are being involved in procurement of supplies and professional services.

Job creation and wealth generation are the major parts of this policy. In the field of social responsibility, education is receiving special attention both within the company and outside.

Millions of rands have been allocated for bursar-

ies at technicians and universities, for students who are pursuing science-related training such as engineering, chemistry, food, economics, finance, marketing and human resources.

NSB is engaged in a major drive which involves black scientists in the research and development of food and beverages, especially using sorghum as a base.

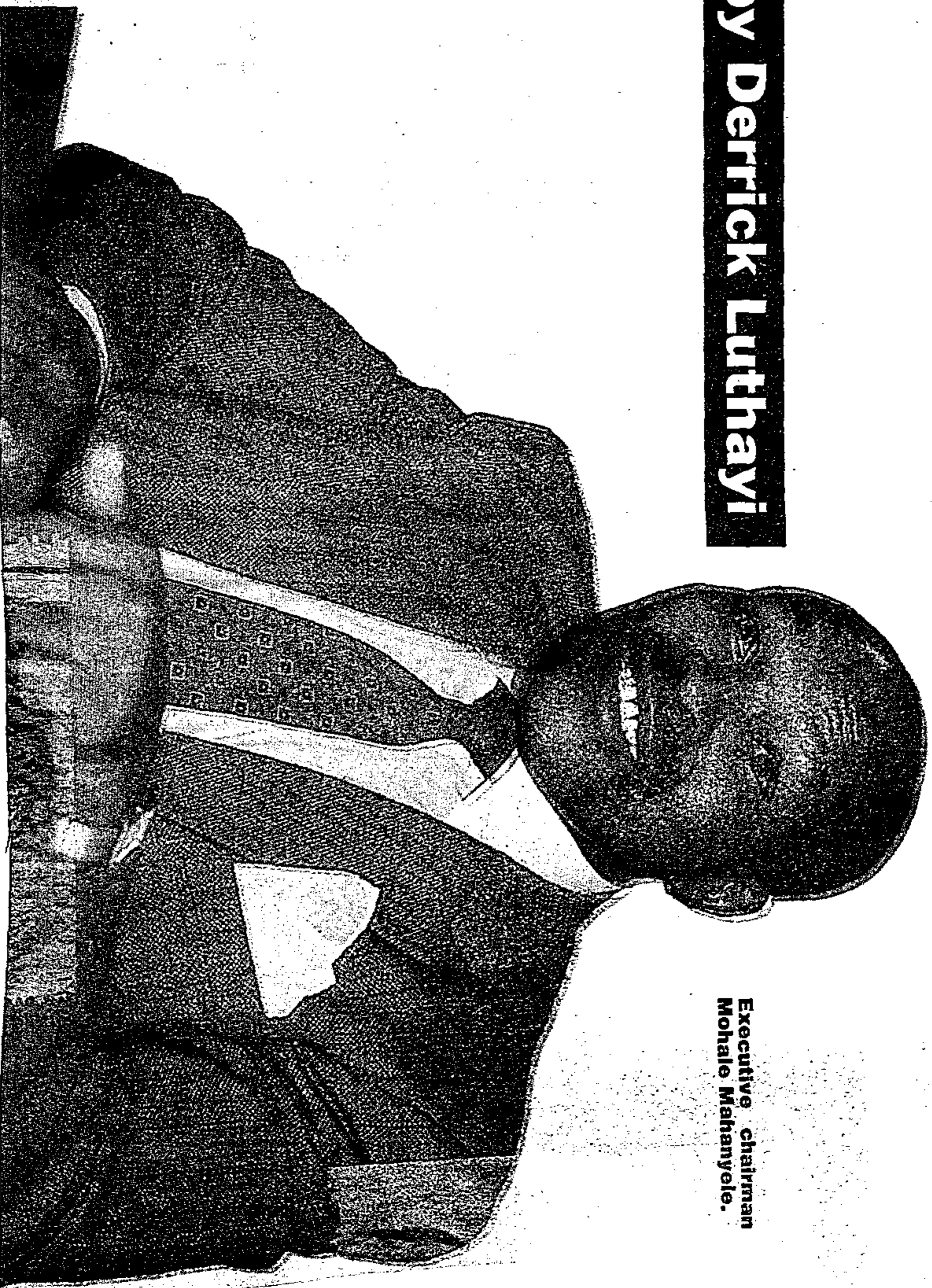
Considerable research is being conducted into the production of nutritious value-for-money traditional African consumer foods and beverages.

The aim is to assist in the fight against malnutrition and other debilitating diseases.

Over 88 percent of the people employed in NSB belong to trade unions.

The executive chairman and the board of directors are deliberately directing the dialogue and involvement of all relevant parties in matters relating to collective bargaining. There is no adversarial relationship.

Mahanyele said NSB was against retrenchment if it was the only way to make profits.



Executive Chairman Mohale Mahanyele.

2m in SA face starvation — prof

Staff Reporter

HALF the population of the country is living in a state of poverty and two million South Africans are facing starvation, industrial sociologist Professor Duncan Innes said yesterday.

Motivating his argument in favour of black empowerment as an affirmative action that would encourage economic growth in the new South Africa, Prof Innes said it would take "many decades" of training and created opportunities to bridge the gap between black and white wealth, which had reached "crisis proportions".

"Affirmative action is the alter ego of discrimination. Just as black unions demand an end to racial discrimination, so will they demand affirmative action and black advancement programmes within the firm," he said.

Prof Innes was addressing the Innes Labour Brief in a city hotel yesterday.

CT 19/6/91

Educational publisher sold

Monday 19/6/91.

JONATHON REES

EDUCATIONAL publisher HAUM has been sold by the Nederduits Hervormde Kerk to a private consortium which plans to restructure it to encourage black economic empowerment. (176) (185)

The consortium, Educor, includes Idasa executive director Van Zyl Slabbert and political commentator Harald Pakendorf.

Sources said yesterday the sale was believed to be worth tens of millions of rands, but this could not be confirmed. (182)

Pakendorf would not disclose the source of the consortium's funding but said it would become apparent once the company was handed over at the end of the month.

He said Educor planned to recruit as many black individual shareholders as possible, through organisations if necessary, in the belief that black empowerment was vital to a future SA.

HAUM — the Hollandsch Afrikaansche Uitgewers Maatskappij — consists of academic, technical and medical bookshops, printers and publishers. It produces school

textbooks for the pre-primary, primary, secondary and tertiary education sectors, according to HAUM MD J C Oelofse.

Pakendorf said HAUM would be better placed in a changing market by reflecting black interests across the political spectrum. He said a company tied to one of SA's most conservative churches could not continue to publish schoolbooks in the new SA. The church forbids black membership.

Oelofse said he felt the church thought HAUM had become "a giant".

Blacks would be recruited to the company's board of directors, but Educor planned to retain the present management, Pakendorf said.

Educor's initial bid for HAUM was rejected in favour of one by board member Johan Breytenbach. Sources said Breytenbach had been unable to sustain the deal.

ANC spokesman Carl Niehaus denied ANC involvement in the deal after months of speculation about organisation's role.

Discount House Risk Management (DHRM), which also handled MS 101.

"Sasfin will now be able to grow its instalment finance business without resorting to increased equity capital or limited bank funding," said Sasfin MD Roland Sassoon.

institution was adhered to by using Mercantile Bank as an intermediary. Mercantile received an upfront, one-off fee, said Jacobs.

"We see this as an innovative step towards the securitisation of many other types of assets," she said.

Small firms 'vital to economy'

THEO RAWANA

THE growth in the number of British small companies to 2.5-million over the past 10 years had meant that 96% of all UK businesses were employing fewer than 20 people, British Small Business Minister Eric Forth said yesterday.

Addressing Nafcoc's National Industrial Chamber annual conference in Johannesburg, Forth said this was "a staggering increase of 373 000 or 100 additional businesses a day".

"In the 1980s firms which employed fewer than 20 people created more than 1-million jobs. In comparison, larger firms created half-a-million jobs over the same period.

"Small firms are an essential part of a healthy economy. They will produce industrial leaders of the future by maximising the range of choices available through market provision

and challenge the dominance of existing market leaders," he added.

Sapa reports that businessman Gab Mokgoko said the battle for a better deal for black businessmen was not over despite the events which had changed the "old" SA over the past 30 years. (176) (180)

Mokgoko told the conference black manufacturers should improve their technical skills through association with other businesses and private research institutions and through technology transfers with other innovator businesses in SA or abroad.

Black businesses should refuse to remain small indefinitely, and should lobby government for a better deal and campaign for the creation of a department of small business.

Handwritten: Sidway 20/6/91

SA Messport 03/22
Durban 09/22
Snow
Rain
Drizzle
Showers
Showers
PE
Br
C
C
g
g
E
V
V
d
t
y
He
C
r
SI
Mn
32
25
11
31



Froth flies in sorghum beer row

By SEKOLA SELLO

CP News
23/6/91

BIG business is blocking the entry of black entrepreneurs into the mainstream of the economy, charges the executive chairman of National Sorghum Beer, Mohale Mahanyele.

The NSB boss said this at a hastily-convened press conference where he criticised a report in a daily business newspaper which gave an unfavourable account of the sorghum industry.

Blacks were offered 44 million shares in the State-owned NSB at 100 cents each. The offer closed on Wednesday.

Mahanyele said that in terms of

Witnesses said a birth-day party was in progress

assets, NSB is the largest black-owned company in South Africa.

The newspaper report said the industry had no prospects for growth, that a mature industry was being placed in the hands of unsophisticated black shareholders and that sorghum was an old Third World product doomed to die.

In a strong criticism of the report, Mahanyele said that apart from being factually wrong in many respects, it was also insulting to blacks and its main aim was to deny blacks entry into the mainstream of the economy.

Mahanyele said it was not true that there was caution about the future growth prospects for sorghum beer or

that the NSB's share offer has not been well received.

More shares had been bought than expected and they were expecting an "even greater flood".

"This week several companies were inquiring about our share offer. It was only on Wednesday, following the newspaper report, that some of the companies which had expressed interest in buying shares for their employees became reluctant," said Mahanyele.

He admitted that in recent years the industry had neither grown or declined. However, he attributed this to the previous owners not marketing the

176

product.

"We are marketing the product aggressively today and as a result are even beginning to penetrate markets in Namibia and Mozambique, which were previously closed to us."

Denying that the industry was now being given to unsophisticated black shareholders, Mahanyele said some of them had held senior positions in white companies.

"It is strange that when (Sam) Mosikili or Mahanyele holds a senior position in a white company, his sophistication is not brought into question. However, when he holds a senior position in a black-controlled company, he is now said to be unsophisticated."

Witnesses said a birth-day party was in progress

CBED launches club 176

C/P News 23/6/91
THE Centre for Black Economic Development (CBED) will today launch Tunguru Investment Club (TIC).

It has been formed to identify and promote wealth-creation projects within the black community.

CBED directors are Dr Ntatho Motlana, Bobby Makwetla and Sam Muofhe, who is also chairman of TIC.

Muofhe said their mission was to make black business and professional people understand burial societies, women's and

Mohodisano clubs and to develop business and professional skills among blacks.

"We want to promote the economic welfare of the people, initiate and mobilise previously-untapped sources of private capital, provide assistance to community loan funds and co-operative organisations, extend the co-operative sector of the economy and encourage understanding of co-operative organisations.

"Tunguru is not an elitist club. It will cater for businessmen, profession-

als and academics who do not have time to attend these institutions.

"This development fits in well in our mission of black economic development. With the combination of grassroots community organisations, business and professional skills, we will be in a position to talk about and practice economic development.

"We will be able to circulate the rand among us more than once before it is exported out of the community," said Muofhe.

Affirmative action gains ground in boardrooms

W/Mail 28/6 - 4/7/91

By MONDLI MAKHANYA

THE concept of affirmative action seems to be gaining acceptability in corporate boardrooms.

While merely a year ago many businesses scoffed at the idea of actively encouraging the advancement of blacks to management positions, the attitude now seems to have changed. Major businesses have begun training programmes and some have set themselves target quotas.

The realisation is that a future black government may — in accordance with economic restructuring — possibly institute legislation compelling companies to have a certain number of blacks in responsible senior positions. Besides political considerations, also uppermost in businessmen's minds are the demographic realities of South Africa: the white population has a negative growth rate and unless black human resources are used there will soon be a shortage of skilled manpower.

Among the companies that are implementing affirmative action programmes are major conglomerates such as Anglo American, Anglovaal and South African Breweries.

SAB began its advancement campaign four years ago when it set itself a target that by the end of 1991 blacks should comprise 50 percent of its monthly paid employees — white collar workers.

Group public relations officer Adriaan Botha says this figure is now "somewhere in the 40s". Botha admits that the company still a long way to go but contends that "not many companies have succeeded in this".

Edgars personnel manager Don Findlay says the clothing retail group is making a concerted effort to advance blacks to senior positions. He says most managers at subsidiary Sales House outlets are blacks.

Findlay says the biggest problem has been that the retail trade has not been popular with university graduates.

"Up until 10 years ago the retail trade was not popular with whites and it is only very recently that blacks have become attracted to retail."

Prominent affirmative action advocate Duncan Innes says businesses are fearful of a white backlash and apprehensive about a decline in standards.

This he dismisses, saying in the past standards were sacrificed to job reservation and the "old school tie".

Black executives 'coming of age'

MONWABISI Fandeso is evidence that black executives are gradually coming of age.

Fandeso, only 32-years-old, has been entrusted with the task of managing National Sorghum Breweries subsidiary, iJuba Congella Brewery – the single biggest sorghum beer producer in the world.

The company dominates Durban's bay area with its giant grain silos and neon-lit *iJuba Special* sign.

As general manager, Fandeso is responsible for three iJuba plants in Natal – at Congella, Ladysmith and Dundee.

He holds a Bachelor of Science in mechanical engineering from the University of Wales in Britain, and a Master of Business Administration from the University of Pennsylvania in the US.

He takes over the control of iJuba from Willie Kotzenberg, who has been promoted to NSB's Group Operations Manager.

In 1964 building of the Congella factory was complete. The huge silos were added a few years later, enabling bulk loading and storage of raw materials.

A major refurbishment programme has been underway at Congella for the past few years, so that it is now a fully automated brewery comparable to the most modern in the world.

Recent refurbishments to the Congella plant has resulted in the plant now operating 24-hours a day every day to produce an average of 16 million litres of *iJuba Special* per month, the leading brand in National Sorghum Brewery's stable.

A significant innovation is a highly sophisticated drying plant, which dries the waste grain to produce high-protein cattle feed as a by-product.

Looking at it today you would never believe that just over a century ago the Congella site was still a part of the bay and an anchorage for visiting cargo ships.

One of Congella's longest-serving staff members, Derek Jarman, who was recruited from the Durban Corporation's Electricity Department in 1961, remembers the "good old days of brewing" long before the arrival of stainless steel vats and computers.

In those days wooden vats with steam immersed heating elements, were used for cooking. The beer was then gravity fed into open, wooden ferment-

ing troughs before going into the separators.

There was no packaging in those days. The beer was transported in bulk to the beerhalls, where it was sold for one shilling a half-gallon mug.

Packaging was only later introduced, first in the form of plastic bags and still later in hand-filled cartons.

Another brewer who remembers the "good old days" is Ronnie Stokes. He maintains that beer is best brewed closest to traditional methods – when traces of the woodfire cooking method can be tasted.

The first iJuba beer was introduced as a pilot project – its success led to its continuation as a brand.

The total output of the brewery in the early days was 54 000 gallons per month – a drop in the ocean by today's standards.

Mabuza, Dhlomo on Anglovaal board

(180) ANDREW GILL (176)

TWO former homeland ministers, Enos Mabuza and Oscar Dhlomo, have been appointed to the board of Anglovaal with immediate effect, the group announced yesterday.

The move follows their appointment to the board of Standard Bank in April and Mabuza's appointment to the board of Times Media Limited (TML) at the beginning of June.

Mabuza was chief minister of KaNgwane until his resignation in March. *Bidam 13/6/91*

Dhlomo is executive chairman of the Institute for Multi-Party Democracy which he founded earlier this year. It followed his resignation as secretary-general of Inkatha and KwaZulu minister of education and culture in June last year.

Mabuza, who is out of the country at present, said at the time of his appointment to TML that he hoped he could help the company be relevant in the changing SA.

Anglovaal chairman Basil Hershey said last night it was "extremely significant" that two leading people in the community at large had been appointed to the board.

GIFTED AND BLACK



This is Patricia Scotland, the first black woman to be sworn in as a Queen's Counsel (QC) in Britain, which makes her one of the most lawyers there. Scotland, from the Island of Dominica, moved to Britain at the age of three with her parents.

LETAN-BUSINESS

Plan well when asking for a loan

176

So water 13/6/91

MANY aspirant entrepreneurs approach a bank, financial institution or development corporation convinced that a loan is all that stands between them and success.

Many leading financial institutions believe it would be irresponsible to hand out money in the hope that business success will follow automatically.

This would be like handing out running shoes in the hope that the recipients become Olympic athletes.

The consequences of failure are painful and long term. It is felt that banks often act in your best interest in refusing a loan where there is doubt about the viability of your proposed business venture.

Venture

Before approaching a bank for financial facilities to start your own business, begin by asking yourself the following questions:

- * Am I prepared to commit myself totally to this business venture?
- * Do I have enough faith in its success to risk my life's savings?
- * Am I prepared to work seven days a week, 14 hours a day, without a break for several years?
- * Is my family prepared to make the necessary sacrifices? Do I have their total support?
- * Can I cope with the constant high level of stress? Will I withstand the continuous pressures and worries? Is my health strong enough?
- * Am I so committed to success that I will give priority to the business - priority over my family, my sporting activities, my social life?
- * Do I really understand that the business world is tough, highly competitive and that only the best survive?

If you can answer yes to all these questions about yourself and your personal circumstances, remember that there are certain objective criteria you must also still meet before applying for a loan.

This is the second article we are running from First National Bank. The articles will appear every fortnight on our *Sowetan Business* pages. Today's topic is: "So you want to start your own business."

1. The purpose for which the funds are sought must be the pursuit of profit through commerce, the manufacture and supply of goods, and/or the provision of services. This specifically excludes financing or lending operations.

2. You must never have been liquidated/sequestered or compromised with your creditors nor should you have been involved in any form of dishonest conduct.

3. You must own the business or hold the majority of shares, be entitled to the bulk of its profits and be in full-time employment in the business.

4. You must have completed some formal training required to undertake the type of business envisaged.

5. You must be prepared to be locked into the business by ceding, pledging or bonding your assets.

6. The funds are to be used in the establishment of a new business or for expansion of an existing business venture.

Bankers

If these six points are accurate in your case, read on. The way you present your case for a loan is extremely important.

Bankers normally divide their lending into three categories:

* Short-term financing - overdrafts renewable annually and repayable upon demand;

* Medium-term financing - loans repayable at a fixed monthly sum made up of capital and interest. Repayments remain fixed over the entire period of the loan which can be up to five years. The period extends or shortens depending upon changes in interest rates during the currency of the loan;

* Long-term financing - mainly financing of fixed property over periods in excess of five years

up to 30 years in some instances. Financing of fixed property is granted against first mortgage bonds over the buildings that are purchased.

Suspensive sale: All business vehicles and equipment are purchased by the bank or its subsidiaries and sold to the business.

Leasing: Depending upon the projected profitability and therefore tax liability of the business consideration could be given to leasing rather than suspensive sale.

Other factors have, however, also to be taken into account but bankers will advise on the various benefits and/or disadvantages.

Collateral

Security: It is generally thought that bank managers only lend money against security and this is in fact true in most instances. There are exceptions to this rule. The following points may give a greater understanding of the type of finance in general offered by a bank:

* Secured loans - must be backed by collateral (liens over property, savings accounts, investment or even guarantees by someone supported by such liens). In case of failure of the business venture, the assets pledged to the bank will be realised and the proceeds applied to the monies owing. Banks do not wish to become second-hand dealers, the reason for taking liens over assets is to tie the borrower to the deal to ensure that he is fully committed to the business venture;

* Unsecured loans - not backed by collateral. It is mostly short-term finance and is available only to persons who have proven themselves credit worthy. The facility is backed up by the bank's faith in the borrower's credit and capability of repaying the loan.

Do not forget that bankers are in the busi-

ness of lending money which does not belong to them and which they must not subject to high risk. Bankers do not, and should not, gamble with their depository money - borrowers must recognise this.

A key factor:

When a bank lends you money, it is because it sees your business as one which will repay the monies made available to it. A bank is not under any obligation to lend money to a business which it perceives to be high risk - despite full collateral security available.

Planning

How should you present your case if you want finance from your bank? Remember planning is the key to business success.

To start with, a comprehensive business plan must be done. Such a plan must contain business analysis, financial forecasts based on rational assumptions about the future and on hard-earned business experience; budgeting guidelines - including working capital budget and break-even analysis; schedules determining the amount and kind of finance most appropriate for the business and details giving the financing sources and persuasive information about the planned business in order to help the bank make swift, accurate and helpful decisions.

Powerful

A good business plan is the most powerful financing instrument a business can have. If done conscientiously and realistically, it will not only tell you exactly what amount of money you need to make your business successful but will also indicate to you what kind of financing you ought to apply for.

The knowledge alone helps you to establish credibility with your banker. A clearly thought-out, well-documented financial plan will show that you know what to do, how you will do it and how the facilities you are requesting from the bank will be repaid.

The plan is for your

business and must therefore be based on your ideas and assumptions.

Others can by all means assist you in its preparation and you must get as much input as possible from others but you must do the actual planning. You can hire someone to do the work for you but you cannot hire someone to do the planning.

You are, however, not expected to do the business plan only for your bank manager. There are three main reasons for going to the trouble of creating a written business plan:

1. The process of putting a business plan together, including the thought you put in before beginning to write it, forces you to take an objective, critical, unemotional look at your business project in its entirety.

2. The finished product - your business plan - is an operating tool which, if properly used, will help you manage your business and work toward its success.

3. The completed business plan is the means of communicating your ideas to others and is also the foundation for your financial proposal.

Problems

The importance of planning cannot be over-emphasised. By taking an objective look at your business you can identify areas of weakness and strength, pinpoint needs you might otherwise overlook, spot problems before they arise, and begin planning how you can best achieve your business goals.

As an operating tool, your business plan helps you establish reasonable objectives and figure out how best to accomplish them. It also helps you to highlight problems as they arise and aids you in identifying their source, thus suggesting ways to solve them. It may even help you avoid some problems altogether.

A thorough business plan automatically becomes a complete financing document which will meet the requirements of your banker.

NECC

NATIONAL EDUCATION CO-ORDINATING COMMITTEE

S. TVI A G



Members of the National Education Co-ordinating Committee yesterday announced plans to mark the 15th anniversary of the June 16 student uprising. From left, Dave Hislop, Amon Msane and Malombo Shikwambna. Picture: ROBERT BOTHA

Mabuza joins the board of Fabcos

THEO RAWANA

FORMER KaNgwane chief minister Enos Mabuza has joined the board of the Foundation for African Business and Consumer Services (Fabcos), the organisation said yesterday.

Mabuza was recently appointed a director of Times Media Ltd (TML), owners of Business Day.

Fabcos chairman Gaby Magomola said in a statement yesterday: "Fabcos is very fortunate to acquire the extraordinary skills and background that Mr Mabuza brings to its board of directors. Fabcos, as a developmental agency for formal and semi-formal black business in SA, regards the input of men of Mr Mabuza's stature as very significant to its future endeavours."

"He will make a valuable contribution to the unfolding events in our country."

Mabuza, who resigned as chief minister in April, said: "It is indeed an honour for me to join the Fabcos board of directors."

"Fabcos is a fast-growing organisation whose major principle of making itself a conduit to black economic empowerment I fully agree with and support."

Mandela, De Klerk in education talks

TANIA LEVY

PRESIDENT F W de Klerk and ANC deputy president Nelson Mandela are scheduled to meet next Thursday to consider proposals for a forum to negotiate a new education system, education sources said yesterday.

Recommendations by the joint working group set up after government met an ANC-led delegation of education experts on February 25 will form the basis of the meeting.

The 10-man working group will also report on the provision of facilities and equipment to black schools.

Education and Training Minister Stoffel van der Merwe yesterday confirmed that the meeting had been scheduled, but said the date was not final as the working group had not yet finished its work.

The group is believed to be meeting at the weekend to thrash out its final recommendations.

Its brief was to find solutions to some immediate education problems and to suggest ways to set up a fully-representative forum to discuss a new education system for SA.

Working group members — who

include Van der Merwe, National Education Minister Louis Pienaar, their directors-general, ANC education head John Samuel and university principals and Azapo representatives — have remained tightlipped about progress.

A memorandum handed to De Klerk before the opening of Parliament has formed the basis of the working group's deliberations. Issues raised included the allocation of extra emergency funds and a moratorium on closure of white schools and restructuring on racial lines.

Meanwhile, the National Education Co-ordinating Committee (NECC) said yesterday the 15th anniversary of the June 16 student uprising would be marked by a weekend of mass action to put pressure on government to address the education crisis.

There would be marches and rallies, NECC Southern Transvaal general secretary Amon Msane said at a news conference yesterday

power the key to new political era

By LULAMA LUTI

176

THE economic advancement of blacks cannot be left in the hands of whites, according to National Sorghum Breweries (NSB) executive chairman Mohale Mahanyele.

Apres 9/6/91.

Speaking at a one-day conference of the Black Housewives' League at Lebowa last weekend, Mahanyele said whites had "over the years proved themselves content to benefit economically at the expense of blacks".

"Any new political dispensation will have to be accompanied by black economic emancipation - politics and the economy are inseparable," he said.

Outlining the NSB's newly adopted Affirmative Action Programme, Mahanyele said the NSB hoped to "increase black economic participation by favouring black-owned businesses in its dealings".

Mahanyele said a just and democratic South Africa "could not be arrived at unless the question of land was addressed".

"How are we going to address poverty if we do not have the resources and the means of production and exchange," he said.

Referring to the economic situation in other African countries, he said "most liberated African countries were still largely dependent economically on their former colonisers and on foreign aid".

"It is a sad fact that after decades of political emancipation there has been no large scale economic growth in most African countries."

Head of the ANC's department of arts and culture, Barbara Masekela, urged women to "fight illiteracy" in order to participate in the shaping of a new political dispensation.

"All the debates about the new constitution will be meaningless to us unless we take part actively as South Africans and as women.

"Until such time that all women know how to read and write they will not be able to grapple with issues like our children's education.

"I must warn that if women do not participate fully now, politicians will be allowed to do as they please with our destinies," she said.

ANC Northern Transvaal regional chairman, Dr Aaron Motsoaledi, challenged women to "do something to end the violence".

Himself a victim of rightwing attacks in the Northern Transvaal, Dr Motsoaledi said it was in the "interests of the government that violence continues".

"The government is trying to disillusion the people so that they will go the polls hating each other," he said.

League president Sally Motlana said the reform programme would be meaningless unless there was a "fair distribution" of land.

She pledged her support for a single education system.

Black capital is 'key to success'

Weekly Mail Reporter

176

BLACK investment capital holds the key to the economic recovery of underdeveloped regions like the Eastern Cape, says Professor Bill Davies.

Davies, of the Institute of Social and Economic Research at Rhodes University, was commenting on the new Regional Industrial Development Programme, which the government recently announced was taking the place of previous decentralisation incentives. W/Mail 7/6-13/6/91

Davies said black entrepreneurs had been excluded from the old decentralisation programme, and "the extent to which black investment capital becomes involved in this regional programme is crucial to the area".

He said that white investment capital could not hope to deal with the massive growth in unemployment. This provided an opening for the injection of black investment capital, which was crucial for the economic recovery of the region.

"If the new programme can help that process, then we are all on the way to good economic recovery."

He said the new programme may have given cause for "affirmative action" in identifying black entrepreneurial interests and then finding ways of making it easier for its involvement in the recovery of the regional economy.

~~28~~
176
strips

black

26/5/91
shops

naked

BLACK businesses would "stand naked like a striptease queen" for a long time unless blacks defend themselves against looting and arson.

This is the view of SAB community manager Windsor Shuenyane, who said if black-on-black violence did not stop, black business is likely to remain paralysed.

"I am in complete sympathy with black businessmen. They are at the receiving end whenever there is upheaval and violence in the community."

Shuenyane said whenever a boycott was called black business was the first to suffer because they could not get supplies and their trucks were looted or hijacked.

"People should change their attitudes towards business and should regard it as an important resource of the community which should be protected rather than harassed," he said.

Shuenyane said businesses played an important role in the black community because they provided residents with everyday commodities, provided employment and generated wealth.

"We have to help build a local economy. What we ought to do as a black community is to develop this local economy and to circulate the hard earned rands in the local community.

"My appeal to the black community is to protect the few assets we have.

"I know Soutacoc will not fail us, but they must be helped to extend their businesses. Soutacoc has the manpower - able men who have proved to be top businessmen in their respective spheres of activity."

Opening markets to all

APR 24 1991
SOUTH Africa is moving closer to a more normalised situation in which access to market opportunities will not be hindered by racial legislation.

Within this context a critical issue is the extent to which equitable access exists for all South African entrepreneurs to market opportunities.

Development Bank of Southern Africa divisional manager Frank Taverner, in response to Soutacoc's 21st anniversary theme "The Road Ahead - New Strategies in Addressing Changing Legislation and Current Issues", said that a major constraint inhibiting the participation of entrepreneurs from disadvantaged communities was their ability to mobilise sufficient cash for business ventures.

Taverner said that the process of raising capital in disadvantaged communities has also been negatively affected by factors such as:

■ Previous restrictions on the participation by disadvantaged entrepreneurs in the economy (an



Frank Taverner of the Development Bank of South Africa.

example being trading rights in urban areas; and

■ The fact that home ownership was only allowed in "black" urban areas from 1979.

Given the current situation of high interest rates it is essential that business ventures are not too highly geared, which requires sizeable capital contributions by the entrepreneurs themselves. Current support programmes by public sector development institutions, although comprehensive in scope, do not provide for equity

176
support which is essential if equitable access is to be provided.

The concept of equity support for emerging entrepreneurs is relatively new in South Africa and as such requires considerable work before it can be made operational. International experience indicates that while equity support can be effective further attention is required in terms of issues such as:

■ The relationship between the entrepreneur and the development agency providing capital support.

■ How funds provided can be repaid without detracting from the growth of the venture, and

■ Appropriate sources of equity finance.

It is in these areas that representative bodies of entrepreneurs, such as Soutacoc, can provide assistance by jointly working together with development institutions in evolving a support mechanism that will allow equitable access for all South African entrepreneurs to market opportunities.

ODDOTTIM

Nafcoc takes a big stride

CIPres 26/5/91

NAFCOC will open its R5-million Management and Leadership Development Centre in Soshanguve in late August. ~~172~~ 176

This was announced last week by the organisation's national president, Dr Sam Motsuenyane.

The project is one of the biggest Nafcoc has undertaken since its inception 27 years ago. Another was the launching of the African Bank, which became the first black initiated banking institution in the southern hemisphere. The bank has since grown to seven branches.

The centre is situated in the region of the Southern Transvaal Confederated Chamber of Commerce (Soutacoc), which celebrates its 21st anniversary at the Jan Smuts Holiday Inn on May 28 and 29.

Motsuenyane said the decision to build the centre indicated Nafcoc's determination to expand its business involvement and to enlighten black businessmen.

He said the idea of launching the centre was to tackle the major problem facing black business - the acute shortage of trained business managers and directors.

"I am happy the centre is in the Soutacoc region which has the largest concentration of blacks in



Nafcoc's Dr Sam Motsuenyane last week announced that Nafcoc would open its leadership development centre in August.

South Africa and is in the commercial and industrial centre of South Africa. All future activities related to industrial and commercial growth are expected to emanate from here.

"I want to urge our Nafcoc regions to take note of this great opportunity. I see challenges in the area of skills develop-

ment and training. People have to try to acquire the expertise and knowledge needed to enable us to compete effectively in an integrated future South African economy.

"As our contribution, Nafcoc is establishing a management and leadership centre in the Soutacoc region," he said.

Motsuenyane said he

hoped that through the centre, members would acquire skills and know-how to be able to participate effectively, not only in the management of their small enterprises, but also in bigger business in the industrial sector, where up to now blacks have played an insignificant role.

He said the second

challenge for members in the region is to implement Nafcoc's 10-year plan which includes among other things development of an aggressive black business sector in the economy.

"The infiltration of blacks into the formal sector of the economy will begin by means of ensuring meaningful black participation on boards of companies and in management structures. Blacks must also take an adequate stake in the shareholding of all companies in our country.

"If that is done, I am satisfied the next 10 years will see dramatic change in our country's economy that will lead to an increase in black economic empowerment," he said.

"While one recognises there are problems at the moment, I see these present difficulties as temporary. They could be construed as growth pains or teething problems.

"We must harness all forces among our people to overcome the violence that is raging throughout the country. It is pointless and a waste of human material and hard earned assets.

"The future of business can only be revived and facilitated by a climate of peace and stability and also better understanding among the people of southern Africa."

Bank praises 21-year fight

C/P 200
26/5/91

176

DURING its 21 years of existence, Soutacoc has made important contributions in various fields to uplift the black community, according to the African Bank.

"We at the African Bank are proud to be associated with Soutacoc because it played this role during difficult years of restrictive laws and many obstacles that impeded black economic progress and advancement," said an African Bank statement.

The bank's regional manager for the Witwatersrand and Natal, Billy Tlhabanelo, said the 21st anniversary of Soutacoc came at a critical time in South Africa's history.

"Politically grave and potentially divisive issues have to be settled urgently. Here I trust that all political leaders will endeavour to promote the political stability on which economic growth so much depends."

He said South Africa was economically stagnant and in a deep recession. There was also no black representation in the major economic sectors such as mining, manufacturing and agriculture.

"The existing education system for the majority of black people falls far short of the required standards and is therefore inadequate for productive employment in a modern economy," he said, adding that government education policy also failed to counteract the growing shortfall of technically qualified people.

However, Tlhabanelo said it was pleasing to note the repeal of discriminatory laws preventing black people from participating in the economy.

"We must remember, however, that changes in legislation will not necessarily bring about changes in attitudes. This calls for a concerted effort on our part to look for our own initiatives.

"It is imperative that, despite the limitations, which we will experience for some time to come during the transitional



Billy Tlhabanelo ... black disposable incomes are growing despite the economy and black contributions to black-owned financial institutions can mobilise capital for black development.

period, we must strive for a vibrant black modern economic sector," he said.

The challenge to Soutacoc and similar organisations was to encourage more black people to become economically active.

They should recruit more members; encourage members to become active through their participation on a committee of specific interest to themselves and come together with organisations with similar objectives and pool resources.

"Greater unity among them would become increasingly important because only a united voice can be heard."

Tlhabanelo said economic empowerment would be achieved through the co-operation

of all black organisations, adding that the power of lobbying should also not be ignored.

"We can use collective power to press for demands and ask for changes in legislation to enable us to develop our institutions in their own unique ways."

Tlhabanelo urged black businessmen to support existing black institutions.

"Despite the state of the economy black disposable incomes are growing and, collectively, black contributions to black-owned financial institutions can be significant enough to mobilise capital for black development," he said.

"I have confidence that Soutacoc can remain powerful

Bococ sings praises

THE Bophuthatswana Chamber of Commerce and Industry (Bococ) has congratulated Soutacoc for "keeping together" over 21 years amid forces bent on division in black economic advancement.

"We rejoice with you and share common aspirations as compatriots in business.

"We say, go ahead and never tire of working towards a future worthy of inheritance by our children."

Black business to 'set the pace'

THE major challenge for the Southern Transvaal Confederated Chamber of Commerce (Soutacoc) is for it to become a pacesetter for black business empowerment.

This is the view of Tiger Oats deputy public affairs manager Bobby Makwetla, who believes that Soutacoc can play an important role in uplifting black business, especially during this crucial stage in the country's history.

"Soutacoc is situated in the hub of South African commerce and industry and has the potential to act as a pacesetter through Nafcoc to spearhead new strategies that will economically empower its members," said Makwetla.

"The challenge for Soutacoc is to lead its members from operating mainly on the periphery of business to occupying a meaningful place in the mainstream economy of the country," he said.

Soutacoc was already one of the largest chambers of the National Federation of Chambers of Commerce, he said, and would further benefit in size and membership from the restructuring of the mother body.

Makwetla said the road ahead would be characterised by very strong business relationships which would lead to alliances and associations.

"Soutacoc needs to identify potential partners who can help them achieve their goals," said Makwetla.

In this regard, Tiger Oats has been a pioneer in helping develop black business through its long association with Nafcoc. It is firmly committed

to encouraging entrepreneurial talent among black traders and has created "communication bridges" between black business groupings and Tiger Oats and its various companies.

Tiger Oats has given substantial support to Soutacoc over the past decade and has assisted in its membership drive.

Both Makwetla and Patrick McLaughlin, Tiger Oats Group public affairs manager, are full members of Soutacoc.

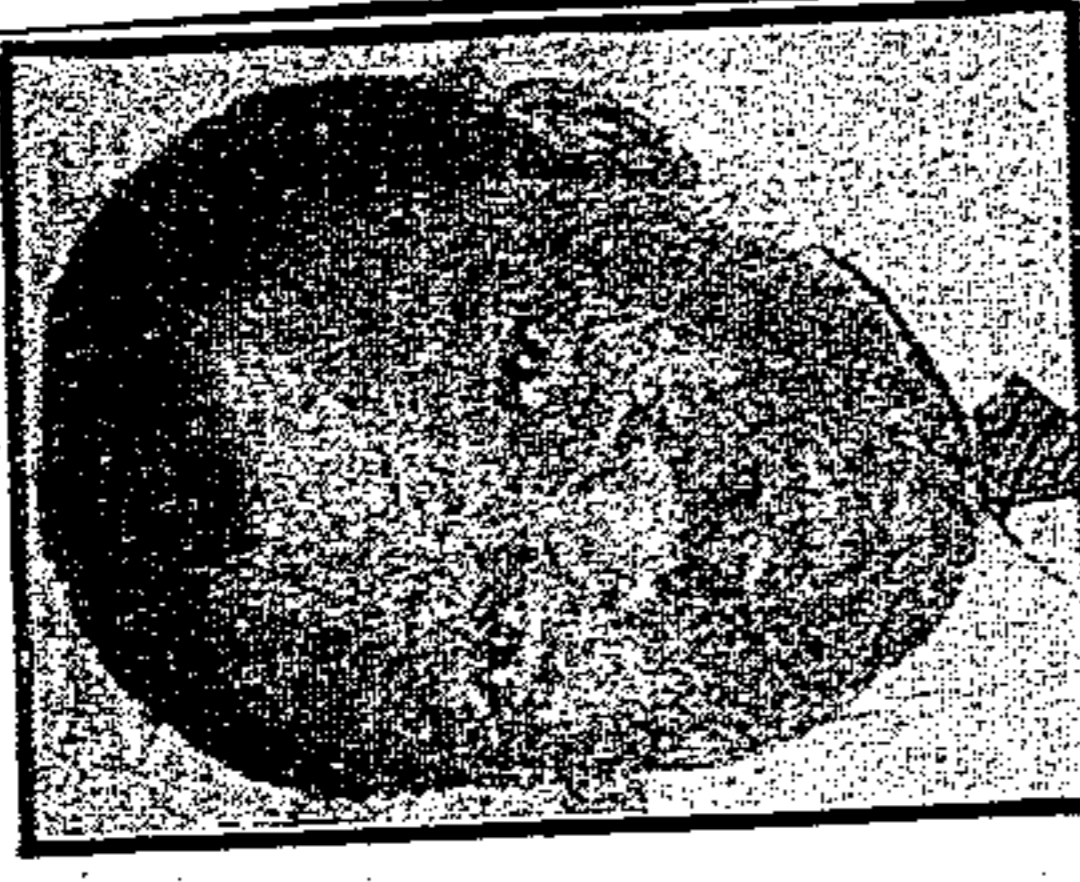
"We do not believe simply in writing the cheque, but feel that it is important to become involved with, and participate in, organisations like Soutacoc," said Makwetla.

Tiger Oats also assists Soutacoc branches like the Krugersdorp Chamber of Commerce (Kafcoc) and the Greater Soweto Chamber of Commerce. It has also sponsored events such as the launch of the Vaal sub-region of Soutacoc.

Substantial support was also recently given to the Soweto Convention's conference on crime, which was initiated by the Greater Soweto Chamber to address specific issues affecting business people.

At present, Tiger Oats is helping the Alexandra Chamber of Commerce to establish contact with its neighbour, the Sandton Chamber of Business.

The good relationship between Tiger Oats and



Bobby Makwetla ... sees a mainstream role for black business.

Soutacoc was particularly gratifying, said Makwetla, and was an excellent example of what could be achieved between formal business in South Africa and black business groupings.

"Over the past 21 years Soutacoc has played an important role in the development of black business and is certain to grow from strength to strength in the years ahead," said Makwetla.

CP 10/11/91 26/5/91 176

Middelburg's wonder chrome plant hits snag

STimes (Bus Times)



26/5/91

Business Times Reporter

MIDDELBURG Steel & Alloys is in trouble.

Its new R260-million, 140 000-ton-a-year chrome direct reduction (CDR) plant that promised cost savings is idle and ferrochrome prices have slumped.

Future earnings could be seriously hurt.

The company suffered a R17-million loss in the six months to March 31.

MS&A is unable — or unwilling — to say when production will begin at the plant. Nor is it prepared to disclose information that would allow analysts to assess the gravity of the problem and what the delay is costing.

CDR is a quantum leap in ferroalloy-steel technology. The concept of CDR was attractive to MS&A because it sharply reduces production costs of ferrochrome — mainly in power use, the major cost element — relative to the conventional submerged-arc process.

If CDR succeeds MS&A will become the world's lowest-cost ferrochrome producer.

Slag

MSA has said that the major problem is in the second of the two-stage CDR process. In the first stage chrome ore is reduced to a metallised intermediate product in a kiln.

In the second stage the intermediate product is melted in a smelter to separate the metal (ferrochrome) from the slag.

The kiln stage is working well and the intermediate product can be mixed with chrome ore and used as feedstock in the conventional submerged-arc furnaces in the old plant. However, technical problems — mainly affecting the refractory lining the furnace — have forced the indefinite closure of the smelter.

What is unclear is who is to blame for the smelter breakdown. Is it a design problem or is it an operational one?

There is some evidence — MS&A declines to confirm it — of a dispute between MS&A and its contractors. If true, this converts the issue from a technical problem into a wider issue with possible legal implications.

Whatever the cause, earnings prospects hang heavily on the duration of the smelter closure. MS&A has a san-

guine view about the CDR process and says a four-year learning curve is normal for new technology.

However, in the meantime the high overheads of the new plant and high production costs based on the old one will exact a toll.

Ferro-chrome is a cyclical industry. High prices, rising to nearly 80 US cents a pound in early 1989, triggered by a sustained world stainless-steel boom, resulted in overproduction of ferrochrome and accumulation of excessive stocks.

Prices slumped to 50c/lb in 1990.

The slump could bring long-term benefits for the SA industry through high-cost foreign producers being forced out of business.

Proud

But SA producers — particularly MS&A — are having to pay dearly until recovery in demand and prices gets under way.

Although world stainless-steel production continues at a high level and producers' ferrochrome stocks are falling, prices in 1991 have made only a marginal recovery to 49c/lb.

MS&A has been particularly hard hit because the price fall coincided with the introduction of the CDR project. MS&A has a proud record of innovative technology. It includes the first — and still the only — stainless-steel plant in SA in the early 1960s, the introduction of a revolutionary low-cost grade of stainless steel, 3CR12, in the early 1980s and construction of the first plasma ferrochrome furnace here in the mid-1980s.

MS&A is the second company in the Barlow fold — after Rand Mines — to send out distress signals. Barlows intends to float off a minority stake in MS&A towards the beginning of its 1992 year.

Efforts to boost blacks fall down

Business Times Reporter

THE HEADS of some prominent businesses say black economic empowerment is vital, but they are not succeeding in some of their own most important affirmative action programmes.

The finding emerges from a survey by Deloitte Pim Goldby Management Consultants.

Executives of Murray & Roberts, McCarthy, African Bank, Premier, Malbak, Pick 'n Pay, Eskom, Nampak, Rusfurn, Dorbyl, Everite, Consol, Truworths, OK Bazaars, Sasol, Toyota and Sage Holdings were interviewed.

Only two of 17 say economic empowerment is not important in their organisation.

Deloitte reports that promoting blacks, helping entrepreneurs and establishing links with black power groups are among the most common empowerment initiatives taken by the organisations.

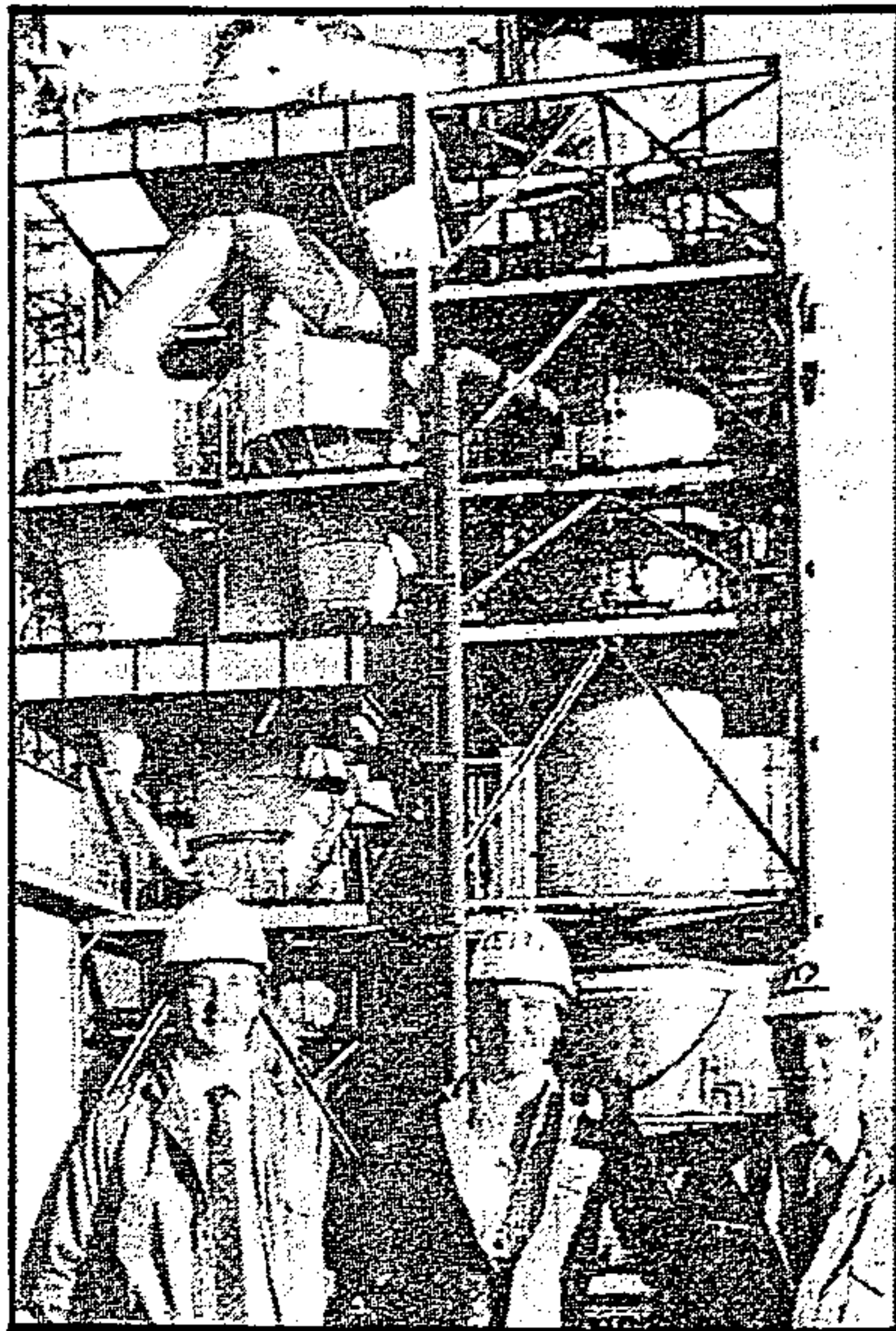
But when asked to rate their performance, most executives say they are not succeeding.

Among the reasons given are lack of talent and education of the candidates; huge costs; the political climate; and the cultural gap.

One respondent commented: "It's being done on faith because we have to start somewhere."

With few exceptions the organisations report only moderate success with other empowerment initiatives — staff training and development, social responsibility and education of employees' children.

The survey finds that the two most popular reasons for having empowerment programmes are the promotion of peace and harmony and improving relationships between different groups in and out of the workplace.



TROUBLE AT THE PLANT: MSA executives Paddy Probert, Keith Luyt and managing director John Gomersall

Banks under new strain

BANKS face new cost pressures because the Reserve Bank wants them to hold more funds in reserve against loans they grant.

The Deposit-Taking Institutions (DTI) Act lays down that their capital reserves must amount to at least 4.5% of bank loans and that this figure will rise to 8% by January 1995.

But Registrar of Banks Hennie van Greuning has a 15% capital requirement in mind. He says 8% should be regarded as a minimum rather than a ceiling. New banks may be asked to aim for 15%. His requirement is not out of line with those in many other countries. For British banks the ratio is about 15%. Only the really big banks are allowed to hold lower reserves of about 10%, but not below 8%.

Dr Van Greuning says banks have two extra years to adjust to the international standard of 8% because "they have been isolated from the rest of the world and operate in an inflationary environment, which makes capital accumulation difficult".

By DIRK TIEMANN

The DTI Act specifies capital requirements for different types of loan. No reserves need be held against loans to the Government; home loans must be backed by reserves equal to 50% of the stipulated capital requirement; and overdrafts by reserves equal to 100% of the capital requirement.

This means that by 1995, a bank with a home-loan book of R100-million will have to keep only 8% capital against R50-million and not the full amount.

Fear

Dr Van Greuning says adequate capital requirements are needed to protect savers because SA does not have deposit insurance.

"People fear that deposit insurance will place controls on the well-managed banks, but let those with poor risk management get away with murder. I am not in favour of a public-sector deposit-insurance scheme."

