

Manpower — General — 1988

for inter-filing — (file missing)

b. 52

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(5) whether any wards in State hospitals are overcrowded; if so, (a) in which specified hospitals and (b) to what extent?

THE MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT:

(1) No. Hospital facilities are provided according to the wishes and needs of the community.

(2) No: see (1)

(3) No. A committee is at present busy with an investigation into the utilisation of empty spaces in State hospitals. The committee's report will be studied and further action will be planned accordingly.

(a), (b) and (c) Fall away.

(4) Yes.

(a) and (b) The information is not readily available.

(5) Yes.

(a) and (b) The information is not readily available.

Section 50, Internal Security Act: detainees

423. Mrs H SUZMAN asked the Minister of Law and Order:

(a) How many persons were detained in 1987 in terms of section 50 of the Internal Security Act, No 74 of 1982, and (b) for what period was each detained before being released?

THE MINISTER OF LAW AND ORDER:

(a) None.

(b) Falls away.

Black school pupils: per capita expenditure

509. Mr R M BURROWS asked the Minister of Education and Development Aid:

What was the per capita expenditure, (a) including and (b) excluding expenditure of a capital nature, on Black school pupils in the 1987/88 financial year?

THE MINISTER OF EDUCATION AND DEVELOPMENT AID:

1987/88	1986/87
(a) R560,50	(a) R476,95
(b) R466,79	(b) R368,56

Note: These figures are based on projections as

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the Department's books for 1987/88 have not yet been closed.

Persons employed by SAP

521. Mr C J DERBY-LEWIS asked the Minister of Law and Order:

How many Whites, Coloureds, Indians and Blacks, respectively were employed by the South African Police in each of the latest specified five financial years for which figures are available?

THE MINISTER OF LAW AND ORDER:

I do not consider it to be in the public interest or the interest of the country to furnish this information.

Administration of estate duty tax: cost

524. Mr C J DERBY-LEWIS asked the Minister of Finance:

(a) What was the cost of administering the estate duty tax in each of the latest specified three years for which information is available and (b) what was the amount realized in such tax in each of these years?

THE MINISTER OF FINANCE:

(a) Estimated cost*	(b) Amount realized
1984/1985	R300 000
1985/1986	R428 000
1986/1987	R486 000
	R100 383 241
	R139 360 485
	R147 278 888

* The true cost of administering the Estate Duty Act cannot be determined as the assessing of estate duty is integrated in the administration process in Masters' offices while the collection and administration in Inland Revenue forms part of the administration of other taxes.

Diamond industry: cost of policing

528. Mr C J DERBY-LEWIS asked the Minister of Law and Order:

(1) What is the cost to the State of policing the diamond industry in the Republic of South Africa:
 (2) whether the South African Police are involved in policing the diamond industry in

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South West Africa; if so, at what cost to the (a) State and/or (b) Police;

(3) in respect of what date is this information furnished?

THE MINISTER OF LAW AND ORDER:

(1) The South African Police does not police the diamond industry of the Republic.

(2) No

(a) and (b) Fall away

(3) Fall away.

Milnerton/Maitland/Pinelands: arrests for vagrancy/drunkenness

544. Mr J J WALSH asked the Minister of Law and Order:

How many (a) males and (b) females of each race group were arrested in 1987 for (i) vagrancy and (ii) drunkenness in the (aa) Milnerton, (bb) Maitland and (cc) Pinelands police station areas?

THE MINISTER OF LAW AND ORDER:

	(a)	(b)
(i) (aa)	14 persons	9 persons
(ii) (bb)	93 persons	49 persons
(i) (bb)	26 persons	18 persons
(ii) (cc)	2 425 persons	890 persons
(i) (cc)	none	none
(ii)	572 persons	34 persons

Separate records of the race of persons arrested are not kept, therefore only the total number of persons arrested is furnished.

New work opportunities for Blacks

557. Mr J J WALSH asked the Minister of Education and Development Aid:

(a) How many new work opportunities were created for Blacks in each employment sector by the South African Development Trust in the 1987-88 financial year and (b) what was the cost per opportunity in each sector?

THE MINISTER OF EDUCATION AND DEVELOPMENT AID:

As the 1987/88 financial year has not been completed, figures are not available as yet, and therefore 1986/87 figures are stated. Figures indicated in the table below are in respect of

the South African Development Trust Corporation (STK).

	New work opportunities created	Cost per work opportunity
(a)		(b)

STK's activities

1.1 Commerce, services and housing	50	*1)
1.2 Industries	5 942	R8 580
1.3 Small industries	20	*1)
1.4 Mining	nil	nil
1.5 Agriculture	1 300	R10 961
1.6 Transport	nil	nil
1.7 Other	nil	nil

*1) Not available as yet.

Note:

(1) Activities which are undertaken by the Department of Development Trust land, are mainly handled by private contractors. As a result of rotation of employees between projects inside as well as outside South African Development Trust-areas, and fluctuating contract periods, the desired information cannot be calculated.

(2) The number of temporary work opportunities for occasional workers created on South African Development Trust land, by means of the special employment creation programme, for the period 1 April 1986 to 31 March 1987 amounted to 57 582. An amount of R2 724 million was spent for this purpose. A sectoral division of this employment is not available.

STK: manufacturing concerns/persons employed/ amount invested in self-governing territories

558. Mr J J WALSH asked the Minister of Education and Development Aid:

As at the latest specified date for which information is available, what was the total (a) number of (i) manufacturing concerns and (ii) persons employed and (b) amount invested by the South African Development Trust in each of the self-governing territories where decentralization concessions or incentives are applicable?

Manpower - GENERAL - 1989

JANUARY — JULY

Job prospects for matrics look good

GMF Trif 6/1/89 173

Staff Reporters

SCHOOL-LEAVERS looking for jobs this year face the best prospects in two years as local financial houses — their major employer — report a recruitment expansion of some 16% and smaller businesses expand their skills-training programmes.

According to two local insurance houses with 300 Peninsula and Boland matriculants on induction courses, their markets have expanded rapidly over the past year as security-conscious South Africans buy more policies.

And, according to the business affairs manager of the Cape Town Chamber of Commerce, Mr Albert Schuitmaker, the 1988 economy expanded more than those of the past two years, triggering a revival of skills-training projects.