STimes (Bus Times) Faith 176 26/5/91

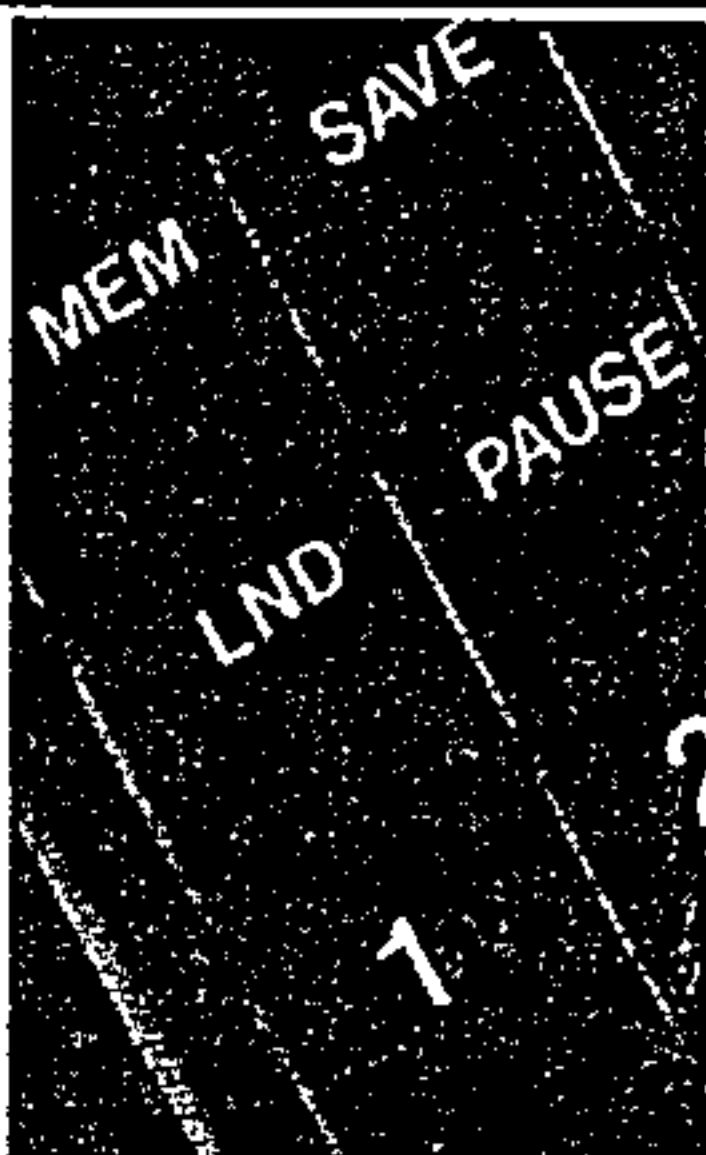
But when asked to rate their performance, most executives say they are not succeeding.

Among the reasons given are lack of talent and education of the candidates; huge costs; the political climate; and the cultural gap.

One respondent commented: "It's being done on faith because we have to start somewhere."

With few exceptions the organisations report only moderate success with other empowerment initiatives — staff training and development, social responsibility and education of employees' children.

The survey finds that the two most popular reasons for having empowerment programmes are the promotion of peace and harmony and improving relationships between different groups in and out of the workplace.



Making up for discrimination

I HEAR a lot of talk about affirmative action programmes and question being asked about what is meant by the term?

An affirmative action programme is one in which a company tries to

bowen 30/5/91
increase the number of black, coloured, or Indian workers in its operation to make up for discrimination against these groups in the past.

There are many ways of achieving this objective. The main way is for the company to set goals of the number of people from these disadvantaged groups it hopes to hire by the end of a given period.

At the end of that period, if it has not achieved these goals, the company has to carefully analyse why this failure has taken place and take steps to improve the situation during the next interval.

These are goals, not quotas. To prevent an affirmative action programme from deteriorat-

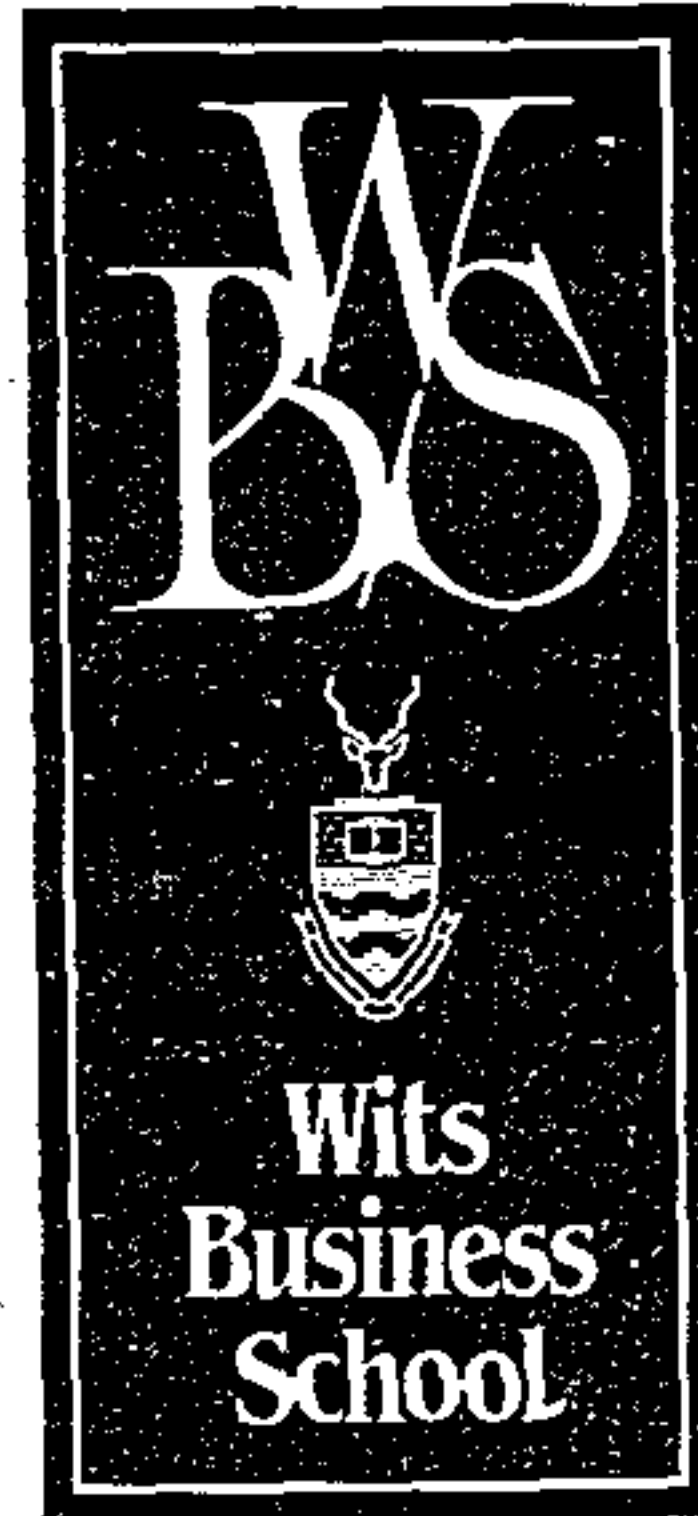
ing to either being a system of tokenism (or just hiring a few from the disadvantaged group so as to look good) or from hiring too many unqualified people which will result in a firm's productivity declining, society and companies have to take steps supportive of the goals of affirmative action (like having training programmes).

Moreover, the managing director of the firm has to support strongly any such programme, not only in words but also in behaviour.

For example, he has to be ready to penalise, even dismiss, a manager who, after being duly warned, clearly does not try to meet the goals of the af-

176 affirmative action programme.

* Prepared by Professor Albert Blum, who is attached to the Wits Graduate School of Business Administration.



Nafcoc wants more say in big business

By Des Parker

176

Star 31/5/91

180-30

A black assault on the ramparts of white-dominated business is being spearheaded by the National African Federated Chambers of Commerce (Nafcoc).

Opening the annual meeting of the Inyanda Chamber of Commerce in Durban yesterday, Nafcoc president Sam Motsuenyane accused major companies of "marginalising" blacks by appointing single, token blacks to their boards of directors.

Singling out Anglo American Corporation, Barlow Rand and Southern Life as culprits, Dr Motsuenyane urged big business to "change this policy drastically" to

give significant numbers of blacks the opportunity to influence the way major corporations conduct their business.

He reiterated a demand made by Nafcoc last year that blacks achieve specified levels of representations in the formal sector of the economy by the year 2000, such as the holding of 30 percent of directorships on JSE companies, a 40 percent black stake in equity of quoted companies, 50 percent of the contracted out business of white companies go to black concerns and 60 percent of managerial positions be held by blacks.

Zimbabwe had failed to take such measures, Inyanda members

heard, and there had been "very little black penetration into their companies in 11 years of independent rule". A conference was to be held in that country on June 16 to consider steps to increase black involvement in business.

Dr Motsuenyane said blacks should take every opportunity to further their skills in such fields as management and he called for all education facilities to be opened to all people "without attached conditions" so that blacks could enhance their positions.

Nafcoc had a role to play in restoring peace to the country, the meeting heard, with its chambers around the country — but particularly in Natal — "serving

as instruments of reconciliation for political and ethnic opponents".

"We must retain our political neutrality in this regard if we are to ensure the survival of our businesses," Dr Motsuenyane advised.

He said the black business movement should "learn to stand on its own feet again".

Nafcoc, which was formed 27 years ago, had coped without sponsorship from white business until 1976; now it risked sacrificing its leadership role among black business organisations because members had become complacent and had lost some self-reliance.

'Forget the past, build the new'



Pallo Jordan

By DERRICK LUTHAY

176

BLACK business must transform itself from the legacy of dependence under apartheid to a future where everyone will contribute to the national economic and political development of the country. (Palo 2/6/9)

This was said by Nafcoc chief economist Vincent Phaahla during the Southern Transvaal African Chamber of Commerce (Soutacoc) 21st anniversary and annual conference held at the Jan Smuts Holiday Inn this week.

Phaahla said the new challenge facing blacks was not going to be easy and enjoyable as many might imagine.

He said on both the political and economic fronts there were serious problems and hardships which could only be overcome through sacrifices, hard work, compromises and tolerance.

"Those of us who thought that after apartheid we were going to sit down and eat honey were daydreaming.

"We may not be able to enjoy the fruits of liberation ourselves, but we must work hard to ensure our children reap the fruits of our sacrifices."

Phaahla warned that without well-researched and carefully structured economic policy, blacks would remain at low lev-



Nafcoc president Sam Motsuenyane, left, with Soutacoc chairman Joe Hlongwane at Soutacoc's 21st anniversary conference this week.

els of economic activity - in the informal sector and running shops, garages and bottle stores.

He said the removal of laws such as the Group Areas Act, the 1913 and 1936 Land Acts and others intended not only to exploit blacks but also

as a tool of dispossession, would result in some opportunities opening for blacks. (Palo 2/6/9)

"Our people should not be confused by these changes because the mere repeal of these laws is not going to automatically result in black eco-

nomie empowerment.

"We have to be careful not to create a system where our people will perpetually be dependent on handouts from the government or the benevolence of big white businesses. We must create a system where our

people will be engaged in all aspects of economic activity.

"We must move into areas of manufacturing, marketing, agriculture, banking, insurance, and import and export businesses. We must be careful not to break sanctions

at this moment when they are pressing the present government into becoming sufficiently democratised.

"As organised business we must also influence political actors so their policies result in se-

rious wealth redistribution."

Phaahla added the future government would be under majority rule. This would lead to new business opportunities and government contracts would no longer be awarded on racial lines.

176

Fm 24/5/91

BLACK EMPOWERMENT

176

Transkei University principal Wiseman Nkuhlu says government's role is to provide an enabling environment that allows people to realise their economic potential. He adds that it is not to provide them with jobs and higher incomes.

Nkuhlu blames apartheid for destroying the "entrepreneurship, creativity and independence of the indigenous African people through restrictive laws and denial of essential services and infrastructure." In correcting what he calls this disastrous situation it would be dangerous to create the expectation of a new culture of entitlement which, he says, is just an-

other form of dependency.

Black leadership, he adds, must make "a clear statement now about the nature and purpose of government intervention."

Nkuhlu, SA's first black accountant, a director of the Development Bank of Southern Africa and the African Bank, vice-president of the SA Institute of Race Relations and a council member of the Black Management Forum, gave these views at the recent AGM of the International Executive Service Corps.

The corps is a nonprofit organisation of retired executives who help black businessmen and women.



LOT NDLOVU: "Ban import of skilled labour."

BMF slates 'racist' bosses

By KAMAL SINGH

RACIST attitudes in the workplace resulted in the absence of blacks in top positions in large companies, Black Management Forum executive director Mr Lot Ndlovu said at the weekend.

Speaking at a graduation ceremony of the Institute of Black Quality Management, Ndlovu said although job reservation was scrapped 11 years ago, racist attitude in the commercial world prevented blacks from assuming senior positions.

"Although blacks comprise about 80 percent of the country's population, only about four percent are in decision-making positions. *Sowetan 20/5/91.*

Job reservation

"The scrapping of job reservation in 1979 was virtually a non-event because job reservation is still being practised.

"There needs to be a change in attitudes among people that matter (chief executive officers). Racism is embedded in the structures, policies and conduct of people. Discrimination, which needs to be acknowledged, is a tradition in this country," he said.

Ndlovu also called for company training schemes for the development of blacks.

A future government should ban the import of skilled labour because this action delayed the development of skills of the local people.

Affirmative action cannot advance blacks — consultant

B1120001
2415791 GILLIAN HAYNE

(176)

AFFIRMATIVE action has failed in SA, according to a black management consultancy.

Black advancement and equal opportunity had not worked in SA because of fear and low self-esteem among black people, Ernest Mchunu and Associates CE Ernest Mchunu said this week.

He told delegates at a seminar on black advancement problems that token appointments were no solution. Only once employees had developed skills should they be put in decision-making positions and made responsible for the profitability of their units.

However, blacks should not sit back and lament the inequalities of apartheid. They had to work for their promotions, and should turn tokenism into an advantage.

Companies ought to create environments where blacks were given the chance to learn through their mistakes.

Richard Mbatha, who worked as a group training officer for Barlow Rand before starting his own company, Human Resources Training Programme Consultants, said participation could only be achieved through patient, sincere training. As many problems stemmed from communication breakdown, he suggested training be conducted in employees' mother tongues.

Isaac Khonjelwayo of Creative Personal Management Services said management should communicate with employees at meetings, not through memos, as many blacks were not "efficiently literate".

Eskom to look at township firms

Sowetan 24/5/91

By JOSHUA RABOROKO

THE giant electricity utility, Eskom, is planning to economically empower the small black business in the townships in a move seen by many enterprises as "big brother helping small brother to grow".

Eskom's senior officer for Small Business Consultant, Mr Joe Nhlapo, said this week they would be offering a variety of services, including buying commodities from the black informal sector.

Looking

Eskom was looking at boilermakers, plumbers, upholsteries, clothing and other manufacturers, transportation (especially minibus taxi service), delivery services and other products that could be sold and identified by the company.

He said the company had already visited and arranged "business deals" with small entrepreneurs at SBDC's hives in the townships, but "we need more in an attempt to help the informal sector become formal."

He believed that by buying in bulk from the small business the company would economically be empowering them because "they will then have the incentive to pro-

duce more goods - leading to advancement."

The informal sector activity amounted to R16 billion or nearly eight percent of South Africa's gross domestic product (GNP) in 1989, according to a central Statistical Service (CSS) survey.

The survey is an important contribution in the debate on the size and importance of this sector of the black business.

Hawkers are the most active (32 percent of informal activity) followed by crafts (about 27,5 percent) and transport (18,8 percent).

Nhlapo said in order to maintain Eskom's power system, hundreds of different jobs were necessary.

Letters

These functions required the company's buyers to obtain various ranges of materials, commodities and services.

It was the company's philosophy to approach competitive market which would include the small entrepreneur who have been encouraged to write letters in this connection to: The Commercial Department, Policies and Practices Department, PO Box 1091, Johannesburg, 2000.

In the letters they should describe their business and how it operates.

R100 000 boost for accountants

THE Association of Black Accountants of South Africa received a shot in the arm on Tuesday with a Southern Foundation cheque for R100 000.

The cheque, presented by foundation director Dr Nthato Motlana, was accepted on behalf of Abasa by Mr Mashudu Ramano, its founder and executive director.

Ramano said the money would be used for the organisation's community support programme.

"This money would help us to inculcate a culture of efficiency and accountability with our community. Abasa has had little exposure and now we want to reach out and be more visible," he said.

By ALI MPHAKI

Abasa's community support programme is designed to:

- * Help organisations establish or improve their accounting and financial management systems;
- * Establish close working relations with grassroots community organisations; and
- * Increase the level of awareness of the accounting profession's importance in the community.

Abasa was founded by a small group of black accountants in 1985 to facilitate the entry of blacks into the accounting profession.

Obstacles to black ambition must be fully overcome

Sowetan 24/5/91

176

BLACKS have a legitimate right in the economy of South Africa as they did in their political destiny, but have been hamstrung by many obstacles, says Mr Gaby Magomola, marketing chairman of Fabcos.

Addressing a luncheon of the South African British Industry and Trade Association, he said that he felt that a political settlement that did not address the current economic disparities would be "a

hollow victory".

Magomola said that some of the obstacles needed to be overcome in order to ensure black economic empowerment were - poor education, lack of management and technical expertise, no access to capital, increasing resistance to free market principles from a growing black population and an unstable and volatile environment.

There was little evidence of black participation in competitive enterprise to encourage the view that they could make a meaningful contribution to the economy, he said, adding, "no economy can be free if the majority is not able to participate at all levels, and to enjoy the benefits of that participation".



GABY MAGOMOLA

Management needs blacks

Sowetan 16/5/91

(176)

(176)

(176)

THE lack of blacks in management is a crisis for South Africa, according to a Member of Parliament.

The crisis is compounded by another crisis - the emigration of white professionals, the Democratic Party's Mr Robin Carlyle said this week.

Of the 12 000 chartered accountants in the country, 25 are black; of the 3 239 top civil servants, only 18 are black.

Shortage

The shortage of blacks in management stretches into the Department of Manpower itself.

There are no blacks among the top 100 people in Manpower. On the National Training Board,

Political Correspondent

there is only one black, a general assistant.

The National Manpower Commission has no blacks; the Unemployment Insurance Fund has one black on its board and none on its management committee.

Target

"All of this in a department whose target market is overwhelmingly black and in a department that knows better than any other that our future survival depends on the advancement of efficient black management," Carlyle said.

According to the Centre for Policy Studies, about 23 000 white gradu-

ates left South Africa between 1980 and 1985.

An estimated additional 4 500 white graduates are leaving the country every year and between 30 and 50 percent of all white graduates are contemplating emigration.

To avert certain disaster, the Department of

Manpower should devise a strategy for black advancement, Carlyle said.

"The Department of Manpower should be the first one to show considerable progress in developing blacks to fill key positions by broadening the boards and commissions that fall under the Minister and by including appropriate and efficient blacks."

Chamber's plea on ban

NEW YORK - Chamber of Mines president Mr Clive Knobbs made a strong appeal yesterday for the United States to abandon proposals to deprive South Africa of International Monetary Fund loans even after South Africa had complied with the minimum conditions set for the lifting of US sanctions.

In a statement to the *New York Times* Knobbs said a continued IMF ban would "jeopardise the future financing of the democratic option for which so many of us are striving". - *Sowetan Foreign News Service*.

'Freedom means economic power'

Sowetan 8/5/91

176

BLACK business leaders feel that political power without economic muscle is useless.

At a three-day launch of the Foundation for African Business and Consumer Services at the weekend, many of the about 3 000 black business people attending argued that post-apartheid South Africa must avoid the mistakes of other liberated African countries.

They pointed out that in the early 1960s the first president of Ghana Dr Kwame Nkrumah urged his people to "seek ye first the political kingdom" in the belief that economic development would follow automatically.

It didn't. And if Nkrumah was alive today, Fabcos members said, he would advise South Africans "to seek ye first both the political and economic kingdoms."

Enslaved

Delegates said they have seen many African countries where citizens were politically free but economically enslaved.

One speaker, Dr Oscar Dhlomo, chairman of the Institute for Multi-Party Democracy, said: "Astute political leaders encourage their followers to prosecute the struggle simultaneously on all fronts - political, economic, cultural, spiritual and intellectual - for it is only a total struggle that can yield total liberation.

"Political power devoid of economic power frustrates; political power underpinned by economic power liberates," he said.

He said black business organisations must show interest in the country's transition under way so as to ensure that the resulting socio-economic environment enables "our people to do business and to do it successfully and productively".

FOCUS



Business reporter JOSHUA RABOROKO reports on the debate over whether political or economic power should come first in Africa.

He added that post-apartheid South Africa needed a vibrant economy to develop education, housing and health in the deprived black communities.

Conflict

"Post-apartheid South Africa must be seen to be a more attractive place to live and work in. It must conjure a vision of prosperity and growth in a society not threatened by racial and ethnic divisions as well as intergroup conflict," Dhlomo said.

"It must capture the imagination of those of our fellow countrymen who all too often equate an open society with declining standards and socio-economic decadence.

"We will require unique and creative strategies to achieve this vision of post-apartheid South Africa."

Another speaker, PAC deputy president Dikgang Moseneke said: "National political self-determination and democracy are primary - but these could be hollow victories without appropriate economic development.

"Our struggle for liberation of the African people is holistic. It is the struggle for political liberation but also for economic empowerment of the people of our country. It is primarily a struggle against poverty, ignorance, disease - in short our struggle is one for the total well-being of our people."

However, he said that economic empowerment does not occur in a vacuum.

Power

"It is for this reason that we in the PAC have declared that there can be no effective implementation of an ideal economic policy without predominant control of state power," he said.

He urged Fabcos to act as a catalyst for black economic empowerment.

ANC international affairs director Mr Thabo Mbeki added his voice on the subject of economic advancement. He said a major re-alignment of economic forces was taking place in South Africa that would profoundly affect the course of events in the entire region.

At the forefront of this tidal wave of change was the rapidly expanding power of the black consumer who, by the turn of the century, would hold 80 percent of the country's disposable income, he said.

Speaking about his association, Fabcos president Mr James Ngcoya said the key to success was unity.

Without it, he said, the black businessman and consumer would



THABO MBEKI.

continue to struggle alone against white power.

"But with unity and a sense of common and cohesive purpose, black business can emerge from the townships once and for all to take its place as the major shareholder in a new Southern African economy," he said.

To that end, all the speakers also called for a merger between Fabcos and the National African Federated Chamber of Commerce.

Beer barons turn tables on whites

Sowetan 14/5/91

176

176

176

176

THE sour taste of apartheid lingers in South African sorghum beer, which is about to make capitalist shareholders of thousands of black drinkers.

The black businessmen who run state-owned National Sorghum Breweries Ltd (NSB) - the world's biggest sorghum beer company - plan to sell shares in the firm from Friday.

But apart from the company's white staff, only blacks need apply.

The colour bar on ownership is the latest twist in the politically charged history of the brew.

For many years the Government used it to help pay for apartheid.

"We are now in the final throes of ensuring that this industry will return to its rightful owners, the black community," NSB executive chairman Mohale Mahanyele said.

Policy

"Our company policy is aimed at black economic empowerment and addressing an historical wrong."

Blacks have been brewing sorghum beer for about seven centuries, but in 1908 Natal barred them from distributing it so white municipalities would have a monopoly.

The monopoly was extended to other white municipalities, including those around Johannesburg.

They set up beerhalls and used the proceeds to pay for services in black townships.

With the creation of so-called black homelands in the 1960s, beer profits were diverted from the townships to the territories which apartheid dictated were the real homes of South Africa's blacks.

Police raids on illicit home



brewers were part of daily township life.

Beerhalls became symbols of apartheid and were attacked in anti-Government protests.

The official names which whites gave sorghum beer reflected changing racial labels - from "kaffir" beer, to native beer.

Since the Government set up NSB with a board of independent directors in 1970, brewery products have been given names like Zebra, Leopard, Country Brew and Kalahari.

Nutritious

Sorghum beer is packed with protein, carbohydrate and vitamins and is low in alcohol.

It is as nutritious as an intravenous drip, and for the non-traditional consumer, equally palatable.

Mahanyele said white staff of NSB, including some top executives, would also be able to buy shares so ownership would not be exclusively black.

Target

"This is not regarded as a privatisation. It is regarded as returning something that has been taken away from the black community," he said.

"The share offer is particularly aimed at consumers of the product, who are 98,9 percent black.

"It stands to reason the people who benefit from this offer should be the black community."

But the blacks-only policy has come in for criticism.

Business Day newspaper said in an editorial: "It's fine that employees and distributors be offered preferential allocations.



MOHALE MAHANYELE: "Our company policy is aimed at black economic empowerment...."

"What sticks in the craw is that the remainder of the shares are reserved for what NSB coyly describes as sorghum beer's 'traditional consumers'. What's wrong with openly offering the shares to everyone?"

Critical

The paper also criticised the NSB decision not to offer the shares on the Johannesburg Stock Exchange initially but act itself as trader in the stock.

Mahanyele said this was to protect the share buyers, who would generally be small investors with no more than R100 or R200 to spend.

Their equity would be guaranteed for the first year.

"Why must the 'traditional consumers' be treated as juveniles?" asked the newspaper.

"Are NSB's managers ... to decide who will own the company's shares after privatisation? Will prospective shareholders need to carry a pass classifying them as 'traditional consumers?'"

The cost

Mahanyele said he expected hundreds of thousands of people to buy shares.

Shares will be priced at R1 each but the number on offer will be disclosed only on Friday.

The company, with an annual turnover of around R300 million employs 3 500 people and runs 18 breweries. - Sapa-Reuter.

Sowetan's cartoonist Len Sak is on leave. His work will reappear when he returns.

Political comment in this issue by Aggrey Klaaste and Deon du Piessis. Newsbills by Sydney Mathaku. Sub-editing and headlines by Ivan Fynn. All of 61 Commando Road, Industria West, Johannesburg.

The reproduction or broadcast without permission of articles published in this newspaper on any current economic, political or religious topic, is prohibited and expressly reserved to Argus Newspapers Limited under Section 17 of the Copyright Act 1978.

Write to the Editor at PO Box 6663, Johannesburg 2000. Non-de-Plumes can be used, but full names and addresses should be supplied or the letter will not be published.

Beer barons turn tables on whites

Source: 14/5/91

176

176

176

176

THE sour taste of apartheid lingers in South African sorghum beer, which is about to make capitalist shareholders of thousands of black drinkers.

The black businessmen who run state-owned National Sorghum Breweries Ltd (NSB) - the world's biggest sorghum beer company - plan to sell shares in the firm from Friday.

But apart from the company's white staff, only blacks need apply.

The colour bar on ownership is the latest twist in the politically charged history of the brew.

For many years the Government used it to help pay for apartheid.

"We are now in the final throes of ensuring that this industry will return to its rightful owners, the black community," NSB executive chairman Mohale Mahanyele said.

Policy

"Our company policy is aimed at black economic empowerment and addressing an historical wrong."

Blacks have been brewing sorghum beer for about seven centuries, but in 1908 Natal barred them from distributing it so white municipalities would have a monopoly.

The monopoly was extended to other white municipalities, including those around Johannesburg.

They set up beerhalls and used the proceeds to pay for services in black townships.

With the creation of so-called black homelands in the 1960s, beer profits were diverted from the townships to the territories which apartheid dictated were the real homes of South Africa's blacks.

Police raids on illicit home



brewers were part of daily township life.

Beerhalls became symbols of apartheid and were attacked in anti-Government protests.

The official names which whites gave sorghum beer reflected changing racial labels - from "kaffir" beer, to native beer.

Since the Government set up NSB with a board of independent directors in 1970, brewery products have been given names like Zebra, Leopard, Country Brew and Kalahari.

Nutritious

Sorghum beer is packed with protein, carbohydrate and vitamins and is low in alcohol.

It is as nutritious as an intravenous drip, and for the non-traditional consumer, equally palatable.

Mahanyele said white staff of NSB, including some top executives, would also be able to buy shares so ownership would not be exclusively black.

Target

"This is not regarded as a privatisation. It is regarded as returning something that has been taken away from the black community," he said.

"The share offer is particularly aimed at consumers of the product, who are 98,9 percent black.

"It stands to reason the people who benefit from this offer should be the black community."

But the blacks-only policy has come in for criticism.

Business Day newspaper said in an editorial: "It's fine that employees and distributors be offered preferential allocations.



MOHALE MAHANYELE: "Our company policy is aimed at black economic empowerment..."

"What sticks in the craw is that the remainder of the shares are reserved for what NSB coyly describes as sorghum beer's 'traditional consumers'. What's wrong with openly offering the shares to everyone?"

Critical

The paper also criticised the NSB decision not to offer the shares on the Johannesburg Stock Exchange initially but act itself as trader in the stock.

Mahanyele said this was to protect the share buyers, who would generally be small investors with no more than R100 or R200 to spend.

Their equity would be guaranteed for the first year.

"Why must the 'traditional consumers' be treated as juveniles?" asked the newspaper.

"Are NSB's managers ... to decide who will own the company's shares after privatisation? Will prospective shareholders need to carry a pass classifying them as 'traditional consumers?'"

The cost

Mahanyele said he expected hundreds of thousands of people to buy shares.

Shares will be priced at R1 each but the number on offer will be disclosed only on Friday.

The company, with an annual turnover of around R300 million employs 3 500 people and runs 18 breweries. - Sapa-Reuter.

'Freedom means economic power'

Sowetan 8/5/91

176

BLACK business leaders feel that political power without economic muscle is useless.

At a three-day launch of the Foundation for African Business and Consumer Services at the weekend, many of the about 3 000 black business people attending argued that post-apartheid South Africa must avoid the mistakes of other liberated African countries.

They pointed out that in the early 1960s the first president of Ghana Dr Kwame Nkrumah urged his people to "seek ye first the political kingdom" in the belief that economic development would follow automatically.

It didn't. And if Nkrumah was alive today, Fabcos members said, he would advise South Africans "to seek ye first both the political and economic kingdoms."

Enslaved

Delegates said they have seen many African countries where citizens were politically free but economically enslaved.

One speaker, Dr Oscar Dhlomo, chairman of the Institute for Multi-Party Democracy, said: "Astute political leaders encourage their followers to prosecute the struggle simultaneously on all fronts - political, economic, cultural, spiritual and intellectual - for it is only a total struggle that can yield total liberation.

"Political power devoid of economic power frustrates; political power underpinned by economic power liberates," he said.

He said black business organisations must show interest in the country's transition under way so as to ensure that the resulting socio-economic environment enables "our people to do business and to do it successfully and productively".

FOCUS



Business reporter JOSHUA RABOROKO reports on the debate over whether political or economic power should come first in Africa.

He added that post-apartheid South Africa needed a vibrant economy to develop education, housing and health in the deprived black communities.

Conflict

"Post-apartheid South Africa must be seen to be a more attractive place to live and work in. It must conjure a vision of prosperity and growth in a society not threatened by racial and ethnic divisions as well as intergroup conflict," Dhlomo said.

"It must capture the imagination of those of our fellow countrymen who all too often equate an open society with declining standards and socio-economic decadence.

"We will require unique and creative strategies to achieve this vision of post-apartheid South Africa."

Another speaker, PAC deputy president Dikgang Moseneke said: "National political self-determination and democracy are primary - but these could be hollow victories without appropriate economic development.

"Our struggle for liberation of the African people is holistic. It is the struggle for political liberation but also for economic empowerment of the people of our country. It is primarily a struggle against poverty, ignorance, disease - in short our struggle is one for the total well-being of our people."

However, he said that economic empowerment does not occur in a vacuum.

Power

"It is for this reason that we in the PAC have declared that there can be no effective implementation of an ideal economic policy without predominant control of state power," he said.

He urged Fabcos to act as a catalyst for black economic empowerment.

ANC international affairs director Mr Thabo Mbeki added his voice on the subject of economic advancement. He said a major re-alignment of economic forces was taking place in South Africa that would profoundly affect the course of events in the entire region.

At the forefront of this tidal wave of change was the rapidly expanding power of the black consumer who, by the turn of the century, would hold 80 percent of the country's disposable income, he said.

Speaking about his association, Fabcos president Mr James Ngcoya said the key to success was unity.

Without it, he said, the black businessman and consumer would



THABO MBEKI

continue to struggle alone against white power.

"But with unity and a sense of common and cohesive purpose, black business can emerge from the townships once and for all to take its place as the major shareholder in a new Southern African economy," he said.

To that end, all the speakers also called for a merger between Fabcos and the National African Federated Chamber of Commerce.

Black business urged to assist in empowerment

Sowetan 25/4/91

By JOSHUA RABOROKO

BLACK business has a leading role to play in the struggle for black liberation and economic empowerment, a National African Federation Chambers of Commerce conference stressed this week.

Delegates at the two-day event agreed that political power without economic power for the new South Africa was like a cow without milk.

Corporate South Africa, academics, researchers, black businesses and political activists have to come to grips with this notion, they said.

The conference, held in Bloemfoemtein, was part of a series of workshops undertaken by Nafcoc on developing a post-apartheid economic policy.

Among the speakers was Standard Bank chief economist Mr Nico Cypianka, Nafcoc chief economist Mr Vincent Phaahla, Azapo general secretary Mr Don Nkadameng, ANC economist Mr Max Sisulu, and academics from the universities of Stellenbosch, Witwatersrand, Zululand, Transkei and Cape Town.

Delegates criticised banks and insurance and mutual funds for not directly working for black economic empowerment, according to Phaahla.

He said: "We have not noticed any specific programmes of action that will radically alter the economic reality between black and white.

The monies collected by financial institutions were not used sufficiently towards black advancement, he said.

Delegates also agreed that blacks must be represented in the management of financial houses.

"There is a prevalent practice where individual blacks are paraded by several corporates as directors, even in areas where they have less understanding of the business they serve," Phaahla said.

Minister urges business to change attitudes of blacks

CAPE TOWN — One of the most important contributions the business sector could make during a transition period would be to lock black political and business organisations into the economic debate and change their attitudes, Constitutional Development Minister Gerrit Viljoen has said.

He told the Cape Town Chamber of Commerce yesterday these organisations' arguments must be analysed and constructively criticised "to provide a meaningful alternative that will address some of the socio-economic issues involved".

Billy Paddock

Behind the unacceptable plea for nationalisation, the undeniable fact of poverty had to be acknowledged and alternative, practical solutions to eliminate unemployment and poverty had to be found.

He said business's discussions with the ANC on nationalisation had borne fruit and he suggested the next area it should tackle was higher taxation for social spending.

Business had to manage its constitutional interests by adopting a more pro-active strategy to strengthen the argument for a market economy with minimum state in-

volvement, Viljoen said.

One of the greatest concerns of black political and business organisations was their lack of participation in the economy, and big corporations should investigate methods of promoting black economic empowerment.

Business should intensify and accelerate advancement programmes for people with potential and greater support should be given to black business activities.

Urgent attention also had to be given to improved labour relations. Far too many members of the workforce did not share business' belief in the "market" and the

free-enterprise system even though they were very fortunate to be in that system with so many unemployed who would willingly swap positions, he said.

The policy of maximising economic growth and allowing the trickle-down effect to address the problems of the underprivileged in time was unacceptable to black political and business organisations and more was required.

Understanding, in conjunction with the communities, of what constituted realistic and sustainable social responsibility of the business sector had to be reached.

Assist blacks to advance - Viljoen

Sowetan 26/4/91

(176)

~~176~~

BIG corporations should investigate ways of promoting black economic advancement, the Minister of Constitutional Development, Dr Gerrit Viljoen, said yesterday.

Addressing businessmen in Cape Town, Viljoen said if South Africa were to grow into a regional and international economic power, black people would have to be part of such a base.

He said one of the greatest concerns was the lack of black people's participation in the economy.

As a starting point, big business should consider intensifying and accelerating advancement programmes for blacks.

The public service also had a responsibility to recruit and train "people of colour".

"It is realised that power sharing resulting in a majority of black faces in political structures would have to be reflected by more black faces in important places in the civil service," Viljoen said.

The Government's economic reform initiatives must be supported

By ISMAIL LAGARDIEN
Political Correspondent

by a commitment by big business "to inform the broad community of their merits and by the creation of economic opportunities through the allocation of resources".

He said black politicians had refused to accept the principle of maximum economic growth as a means of addressing disparities in South African society.

It had been argued that the Government and the private sector wanted to accelerate the economic advancement of the poor responsibly.

Because of this, it must be made clear to communities "what constitutes a realistic, yet sustainable social responsibility for the business sector," Viljoen said.

Black economic empowerment, accelerated advancement programmes and black leadership in economics could happen without a threat to the existing "positions of persons of merit" in the private and public sectors, he said.



DR GERRIT VILJOEN

051

Insurance bursary launched

CP Reporter

CONCERNED individuals have initiated the Insurance Scholarship Fund, a bursary scheme which aims to address the shortage of black insurance professionals.

The scheme — the brainchild of local black professionals — was launched at a fund-raising dinner in Johannesburg recently.

Under the chairmanship of Khehla Mthembu, the bursary will sponsor black students to study towards a degree in insurance at the University of the Witwatersrand.

Guest speaker, *City Press* editor Khulu Sibiyi, said South Africans should not only expect politicians

to solve problems in society, but "we, all of us, must start now to play a meaningful role in our various ways and should set good examples to others".

Sibiyi said some people in the insurance industry might fail to see the significance of the bursary scheme, but it was an incorrect perception.

"This should have happened a long time ago to demonstrate to our people that, though numerous obstacles have been placed in our way, we are now able to advance as one nation.

"The fund we are launching is a milestone toward black empowerment by black people."

Sibiyi said illiteracy caused by apartheid had to be combated — a

responsibility the corporate business world could not shirk.

Also at the launch was Roger Atkin, a director of Lloyds Broking House's Edgar Hamilton Group. He is also chairman of Atkinsure PLC, a London-based financial investment company which is an underwriting member of Lloyds.

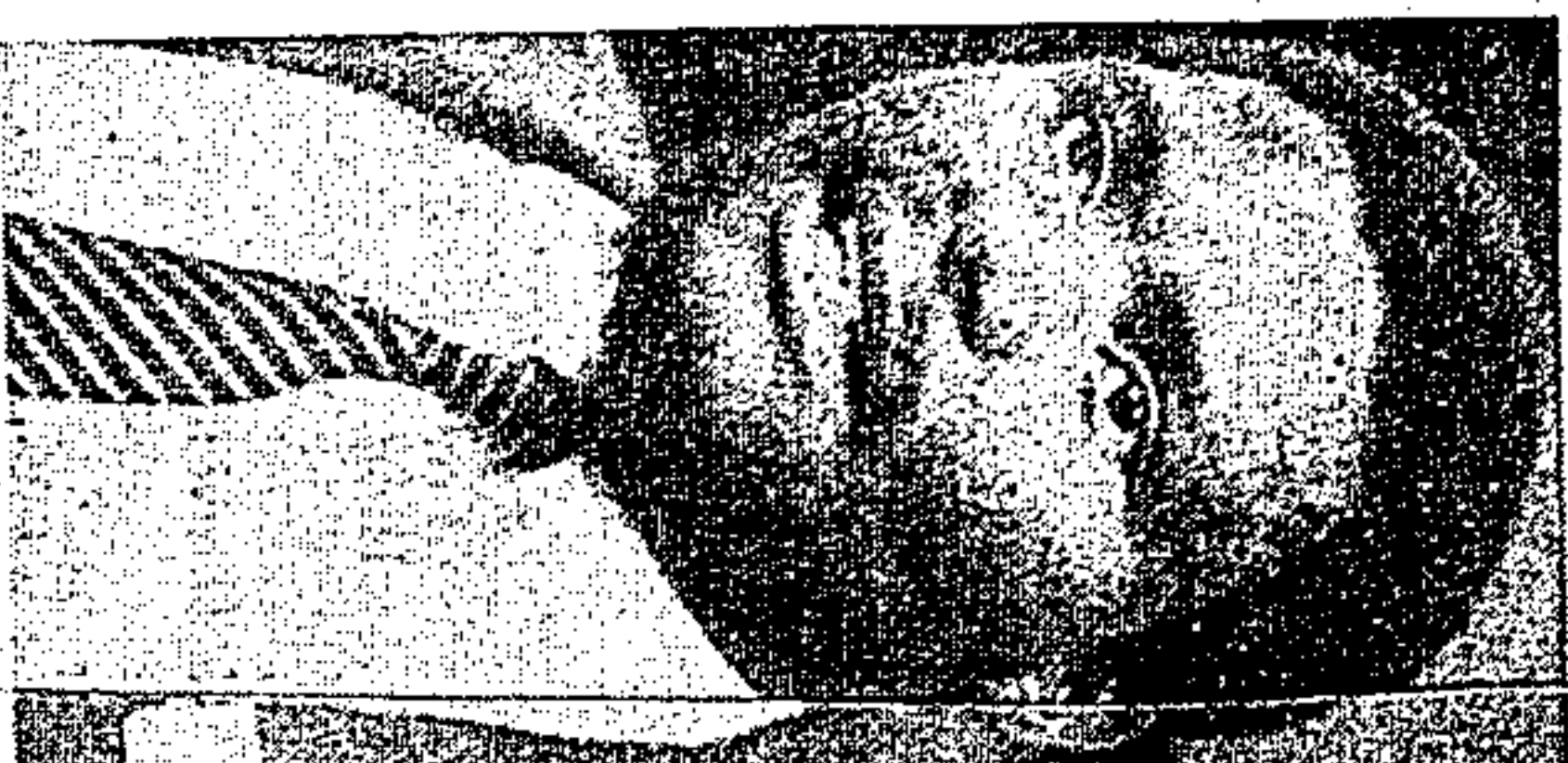
Atkin was a special guest of Jan Erasmus, founder of the largest independent short-term insurance brokerage in South Africa.

Erasmus was instrumental in founding XB Brokers — one of the few viable black insurance brokerages in the country.

Nearly R50 000 was raised at the function and more has been pledged.



Speaker... *City Press* editor Khulu Sibiyi.



Bursary chairman... Khehla Mthembu.

Mortuary staffers may face backlash at work

Soweto 30/4/91 - (176)
By Ali Mphaki

BLACK economic empowerment has come under fire following a warning by the chairman of the multi-racial National Funeral Directors Association of Southern Africa (Nafdas).

Dr Chris Molyneux said that if black bereaved families were persuaded to use black-only funeral directors, members of his association may be forced to fire their black staff.

This puts jobs of about 500 blacks, employed by members of the association, on the line and could have grave repercussions.

Molyneux was reacting to the growing call by the black National Funeral Undertakers Association (Nafua) and the National Association of Co-operative Societies (Nacssa) that it was time black funerals should be conducted only by black funeral directors.

"If I do not have any black customers, my black staff would have no value to me and I would be forced by economic necessity to dispense with their services," Molyneux said.

"I trust these organisations will be able to find alternative

employment for the hundreds of resulting unemployed black funeral staff and will provide them with the same level of remuneration, pension and medical benefits, group life assurance and housing subsidies," he added.

He said this "racial" call by the two organisations is cause for concern when considering the possible scenario for a new South Africa.

Reaction

The Chief Executive of Centre for Black Economic Development and executive member of Nacssa, Mr Sam Moufhe, said Molyneux's remarks were unfortunate.

"Blacks have been disadvantaged for a long time and what we are saying is that they should start supporting their own ventures without necessarily saying they must not go to white or Indian funeral directors.

Moufhe said they were merely widening the choice for blacks without sacrificing the standards.

Nacssa has a burial in-

urance scheme which is aimed at pooling surplus funds from various burial societies, women's and mohodisano clubs affiliated to them.

The chairman of the Soweto branch of Nafua, Mr Kenneth Sihlali, said Molyneux's remarks were not frightening.

Spur ¹⁷⁶ for future *Southern 25/4/91* black trade

By JOSHUA
RABOROKO

THREE key political figures will address the three-day annual meeting of the Foundation for African Business and Consumer Services at Nasrec, Johannesburg, from May 4.

They are: Mr Thabo Mbeki, ANC director of International Affairs, the deputy president of the PAC, Advocate Dikgang Moseneke and Mr Oscar Dlomo, the president of the Institute of Multi-party Democracy.

Theme

The theme is "Black business in the face of political change - Fabcos as catalyst for black economic empowerment" and will focus on the future of the black informal business.

Fabcos's media manager Mr Fanyana Shiburi said his organisation had made progress in its long-term mission to identify, mobilise and expand all black business.

The emphasis will be on stimulating black economic empowerment, generating new job opportunities and new wealth.

Instability

He said: "These goals have been attained even against the present political instability and the gloomy economic recession."

Fabcos is not alone in trying to harness the incredible economic power in South Africa, but there are several reasons why it must be taken seriously.

One is that it is spearheaded by the biggest, most successful and perhaps the only black "industry" - the Southern Africa Black Taxi Association (Sabta).

Taxi wars

Nobody can deny that Sabta has its problems. Taxi wars and an unacceptably high accident rate are some of them. However, it cannot be denied either that it is an efficient, versatile, superb transport system for the country's greatest asset - its people.

The key to Fabcos's success is unity. Without it, the black businessman and consumer will continue to struggle alone in disparate groups against the historical corporate interests of neo-colonial wealth and self-interest. Political emancipation alone will not be enough to redress the deficit, according to Shiburi.

On the frontier of a new South Africa

ALRODE South has emerged as a successful microcosm of the new South Africa, with a mix of black and white industrialists, says Investron MD Allan Goldring.

The township was one of the first white industrial areas to obtain exemption for black ownership under the Group Areas Act.

Consequently, as a mixed society laboratory it is further down the road of evolution than most other industrial townships.

"Black entrepreneurs in black townships face many problems," says Mr Goldring.

"They range from the limited size and availability of premises to the reluctance of white-owned businesses to deliver raw materials into a black township."

Policy

A specialist industrial land salesman in the Investron group, Charles Ntuli, puts the situation into perspective:

"I worked for a large oil company for nearly eight years.

"They had a policy of encouraging business with blacks.

"In keeping with that, I generated business for a township stationery supplier.

"But when I went on leave none of the white employees would venture into the black township, and the project failed."

When it comes to opening industrial townships to all businessmen, the game is definitely worth the candle.

Major benefits accrue to the black businessman. These include:

- Substantially reduced finance and insurance rates;
- A disruption-free working environment;
- Good transport links;
- Proximity to markets;
- Access to new ideas in technology;
- Ease of marketing.

"The unrest in the black townships has impacted heavily on businessmen based there, despite their efforts to appear politically neutral," says Mr Goldring.

"They are eager to vacate the townships.

"The publicity surrounding the opening of Alrode South elicited a prompt response, from entrepreneurs ranging from panel beaters to distributors, and from small tool repairers to investors interested in erecting buildings to lease."

Today, investment by black businessmen in the area amounts to about R2,5 million.

In an effort to make the transition easier, Investron runs seminars aimed at introducing blacks to factory ownership and land-related issues.

"Black businessmen are often very knowledgeable in their own fields," says Mr Goldring.

"But as industrial land has not been available to them on a freehold basis in the past it is necessary to upgrade their know-how.

"Some prefer a complete package, including fully serviced factory space, bank finance, and so on.

"The micro-industrial parks cater for this market sector.

"They serve as a stepping stone from a semi-subsidised environment such as that provided by the Small Business Development Corporation to one of total independence," he adds.

According to Mr Ntuli, black entrepreneurs are immensely attracted to the concept of ownership.

"They understand the benefits of appreciation in the market value of premises," he says.

And the response of white industrialists in Alrode South has been "surprisingly positive," says Mr Goldring.

"Many saw opportunities to do business, for example by subcontracting work.

"And it's now becoming fashionable to be seen to be doing business with blacks.

"It's good for the corporate image to become part of the changing ideals in the New SA," he says.

Common ground

It is not all whitewash, however — Mr Goldring says he can cite numerous cases of white businessmen assisting their black counterparts with, for instance, legal matters and tenders.

"Business offers much more common ground and fewer opportunities for cultural conflict than could arise in a residential area, for instance," he says.

"Entrepreneurs share common goals, regardless of race."

THE SUNDAY MORNING ASSESSMENT
by Mike Robertson

BLACK economic advancement was accorded a much higher priority in this year's Budget than was immediately apparent when Finance Minister Barend du Plessis delivered his speech on Wednesday.

The government's apparent disregard in the Budget of the importance of tackling the immense black housing shortage has drawn howls of protest from the private sector, the Independent Development Trust, the Democratic Party, the ANC and Cosatu.

This protest stems from Mr Du Plessis' emphasis in his speech on an additional allocation of R189-million for black housing.

But what he failed to point out, according to figures supplied by his department to the Sunday Times, is that this brought the total allocation for black housing to R913,4-million, an increase of 27,9 percent and one of the highest percentage increases accorded to any expenditure category in the Budget.



Mr Du Plessis could be accused of undermining the impact of his own Budget by failing to point this out. A possible reason for this is that this year's Budget has been revised at least twice.

The first estimates of expenditure appear in what is known colloquially as the white book.

These estimates were revised once government decided that Value Added Tax would be introduced at 12 percent and that businesses would be allowed rebates for all expenditure on capital and intermediate goods.

On an annual basis this represents a loss of some R7-billion to the Receiver and expenditure totals had to be readjusted.

In addition to this, the government decided political circumstances



THE R913m BONAANZA FOR BLACK HOUSING

Barend's hidden Budget 'extras'

S/Times 24/3/91



made it possible to sell off sanctions stockpiles, thereby raising R950-million and necessitating a further revision of expenditure estimates.

An example of the confusion that has arisen as a result of these adjustments is the amount allocated to the South African Police.

The white book states that the SAP will receive R4,631-billion. In his Budget speech Mr Du Plessis said the police would receive an extra R20-million for capital projects from the funds raised by the sale of strategic stockpiles.

An expenditure table published in the Budget review (an extended version of Mr Du Plessis's speech) said the police would receive R5,101-billion. No indication of which is the correct figure has been forthcoming.

As no single department is responsible for black housing, arriving at a final figure for this expenditure item is an even more complicated task.

But, according to figures produced by the Department of Finance after the Budget was presented, the total allocation to black housing amounts to R913,4-million. This represents an

increase of 27,9 percent on the revised expenditure of R714,3-million on this item in last year's budget.

In contrast, expenditure on white housing was cut by 15,1 percent to R81,5-million.

Finance deputy director general Estian Calitz said actual expenditure on black housing could be higher than the R913,4-million as a further R206,6-million had been allocated to the SA Development Trust. Some of this money would be used for black housing.

Dr Calitz said it was now almost impossible to ascertain what each race group had received in health allocations as hospitals had been integrated.

Spending on black education had risen by 27,4 percent to R6,833-billion, Indians by 18,6 percent to R977-million, coloureds by 13,9 percent to R2,304-billion and whites by 6,2 percent to R5,950-billion.

When the R500-million allocated towards equalising pensions is taken into account it becomes clear that the percentage of total social spend-

ing allocated to blacks, coloureds and Indians has grown markedly.

Interviewed by the Sunday Times two days after delivering his speech, Mr Du Plessis said those who accused him of presenting a "white man's Budget" were being unrealistic.

"We ourselves would have constructed a totally different Budget if we had had a different set of circumstances. In this Budget, we tried our very best with the limited means at our disposal."



Asked about earlier predictions by government officials that up to R2-billion would be allocated to job-creation projects in the form of building schools and servicing land, Mr Du Plessis said a general directive had gone out to all departments to accord job-creation maximum priority.

"We are seeking maximum community involvement, if at all possible, in the construction process."

The directive, he said, could be

taken to the point of insisting that "cement bricks be made on the premises".

The government, he said, would insist on job creation as a central feature in the application of the R774-million that had been allocated for building black schools and the extra R199-million set aside for black housing.

He pointed out that in addition to this, the Development Bank of Southern Africa would also receive R500-million before the end of this month and another R500-million in the 1991/92 financial year.

"It is a highly professional institution which will know how to apply that funding to the best advantage."

If all this money was used properly, Mr Du Plessis said, thousands of jobs could be created while eliminating apartheid backlogs in housing and education.

Mr Du Plessis said the government's decision to hand R5-billion in tax and tariff cuts to business in this year's Budget was in keeping with its belief that redistribution of wealth could only be achieved through growth.

In his speech he said that if business failed to make use of this opportunity it would have to account to the "needy and unemployed".

Asked about Cosatu categorising his speech as "Barend's Rubicon", Mr Du Plessis said it was unrealistic to expect one budget to be a quick fix in South Africa.

The trade union movement, he said, had to examine its own role.

"Part of the problem in this economy is low productivity, lack of business confidence emanating from strikes, labour unrest, absenteeism and wage negotiations that paralyse production."

Cosatu, he said, should not expect the government to "create miracles in an environment that precludes you from running this country as a normal entity."



"It is hypocritical to be part of the action paralysing some of our cylinders and then expect that very same car to win first prize in a Grand Prix."

Mr Du Plessis said this year's Budget had the twin goals of starting the process of creating equality as well as making a maximum contribution towards a climate conducive for investment.

The VAT exemptions for business, cuts in import tariffs and in company tax were the maximum he could do to achieve the latter.

Changed political circumstances had made it possible for him to raise R950-million through selling strategic stockpiles to make a contribution towards achieving the first goal.

If Cosatu and other organisations had added their voices to those demanding the lifting of sanctions he would have been able to do much more.

No place for racism

IF affirmative action had no effect on the masses we might dismiss it as just another false hope, but affirmative action actually does positive harm – and to those who can least afford it.

As apartheid begins to wind down there are increasingly louder calls for a race-based policy of affirmative action.

Much of this has a ring of reasonableness about it. After decades of State-imposed disadvantages blacks feel they need something extra to speed up their socio-economic progress.

What is meant by "something extra" has been made painfully obvious to me during several visits to South Africa, most recently in October.

One example is the debate about whether firms such as Pick 'n Pay and Checkers supermarkets should be allowed to do business in black townships.

If those firms began operations in black townships there would be several significant benefits for many blacks.

Blacks would have more convenient shopping opportunities, and a larger selection of goods at lower prices than what is available through

APR 14/91
American economist WALTER WILLIAMS argues against 'affirmative action' as a policy for the 'new' South Africa. He claims it benefits only the blacks who least need it – the business people.

existing sources.

The benefit of lower prices is significant when we recognise that a higher standard of living is possible through higher wages or lower prices for goods and services.

The argument against large white-owned firms having operations in the townships is that as black entrepreneurs have been discriminated against they cannot compete effectively with white-owned firms, which have had all the advantages.

I have been told that whites should be kept out of the townships to encourage the development of black entrepreneurs.

I countered the argument by offering two alternatives.

First, allow white firms to enter the market in black townships. If black people feel strongly about the development of black firms they simply should not shop at places such as Pick 'n Pay and shop instead with the ex-

isting small black merchants.

Thus Pick 'n Pay, for example, would go out of business in the townships.

Secondly, I suggested black people be allowed to hold a referendum on whether white firms should be allowed to enter townships.

Neither of these suggestions was warmly received. The significance of this attitude is that it reflects an unwillingness on the part of some blacks to eliminate apartheid entirely.

The position is identical to that when South Africa's racists laid the groundwork for apartheid.

The question for South Africa is whether current apartheid laws will be replaced with 'enlightened' apartheid – in which, for example, businesses in black townships are reserved for blacks only.

If such a practice comes to fruition in the 'new' South Africa blacks will have dem-

onstrated that their struggle was not for freedom but merely to change the colour of the tyrant.

Only a tiny fraction of the black population – black businessmen – would benefit from keeping white businesses out of townships, and this will demonstrate that blacks too are as willing as apartheid's architects to impose high costs on the masses for the benefit of a few.

No doubt employment will also become a target of affirmative action programmes.

Again, there is an air of reasonableness in such a call.

Blacks have indeed been held back from the acquisition of skills and education to compete adequately with whites, who have had all the advantages.

There is however nothing one can do to change history except to acknowledge it and ensure no repetition of the past.

Wherever it has been tried affirmative action has failed to produce the desired results.

The task that lies before all South Africans is rather to eliminate once and for all every vestige of racial/ethnic privilege from their society.

Many faces of Motlana

By ZB MOLEFF

TO most Soweto residents Nthato Motlana is a medical doctor with a deep interest in the welfare of his people.

The Soweto Civic Association, Soweto's Committee of Ten, Black Community Programmes and the ANC Youth League - only some the organisations which he has served - are testimony to Dr Motlana's legendary work in the community.

On the other hand few township residents are aware of Motlana the businessman. He is a director of Soweto's only private clinic and a leading insurance company.

Even fewer are aware of Motlana the apostle of black economic empowerment. He is chairman of a foundation helping black entrepreneurs in the informal sector and last year he and six concerned residents established the Centre for Black Economic Development (CBED).

Its innovative approach has set the CBED apart from other such organisations since black empowerment became the buzz word of the 80s.

Taking the people along path to economic power

It set out to mobilise black money from burial societies, savings clubs and *mohodisano* clubs, all of which have become a feature of township economic life.

Last November the CBED's ideas took root in GaRankuwa, near Pretoria, when the National Association of Co-operative Societies of South Africa (Nacssa) was formed.

This CBED creation is an association of burial societies, savings and *mohodisano* clubs.

Motlana recently explained his commitment to the economic upliftment of his people: "I've always been upset by the poverty of our people. To escape this poverty we must mobilise the power inherent in our people."

He told a packed church in Thabong, near Welkom in OFS, how blacks as consumers "are a force to

14/11/91

176

reckon with in the South African economy".

In the CBED financial report, deputy director Motlana said burial societies, womens' and *mohodisano* clubs have huge sums of money in bank and building society savings accounts.

These savings earn their members little interest, Motlana pointed out. "Often the rate of interest is as little as 8 or 9 percent when the inflation rate is officially at 15 percent.

"This means their savings are actually shrinking. It is also common knowledge that the same burial societies, womens' and *mohodisano* clubs saving money in these institutions do not qualify for loans when their members approach these institutions."

Motlana re-affirmed the black economic empowerment dream at a Naessa council meeting held recently

at Soweto's Funda Centre.

He told the Naessa members of the intention to found the Letsema Investment Corporation (LIC) - another CBED brainchild of which Naessa will be major shareholder and Motlana the chairman.

Elaborating on the role of the CBED, executive director Sam Muofhe argued that "as a result of apartheid the majority of blacks have not acquired and developed the necessary business acumen, skills and expertise to prosper in a private enterprise system".

"Although blacks comprise 75 percent of the South African population and possess 50 percent of the country's buying power black business contributed only 2 percent of the Gross National Product (GNP).

"In key economic sectors like mining, manufacturing and finance blacks play no role.

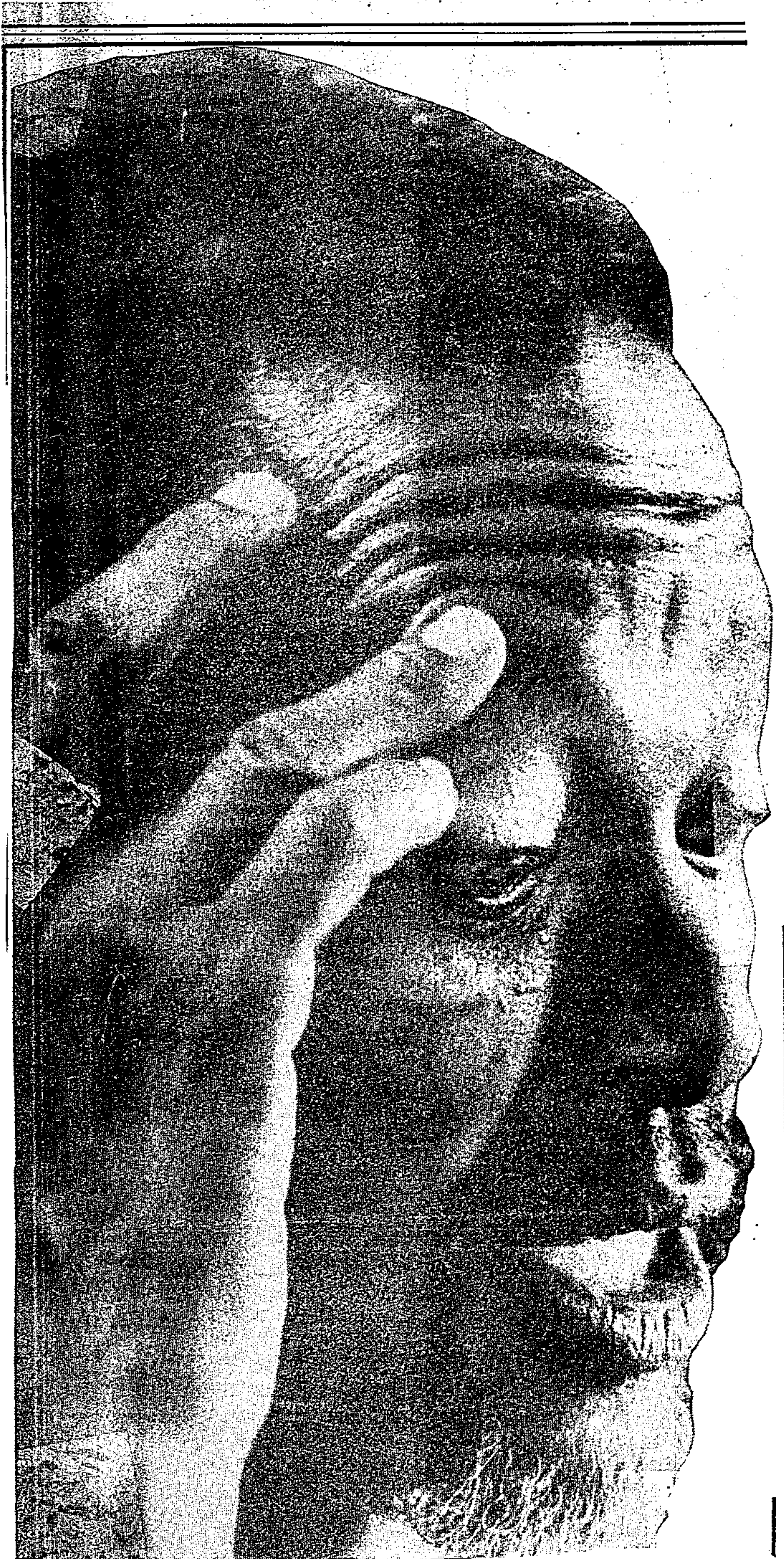
"The LIC must be able to help bridge the (economic) gap which is necessary to create a more equitable economy in the new South Africa."

Black people as buyers are a force to be reckoned with in the South African economy

Dr Nthato Motlana

Cont 1

14 April 1991



Civil service must be transformed, says ANC official

By Mark Suzman

Star 17/4/91

176

The top 1 500 positions in the civil service will have to come under scrutiny "in order to show the face of the new South Africa", ANC director of manpower Mzwai Peliso said yesterday.

Speaking at a seminar on "Managing Human Resources into the Future" at Anglo-American's Central Training Unit in Vereeniging yesterday, Mr Peliso emphasised the need to "transform the civil service to make it more responsive to the new order".

"The top 1 500 positions in the civil service will necessarily have to come under scrutiny in order to show the face of the new South Africa," he said.

Full-scale affirmative action programmes would have to be

implemented in the private and public sectors to help the upliftment of blacks in South Africa.

Mr Peliso observed that corporate black-advancement programmes such as the Sullivan Principles imposed on American companies had failed because most promotions for blacks were simply window-dressing and had "undermined the dignity of those they aimed to advance".

Mainstream

Stressing the need for a genuine affirmative action programme to bring blacks into the economic mainstream, he denied that such a policy implied reverse discrimination and said that with proper training facilities for blacks, it could prove very successful.

At the same time, he emphasised the need for the revamping of the education system, particularly the development of technical skills, and urged com-

panies to take an active role in seeking out potential black managers rather than passively working through recruitment agencies.

"The development of human resources should be regarded as a national issue which should be allowed to transcend boundaries of interest groups," he said.

Inkatha Freedom Party chairman Dr Frank Mdlalose read a speech on behalf of Chief Mangosuthu Buthelezi, warning that human resource management demands would have to be made in a context in which demands for "quick-fix" solutions would be widespread.

In order to "hold the forces of total destruction at bay," Dr Mdlalose said, South Africa needed an economic growth rate of at least 6 percent.

As a result, the development and training of black managers was crucial to SA's future.

Scales weighted for blacks, but

Star

14/1/71

176

A top priority for the majority of bursary donors today is black advancement — and while most still maintain they will aim to aid the most deserving and suitable student, few deny that the scales are weighted in favour of underprivileged black students.

"The principle at stake is: Are we prepared to do more for blacks than for whites? The answer has to be yes," says Fred

Campbor, executive vice-president (human resources) at the CSIR. "As is to be expected, some of our black bursars are coping better than others.

"South Africa cannot expect to see any real change in the quality of black students coming into the system until it rationalises its education system, which is essentially a political issue.

"But the private sector also has a role to play in helping overcome the education crisis." Private sector involvement, he says, starts with catering for its own needs.

Companies should get involved at Std 8 level with scholars with potential — sponsoring and encouraging them to realise their potential.

Programmes like the Leaf Schools system make it possible for such students to prepare for and write a JMB matric. This means they leave school academically on a level with their white peers.

"We have started offering this kind of sponsorship to the families of our own employees — we will sponsor children who pass the selection process," Mr Campbor says.

"Since introducing the programme three years ago we have sponsored 15 children, and we plan to increase the numbers steadily."

Mr Campbor stresses that assisting black students does not involve giving study bursaries to pupils who do not have the innate capacity to benefit from them.

On the other hand, where students with ability need an extra leg-up, the CSIR is committed to providing it.

And while in the past the issue of financial need did not arise, a family's ability to pay a student's tertiary education fees is now being taken into account when deciding whether to make a bursary available.

"We will not back down on quality — a student must at least have the academic ability to pass, and our bursaries are not available exclusively for black children.

"And I don't believe white students will suffer as a result of the weighting in favour of blacks — with the decrease in the white birth rate we are seeing a drop in the number of white matriculants, while the ratio of black matriculants is rising."

Extra aid to black students, says Mr Campbor, has largely to do with bridging the education gap, they encounter on coming out of the black education system to enter tertiary training.

"For instance, we have a bursar who won the science Olympiad in Venda — and who probably matriculated in

Venda without ever having seen anything like a science laboratory such as we have at the CSIR.

"Put him in a first year university science course and he is lost — yet he is clearly among the brightest students to come out of Venda.

"Students like this must be put through a special programme that helps iron out the differences between them and their more privileged white peers," he says.

Sponsorship of black students is still a fairly new phenomenon, however, and the CSIR has only 10 black bursars on its books at various stages of university and technician study, as well as 15 on the bridging programme.

"The tests and interviews aimed at determining whether a child qualifies for a bursary are all oriented towards white social norms.

"Bursary placement officers need to take more account of the

norms of the society the child is coming out of."

Ms Mosupye says while a change in attitude is clearly developing among companies, that provide bursaries, they remain locked into their perceptions and expectations.

"Little allowance is made for the fact that a black bursary applicant is operating in his second or third language.

"Misunderstandings arise when questions are not clearly phrased or are poorly answered — even an African accent

can impact on chances."

She challenges donors to face themselves with the social norms, and design their psychological tests.

"No psychobabble is no response is no every society.

"In designing and in conducting views, use of make use of individuals in black education through come through and can tell to look for,"



test method critics

Black business 'ready to boom'

176

THEO RAWANA

BLACK business has the capacity to develop into a massive wealth and job-creating machine, believes Foundation for African Business and Consumer Services (Fabcos) general secretary Joas Mogale.

"The British 'grandlords' still command 80% of the economy and the Afrikaners have consolidated their muscle through 40 years of National Party rule," he said in an interview. *Blum 23/4/91*

Fabcos, an umbrella body of 13 business organisations representing 1,2-million individual businesses, seeks to mobilise black business forces, Mogale said.

"We believe that, given the opportunity to realise its potential, black business has the capacity to develop into a massive, self-generating process — triggering an economic cycle on a scale that will cut across the entire spectrum of income and work-creation among South Africans."

Fabcos will hold its three-day AGM at the Nasrec centre from May 4 and, in line with its policy of non-affiliation to any political grouping, has lined up speakers from a wide political spectrum.

Speakers will include ANC international affairs director Thabo Mbeki, PAC deputy president Dikgang Moseneke and Institute of Multiparty Democracy president Oscar Dhlomo.

SOWETAN

Black business giants may merge

Sowetan 18/3/91 (176) ~~176~~

THE National African Federated Chamber of Commerce and the Foundation for African Business and Consumer Services may become one organisation.

Plans are afoot to merge the two major black business organisations for the sake of economic power, income and wealth distribution in the post-apartheid South Africa.

This follows an agreement between the ANC and Fabcos to investigate the possibilities of setting up a multi-lateral forum involving other black business organisations.

The two organisations agreed that regular meetings and consultations would become a feature of the coming period and thus instructed their relevant structures to establish an interim bilateral sub-committee charged with co-ordinating areas of common interest.

The meeting - the second between the two parties - is seen by business experts to be in line with similar conventions, which the ANC held with Nafcoc in an attempt to involve all the key players in the economy.

ANC deputy president Mr Nelson Mandela has also held talks with Nafcoc president Dr Sam Motsuenyane on a variety of issues as a means of allowing the chamber to participate fully in the current debate on the framing of an appropriate economic policy for South Africa.

By JOSHUA RABOROKO

The ANC delegation was led by the internal leader Mr Walter Sisulu and Fabcos by its president, Mr James Ngcoya, vice-president Dr Ellen Khuzwayo and members of the executive committee at the meeting.

Fabcos briefed the ANC on its structures, aims and objectives. The briefing highlighted the difficulties faced by black business in the South African environment.

Fabcos explained that despite all these difficulties, a role was increasingly being worked out for black businesses in the economy.

It became clear in the discussions that a future democratic economic system should try to encourage and support black business ownership of productive assets in manufacturing, construction and finance.

The ANC briefed Fabcos of the process leading up to negotiations and the current state of affairs in that regard.

The approach of negotiations was explained, in particular the question of an interim government and constituent assembly which will draft a new constitution for a democratic South Africa.

15/3/91

~~18/4/97~~ 197

ER PROTECTION

clothing industry's boom in exports sparked by the adjustment programme will be severely damaged if the textile tariffs go through.

"Exports surged by 44% last year to about R170m. We now expect them to reach R300m by the end of this year and R500m by end 1992," he says.

Van Zyl's sentiments are echoed by Durban-based A M Moolla CE Sadek Vahed, who says a surge in exports will create more jobs and lead to a growing local market for textiles. "The adjustment programme benefits apply only to SA-sourced cloth. The more we export, the more they will sell to us," he says.

But Texfed's Brink counterattacks by noting that the textile industry itself has been active in the export market and has increased its export revenues from R230m in 1987 to R425m in 1990.

Federation president Ernest Wilson maintains the textile industry needs protection against "blatant dumping" by countries in the Far East.

"Should government devise an effective anti-dumping policy, we will be happy to agree to the scrapping of the existing formula duties. But local inflation has also aggravated the threat posed by cheap imports." ■

BLACK BUSINESS FM 15/3/91

MAPONYA'S REVIVAL

For much of the late Eighties the diverse empire of Richard Maponya, the country's best-known black businessman, tottered on the brink of collapse. Township boycotts, management talent stretched too thin, and a shortage of capital, he acknowledges, almost put him out of business.

He was rescued last year by the Small Business Development Corp (SBDC). It extended loans to several of his businesses on the grounds that, taken separately, each of his businesses is a small business. It also set up training programmes for his managers.

His conglomeration of businesses, which includes a full-service supermarket, several smaller grocery stores, dairies, bottle stores, car hire outlets and a BMW dealership, will be given a financial boost if he can carry out his plan to develop a shopping centre on 20 ha he owns in Nancefield, Soweto.

But Maponya (64) is disappointed that developers have shown so little interest in the centre, even though it would have an estimated 3m people on its doorstep. The SBDC, which has developed several neighbourhood centres, does not have the funds to become the developer.

"Building another Eastgate or Cresta is

FM 15/3/91

not our business," says the corporation's Joe Schwenke, "though we would offer finance to the smaller shops in the centre on merit." Major developers have concentrated on peripheral centres, such as Highgate and Southgate, which have given retailers access to the Soweto market without the risks of developing in the heart of the township.



Maponya

Maponya believes there is still a lot of discrimination and risk is often used as an excuse: "There is a resistance to giving meaningful loans to the black community. The stock answer is that blacks cannot offer collateral but legislation has made it very difficult for blacks to accumulate assets."

First National Bank's Rod Cusens agrees that the lack of collateral makes it difficult to use normal lending criteria for blacks. Greater emphasis is placed on the viability of the business and its long-term prospects, rather than collateral. "But you have to look at our track record. We have incurred a disproportionate amount of bad debt. Black businesses have often failed to keep accurate records, so it's impossible to assess their health."

Maponya readily admits that he has found it difficult to find the line management talent he needs to run his businesses. And being based in the townships, his outlets have had to contend with frequent stayaways and boycotts. "These have affected business in the black areas more than anywhere else," he says. "And turnover lost on a single day cannot be regained."

Carlos dos Santos of Score, which manages Maponya's Supermarket for a fee, says the unrest and boycotts certainly add to the business risk. He adds that the sales per square metre at Maponya's is very good and he would like to expand.

Carmakers have been predicting an explosion in black car ownership but until that happens the returns from his BMW dealership will not reach expectations. "That cannot take place as long as the economy is as depressed as it is, but with more blacks moving into managerial positions, the prospects can only improve," Maponya says.

BMW spokesman Chris Moerdyk notes, however, that Soweto BMW is profitable and, despite the fall in car sales, the outlet has steadily increased sales.

Maponya believes the prospects for black business would be much better if it were allowed greater access to capital and other

Study grants

Sowetan 4/3/91
are offered

for managers

By JOSHUA RABOROKO

THE Harvard Business School Club Alumni is offering study grants estimated at R60 000 to blacks in middle management positions to further their studies overseas.

The grant is sponsored by a group of former recipients, whose aim is to extend this opportunity to blacks in senior positions. It includes tuition and accommodation.

The HBSCA's aim, under the chairmanship of a former dean of Wits Business School, is to send at least two candidates a year, depending on the availability of funds - one in February and another in September.

Merit

The following criteria apply: candidates should be employed in the mainstream of South African business and entrepreneurs who will be considered on merit.

This excludes lecturers, attorneys in private practice and doctors, for example.

In addition, candidates should have a degree, be 30-40 years of age and have an industry track record of 10 years. Candidates should not be educated overseas.

Applications should be sent to Mr J Nel, Harvard Business School Club of SA, PO Box 590, Johannesburg 2000. The closing date for 1992 is June 30 1991.

176
US donates

87ew 6/3/91

R103-m for

'upliftment'

WASHINGTON — The United States will donate \$40 million (R103,2 million) for the upliftment of disadvantaged blacks in South Africa.

Speaking before a House of Representatives foreign affairs sub-committee on Africa in Washington, Assistant Secretary of State Hank Cohen said the donation, a 25 percent increase over that last year, was due to American concern over the South African economy's ability to cope with the challenges that face the country.

The assistance would help negotiations and negotiators to reach a successful outcome.

The aid to disadvantaged blacks was to prepare them for future leadership roles and would primarily be in the form of scholarships, Mr Cohen said.

"South Africa is on the move towards a future devoid of the stain of apartheid and the United States is happy to be a part of that process," he said.

Mr Cohen welcomed efforts to broaden South Africa's economic base and reacted positively to the ANC's reconsideration of its nationalisation policy, as well as the joint political committees addressing socio-economic problems in South Africa.

He praised US businesses that had stayed in South Africa and said he was proud of their role despite obstacles.

"They have led the way in demonstrating how business and equal opportunity reinforce each other." — Sapa.

Black business influx unlikely

By Abel Mushi
and Musa Mapisa

The Government's land reform proposals, tabled in Parliament this week, has drawn mixed reactions from prominent black businessmen regarding their preparedness to buy commercial property and establish businesses in white areas — particularly in suburbs.

In a survey conducted by The Star, as many entrepreneurs expressed the willingness to "give it a try" as those who were reluctant because they felt the action would be perceived as some form of "sellout".

Black business-supporting financial institutions believed the movement by black entrepreneurs into such areas, if any, would be minimal.

The chairman of the Tshabalala Group of Companies, Ephraim Tshabalala, said: "I'm not interested.

"I'd rather expand into Orange Farm (a former squatter camp) because I believe I've got to stay close to the people who built me up. I cannot fail them now."

Mr Tshabalala said he

believed entrepreneurs priority should be the development of their own areas and creation of employment opportunities in their own communities.

Soweto business leader Richard Maponya said, however: "Of course! That's for sure!

"I think this is an opportunity we've been waiting for. A businessman has to look around for areas where he can make money."

Opportunity

Toby Makwakwa, the owner of several garages and fast food outlets in Soweto, said he would buy commercial property in white areas if a viable opportunity arose.

A spokesman for the Foundation for the Advancement of Black Business and Consumer Services, Fanyana Shiburi, said that although he welcomed the move, he did not think there would be a rush by black businessmen to white areas.

"One has to first find a market for one's products and services, and businesses in the townships are geared for the black market," he said.

African Bank's general manager of finance, Ismael Mamoojee, envisaged a gradual movement of black traders into white suburbs.

African Council of Hawkers and Informal Business president Lawrence Mavundla said he believed the move should be made to benefit black businessmen.

He hoped some "protective mechanism" would be adopted which would prevent whites from opening businesses in the townships as they had "never been disadvantaged".

Dawie Crous, the Small Business Development Corporation's senior manager of development promotion, said that although the corporation was very pleased with the new dispensation, it already had "established hives of industries" in white suburbs which catered equally for white and black entrepreneurs.

Although the desegregation offered new opportunities for black entrepreneurs, Mr Crous said he believed black businessmen would still put emphasis on developing their own areas where there was a need.

MAKING the new South Africa work will be the preoccupation of the 1990s. Providing assistance to small businesses has been portrayed as a seductively simple way of achieving this, as it provides an arena for achieving national as well as personal economic well-being.

However, some caution would be in order. A recent Wits Business School Centre for Developing Business report on small business promotion warns against over-optimism.

The report's warnings fall into two categories. Firstly, it suggests that the more general the form of help offered, the less likely it is to succeed. Intervention must be targeted at specific beneficiaries, via specific programmes and, crucially, at specific industries.

Secondly, the report suggests we have gone far too long without questioning some basic assumptions about small business and the effectiveness of interventions.

Many of these assumptions are subscribed in the saying that it is better to teach a man to fish than to give him a fish. The first assumption underlying this piece of folk wisdom is one of incapacity. To teach a man to fish, the prerequisite is a man who cannot fish.

The second assumption is that an external agency can provide the necessary skills. A man who cannot fish, who has not taught himself to fish, who has not learnt from his mother, father or friends how to fish, can be taught by an outsider.

Third, it is assumed that acquisition of the skill will provide some wider meaning: the end result will be not just an individual who can fish, but an independent individual no longer a burden on society.

How does this translate into a study of small business interventions? We can use the fishing analogy to make it clear. An intervention is unnatural. If a woman lives beside a lake teeming with fish and she learns

Before you teach a man to fish, find



176

Blomay 25/2/91

GILLIAN GODSELL and ERIC LOUW

fishing as part of growing up, that is not an intervention. If she develops for herself, or in partnership with community members, new more efficient ways of catching fish, this is not an intervention. An intervention requires an intervenor who is not a natural or permanent part of the beneficiary's environment.

From this analogy it is clear that for an intervention to succeed, intervenors need to understand why an intervention is necessary. Why does that man not know how to fish? Perhaps the reasons are practical: he does not live in an area where fish abound. In this case, teaching him how to fish is not likely to be helpful. Small business development must be based on available resources.

Perhaps the reasons are social and mutable — the man is an orphan, and has no parents to teach him how to fish. The simplest intervention replaces a missing natural factor or process — collateral for people prevented from buying houses. Perhaps the man does not fish for reasons which are social and immutable: cultural or religious prohibitions or personal fears exist. In such a case an intervention would be more complicated and the outcome less certain.

Reasons for intervention are most often defined in terms of either group need or group deprivation. But individual patterns must also be taken into account: patterns of entrepreneurial competence and incapacity, levels of aspiration and modes of achieving goals.

Congruence between the intervenor's strengths, weaknesses, goals and methods, and those of the recipient, is essential.

If we are teaching women to make garments, the teacher must be a proficient sewer or knitter, not just a good accountant. The pupils must be as keen as the teacher and a steady market for garments must exist.

Environmental analysis is also essential. Where are the fish and when are they there? Fitting an economic activity into a pre-existing physical or business environment is one of the factors which affect the likelihood of success. Warding off starving in a village by teaching fishing will work only if there are enough fish all the time. Making T-shirts is worthwhile only if there is a market for T-shirts.

When these questions have been answered, clearly targeted interventions can be developed. This is aimed not only at particular beneficiaries but at a particular industry, where survival or growth of small business might logically be expected according to economic and market criteria, rather than according to the beneficiaries' need.

Support to people who want to start a business may take the form of loans, training, counselling, subsidised premises or venture capital. The problem with using this type of intervention to help the poor is that it is expensive. People disadvantaged by an incomplete education or a lack of property generally need a lot of help before they are able to run a successful, substantial, business.

Spending a lot of time and money on each beneficiary makes it impossible to reach them in significant numbers, while spending less time and money on each beneficiary reduces their chances of success.

The solution, perhaps, is to help only competent entrepreneurs. With relatively little help, they will be able to run successful businesses and create jobs. However, besides the fact that most true entrepreneurs

will succeed with or without external assistance, the poorest will again be left in the cold because profit-seeking entrepreneurs will employ the best staff they can find. Also, most jobs are created as firms grow, and this takes time.

It is difficult to escape the conclusion that small business and the informal sector cannot offer a quick solution to poverty and unemployment. To the extent that a strong small business and informal sector has positive long-term economic effects, it will benefit everyone in the country. But business, whether big, small, or informal, is based on competition, and competition favours the strong. Any departure from pure competition — by subsidising or protecting certain individuals — is likely to incur costs. These costs may be direct (time and money) or indirect (market distortion, job displacement and inefficiency).

The question that must then be answered is whether these costs are greater than the cost of straightforward welfare. Welfare has an immediate effect and is relatively easy to control, while the effects of small business promotion are slow-acting and difficult to predict. Policymakers will be forced to choose between the certainty of immediate but transient benefits and the possibility of deferred but substantial gains.

In SA the needs are too great and the resources too limited for us to be coy about costs. To invest resources in one method means diverting resources from others. Help can be offered to one individual only by denying other individuals. In assessing the value of this help, not only the direct but also the opportunity costs must be considered.

The costs and benefits of small business as a vehicle for making SA work must now become part of the wider economic debate.

□ Louw is a senior consultant and Godsell a researcher at Wits Business School's Centre for Developing Business.

MAKING the new South Africa work will be the preoccupation of the 1990s. Providing assistance to small businesses has been portrayed as a seductively simple way of achieving this, as it provides an arena for achieving national as well as personal economic well-being.

However, some caution would be in order. A recent Wits Business School Centre for Developing Business report on small business promotion warns against over-optimism.

The report's warnings fall into two categories. Firstly, it suggests that the more general the form of help offered, the less likely it is to succeed. Intervention must be targeted at specific beneficiaries, via specific programmes and, crucially, at specific industries.

Secondly, the report suggests we have gone far too long without questioning some basic assumptions about small business and the effectiveness of interventions.

Many of these assumptions are subsumed in the saying that it is better to teach a man to fish than to give him a fish. The first assumption underlying this piece of folk wisdom is one of incapacity. To teach a man to fish, the prerequisite is a man who cannot fish.

The second assumption is that an external agency can provide the necessary skills. A man who cannot fish, who has not taught himself to fish, who has not learnt from his mother, father or friends how to fish, can be taught by an outsider.

Third, it is assumed that acquisition of the skill will provide some wider meaning: the end result will be not just an individual who can fish, but an independent individual no longer a burden on society.

How does this translate into a study of small business interventions? We can use the fishing analogy to make it clear. An intervention is unnatural. If a woman lives beside a lake teeming with fish and she learns

Before you teach a man to fish, find out why he can't

176
Blouay 25/2/91
GILLIAN GODSELL and ERIC LOUW

fishing as part of growing up, that is not an intervention. If she develops for herself, or in partnership with community members, new more efficient ways of catching fish, this is not an intervention. An intervention requires an intervenor who is not a natural or permanent part of the beneficiary's environment.

From this analogy it is clear that for an intervention to succeed, intervenors need to understand why an intervention is necessary. Why does that man not know how to fish? Perhaps the reasons are practical: he does not live in an area where fish abound. In this case, teaching him how to fish is not likely to be helpful. Small business development must be based on available resources.

Perhaps the reasons are social and mutable — the man is an orphan, and has no parents to teach him how to fish. The simplest intervention replaces a missing natural factor or process — collateral for people prevented from buying houses. Perhaps the man does not fish for reasons which are social and immutable: cultural or religious prohibitions or personal fears exist. In such a case an intervention would be more complicated and the outcome less certain.

Reasons for intervention are most often defined in terms of either group need or group deprivation. But individual patterns must also be taken into account: patterns of entrepreneurial competence and incapacity, levels of aspiration and modes of achieving goals.

Congruence between the intervenor's strengths, weaknesses, goals and methods, and those of the recipient, is essential.

If we are teaching women to make garments, the teacher must be a proficient sewer or knitter, not just a good accountant. The pupils must be as keen as the teacher and a steady market for garments must exist.

Environmental analysis is also essential. Where are the fish and when are they there? Fitting an economic activity into a pre-existing physical or business environment is one of the factors which affect the likelihood of success. Warding off starving in a village by teaching fishing will work only if there are enough fish all the time. Making T-shirts is worthwhile only if there is a market for T-shirts.

will succeed with or without external assistance, the poorest will again be left in the cold because profit-seeking entrepreneurs will employ the best staff they can find. Also most jobs are created as firms grow and this takes time.

It is difficult to escape the conclusion that small business and the informal sector cannot offer a quick solution to poverty and unemployment. To the extent that a strong small business and informal sector has positive long-term economic effects, it will benefit everyone in the country. But business, whether big small, or informal, is based on competition, and competition favours the strong. Any departure from pure competition — by subsidising or protecting certain individuals — is likely to incur costs. These costs may be direct (time and money) or indirect (market distortion, job displacement and inefficiency).

The question that must then be answered is whether these costs are greater than the cost of straightforward welfare. Welfare has an immediate effect and is relatively easy to control, while the effects of small business promotion are slow-acting and difficult to predict. Policymakers will be forced to choose between the certainty of immediate but transient benefits and the possibility of deferred but substantial gains.

In SA the needs are too great and the resources too limited for us to be coy about costs. To invest resources in one method means diverting resources from others. Help can be offered to one individual only by denying other individuals. In assessing the value of this help, not only the direct but also the opportunity costs must be considered.

The costs and benefits of small business as a vehicle for making SA work must now become part of the wider economic debate.

□ Louw is a senior consultant and Godsell a researcher at Wits Business School's Centre for Developing Business.

Foundation aim is to develop entrepreneurship

"GIVE a man a fish, and you feed him for a day... teach a man to fish, and you feed him for a lifetime".

This is the philosophy behind the Foundation for Entrepreneurship Development (FED), which endeavours to teach basic skills, basic business management, as well as to boost low self-images among the unemployed, poor people of South Africa.

The FED, a non-profit organisation, teaches students to be entrepreneurs and guide them along the road to self employment.

They offer the following courses:

* Sewing and sewing related skills (full-time and part-time courses in basic sewing, patchwork, quilting, stretch fabrics, handknitting, soft furnishing);

By ALI MPHAKI

* Teach basic business management; (176)

* Build self-image;

* Provide equipment and workspaces; and,

* Provide as much financial support as possible. (176)

From enrollment to the stage where the student has sufficient knowledge to run his own mini factory, the total cost is R900.

Students do not have to pay the whole amount, as the course is heavily subsidised.

The FED also has a mobile training unit which goes out to rural communities to present various skills training courses.

Further information can be obtained at (011) 493-7220/1.

World bars must be lifted to aid SA blacks, says Chalker

B | pay 26/2/91
LONDON — Lynda Chalker, Britain's Minister for Overseas Development and Foreign Office Minister responsible for sub-Saharan Africa, said yesterday it was "critically important" that international measures restricting the economic advancement of blacks in SA be lifted.

This, she said, would help blacks to take their "rightful place" in the country.

But she also stressed that the extension of the vote to the disenfranchised remained a "very important" principle.

Answering questions in the Commons following her trip to SA early this month, Chalker said she had been impressed by the speed at which moves towards political reform were taking place.

President F W de Klerk and his government were clearly determined to move ahead with the repeal of the Group Areas Act, the Land Acts and the Population Registration Act, she said.

She noted that while she was in SA, the

176
government announced provisions, in advance of the repeal of the Population Registration Act, making it no longer necessary for babies to be registered by race.

Chalker rebuked one of her own backbenchers who argued that the opening of the SA market to world trade was more important than the principle of voting.

She told him: "The principles of voting are very important and I hope the all-party congress (in South Africa) will proceed apace."

"But of course, it is critically important that we do lift a series of bans which are holding back the progress of black South Africans.

"South Africa needs involvement in world trade if it is to give training and opportunities to black South Africans so that they can take their rightful place in the new South Africa," she said.

KIN BENTLEY

A prerequisite for advancement (176)

DR ERIC Charoux's *Coaching and the Black Manager* (published by Juta and Company) is probably the first book to stress that fundamental social and economic changes in the African society are prerequisite to successful black advancement in business.

"We are the witnesses of a unique phenomenon, one of unparalleled impor-

tance and significance in the history of South African leadership; the advent of the black manager on the South African organisational scene," the authors says.

South African organisations have reached a stage where they no option but to accelerate the upward movement of their black employees. *South African*
Joshua Raboroko. 28/2/91

		GRAND TOTAL	REP SE ADDRESS:	
		TRANSPORT	AREA ORDER FORM	<input type="checkbox"/>
		SUBS	GROUP ORDER FORM	<input type="checkbox"/>
		TOTAL	DATE:	GROUP OR AREA ORDER FORM
ATLANTIS BUYERS CO-OPERATIVE				

Black accountants lobby govt

THEO RAWANA

AN EIGHT-man delegation from the Association of Black Accountants of SA (Abasa) has discussed with Finance Minister Barend du Plessis ways of getting blacks more involved in SA's financial and commercial life. *Bloms 4/3/91*

Abasa executive director Mashudu Ramano said the talks, which were held in Cape Town on Thursday, were the first in a series of meetings with Du Plessis.

Ramano refused to divulge Du Plessis' response to the delegation's proposals, saying only that the talks were "fruitful".

Regarding the proposals, Ramano said: "It is our belief that government must increase the number of blacks in all areas of the public sector — the Treasury and the Inland Revenue departments, the municipalities and the parastatals.

"We need black tax assessors and inspectors and they should be exposed to the Budget area as well."

Ramano said another major issue raised with Du Plessis was the evaluation of non-SA accountancy qualifications in view of the expected influx of exiles who qualified as accountants overseas.

He said the present system did not give due recognition to non-SA accountancy qualifications.

Pointing out that the number of black accountants in SA had risen from seven in 1985 to 29 last year, Ramano said South African universities produced one black CA for every 1-million people, while among whites the ratio was one for every 370 people.

He said South African universities needed to do more than blame Bantu Education for their failure to produce black commercial graduates.

"All of SA's universities combined produced 17% of black B Com graduates with majors in accountancy in the last five years, while Unisa produced the other 83%.

"These universities should follow Natal University's example by coming up with programmes that will enable them to handle the open university concept.

"Natal University has a programme to have the student body 75% black by the year 2020," he added.

Annual bible for tax consultants

SILKE ON SA INCOME TAX — Yearbook 1990-1991, by Costa Divaris, with case digest by Jonathan Silke (Juta, in association with Divaris Stejn publishers, R95)

SILKE ON SA Income Tax is a bible for tax consultants and an excellent reference book for those requiring a comprehensive, accurate account of the tax situation in 1990-1991.

It includes the full text of the Income Tax Act 101 of 1990; all tax legislation enacted during the year with detailed and technical commentary; tax related ministerial and departmental statements, Press statements and gazetted announcements issued during the year; a digest of the income tax and estate duty cases reported since the previous Yearbook; and consolidated texts of the Income Tax Act of 1962 and Estate Duty Act of 1955, reflecting all the amending Acts and ancillary laws.

Author Costa Divaris says: "The idea of this book is that its value for the reader lies in its inclusion of as much information as possible related to the tax legislation and environment of any particular year so that, when the time comes to review planning or compliance, complete returns, answer queries from Inland Revenue or handle a dispute, much of what will be required will be found in a single place."

It is not a book for the faint-hearted, nor is it relaxing bedtime reading. But for anyone requiring a detailed, technical record of the tax situation, it is a must.

GILLIAN HAYNE

Training black managers

COACHING AND THE BLACK MANAGER, by Eric Charoux (Juta, R39,95)

THIS book will contribute information and knowledge in the field of human resource management, particularly in the area of training and development.

For me, coaching is in essence an integral part of good basic supervision. An operating line manager consciously or unconsciously coaches by talking and showing employees the specific tasks to be performed.

Coaching also occurs when an employee's unacceptable behaviour is corrected by the supervisor who invokes the disciplinary process.

In this instance discipline comprises two distinct but related aspects: carrots and sticks. Carrots include the provision of information, training, education and various other corrective actions designed to motivate the employee.

In contrast, sticks comprise punitive measures which are applied in the event that carrots do not change unacceptable behaviour patterns.

The book is easy to read, concise, comprehensible and of practical relevance. It is not simply a systematic compilation or treatise which makes an appealing theory of management.

Refreshingly, there is no overdose of jargon or ideology or academia, which so often obscures rather than illuminates the meaning.

The subject matter is analysed and interpreted with brevity. Key issues are then summarised in a box

at the end of some sub-sections so as to recapitulate or highlight significant points.

Essentially the book comprises six chapters. Chapter one provides a useful background to the entire issue and addresses the inevitability of change in the field of black management in South African business.

Chapter two focuses on issues which arise from implementing a black advancement programme, and the relevance of coaching in this regard while the following section uses a case study to illustrate the actual application of coaching. The fourth chapter comprises an overview on coaching.

Strategy

Chapter five examines practical implementation, and chapter six deals with coaching and the black manager.

Some of the important points made by the author are that coaching is a holistic process and not a technique; it is part of an overall strategy and cannot operate in a vacuum.

Areas of concern for me are that the individual employee seems to be passive in this coaching process except when work related objectives are set. The dynamic interaction between the supervisor and supervised is not emphasised.

Considering the degree of unionisation and politicisation in the workplace, this should be stressed. With regard to black advancement programmes, it should be noted that

such initiatives always run the risk of creating paternalistic behaviour patterns and a syndrome of perpetual dependency.

They militate against the spirit of self-reliance.

In the light of the current political changes, the powerless and underprivileged ought to grasp with alacrity available opportunities to shape a better destiny.

An additional complicating factor is that equal opportunity policies and programmes are increasingly misconstrued by blacks to mean equal outcomes regardless of ability or performance.

Finally, to succeed, black managers must be imbued with a pervasive and relentless fear to fail.

The physical barriers which impede their success are crumbling rapidly or tottering on the brink of collapse. However, the are some psychological barriers which remain entrenched due to the heritage of race discrimination.

What is perhaps more frustrating and devastating is the feeling that, as victims of the apartheid legacy, they will never become competent and successful managers.

There is a chronic lack of confidence and a debilitating feeling of helplessness. This perpetuates the vicious syndrome of dependency and powerlessness.

These are some of the areas which ought to be addressed by the coaching process. Unfortunately the book is silent about them, perhaps for good reasons.

DON NCUBE

Colour of money is the only colour that counts in 'minicity'

Blom 22/2/91.

WITH state subsidies for the "border" areas drying up, it has been left to the commercial sector to ensure these artificially created growth centres do not turn into ghost towns.

Over the years, Pietersburg has seen an influx of businessmen and industrialists, most of whom set up shop with a hefty financial kick-start through the government border area incentive schemes.

"We lost a lot of developers when the homelands crumbled and the incentive schemes ran dry, especially in the property sector," says Chamber of Commerce and Industry chairman Frank Greyling.

But with the shift to decentralisation and Pietersburg's impending classification as a secondary city, on a par with Port Elizabeth, a new breed of entrepreneurs is emerging.

Greyling, who runs a credit information service, says at least 65% of all credit applicants in the area are black, a sign of a

changed approach to money by the black entrepreneur, who mostly operated on a cash-basis.

"We've got the highest black-to-white ratio in the development sector," he says.

And with the aid of the Chamber of Commerce and Industry, programmes were set up to ensure the sustenance of trade in the town.

Unite

Greyling says initiatives have also been taken to try to unite the Chamber with the Sakekamer and to capitalise on the close relationships established with the various development corporations operating in the region.

"We want to establish a non-racial chamber with affiliation from all sectors. The only colour we will recognise is the colour of money," Greyling says.

Members of the chamber have "put in a lot of groundwork" in getting Gaza-

nkulu, Lebowa and Indian traders together under one umbrella body.

With this in mind, a constitution-in-waiting has been drawn up, but is still to be officially introduced, Greyling says.

"Businesses need to promote themselves and the notion of free enterprise"

Greyling says the local branch of the ANC has given its blessing to the formation of an educational foundation for black businessmen.

"It's safe to say people here view free enterprise as something that's good."

He says Pietersburg has the potential to become SA's northern inland harbour.

"We have all the infrastructure at our disposal, it just needs to be developed," he says.

Pietersburg boasts a large capacity rail depot as well as well maintained roads to the PWV in the south and to Zimbabwe to the north.

"We are feeling the pinch of the recession, but I don't

believe it is as severe as it is throughout the rest of SA," says Greyling.

There is unemployment, but programmes promoting job-creation have helped keep this at bay.

"All the local entrepreneurs are getting stuck in to solve the problem," Greyling says.

In touch

Apart from education programmes, the chamber is also keeping its members in touch with business activity and attitudes in the rest of the country by holding regular seminars and meetings.

At these meetings, chamber members are given the opportunity to talk and listen to experts from a wide range of areas.

Among the speakers lined up for the next few weeks are ANC international affairs director Thabo Mbeki, former Businesswoman of the Year, Coin Security MD Yvonne Lottering and DP leader Zach de Beer.

Franchise seminar an eye-opener for blacks

176

THEO RAWANA

FRANCHISING has entered the black market, and the packages offered by companies at a seminar in Johannesburg last week were an eye-opener for black entrepreneurs. Although the 140-odd prospective franchisees seemed to balk at the capital outlay required, the offer of backing by banks and the promise of big returns seemed to allay fears.

A franchise is a concept in which an established business, wishing to duplicate itself in other areas, sells authorisation to entrepreneurs to sell its goods or services using its name.

Business organisation Matchmaker Services convened the seminar in pursuit of its campaign to link big business with the SA black business sector, said executive director Zuko Tofile on Friday.

Companies which invited franchisees at the seminar last Wednesday were P G Autoglass, mobile toilet operator Easy Loo, carpet-cleaner Rug Doctor Pro SA, printers Kwik-Kopy and US-based Ponderosa Steak House.

Risk

Ponderosa International Development MD Sunil K Dewan said Ponderosa would furnish general guidelines to aid in site selection and provide assistance in evaluation of potential locations.

Representatives from Volkskas Bank, Standard Bank and First National Bank and the SBDC were there to show what packages could be offered.

Malcolm Kietzman, Witwatersrand regional manager of the Standard Bank's Small Business Development department, said because because franchisees were less likely to fail than most small businessmen, they represented a better risk to the banker.

"The black businessman should begin to capitalise more on this fact which clearly provides him with opportunities in the future," he said.

Kietzman said the Standard, through its Small Business Development and Advisory Department, was continually looking for ways of meeting the small businessman's financial and training needs.

Matchmaker Services executive director Zuko Tofile said the seminar was a success with good response from black business people.

and
igh
er-
lip
and
ter
ity,
yre
elop
and
eing
otal
nav-

A
E

31R

Y
s
d
d
Y

ir
Y
e
F

Aid for the black businessman

EDUCATION courses are to be run for black entrepreneurs in Pietersburg this year as part of the Small Business Development Corporation's (SBDC) bid to stimulate economic growth in the northern Transvaal.

SBDC regional chief Louw Mouton says interest in existing SBDC programmes is limited, but illiteracy in the rural areas is to blame.

The courses are being held jointly by the SBDC, the Lebowa Development Corporation and the University of the North.

They will focus on the

basics of starting a business, he says.

The Sakekamer and the Chamber of Commerce and Industry have thrown their weight behind the project and are involved in promoting the courses.

"In the black sector, a lot of attention needs to be given to education and training, especially in the outlying areas where traders have little knowledge or understanding of concepts such as accounting and stock control," Mouton says.

The SBDC has found most black entrepreneurs apply for smaller loans to

finance ventures in the commercial and retail sector. (176)

"The majority of white businessmen we see apply for larger loans, usually to support manufacturing type projects," he says.

"We do not get many Asian or Indian traders applying for financial support as they are still rooted in cash-based businesses."

The Pietersburg branch of the SBDC has become involved in more than 200 projects with a book value in excess of R16m if one does not take into account loans already repaid.

Nafcoc backs free market

By Sven Lünsche

The National African Federated Chamber of Commerce and Industry (Nafcoc) has committed itself to the promotion of the free-market system as a means to achieve a more equitable distribution of wealth and income in South Africa.

In a key document, outlining its view on the economy in a post-apartheid South Africa, Nafcoc acknowledges that the market is the feature that makes free-enterprise economies superior to centrally planned socialist systems.

"Therefore it is this feature that one must highlight in a new economic system for South Africa," the document says.

Nafcoc is the umbrella body for black business and has close links with the ANC.

It says the role of the Government must be that of a facilitator, ensuring a stable socio-economic environment, directing the provision of social services and guaranteeing free access to

economic resources.

But Nafcoc says it is essential that both individual liberties and individual properties are protected.

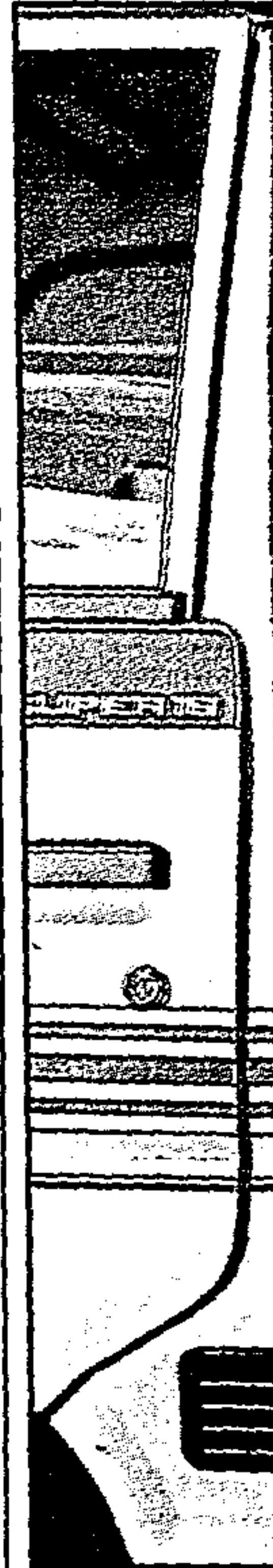
A future government should give special support to blacks, the document says.

"The State needs to correct past wrongs by improving the redistribution of income, promotion of asset ownership and protection of the poor by measures that do not distort the market."

Nafcoc stresses that the main rationale for redistribution is not only to correct the wrongs of the past, but to enable blacks to make a new start.

"It would be inadequate to confine oneself to dismantling apartheid and expect blacks to compete with whites who have been placed in a very strong economic position by policies of the past."

On the question of land reform, Nafcoc argues that a programme should be implemented that would lead to a more equitable distribution of land, with minimal negative impact on agricultural productivity.



Rather be Mr Nkadineng of

Multinational funds black business development

Sowetan 21/2/91

176

ROBERT Bosh is the first multinational to have a South African subsidiary take up shares with the Small Business Development Corporation.

The company's investment of R70 000 will be used to establish a pilot project to help blacks who wish to set up outlets to sell and service power tools. The money will also fund a customer care programme for the SBDC.

At a press conference this week, company marketing director Mr Derek Dreyer said: "We believe that the enormous need for housing and infrastructure development

By JOSHUA RABOROKO

in South Africa will create opportunities for black entrepreneurs.

"However, they will clearly need support to develop profitable business. The pilot project will provide a base for future expansion."

Project

He added the power tools project will initially be contained to the Witwatersrand. However, the company eventually plans to expand the project to other areas.

"Once we have found

a success formula, further investment will follow," he said.

SBDC managing director Dr Ben Vosloo said: "We have launched numerous successful black business development programmes over the years."

He also pointed out that the investment enables the SBDC to launch a special customer care programme.

Dreyer said the company was proud of its association with the SBDC.

"Although we are a big business, operating in 130 countries and employing 175 000 people (1 100 in South

Africa), our business is built on small entrepreneurs."

He said: "We currently have 1 200 retail dealers countrywide, supplying power tools for home-owners, service tradesmen, builders, farmers, metal workers and carpenters.

"We are therefore very sensitive to the importance of small business.

He expressed hopes that the project will play a major role in ensuring that black business could benefit from the development bonanza which had come.

Lip-service to blacks - financier

Soweto 14/2/91

By JOSHUA
RABOROKO

ORGANISED business in South Africa is "dragging its feet" on the issue of black economic advancement.

And if it does not make bolder strides towards meaningful black involvement in the formal sector, prospects for healthy free enterprise in the new South Africa will be damaged.

The warning - and the charge - comes not from the ANC, but from the South African Board for Personnel Practice, which represents the personnel profession.

Chairman Mr Gary Whyte says: "Business leaders have been paying lip-service to black empowerment for a long time.

"Now they have to stop just talking about it and do something."

Whyte was responding to a call by president of the National Federated Chamber of Commerce Dr Sam Motsuenyane to speed up the involvement of blacks in the ownership, management and operation of organised busi-

ness.

He said the resolution, made at a summit conference last year, had generally been dismissed with derision or ignored in the white community.

Nafcoc's resolution stated, among other things, that 30 percent of the board members of all companies listed on the JSE must be black and that 40 percent of their total shareholders be black.

It also wants that 50 percent of the value of the companies' outside purchases should come from black-owned suppliers and contractors and at least 60 percent of top managerial staff from the black community.

Whyte said: "While the language of the resolution might appear provocative in some business circles because of the imperative 'must' attached to it, the percentage which Nafcoc laid down were not unreasonable.

"The demographic reality is that about 75 percent of our economically active population is black," he said.

"In the personnel profession, we have been watching the reaction to the Nafcoc resolution with interest.

"We do not for a moment think that most business leaders found the demands comfortable.

"But nevertheless, we believe that underlying the Nafcoc statement is a very critical issue that needs to be put on the table and debated much more openly," Whyte added.

Org in plea to corporations

CAPE TOWN — Big corporations should promote black economic empowerment, Finance Deputy Minister Org Marais said yesterday.

It was imperative black South Africans obtained more economic muscle, and the privatisation of the sorghum beer industry was an ideal opportunity for them to become owners and managers, he said during the debate on the Part Appropriation Bill in Parliament yesterday.

He said the NP agreed with the ANC and the DP that it was vital that government alleviates poverty and upgrades living standards, "but affirmative action by the private sector is also called for".

"Years ago the Afrikaner was

 176
BILLY PADDOCK

boosted economically when Harry Oppenheimer sold Gencor to them.

"Likewise, big corporations should promote black economic empowerment," Marais said.

The NP put strong emphasis on individual rights based on political and economic rights and freedom and its policy was to stimulate growth and attain economic stability and redistribution of income through monetary, fiscal and industrial policies.

He said the NP believed it could attain a high growth rate through:

- A free and competitive market approach based on private initiative, the right of ownership, free

contracting, and freedom of choice with regard to consumption and occupation;

- A smaller government promoted by deregulation and privatisation, corporatisation and commercialisation;

- A fiscal and monetary policy, with the emphasis on fighting inflation and maintaining stable exchange rates; and

- An industrial policy promoting small businesses, labour intensive industries, beneficiation of raw materials and assisting export industries.

Marais said that because of their higher incomes, white people's contribution to personal income tax was 85,4% of the total compared with less than 8% from

black people. *B/day 21/2/91*

For every R100 paid in sales tax by a black person, R600 was paid by a white person. In total, however, "blacks contributed 42,5% to GST," he said.

Marais said with the introduction of VAT this year government "is going to lose billions of rands by allowing for credits on capital goods and intermediate products".

By bringing services in under the VAT net would not compensate for these losses. "A percentage of the tax on food should compensate for some of these losses. We should bear in mind that 82% of the sales tax exemptions on food benefit higher income consumers," he said.

Commonwealth to train blacks for government

LONDON — The Commonwealth is to launch a comprehensive programme to train blacks to participate at all levels in the administration of a future non-racial, democratic SA.

It is also in the process of formulating proposals to assist post-apartheid SA in the vital area of human resources development.

As an interim measure it will be inviting blacks to participate in a programme of training and work placements, in order to prepare them to "take senior jobs in government".

The Commonwealth programme will be activated "as soon as possible" by secretary general Emeka Anyaoku, and will cover include judicial, economic, legal, police and security services.

A special Expert Group on Human Resources Development for a Post-Apartheid SA was established at the suggestion of the May 1990 meeting of the Commonwealth Committee of Foreign Ministers on Southern Africa (CFMSA).

Its interim report, compiled last November but not made public, was "welcomed" when the CFMSA met again in London last Saturday.

The final report will be presented to October's Commonwealth heads of government meeting in Harare.

The CFMSA said on Saturday it looked forward to the Commonwealth playing "as significant a role in the human resource development of a post-apartheid SA as it had done in the elimination of apartheid".

In the period leading up to the expert group's first meeting in London last November, a number of research documents were commissioned or prepared by the Fellowships and Training Programme (FTP) of the

KIN BENTLEY

London-based Commonwealth Secretariat.

The research, which has just been published, provides an overview of economic and demographic trends, as well as assessing all aspects of education and human resources development in SA.

Key recommendations from the FTP include the need for a single, non-racial education department and for some form of affirmative action to redress racial inequalities caused by apartheid.

Although focusing on a post-apartheid SA, the summary says there is a need to address education and training needs during the transition period.

Training

The foreign ministers said on Saturday that while the "full elaboration" of a training programme would have to await the final report and further political evolution within SA, there was "an urgent need to take action now if there was to be a smooth transition to the promised non-racial democracy".

The foreign ministers said that much of the training and work placement activity would "need to be offered outside South Africa", subject to criteria laid down by the expert group.

However, "A beginning should also be made to support training and placements within SA in the interests of speed and cost-effectiveness".

They added that "the training and rehabilitation of returning exiles merited particular attention".

Place more blacks in top corporate jobs — expert

By DENNIS CRUYWAGEN
Staff Reporter

PRESIDENT De Klerk's plans to sweep away the last vestiges of apartheid were good, but they did not address the major problem making of blacks an economic reality, not only as workers, but as decision-makers.

This is the view of Professor Prakash Sethi of the City University of New York who is also an adviser to the National African Federated Chamber of Commerce and Industry.

"There has to be a major effort in the transfer of income and wealth before we can say that South Africa has been transformed into a sustainable democracy."

'No pressure'

He accused South African corporates of using apartheid legislation as an excuse not to promote blacks. Those blacks who were promoted were not given decision-making positions, but were stuck away in human resources and social responsibility departments.

"The South African government never stopped companies from training blacks and giving them meaningful jobs. Business followed this policy because it was the easiest way out."

"Often they employed blacks to fill numbers rather than giving people meaningful jobs. This was because they were under no pressure."

By chopping away at apartheid, President De Klerk had created a situation where corporates had run out of excuses for not promoting blacks.

"Nafcoc was not being confrontational in asking for black advancement."

Nafcoc was keen that black participation in the formal sector be increased significantly to give expression and meaning to black economic empowerment.

10 years

In order to achieve this goal it resolved recently that within a period of 10 years if not sooner:

- All companies listed on the Johannesburg Stock Exchange must have at least 30 percent of their board members from the black community;

- At least 40 percent of their total shareholdings must be controlled by blacks;

- At least 50 of the value of their outside purchases must come from black-owned suppliers and contractors; and

- At least 60 of their top managerial and personnel must come from the black community.

Motivating this stand, he said that many whites served as directors of more than 10 companies at the same time.

"I don't think that they can do justice to each board on which they serve."

If a board of directors comprised 10 whites, then replacing three of them with blacks over

the next 10 years would mean one new black face every three years.

"I don't think that this is asking too much. They can't tell me that in this country there are no black people with no decision-making material."

Many companies did not have the necessary sensitivity to understand the black market which accounted for 75 percent of the population.

"How come when it is such an important market compa-

nies do not who have directors who understand it?"

The idea was not to foist unqualified on companies. Nafcoc was setting up a training programme for corporate managers.

"We'll train them over six months and the challenge companies to appoint them."

- Professor Sethi is associate director of the Center for Management, Baruch College, City of New York University, New York.

SOWETAN BUSINESS

Move faster, black business tells FW

176

Sowetan 7/21/91

By JOSHUA FABOROKO

BLACK business has welcomed the State President F W de Klerk's historic speech in Parliament last Friday, but immediately warned of resentment once the reforms were not immediately implemented.

The National African Federated Chamber of Commerce (Nafcoc) and the Foundation of African Business and Consumer Services (Fabcos) said they saw the moves as 'a step in the right direction.'

Dr Sam Motsuenyane, president of Nafcoc, said

the scrapping of the Land Acts was important because it would mean a fair redistribution of land. Blacks would be able to acquire property in the urban and rural areas.

Optimism

'I think prospects for black business look bright because of the wide opportunities that will be created for them to participate in affirmative actions that will result in them also playing a vital role in the country's eco-

nomic mainstream,' Motsuenyane said.

He warned that the Government would have to be realistic in implementing these 'novel ideas.'

Motsuenyane added the Government and the private sector would have to help black business to play a meaningful role in the country's economy. For instance, he said, Nafcoc demanded that 30 percent of companies represented on the Johannesburg Stock Exchange should 'have visible black participation in their management.'

'Blacks should eliminate the dependency syndrome and work towards economic advancement,' he said.

Fabcos' public affairs director, Mr Mike Ntlatleng, said the State President's announcements, 'seen against the background of the National Party's mismanagement of economic and political lives of our people is a step in the right direction.'

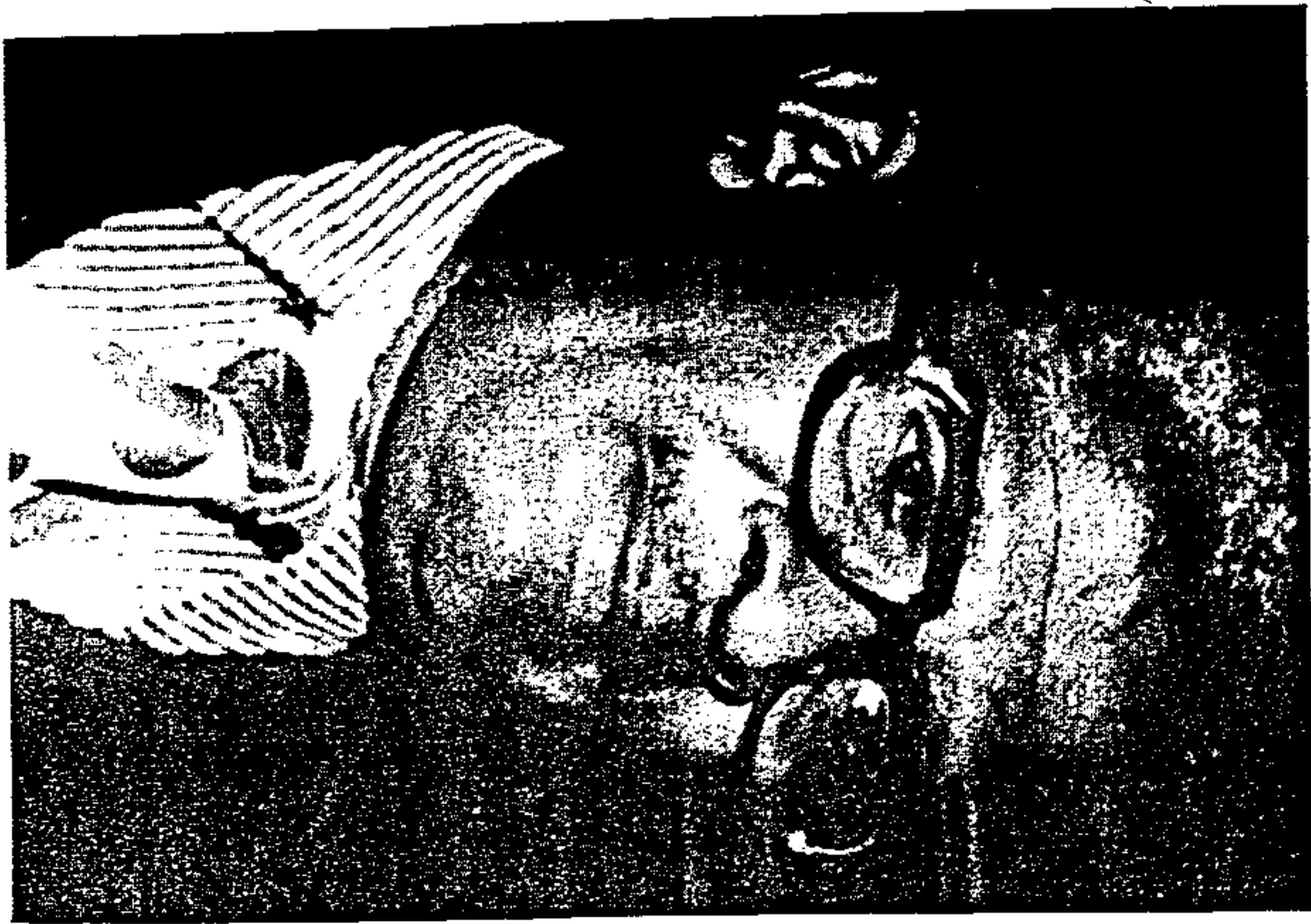
Fabcos, although understanding the importance of such announcements, was concerned about the:

- * The practical way in which the repeal of these laws would be handled.
- * The protection - or

lack of it - of blacks against the financially powerful whites who would use their muscle to lap up the dregs of black property.

* The possibility that white businessmen might set up shopping complexes in black areas at the expense of black traders.

Ntlatleng said: 'Fabcos believes that the repeal of these Acts should go hand in hand with the protection of the disadvantaged communities and consideration of historical imbalances brought about by these and other laws should be taken.'



SAM MOTSUENYANE

Breakthrough for black businesses

Sowetan 7/2/91

BY ALLI MPHAKI

BLACK businessmen are set to become a major force in industrial property ownership following the opening up of industrial areas to all races, says Investor's investment advisor Mr Charles Ntuli.

In the past black businessmen could only rent offices or factory space.

The new law offers opportunities for the black businessmen to break out of the mould of the past and own their of-

ices and factories - and the land they occupy.

"This means they can now benefit fully from the growing value of property rather than pouring rental money down a bottomless pit," says Ntuli, who was recently appointed investment advisor by Investron.

Ntuli said one of the benefits in buying industrial property was that black entrepreneurs would always be in constant contact with businessmen of other

races.

He said this was important because they would be able to exchange ideas with one another. This would go a long way in improving their businesses, Ntuli said.

He said the response to the opening up of industrial land about six months ago was virtually immediate.

He has since sold five stands to black businessmen while more stands are under negotiation. He said the buyers in-

cluded two paraffin distribution companies, two taxi operators and a burglar proofing manufacturer.

Ntuli predicted a rapid increase in demand for industrial and commercial property, although hinting that becoming a part of

the so-called "formal sector" was initially a complicated exercise involving many things, from banking to municipal regulations.

Ntuli is one of an elite but growing group of industrial land marketers who are geared at meeting the needs of the black industrialist of the 90's.

He is well-known in both business and community circles, particularly in the East Rand

township of Katlehong where he serves as chairman of the local chamber of commerce.

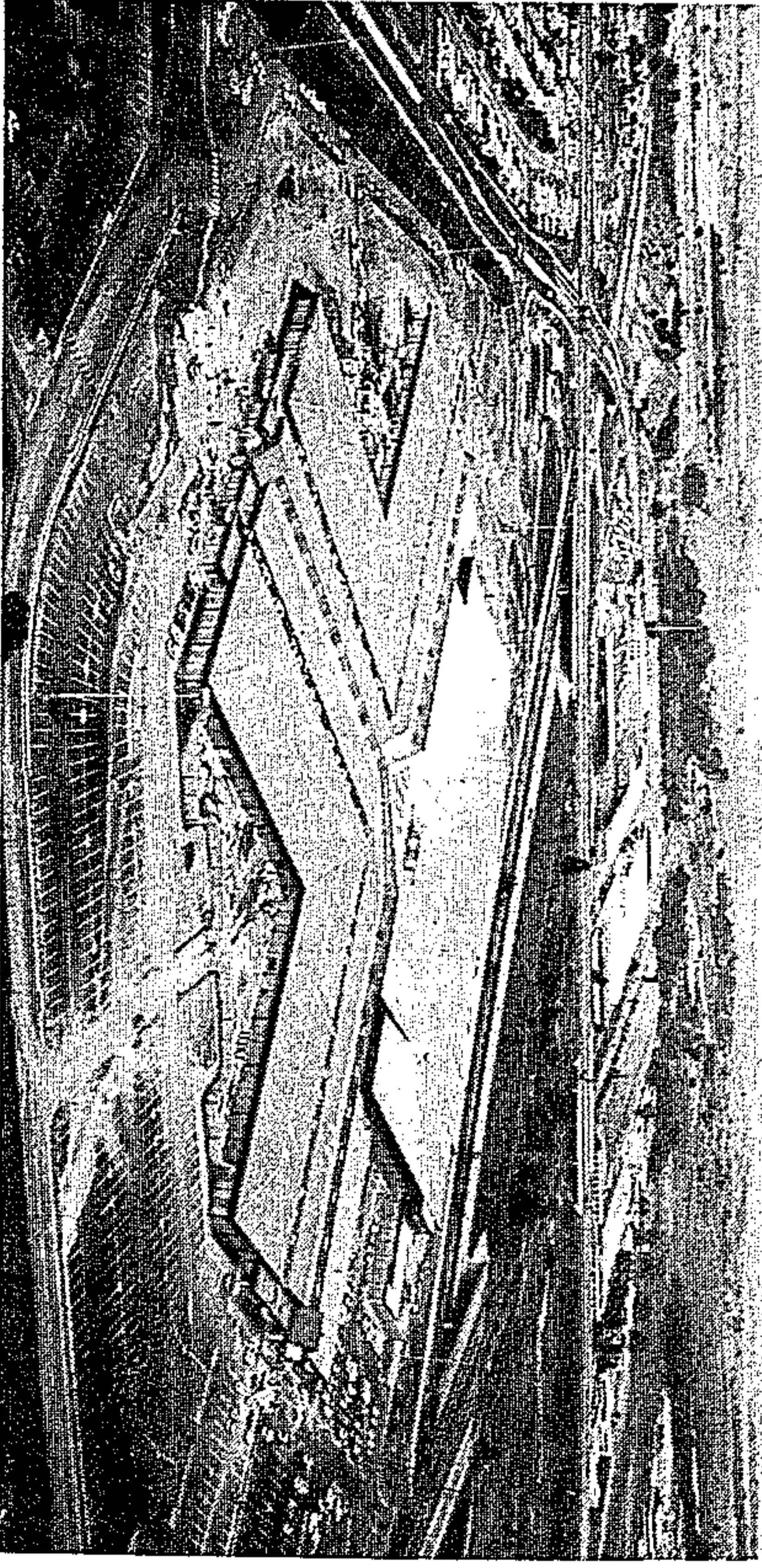
He owned and managed his own supermarket which he sold recently. He is a former public relations officer for Shell SA.

He is currently serving on the board of SA Perm. Consequently, Ntuli finds himself deeply involved in consultancy on a wide variety of business matters when dealing with his clients. "We see it as part of

our responsibility to ensure that the new owner is settled in his premises.

"If that means providing that little bit extra by way of good general business advice, then that's precisely what we'll do," he says.

He sees the opening up of industrial areas to all races as an opportunity for black businessmen to continue to improve their skills and general business knowledge rather than being isolated and out-of-touch with new developments.



Aerial view of Johannesburg Industrial site . . . blacks can now own property like this.

PROPERTY

SBDC socks critics with R1bn in loans

S/Times 3/2/91

176

By DON ROBERTSON

THE SMALL Business Development Corporation (SBDC) celebrates its 10th anniversary today, having lent more than R1-billion to budding entrepreneurs.

A R190 000 loan to a Steers franchise in Pretoria on Monday sent up the billion.

The SBDC has confounded big-business critics who said 10 years ago that its concept would not work.

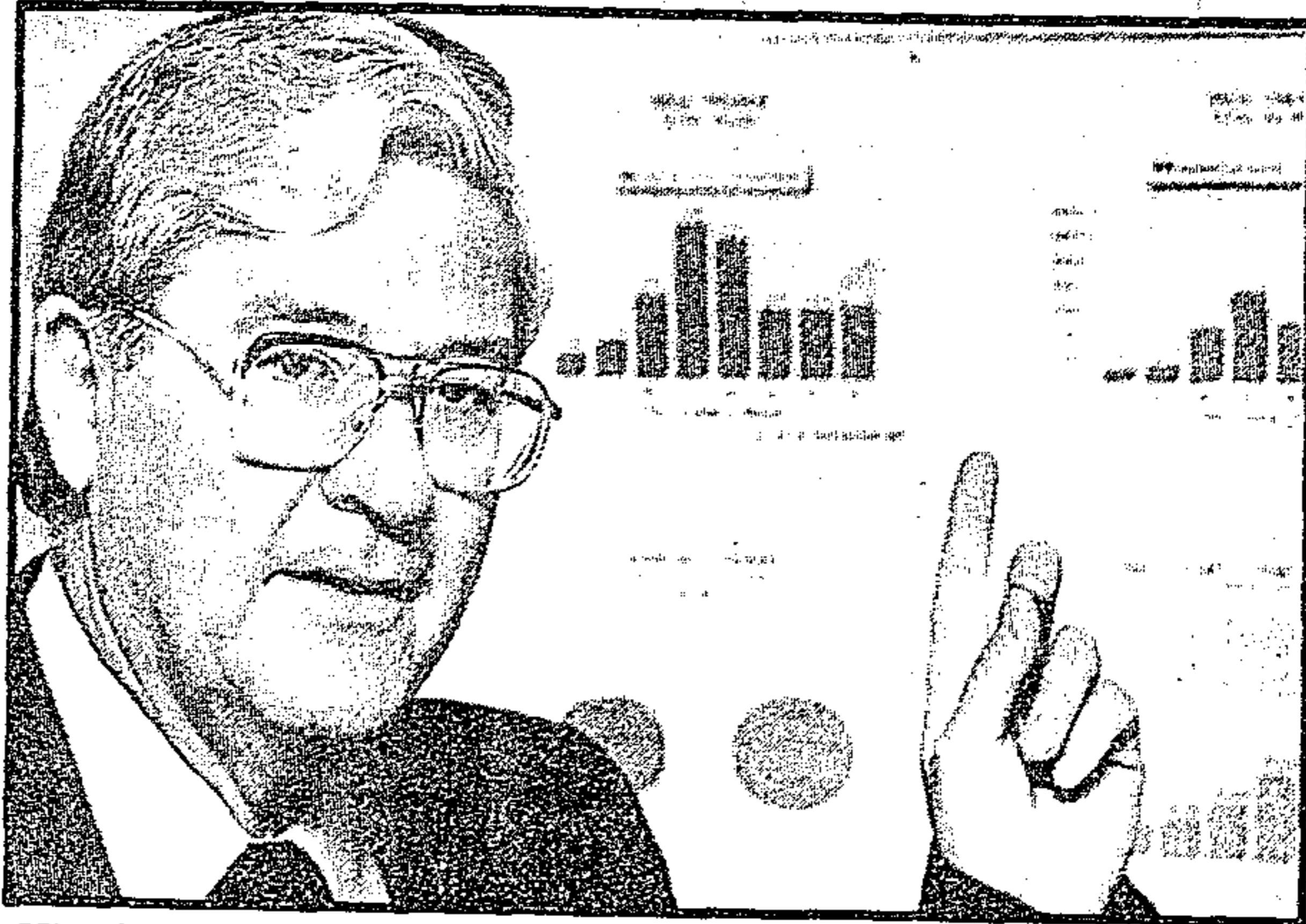
Property

From its small beginnings in 1981, when it advanced 188 loans of R11,3-million, the corporation is now self-financing, is the largest developer of property in black areas, is profitable and looking for foreign participation.

In the year to March, the SBDC produced a pre-tax profit of R42,4-million. Since its incorporation, it has paid R80-million in tax.

It is now able to offer entrepreneurs up to R20-million a month in loans from its own cash flow.

In the past decade, its funding has created 272 823 additional job opportunities at a cost of only R3 600 each and has helped about 29 000 people to start a business.



BEN VOSLOO: Profits poured back into helping the small businessman Picture: COBUS BODENSTEIN

Although involved in high-risk ventures, the SBDC has been able to keep bad debts to acceptable levels. About 15% of businessmen helped by the SBDC failed to survive, but only 8% of the R1-billion in loans granted had to be written off.

It keeps a tight rein on expenses, administration and service costs representing only 2,4% of capital invested.

The SBDC is regarded by similar international organisations as perhaps the best example of this type of financial assistance offered anywhere in the world, says managing director Ben Vosloo.

Russia, various countries in Africa, Poland, Czechoslovakia and West Germany have sent observers to SA to study the SBDC.

Hives

It hopes to encourage international businesses, eager to assist black development in SA, to channel their financial help through the SBDC.

The SBDC's success stems largely from its insistence that it be profitable. Although financed jointly by the Government and the private sector, it is controlled by private enterprise, a list of which reads like the top 100 companies.

Dr Vosloo says the SBDC owns about 800 000m² of business premises, mainly in black areas. It is SBDC policy to sell its properties to tenants where possible.

In the past four years, the SBDC has developed a concept of setting up industrial "hives" in black areas. They are small business centres or work stations under a single

roof, with many of the mini-industrialists sharing equipment.

The SBDC is the only self-help organisation in the world offering this type of facility. It is hoped that the concept can be offered to entrepreneurs internationally.

The first industrial hive was in the old Ford building in Port Elizabeth. The latest is in the Eriksen Ford building in Eloff Street, Johannesburg. It will offer 36 000m² of industrial space at reasonable rentals from July.

But the SBDC has not been without difficulties. Blacks complain that there are too few of them in middle and top management at the SBDC. They claim it is bureaucratic and slow in processing loans.

They also believe that if the SBDC receives large funding from the State, it will favour white businessmen. Nevertheless half of the loan

clients are black. However, because of a lack of proper financial training, black applicants tend to present inadequate business plans and loan applications, putting additional pressure on overworked consultants.

Dr Vosloo says the SBDC grants loans solely on the basis of viability, that more than 50% have been granted to blacks, that 44% of staff members are black and 40% of the business advisers are black.

Dawie Crous, senior manager of promotions, says about 1 000 inquiries are received by corporation's six branches and 22 information centres each day.

About 30% are for loans, but because of the SBDC's commitment to profitability, only about two in every seven applications are approved.

The corporation, however, is aware of problems and is dealing with them.

Blacks 'ready to snap up land'

BLACK businessmen will create an upsurge in demand for industrial land after the expected introduction of legislation precluding race bars in property purchases and the elimination of the Group Areas Act.

That is the prediction of Investron MD Alan Goldring, who recently appointed one of SA's first black industrial land sales executives, Charles Ntuli. *10am 5/24/91*

Says Goldring: "South Africans would be surprised at the number of highly successful black businessmen and industrialists who have been waiting for a signal that they are able to buy land wherever they please.

"They will create a major new market for industrial land."

Ntuli is chairman of the Kathlehong Chamber of Commerce and serves on the board of the SA Perm.

He says: "For black businessmen renting office and factory space in black areas has always been the norm. There is a tremendous desire to break out of the mould of the past and own their offices and factories.

"The proposed opening up of industrial land to all races will mean they will benefit fully from the growing value of properties rather than seeing no return from their rentals.

"There is also the benefit of setting up their companies in areas away from unrest and in being in contact with other businessmen so that they cross-pollinate ideas." — Reuter.

Lip service to black claims

176

S Times 3/2/91 Business Times Reporter

BUSINESS has been accused of dragging its feet in promoting black economic advancement.

The charge comes not from the ANC, but the South African Board for Personnel Practice.

The board says that if organised business does not take bolder action to bring about black involvement in the formal sector it could damage prospects for a healthy free-enterprise system in the "new South Africa".

Board chairman Garry Whyte says: "Business leaders have been paying lip service to black empowerment for a long time. Now they have got to stop talking about it and do something significant."

Mr Whyte makes the comment in response to a call by Nafcoc for speeding up of black involvement in the ownership, management and operation of business.

Mr Whyte says the Nafcoc plea has generally been dismissed with derision or ignored by the white business community and the press.

Critical

The personnel profession does not think most business leaders find the demands comfortable.

"But we believe that underlying the Nafcoc statement is a critical issue that needs to be debated more openly.

"Business has been talking about this subject 'seriously' — I put the word 'seriously' in inverted commas — for at least a decade. But when we look at our track record little of significance has happened in the formal sector.

"If one looks at the numbers of blacks who are directors, managers and shareholders in, or suppliers to our large companies, one sees that the figure is very small."

It is not a totally negative picture, Mr Whyte says. Some companies have set targets for bringing more blacks into leadership positions and for giving their employees equity participation.

Fingers

"Personnel practitioners are directly involved with the advancement of blacks to directorial and managerial rank and with employee participation programmes. Therefore, if little progress has been made in these areas, personnel people must take a large share of the blame.

"Questions of the appointment of black suppliers are not the direct concern of personnel practitioners.

"But personnel directors are generally responsible for keeping their fingers on the socio-economic and socio-political pulse of the society in which the company does its business.

"They therefore have a duty to see that their companies encourage black entrepreneurs."

Turbulent year took heavy toll

1990 was a turbulent year for small business. Lives were lost; so too were millions of rands in destroyed property and disrupted markets.

In its end-of-the year brief, Job Creation takes a look at the grim year for black entrepreneurs who were caught in the turmoil following political change. Business in the townships and rural areas was hit by arson, looting, boycotts or traders run out of town.

The economic downswing is also taking its toll and until things settle down, the future looks bad for entrepreneurial development, according to a number of articles by key players in the field.

Only recently, economic empowerment was important banner behind which thousands of black entrepreneurs rallied. Development organisations burgeoned.

The informal sector was placed squarely on the economic map.

And big business began to court small business. Entrepreneurs seemed poised to grab for black economic freedom they had been denied. Nobody was waiting for apartheid to end.

Then came February ...

Today politics and macro-economic issues occupy centre stage. Talk of black economic empowerment through entrepreneurial development has faded and populist notions of nationalisation, redistribution and social versus

By JOSHUA RABOROKO

capitalism rule the Press.

Violence has swept through townships and rural areas of South Africa and businesses have taken massive losses.

In Ciskei in March, the SA Special Risks Insurance Association estimate that two days of rioting cost business R130 million in damages - this included losses through looting. Ninety percent of commercial businesses were destroyed.

In one-day protest about reincorporation in Bophuthatswana in March millions of rands' damage was caused when council property, two financial institutions and various shops were damaged and looted.

Trend

A trend in 1990 when violence has caused damage to business is that local civic associations have come out strongly against such action and in some cases assisted the police in arresting looters, says Colleen McCaul, survey research manager at the Institute of Race Relations.

However, business still remains skittish about political involvement.

Job Creation asked players in the black economic development field to give their views on the impact of political change on entrepreneurial development and the role of black entrepreneurs in the economic debate.

Executive Director of Business Challenge, Mr

Phil Khumalo, says: "Yesterday we could talk about a glorious future for black entrepreneurs. Today we are battling to survive."

"Violence, which is usually sparked off by a political issues, has an immediate effect on business. If there is trouble in the townships, businesses close down. And violence can flare up anywhere."

He says his members' businesses are suffering because suppliers are not coming into the townships. If members buy their supplies outside the townships, when they bring them in they run the risk of hold-ups.

Job Creation managing director Ian Hetherington says many of his clients in the townships have been victims of unruly youngsters who seize cars during political funerals, dictate when businesses should close and demand donations for organisations.

According to the Small Business Development Corporation's James Scott, applications for larger loans have declined sharply this year.

Sabta president Mr James Ngcoya says stayaways on Fridays and Mondays - the busiest days for taxis - are detrimental to businesses. When they organise political marches, taxis are stoned."

According to Gaby Magomola, chairman of Fabcos Marketing, the phenomenal political

events of 1990 have, understandably, eclipsed all other events. Issues relating to black economic advancement, in comparison, are unfortunately, regarded as peripheral.

Violence would continue to be a hurdle for entrepreneurs in the townships. But the informal sector would not go away. Most affected would be formal business who, discouraged by the turmoil, would be cautious about expanding their activities.

For Mr Peter Morrison, director of the Small Business Advice Centre in Empangeni, violence in Natal has given him more work than he can cope with.

Flee

"Unrest in the rural areas has forced many people to flee their homes and urbanise. With three out of four households in the rural areas economically active in the informal sector, these skills are being transferred to Durban, Pitermaritzburg and Empangeni."

The result is a boom in hawking and other informal activities. Trading conditions have sharpened, especially for hawkers and spazas. Increased competition has sometimes led to lower turnover and profits.

But Morrison believes the informal sector is resilient. "When politics and the economy come right, the informal sector in Natal will be poised for a massive take-off."

Sowetan 3/1/91

176

Black businessmen suffer heavy losses

STimes 6/11/91

LAST year was grim for black entrepreneurs.

Ian Hetherington, managing director of management consulting firm Job Creation SA, says: "Caught in the turmoil following political change, businesses in townships and rural areas have been burnt, looted, boycotted or run out of town."

The economic downswing is also taking its toll. Until things settle down, the future looks bleak for entrepreneurial development.

Banner

Mr Hetherington says: "Only recently, economic empowerment was an important banner behind which thousands of black businessmen rallied. Development organisations burgeoned and the informal sector was placed squarely on the economic map."

"Big business began to court small business. Entrepreneurs seemed poised to grab for the blacks the economic freedom they had been denied. Nobody was waiting for apartheid to end. Then came February 2."

Mr Hetherington says that today politics and macro-economic issues occupy centre stage.

"Talk of black economic empowerment through entrepreneurial development has faded and notions of nationalism, redistribution and socialism versus capitalism rule."

By CHARMAIN NAIDOO

"Violence has swept through townships and rural areas and businesses have suffered heavy losses."

The SA Special Risk Insurance Association estimates that two days of rioting cost business R130-million in damages — including losses through looting — in Ciskei in March 1990.

"About 90% of commercial businesses were destroyed. In a one-day protest about reincorporation in Bophuthatswana in March, millions of rands were lost in damage to council property, two financial institutions and shops."

Mr Hetherington believes that in spite of the difficulties experienced by small businessmen, the spirit of free enterprise will prevail in 1991.

The small-business explosion was a response to the lack of jobs.

"In the recorded sector, growth in jobs has been minimal while the informal sector has boomed — out of necessity."

"Last year was marked by

the collapse of law and order, upheaval and turbulence in the townships and small black businessmen who are in the eye of the storm suffered greatly."

Inappropriate overregulation compounds the problems.

The breakdown of law and order, which has affected the economy in general, will adversely affect the chances of people finding jobs.

Powerful

"The small-business sector is a powerful job creator. In England, for example, a decade-long effort to encourage small business has resulted in the number of self-employed people rising by 50% to more than 3-million."

"By 1986, 36% of all employment in Britain was in small firms employing fewer than 20 people."

"In that year, 310 000 jobs were generated. Firms with fewer than 20 people generated 290 000 of them."

"We have to learn from overseas models and adapt them to suit our conditions."

Foreign investors urged to boost economic power of SA blacks

by Day 21/11/91

THEO RAWANA

COMPANIES investing in SA should undertake to give top management positions to suitable and qualified blacks, while all new investment should address black economic empowerment, Black Management Forum (BMF) president Don Mkhwanazi said recently.

Addressing the Umtata branch of the BMF, Mkhwanazi said whether the broad liberation movement agreed or not, the international community would go ahead and lift sanctions.

"The question then is — how do we advance the cause of our economic struggle given the resolve of the international community not to heed the call by the liberation move-

ment?
"How do we manage the collapse of sanctions to our advantage?" Mkhwanazi asked.

176
Demand
"What we should be saying to all the companies that want to invest in SA is that top management positions should be given to suitable and qualified blacks, failing which black understudies must be identified, placed, trained and developed to take over these positions within a stipulated time frame.

"This must apply to all levels of management," Mkhwanazi said.

Another demand should be that a percentage of ini-

tial total capital outlay and/or the total of pretax profits be set aside for technical, managerial, skills training and upgrading of workers, Mkhwanazi said.

"Over and above this a percentage of company profits should be ploughed into the social investment area, firstly for the benefit of employees and secondly for communities in which these firms operate."

Mkhwanazi said workers, black managers and the black community should be given at least meaningful part in the ownership of companies.

"Soft loans or funds should be made available to these stakeholders to make it easy for them to take advantage of ownership," he added.

SOWETAN BUSINESS

STATISTICS reveal that South Africa faces a shortage of more than 420 000 managers in the next decade, according to a leading Johannesburg consultant Johan van Werkmeskermecken.

Also disclosed was that blacks hold only four percent of managerial positions in this country and only one percent of the formal business sector.

The call for affirmative action in business to educate not only black businessmen, but also women in management skills has been made by many prominent groups.

Van Werkmeskermecken says the time is ripe to ask whether "we can wait for business to take so-called affirmative action or to use our own initiative.

"The African National Congress official

managers in 10 years

By JOSHUA RABOROKO

Handwritten: *in welfare*
Handwritten: *24/1/91*
Handwritten: *176*
Handwritten: *176*

Handwritten: *in welfare*
Handwritten: *24/1/91*
Handwritten: *176*
Handwritten: *176*

Handwritten: *in welfare*
Handwritten: *24/1/91*
Handwritten: *176*
Handwritten: *176*

Handwritten: *in welfare*
Handwritten: *24/1/91*
Handwritten: *176*
Handwritten: *176*

Handwritten: *in welfare*
Handwritten: *24/1/91*
Handwritten: *176*
Handwritten: *176*

Handwritten: *in welfare*
Handwritten: *24/1/91*
Handwritten: *176*
Handwritten: *176*

Handwritten: *in welfare*
Handwritten: *24/1/91*
Handwritten: *176*
Handwritten: *176*

Handwritten: *in welfare*
Handwritten: *24/1/91*
Handwritten: *176*
Handwritten: *176*

Handwritten: *in welfare*
Handwritten: *24/1/91*
Handwritten: *176*
Handwritten: *176*

Handwritten: *in welfare*
Handwritten: *24/1/91*
Handwritten: *176*
Handwritten: *176*

Handwritten: *in welfare*
Handwritten: *24/1/91*
Handwritten: *176*
Handwritten: *176*

Handwritten: *in welfare*
Handwritten: *24/1/91*
Handwritten: *176*
Handwritten: *176*

Handwritten: *in welfare*
Handwritten: *24/1/91*
Handwritten: *176*
Handwritten: *176*

Handwritten: *in welfare*
Handwritten: *24/1/91*
Handwritten: *176*
Handwritten: *176*

Handwritten: *in welfare*
Handwritten: *24/1/91*
Handwritten: *176*
Handwritten: *176*

Handwritten: *in welfare*
Handwritten: *24/1/91*
Handwritten: *176*
Handwritten: *176*

Handwritten: *in welfare*
Handwritten: *24/1/91*
Handwritten: *176*
Handwritten: *176*

Handwritten: *in welfare*
Handwritten: *24/1/91*
Handwritten: *176*
Handwritten: *176*

Handwritten: *in welfare*
Handwritten: *24/1/91*
Handwritten: *176*
Handwritten: *176*

Handwritten: *in welfare*
Handwritten: *24/1/91*
Handwritten: *176*
Handwritten: *176*

Handwritten: *in welfare*
Handwritten: *24/1/91*
Handwritten: *176*
Handwritten: *176*

Handwritten: *in welfare*
Handwritten: *24/1/91*
Handwritten: *176*
Handwritten: *176*

Handwritten: *in welfare*
Handwritten: *24/1/91*
Handwritten: *176*
Handwritten: *176*

Handwritten: *in welfare*
Handwritten: *24/1/91*
Handwritten: *176*
Handwritten: *176*

Handwritten: *in welfare*
Handwritten: *24/1/91*
Handwritten: *176*
Handwritten: *176*

Handwritten: *in welfare*
Handwritten: *24/1/91*
Handwritten: *176*
Handwritten: *176*

- Challenge for one to be adequately trained:
- * Identify the challenge of managing and what you can contribute.
 - * Plan through objective setting and targeting.
 - * Manage through organising, staffing, team building, time management and control.
 - * Communicating effectively and delegating and building and motivating a team of professionals.
- For more information about the courses contact Dolly at 783-4218.



SOWETAN BUSINESS

THERE is little quibbling about the fact that the improvement of knowledge and skills is fundamental to achieving economic empowerment. It was economist Adam Smith who stated that a country with half of its population uneducated will never succeed.

As we speak of a new South Africa, the lamentable black matric results and the sorry state of black education militates against any prospect of economic empowerment for blacks.

Government is not the sole scapegoat for the lack of education of the majority of the people of South Africa.

Bursary

Big business, which draws its workforce from the community, is part of the education challenge and must maximise opportunities in this country. They must train and develop their workers.

It was disheartening to see major companies cut their bursary allocations, citing poor matric results, the economic downturn and retrenchments that make it unnecessary to train professionals in certain fields.

What is the solution?

Charter Life insurance believe the welfare of a nation depends on the education of all its people.

They intend challenging the education crisis by becoming involved in black education, albeit too late.

Education is key to success in economy

The insurance company is sponsoring a major black education convention scheduled for the Johannesburg Sun on February 6.

Convenor Mr Martin Sweet, Charter Life senior manager of legal services, contends that no educational initiative or change at any level will succeed without the approval of the community.

Discussions and alliances between the business sector and black communities must become more commonplace, he says.

The convention is like a star-studded show with top names in the black business world.

Hungry

Master of ceremonies will be Mr Phil Khumalo, founder and chief executive of Business Challenge. His involvement in education spans more than three decades.

He is a former teacher and also does part-time lecturing in business. Khumalo says he is convinced black people like education.

"Parents are prepared to go hungry for the education of their children. I do not know who came

By ALI MPHAKI

with this problem of school boycotts and pass-one-pass-all fallacy, he said. "Hopefully, the convention will come up with solutions to our educational problems."

Among the speakers will be Mr George Negota, director of Centre for Development of Hu-

man Resources, Mr Khehla Mthembu, managing director of Afsure insurance and financial brokers, Dr Nihato Motlana, who will speak on "education for the 21st century", Mr Matsheru Matsheru, Mr Moses Leoka, director of Corporate Image, Mr Gaby Magomola, Mr Mofasi

Lekota, an executive director of Nafcoc and Aggrey Klaaste, editor of *Sowetan*, who will speak on "Education and Nation Building".

Admission to the convention is free of charge, but enthusiasts are warned to make early bookings as there is limited space available. Further details can be obtained at (011) 836-6077.



Master of ceremonies
Phil Khumalo.

Firms woo blacks for joint ventures

13 Day 30 1191 176
LOCAL and international companies are, for the first time, going all out to form joint ventures with blacks, something which augurs well for the future of SA business, says Zuko Tofile, executive director of business promotion company Matchmaker Services.

Tofile says companies such as P G Autoglass, printers Kwik-Copy, fast-food outlet Chicken Licken, carpet cleaners Rug Doctor and even US-based Ponderosa Steak House are actively

THEO RAWANA

courting black franchisees.

"To this end Matchmaker Services will host a seminar in Johannesburg where all aspects of franchising will be under the spotlight and Volkskas, First National and Standard banks as well as the Small Business Development Corporation (SBDC) will say what they can do to facilitate joint ventures."

Guest speaker at the February 13 seminar, to be held at the

Milpark Holiday Inn in Johannesburg, will be Ohio-based Ponderosa Steak House international sales manager Sunil Duwan.

US ambassador William Swing will open the seminar while SA Franchising Association executive director Kurt Illetschko will speak on Advantages of Owning a Franchise.

Soccer star Jomo Sono, who has held a Kentucky Fried Chicken franchise for 10 years, will be another of the speakers.

'Time for reliance on whites is over'

Sowetan 31/1/91

176

By NKOPANE MAKOBANE

THE greatest challenge facing South Africa in terms of providing power to propel it into the next century is technical skills, says Dr Sam Motsuenyane, president of the National African Federated Chamber of Commerce.

Speaking at the re-launching of Nafcoc's Education Committee, Motsuenyane said he believed if skills had to be provided in this country, it would be by black people.

The education committee was launched in 1975 to run management courses for Nafcoc's members.

It was forced to close its offices in major cities in 1989 and 1990 because of lack of funds and sponsorship.

Motsuenyane said South Africa had reached

a stage where people could not afford to allow structures to fall. He said these were times of challenge.

"If skills have to be provided it will be by black people because of their numbers. The percentage of whites who have been leading us throughout the years is diminishing and by the turn of the century it will be even less. We cannot go on relying on whites forever," he said.

Survey

He recalled the time when Nafcoc started addressing education. He said the chamber ran a survey to determine the needs of black people. He said the survey found that the needs were also throttled by discriminatory laws.

"While it is true that

progress was retarded by apartheid laws, we also lost a chance to arm ourselves with skills. It is sad that when doors open, we will find people who cannot use opportunities that will avail themselves.

Support

"We are happy that since 1976 we have addressed the problem and also interfaced with other organisations in the world. We are beginning to get support for meaningful things in this country," he said.

Motsuenyane said his greatest source of any hope was not from other races, but black people. The latter, he said, needed self-help and self-reliance for development of their own people.

He said it was the task of the education committee to serve all Nafcoc

structures. He said it had always been their objective to make Nafcoc viable.

"This organisation is not only going to help people in this country. We believe in future we are going to make a contribution to the development of Africa," he said.

"We have to work harder because we have not yet reached the promised land. The success of Nafcoc will depend largely on grassroots people. Educators must go there and get their support," he said.

i-Perm H
uma udin

Nafcoc bid to control JSE firms

See C/Prem 11/19/91
176

NAFCOC is to mount an aggressive public relations campaign to promote a 10-year plan to raise levels of black participation and ownership in companies listed on the JSE.

The federation will also be making strong representations to the authorities on the shortcomings of VAT, Nafcoc executive director Mofasi Lekota said in a statement.

The resolutions were passed by the 100 000-member organisation at its 27th annual congress at Sun City attended by 1 400 delegates.

"The resolution on black involvement in public companies calls for a 30 percent participation on management boards and a 40 percent ownership by blacks of listed companies," Lekota said.

"It also seeks a ruling that 50 percent of the value of outside purchases made by listed companies should be placed with black-owned suppliers and contractors."

The resolution also suggested that 60 percent of top management and personnel should come from the black community, within the 10-year framework. — Sapa



MOFASI LEKOTA ... Strong representations.

SOWETAN BUSINESS

Merger means a better

deal for entrepreneurs

SD wefen 5/9/91

176

MAJOR catering group Fedics and the Black Association of Travel Agents of South Africa have joined forces to promote black business.

By JOSHUA RABOROKO

The organisations have formed a company, Fabfoods, in which Fedics has a 40 percent share and Batasa 60 percent.

The new company will develop the catering industry in black areas countrywide, by identifying entrepreneurs and informal sector operation that could benefit from

The first phase of the project, Fabfoods will establish fast-food outlets at service stations managed by Batasa's mother body, Fabcos members.

The first of these will open in October in Daveyton Extension 6.

The appointed owner will receive guidance and training from Fabcos and from Fedics' regional staff.

The project will be supervised by Fabfoods

chairman Mr Mandla Msoni and Fedics business development manager director Mr Helmut Schneider.

In time, Fabfoods could extend its service to other areas, which could include taverns, stokvels and hawkers, says Schneider.

"There is a growing trend in black communities towards eating out and this has resulted in a demand for improved catering services," he says.

"Fabfoods will help to meet the demand, either by providing training in correct handling and

presentation of food or by supplying good quality, semi-prepared meals which need only the finishing touches before they are served.

"This will be backed by training in general business and management skills."

In the long term, Fabfoods plans to take advantage of the black entrepreneurial spirit to develop viable businesses in other areas.

Says Msoni: "Fabcos' objective is to train and develop black business people, encouraging them to participate in the

mainstream of the South African economy.

"This joint venture means we can further our aim in one of the fastest growing industries in the country."

He appealed to other corporate leaders to join hands with the future black entrepreneurs.

Schneider added: "The project will enable Fedics to expand its business and earn reasonable returns on its investments, but the main objective is to establish more black entrepreneurs, as this will benefit not only the catering industry but South Africa."



Prominent business personality and marketing consultant Mr Michael Maisela has been appointed development consultant for the Nampak Group.



Mr Dennis Mokotedi has been appointed lecturer in applied mechanics at the School of Mechanical Engineering, University of the Witwatersrand.



Ms Marcia Lebetho has been appointed to the important black advancement function by the Marketing Connection, the personal consultancy which specialises in marketing and sales people.

Affirmative action stalls

SI Times (Durban) 8/9/91 (176)

IF HE didn't have some faith in this organisation and in this country, "I wouldn't be doing what I'm doing", says Johannes Magwaza, human resources director of Hulett Refineries in Durban.

"We have no option but to continue to push for affirmative action, no matter how dismal the results, no matter how long it takes. There are no quick fixes."

Mr Magwaza, who sits on the executive committee of IPM, believes little progress has been made in affirmative action programmes since their inception two decades ago.

Mr Magwaza says: "In spite of the statements put out by companies, racism is still a pervasive factor.

"The other stumbling block to successful affirmative action programmes is in the selection process itself, with overemphasis on qualifications. Companies are

looking for machines, not human beings. When they fail, they can't understand what went wrong. They are setting standards impossible to achieve for any man or woman, no matter what colour.

"A third obstacle is the method of training and development. Too often black management trainees are overprotected. They should be dumped into the deep end and allowed to sink or swim, all the while being taught how to swim. People expect them not to fail, but it doesn't work like that.

"The biggest mistake is that most companies relegate affirmative action programmes to personnel managers. Chief executives should be in charge of the programmes and should ensure that there is sufficient infrastructure to support them.

"The other important thing is not to create high expectations, not to fool ourselves. This whole question of black ad-

vancement through affirmative action will take time.

"To expect any person in an organisation to reach middle management level, you are looking at seven to nine years, plus another five to reach senior level, if that person is a high-flyer.

"To expect blacks to be able to cut this short is particularly onerous. But, given the shortage of management candidates, we have no option but to persist."

How effective is the IPM in the field of black advancement?

"If you're asking for tangible evidence of IPM's success in various areas such as affirmative action, you would be barking up the wrong tree. It is also there to prod the consciences of organisations, so any attempt to quantify its success is futile. If you ask if it has an audience, yes it has. If you ask whether it has an impact, it has."

Recession masks the crisis in skills

MANY retrenchments are unnecessary.

Innovative human resource practices, such as work sharing, may be far more preferable to both employer and employee.

They include multi-skilling, shorter working hours, fewer working days, revolving lay-offs, more flexible working patterns and retraining of employees.

In the 1990s, such issues along with skills training and career development, are certain to be the focal areas of human resource activity.

Dani Mitchell, executive director of the Institute of Personnel Management, says the recession has masked the skills crisis.

"The expected shortage has not materialised to as great an extent as it would have in buoyant times. But once we have turned the corner, the skills crisis will be a critical impediment to economic growth.

"The time has never been better for companies to focus on technical skills training, management development and affirmative action."

Resort

Underscoring the timing factor and role to be played by corporate SA, Miss Mitchell says even if the education system is redesigned, it will be 20 to 30 years before SA sees the fruits.

"Private- and public-sector employers will have to become the educators of last resort."

Miss Mitchell became IPM's first woman executive director in February 1991. She succeeded Wilhelm Crous. She had three years' experience as IPM training manager and another six as training head of Standard Bank's black advancement and career development programme.

At IPM's central office in Parktown, Johannesburg, she heads a staff of 35, charged with serving of IPM's 8 500 members. The members include human resource practitioners, 7 000 in all, 500 companies, and 1 000 subscribers to the IPM Journal.

Miss Mitchell estimates that 50% to 60% of the human resources management belongs to the IPM.

Helping her are various committees appointed by the IPM's 40-member council. They are elected for three years and cover three core

EVERY year the Institute of Personnel Management hosts a convention at Sun City to highlight issues vital to the profession of managing people in the workplace.

This year's convention, at which 1 100 delegates are expected and which begins on September 23, is no exception. But how does the IPM see itself positioned in this changing South Africa? How is the organisation gearing its structure and programmes to meet the challenges of the future?

ALISON GOLDBERG reports.

areas: industrial relations, human resource development and personnel services.

Three other committees have risen to prominence in these areas: equal employment opportunity, employee assistance programmes and assessment centres.

In addition, the institute has 22 branches, comprising members in the same geographical area who meet regularly to look at issues such as training and who arrange events.

Miss Mitchell handles the question of what the IPM is doing for blacks with confidence. She says: "More than 50% of IPM diploma students are black. We also have a major project to ensure a significant increase in the number of black human resource managers in the working environment as well as in positions of leadership in the institute."

The IPM has two black executive committee members — JB Magwaza, human resources director for Hulett Refineries in Durban and Martin Sebesho, managing director of Controlled Management Dynamics.

"We are developing a

national human resources strategy in association with the ANC's Centre for Human Resource Development. Wilhelm Crous is co-ordinating the project."

Among her priorities in the next five years is an increasingly active role in lobbying the Government and other organisations involved in manpower issues.

Miss Mitchell says: "We are particularly keen to see more vocational and technical training at secondary school level and the establishment of a single education authority and system.

"By virtue of our role in organisations and our knowledge of human resource needs, we are able to assist research into macro-manpower issues.

Poised

"Two cases in point are the Commonwealth Group on Skills for Post-apartheid SA and the British Polytechnics' initiative for collaboration with SA to deal with education and training problems."

Miss Mitchell believes IPM's efficacy will continue to lie in its provision of



DANI MITCHELL: Preparing for the new South Africa

networking opportunities for members of the profession, its training and development of human resource professionals and its information service.

Miss Mitchell says of the new SA: "Human resource practitioners are poised to play a leading role in this era of consultative and participatory management. These new values are bound to affect all levels of human resource management."

Better deal for blacks

Blowan 8/19/91
JOB security has become a predominant concern for trade unions, says IPM Industrial relations committee chairman Mervyn Foster.

The industrial relations division aims to play a leading role in matters of public policy, to spread information through pamphlets, seminars and other means, to provide training and development and to forge relations with various stakeholders.

Mr Foster says the days of making minimum wages a priority are over. Most employers now pay a negotiated wage and some are linking pay increases to profitability.

176
"This shift to a more accommodating stance on both sides, but more so by unions, is a direct result of the economic squeeze. Faced with large-scale retrenchment, unions have been left in a delicate position, unable to deny the direct and indirect consequences of sanctions, which they advocated.

"The IPM supports bilateral talks between employers and unions of a kind manifested in the Ergo agreement. It encourages both to link wage increases to performance and results.

"Pivotal is our making employers aware of the issue of relations in the workplace, between traditional categorisation and also between groups who are in conflict in our wider society, encouraging them to attend to minorities who can become disruptive if they are overlooked. The third issue IPM supports is that of black advancement and the empowerment of blacks in the workplace.

Acceptable

"This means the development of a more acceptable kind of manager with an approach which will empower black workers, advance participatory management and freedom of association, and who can support dispute settling procedures through arbitration and mediation.

"We must train the kind of people who can deal with social issues affecting workers.

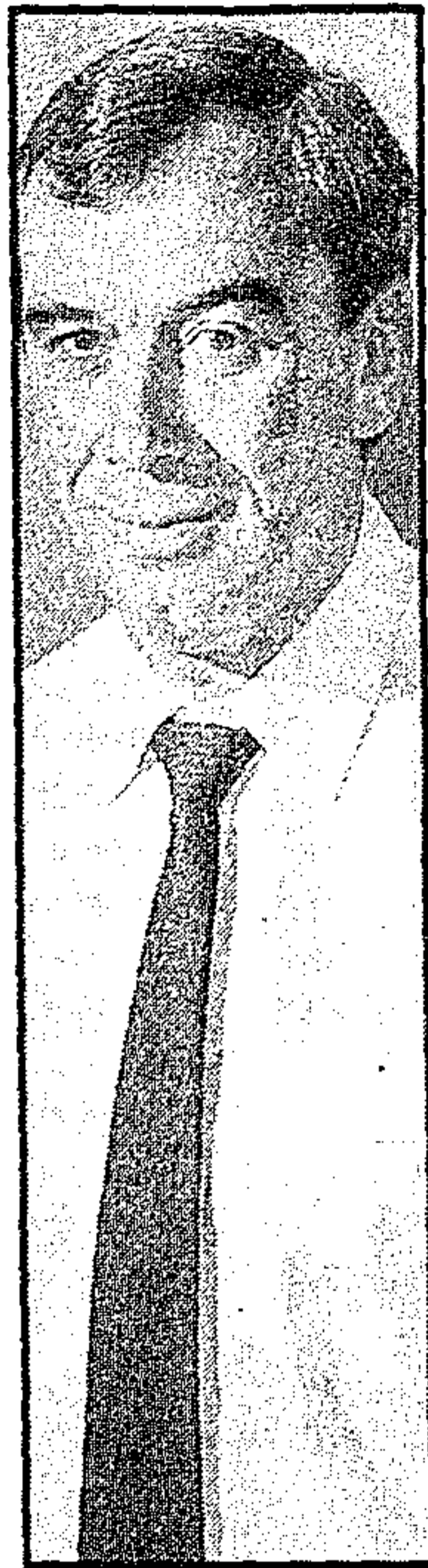
"Traditionally, SA workers have been managed in an arbitrary style, given little information about their jobs, no job security, market-related wages, no say in decision making at any level, no resource to worker collectivism or to any redress against abuse of so-called management prerogatives.

Violence

"Personnel managers have to guide and educate line managers.

"Personnel managers should equip line managers with personnel management techniques. They must show them how to manage in a new SA — dealing with issues such as violence, racial polarisation, high expectations and low productivity.

"Black advancement is a high priority and line managers will have overcome



MERVYN FOSTER: Guidance for the line managers

the barriers. Line managers should not be concerned whether workers they are black or white.

"Part of the problem is that some employers who have taken blacks into more senior positions have been disappointed.

"The poor education system for blacks is a legacy of apartheid. Employers have to look for ways to overcome the problem and to compensate for the backlog.

Schools

"There are two ways to do this. The first is for employers to forget about education-based competition and look for employees with innate qualities and help them. That means going to the schools to find young people with innate intelligence and appropriate aptitudes. If they can't find suitable candidates, they are not digging deep enough, not appraising properly.

"The second way is to cultivate these young people and make it possible for them to learn to fit into a corporate world. Employers must mentor them."

THE equal opportunity programmes of many companies are under serious threat because of the spate of retrenchments.

This is the view of Ivan Lätti, who heads IPM's equal employment opportunity (EEO) division.

"Cost cutting too often affects development programmes for promising blacks who should be tomorrow's key managers. The extra position is saved, and likewise some of the training money, in the interests of general frugality as a short-term survival tactic.

Happy

"Concentrating on experienced older whites as part of a skeleton staff while sales are low may perpetuate a bare-bones type of operation when the good times come and young blacks remember which companies persisted with development programmes in the bad times and which did not."

IPM's EEO division, launched four years ago, is keen to find a black chairman.

Recession puts brake on black upliftment

SI Times (Burs) 8/9/91 146

By way of an apology, present incumbent and co-founder, Fedfood human resource manager Mr Lätti says: "Every suitable candidate is so burdened with directorships I don't even dare ask."

But Mr Lätti is happy about having been given the opportunity to spearhead this IPM role.

Mr Lätti says: "Compensating for past ills is good for the soul."

Only recently did Fedfood invite an ANC speaker to address employees and Mr Lätti counts it as a milestone in the drive for broader communication.

Measuring the committee's efficacy in terms of numbers of EEO programmes implemented by its 500 corporate members is not possible.

Mr Lätti says the poor re-



IVAN LÄTTI: Survival tactic

sponse to questionnaires in previous years has nipped this exercise in the bud. But he is convinced that the EEO is "trendy" and that most organisations with a human resources function have initiated practical programmes.

Under the auspices of the division, which has a representative from the Black Management Forum, numerous conscious-raising and advice publications, pamphlets and seminars have been offered to industry.

Mr Lätti mentions three ways of equalising opportunity in organisations: promot-

ing people from the lower grades as they acquire skills; bringing better qualified black people in from outside at grades where they have never been; and introducing high-powered blacks at board and management level.

The problem with the third method is that management tends to give black executives soft task lists rather than high-risk ones. The result is that the manager becomes alienated and fails to pull up other blacks in the organisation because of his personal example.

Behaviour

Mr Lätti seems to favour the first and second methods, although he admits neither produces quick results. The onus on companies is to develop their training and development skills, their performance management abilities, as well as ability to recognise aptitude for management training.

EEO policies are easier to effect by setting up cross-cultural teams of workers within line management to select candidates for further training, with typical emphasis at a lower level on skills and at a higher level, on behaviour. "Talking to them instead of about them" is the general thrust.

Thanks to Mr Lätti, Fedfood has many such cells operating among its staff of

13 000 odd. The results have been mixed.

Mr Lätti says: "It will take time. The recession has caused havoc with EEO programmes and black progress. The crucial element is that with reduced sales experience employees are favoured before promise and talent. Thus white males tend to remain in the smaller teams and the fast-track blacks are retrenched.

"The assumption on which EOPs were started, that sufficient numbers of white males would not be available, does not hold in the recession. Only the ethics of behaving in a fair and equal manner drive the programmes now."



Among the many people who attended Matchmaker '91 were Mr Lucas Sebobe and Mr Moss Leoka.

Historical imbalances need to be recognised

Sowetan 12/9/91
THE participants in the successful Matchmaker '91 have realised the need for the formal sector to recognise the historical imbalances of the South African economy and the tremendous opportunities for prosperity and growth.

The message was clear that the future South Africa will require not only political and social freedom, but economic emancipation and entrepreneurship as well.

As a result, it is essential that all South Africans, both in the informal and formal sectors of the economy, are encouraged and helped to become part of the engine of growth and prosperity.

This is the reason why the Matchmaker Services - a non-profit organisation dedicated to "matching" black entrepreneurs with business opportunities - staged an exhibition where 150 black business people exchanged views in Johannesburg last week.

Matchmaker Services' executive director Mr Zuko Tofile said they were presently working to organise a group of black business people to visit the US

(176)
for the purpose of obtaining master franchises for Southern and South Africa.

They were also "staffing" up to act as brokers between buyers of products and services and black suppliers.

They would locate suitable black business buyers requiring specific products and services.

Employment

The highlight of the three-day trade show came when Soweto's Mr Pascal Manana, of Pascal Landscape, was awarded a floating trophy, a R1,000 cheque and other gifts, for running the best stall during the exhibition.

Manana said the Matchmaker was an eye-opener and he hoped it would encourage many small entrepreneurs to participate in the future.

"It is important that black business should create employment opportunities and for that we need economic muscle," he said.

By JOSHUA RABOROKO

Threat to black art

TOWNSHIP art faces the threat of being nipped in the bud due to economic constraints and the unwillingness of black business to help it in any way, writers and playwrights have said.

According to a number of people in the arts, black creative voices could be stifled because of the lack of resources and facilities, the fact the arts not being taken seriously and the reluctance of the black business community to provide economic support to writers and theatre groups.

In the last two weeks, at least two township theatre production houses, a musician, and a writers' body have come to City Press to make their plight known.

The problem has recently been articulated by poet and director of the Federated Union of Black Arts (Fuba), Siphso Sepamla, in a working document entitled "The arts and literature of the disadvantaged".

The paper has been circulated among performers and possible donors.

Sepamla contends that in the light of the changing socio-political scenario a broad outline of the township cultural scene needs to be painted for the benefit of potential donors and sponsors.

"There is an urgent



AFFIRMATIVE ACTION ... Support vital, says Siphso Sepamla. ■ PIC: EVANS MBOWENI

need to give a glimpse of how apartheid has affected the cultural life of artists and writers living in the townships.

"Given this perspective the problem faced by our artists would then find sympathy and understanding from those who contribute to the encouragement of our culture," said Sepamla.

"Affirmative action will be demanded of those who are the haves to make it possible for the have-nots to express themselves and share with their fellow beings the elevating consequences of the arts and literature."

Sepamla said township artists today still have to make do with minimum facilities for entertainment.

"Until our business community can provide a stimulating environment for aspirant artists this country will remain in the doldrums.

"One solution would be to incorporate arts into the education system.

"The private sector, especially black business, are asked to make grants to the arts under their social responsibility programmes," said Sepamla.

Playwright and founder member of United Artists, Don Masenya, told City Press that the black business community still needed to be encouraged to invest in the arts.

"Experience has shown that our businessmen do not regard the arts seriously.

"At this phase in our history it is of utmost importance for black business to get involved in the arts as a gesture that will allow us to control the destiny of our culture," said Masenya.

Playwrights Prince Dubu and Siphso Khumalo, whose play *Which way Ma-Afrika?* makes its debut at Baragwanath Hospital this month, also told of the hardship they faced in putting the play together.

Khumalo said there was not enough money to pay actors which resulted in a low morale among them.

"We approached various prominent black business people who told us that they would only consider sponsoring us after they have seen signs that the play is a potential success.

"There should be more investment in the arts from our own people," said Khumalo.

African Writers' Association (AWA) national co-ordinator, Patrick Ngamlana, said although black business only made meagre donations to the arts, this still showed a commitment on their part.

"There has been a positive change in black business attitude as compared to the last few years," said Ngamlana.

Cape Town considers unity

8/Day 17/9/91

176
LINDA ENSOR

CAPE TOWN — Far-reaching recommendations regarding standards, financing, community liaison and affirmative action on staff appointments are contained in a report on Cape Town's transition towards an integrated democratic city.

The report, which has been adopted by the council, was drawn up by a committee of councillors under the chairmanship of Arthur Wienburg and released yesterday.

The report is based on the recognition of the need to create economically viable, non-racial, democratic and redistributive local government.

It proposes two levels of city government — metropolitan and local — and recommends that the metropolitan area includes the magisterial districts of Cape Town, Goodwood, Bellville, Kuilsriver, Wynberg, Simon's Town, Eersterivier, Kleinvei, Macassar-Firgrove, Somerset West, Strand, Gordon's Bay and Stellenbosch. The inclusion of Atlantis, Paarl and Wellington is still to be investigated.

A constitutional committee is

taking the investigation further and is looking at issues such as a municipal franchise. Wienburg says the next stage would be to get other municipalities involved to work out a broad consensus with which to approach government.

One drawback, however, is that the civic associations in the Western Cape Union of Civic Associations did not participate in the deliberations of the committee.

State

The report emphasises the city of Cape Town will not be able to accept the financial liability associated with an enlarged single city without additional funding from government in the form of a guaranteed tax base.

The state will have to accept responsibility for housing, health, education and major transportation schemes.

The report says the issue of standards will be one of the most crucial facing Capetonians, but the council will not be party to proposals which under the guise of assur-

ing or improving standards serve to protect existing privilege or foster discrimination.

One of the major issues of standards relates to problems of overcrowding, and the committee feels that existing legislation may be inadequate. A review of this legislation is proposed and resources to meet the need for housing are necessary.

The effectiveness of current enforcement procedures regarding bylaws on standards needs urgent review as present processes are too lengthy and the council is "toothless". The establishment of a municipal court to hear municipal cases is recommended.

The report says council employees need urgent training to respond to complaints.

Affirmative action is necessary to redress the racial imbalance in the workforce, especially at higher levels. The council has commissioned an investigation into affirmative action programmes.

The committee says the framework of the future form of local government should be high on the agenda for national negotiations as a prelude to local decisions.

Brits no longer find SA wine unpalatable

~~Wine is the~~
Own Correspondent

LONDON — SA is the flavour of the month, according to the UK wine industry, and major food chains are rushing to fill their shelves. 8/Day 17/9/91

A report in the Sunday Times says supermarket giant Sainsbury's is introducing a SA wine to its extensive range and Tesco, which recently launched its first four, is topping up with another two next month.

Marks and Spencer's first two SA wines will be available this week, while Asda recently put

three on its shelves. "Recession-hit retailers seem terrified of missing out on what might just end up as the next great wine trend," says the report.

And it comes as no surprise. SA wine makers, who produce a massive surplus each year, are keen to sell and the weak rand makes prices attractive.

Added to the impressive list of retail outlets are the bottle stores. One chain, Victoria Wine, de-

scribes SA as "one of our major areas for development".

Of the stores which have been quietly selling through the sanctions years, are Waitrose — which has added two to its range — and the Thresher and Wine Rack chains which are looking at market possibilities for next year.

Timing is at it's best now. Sanctions have gone, and added to this is the disastrous frost-bitten 1991 vintage from Europe — and price hikes over the past 18 months which show little sign of abating.

At a crucial interface 176

The advance of black people into South Africa's "first world" economy means employment agencies stand at a crucial interface. *Star*

Apso is well aware of this fact. 19/9/91

"More and more the industry is going to have to be a cultural bridge between white employers and black employees," says the organisation's general secretary and administrator, Patience Lorimer.

Immediate past president Litsa Roussos, chief executive of Emmanuels Personnel, says most agencies are trying to employ more black peo-

ple themselves.

"And here, straight away, we ourselves experience a kernel of the problem. Blacks simply don't respond to recruiting advertisements for personnel consultants. ~~2/8~~

"The job is not one that falls within their personal experience.

"If people come to focus on real careers, these tend to be medicine or teaching."

She says the problem is a worldwide one. At the many conferences of the International Personnel Service Association she has attended, mostly in the US, she has been amazed at the low num-

ber of black members.

Apso president John Dawkins, MD of Kelly Girl and Kelly Personnel, says the cultural gap is very real even at the level of typists.

"Homes without modern amenities and toys — let alone typewriters — somehow don't encourage the motor skills which help women to good typing speeds.

"When an employer has to choose between typing speed of 40 wpm and shorthand of 60 wpm, and 60 or 80 wpm typing and 120 wpm shorthand, which candidate does he choose?"

Making her way as a pioneer in the field

Star 19/9/91 (176)

When it's acknowledged that, world-wide, black people have hardly entered the personnel consultancy field, Johannesburg has a pioneer in quietly spoken Vionne Tshivase.

She established Insearch Personnel in 1989 and it now has more than 100 clients. Apso's only other black-owned consultancy is in Durban.

Insearch concentrates

on middle-management and professional placements, and in one case even brought an engineer from New Zealand.

"You make a better living out of such placements than from many more lower down the ladder."

Mrs Tshivase was born in Soweto to a Malawian father and after primary schooling in Lilongwe completed her schooling

at Meadowlands High.

She started her career as a secretary in Johannesburg, studied for an IPM diploma and gained some experience of recruitment.

Then she managed a branch for a large consultancy and, by monthly tripling of targets, won an incentive contribution to a trip to Brazil.

Then it was out on her own with Insearch.

Fabcos launches import/export wing

SUN CITY — Black business organisation Fabcos this week formally launched an export/import company, Fabtrade International.

FutureBank chairman-designate Jabu Mabuza told the Sabta AGM yesterday the Fabtrade launch fulfilled the black business vision of reaching into Africa and beyond.

Mabuza said it represented a call on black businessmen to mobilise themselves and to stop complaining about inequalities, unfair treatment and lack of facilities, training and equipment.

"Black business needs to be proactive and get on with the task of creating job opportunities and improving their own situation," said Mabuza who is also Fabcos CE.

18/10/91 20/9/91 (176)
THEO RAWANA

He said that by taking this attitude blacks would prove to white business that they were capable and worthwhile partners in the business world.

Mabuza said Fabtrade had been formed between Fabcos, Intertrade International and S Montsi and Associates. "It has a network of African and offshore contacts and is equipped to provide clients with a full range of import and export services.

"Its systems are fully computerised under the Fabcos computer system and senior staff are able to provide advice on all aspects of international trade."

The new company's joint MD Hank

von Heteren, said the cost of setting up the company was R250 000.

With offices in Pretoria and Cape Town, it had been operating for three months. The other directors are Credit Corporation's Gibson Thula, joint MD Sam Montsi, president of the National Tuckshop Association Jane Leynehlo, joint Fabcos MD James Chapman and E G Chapman Group's Eric Chapman.

Mabuza said the company had access to products in East Africa, Angola and Eastern Europe.

Montsi said the benefits to business of linking with Fabtrade included help in accessing markets in SA and Africa and help in entrenching products in black markets.

Youngs path to

a cleaner world

1976
Jan 25/1977

Information technologist Daniel Ntsala graduated from Wits Technikon only last year — now he jets to international congresses in many parts of the world speaking on behalf of South Africa's youth.

At the age of 25, Daniel Ntsala of Johannesburg has the world at his feet. Only a year ago he graduated in information technology at Wits Technikon. Almost immediately he boarded an aircraft for Tokyo — his first flight. Two days later, representing the youth of South Africa, he spoke at a world environmental congress — his first speech.

Concerns

Few in the audience would have detected the trembling hand. He had written and re-written his paper and had practised reading it in front of the mirror and in front of critical friends. He had even taken an elocution course.

This week Daniel Ntsala is again facing an international audience — this time in Harare. Next month he'll be in Belgium. A month later, France. Next year, Rio de Janeiro.

Six years ago he was still at school in Bophuthatswana. He was interested in wildlife and won the matric class prize — an eight day course in ecology in the Pilanesberg National Park.

"The experience changed my life," he said. Today he has a wide knowledge of environmental concerns — mostly self-taught.

From the end of the month he will be jobless, his temporary job having expired. He claims to be unfazed but I detected a note of anxiety when he said: "I'll find another."

At the invitation of the United Nations he is currently

debating in Harare the main environmental needs of southern Africa and how international youth can help.

Two weeks later, in Brussels, he'll be sharing a platform with names such as Jesse Jackson, Nelson Mandela and Gro Harlem Brundtland whom he met in Tokyo. This time he'll be looking at Africa as a whole.

In December, in Paris, he will help prepare a regional paper for next year's "Earth Summit" in Brazil.

Mr Ntsala paid his own way through the Technikon by working at a platinum mine near his home of Sautspoor. At Wits Tech he joined Aiesec — Aiesec being the French acronym for the Association of International Students and Management.

Mr Ntsala said: "I was interested in economics and soon discovered how you can not have sound economics without a sound environment."

His Aiesec portfolio was community involvement and it was his work in this field that decided the Foundation for Research and Development in Pretoria to sponsor him for Tokyo. The Star also helped.

"It was a tremendous experience," he said. "At the Tokyo conference I did not see another black face for two days."

"The whole thing was a huge culture shock: breakfast, for instance, was raw eggs and rice — eaten with chopsticks. I've practised with chopsticks since but still can't eat raw egg with them!"

He was appalled at the sight of people in a restaurant scalping live monkeys to eat their still warm brains. "I walked out and it took some time for my appetite to return."

I asked him whether he felt black communities were interested in conservation in South Africa. He said that while the intelligentsia and the main political bodies had recently drawn up statements committing themselves to conservation, many were reluctant to join existing institutions whom the masses perceived as being indifferent to their immediate needs.

Crammed

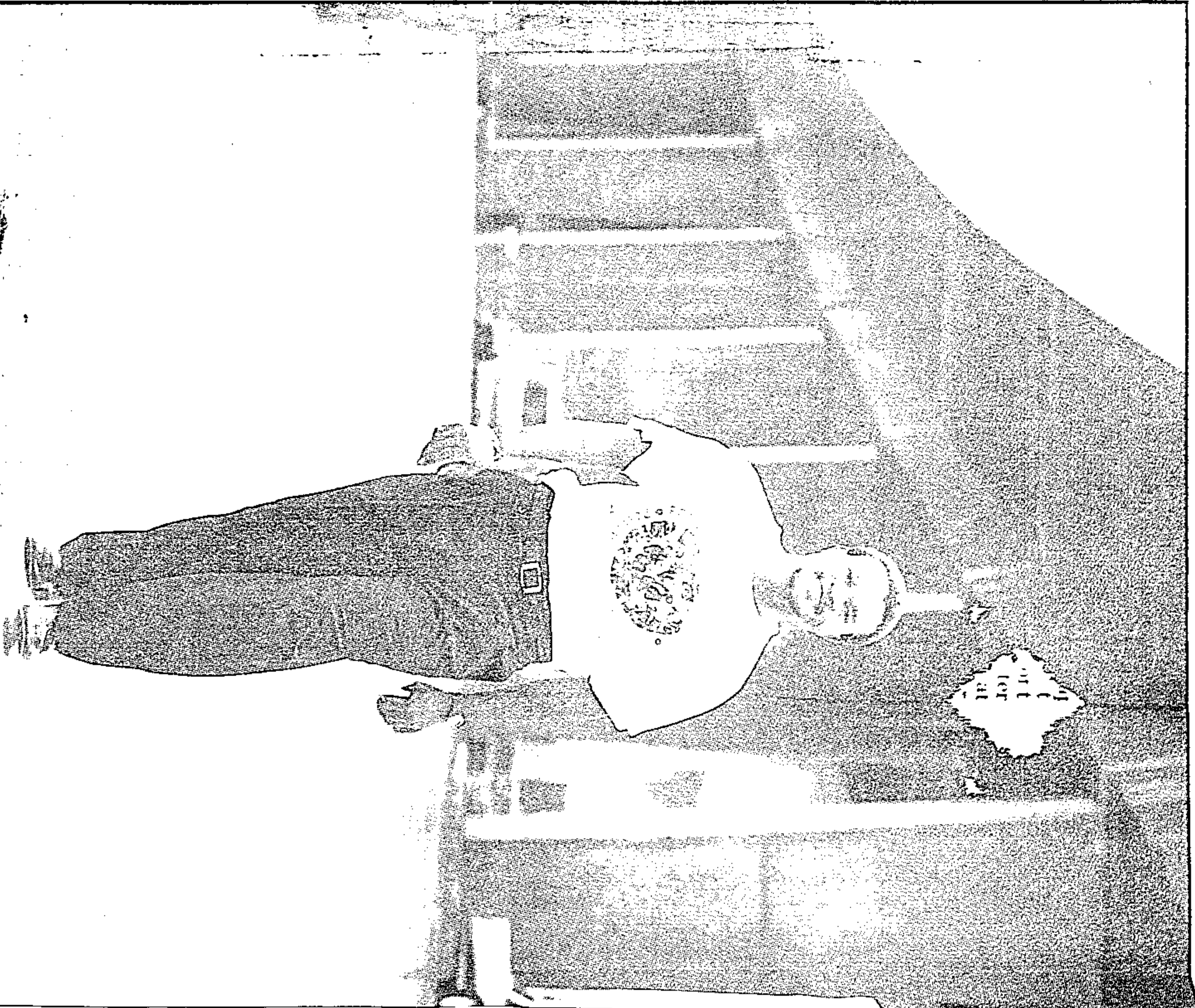
But he saw positive signs, even in the rural areas: "At last, game reserve authorities are beginning to consider the people living over their fences."

"The old conservationists never appreciated that to a black rural the setting up of a game reserve represented a loss of traditional grazing rights, access to water and thatch grass... people became crammed into small and often fragile areas which soon became overgrazed and conservationists then scorned them for being 'poor farmers'."

"People, uprooted from their traditional land, felt their stay in the new strange lands could only be temporarily so they had no interest in filling up the dongas."

His personal ambition? "I want to educate communities."

JAMES CLARKE



Daniel Ntsala — destined to go far in environmental affairs.

Picture: Karen Fletcher

Travel company wants big slice of business

By ALLMPHAKI

BY now a lot of black companies like National Sorghum Breweries, Naf-coc and Afsure, just to name a few, have become household names.

But who does their travelling arrangements?

Well, the "new kids on the block", African Travel Services, does. This company has a majority of black shareholders and intends making great inroads into the hitherto whites-only travel industry.

Less than a year old, the company is a big black grouping in the South African travel industry. It looks after the travel arrangements of the above-mentioned companies.

The joint managing director of the company, Mr Sydney Malabie, says the travel industry is very big but the black presence in it is very small.

A former teacher who holds both a B Com and MBA degrees, Malabie

would like to see his company being used mostly by blacks and their companies as their own travel agent.

"We offer the normal business of doing both the domestic and international markets, arrange special tours like educational ones and do offer leisure packages as well," he said.

Response

Although, he says, the response so far has been encouraging, he feels the company can do much better than at present.

His main gripe is that most white corporations who preach black economic empowerment, seldom put their money where their mouths are.

"Most white corporates promise to give us business and it all ends up

with them signing on the dotted line and we never hear from them again. If they give us any business at all, it is only what we would describe as minor business or tokenism.

"This is totally unacceptable as we are gunning for meaningful business. No amount of tokenism whatsoever would do," he says.

Malabie said another problem was that most white corporates want them to offer "unusual" packages, which as a new company they cannot afford.

"We want them to accept us as equals with other established agencies and not expect any miracles from us," he said.

SD wefer 26/9/97
Malabie was also concerned about the general ignorance among blacks of the existing packages in travelling.

Players

He said they want to develop the travel industry within the black community and also set up some career-oriented packages for black pupils in Standards 9 and 10.

"We are having ongoing talks with various

176
Players in the industry to teach our children all about this industry. One can become a pilot, hostess, etc, but they do not know how to get there," he said.

The company's headquarters are at 150 Jeppe Street, Johannesburg, with associated branches in Durban, Port Elizabeth, Cape Town and East London.

"There are four consultants here in Johannesburg.



SYDNEY MALABIE



WORDS, WONDERFUL

IN THE new South Africa . . . nonracial democratic SA . . . reforms . . . change . . . apartheid legislation exists no more . . . economic empowerment. And so the rhetoric piles up.

Words and phrases that only yesterday came out of agitated minds and passionate hearts.

Today, 18 months since State President FW de Klerk rolled tons of watermelons off his truck, we don't feel the meaning of these phrases any more. They have taken on a life of their own, independent

By ES'KIA MPHAHLELE

of what the speaker's heart is really saying.

They make me think of shining floors that conceal the traffic of termites underneath, working their mischief on the wooden boards. (176)

Where, for instance, does this rhetoric finds its translation in the reality of our lives? Look at the middle-management zone of industry, let alone among the upper crust of executives.

I'm not impressed by the number of promotions

that are supposed to benefit black (black in this article will refer to all who are not officially called white).

Yet big politics, big business, seminar enthusiasts, the grey-suited profession, the citizens who march and demand - they all utter these incantations. And they feel happy that they are not going to do anything beyond the lofty resonances of the song and the promises it carries.

"We've to provide housing for the rising black middle class," I hear whites saying over

and over again between sips of wine or at seminars where they dazzle their audiences with transparencies projected on the screen. "And we've got to open our schools to their children."

And so the sharks called land developers rush in. Building societies smack their lips in expectation of plenty.

In double-quick time houses are snapped up by new arrivals, who only then realise that their salaries have never been intended to match the positions they theoretically hold on the job, nor the vision of "a new SA".

The banks, the companies, the building societies that provided the loans send out notices, reminders, threats, summonses.

Repossession's jaws begin to work, ready to swallow the houses.

Sowetan
Frustration
26/9/91

I'm a great believer in training on the job. But the politics of this country, including Bantu Education, have rendered us unready for anything except frustration.

Being aware of this, is industry really straining itself to train busloads of

blacks in management, communication and technical skills? Skills that can be absorbed by the community right now, - plumbing, welding, brick laying, motor mechanics, paramedics, medical technology.

We need affirmative action.

Affirmative action in countries where racism fills the air like the toxic waste gases says that blacks, as a community deprived for generations, either by law or custom or both, must be given preference over the privileged in employment. Especially in the public sector -

civil service and parastatal enterprises.

There are quotas set by law. For this number of persons of this colour or race you shall employ so many persons of that colour or race.

To leave employers to their own moral or human judgment in this regard is to leave the matter to the fate of the lambs stupidly left in the care of the fox.

Tell that to a young woman I know who with a master's degree in mass communication has been without employment for the last 10 months.

Tell it to the African field worker in an education establishment whose employers, in spite of her university degree, saw to it that she is not on the managerial track in any of the departments. She will stay there until she develops arthritis, alas!

Tell it to the highly qualified men and women returning from exile . . .

White liberals and self-avowed radicals have a way of building into their own jobs safeguards against any black who may threaten to make them redundant or be a tough competitor.

Bawl out

The great ranking in this respect is the "non-racial democratic" loud-speakers from the other side which bawl out: "Reverse racism!" - as if black and white security should not be threatened by fair employment practices, fair housing and affirmative action. Then it's a country not worth aspiring to.

The other side of this coin, equally ugly, shows us white establishments hiring blacks for the express purpose of seeing them fail.

They can always say afterwards, "Well, we've tried. . ." and their sins are forgiven.

We keep moaning that Bantu Education has crippled us, as a result of which we lack the skills white people have acquired and can sell. Of course we do: did you think Verwoerd was playing jukskei?

Being fully aware of this catastrophe, industry should be pouring money into massive training - not only for use by independent institutions out there but also for in-service education and training.

Another institution that must be exposed is the non-governmental organisation.

Several whites who have climbed on the non-racial bandwagon establish education or welfare project for blacks (not with them). Because it's white doing for black, prospective funders see in such a project director credibility on two legs, a shining example of social conscience.

Whites are then hired

* To Page 21

SHADES OF SUMMER



Far Left: Floral viscose shirt as shown. Price: 72.00

Twirl bermuda. Available in Stone and Navy. Price: 50.00

Centre left: Cropped T Shirt with border and neck detail. Also available in all over print. Price: 70.00

Knit skirt with waistband detail. Also available in all over print. Price: 70.00

Centre right: All over print T Shirt. Also available in placement print. Price: 45.00

All over print knit skirt. Also available in placement print. Price: 50.00

Right: Cotton shirt with pocket detail. Available in Pumpkin, Olive and Stone. Price: 60.00

Denim jean as shown. Price: 60.00

Braamfontein, Carlton Centre, Cresta Centre, Randburg, Southgate, Westgate, Highgate, Kempton Park, Alberton, Benoni, Verwoerdburg, Gezina, Sanlam Centre, Arcadia Centre, Esselen Street, Witbank, Potchefstroom, Bloemfontein, Nelspruit, Welkom.

match
A Statement in Style

This coupon entitles you the purchaser to a 20% discount on your first purchase when opening an account at a Match Store. Bring this advertisement into your nearest Match Store to qualify.

20% OFF
Valid from 26/9/91 to 31/10/91
Not redeemable for cash.

match

WORDS BUT THAT'S ALL

so we can
From Page 20
26/9/91
for key positions in the project, benefits are built into their salaries to make them feel they are indispensable.

They're entrenched, and black employees are slotted into the minor jobs as functionaries. Upward mobility? Forget it!

Whites are in the lead again and run away with the nonracial democratic ball!

There's no way we can take charge of the process of giving meaning to these terms. Not as long as race and colour determine upward mobility, rather than potential plus one's willingness and ability to train on the job.

A black nation builder conceives a brilliant education programme.

He takes his proposal to a funding establishment that controls millions from local or international sources.

The establishment asks for one particular after another concerning the proposal and the project. The more the applicant's board explains, the more questions are asked. Eventually the answer is, "we regret..."

Then it becomes known that the same institution has funded a white person or establishment to the tune of not less than a million for a project ostensibly created for the "underprivileged".

Eats up

More money is collected in our name, and soon the administration department balloons and eats up more from the treasury than the programme and its activities.

They were born on the sunny side of the street, so funds will keep rolling in.

Reason for this rejection? Perhaps the funders regard us as unreliable with money?

Or they reckon that the blacks are more likely to make a success of an institution in social surroundings they know intimately than the favourite white "horse" they've bet heavily on?

Often the two reasons are intertwined.

When the hidden agenda is not related to race, as the case of a funding establishment that is controlled by blacks, then it is sure to be that the personalities steering the project emphasise the importance of black leadership rather than the funders' perceived meaning of nonracialism.

The merits of the nation building project and its commitment to black liberation and empowerment become irrelevant to the funders' hidden agenda and unspoken political sympathies.

You may ask: "Are white experts not supposed to be moved by

their social conscience to work for blacks?" To which I shall reply that the genuinely public-spirited white who is committed to nation building will move into a black milieu to offer his or her services, and first identify blacks to work with.

Whatever leadership the person puts into the project, he must allow black leadership space and time to express itself.

Asset

This is the level at which white expertise becomes an asset rather than the liability it often is to us.

Not all funders are guilty of this kind of racism or politics, but too many of them are.

The habit of marginalising blacks even while we are kept on the job has become something of a chronic disease in South African society. It is deeply rooted in its psyche.

A concrete example at the survival level can be observed in the system that has kept Africans on the fringes of city and town life, pushing back the boundaries even further.

Rural people are forgotten communities. We even forget that they are marginalised by the political authority whenever development is discussed.

Black academics are seldom seen as an integral part of the mainstream intellectual life. Only white poets, novelists, dramatists and critics acknowledge their black counterparts.

There is a small but solid core of white writers in this country who are heart and soul men and women of culture.

It is in the social, natural and mathematical sciences in the "open" universities, let alone in the Afrikaans academic fortresses, where the stink circulates.

Ignored

Here black academics are looked down on or just ignored, or tolerated, or replaced by token appointments that will win the university credibility in African political circles.

We have educationists, sociologists, psychologists and historians whose works and Press statements seldom receive recognition in their respective disciplines.

Research, too, has for decades been in the hands of the white cultural establishment, and our aspiring scholars have been left out of the running for the acquisition of funds.

We study texts by whites that come out of research based on African life and history, write university examinations often set by the same authors or monitored by them, and footnote the same sources

that ignore our scholars. And so the cycle of exclusion continues, quite shamelessly.

We even get to believe that our scholars are an inferior species.

Until 1990, when the Council for Black Education and Research and Fund Centre established seven research fellowships, followed up with seven more in 1991, black researchers were largely based on university campuses.

Even then, too little of such research deals with live issues, so that most of it remains no more than an intellectual exercise.

This is not to knock the

quality of all scholarships that have gone into dissertations coming out of black universities.

My aim is rather to emphasise the need for wholesome relevance and analysis rather than historical post-mortem narrative.

The black academics in these white institutions teach all right, but they are a pathetic minority and can't constitute an intellectual force at all.

Decisions are made in suburban lounges, and at the campus committee meeting notes are passed under the table.

The formula for marginalising black academics

becomes easy routing when you look at it closely.

Yet we slump back and despair, because this game is way beyond our league.

I know a lot about marginalisation in the "open" institutions. I've been there!

Good old liberal Wits. It is not the only "open" institution with an inner virus of racism gnawing at its vitals, in spite of the big smile and the grand gestures we observe up there on the balcony.

It is nevertheless an inspiring act of good sense on Wit's part to appoint Aggrey Klaaste to the Council and to award an

honorary doctorate to a freedom fighter of Dr Nelson Mandela's stature.

We give him a standing ovation and join in the tribute.

Wits must go beyond, however, and employ more black academics, create more black professorships.

Efforts must be made to track down potential academic personnel instead of relying solely on advertising.

The "open" university must stop marginalising black administrative staff, too, if it wants to see the new South Africa.

Having said all this, I'm constrained to ask: What

are we blacks doing to jack ourselves up in our own esteem, as we, rather than whites, perceive ourselves?

What are we doing to assert our own intellectual and moral being, so that it becomes less and less easy for cultural Establishment to assign us to the twilight zone of marginalised people?

Why do so many black enterprises collapse after walking but a short distance? Are we destined to remain a nation of dependants, looking up to Government to provide material resources plus initiative, and even plan for us?

CHEAPER THAN CHEAP

<p>INFANTS Printed T Shirt ONLY R 2.99</p>	<p>BOYS Printed Jammies ONLY R 5.99</p>	<p>MENS Printed Jammies ONLY R 9.99</p>
<p>GIRLS Striped Short Set ONLY R 17.99</p>		<p>INFANTS Dress & Pantie Set ONLY R 9.99</p>

WHILE STOCKS LAST

CASHOP

GETTING FACTORY PRICES

<p>HILBROW SHOP NO.1 KOTZE STREET</p>	<p>BRAAMPONTEIN 17 MELE STREET</p>	<p>CARLTONVILLE SHOP 22 CHECKERS CENTRE ONIX DRIVE</p>	
<p>BERTRAMS SHOP 11A/B CHECKERS CENTRE CHR. BEZUIDENHOUT & FULLER ST</p>			<p>GERMISTON SHOP 54 STATION BAZAAR RAILWAY ROAD</p>
			<p>SPRINGS SHOP 108 2ND AVENUE</p>
			<p>BRAKPAN 514 VOORTREKER ST 72 STATION RD</p>

Fabcos' quest to advance blacks

THE rapidly growing Foundation of African Business and Consumer Services (Fabcos), representing the majority of the informal sector organisations, has made tremendous strides towards black economic empowerment.

Fabcos has established a black Bank, Futurebank, to open in November, introduced a Smartcard - a prepaid value card which will introduce cash free travelling to its affiliate Sabta's 55 000 taxis and signed a deal with a major catering group, Fedics, to sell food in the townships.

The three projects, to benefit hundreds of thousands of their members, will herald a new era for the informal sector that is estimated to be contributing millions of rands to the country's economy.

Southern
Focus 26 (9/9)

The bank, which is an effort between Fabcos and FNB's Westbank, will focus primarily on the investment and installment credit needs of the individual as well as developing informal and formal sectors of the South African society.

It will, however, be a primary objective of the bank to ensure that suitable blacks are recruited and trained so as to fill senior management positions.

Speaking at the signing ceremony of the Futurebank, chairman-designate Mr Jabu Mabuza, managing director of Fabcos, said the bank was another step towards black economic empowerment.

The board of directors consists of 12 members, six of them black. The bank will have a black majority shareholding and initially key personnel will be seconded from Wesbank.


By JOSHUA RABOROKO

Mabuza said: "Yes, we will participate in the mainstream, but we have to chart a way for this mainstream. We have to be assured that this mainstream leads to the African economic lake and finally to the world seas."

Wesbank's Mr Neville Watchurst, who becomes FutureBank's managing director, said the establishment of FutureBank was the forerunner of many arrangements which would emerge in the banking industry.

The new bank will be innovative, seek to fill the void in the present structures that have prevented all the people of South Africa from participating in the economy.

FutureBank will have a number of branches in strategic locations. Where the bank is not represented, Westbank will provide the necessary service.

Anchor

The Smartcard scheme, in which the FNB provided anchor sponsorship, was born of a consortium, in which includes Fabcos, FNB, Smartcard Supplier International Resource Technology and the Pretoria-based EG Chapman.

Fedics and Fabcos have joined forces to promote black business by forming Fabfoods, in which the catering company has a 40 percent shares and the organisation 60 percent.

It will develop the catering in black areas, by identifying entrepreneurs and the informal sector operation that could benefit from training and development in food service.

Black ^(17b) progress threat to yuppies

JEAN LE MAY

Weekend Argus Reporter

BLACK executives are being appointed to management in public relations, communications and human resources more than in other areas, according to Dr Peter Franks of the Human Sciences Resource Council.

"It is in these so-called soft areas that whites in the upper echelons of middle management are now at threat," he said in an interview.

Dr Franks, manager of the HSRC environmental management division, was commenting on a situation referred to him by Weekend Argus.

This involved a senior man with long service in the public relations division of a large company who was transferred to the Witwatersrand 18 months ago on the understanding that he was to become head of the group's PR division.

"To my surprise, the job was given to a black executive brought in from outside," said the man, who asked not to be named.

"I have nothing against my new boss personally and in fact he's doing an excellent job," he went on. "But it's a signal to me how fast things are changing in the new South Africa. It used to be the blue-collar workers who saw a threat from black advancement. Now it's the yuppies."

Dr Franks said companies were genuinely acting in their own best interest by appointing black managers in these sensitive areas, which involved communication within the company and labour relations as well as the more visible aspects of PR.

It was not simply a matter of promoting blacks so that the company could look good as supporters of affirmative action, he said.

"I find that in many companies white managers are under the impression that communication means giving orders," he said. "The advantages of employing a black in these circumstances are undeniable."

He added that a dearth of blacks trained in the professions involved in actual production, such as engineering, was not the only reason why blacks don't get senior jobs on the production side.

It was because "many of the white workers won't accept black supervisors on the factory floor". This attitude delayed black advancement within the company at lower levels, he said.

given environmental impact study was done first.

STENOGRAPHER JACKSON'S FATHER
Mrs. Robb said that a major change had been made in the zoning only after the non-centre could be among the envisaged developments.

Council: 'Racial Workforce' study

(176)

THE executive committee of Cape Town City Council is considering whether to appoint two Stellenbosch University professors to do a study on "affirmative action", at a first-phase cost of R20 000.

The two are Professors H Glidenhuys and E Schwelha of the Department of Public Administration.

This information is contained in the final report of the ad hoc committee for an open Cape Town.

The report notes that concern has been expressed in respect of the racial imbalance in the composition of the council's work force, especially in the higher levels.

A suggestion has been made that "consideration should be given to implementing positive measures to redress the deficiency of opportunity in the past which has led to the imbalance, without sacrificing standards of

efficiency".

Due to the sensitivity of the issue, the report notes, the professors were consulted and asked to provide a brief as to how the council could approach various matters, including affirmative action in relation to staff appointments.

They have duly produced their brief, which is now being considered by the executive committee. The press has not yet had sight of this, as it is on green paper.

However, there is enough already known to make a few general observations. Firstly, there is indeed an imbalance in the racial composition of the council's work force, in that virtually all senior council officials are white.

This reflects a more general imbalance in our society. But should the council, or anyone, adopt "affirmative



CIVIC DIARY

By PETER DENNIEHY

action" policies?

It seems to me that this would imply taking people's race, or the colour of their skins, into account when considering whether they should be appointed to posts. Losing out on a job opportunity because of inability to speak an indigenous language is one thing, but colour discrimination is another.

As far as I understand it, the non-racial movement has been fighting for a situation where the colour of one's skin is of no more significance than the colour of one's eyes, to bor-

row a phrase from Bob Marley.

Reverse discrimination is clearly not in line with this, and it opens up a can of worms. How far does one go in redressing ills of the past? Does one stop after ceasing to perpetuate the past ills of one's own institution, or does one go further and take "positive action" to redress those of one's own and of other institutions such as the education system?

One problem with "affirmative action" is that it might well succeed in making our society appear "rebalanced" long before it is in fact so.

It seems odd that the ad hoc committee, which seems excessively sensitive with regard to affirmative action, does not show the same sensitivity about tightening up residential standards now that black people can legally live in previously white areas.

SOWETAN BUSINESS

Black brokers take another step forward

Sowetan

3/10/91

(176)

BY JOSHUA RABOROKO

AFSURE, the first black brokerage company, has taken another step towards black economic empowerment by launching Unity-Afsure Brokers.

The new company, to operate within the group, will tackle some of the following risks: financial planning services; retirement planning; education investment; business insurance; and partnership. Speaking at the launch managing director Mr



GABY MAJUBA

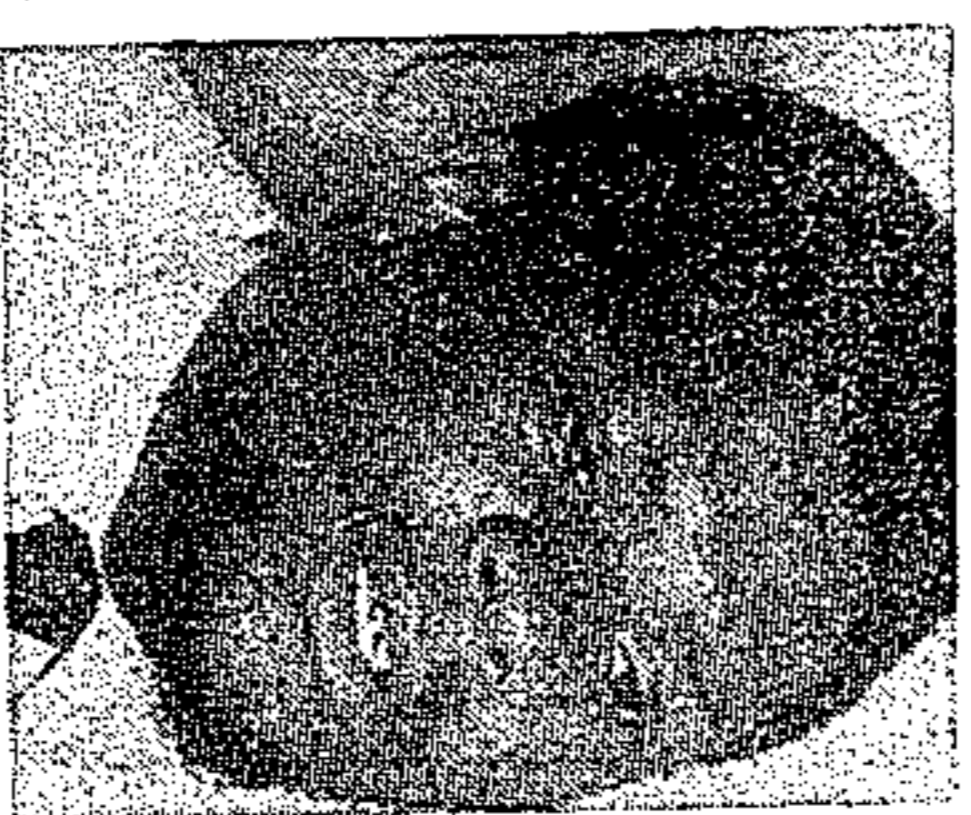
Gaby Majuba said: "Our people have been subjected to bad conditions in the purchasing of life insurance and related products.

"Many fly-by-night operators got involved in the industry and totally misrepresented the benefits of the industry. It is with this background that we at Unity-Afsure see ourselves as the professionals to remedy the situation."

Evolving

Since inception the Afsure Group has committed itself to evolving insurance products that meet the needs of various sections of the community.

To this end Afsure has developed, among other schemes, products for: the National Stokvels Associ-



KEHLA MTHEMBU

ation of South Africa, the Southern Africa Black Taxi Association, National Soccer League and several black local authorities.

The board of directors consist of Mr Gaby Magomola (group chairman); Mr Kehla Mthembu (chairman); Majuba (MD); Mr Matthews Magafe (administration director) Mr Audrey Mkhabela (marketing director) and Mr Alan Hackett (director).

The company's goals are to be the first-choice life assurance broking company in the black market; to earn the esteem of clients through a professional and highly ethical broking practice; to contribute towards black economic empowerment by maintaining an equitable work environment that encourages, recog-

nises and reward success and identifying visibly with the communities.

Mtembu said finding solutions to the problems of economic disparities would require the restructuring of the country's economic system.

"The majority of life assurance is underwritten by blacks, hence action for the empowerment of black life assurance brokers should be put in place as a matter of urgency," he said.

"Black participation in the country's economic mainstream is growing. It is within these developments that people with a common purpose came together to establish Unity-Afsure."

Black business is moving into the CBD

8/10/91 3/10/91
THE past three years have seen interest and uptake of small space, primarily in the Johannesburg CBD, by black business, says JH Isaacs director Steven Kesler.

"We are seeing the beginnings of interest from emerging small businessmen.

"More businesses operating in the black markets have moved into or are in the process of taking space in the CBD," he says.

A feature of the Johannesburg CBD is that as existing tenants move into better grade space, such as from C-grade space to B-grade space, black tenants are moving into the vacated space.

Many of the black entrepreneurs are taking shorter leases of between one and two years and need to be educated about the function and purposes of leases and their legal and financial implications, Kesler says.

The Indian business community is also interested in the CBD and has been buying existing buildings.

"The new SA, with substantial black representation in Parliament, could see more contractual government business being awarded to the black business, which will result in good growth in this area over time," Kesler says.

Many Indians have, like the institutional markets, taken a long-term view of the property market in the CBD and have implicit faith in the value of this property as a hedge and store of value.

Some properties have been bought at a good price for refurbishment and redevelopment by Indians.

The CBD remains the focal point of business and retail shopping for the black consumer, Kesler says.

"Therefore, the area has tremendous potential."

Hint of change in hardline ANC policy

Biday

3/10/91

ROBERT GENTLE

THE conference tomorrow of the ANC and its allies could see the first signs of change in the ANC's hardline policy on sanctions and new investment, ANC's Don Mkhwanazi hinted yesterday.

Mkhwanazi, member of the ANC's department of economic policy, said at the retail financial services conference yesterday that the stance on new investment and sanctions would be "considered" at tomorrow's meeting.

If government moved quickly on outstanding issues in the reform process, the ANC would call for new investment.

Asked whether the perception that the ANC was not wholeheartedly committed to free market principles might jeopardise future foreign investment, Mkhwanazi said: "I know of three multinationals who have said that if the ANC calls for new investment, they would do so tomorrow."

Mkhwanazi described the SA financial system as the exclusive preserve of whites. There were virtually no blacks in the audience, and the only blacks at the JSE were cleaners, sweepers or messengers.

He called for financial institutions to revise their lending criteria to make it easier for black entrepreneurs to obtain finance. He accused certain banks of "stealing ideas" from local black savings clubs like Stokvels and engaging in unfair competition.

"What we need is a strong, vibrant, efficient, disciplined and responsive financial system that is closer to the people; not a racist, aloof, apathetic, distant, inefficient and ineffective financial system," said Mkhwanazi.

Reserve Bank governor Chris Stals told the conference that financial institutions in the new SA should not be "for the rich alone". Special economics adviser Japie Jacobs said a "broader spectrum of the population" must have access to the financial markets.

JABU MABUZA

Time to wake up

FM 4/10/91

176

Those who know Jabulani Mabuza were not surprised by his appointment as chairman of Future Bank, a partnership between First National Bank subsidiary Wesbank and the Foundation for African Business and Consumer Services (Fabcos). Though he's only 33, he's been a driven businessman for years.

Intense, confident and dedicated, Jabu Mabuza's plea is for big business and government to notice the vital role that can and should be played by an upcoming generation of young black businessmen.

"They must wake up now and reach out to us before it is too late. We want to co-operate and form alliances, but then white business must also take the initiative."

And though he acknowledges that apartheid has skewed the playing field, he also has a straight message for the emergent black business community. "They must stop belly-



*Mabuza ... both hands
in business*

aching, moaning and blaming everyone else for their misfortunes and take responsibility for stimulating the economy and thus contributing towards the generation of wealth."

Mabuza holds twelve directorships and was appointed CE of Fabcos Marketing in December. But it was no easy ride. Expelled from high school in Komatipoort in 1976 for political activities, he matriculated in Durban two years later. During school holidays, he drove a taxi and later became an organiser for East Rand taxi operators.

After a stint with A C Nielsen as a market researcher in the field, he bought a taxi in 1985, joined the Black Taxi Association (Sabta) and then became a consultant and

later the group's communications manager.

When Sabta helped form Fabcos in 1988, he worked on its public relations. By January 1990, he was joint MD of Fabcos, which represents about 1,5m black business people in the formal and informal sectors, from hairdressers to insurance brokers.

The catalyst for the creation of Future Bank was the interconnection of Sabta, Fabcos and Wesbank, which finances most of Sabta's combi purchases for individual members. Fabcos's computerised national clearance bureaux handle most financing applications before they get to Wesbank.

Says Mabuza: "Future Bank proves that black business and white capital together can pool their resources and form partnerships that will show the way to a prosperous and profitable future."

Mabuza is outspoken in his support for free enterprise and opposition to socialism. "I agree with Ntatho Motlana of the Get Ahead Foundation, who says real power is economic power and political power is born from it. Without a strong economy and economic growth opportunities for all South Africans, political power will be an empty shell.

"But government and big business must wake up to the fact that they have to open their doors to greater black participation on a partnership and joint venture basis. We are ready and waiting, but big business must now grab the opportunity with both hands, before it is too late." ■

ANC calls on small businesses to meet their social obligations

By David Canning

Star 4/10/91

DURBAN -- Small businesses will soon be called upon to meet their responsibilities for social upliftment, Don Mkhwanazi, president of the Black Management Forum, said in Durban.

Mr Mkhwanazi, convenor of the ANC economic task force in Natal, told The Daily News/SBDC Small Business Conference that small business had largely escaped attention regarding social upliftment and black economic empowerment because the main focus had been on large companies.

This would be short-lived.

"If small businesses do not take a pro-active approach, the might and pressure of the dis-

advantaged masses will be felt sooner rather than later," he warned.

There was a general impression that small businesses were the worst employers and exploiters of the people.

Yet small to medium-sized businesses were well poised to make black economic empowerment a reality. This included potential for joint ventures and partnerships, hands-on management training, and worker empowerment.

Worker empowerment would include educational assistance for employees' dependants, training of the workforce, sharing of information, housing subsidies and loans.

There was no reason why

small business should not also be involved in social upliftment.

Turning to the SBDC, he said the organisation had to correct a perception that it was a "white" institution serving white interests.

Its non-racial approach must be reflected in its management structures, number and value of loans and assistance to black-owned business.

Whites accounted for about 74 percent of loans in value terms and blacks for only 14 percent.

Another criticism was that the SBDC was no longer a lender of last resort but was directly competing with, and no different from, the conventional banks.

R250-m trucking deal for black entrepreneurs

Steve 4/10/91
Finance staff

Black business received a major boost yesterday with the announcement of a R250 million truck financing scheme by Nedfin, Finansbank, the Southern Africa Hauliers Association and the Foundation for African Business and Consumer Services (Fabcos).

The Hauliers Association (Saha) said the finance package will provide huge financial bene-

fits to prospective trucking entrepreneurs and others seeking to privatise their transport divisions.

Saha president Sydney Mahlangu said there were about 2 000 independent truck-owners in black areas but most were small-scale operators.

Mr Mahlangu added that finance will be provided only to those businessmen who had been granted transport contracts.

R250-m aid for black

hauliers

Star 4/10/91
Finansbank, a subsidiary of Nedfin, has pledged to make R250 million available to finance black haulier operators.

Speaking at a news conference in Johannesburg yesterday, Hilton Payne of Nedfin said the gesture committed his company to the concept of black economic empowerment.

The president of the predominantly black Southern Africa Hauliers Association, Sydney Mahlangu, said the pilot scheme would benefit at least 700 members.

He said finance would be offered to potential truck owner-drivers, and contracts then negotiated on their behalf with businesses such as petrol companies to ensure constant markets for individuals. — Sapa.

SOME economic forecasters have suggested that blacks could hold 80 percent of the disposable income in South Africa by the end of this decade. This policy of black "economic empowerment" is moving hand-in-hand with political emancipation.

But there are still a number of barriers in the way of would-be black businessmen, says Joas Mogale, secretary-general of the Foundation for African Business and Consumer Services (Fabcos).

"The scrapping of racial laws does not have a magic effect in practical terms. The need is to change ingrained attitudes now that the legislation has gone," Mr Mogale told Business Times.

"We have got to integrate the economy in South Africa to a very significant degree. This involves drawing the maximum number of blacks into the mainstream of that economy. There has to be a deliberate action on the part of the corporate world and the public sector to do so, because small business has a significant role to play in

Drawing blacks into mainstream of SA economy is top priority

S. Times (Bus.) 6/10/91

wealth and job creation.

"Universally, it is the small and medium-size businesses that produce the maximum number of job opportunities in any economy so that we have to pay more attention to the cultivation and development of that sector in South Africa."

A second key constraint on the growth of black entrepreneurship, says Mr Mogale, is a lack of skills.

"Most small business operators have gone into business out of sheer necessity, to make enough money to survive. As a result, most of their businesses thrive on being run by a form of rule-of-thumb method.

"We need a massive programme to help upgrade the skills of particularly the adult black population which has years of experience but needs some of the rough edges smoothed out. This would help adults to become more efficient and effective."

The third element is finance. Mr Mogale argues: "There are no financial mechanisms in place to ensure that small business — which is synonymous with black business — is properly financed. Blacks are still disadvantaged in this regard."

"Unless we put in place proper mechanisms that will

assist black business with finance, with perhaps the private and public sector contributing towards a central fund that will subsidise small business activities, black businesses are always going to be facing the problem of procuring finance."

Mr Mogale is an executive on the board of directors of the SBDG and a member of its Small Business Week

National Committee. He also holds a series of company directorships.

He notes: "This year in particular Small Business Week has gone a long way towards making the public aware of the contribution that small business can make in terms of jobs and wealth creation in our black communities.

"We can build on that awareness once the public understands the impact that small business can make."

An avowed "free marketer", Mr Mogale insists: "We want to see an integrated economy in South Africa, where we can plug into the skills and the capital of the formal sector and benefit accordingly.

"But unless both the private and public sector do everything in their power to ensure that blacks actually participate in the free market system, blacks are going to ultimately reject it for the simple reason that they have seen it operate to the benefit of others, while they have been deliberately excluded from its benefits up to now."

WEST RAND PI STANLEY L M COX SALE (PROPRIETOR)

Manufacturers and suppliers of:
POLY BAGS, TUBING AND
— PRINTED OR PL
ALSO IN SHRINK MAT
VARIOUS SIZES OF NURSERY BA
Orders manufactured to customer's

PHONE: (

STANPAK HOUSE,
13 MESELAAR STREET,
ROODEPOORT.

ROODI



"STANPAK"



MAKING YOUR LIFE A LITTLE EASIER.

Due to the general feeling that the innovative message from Dr Gail Molokoti delivered at the Eskom/Sowetan Woman of the Year luncheon should be heard by as many people as possible, we publish her speech today. Dr Molokoti is the intra-organisational communications manager at Eskom, and she was the guest speaker at the function.

(Handwritten scribbles) 176 (Handwritten scribbles) Sowetan 7/10/91

"Allow me to quote from the Women's Charter drawn in 1954: 'We women do not form a society separate from men. There is only one society and it is made up of both women and men.'

Therefore, it is important that we realise we form part of a larger South African society and that whatever we do is not in isolation but part of the total picture. This means that as women are to contribute to the total picture, we need to start thinking community, nationally and globally.

As we approach the dawn of a new age, the role of women cannot be viewed as the beginning of an era. Women have been partners in all spheres of mankind's existence, and the role and responsibility of women in nation building can only become better and stronger.

African women who have stood by their men in the struggle to end apartheid will continue the partnership born of oppression. That partnership has ended up in the formation of a 'new' South Africa, hopefully characterised by 'freedom for all' which is another catch phrase.

We need to change our attitudes about ourselves. Even though attitudes and values cannot change overnight, there is room for transformative actions. Transformation must begin with the self. Change comes from within. It is only when you feel good about yourself that you can begin to be creative, achieve your dreams, face the world with confidence and begin to build the nation which, at times seems to be disintegrating and drifting apart rather than standing together.

Ladies, we need to be visionaries and have visions. Dr Ian McRae, Eskom's Chief Executive, says: 'Real visions originate from threats and the challenges arising from those threats.' We live in an unusually threatful social environment.

It was out of these threats of neglecting our handicapped children in the townships that Aileen Ntuka (one of the finalists) established a school, workshop and a clinic for epileptics in Bloemfontein; that Doreen Selekané started a training centre for the mentally retarded in Katlehong and all the courageous women nominees for the 1991 Woman of the Year award.

You may not have been an award winner for this year, but you are sure a winner for life. And as the Bible says: 'If you have done it for the least of these, you have done it for me and keep on implementing your visions for the good of your nation.'

History is full of African women who have accepted their responsibility and performed their tasks with pride and success. The greatest challenge facing women today is whether as a woman you want to be part of that history or not. Let not your visions be hampered by ideology and intimidation. It is only through a concerted effort that women can give momentum to the challenge of building the nation.

Get busy with your visions and start reaping the benefits. Remember, never take 'no' for an answer because for every 'no' you receive, 'yes' is just around the corner. I think at this stage you and I need to have a personal talk, because I believe that regardless of how successful you may be, you are still an African woman, a mother, a sister, an aunt or a gogo.

Let us share some ideas regarding the action plans in which we need to engage.

ACTION PLAN 1. The socialisation created by the family, the school system, the media and the market place will need to be gradually eradicated. We can begin with the school system. As women, we must participate in developing a new educational system. An educational system that motivates people to achieve and gives them equal chance to succeed. You owe it to the children of the future to open new gates for the acquisition of skills such as computers, engineering, physics - the list is endless.

It is very urgent and necessary that we embark on a plan to motivate our children to go back to school. Because once they have an education no one can ever take it away from them. Believe me, in the 'new' South Africa, it pays to have an education. Not being educated will no longer be an excuse.



Dr Gail Molokoti speaking at the 1991 Eskom/Sowetan Woman of the Year luncheon.

ACTION PLAN 2. We need economic empowerment and that means we need to be involved in creating jobs and businesses for ourselves and those around us. The private sector cannot do it alone. Two or three women can create a joint venture, that means that these three women can form a partnership to set up a business.

We do not have to distrust each other although we should not take each other for granted. It is important to know who you are doing business with because some people may be crooked! What we do must be done with the help of an attorney so that the agreement is legally binding.

These joint ventures can involve men and it is essential to also remember that you can set up a business with other racial groups. We must convince the world through our actions that we want to be taken seriously. This means that we must study business methods and know what we are doing.

Every business, regardless of the nature and size, requires that you know business methods and the law to be able to protect yourself. We must not just look pretty. One cannot remain pretty forever. We do age, and I am sure you know what I mean.

ACTION PLAN 3. If you have a marketable skill, share it with your sisters and brothers. Do not keep it to yourself. Sister, you know those people who want to be the only ones with a degree or a big house and of course that lovely BMW which men cynically call 'Be My Wife'. We need to be in the forefront of sharing.

ACTION PLAN 4. We have an important role to play in a changing South Africa which means we must get organised and united because divided we can be destroyed. We must belong to various and professional organisations. These or-

ganisations will help us network and keep informed in the areas of our interest and the world at large.

ACTION PLAN 5. As women and citizens of a changing South Africa we must be on the lookout to see that the freedom we all cherish and nurture is not eroded by corrupt public officials. We do have civic responsibilities. We must play a role as guardians of that freedom.

Furthermore, we must be gatekeepers of information for ourselves and our children. For too long our children have been bombarded with information that has made us feel inadequate. For too long our children have been fed with information that has caused them to have low esteem, to be demotivated and under-achievers. We need to challenge all information we receive. Let us be advocates of correct information and positive images portrayed to us by the media and any institutions that provide us with information.

ACTION PLAN 6. Leadership is an area where African women have been involved throughout the struggle for equality. We need to attend and participate in leadership training. In the past our role was defined by our struggle for the elimination of apartheid. In a changing South Africa we have to provide leadership across cultural groups.

We must be able to communicate with various cultural groups, we must break cultural barriers. As individuals, workers or businesswomen, we must play roles as communication facilitators. Intercultural communication is an essential means of bringing understanding between races in an effort to create harmony and respect for each other.

ACTION PLAN 7. We spoke earlier about the need for women to get involved in business. Mention must be made that as women we should take advantage of loans provided by corporations and the private sector. We should seek assistance where necessary and those of us who are experts in business should be trainers for the less fortunate.

I would like to make a special appeal to the private sector to set aside special funding for women businesses because Small Business Development Corporations seem not to give women a fair share based on their capabilities. Special funding for women in business is a common practice with private sectors in the United States of America and I believe we can learn from them.

ACTION PLAN 8: let us be involved in the export business, things such as clothing and jewellery can and should form important commodities of our business involvement. Trade missions to neighbouring countries and others not so near should be considered, we can learn from these countries that have achieved greatness - Japan, USA and Europe can provide us with valuable lessons.

ACTION PLAN 9: DRUGS. We need to wage war against drugs. Unfortunately, when we talk about drugs we often exclude alcohol and we have allowed our communities to be infested with alcohol because it is socially acceptable. People become addicted to alcohol like they do to any other drug. Alcohol is not just a drug but a very serious drug. It has destroyed our families and our youth and we can no longer afford to accept that venom socially.

To add insult to injury, we now have mandrax which seems to be the in-thing and we have mandrax kingpins being the envy of our youth and communities because they drive flashy cars, wear the latest clothing and live in splendour. What is the community doing about such role models?

Mother, sister, aunt, granny you have your work cut out for you. Nelson Mandela once said "there's no easy way to freedom". We need to tell our children that "there is no easy way to riches," in fact, to anything. What we achieve should be acquired the old fashioned way. We have to earn our achievements. No achievement is small.

Ladies, I would like to end this talk by reminding you that WE ARE THE WOMEN OF TODAY, TOMORROW. LET US MOBILISE OURSELVES AND LEAVE OUR FOOTPRINTS ON THE SANDS OF NATION BUILDING.

**POWER TO THE WOMEN!!!
"LET PEACE REIGN"!!**



MAKING YOUR LIFE A LITTLE EASIER.

BUSINESS DAY, Wednesday, October 9 1991

1416

Mandela to address conference

ANC president Nelson Mandela is to address a Constitutional Options for SA conference in Port Elizabeth tomorrow night.

Twelve international constitutional experts are to meet SA leaders to explore the potential of affirmative action policies in SA.

The organiser is the Washington-based Lawyers' Committee for Civil Rights Under Law.

The organisation's southern African projects director Gay McDougall said the three-day conference would consider affirmative action as a constitutional principle and debate the pros and cons of affirmative action projects undertaken in other majority rule governments.

Issues examined would include affirmative action in education, public and private sector employment, and the application of quotas.

"It is ironic and at the same time electri-

DAVE LOURENS

fying that as America prepares to celebrate the 200th anniversary of the signing of the Bill of Rights in Philadelphia, SA is embarking down the road of establishing comparable governing principles for its society," said McDougall.

The conference is the third in a planned series of six. Conference presenters will include ANC members Albie Sachs and Govan Mbeki and the Black Management Forum's Don Mkwanazi.

The two previous conferences were: A Constitutional Court for SA, held in the Magaliesburg in February; and A Bill of Rights for a Democratic SA, held in Durban in May.

The Lawyers' Committee was established in 1963 and the Southern Africa project in 1967.



Sacob deputy director-general Ron Haywood, left, and Sacob chief economist Ben van Rensburg address a news conference in Johannesburg yesterday. Picture: CATHERINE ROSS

Maponya, Mabuza get top VW posts



ENOS MABUZA

Former Chief Minister of Kangwane Mr Enos J Mabuza and prominent local businesswoman Mrs Marina Maponya have been appointed non-executive directors of Volkswagen of South Africa (Pty) Ltd, the company announced in a statement this week.

Mabuza, a business and political consultant, resigned from his position in April this year. He was elected Chief Executive Councillor of the Kangwane Legislative Assembly in 1977. The title changed to Chief Minister in 1984.

A former teacher, inspector of education and member of the Swazi Territorial Authority, he is currently a director of the Standard Bank Investment Corporation, the Premier Group, Times Media Limited, Anglovaal Limited and Fabcos Marketing.

Mrs Maponya joined her husband in business 32 years ago and was awarded South Africa's Businesswoman of the Year award in 1982/83.

Founder member and first president of the Housewives League, she has won many awards for her services to welfare organisations and the community.

Mrs Maponya is also director of 11 companies in the Maponya Group and non-executive director of numerous companies and councils, including the State President's Economic Advisory Council and the Board of the South African Broadcasting Corporation. - Sapa

Sowetan 11/10/91

(176) (12)

'Whites helped since 1910'

SOUTH Africa has a long history of affirmative action – but in favour of whites, an ANC conference on the subject was told in Port Elizabeth this week.

Cosatu executive member and general secretary of the South African Municipal Workers Union, John Ernstzen, said successive governments had applied affirmative action in favour of whites in the public sector since 1910.

"In fact, the public sector has been a bastion of apartheid since the Union in 1910."

Ernstzen dealt with various sections of the public sector where successive governments pushed whites into positions of authority at the expense of black workers.

Affirmative action should become a powerful weapon to achieve true liber-

ation and equality, Ernstzen said.

Progressive organisations and the trade union movement wanted affirmative action which would secure the non-racial character of a new South Africa.

"We want deracialisation. We want non-racial municipalities which will provide equality in opportunity, pay, equality in conditions of service, in training and promotional opportunities.

"It is in this context that affirmative action in public sector employment will have to be considered essential."

In a speech read on his behalf, ANC president Nelson Mandela made a strong plea for affirmative action to address discrimination against women.

— PEN

Political comment and newsbills by K Sibya, headlines and sub-editing by S James, both of 2 Herb Street, Johannesburg.

'Reparation' bid would force individuals to pay third of their assets

ANC PITCHES FOR WARREN BENTON

S Times 3/10/91

By BILL KRIGE

Alive: burial mix-up girl



THE ANC is considering an extraordinary proposal which would force South Africans to pay a one-off levy of a third of their assets to the state in reparation for apartheid.

The proposal was adopted by a working group at an ANC conference on affirmative action in Port Elizabeth at the weekend. The conference also proposed the deliberate creation of a "business crisis" to force corporations to submit to demands for affirmative action.

The capital levy proposal comes hard on the heels of statements last week by ANC leader Nelson Mandela that nationalisation was still an option for the ANC, and a statement by ANC secretary-general Cyril Ramaphosa that the ANC would "re-evaluate" foreign loans if it came to power. Mr Trevor Manuel, the ANC's economic head, also made a strong pitch to US businessmen at a conference in the United States this week to continue disinvesting.

Mr Heinz Klug, the ANC member who reported the decision of the working group to the conference, said taxpayers would be expected to pay off the levy over 10 years. The money would be used to help disadvantaged communities.

Mr Klug was unable to provide further details of the proposal, but a rough estimate shows that a person with capital assets of R500 000 would pay R16 700 a year to cover the levy.

A recent survey showed that half the white households in South Africa had net assets above R100 000. The annual levy on this amount would be R13 500.

Surrender
Reporting back on committee discussions, Mr Klug said it was felt that any land reform process

SA heroes in world golf final

By NORMAN DABELL: St Andrews

SOUTH AFRICA'S golf heroes earned a standing ovation yesterday as they toppled home favourites Scotland to reach the final of the Dunhill Cup in their first major international team event after 11 years of isolation.

South African captain Gary Player was cheered all the way down the 18th hole of the historic Old Course as he clinched victory for his team with a four-stroke win over Gordon Brand Jr.

"It is marvellous," said Player. "Here we are beating the home team and we get an ovation. I think it proves everyone is glad we're back."



JOHN BLAND

The Springbok triumph over Scotland followed an

a strong pitch to US businessmen at a conference in the United States this week to continue disinvesting.

Mr Heinz Klug, the ANC member who reported the decision of the working group to the conference, said taxpayers would be expected to pay off the levy over 10 years.

The money would be used to help disadvantaged communities.

Mr Klug was unable to provide further details of the proposal, but a rough estimate shows that a person with capital assets of R500 000 would pay R16 700 a year to cover the levy.

A recent survey showed that half the white households in South Africa had net assets above R100 000. The annual levy on this amount would be R3 300.

Surrender

Reporting back on committee discussions, Mr Klug said it was felt that any land-reform process must include affirmative action. Beneficiaries ought to include the victims of forced removal (both rural and urban), the homeless, township residents, those displaced by violence, aspirant black farmers and tenants.

"The beneficiary would not be able to pay for it (the land). That would be the responsibility of the state," he said in proposing the one-third capital levy.

ANC speakers at the conference made it clear that to compensate for apartheid, a future government would have to go beyond mere reparations — and have its actions enforceable by law.

In this process whites — "promoted beyond their level of competence" by a privileged past — would be forced into a rapid surrender of land and political and economic power.

Siege

If necessary measures as extreme as those invoked for a decade to reconstruct war-battered West Germany would have to be taken.

On affirmative action in the private sector, the conference heard that reparations would not be enough. The beneficiaries of any affirmative action would be "blacks, women, the disabled and anyone disadvantaged".

Not only would blacks be favoured for promotion at all levels of public and private life, but affirmative action programmes should continue indefinitely and be made mandatory, speakers said.

ANC economist Don

To Page 2

SA in go.

By

SOUTH AFRICA yesterday as it reach the final international

South Africa the way down of the historic as he clinched his team with stroke win Brand jnr.

"It is marvellous Player. Here in the home to get an ovation proves everyone we're back."

The Springboks over Scotland an amazing win over the United States, the Ryder Cup champion hot favourites, winning quarter-final

South Africa by two matches John Bland Frost both stroke wins to a Player loss.

Recc

But all three cans were in form against South Africa Player scoring under-par 70 after to his trusty outer which has tournaments all world.

Frost turned round of the tournament

Wealth levy

S Times 13/10/91

From Page 1

Mkwana said that South African business should be placed in a state of siege: "Affirmative action can never succeed on its own in South Africa. We must create a crisis."

"If businessmen continue to make large profits there will be no incentive for affirmative action," he said.

Pressure had to be applied to the "pressure points" of business, such as profits, costs and customer service, to induce a crisis without which corporate South Africa would never submit.

"The economic and human costs of change must be high," he said, adding: "Those who have been on the receiving end of

injustices have the right to redress."

Along with other speakers, he cited economic feather-bedding for whites and said they had been "promoted or placed beyond their level of competence" through black exclusion.

Democratic Party leader Zach de Beer warned that the proposed levy was intrinsically communist and hoped that the conference's recommendations would not be accepted by the leadership.

The National Party's finance spokesman, Mr Francois Jacobsz, said such a move would put a damper on capital formation and discourage private initiative.

See Page 8

Reid legacy

176

Money will dictate new SA success

Sowetan 14/10/91

Substantial government intervention in support of efforts to eliminate imbalances of apartheid should be possible without interference with market forces and without reducing incentives for private investments.

South Africa must adopt growth-oriented policies. The only way for the society to meet these ends and to increase the share of the wealth for everyone is for the economy to grow.

Those who hope to assume positions and responsibility in the new South Africa must also be prepared to make economic decisions which will demonstrate their commitment to economic democracy and to obeying the will of the market - answering to the needs of the people.

Job creation is vital to black economic empowerment. Unemployment estimates in South Africa run as high as 40 percent. At the same time, jobs requiring special skills go unfilled because of the lack of qualified candidates.

Corporate vested interests 'hamper' affirmative action'

SUN CITY — A major drawback of affirmative action programmes was that they were always devised and implemented by corporate captains with vested interests, Black Management Forum (BMF) president Don Mkhwanazi said yesterday.

Opening the BMF conference and annual meeting, Mkhwanazi said the conference's aim was to devise a workable strategy for affirmative action programmes.

He said it was encouraging that liberation movements, black business bodies and some white business formations, such as the Consultative Business Movement, had been formulating affirmative action strategy.

"I believe that there should be some conversions and co-ordination.

It was the duty of the BMF, its allies and partners to ensure that affirmative action accelerated the process of "complete democratisation of our economy".

"We cannot abdicate our honourable call and noble duty to impress corporate captains that white exclusivity in management and white minority domination of the South African economic life is not in their interest nor in the national interest."

He said the BMF had organised the conference in the hope that a start could be

THEO RAWANA

made on working, as partners, with other organisations.

"We can build a national consensus on all vital priorities... Critical examination of these fundamental issues would help us not to prolong the suffering and the agony of our people," he said.

Eskom human resources staffing manager Danie Joubert said affirmative action was only one form of action in the big picture of skills management.

"SA has to make some profound changes on the demand and supply side of the skills market within a short space of time to at least stay in the race among the developing countries of the world.

"Eskom's equal opportunities programme, which started with the identification and removal of discriminatory practices, has developed into a multi-faceted and wide-ranging set of initiatives, as new ideas are developed and put into practice by white and black entrepreneurs in the organisation all the time," said Joubert.

"Equal opportunities for learning, development, promotion, conditions of employment and acquiring wealth for a better quality of life is a powerful value in any organisation," said Joubert.

Sowetan Business

Walter's firm has gone plumbing crazy

THE squalid conditions of squatters led Mr Walter Linda Masilo to open a sanitary engineering business.

Masilo Plumbers and Sanitary Engineers repairs blocked drains, burst pipes, drain laying, gutters, stormwater drains, water-proofing and home alterations.

The lack of these facilities came to his notice when local authorities failed to render services, especially during boycott of tariffs in the townships.

The conditions under which black families lived

By JOSHUA RABOROKO

in squatter camps such as Kliploven, Chicken Farm, Mshenguville and elsewhere in the country were painful to him.

"The streets and yards laden with overflowing effluent from blocked drains and toilets disgusted me. It is a terrible sight to see these things happen in your own backyard," he said.

Masilo was born in Soweto and matriculated at Sekano-Ntswana High School in 1980. He contin-

Sowetan 17/10/91

ued his studies at the George Tabor Vocational School in Soweto, where he obtained a diploma in plumbing in 1983.

His ambition was to become a school teacher, but was forced to look for work because his parents did not have sufficient funds to pay for his education.

Meagre

He worked for a company in Johannesburg. During his leisure hours he repaired blocked drains and pipes - most of the work was done from his parents' backyard to augment his

176

meagre salary. "I soon became tired of working for whites. I decided to quit the job."

He used his own money to buy equipment and he operated fulltime from his home. But, as he says, the premises became too small when the business started to grow.

He soon found a trading site at the Ipelegeng Community Centre in Soweto where he operated a 24-hour service in the townships and later to most of Johannesburg's suburbs.

"There is a great potential for business, because

176

there are not so many blacks who are qualified in the job," he said, adding, "seemingly because plumbing is not a clean job".

As Masilo's business grew from strength to strength he decided to employ four other people whom he trained.

"Today they are skilled in their own right," he said. Today Masilo's business is based in the Conservative Party-controlled town of Boksburg, where he is not afraid to repair the homes of the most radical whites.

"They do not give prob-

lems when their toilets and drains are blocked. I actually enjoy working for them. I still service my old clients in the PWV, although my headache is getting payment from some of them," he said.

He intends to sign contracts with local authorities - a step he thinks will eventually lead him to boomtime.

Masilo wants to train more blacks as apprentices in order to become fully-fledged plumbers in the future. He can be contacted at telephone number (011) 862-1634.

Easing the big haul

Souefan 17/10/91
THE Foundation for African Business and Consumer Services is taking big steps towards black economic advancement.

One of its affiliates, the newly formed Southern Africa Hauliers Association, together with Finansbank/Nedfin, have announced a truck financing scheme that will provide huge financial benefits to trucking entrepreneurs.

The scheme will also offer an opportunity to production and trucking companies seeking to privatise their transport divisions at minimum cost.

Saha is an organisation founded to usher in would-be truck owners and to represent own-account operators in the trucking industry in the whole region of Southern Africa, Lesotho, Swaziland, Namibia, Zimbabwe, Zaire, Malawi and Mozambique.

The association aims to be well structured and geared to cater for the individual needs

176
of its members and to enable them to effectively participate in the mainstream of the Southern Africa trucking industry.

Announcing the project in Johannesburg, Saha's president, Mr Sydney Mahlangu, said the association was a giant move for small business people who wanted to get involved in trucking.

The benefits of the scheme to the owner driver would be as follows:

He becomes a business man in his own right; his status within the community is elevated; it creates a credit-worthy base for other financial needs, such as home ownership; increases his earning capacity; enables him to create wealth; and there can be substantial cash benefits in the resale of vehicles.

By JOSHUA RABOROKO

Plan for a future SA

Sowetan 14/10/91

176

HARARE - There is an urgent need to train black South Africans for senior jobs in a post-apartheid government, a task force on human resources development has said in a report to Commonwealth leaders meeting in Harare.

The group of experts recommends that R25 million be set aside annually for at least three years for this purpose.

The restructuring of the civil service has been earmarked as the immediate task in the transition period to ensure that black South Africans be appointed to senior jobs at central and local government level.

The report says of 3 000 top positions, 600 should be filled by blacks as soon as possible.

The international community is also being asked to help and the report suggests a global donors' conference be convened.

The programme has been designed to contribute to the process of political change; to train blacks for positions which will be crucial to creating a new democratic political, economic and social order.

The programme has also been designed to advance education and training institutions committed to building a non-racial South Africa.

Support will be necessary for programmes to train blacks for jobs in public administration, community organisation, engineering, information technologies and management and staff posts in training institutions. - Sapa.

Black judge wins the day

JUDGE Clarence Thomas will take his seat in the US Supreme Court in the face of unresolved allegations of sexual harassment and bitter emotions, but the black conservative jurist has made it.

"I'd like to thank America," he said after the Senate's 52-48 confirmation vote this week.

"We have to put these things behind us. We have to go forward."

The cost was nevertheless extraordinarily high for Thomas and the Senate after one of the judge's former assistants said he sexually harassed her in two government jobs a decade ago. - Sapa-AP.

See page 17

A letter from those in jail

HARARE - A letter from prisoners in South African jails to Commonwealth leaders meeting here has asked delegates to approach President de Klerk to help secure their freedom.

The letter says prisoners hope De Klerk will be more prepared to listen to Commonwealth leaders than he has been to them. Sowetan 14/10/91

While the appeal was for freedom, it also contained a hard-hitting message.

It said: "There is no reason for us to be kept in prison and the longer we are here, the less reason we have to forgive and forget." - Sowetan Africa News Service.

... HOW TO REASSURE WHITES AND MEET BLACK ASPIRATIONS

18/10/91
N.W. City

Both the public and the private sector are firmly in white hands and would be targets for affirmative action.

The state of black career advancement is parlous, not least because of the extraordinary inequalities in education. Some 80 percent of black professionals are teachers. There are only 41 black chartered accountants in South Africa, four of them women.

This disparity is reflected in where the wealth of the country is spread. More than 95 percent of shares on the Johannesburg Stock Exchange are in white hands.

Though some South African companies started years ago to promote blacks into senior positions, the good old boy network of white males, mainly members of the Rand Club, still dominates corporate South Africa.

Parachuting former homeland leaders on to the board will not solve the problem," points out ANC economist Don Mkhwanazi.

Holding up the holy grail of the free market, many businessmen resist the notion of affirmative action for women and blacks because they claim to prefer promotion on merit.

"Talk of merit is used as a device to preserve the status quo," says Mkhwanazi, who claims that many whites have been placed in positions beyond their level of competence.

And, as Mandela pointed out: "Affirmative action is based on the paradox that to eliminate race and gender as significant categories, it is necessary to take account of the way race and gender impact on everyday existence."

Though there are problems in the private sector, the public sector is a more intractable problem. What does one do with an already bloated, over-staffed bureaucracy top-heavy with whites? In Namibia, reform of the civil service has been held back by a constitutional provision guaranteeing security of tenure.

The bureaucracy has vast potential to block progressive change by a democratic government.

In Zimbabwe, the problem was partly resolved by the departure of thousands of top civil servants. Blacks could be pushed up the ladder with greater ease, enabling a process of Africanisation to begin with very little pain.

Aside from these problems, Mandela has pointed to one key advantage that South Africa has over other societies wishing to implement affirmative action programmes — the existence of a spirit of non-racialism in the ANC and the country at large.

"This ensures that the goal of affirmative action will be truly to achieve equal chances for all, and not amount either to a vengeful turning of the tables of oppression or the creaming off of the riches of the country by a new class of exploiters," he said.

"It will mean giving the people a chance in every area of life: health, housing, education, nutrition, employment, access to land ... Our whole legislative programme will concentrate on these areas."

Because blacks have been denied access or been discriminated against in almost every sphere of their lives, the need for affirmative action in South Africa is widespread — starting with the enormous disparities in education.

Mandela said that the whole social programme of the new democratic government would be one of affirmative action:

"It will mean giving the people a chance in every area of life: health, housing, education, nutrition, employment, access to land ... Our whole legislative programme will concentrate on these areas."

Because blacks have been denied access or been discriminated against in almost every sphere of their lives, the need for affirmative action in South Africa is widespread — starting with the enormous disparities in education.

congress in which he said he was urgently reviewing the developing crisis caused by the increasing number of squatter camps.

railway line.

More land should be set aside in the Durbanville, Kraaifontein and Fisantekraal areas.

cultural land in the 1 aari, Wellington area placed on housing development, Klapmuts was being investigated with further development at Mbekweni.

Relax the academic boycott, says Azapo

AZAPO's education secretariat head Gomolemo Mokae yesterday called for selective relaxation of the academic boycott and sanctions to uplift traditionally black tertiary institutions.

Addressing an affirmative action conference at the University of the North, Mokae said the most im-

8/Day 18/10/91

ANTHONY NDLOVU

portant consideration of affirmative action with regard to black tertiary institutions was the need for an aggressive programme to kill the pariah "bush college" status of these institutions.

He said tertiary institu-

(176)
tions providing exclusively for blacks educational needs like the University of the North, Fort Hare, Zululand and the Western Cape have had an unfortunate history. Set up by the regime on ethnic lines in tandem with its divide-and-rule policies, "they came to be viewed as so-called bush colleges by the black com-

munity itself, as well as the world at large".

"Affirmative action was not apartheid in reverse, but victims of racial oppression and capitalist exploitation over three centuries are deserving of an aggressive programme based in their favour to redress past educational imbalances," Mokae said.

AFFIRMATIVE action to redress the wrongs of apartheid, one of the key constitutional debates on a future South Africa, got off to a stormy start this week with newspaper reports that the African National Congress had a plan to levy one third of the wealth of the affluent.

The fact that the newspaper reports bore little resemblance to the conference where the suggestion emanated from, and had nothing to do with ANC policy, did not prevent whites reaching for their guns or their second passports.

At least part of the problem lay with the ANC's initially ineffectual and ambivalent response to the reports.

But what the reaction did reveal is the intense heat that the debate on affirmative action is likely to generate. Many whites are jittery about the future of their property and their positions in a democratic South Africa.

Not surprisingly, many blacks are hungry for the spoils of liberation and would eagerly endorse any move to overcome the deprivation of their lives at the expense of the privileged.

The prospect of rule by a majority which has historically been disadvantaged by apartheid creates an equally unsurprising feeling of vulnerability among whites.

Having started out as a passing suggestion at a conference workshop, the idea of a wealth levy has now been given widespread publicity where it is likely to be popular among ANC supporters.

The wealth levy controversy exploded just as the affirmative action debate was only warming up. In the process the debate has been skewed.

What got lost in the furor was ANC president Nelson Mandela's opening remarks to the Port Elizabeth confer-

Creaming the rich ¹⁹¹⁶ or a safeguard in the constitution? ^{18/10 - 24/10/91}

The creation of a future constitution is paved with pitfalls. Perhaps one of the most difficult aspects emerged in the current controversy over affirmative action and redistribution of wealth.

PHILLIP VAN NIEKERK reports

ence, where he sought to stress the delicate balance between reassuring whites and meeting black aspirations.

In a landmark speech on the issue, Mandela defined affirmative action as a "means of dealing in as just and realistic a manner as possible with the progressive eradication of the gulf created by past discrimination". He went on to sketch clearly the parameters of such action.

"It must be seen as an alternative both to waiting centuries for the market on its own to eliminate the massive inequalities left by apartheid and to lawless confiscation and arbitrary sharing out."

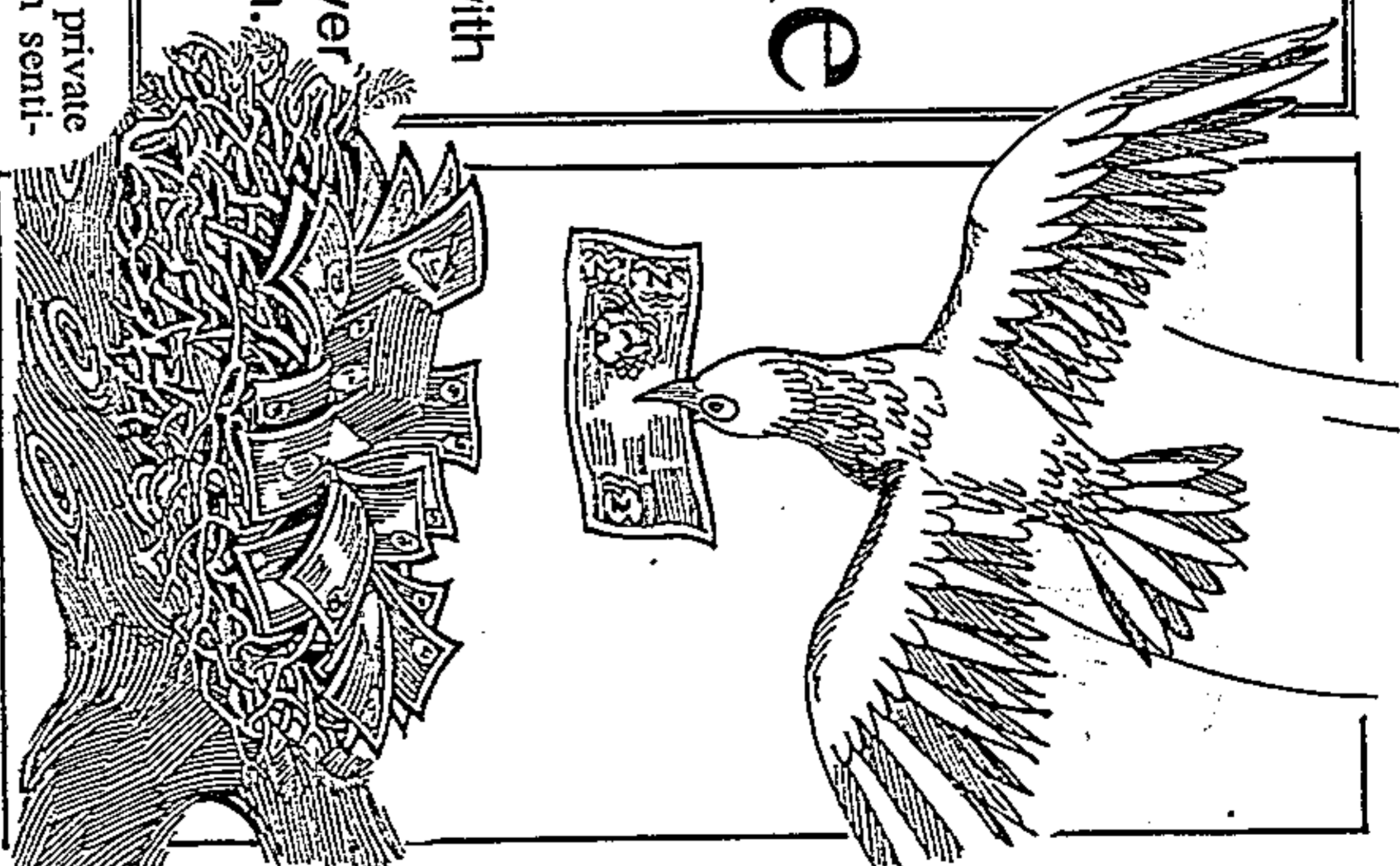
There are few either in the upper

echelons of government or the private sector who would find such sentiments horrendous.

At the opening of parliament this year, President FW de Klerk acknowledged the need for a fundamental restructuring of the economy to reduce, and ultimately eliminate, the great disparities of wealth left by apartheid and a history of racial discrimination.

However, the pull of their respective constituencies could see affirmative action emerge as the dividing line between a status quo-oriented National Party alliance and the ANC alliance in post-apartheid politics.

In applying affirmative action, says



Feathering the nest or the redistribution of wealth?

Mandela, we are "not dependent on the precarious expectation of a majority showing goodwill towards a minority. Put more crudely, it is not likely to be a vote-loser."

And it is not just blacks, but women and handicapped people who let their voices be heard at the Port Elizabeth conference to put affirmative action on the agenda. In the process, the ANC itself came under fire for the failings of its internal practices.

Though the debate is only beginning, the ANC's 1988 constitutional proposals identified the need for affirmative action as a means of sweeping away the "centuries-old legacy of colonial conquest and white domination."

The National Party constitutional proposals, as they stand, contain no provision for affirmative action.

However, section two of the South African Law Commission's proposed Bill of Rights recognises that the principle of non-discrimination and equality before the law can be overridden by temporary legislation for the improvement of historically disadvantaged people.

The ANC's Bill of Rights does make provision for any private or public body to take actions designed to open up opportunities including "access to education, skills, employment and land" and the "general advancement ... of men and women who have been disadvantaged by discrimination."

The problem, as ANC constitutional lawyer Kader Asmal has pointed out, is that the government must have the power to implement satisfactorily the Bill of Rights. This is why affirmative action is not simply a policy issue but central to the developing constitutional debate between the ANC and the National Party.

Asmal says that in order effectively to implement an affirmative action programme, there would have to be strong and effective central, regional and local government.

The National Party's September constitutional proposals, apart from making no reference to affirmative action, provide for the diffusion of political power. This, Asmal says, impinges dramatically on the capacity of the state to implement affirmative action policies.

"The central proposals of the Nation-

Stokvels and trusts joining forces for black builders

Star 20/10/91
SIGNIFICANT inroads could be made into SA's dire housing shortage through a locally developed mechanism to empower black builders.

Devised by Johannesburg-based Promatra Training Services, the mechanism involves the combination of third world "stokvels" and first world trusts to financially enable thousands of black builders to learn the finer points of the building trade.

According to Tjaart van Staden, Promatra's managing director, the stokvel and trust

concepts will be merged to form a "trustvel" to provide finance for entrepreneurial black builders.

"Many black builders have poor credibility and are denied access to funds because their management expertise does not match their building prowess. We have developed a totally practical training course that enables black builders to earn a diploma after they have come to grips with the administrative side of contracting."

Course contents include

1976
tendering and estimating, planning and executing contracts; and the management of marketing, finance, general administration, and manpower. Mr van Staden envisages initial funding for the scheme coming from sponsor bodies including the Government, quasi-government entities, the private sector, and foreign sources wanting to assist in upgrading the country's housing situation.

"Sponsor bodies will pay for the builder's training, the builder will pay back the

sponsor, who will in turn pay into the trustvel, which will also receive some bridging capital. Access to funds in the stockvel for building purposes will be strictly controlled, as it is in the traditional stokvel system.

"We have already had many enquiries from black builders wanting to take our training course but we feel that the sponsored trustvel route will enable many more individuals to benefit and become more effective builders."

Mahanjele makes history

^{SI Times (RUSS)}
HISTORY was made when a black man addressed delegates in English at the Afrikaanse Handelsinstituut's annual conference in Port Elizabeth this week. (176)

National Sorghum Breweries chairman Mohale Mahanjele said the AHI should play a bigger role to incorporate black business. He also accused the AHI of hobnobbing with black politicians instead of mixing with black businessmen.

This drew wide reaction from the audience, who complained that black business is not very responsive to AHI approaches.

Mr Mahanjele said blacks needed economic empowerment just as Afrikaners once did; and that Afrikaners would not have achieved economic clout without conscious decisions to establish Afrikaans businesses and universities.

The AHI has been open to black membership for more than four years, but there has not been a rush by blacks to join.

AHI chief executive Joe Poolman says membership has actually remained static between 1980 and 1990. The AHI currently has about 7 600 members consisting mainly of individuals affiliated through the regional Sakekamers and 300 companies.

Speakers at the congress expressed concern about the future of the AHI in the new SA. Outgoing president Gerrie Steenkamp told delegates that the AHI had to move with the times.

Federation

He said the AHI was open to all those respecting the unique character of the Institute. He said the percentage of SA business held by Afrikaners was difficult to determine and it was difficult to remain exclusive.

He said: "The mission is still to promote a climate conducive for the business of our members." Afrikaans would also continue to be the language of business within the AHI.

Mr Steenkamp said cooperation with sister organisations, such as Fabcos, Nafcoc and Sacob, would be promoted.

A merger with any of these organisations is not on the cards, but the formation of an umbrella federation is.

Mr Poolman said: "Business in the new SA will have to speak through a single, clear voice. A forum where top executives of all organisations can discuss matters of common interest is essential."

Affirmative action debate rages on

CP News 20/10/91 (176)

Affirmative action has become one of the most contentious socio-political issues in the United States, our SPECIAL CORRESPONDENT reports from Washington.

THE public debate on the pros and cons of affirmative action has developed into a controversial issue which can play a big role in next year's presidential election in the United States.

In recent weeks it has been highlighted in practically every newspaper and actuality programme on television as a result of the US Senate's confirmation hearing of the conservative black jurist, Judge Clarence Thomas, who was nominated by President George Bush for the bench of the Federal Supreme Court.

Thomas, who himself got a leg-up through affirmative action, is nowadays sceptical about its value.

Affirmative action means that members of less privileged, under-developed or oppressed cultural or racial groups are being promoted above their capabilities in an endeavour to wipe out backlogs.

The white liberals and a considerable percentage of black Americans have been infuriated by Thomas. However, a considerable number of learned blacks share his views – including a group of American intellectuals who are expressing strong alternative views about the American Civil Movement.

Although Thomas and the group of black intellectuals don't fully reject affirmative action, their views have shifted the accent of the debate to the responsibility which every individual has to take care of his own education, development and livelihood – despite his colour, origin, religion or sex. They contend that black people should drop

the tendency to rely on assistance from the government.

The real interest and importance of the debate lies in the fact that this issue is also being strongly discussed within the ranks of black Americans themselves.

Those who question the application of affirmative action, including people who have directly benefited from it, generally hold out three arguments.

Firstly, they say, the mere existence of priority programmes could enhance racial tension. Secondly, the affirmative promotion of any black person throws suspicion on the qualifications and abilities of all black people – among white observers and black achievers.

Thirdly, according to statistics, affirmative action mainly benefits middle-class blacks and those from the ranks of the really poor class.

In an article on civil rights, *Time* magazine pointed out that affirmative action has failed in its aim of creating a society with a larger measure of equality.

For example, throughout the years it did not really contribute towards breaking down the terrible cycle of poverty in the so-called black ghettos.

Some academics propose that socio-economic class should supplement, or even replace, race when it comes to affirmative action.

Protagonists of this view argue that it would not only be more fair, but that it could also be applied more effectively in a society with limited resources. They add that it would also be more acceptable to whites, because poor whites would also be considered.

One consequence is that much thought is now being given to the possibility of helping less privileged young people at a much younger age – for example at primary school level.

THE SEARCH for a new economic formula that will guarantee black society a bigger role in the business world has started to draw a remarkable profile of black initiative that has long been blurred by deliberate camouflage.

The camouflage was often considered vital to escape the bureaucratic red tape that always threatened to stifle the first glimmer of black enterprise with an endless list of rules and regulations imposed by apartheid.

It was the bustle going on under all the disguises that inspired Theo Rudman, executive director of the Self-Employment Institute, to entitle a 1988 book on the whole issue: "The Third World - South Africa's Hidden Wealth."

He had made one of the first real explorations of what was still an underground economy in embryo as budding black businessmen cut through apartheid harassment and fleets of black taxis joined the commuter traffic, more and more street traders and hawkers appeared in shopping areas, and backyard motor mechanics started up.

Anglo American Corporation director Clem Sumner, who introduced the phrases "high road" and "low road" into the vocabulary of economic planners, also spotted the trends as black entrepreneurs found a route of their own into the economic mainstream.

"There are major entrepreneurial forces hidden below the surface waiting to be unleashed," he wrote as the first cracks appeared in the walls of the apartheid fortress. "Another world exists out there - a vibrant Third World metropolitan market - which could naturally cure many of South Africa's ills. No First World medical prescriptions are needed."

The Government mandarins, relying on formal and official business documentation, were baffled because their economic statistics never seemed to balance. The missing element was the mushrooming growth of the informal sector - unrecorded because most operations were unlicensed and technically illegal in apartheid terms.

By the dawn of a post-apartheid era at the start of the 1990s, the Small Business Development Corporation, which

migration to the West resulted in an especially nasty trick.

line is thin. From that does not think it is even as evidence...

lapsed on several occasions and was jailed for three months car-

ing of journalists to threaten an independent press. Elsewhere,

running party, is frequently critical of the Government. Nigeria has some of freest

tion to fill the outlook of his journal. He finds himself rejecting the or alternative from that an

vately owned journals expressing a contrary viewpoint, or

fleeing aims. The Arabs want land. If possible all the land is final had been commencing since

Cash flows in the back roads

Star 21/10/91

1/16

1/16

Experts have long pondered the real potential of local black business initiative. New studies claim success stories galore, reports MICHAEL CHESTER.

formal sector, has so far had three stabs at it, with estimates growing each time. In its most recent estimate, the CSS reckoned that the sector accounted for about 8 percent of total economic activity.

Mr Heherington, who has kept a closer ear to the ground, argues that the share now taken by mini-businesses in the informal sector is more likely to be nearer a formidable 25 percent - with no fewer than 4 million adults at work in jobs that often still go unrecorded in official figures.

He suspects that researchers sometimes look in the wrong directions, such as the Johannesburg Stock Exchange, where finding black-owned business is like looking for a needle in a haystack.

He found the exercise all the more necessary because the inevitable question asked in the

current socio-political transition - by potential investors, aid missions and researchers - has been about the size and nature of the black business sector everyone wants to encourage.

Mr Heherington, who has kept a closer ear to the ground, argues that the share now taken by mini-businesses in the informal sector is more likely to be nearer a formidable 25 percent - with no fewer than 4 million adults at work in jobs that often still go unrecorded in official figures.

He suspects that researchers sometimes look in the wrong directions, such as the Johannesburg Stock Exchange, where finding black-owned business is like looking for a needle in a haystack.

The SBDG counted the actual number of businesses in operation and put the total between 1.4 and 1.6 million. By number alone, the few hundred giants listed on the Johannesburg Stock Exchange took no more than the tip of the apex. Unlisted and medium-sized companies in the formal sector took a thicker middle layer. But the massive foundations - 70 percent of the pyramid - were formed by mini-business opera-

Mr Heherington, who has kept a closer ear to the ground, argues that the share now taken by mini-businesses in the informal sector is more likely to be nearer a formidable 25 percent - with no fewer than 4 million adults at work in jobs that often still go unrecorded in official figures.

Mr Heherington, who has kept a closer ear to the ground, argues that the share now taken by mini-businesses in the informal sector is more likely to be nearer a formidable 25 percent - with no fewer than 4 million adults at work in jobs that often still go unrecorded in official figures.

Mr Heherington, who has kept a closer ear to the ground, argues that the share now taken by mini-businesses in the informal sector is more likely to be nearer a formidable 25 percent - with no fewer than 4 million adults at work in jobs that often still go unrecorded in official figures.

Civil service has job-security jitters

Own Correspondent

PRETORIA. — Anxiety over job security is sweeping through the public service, and senior government workers say an assurance by a government minister last week has not allayed fears.

Public servants wanted "cast-iron" assurances that their jobs would be safe under any new political dispensation, workers said at the weekend.

Insecurity intensified last week after a statement by ANC president Mr Nelson Mandela that the ANC planned to have a public servants corps trained in the UK for integration into the SA civil service.

At the weekend the Public Servants' Association (PSA) general manager Mr Hans Olivier said: "We have had assurances that government workers' job security is a non-negotiable."

But Mr Olivier questioned whether this assurance would be honoured by a new government.

"We want a clear undertaking, a written guarantee from all the role players at the multiparty and constitutional talks that no public servant will lose his job in a new SA."

The PSA welcomed the statement last week from administration minis-

ter Mr Piet Marais that civil servants should not be "upset" by Mr Mandela's announcement, as government would look after their future interests.

Mr Olivier said: "We welcome this statement, but again we want something more than verbal assurances that the benefits and rights of serving public servants will be safeguarded and protected from interference by a new government."

Meanwhile, the chairman of the Commission for Administration, Mr Piet van der Merwe, said the Public Service Act was a non-discriminatory piece of legislation that laid down merit and qualifications as the only criteria for advancement in the public service.

Mr Van der Merwe said blacks already outnumbered whites in the service. At the last count the central government's General Affairs Department employed 150 000 whites and 180 000 blacks.

Other government sources said any effort to "Africanise" the service and to place workers in jobs they were unqualified to fill would result in costly inefficiency and ultimately, if the policy went on for long enough, in a public administration disaster.

SOWETAN

Building the Nation

FOCUS

'Stokvel' plan to boost builders

Sowetan

24/10/91

1/76
20/1/91

SIGNIFICANT progress could be made in alleviating South Africa's dire housing shortage if a plan to empower black builders comes to fruition.

Devised by Johannes-

By **JOSHUA RABOROKO**

burg-based Promatra training Services, the plan involves a combination of Third World "stokvels" and First World trusts to financially enable thousands of black builders to

learn the finer points of the building trade.

According to Mr Tjaart van Staden, Promatra's managing director, the stokvel and trust concept will be merged to form a "trustvel" which will finance black builders.

"Many black builders have poor credibility and are denied access to funds because their management expertise does not match their building prowess," he said.

"We have developed a totally practical training course that enables black builders to earn a diploma after they have come to grips with the administrative side of contracting."

The course includes tendering, estimating, planning and executing contracts, marketing, finance, general administration, and manpower.

Van Staden envisaged that initial funding for the scheme would come from sponsors, including quasi-Government entities, members of the private sector and foreign sources wanting to assist in upgrading the country's housing situation.

"Sponsor bodies will

pay for the builder's training. The builder will pay back the sponsor, who will in turn pay into the trustvel, which will also receive some bridging capital," he said.

"Access to funds in the stokvel for building purposes will be strictly controlled as it is in the traditional stokvel system."

Promatra's training courses hinge on the competency-based modular methods which ensure that students only graduate once their practical understanding has been thoroughly evaluated.

Apart from enabling black builders to gain easier access to capital, the course is also designed to equip them with business discipline and controls.

"Our aim is to develop specific competencies and at the same time provide valuable collateral security," Van Staden said.

"We have already had many inquiries from black builders wanting to undergo our training courses," he added.

Denial to blacks is SA's tragedy, marketers told

Sowetan

28/10/91 1716

BY JOE MDHLELA

THE tragedy of the South African political situation is that black people had been denied ordinary things in life and most would continue to be denied them.

Sowetan managing editor Mr Deon du Plessis said this at the third annual seminar organised by *Sowetan* to give marketers an insight into changing lifestyles in the black community.

Ad-Indaba 3, took place in the newspaper's offices in Industria, Johannesburg, on Friday.

Du Plessis was part of a panel which included *Sowetan* Editor Mr Aggrey Klaaste, deputy editor Mr Joe Thloloe and senior assistant editor Mr Thami Mazwai.

Other speakers at the seminar, Living and Working in the new South Africa, included ANC representative Ms Thenjiwe Mintso, *Sowetan* chief photographer Mr Robert Magwaza, Mr Augustus Khumalo, a community leader based at Orange Farm, Ms Wendy Luthabe, marketing executive, research consultant Ms Pat Gumede, media

director Mr John Montgomery, Dr Saths Cooper, director of the Institute for Multi-Party Democracy and Mr Sedick Samodien, marketing executive of Sabta, Mr Oupa Monareng and Mr Aitken Ramudzuli of the African National Congress.

Thloloe appealed to guests, most of them white, to help breach the economic gap to help relieve the poverty most African people were subjected to.

"So long as wealth is concentrated in the hands of the few, so long as whites deal themselves the aces, we will never have peace in this country," he said.

Magwaza briefly sketched how apartheid had created monsters out of black lives.

"Our children dance in jubilation at the sight of any black man being killed. That is the work of apartheid. This society must do something to stop the violence."



Guests at *Sowetan*'s third annual Ad-Indaba included Fabcos' public relations manager Mr Fanyana Shlbuli (left) and Mr Sedick Samodien, the managing director of both Sabta Marketing and Service Centre Management.

Doctors' VAT



Undeserved inequalities have to be redressed

Edong 25/10/91

176

DON MKHWANAZI

THE ANC's views on affirmative action have recently been misrepresented as destructive. On the contrary, we believe affirmative action would unleash not only the potential of our people, but of the entire economy.

Affirmative action is a concept of change. To accelerate affirmative action, we need to understand how change takes place. Change can take place when one stakeholder group feels dissatisfied with the status quo. Change can take place in response to a crisis. It can occur when human and economic costs become too great and the status quo cannot be maintained. The changes taking place in SA are due, in the main, to the prohibitive cost of maintaining apartheid.

SA companies are well known for their reactive and short-term approach. They have never been proactive. We must encourage them to embrace affirmative action in their own enlightened self-interest and in the national interest.

If we succeed in convincing corporate SA, there will not be a need to create a crisis which would induce

the desired change. Furthermore, we need to show corporate SA that the human and economic costs of maintaining white exclusivity in management and white minority domination of the economy would prove too high in the long run, and this could be prevented by accelerating the process of bringing qualified blacks into management. However, judging from past corporate practice, we might be forced to apply pressure to make affirmative action a reality.

We need to identify the reasons why change and affirmative action is resisted in corporate SA. It is resisted because of perceived fear of loss. White middle managers, in particular, resist it because there might be changes in the power balance, relationships (new and old), rewards and identity.

New skills and competencies might be required to manage the influx of blacks into the higher echelons of management. These new skills may be difficult to acquire, thus threatening the very survival of the white incumbents.

We need to incorporate in our strategies mechanisms which would

eliminate or reduce resistance. If the cost of change is perceived as likely to be high, resistance to change becomes strong. Some of these fears are not completely unfounded. We must find a way of overcoming them. But affirmative action cannot be left solely in the hands of corporate SA because of these vested interests.

One can identify obstacles to, and causes of failure of, affirmative action programmes. So far, unfortunately, the emphasis in SA has been on structure, strategy and systems in implementing affirmative action programmes. We have not completed the process.

We have ignored questions of people, attitudes, behaviour, values and culture, skills, staff, management style and shared visions and values. These need to be revisited if affirmative action is to succeed. There must be fundamental change in the workplace, there must be fundamental

shifts in attitude, behaviour and values systems. Affirmative action means a new way of life in corporate SA.

Affirmative action is not an end in itself, but a means to an end. The desired goal is the democratisation of the SA economy. Affirmative action is a very important interim measure which would assist us in taking the process of political transformation to its logical conclusion. There can be no freedom, there can be no human dignity nor human respect, without democratisation of economic life. There can be no peace, freedom or stability if economic power relations remain intact as they are today.

Affirmative action is a deliberate and sustainable strategy, owing its existence to the principle of compensatory justice. This concept says undeserved inequalities require redress. Affirmative action aims to redress imbalances and inequalities imposed by apartheid. It is a process which would make black economic empowerment a reality from the level of worker to top management. Affirmative action means equalis-

ation of opportunity. It means a deliberate attempt to enhance the ability and capacity of the disadvantaged masses to participate with those who have benefited from apartheid. It is aimed not only at redressing imbalances, but overcoming the effects of the economics of exclusion.

For us, affirmative action does not mean compromising merit, nor undermining standards. We do not seek reverse discrimination, but positive empowerment of the disadvantaged. It is a systematic attempt to increase self-reliance and the ability to participate unhindered in all endeavours of human life and all sectors of the economy.

Affirmative action is a concept rooted in the principles of equity, justice and fairness. A black skin is no passport to privilege. White skin should stop being a passport to status and privilege in the future.

Mkhwanazi is the corporate affairs and management specialist in the ANC's economic policy department.

991,
ntrol,

statements
ordinary
he issued

anced by the



NSB confounds competition

SiD 28/10/91
NATIONAL Sorghum Breweries' (NSB's) competitors wrote the group off before it had started, executive chairman Mohale Mahanyele says in his first annual report since the group was privatised in May.

"In our country black-controlled, -owned and -supported businesses have been noted for lack of success, in comparison with their white counterparts. It was to be expected that all the prophets of doom would strike one accord about how 'untried' and 'untested' we as blacks were regarded.

"It did not matter that my colleagues and I had been in business for a considerable time. The main difference, it would seem, hinges on blacks in a leading role."

He felt NSB's success in its first year as a private entity could be attributed to management's concentration on address-

WILLIAM GILFILLAN (176)

ing the product's strengths.

Few marketing or advertising businesses understood or knew the product.

Mahanyele said NSB's mission was black economic empowerment through ownership and management of a group of companies in the beverage, food and leisure industries. "To further this mission, NSB aims at an affirmative action-based policy of employment, procurement of supplies and services in its business undertakings. This should clearly not be construed as discrimination in reverse since it is aimed at a fair and just society."

NSB recorded earnings up 54% to R17m from R11m on a 15% rise in turnover to R357m from R310m.

Business must be forced to stop racism and sexism

South 3/10 - 6/11/91

146

The private sector in South Africa stumbled onto black advancement by default.

The 1973 Durban strikes forced companies to employ Black personnel managers as intermediaries and translators. The debate on this issue also gained momentum as a result of the 1976 uprisings, when black advancement programmes were introduced to prevent further uprisings affecting the core of the economy.

The 1976 uprisings also gave rise to no-go areas that restricted the marketability of products. To overcome this companies appointed black marketing and sales managers who could take products into the townships.

On the other hand, other companies saw the promotion of black managers as guaranteeing their continued existence. Allied to this was international pressure on multinationals operating in this country who had to engage in black advancement to justify their continued stay against calls for disinvestment and sanctions.

A society that believes in economic development cannot afford to waste human resources by leaving it to the conscience of the private sector.

It is no accident 80 percent of black professionals are teachers. There are 41 African accountants, four of whom are women and until 1985 only 0,1 percent of engineers were black. While this is shocking enough, the gender issue is not even considered by companies.

Many companies pay lip-service to affirmative action. Statistics show only two to five percent of management is black.

Black communities should exert their consumer power to pressure the private sector into employing blacks and women, argues **TISETSO TSUKUDU** in this adaptation of an article presented at the ANC Constitution Committee National Conference on Affirmative Action in Port Elizabeth on October 10-12.

Affirmative action is not succeeding because business has seen it as its sole responsibility, without consulting with the disadvantaged on their understanding of the concept and how it needs to be implemented. In the past industry has done well without blacks and women. There is therefore no inherent motivation to do anything different.

The South African economy is dominated by a few conglomerates with large boards of directors with a tight and cohesive network across groups of companies. The fashion is to parachute former politicians and homeland leaders into boards to make up those few black hands and show they are good corporate citizens.

Dr Sam Molsuanyane and Nafcoc recently made a very reasonable demand called "Resolution 3-4-5-6", stating the following:

- JSE listed companies must have a 30 percent presence of blacks on their boards.
- Blacks must own 40 percent of the equity.
- Black businessmen and women must provide 50 percent of supplies needed to hasten the process of entrepreneurial development.



Tisetso Tsukudu, social responsibility manager of Woolworths.

● Managements must be 60 percent black compared with the present four percent.

To show how reasonable this demand is he says it must be achieved within 10 years and not immediately.

The white business establishment has been quick to denounce Dr Molsuanyane's proposal, arguing they cannot reconcile Nafcoc's desire for economic growth with its willingness to see the process im-

paired by the application of racial quotas to the running of companies.

They say the education system would have to be hugely transformed if Molsuanyane's criteria were to be met in 50 years, let alone 10.

One cannot help but conclude the unwritten law of "No Blacks in Boardrooms" is still clung to by many white companies. Because "the object of business is to ensure wealth and income flows to those with merit — not to those with a certain skin colour." As if business has not benefited by exploiting those with that skin colour.

Bantu education, which has made black people, in the eyes of the private sector, "untrainable", is being used as an excuse by the private sector for not taking a united stand to change the status quo.

There is a belief in industry that women have to resemble men and black people have to resemble whites as closely as possible to make it in management. If they fail they are said to not have what it takes as managers. In other words there is resistance to creating a South African business culture that uses local talent to become effective world players. Instead

companies are taking the soft option of focusing on the promotion of Coloured and Indian people.

How do we correct this situation? Firstly, the business world needs to realise affirmative action is not a social responsibility. Through good and bad times business must be committed to the principle of affirmative action.

The situation the private sector finds itself in was created by design, therefore its resolution should be by design. Before this can take place I would propose the following:

● An affirmative action task force be established to conduct research and investigate affirmative action on a global level.

● The task force should conduct research in South Africa in different companies and industries to establish the true picture of what we must legislate for.

● It should provide corporate education about the implication of affirmative action to corporations and society at large and provide an advisory service to individual companies on the best route to make affirmative action a success.

Quotas will also have to be set. Instead of castigating "Resolution 3-4-5-6" companies should see it as a target. If the private sector ignores gender planning it will be committing the most serious omission in the South African economic scenario.

The most important aspect that should not be ignored is that of people power. Public and consumer pressure will have to be mounted to pressurise companies to institute affirmative action.

Affirmative action to correct SA inequality

(176) CT 17/10/91

By DENE SMUTS
MP for Groote Schuur
SECTORS of our society are becoming nervous about affirmative action, the corrective aspect of change.

Few people, when they fought for equal rights, anticipated that the life circumstances of disadvantaged people would have to be corrected before they could exercise equal life chances in any meaningful way. Merely proclaiming equal rights and opportunities is not enough. The greater the historic disadvantage, the greater the corrective measures will have to be.

It seems to me that many people construe affirmative action as unfair advantage.

There is a lot of huffery puffery nowadays about reverse discrimination, about the disadvantages of affirmative action; about the contradiction of the idea of equal rights and opportunities; many voices raised in defence of merit as the only criterion.

Yes — it is a serious and a difficult question. But let us get something very simple very straight: people in the present South African elite are not where they are solely on merit in the first place. They are there because we have had a system in place which not only effectively but explicitly excluded most of the competition. Of course merit is the best, the only, criterion.

Peter Principle

But it can only become the sole criterion for places, posts and promotions where everyone has had the benefit of equal preparation and when the people exercising the judgement of merit are more representative of society as a whole, and less likely to

have an inbuilt bias, however unconscious.

To cite one example of an area where merit has not been the only criterion: an economist, advising working women "to choose an occupation which has traditionally been the domain of the white male" points out that "together with a somewhat artificially created shortage of skilled human resources the Peter Principle has been strongly at work and many men would have been promoted beyond their level of competence".

Now put one of those men in the position where he decides who gets promoted, a male or a female. How can we be sure he is truly going to decide on merit? How do we know he does not unconsciously consider old school tie attributes meritorious?

And what is merit in the field of admission to university? No-one with even the vaguest understanding of what has been done to black education will deny that means other than matric and conventional criteria have to be used to find black students with the appropriate talent, and that support programmes are necessary.

If these steps are not taken, the universities will simply remain white in complexion and we are back to square one, with a white population enjoying access to the tools of promotion, not, please note, on merit, but because it had unfair advantage in the first place, and the com-

petition remains disqualified.

Affirmative action is, among other things, a way of making the institutions of society more representative of its component parts.

The need to correct the unrepresentative nature of our government in one massive exercise in democratisation is accepted on all but a few sides. We are entering negotiations and creating a new order.

Bill of Rights

It is for exactly the same reason that we need affirmative action programmes in other fields. The vote will achieve a government of a new and different complexion, and the new constitution will enshrine individual rights.

But that does not yet ensure the levelling of the playing fields. It does not address the heart-stoppingly huge backlogs in housing, in the socio-economic field generally.

That is why the subject of the constitutionalisation of second and third generation rights has become such an important point of debate. You are familiar with the arguments: how can things that cost money be built into a Bill of Rights? If a government for good financial reasons cannot deliver on those rights, the classic first generation rights are devalued.

I am not addressing that particular debate here. What I do wish to say is that if the second and third generation rights are dubious, or difficult, then that is all

the more reason to institute affirmative action programmes.

In other words, if we doubt that the new government will be able to improve the socio-economic conditions of the disadvantaged sectors of the population, then that is all the more reason to make room in the existing institutions and business enterprises for people who have previously been excluded.

We will need, at the very least, an affirmative clause in the Constitution permitting temporary ameliorative measures.

The key word to remember in affirmative action is "temporary". It is the temporary abandonment of equal rights and opportunities in order to correct the balance that makes it acceptable.

I think we should remind ourselves of the alternative. South Africa could very easily now have entered upon a period where the power simply shifted to a new government, a new hegemony that practised patronage and looked after its own.

Avoid tokenism

To a degree, that will no doubt happen in any case. We are extremely fortunate in having as the NP government's main opponent an organisation that proposes a Bill of Rights and a constitutional framework with which few liberals can have much difficulty — rather than a liberation movement which proposes to do unto others what was done to it!

But even such an organisation will have to look after its people. Don't let's get too fancy in our objections to affirmative action in various forms. I think we will see affirmative action anyway and that it is excellent to have it governed by formal instruments, in other words to have it constitutionalised.

Both Canada and Australia have affirmative action Acts which require enterprises employing more than 100 people to report on advancement programmes, in the case of Australia to a director of affirmative action who assists and advises. The Australian Act is described as conciliatory and catalytic, unlike its Discrimination Act which is complaints-based and punitive.

The emphasis in this form of affirmative action should be on what I call trawling and training. We are all familiar with the problems of tokenism. Appointments and promotions for the sake of equal opportunity appearances do more harm than good. Affirmative action, if properly practised, should encourage, first, the identifying of talent; and second, training, mentoring, career planning — but not empty tokenism.

The talent is there, of that there is no doubt, both among females and blacks. It simply does not occur to people to look for it and use it because they are set in their patterns of thought and of behaviour, in always drawing from pools of people whom they know.

Need for more black managers

JONATHON REES

MOST managerial jobs in industry would have to be filled by blacks in a future SA, Institute for a Multiparty Democracy executive chairman Oscar Dhlomo said last week. *Monday 5/8/91.*

Addressing a meeting of the Johannesburg Afrikaanse Sakekamer, Dhlomo said when a predominantly black government came to power it would almost certainly insist that more blacks be brought into management — sooner rather than later.

Industry should not wait for the future government to tell it to do this, but should begin to implement policies to facilitate the rapid advancement of blacks up the managerial ladder.

Dhlomo said socio-political change in SA would be most profound in industrial relations. Failure to manage this change would destroy SA's chances of being an industrial giant holding its own internationally.

There could not be industrial peace until workers were included in industrial decision-making, especially on matters that affected them directly, he said.

Dhlomo predicted that company board rooms might eventually include director drawn from labour representatives. This would help eliminate the "we-they syndrome" in labour relations.

Workers could also then begin to believe that employers were sincere when they argued that industries were unable to meet union's wage demands.

Acceptable (176)

And management would similarly begin to understand worker's problems directly

Dhlomo said he hoped South African would soon, for the first time, be able to regard themselves as a national team with a single and shared vision for the future

Turning to international trade, Dhlomo said SA products would be acceptable only if they were seen to be durable, reasonably priced and available on demand.

SA would have to compete in the global economy in order to survive industrially and economically, he said.

anket division, to a consortium represented by Victor Eric Cohen, a major textile

Economic inequality: Action needed

Political Staff

JOHANNESBURG. — The government has accepted that "affirmative action" will be needed to overcome historical economic inequalities.

Deputy Finance Minister Dr Theo Alant made this clear in a debate at the University of Pretoria's Centre for Human Rights at the weekend. He said a market-orientated economy would best suit the needs of a future South Africa.

However he added: "... but programmes of affirmative action will have to be introduced to enable the disadvantaged to participate and share in the development process and in the income thus generated."

But Dr Alant said that it was difficult to distinguish between people who had been disad-

vantaged deliberately and those disadvantaged unintentionally. Therefore it would be easier to integrate affirmative action into a single human development programme of normal socio-economic upliftment.

Another speaker in the debate on the economy and human rights, Democratic Party Houghton MP Mr Tony Leon said South Africa should create the maximum amount of growth possible and thereafter allow the State to implement policies of social upliftment.

"That is the only way forward to a democratic solution to South Africa's economic morass," said Mr Leon.

PAC spokesman Mr Barney Desai said the creation of an equitable economic order was

of paramount importance to the organisation.

The PAC proposed to correct the injustices of the past by legislation.

"We are discussing a number of policy options but will not act in a spirit of retribution. Nationalisation will not be used for doctrinal reasons.

"It is not our intention to transfer wealth from one elite to another simply because they are black. Economic policy must serve the needs of the whole nation," he said.

SACP spokesman Dr Essop Pahad said it was not sufficient to only concentrate on democratising political life but also the economy.

The creation of economic growth required foreign investment. The SACP and ANC

would propose a code of conduct for foreign investors, said Dr Pahad.

Professor Sampie Terblanche of the University of Stellenbosch said a perestroika of the economy was needed to get rid of inequalities.

He said the government's realisation of the need for affirmative action was "too little too late" and power relations needed to be restructured.

Dr Alant said economic growth could not be created through legislation. It had to be earned, practised and nurtured.

Dr Alant suggested that a social accord or economic governance accord could be drawn up to incorporate some of the economic rights which could not be enshrined in a Bill of Rights.

Blacks 'have problems in gaining top positions'

8/10/91 5/8/91

176



DARIUS SANAI

A TOP-LEVEL manpower conference at the weekend called for a radical overhaul of attitudes, and for the fact to be faced that blacks had difficulty in attaining executive positions.

The conference, held in Johannesburg, was organised by Transnet and human resources consultancy Career and Resource Development Strategies (Cards).

Centre for African Studies director Eugene Nyati called for managers to "at least face up to the truth" that blacks had problems in gaining executive positions, and not to ignore the issue under a "vener of racial calm", as happened in Britain and other European countries.

Strategies

The call for a radical overhaul of management views towards personnel was echoed by many speakers. The problem was being addressed to an extent in the US, but SA companies could benefit if they managed adroitly the diversity within their workforces.

"In SA we tend to ignore diversity within organisations because recognising racial differences is associated with apartheid," said Cards spokesman Keith Rosmarin.

Multicultural societies naturally had problems adjusting to the mix of people within the workplace, he said, but companies could follow strategies that not only solved the problems caused by this, but helped them benefit from it.

American corporate consultant Valpordeal Sanders said that people worked best when ways in which they differed from their colleagues were taken into account,

not ignored out of fear of racism.

Delegates from more than 20 major SA companies attended the conference. Panel guests from around the world included veteran black US corporate psychiatrist Price Cobbs and other international human resources advisers.

Nedcor Human Resources Group GM Brian Wegerle said that top managers had to be prepared to plant "mental landmines in the heads of people running businesses", to break patterns of people management.

People worked best when they felt valued as individuals, and when they could see that their differences to other people were being taken into account.

Cobbs said during the panel discussion that SA had particular problems, but many of these were reflected in the US.

Sanders said consulting companies in the US had formulated programmes and strategies for change in management techniques. Some of this technology was available through Cards.

Barlow Rand Group Human Resources Manager Andre Lamprecht likened present-day management techniques to using a 1921 sewing machine in 1991. "It still works," he said, "but using a modern machine would work much better."

People could recognise modern technology, he said, and would not consider using archaic machinery, but were much slower to change business practices and labour relations in tune with a rapidly changing world.

Sticking to old practices would cripple the business world.

Call to enforce affirmative action

B/day 21/10/91 (Mb) (circled)

THE Black Management Forum is to lobby for legislation which will force companies to adopt an affirmative action programme, says executive director Lot Ndlovu.

Along with political, labour and community organisations, the forum will press for acceptance of rules similar to those in operation in Namibia where an employment equity commission has been set up.

The forum's membership includes the top black managers in the country.

Ndlovu said an equity commission would investigate complaints of discriminatory practices in employment and assist and advise employers who wanted to set up affirmative action programmes.

Employers, employees, trade unions and members of the public would be invited to submit comments to the commission.

A similar approach was suggested in a paper presented at the Black Management Forum's recent conference by Shell SA public affairs GM Humphrey Khoza. He highlighted similarities between the two countries, which had both experienced apartheid.

Khoza said the impact of apartheid in Namibia had been such that the country's Labour and Manpower Development Ministry had felt it necessary to set up an obligatory affirmative action programme.

The programme will be administered by an employment equity commission, which will in turn be attached (for administration purposes) to the ministry.

Ndlovu said the conference had resolved to embark on a programme for the development, management and promotion of black skills.

"This strategy is aimed at accelerating the development of managerial capacity

THEO RAWANA

among blacks, since the forum, in its pursuit of affirmative action, is totally committed to merit and is completely against tokenism," said Ndlovu.

The key components of the strategy would be the establishment of a development fund, training and development investment by individual organisations, and guarantees from the developed managers.

The strategy would also include the management of skills importation and the creation and development — with appropriate placements — of black people to assume an effective role on companies' boards of directors.

Addressing the conference, outgoing president Don Mkhwanazi said: "When we talk of affirmative action we mean equalisation of equal opportunity. We mean a deliberate attempt to enhance the ability and capacity of disadvantaged masses to participate and compete on an equal footing with those who have benefitted immensely from apartheid and entrenched white advantage.

"Affirmative action refers to a sustained and deliberate strategy... to overcome the effects and damage of years of apartheid, colonial rule, economics of exclusion and social deprivation."

He added: "By affirmative action we do not mean compromising standards. We do not mean reverse discrimination but positive empowerment of the disadvantaged, exploited and excluded masses. It is a systematic attempt to increase the capacity of self-reliance and the ability to participate unhindered in all endeavours of human life and in all sectors of the economy."

Ex-SADF men in military lobby

A NEW military lobby group will be formed in Pretoria today to push for more professionalism in the SADF and encourage the conversion of military technology to commercial applications.

The Defence Institute of Southern Africa (Disa) will be headed by retired former deputy head of the SA Navy, Rear Admiral Chris Bennett, according to Disa spokesman Jakkie Cilliers.

Cilliers said the institute aimed to provide a forum for individuals and organisations to debate and influence SA and southern African military affairs in the interest of regional stability, the promotion of democracy and the furthering of economic growth.

Bennett said military technology developed with taxpayers' money should be urgently redirected into commercial enter-

JONATHON REES

prises. B/day 21/10/91 He said recent retrenchments of defence technology staff could cause permanent damage to the competence of companies which had a high potential for conversion to commercial applications.

Defence technology was used not only for defence equipment, but permeated other sectors and could be routed into daily non-military commercial enterprises to boost the national economy, Bennett said.

Another of Disa's objectives was to pass critical and constructive comment on the actions and state of readiness of the SADF.

Disa claims to have no links to government or any serving military officers, but has an extensive core of former senior SADF personnel.

THE DYNAMICS of the new SA present a great challenge to commerce and industry, particularly in the way that companies meet their leadership needs at board and executive management levels.

Ethical and political considerations aside, it should be clear that there are already far too few whites efficiently to meet the country's executive skills needs. Management is thinly stretched, with 65 workers for every manager in SA, compared with 15 in the US; the impact of this on standards is increasingly evident.

It has been estimated that an end to sanctions and violence, and the return of foreign investment to SA, will create the need for an additional 150 000 executives by the turn of the century. Even if the white population was to fill all the posts it could, that would account for only 45 000-50 000. The rest — some 66% of the total executive corps — would have to come from other population groups. Clearly we need to reconstitute business leadership at board and executive management levels to meet both socio-economic and business requirements. The success of changes we implement will be measured by their impact on the performance of our business sector and its ability to provide employment for a growing population. That in turn depends on the calibre of managers and directors, and their ability to profitably serve their markets.

The question for the business sector is not whether to change, but how best to do so. Against a backdrop of experience both here and abroad, there are grave misgivings about the relevance or wisdom of a quota far-get approach. Reaction to Nafcoc president Sam Motsuenyane's demands for blacks to hold 30% of all directorships and 60% of all managerial positions by the year 2 000 illustrates this point.

We need to take a balanced approach, and acknowledging the reality of racial demography should not mean disregarding the fact that if we are to survive as a growing industrial country, board and management performance will be judged purely on how they meet the needs of their

Merit must be the key to more blacks in the boardroom

TREVOR WOODBURN B/D^{adm} 3/11/91

companies.

To apply a race-based quota would be to make race the criterion for promotion or appointment. Society and the economy would suffer because we would be perpetuating the error implicit in a value system that regards hereditary titles, old school ties, race or class as more important than the skills or the strategic contributions that individual directors can bring to the table.

What those in favour of a blanket quota approach appear to lose sight of is that in the new SA there will still be a need for a variety of companies, and there will be as many ways of achieving company objectives as there are different sorts of companies.

Some boards might most appropriately be 100% black, others mixed in varying degree, and others all white or coloured — not by racial design but coincidentally, depending on who happened to be best suited for the tasks.

Forcing blanket quotas on such companies, both at board and management level, could deprive them of the skills and attributes they need to meet their objectives. So while economic emancipation is a non-negotiable essential for the new SA, it will hardly serve the economy to repeat past mistakes in another guise, substituting one form of racism for another.

Increased black involvement at board level is long overdue, but managers and directors will have to be selected purely on merit and the particular needs of their companies. In our complex environment, we need simultaneously to enhance the quality of leadership at board level and also to meet the cultural and ethical expectations of society.

Boards are being rebuilt from scratch. Their composition is being carefully re-examined through holistic audits — that assess past, current and future strategic direction — as well as in-depth appraisals of all board members' credentials.

It is increasingly appreciated that a board should not be composed of clones of its chairman but rather of a range of individuals who are able to make specific contributions to strategic direction.

Boards need an executive component and a non-executive component. The executive component usually consists of the company's key executives — like the MD, financial director and marketing director; hands-on managers who are key players in the corporate culture and who tend to have grown with the company. As the UK's Institutional Shareholders Committee points out, the

importance of non-executive directors is particularly evident in matters concerning top management succession, remuneration of senior management and issues where there is potential for conflict of interest such as management buyouts.

Non-executive directors have to contribute an independent view to board deliberations, help the board provide effective leadership, ensure the continuing effectiveness of executive directors and management and ensure high standards of financial probity, according to the Code of Recommended Practice on Non-Executive Directors published by the UK's Pro Ned.

Black executive board members will come up through the ranks of management; their contribution at board level will reflect their market experience, expertise and hands-on skills. These directors, particularly at operating company level, will be the products of recruitment, mentorship and training.

An alternative is to identify black entrepreneurs who are successful in their own right and to appoint them as non-executive directors. Such individuals could make a contribution in terms of their market awareness and grassroots sensitivity. Their exposure to boards would then give them an opportunity to develop their strategic awareness while contributing to the business.

With appreciation of the need for change and with sufficient application by SA's business leadership, there is no reason why we should not have a significant number of black executive directors in place by 2 000. However, it will be harder to meet the need for non-executive directors. Non-executive directors are ideally experienced achievers with all-round business skills who have already proved themselves as executive directors and developed beyond that to acquire a relative detachment from day to day company concerns so that they have an overview of the company. They have to contribute boardroom skills and corporate governance experience which executive members, having spent their careers in one business, may lack. They complement the executive directors, broaden the board's experience and skills range and act as stabilisers.

Above all, they must have integrity and be able to contribute independent judgment, which means they should not have any direct link to the company's performance or conduct. Their primary income and position in the business community should be founded elsewhere so that they are relatively insulated from fluctuations in the company's fortunes.

Good non-executive directors are the product of years of executive management experience. Although they are actively being sought through the effective use of professional executive search, the effect of traditional barriers to black advancement is manifest. So, while there are black leaders who are ready for non-executive board roles, there are simply not enough to meet the need in the short term.

The answer is neither to give up in the face of difficulty nor to throw the wrong people in at the deep end. We have to set standards and work resolutely towards achieving them.

That means devoting ourselves single-mindedly to growing black managers and developing black executive and non-executive board members.

Woodburn is a search and management consultant and MD of Woodburn Mann.

THE failure of affirmative action in the US, and the acknowledged need to introduce some kind of upliftment programme to enable SA to redress historic imbalances and apartheid-imposed disadvantage, poses a cruel dilemma.

Do we use the argument that SA is different and go the American way of minimum thresholds, quotas, and racially based employment and educative policies?

Or do we junk the whole theory of affirmative action as fundamentally racist and counter-productive, and say that SA blacks must pull themselves up by their bootstraps?

Former executive director of the Association of Black Accountants of SA, Mashudu Romano, tends towards the former view because of the sheer magnitude of SA's skills backlog.

In the US, he says, blacks are a minority. Whether they are encouraged to advance or not makes little difference to the overall economy: whites will always be able to provide the skills. But in SA, without a major affirmative action programme to increase black skills, economic development will be severely stunted.

The ANC information department's Gill Marcus strongly favours affirmative action and makes clear it must be part of a more radical approach for overall upliftment of blacks — and women. "Quotas are not adequate," she says. She argues SA needs a major national upliftment programme.

While accepting the argument in favour of merit as the criterion for advancement, Marcus appears to subordinate it to the longer term goal of affirmative action enlarging the skills pool in SA. "Merit seems to be a device for certain people to preserve the status quo," she argues. But she does not necessarily want to see affirmative action enshrined in government legislation and says it needs to be debated.

This is the one point of agreement between her and Wits University business economics lecturer Henry Kenney, who opposes government interference. He says: "If companies

Black advancement need not depend on racial job quotas

Bladen
24/6/91

ROBERT GENTLE

176



want to pursue affirmative action policies of whatever form, they should be free to do so. The market will exact a premium for any inefficiencies and underperformance that may result."

It is when one starts legislating with quotas and race that the problems start, he says. Legislated affirmative action equates economic justice with some "fixed ideal end state" — for example, 31.22% of all engineers must be black.

Yet economic development, by its dynamic nature, constantly changes this. "What then?" asks Kenney. "Will government recalculate the latest 'fair' quota?"

Kenney disputes the notion that government-sponsored affirmative action helped the Afrikaners, and that a future majority government should therefore do the same for blacks. He says whatever jobs NP supporters got in this way were always underpinned by economic growth in the private sector.

"What this tells us is that affirmative action can benefit certain groups at the expense of others — when growth allows it. But it is a misallocation of resources that hinders true development."

Kenney's view ties in with the observation by an American journalist that apartheid-style affirmative ac-

tion actually retarded Afrikaners, large numbers of whom are employed in the unproductive public service. Take away government, he says, and it all crumbles. "They don't have any survivable industrial or entrepreneurial skills like the English or the Indians."

Those working in commerce and industry — as opposed to theoreticians and political advocates — are now developing a practical approach towards resolving the dilemma.

Q He cannot argue with the aim of affirmative action, but like any form of social engineering, it could be damaging when taken to extremes," says Pat Stone of industrial relations consultants Andrew Levy & Associates. "While affirmative action may not impact too heavily on the economic fabric of a country in boom times, it can have a major impact in a high unemployment environment like ours."

SA companies will have to compete aggressively in world markets to survive, he says. The productivity and efficiency losses that would occur when people were put in jobs for reasons other than merit would harm companies. Qualified whites, who should not be expected to extin-

guish their career aspirations, may quit if they were sidelined in promotions.

Companies faced with such problems might well decide to capitalise — become more automated — rather than put up with these problems, says Stone. "When labour is made more inefficient — whether through huge wage increases, restrictive practices or affirmative action — employers tend to divest from human capital and capitalise even further."

A recent World Bank report suggests SA might already be over-capitalised given the structure of our work force.

Management consultant Ernest Mchunu is against affirmative action that uses race as the criterion for advancement. "People differ according to their brain power. If affirmative action recognises this, it will work."

Race-based programmes cause reverse discrimination, lower standards and remove whatever incentives whites may have had for performing, says Mchunu, who worked as an executive at Coca Cola for 13 years. "The races must mix in development programmes — or how will they learn to interact and manage one another?" His SA Management Programme,

conceived in 1988 for future managers, has all SA race groups represented. The first batch of candidates, who follow courses both in the US and SA, graduate on July 12.

Mchunu sends out a challenge to blacks themselves. "They have to be assertive, aggressive. Nothing is going to be given to them on a plate."

He laments what he calls token positions à la the Sullivan Programme where blacks were given meaningless jobs just so that the US companies could score 'brownie points' back home.

"Management must spread the merit message loud and clear. Whites must know that competent blacks will advance. Blacks must know their colour will not afford them any special privileges."

Mchunu sees a use for quotas only insofar as they enable management to work towards a goal — a bit like a sales forecast.

First National Bank (FNB) set itself just such a goal about eight years ago when it aimed for a 40% black workforce. Senior GM Jimmy McKenzie says it succeeded beyond expectations. Yet in-house development programmes are not race based and draw on all population groups from branches around the country: "We're an equal opportunity employer, not an affirmative action employer."

The most important conclusion that can be drawn is that upliftment programmes that use race as the deciding factor may not be the panacea that some hold them out to be. This has been the experience in America, where the new cry is for upliftment programmes to be aimed at uplifting poor people — not blacks, Hispanics, whites or whoever. After all, one poor race group is no more or less worthy of upliftment than another.

SA can easily implement such colour blind policies. Inevitably, given the legacy of apartheid, most poor people are black.

The ultimate aim should be equality of opportunity. Once everyone is free to choose in a fair society, no one need lose any sleep over the racial make-up of the economy.

Affirmative plan must be free of colour, says judge

S/Times 20/10/91 By BILL KRIGE

176

AN APPEAL Court judge believes affirmative action is essential in South Africa, but must not be based on race.

Mr Justice Richard Goldstone was speaking at a National Institute for Crime Prevention and Rehabilitation of Offenders conference in Port Elizabeth this week on the challenge of transforming the criminal and social justice system.

The judge said any affirmative action plan must be enforced by law.

"People must be forced into it. The law must be used to redress racial discrimination," he said.

But the Nicro president said the most important point was not to "make the mistake of having racial criteria for affirmative action".

Time to show some action in affirmative process

8/Day 11/11/91

1976

"DEPEND upon it sir, when a man knows he's to be hanged in a fortnight, he concentrates his mind wonderfully." The likelihood of affirmative action legislation in the future is causing companies to have a hard look at their employment profiles.

There are precedents. In Zimbabwe, affirmative action was directed at the public sector rather than the private and today most jobs in the public service are occupied by blacks. In Namibia, draft legislation proposes affirmative action in both sectors.

The most well-known case of affirmative action legislation has been in the US, where it dates back to 1965. The presidential directives aimed to make up for past injustices, overcome continuing discrimination, and ultimately to provide equal job opportunities for blacks and whites. Today the issue is still debated hotly in the US, but many would argue that affirmative action has produced major gains for blacks. The percentage of blacks in the US workforce has risen by half in the past 25 years. About 5% of all managers in the US are black, representing a five-

fold increase since 1966 and a 30% increase since 1978.

Given these precedents and a need to do something deliberate to normalise occupational structures in SA, opposition groups are calling for affirmative action.

The ANC argues that legislation is needed to redress imbalances and inequalities imposed by apartheid. Affirmative action is seen as a process "which would make black economic empowerment a reality".

The possibility of affirmative action legislation is only one reason why SA companies are looking seriously, perhaps for the first time, at the need to integrate their workforce. But it is a particularly compelling reason and is prompting companies to debate in earnest the need to pre-empt legislation by starting to act "affirmatively" sooner rather than later. This is particularly noticeable in some of the parastatals — perhaps not surprisingly. Other reasons are also persuasive. Some of them are "business" reasons. Black consumers represent a dominant share of the market for many products. Companies realise

KARL HOFMEYER

that to understand and to have credibility in those markets their structure has to be more representative of that society. Another reason is that black supervisors and managers arguably have many advantages over whites in managing a predominantly black workforce.

Companies also recognise that as other sectors such as health, the church, sport, and government itself become fully integrated, business will be out of step and a target for legislation if it does not adapt. A company which finds itself out of step with more progressive rivals also runs the risk of becoming a target for consumer boycotts or action by a future government.

The leadership of some companies accepts that the viability of a new society depends not only on a more widely accepted constitution and a stronger economy, but also on the advancement and incorporation of

blacks into the mainstream of business at all levels. This makes integrated employment a strategic necessity for the survival of a business and the economy as a whole.

The need for integrated employment is pressing. Over the years there has been considerable rhetoric but very little has changed. Blacks still occupy only 2,4% of management posts and less than 1% of executive positions. There has been almost no change in these statistics in the past five years.

In their responses to the problem, some companies have recognised the need to apply "affirmative action" although many of them prefer to call it something else. They realise that "equal opportunity" is not enough.

If a company has a policy of "promotion on merit" without affirmative action, then the many advantages enjoyed by whites will ensure that they continue to be promoted ahead of blacks. Thus these companies' plans include targets and increased training for employees who have been disadvantaged. Some are actively recruiting black graduates,

returning exiles, and others who have been studying overseas.

Companies which are integrating their workforce are adopting a holistic and participative approach. Top management is committed and line managers are responsible for developing their employees. They are setting goals and holding managers accountable. They have abandoned the arrogant view that "whites know what is best for blacks" and are involving black employees, unions and community groups in drawing up plans.

These companies are still in the minority. And it still has to be seen whether the companies which are formulating affirmative action policies and plans have the perseverance and creativity to make them work. What is clear, however, is that the debate within companies has a new urgency. But words must be translated into action if the business sector is to be part of the solution and not part of the problem.

Hofmeyr is Professor of Organisational Behaviour at the School of Business Leadership, Unisa.

LETTERS

star 4/11/91

De Klerk welcomes interim human rights report

By Peter Fabricius
Political Correspondent

President de Klerk has welcomed the South African Law Commission's Interim Report on Group and Human rights — especially its rejection of the ANC approach to "affirmative action".

The report published this weekend proposes a deeply-entrenched bill of individual rights enforced by a Constitutional Court at appellate division level.

These include the right to vote and a prohibition on discrimination by the State.

The Bill may only be amended by a two-thirds vote of all directly-elected representatives and a two-thirds vote of the voting population in a referendum.

The report accepts the need for affirmative action in the sense of more State funding in areas such as black housing and education to give blacks an equal chance.

But it says affirmative action as envisaged by the ANC in its draft Bill of



FW de Klerk ... socialism would not be entrenched.

Rights is too wide and could sanction reverse discrimination or retribution, which the commission rejects.

It warns against the "misuse" of affirmative action to justify nationalising land or redistributing land, minerals or other assets.

In a statement last night, Mr de Klerk associated him-



Mr Justice Olivier ... chief author of the report.

self with these views and said that affirmative action should consist of "a real programme of upliftment and the institution of equal opportunities", which he said had begun. The commission said that to include "second generation" rights, such as the right to a job and education, in a Bill of Rights — as

proposed by the ANC — could cause a constitutional crisis if the State could not afford to honour these rights.

Mr de Klerk said socialism should not be entrenched in the constitution.

Other proposals in the report are:

- The right to life should be protected.

- Property rights should be protected and the state may only expropriate property if it provides compensation as determined by the courts.

Mr Justice Pierre Olivier, chief author of the report, said the commission rejected the view in the ANC draft Bill of Rights that property could be expropriated without compensation. This was nationalisation.

- No educational or other institution may receive state funding if it discriminates on racial grounds. But on the principle of freedom of association, these institutions, if privately funded, cannot be prevented from discriminating racially.

- Group rights cannot be

● To Page 2

FW welcomes interim human rights report

● From Page 1

protected as such in a Bill of Rights but only through protecting collective values such as religion, culture and language.

- But individuals should have the right to go to court on behalf of a class of persons to defend collective values.

- The right to choose

mother-tongue education.

- Detention without trial should be limited to 48 hours, or the following court day, after which the arrested person should be brought to court and charged or informed in writing of the reason for detention — or released.

- A state of emergency

may be declared only under strict conditions, for a maximum of six months and must be ratified within three weeks by a two-thirds majority in the highest legislative body.

Mr de Klerk said the Government would proceed with its reform of security legislation to bring it into line with

"norms generally reflected in bills of rights".

- The right to a safe environment — a so-called "third generation" right — should be protected.

Mr de Klerk said the commission's proposal to introduce an interim Bill of Rights before a new constitution was written would be approached "with an open mind".

Investment and skills needed Ramaphosa

Star 1/11/91

176

South Africa would be unwise to alienate investors or drive out skills, says ANC secretary-general Cyril Ramaphosa.

He told the conference: "The ANC has been unwavering in its commitment to a non-racial, non-sexist South Africa.

"It is these commitments plus our acceptance of the link between investment and redistribution being critical for future stability that will enable the ANC as a political organisation to unify a divided society around common objectives."

Mr Ramaphosa said South Africa had a potentially dynamic private sector and that the government of the future had a duty to ensure the potential was fulfilled.

"But this is not an invitation to complacency on the part of the private sector. It does not mean business as usual.

"It means we have to face new challenges and find new ways of meeting those challenges.

"The private sector, in co-operation with the public sector, must go out and create job opportunities, especially for those people, the black people of South Africa, who through no fault of their own were sent off the field before the economic game started."

Mr Ramaphosa added: "At present in the public debate one side fears that redistribution will stop

investment, while the other side fears the pursuit of investment will be at the expense of redistribution.

"Both are legitimate fears, but we must go beyond expressing our fears as if they were iron laws of economics."

Mr Ramaphosa told the delegates that the ANC was concerned about the additional and potentially serious long-term obstacles to investment.

"This is a concern that is very strongly shared by our alliance partners," he said.

Participation

"Addressing these problems requires a very high degree of participation by all the key actors in society and the economy.

"The Nationalist Government is not capable of either addressing these problems alone or of involving all the key actors."

Mr Ramaphosa said that the overwhelming proportion of investment in South Africa came from domestic sources and that this would continue for economic reasons.

"However, foreign investors can, and we hope will, play a valuable role in taking a democratic SA along the path to prosperity.

"Our general objective is to revive investment within a framework that maximises our capacity to eradicate poverty." — Sapa.

Shell to help its dealers

176
2/11/91

Sowetan

By
All Mphaki

A SPECIAL committee to focus on the problems and opportunities for black Shell dealers is planned in the Transvaal.

Transvaal Shell Dealer Council chairman Mr George Gani said he was concerned that they were not doing enough to assist black dealers "who often have different problems to those experienced by other dealers".

Problems such as secu-

rity, electricity supply and unrest could make the black dealer's job difficult.

Active role

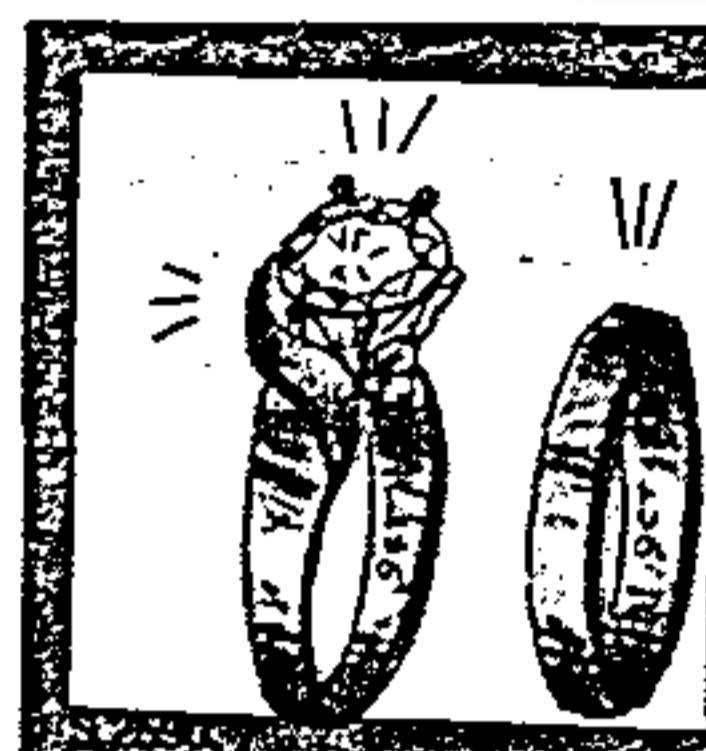
"I am personally going to try and see that we play a more active role in this area, and I would like to appeal to all black dealers to contact

me, as we would like to devote a special session at our next meeting to black dealer issues," he said.

He added that if enough interested people come forward, a special permanent sub-committee for black dealer affairs may be formed to formally tackle the special problems experienced by these dealers.

The next meeting of the Shell Transvaal Dealer council will be on Novem-

ber 7 and interested dealers can contact Mr Gani on (011) 854-1005.



MAEST WALE - IN PAUC
MAEST WALE - BET BREE



Mr Eric Mafuna, co-chairman of newly-formed SAABC.

Council urges re-investment

Sowetan 28/11/91.

THE nine person executive committee of the South African-American Business Council has appealed to American corporations that disinvested from South Africa to prepare themselves to help blacks.

South African co-chairman of SAABC Mr Eric Mafuna said those corporations should play a positive role in the reconstruction of this apartheid-ravaged country if and when they decide to return.

Mafuna, who is also managing director of Consumer Behaviour Ltd, said: "There can be no lasting political solution to the South African problem if the black people do not perceive the political settlement to bring to them immediate economic benefits in the form of direct participation at all levels in the economy of South Africa, from social services through equity participation."

SAABC was established at the initiative of black South African and Afro-American business people during a visit by a group of

(S) *(K)* *(176)*
By JOSHUA RABOROKO

black Americans led by Mr Randall Robinson, executive director of Trans-Africa, in October.

The group was invited to South Africa by ANC president Mr Nelson Mandela.

Meeting in London at the weekend, the SAABC executive committee acknowledged the important contribution to the elimination of apartheid of those corporations that had heeded the call to disinvest from South Africa.

It appealed to these corporations to continue to play a positive role in South Africa by helping in the development of black entrepreneurs, managers and technicians by starting now to work jointly with SAABC to design programmes that will contribute to black economic empowerment.

Public service blacks

in new demand

By ADRIAN HERSCH

A COSATU union has made affirmative action demands in pay talks involving the public service.

The National Education Health and Allied Workers Union (Nehawu) first seeks to get an "in-principle" agreement on the need for affirmative action. The working details would be settled later.

Nehawu general secretary Sisa Njikelana says demands centre on skills upgrading, promotions and appointments.

He stresses that the union wants affirmative action not only in terms of race but gender. *S Times (8455)*

The union also demands a minimum wage of R1 000 a month. *24/11/91*

Mr Njikelana says the affirmative action plan will not lower standards.

Issue

"The fact that we are seeking skills upgrading means that we do not want to see people promoted without the adequate qualifications."

The union wants the programme to be jointly run by labour and management.

The Commission for Administration (CFA) has not yet commented on the affirmative action demand.

However, CFA chairman Piet van der Merwe has previously said that blacks already outnumber whites in the public service.

The union's demands indicate that affirmative action will become a major industrial relations issue in years to come in all sectors.

The pay talks in the public service will begin at the end of January through an "interim national bargaining forum".

The forum includes 11 staff associations and trade unions and the CFA.

The parties have held discussions in the past year to consider new legislation for public servants to give them full labour rights.

Degree

A draft Bill, released recently, may become the Public Service Labour Relations Act in 1992.

It is similar to the Labour Relations Act and would allow State workers access to the Industrial Court and the Labour Appeal Court.

The head of the mostly white Public Servants Association (PSA), Hans Olivier, says the 11 associations and unions achieved a remarkable degree of agreement on the proposed legislation.

CFA spokesman Hannes du Preez says the drafting committee will meet again in December.

He says the proposed legislation will cover about 400 000 State employees.

German investment 'to develop skills'

By Brian Sokutu

German investment in a future South Africa will not merely be based on profit-making but on developing skills, particularly of underprivileged blacks, German Deputy Foreign Affairs Minister Helmut Schaefer said in Johannesburg yesterday.

Addressing the South African Institute of International Affairs (Saiia), Mr Schaefer, on a week-long visit to the country, said German companies would be "well-advised to assist the South African future government with its problems".

"I think concentrating on skills training will be most important."

He said his country would "carry on as we've done before to channel assistance to the underprivileged blacks".

He said education prepared the underprivileged for full economic and social participation. South Africa required huge investments.

"I'm sure that my country as well as other European countries will be prepared to participate in this gigantic task.

"Without sound economic development the chances of success of the political process will be minimised."

South Africa, he said, had embarked on a process of "South African perestroika" and change was irreversible.

"Combining courage and reason, President de Klerk set this country on a radical new course. And in (ANC president) Nelson Mandela he has a partner whose statesmanship, determination and wisdom makes this transformation possible."

He said he admired Mr Mandela's spirit of conciliation and moderation in working for peace after serving 27 years in jail.

Mr Schaefer said Germany had been in the forefront of a campaign to end apartheid.

"Germany introduced a code of conduct into the European Community that made European labour standards applicable to their companies in South Africa.

"Our companies paid particular attention to training and promoting non-white labour and management," Mr Schaefer said. (176)

During his visit Mr Schaefer will hold talks with President de Klerk, Mr Mandela, Cabinet Ministers, the Inkatha Freedom Party, the Democratic Party and other political organisations.

51024 1911/91
Shortage of accountants

ROBERT GENTLE

A SENIOR partner with a leading accountancy firm yesterday called for a "change of approach" to bring more blacks into the profession without degrading the qualification.

Managing partner of accountancy firm Arthur Andersen Sam Abrahams said: "Blacks with degrees are failing examinations on a regular basis. We cannot continue in the way we have for the past 20 years."

Abrahams said there were about 45 black accountants in the country out of a total accountant population of just over 13 000. SA needed about 200 to 300 new black accountants a year.

BMF to compile 'support' list

(B) LINDA ENSOR (176) (B)

CAPE TOWN — Companies which provided a supportive environment for black advancement would be identified and their names provided to Black Management Forum (BMF) members, the new Western Cape regional chairman Humphrey Khoza said at a BMF news conference yesterday. *Monday 27/11/91.*

The regional organisation would also place an emphasis on the training needs of its manager members.

Khoza said practical strategies had been devised to achieve black economic empowerment.

He said the country was facing a daunting task in terms of skills and management shortages. "It is irresponsible to fold arms and let developments take their own shape," he said.

Retrenchment led to a printing firm

Sowetan 28/11/91

By JOSHUA RABOROKO

Rand Daily Mail
Mndebele, who is managing director and founder-member of the company, said.

Dube acts as financial adviser and accountant, with Sibeko, they believe the company has great potential to create jobs for many in the future.

Mndebele left school after he was expelled for participating in the Soweto

THREE former employees of the former South African Associated Newspapers are operating a printing company from the backyard of a Soweto home.

Mr Thabo Mndebele, Mr Michael Sibeko and Mr Edward Dube started the Sibonelo Printers CC at 5236B Zone 5, Diepkloof, after they were retrenched by the company.

They produce a variety of letterheads, wedding and business cards, photocopying manuals, envelopes, binding pads and books and invitation cards.

"We further developed our experience in printing which we gained while working for the now dead



THABO MNDEBELE

Students Representative Council during the 1976 uprisings.

"I was very keen to learn and become a lawyer but my dreams were shattered when we fought against this Bantu Education."

He worked for several companies until he joined SAA as a machine operator.

After they lost their jobs in 1985, they were left stranded and Sibeko suggested they go into the printing business. They managed to save money by running stoves and promoting mashonisa clubs.

"We applied for loans from financial institutions without success," Mndebele said.

He recalled how a company that is supposed to help black advancement turned their application down purely because it thought "we were a risk".

However, they managed to buy a printing machine and operated from Mndebele's home in Dube. As the business grew they built a room outside his

They later found accommodation at the Small Business Development Corporation's premises near New Canada. But the rent was "too high for us and we decided to go back to the ghetto, where we built another room".

"The business is doing quite well now but our single headache is that our black leaders and entrepreneurs use white companies for printing their materials," Mndebele said.

Ghetto

home.

UK trade inquiries flooding in

By Neil Behrmann

LONDON — The South African Embassy in London is receiving about 500 trade inquiries a week, says Kent Durr, South African Ambassador to the UK.

Last year there were about 400 to 500 inquiries a month, embassy officials say.

Speaking at a recent conference organised by accountants

Ernst & Young and the United Kingdom South Africa Trade Organisation (Uksata) in London, Mr Durr said: "South

Africa is entering a new renaissance.

"Many people compare the events in Eastern Europe and South Africa," said Mr Durr.

"However, if one subtracts communism in Eastern Europe, there is very little left...

"Subtract apartheid and there is much left on which to build.

"Their problem is one of construction, ours is essentially one of inclusion."

The seminar of 140 delegates illustrated the growing foreign business interest in South Africa.

Last month, Business International and Standard Bank South Africa held a conference in Frankfurt.

It was attended by 110 delegates.

The Confederation of British Industry and Standard Bank will hold another conference at the end of next month.

Speaking at the Ernst & Young conference, Max Tlakula, vice-president of the National African Federated Chamber of Commerce, said that foreign investors would do well if they backed the black business community.

He forecast that in ten years' time 30 percent of the directors of JSE companies would be blacks, coloureds and Asians. Forty percent of these companies would be owned by black shareholders.

This appears to be a remarkable prediction, considering the wealth disparity between whites and blacks.

But delegates agreed that there was consider-

able room for listings of smaller companies owned by blacks. So far there is only one.

Mr Tlakula, who is managing director of Elim City Shopping Centre, noted that the African Bank's assets had expanded to R140 million from R23 million in the early Eighties and there were now 23 branches.

Foreign businesses could approach that bank with propositions, he said.

Colin Hall, chief executive of Wooltru, delivered an almost evangelical speech about prospects for South Africa in the Nineties.

Provided black business leaders and management had the entrepreneurial and leadership spirit, they would do well, he said.

"It doesn't matter if some only have a Standard Five education," he said.

The speech was well received and delegates were impressed by his dynamism and enthusiasm.

South African businessmen and managers should not sit back and expect President FW De Klerk to carry out all the reforms, he said.

They should do their utmost to make their own companies democratic.

They should listen to opinions of employees, regardless of colour, and do their utmost to help blacks advance in management.

Nick Mitchell, executive director of Uksata, said that Britain's Department of Trade and Industry had designated South Africa as a target market.

The Department of Trade was now able to provide a full range of export services for South Africa, he said.

UK government funding was now available to support trade missions and for participation in trade fairs.

Trade missions to South Africa had risen to nine this year from two a year in 1989 and 1990.

There were applications for 27 missions in 1992 and parties included 20 members against a dozen or fewer previously, he said.

Women must play role in business

By JOSHUA RABOROKO

THE role of African women entrepreneurs in the formal and informal sectors of business is essential in boosting the economy and social welfare of their countries.

They must study and uphold the rights and interests in general of both women and entrepreneurs.

The participation of women in fields such as agriculture, food production, rural development, energy, mineral and hydro resources, computerisation, transport, communication and tourism and the development of the informal sectors must be explored in a changing Africa.

Issues

These issues were highlighted by the Cameroon Minister of Social Affairs and Feminine Condition, Mrs Yao Aissatou, during the All-Africa business conference Sidco '91 - organised by the Paris based Dialogue and Cooperation.

The first forum of its kind for businessmen and women in Africa, the conference was aimed at discussing and exploring business opportunities in a fast growing continent.

It was also aimed at encouraging a new dynamism of inter-African cooperation, from Cape to Cairo.

Speaking on the role of the African women in developments, she said women must participate in all sectors of the economy, as well as movements, in the changing Africa.

Appeal

She said already 90 percent of African women were involved in agriculture, food production and storage of crops and a considerable number were engaged in industrial activities.



Mrs Yao Aissatou, Cameroon Minister of Social Affairs.

However, she said, women must develop their technological skills, education and training in order to overcome their economic hardships.

Most of the agricultural crops in Africa rotted because there was no place for them to be stored.

"This is a waste and we need to improve our storage facilities in order

to export the food to other African countries, as well as those overseas, in an attempt to develop our economy."

She appealed to African women to involve themselves in joint ventures and partnerships, matchmaking, seek financial aid and to investigate legal implications and State support.

Aim

Supporting the Minister's assertions was the president of the Cameroon Association of Women Entrepreneurs, Mrs Abiaaleu Lucienne, who said that her association encouraged women to foster, exchange and communicate internationally to facilitate such communication and to keep them informed about all questions generally pertaining to their double role as women and entrepreneurs.

"It is our aim to bring to the notice of women business owners details of functions that are, or will be open to them, to put forward support nomina-

tions and to aid professional bodies in the State dealings with economic questions," she said.

Plea for blacks to be given a chance to build for own people

176

Sowetan 14/11/97

ONE of the few black entrepreneurs to make it in South Africa's fiercely competitive building industry, Mr JC Mtshali, believes that the huge funds made available for affordable homes should be channeled to black builders.

Mtshali, a former school teacher who had taken a diploma at the Madadeni Training College, told *Sowetan Property* that his beliefs were based on the fact that blacks knew best what sort of houses their people wanted.

His enthusiasm in the

building industry was revamped after researching the shortage of township homes.

He estimated that around 1,9 million homes were needed in the PWV area.

With partner Mr IT Ndzipho, Mtshali founded the successful Metropolitan People's Consultancy, aimed at marketing low-cost housing of good quality with affordable extensions and outbuildings.

In the past five years the company has made tremendous strides in

By JOSHUA RABOROKO

helping to curb the critical housing shortage under the name of Mepco Housing and Developers.

Seated in his plush office in the centre of Johannesburg, Mtshali said the company had built more than 2 000 houses priced under R15 000 in Soweto, Orange Farm, Evaton, Sebokeng, Daveyton, Vosloorus, Kagiso, Mohlakeng and other areas.

He is proud to say that

the company has also built up-market homes in exclusively black "snob hills" and double-story taverns with accommodation for their owners.

Mtshali said while the company had a track record of building many homes, his single headache was capital - a problem he believes could be solved if blacks were given a break in the construction industry.

He added that much more jobs could be offered if black building

contractors were allowed to grow by giving them the funds that both the public and private sectors were now pouring into low-cost housing organisations.

There has been a lot of red tape surrounding the release of money to black builders, seemingly because they were not trusted to use the funds productively, Mtshali said.

"This is all a fuss. Blacks have to be given a share in the building of homes for their own people."

Women at war on business forums

By KATE MAMABOLO

196

human relations.

255A

"Different forums for

MORE and more black women are getting out of the kitchen and giving their male counterparts a run for their money in business.

However, a snap City Press survey has shown that although many women run their own businesses successfully, they are excluded when it comes to collective business decisions in companies where men are in positions of authority.

That is still a man's world, the women said.

Bridgette Motsepe of Nexus said: "It is a fact that despite the success of women in business and their excellence in other fields where men used to dominate, we are not yet included in economic forums."

Bridgette's company is at the forefront of initiating and implementing strategies which will link up South African businessmen with their counterparts in the rest of Africa.

"Business forums are suit and tie affairs. Women must gear themselves towards integrating forums so as to strengthen

men and women promote sexism and the kind of fierce competition that could lead to intimidation.

"On the other hand, if men and women pool their resources, it could enhance economic empowerment," said Bridgette.

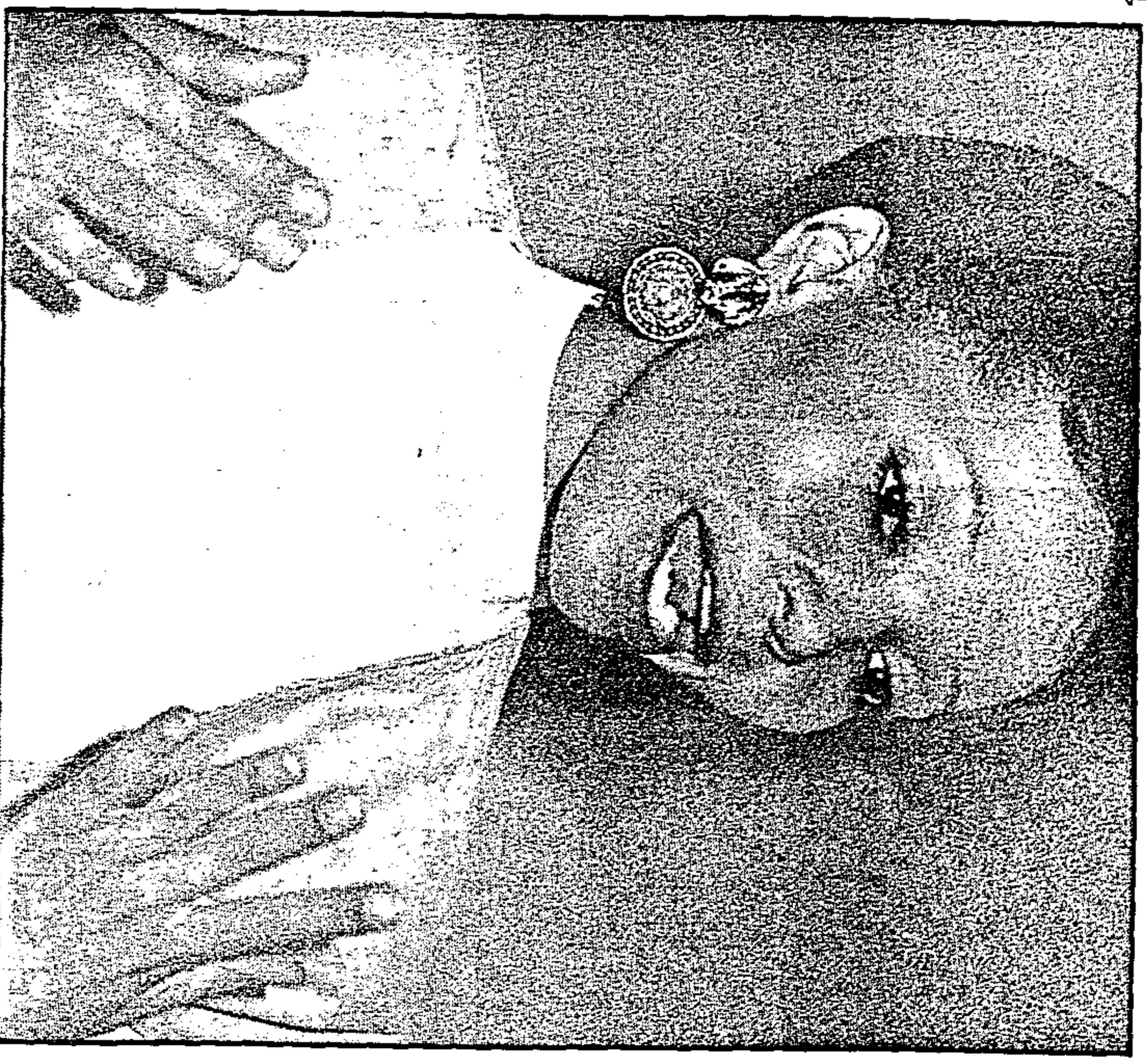
Successful Soweto hairdresser Fredah Malebone is looking forward to integrated business forums.

But she said women have to go a step further and equip themselves with management skills

Dorah Ndaba, sales executive and founder-member of Sabta and Fabcos, said: "Most men in the industry have still not come to terms with women joining their field.

"They don't expect women to know much about taxis and that makes it difficult for them to accept a woman's opinion and involvement in forums."

She estimated that 80 percent of spaza shops, taverns and shebeens were owned by women.



BRIDGETTE MOTSEPE... Business forums should be integrated. Separate forums for men and women promote sexism and fierce competition.



OUT OF THE KITCHEN, INTO THE BOARDROOM ... Ten of the 12 directors of BC Stars, SA's first company owned by black women.

No longer a man's world

By KATE MAMABOLO

TWELVE black women have proved they can make it in business without men in control - in fact without men at all. *CIPREN 17/11/91*

Muscling into the business world, they have formed South Africa's first company owned solely by black women, BC Stars, which was launched in Johannesburg this week.

And they have big plans.

With initial capital of R50 000, BC Stars plan to get into service stations, fast-foods outlets, laundrettes, confectioneries, hair salons, supermarkets and florist shops, according to managing director Brenda Maisela.

Women should not feel it is their

176 duty to serve men and live in their shadows, Maisela added.

Company chairwoman Daphne Sithebe said: "We do not promote sexism in business, but we feel as women we have to pool our resources.

"The interaction of men and women in business cannot be overlooked, after all they (men) will be the consumers of our products."

BC Stars has also established links with the Small Business Development Corporation (SBDC).

For those interested in knowing more about the company, there will be a general meeting on December 8 at 10 am at the Downtown Holiday Inn in Johannesburg. The registration fee will be R20.

C/P 12/10 17/11/91

Dawn opens new horizons

By SOPHIE TEMA

HIGH achiever Dawn Makhobo is scaling new heights with her recent appointment as senior health education manager with the Anglo American Corporation.

She is responsible for educating workers on the prevention of Aids.

Makhobo is certainly qualified in the field, being part of the Aids Education Working Group of the Medical Research Council, and having advised several companies on Aids education programmes.

What motivates Makhobo is her love for challenges.

Two years ago the mother-of-two came to Johannesburg from Mafikeng to start her own community affairs consultancy, a job she gave up to join Anglo full-time.

At the same time she was appointed to the board of Metropolitan Life and the SA Media Council – their first black woman member.



DAWN MAKHOBO

A strong need to help others achieve a sense of self-worth led Dawn to study Social Science at the University of the North. Her first job was as social worker in Bloemfontein.

She moved with her husband, Dr. Patrick Makhobo, to Bophuthatswana where she joined the Agricultural Development Corporation of Bophuthatswana (Agricor) and rapidly moved up the

ranks.

176

One of the highlights of her career was her visit in 1985 to the US and Canada as part of an all-woman exchange programme.

Two years later she was promoted to Agricor's group manager for community development, with responsibility for all community development programmes in Bop.

Here she helped create the development concept for all of Agricor's activities, called Temisano.

Makhobo does not believe claims by white-owned companies that there is little black management material available.

"I refuse to accept that potential black managers are not available.

"Companies should seriously look at the issue of increasing the number of their black managers.

"What happens is that many corporate environments are sometimes hostile to the idea of black advancement in management," Makhobo added.

US franchises seen as a good bet

DURBAN — Although direct investment by American companies in South Africa remains an unlikely prospect, opportunities for small black businesses to take on franchises could prove a safer path for prospective US investors, says visiting US analyst Jennifer Kibbe.

Ms Kibbe, who hails from the SA Review Service of the Investor Responsibility Research Centre in Washington, says American companies would be more likely to enter into non-equity ties such as licensing and franchising agreements, which entail a smaller injection of capital and lesser financial risk.

Ms Kibbe has just completed a survey of attitudes of 50 American business executives, consultants, bankers and government officials to investing in a new South Africa.

She says ongoing violence poses more of a threat than nationalisation to the security of their investments.

"Companies who have committed themselves to staying

here all these years, despite pressures to pull out, all mention the violence as a factor that could cause them to change their minds.

"They told me of problems with Americans who were supposed to take positions in business here, but refused to come because they were too scared," she says.

Other indicators of investor uncertainty were noted by Ms Kibbe at a private meeting between African National Congress representatives and US business leaders at Notre Dame University in October.

Ms Kibbe said both sides left the meeting with unfulfilled expectations.

"The ANC was saying that it wanted business to focus on training, in preparation for future investment, while businesses had expected to get the go-ahead from the ANC to move back in.

"I don't think that this meeting was a setback for relations between the ANC and those

companies that attended".

Ms Kibbe says that although the federal Comprehensive Anti-Apartheid Act was lifted in July, 58 local and state restrictions are the major obstacle to US investment.

She says anti-apartheid activists on a local level are now looking at how to lift sanctions.

Promoting opportunities for small black businesses to take on small contracts and franchises could be an acceptable process.

"If anti-apartheid groups can find a way to make the process of lifting sanctions favourable to black South Africans, then they would even lobby for them to be lifted and for companies to move back in," says Ms Kibbe.

"But there is still a lot of bitterness felt by those companies who were forced to pull out. And although people are talking about the opportunities of the black consumer market, compared to all of Eastern Europe, it's puny." — Sapa.

18/11/91

176

Call to consult black staff

81 Day
2/12/91 ROBERT GENTLE 176

IMPORTED concepts like Japanese quality circles and American advancement programmes will never work in SA until management involves blacks in the decision-making process and respects their dignity and pride, author Albert Koopman told the Matching the First World to the Third World in a Business Environment seminar in Johannesburg yesterday.

Koopman said the key to unlocking SA labour productivity lay in managers, who were largely white, understanding the culture of black workers.



Don Ncube, appointed an alternate director by Anglo American, at yesterday's news conference. Suggestions that he was a token black were "an affront to my intellectual integrity", he told reporters.

Picture: ROBERT BOTHA

Ncube joins Anglo board

DARIUS SANAI

ANGLO American group industrial relations consultant Don Ncube, named as an alternate director this week, yesterday emphatically denied being appointed as a "token black".

"It would have been an affront to my intellectual integrity if I had been appointed on the basis of my skin colour," he said.

He said such appointments were "the most pernicious form of reverse discrimination", and added that the appointment reflected his 18 years of service and the position he had reached in the company.

Ncube is the second black person to be appointed to Anglo's board. Zululand University anthropology professor A L Vilakazi was appointed in 1980.

Ncube was appointed along with Anglo's executive committee secretary Philip Baum and finance manager Chris Yates.

Baum was a personal assistant to former Anglo chairman Gavin Relly for five years. He also heads up the Anglo American and De Beers Small Business Initiative, which is responsible for developing business relationships with emerging enterprises.

An Anglo spokesman said race was "utterly irrelevant" in determining appointments within the corporation.

176

STAR 6/12/91.

Black managers seek changes

Finance Staff (176)

The Black Management Forum (BMF) was committed to the training, development, and job placement of black managers in the new democratic South Africa, says its new president, Professor Wiseman Nkuhlu.

Speaking in Johannesburg this week, Prof Nkuhlu said the BMF intended running manage-

ment programmes which would include workshops, career planning, guidance and counselling, overseas internship, bursary schemes, research projects and the fostering of links with other organisations.

He said the organisation would ensure that there were changes in the big companies' policies which would enable the disadvantaged black

managers to have a slice of the cake.

Prof Nkuhlu, who is principal of the University of Transkei, said BMF would focus on the rebuilding and reconstruction of black management capacity to play an advocacy and active role in the future economy of the country.

He advocated a mixed economy to redress the imbalances.

Management group opens to whites

Soweto 9/12/91

BY JOSHUA RABOROKO

THE Black Management Forum, catering for the interests of aspirant managers in South Africa, has opened its doors to whites.

The first white to join the Johannesburg branch of BMF was Mr Glenn Cowley, director of public relations company, The Associates.

"I have always been a supporter of black economic empowerment - the reason I joined the forum. I believe blacks have a great future," Cowley said.

BMF's spokesman said a few others have joined its branches, although the spokesman did not have the exact number of white members. "We are not going to change the name so far," the spokesman said.

The BMF, formed in the aftermath of the 1976 uprisings, has pledged itself to support the political settlement which is almost in sight and contended that it must be accompanied by an economic settlement.

At a Press conference this week, newly elected president Professor Wiseman Lumkile Nkuhlu said the BMF would use its expertise to provide economic hope to blacks.

Nkuhlu, who is also rector of the University of Transkei, said: "It must play a massive role, a qualitative role with a small yet growing membership base.

"The BMF's reason for existence is the promotion of the development and empowerment of managerial leadership among the black people within the business environment and the creation of a work place that reflects the demographics and values of the wider community."

He said that they subscribed to a just and nonracial democracy for South Africa; optimum use of the country's human resources; and an African-centred leadership perspective.

He also called for a land and graduate tax to rectify apartheid imbalances and urged for a radical redirection of Government expenditure from the rich to the poor.

The graduate tax would allow those who had benefited from apartheid education to repay their debt to those unable to enjoy those benefits, he said.

He believed in a mixed economy and said that nationalisation would be the last recourse if apartheid was not completely abolished.

The BMF also announced the launch of a four-year project aimed at improving black management skills and identifying potential managers.

"It is urgent that a model of affirmative action be developed if any serious progress is to be made in the development and advancement of blacks in business.

WISEMAN NKUHLU



US firms urged to B/day 11/12/91 176 pep up aid schemes

WASHINGTON — The collapse of formal apartheid notwithstanding, US companies in SA must redouble their social responsibility efforts, even though they are already "at the forefront" of businesses seeking to facilitate change.

So contends auditor Arthur D Little Inc in its latest annual report on how signatory firms are complying with the so-called Statement of Principles, formerly known as the Sullivan Code.

"The need for such programmes is more urgent today than ever before to meet the growing expectations and opportunities of the majority of the population," the report states.

"If collective pressure for change is halted, social tensions will increase and hurt the efforts of all parties working towards a unified, non-racial democracy." After a decade of precipitate decline due mostly to disinvestment, the number of signatories has stabilised at 52, a marginal drop from 54 last year.

Despite deepening recession, the 52, representing 17 693 employees, increased their social expenditures inside and outside the workplace to R74m over the past year, up from R67m in 1990.

Of this more than R33m went towards educational assistance for non-employees.

Man-days devoted to social responsibility activities also increased from 64 000 to 70 600.

SIMON BARBER

All but four of the companies were "making progress" or better. Donaldson Co, Harnischfeger Industries, Ingersoll Rand and Joy Technologies were told they needed to become "more active" in the fields of education for non-employees, training and advancement, community development and social justice.

For the first time since the principles were established in 1977, companies were required to provide employees with AIDS and family planning counselling and annual TB tests. All complied.

The companies' performance in filling white-collar vacancies with blacks improved quite markedly — from 20% to 27% at the managerial level — the only exception being supervisory positions. Here the proportion slipped from 63% to 60%.

Overall, the proportion of whites supervised by blacks in signatory firms is 10,5%, up from 6,2% five years ago.

Several firms reported that their efforts to advance blacks was being hampered by unions and workforce peer pressure.

One said "the trade unions are prepared to allow their members to be trained at various skilled jobs, but not supervisory and managerial jobs".

Several companies indicated they were engaging more deeply than ever before in efforts to desegregate schools and help community groups counteract violence.

Turning adversity into opportunity

South 12/12 - 18/12/91



By Mbuyi Mtsheketshe

HOME RETAILER and shop owner Mr Joseph Mtshiselwa of Langa has turned the adverse conditions and potentially dangerous environment in the Cape Flats townships to his own advantage. He grabbed the opportunity when a well-known soft drink manufacturer indicated he was having problems distributing his products in the townships.

He entered a distributorship agreement with Coca-Cola in 1985, during the unrest periods.

Mtshiselwa created what must be one of the first wholesaling operations in the townships last year, known as "Big 4 Cool Drink Wholesalers".

In recognition of his efforts, which has created initial job opportunities for 28 people, Mtshiselwa has been named the Western Cape's Entrepreneur of the Month by the Small Business Development Corporation. Mtshiselwa said after

leaving school in 1967 he started as a shop assistant with an informal spaza store in Guguletu. He said the

experience gave him the initial cash and confidence to start his own business as a spaza owner. This gave him an insight into problems the independent stores had in purchasing and maintaining sufficient stock.

Mtshiselwa said the spaza shop provided him with the motivation to purchase a truck to do bulk deliveries in the townships.

One truck led to a second, and the business now operates a fleet of seven vehicles, all of which are fully paid for.

In January, Mtshiselwa established a storage depot in Langa with a R30 000 loan from the SBDC.

This was the start of a wholesale operation, supplying soft drinks to the spaza shops and other retail outlets in the townships.

Mtshiselwa sees his business as more than just a source of income.

Big 4 Wholesalers now turns over more than R10 000 a week in soft drink sales during summer months.

"I have measured my success in the number of new jobs I created and the number of households

which now are supported by my wholesaling activities," he said.



ENTREPRENEUR: Joseph Mtshiselwa

Past inequalities 'must be addressed'

Sowetan 12/12/91
By JOSHUA RABOROKO

176

BLACK economic empowerment is one of the keys to a democratic post-apartheid South Africa, says the executive chairman of the National Sorghum Breweries Ltd, Mr Mohale Mahanyele.

Mahanyele said there would never be justice, fairness and equality unless past inequalities were addressed through such programmes as affirmative action.

He was addressing members of the Tunguru Investment Club at its end of the year party, held in Bryanston at the weekend.

TIC, which was formed by a group of professional and business people early this year, is one of the affiliates of the National Association of Business

operative Societies of SA consisting of burial societies, women and meholisano clubs.

Among the delegates present at this colourful gathering were deputy-president of the PAC Mr Dikgang Moseneke, Iwisa Chiefs boss Kaiser Motaung, NSL chairman Mr Keith Kunene and Soweto gynaecologist Dr G Mbere and Transkei military council leader General Bantu Holomisa.

Mahanyele said the recent history of the Afrikaners was a poignant reminder of how vital it is to empower the poor in order to help themselves.

reconsider such nebulous concepts as 'equal employment opportunity', most blacks and some whites who are trapped in the poverty cycle will never rise above their present status," he said.

"It is well nigh impossible to 'make equal' such manifestly unequal people as blacks and whites in South Africa.

"Given a complete turnaround from the past, our country has the awesome capacity and potential to provide all of its people, and even those beyond its borders, with the requisite economic wherewithal."

Mahanyele said the burial

which blacks could empower themselves in the post-apartheid South Africa.

The most significant fact was that these societies were grassroots organisations which could shape the economic future of "our people."

TIC chairman Dr Jackie Mpafudi said that business confidence among blacks would only emerge once they gathered together in such clubs with the sole objective of interacting, sharing ideas and cross-selling.

He said that black business failed because of its inability to harness its resources.

"Our communities have their own forum to discuss—and seriously plan their businesses," he said.

Unless we seriously... he said.

FM 13/12/91.

176

Anglo American Industrial Corp. He is also a member of the Anglo and De Beers Chairman's Fund.

"For me, it's a logical progression. At the end of the day, I'm there because I have something to contribute."

Ncube — who is married and has three boys, two teenagers and a two-year-old — grew up in Alexandra and he often speculated on what he would have to do to cross Louis Botha Avenue to get to Sandton.

Education, he decided, was the best way to do it.

Because the local school went only as far as standard eight, he had to go to Soweto to get his matric. From there he headed for Fort Hare where he obtained a degree in economics and political science.

He later earned a post-graduate diploma in labour relations from Strathclyde University and an MSc in manpower studies at Manchester University.

At Fort Hare he also soaked up the Black Consciousness credo that he carries with him to this day. "Black Consciousness taught you self-reliance and self-respect. It's not the colour of your skin but your state of mind that counts."

The challenge, as he sees it, is to expand the economy "and absorb all the citizens. We have to redistribute through growth."

His strengths? He believes he is good at listening, eliciting others' opinions and building consensus. After years of negotiations he has become an expert at shaking off abuse ("like water off a duck") and remaining patient as the various sides sort out their problems.

"I have staying power," he says. ■

DON NCUBE FM 13/12/91

Staying power

176

The words flow thick and fast from Don Ncube. Like a fiery politician, he gets rolling on a topic and his whole body is turned over to the effort of making his point. And, like a prizefighter, he will hammer away until he is sure he has made an impact.

It's hard to ignore Ncube. Anglo American found that out when they hired him as a management trainee 18 years ago. He wasn't afraid to speak up on policy issues. So he found himself a mediator between the workers and head office.

Now he is the group's industrial relations consultant and last week was appointed to Anglo's board as an alternate.

But give him time.

"I destroy the myth of black inferiority," says Ncube (44). "Apartheid was directed at all blacks. It was not meant to be selective. But I do not revel in the glories of victimology."

He simply sneers at reports that he is a token black on the overwhelmingly white Anglo board. He is already a director of Anglo's Highveld Steel & Vanadium, Scaw Metals and Samcor, and an alternate for



Ncube ... I'm there because I have something to contribute

Killing spree in Natal feared

Own Correspondent

DURBAN. — Umlazi township is bracing itself for a "Zulu gathering" tomorrow and there are fears that it will lead to a killing spree — similar to the rampage which followed an IFP rally in Soweto last weekend.

Tomorrow's gathering will be addressed by KwaZulu Chief Minister Mangosuthu Buthelezi, and police have promised to provide a "strong neutral force" to cope with the thousands who are expected to be bussed in for the event.

Nearly 20 people were killed in Soweto last weekend after a similar rally, and residents, community groups, unrest monitors and the ANC have expressed fears there may be a repeat of the bloodshed in Umlazi, outside Durban.

Secretary of the Southern Natal ANC committee Mr Shu Ndebele accused Chief Buthelezi of "inciting tribalism" by advertising the rally as a Zulu gathering and not an IFP meeting.

The recently-established Regional Dispute Resolution Committee in Natal will monitor the rally — its first deployment.

urday, December 14 1991

KwaZulu police 'an obstacle to peace' (17b)

DURBAN. — The KwaZulu Police Force is an obstacle to peace in Natal and should be incorporated into the South African Police as soon as possible, according to a report published by the Legal Resources Centre and the Human Rights Commission.

et 14/12/91
The report says no amount of retraining could wipe out the deeply-entrenched pro-IFP bias of the KZP.

"The core of the problem is the fact that the KZP is so deeply involved in the political conflict on the side of Inkatha that there seems little prospect of rescuing the situation."

And although South Africa was legally responsible for the policing of KwaZulu, it consistently shirked this obligation, said the report. — Sapa

Most managers to be black

By LULAMA LUTI

NEW Black Management Forum president Prof Wiseman Nkuhlu is a man of vision.

He hopes that 60 percent of South Africa's qualified managers will be black by the year 2000.

Prof Nkuhlu, who is Transkei University principal, a noted academic and a successful business consultant, was the first black chartered accountant in South Africa.

He helped set up the Department of Accounting at Unitra, where he has been principal since 1987.

Barely a week after taking over from outgoing president Don Mkhwanazi,

Prof Nkuhlu committed the BMF to contributing to the development of black managers.

It is estimated that about 420 000 managers will be needed in South Africa by the year 2000. Blacks now hold only four percent of the managerial positions in this country.

"Sixty percent of managers will have to be black. It's in the long-term interest of the country's economic growth for them to have managerial skills," said Prof Nkuhlu.

"The protest era has ended and we have entered a phase in which we will have to implement programmes aimed at solving economic problems like poverty," he said.

MI

UPRO 15/12/91

While most South Africans can afford electricity, it remains unavailable to about two-thirds of the population, according to the SA Institute of Race Relations.

The Institute's latest Social and Economic Update 17 states that homes without access to electricity spent an average of R90 a month on fuel in the form of paraffin, candles and coal, while electricity could be supplied for less than half the cost. Almost 81 percent of the 7 845 schools under the administration of the Department of Education and Training did not have electricity, which limited their potential to provide a well-founded education programme, with audio-visual aids or electrical tools for technical courses.

One-man-one-light seen as key issue

STRAEL 24/12/91

providing energy to all South Africans, and Eskom hoped to provide 80 percent of the population with electricity by the year 2000, reports Update.

It said the pre-paid electricity meter known as the budget energy controller had been widely accepted. The system operated with a disposable magnetic card which was slotted into a meter box in the user's home, and the user bought as much electricity as he could afford.

"Municipalities are making use of this system, and in Durban a plan has been introduced to electrify every home within its boundaries, including shacks, within the next five years, using the budget energy controller. By 1996, it is hoped that 168 000 homes will be electrified."

Update reports that one of the systems Eskom is looking at, to provide electricity in areas without access to the national grid, is the Remote Area Power Supplies (RAPS) system, which would generate its own electricity or use a hybrid of energy sources such as solar power, diesel generators, and wind and hydro-turbines.

Update's business section notes that in March the Government estimated that the informal sector was growing at 8 percent a year, while further research indicates that the number of people involved in the informal sector on a full-time basis increased by 20.5 percent between October 1989 and October last year. Consequently, the job creation possibilities in the informal sector are of increasing importance.

The publication noted that the Johannesburg City Council had convened a group of 10 officials to advise hawkers individually, and intended to expand the programme.

The council had also erected folding shelters in the city for hawkers, and had encouraged private enterprises to make storage facilities available for hawkers' wares.

In Natal, further assistance had been given to hawkers in the informal sector through loans from the KwaZulu Finance and Investment Corporation (KFC). These KFC micro-loans were aimed at small industrialists in the informal sector or moving into the formal sector.

Update notes that the single largest capital investment by an international company in the Small Business Development Corporation (SBDC) is that of German subsidiary Hoechst SA, which invested in shares worth R12.5 million in May. This is linked to the newly launched SBDC hive project in Industria.

Johannesburg: The purpose of which is to place small manufacturing businesses in "industry hives" under the tutelage of the SBDC.

Update also reports that applications for over 40 million shares in National Sorghum Breweries (NSB) were received from about 9 000 distributors, consumers, members of the general public and employees, almost 90 percent of these applications coming from the black community.

According to Update, the privatisation of NSB, now the largest black-owned company, could have important implications for the process of black economic empowerment.

"This is the only business entity which affords an opportunity for participating as owners, controllers, managers, directors, shareholders and distributors in a major company."

The publication reports that the minibus taxi industry had increased its share of commuter transport from 29 percent in 1987 to 44 percent last year, with the Southern Africa Black Taxi Association (Sabta) cornering 58 percent of the total minibus-taxi market.

"But the industry has been hit by increasing costs of petrol and spare parts, as well as a rise in the price of new minibuses. As a result, owning a taxi

is no longer the 'money-spinner' it used to be in the early 1980s. As commuters are unable to afford increased fares, profits have decreased."

A transport consultant, Paul Browning, told Update that the average monthly income of taxi owners had decreased from between R2 500 and R3 500 a vehicle owned, to between R1 500 and R2 500.

Drivers employed by taxi owners had also been hit by increased costs. On average, a taxi driver must pay R300 a day to the owner, and although over and above that was his own, so there was increased pressure to make as many journeys as possible with as many passengers as possible.

In addition, drivers must spend an average of R103 on new brake pads a week, and R6 a day on oil. — Sapa.

Update's business section notes that in March the Government estimated that the informal sector was growing at 8 percent a year, while further research indicates that the

number of people involved in the informal sector on a full-time basis increased by 20.5 percent between October 1989 and October last year. Consequently, the job creation possibilities in the informal sector are of increasing importance.

The publication noted that the Johannesburg City Council had convened a group of 10 officials to advise hawkers individually, and intended to expand the programme.

The council had also erected folding shelters in the city for hawkers, and had encouraged private enterprises to make storage facilities available for hawkers' wares.

In Natal, further assistance had been given to hawkers in the informal sector through loans from the KwaZulu Finance and Investment Corporation (KFC). These KFC micro-loans were aimed at small industrialists in the informal sector or moving into the formal sector.

Johannesburg: The purpose of which is to place small manufacturing businesses in "industry hives" under the tutelage of the SBDC.

Update also reports that applications for over 40 million shares in National Sorghum Breweries (NSB) were received from about 9 000 distributors, consumers, members of the general public and employees, almost 90 percent of these applications coming from the black community.

According to Update, the privatisation of NSB, now the largest black-owned company, could have important implications for the process of black economic empowerment.

"This is the only business entity which affords an opportunity for participating as owners, controllers, managers, directors, shareholders and distributors in a major company."

The publication reports that the minibus taxi industry had increased its share of commuter transport from 29 percent in 1987 to 44 percent last year, with the Southern Africa Black Taxi Association (Sabta) cornering 58 percent of the total minibus-taxi market.

"But the industry has been hit by increasing costs of petrol and spare parts, as well as a rise in the price of new minibuses. As a result, owning a taxi

is no longer the 'money-spinner' it used to be in the early 1980s. As commuters are unable to afford increased fares, profits have decreased."

A transport consultant, Paul Browning, told Update that the average monthly income of taxi owners had decreased from between R2 500 and R3 500 a vehicle owned, to between R1 500 and R2 500.

Drivers employed by taxi owners had also been hit by increased costs. On average, a taxi driver must pay R300 a day to the owner, and although over and above that was his own, so there was increased pressure to make as many journeys as possible with as many passengers as possible.

In addition, drivers must spend an average of R103 on new brake pads a week, and R6 a day on oil. — Sapa.

Update's business section notes that in March the Government estimated that the informal sector was growing at 8 percent a year, while further research indicates that the

number of people involved in the informal sector on a full-time basis increased by 20.5 percent between October 1989 and October last year. Consequently, the job creation possibilities in the informal sector are of increasing importance.

The publication noted that the Johannesburg City Council had convened a group of 10 officials to advise hawkers individually, and intended to expand the programme.

The council had also erected folding shelters in the city for hawkers, and had encouraged private enterprises to make storage facilities available for hawkers' wares.

In Natal, further assistance had been given to hawkers in the informal sector through loans from the KwaZulu Finance and Investment Corporation (KFC). These KFC micro-loans were aimed at small industrialists in the informal sector or moving into the formal sector.

Johannesburg: The purpose of which is to place small manufacturing businesses in "industry hives" under the tutelage of the SBDC.

Update also reports that applications for over 40 million shares in National Sorghum Breweries (NSB) were received from about 9 000 distributors, consumers, members of the general public and employees, almost 90 percent of these applications coming from the black community.

According to Update, the privatisation of NSB, now the largest black-owned company, could have important implications for the process of black economic empowerment.

"This is the only business entity which affords an opportunity for participating as owners, controllers, managers, directors, shareholders and distributors in a major company."

The publication reports that the minibus taxi industry had increased its share of commuter transport from 29 percent in 1987 to 44 percent last year, with the Southern Africa Black Taxi Association (Sabta) cornering 58 percent of the total minibus-taxi market.

"But the industry has been hit by increasing costs of petrol and spare parts, as well as a rise in the price of new minibuses. As a result, owning a taxi

is no longer the 'money-spinner' it used to be in the early 1980s. As commuters are unable to afford increased fares, profits have decreased."

A transport consultant, Paul Browning, told Update that the average monthly income of taxi owners had decreased from between R2 500 and R3 500 a vehicle owned, to between R1 500 and R2 500.

Drivers employed by taxi owners had also been hit by increased costs. On average, a taxi driver must pay R300 a day to the owner, and although over and above that was his own, so there was increased pressure to make as many journeys as possible with as many passengers as possible.

In addition, drivers must spend an average of R103 on new brake pads a week, and R6 a day on oil. — Sapa.

Update's business section notes that in March the Government estimated that the informal sector was growing at 8 percent a year, while further research indicates that the

number of people involved in the informal sector on a full-time basis increased by 20.5 percent between October 1989 and October last year. Consequently, the job creation possibilities in the informal sector are of increasing importance.

The publication noted that the Johannesburg City Council had convened a group of 10 officials to advise hawkers individually, and intended to expand the programme.

The council had also erected folding shelters in the city for hawkers, and had encouraged private enterprises to make storage facilities available for hawkers' wares.

In Natal, further assistance had been given to hawkers in the informal sector through loans from the KwaZulu Finance and Investment Corporation (KFC). These KFC micro-loans were aimed at small industrialists in the informal sector or moving into the formal sector.

Johannesburg: The purpose of which is to place small manufacturing businesses in "industry hives" under the tutelage of the SBDC.

Update also reports that applications for over 40 million shares in National Sorghum Breweries (NSB) were received from about 9 000 distributors, consumers, members of the general public and employees, almost 90 percent of these applications coming from the black community.

According to Update, the privatisation of NSB, now the largest black-owned company, could have important implications for the process of black economic empowerment.

"This is the only business entity which affords an opportunity for participating as owners, controllers, managers, directors, shareholders and distributors in a major company."

The publication reports that the minibus taxi industry had increased its share of commuter transport from 29 percent in 1987 to 44 percent last year, with the Southern Africa Black Taxi Association (Sabta) cornering 58 percent of the total minibus-taxi market.

"But the industry has been hit by increasing costs of petrol and spare parts, as well as a rise in the price of new minibuses. As a result, owning a taxi

is no longer the 'money-spinner' it used to be in the early 1980s. As commuters are unable to afford increased fares, profits have decreased."

A transport consultant, Paul Browning, told Update that the average monthly income of taxi owners had decreased from between R2 500 and R3 500 a vehicle owned, to between R1 500 and R2 500.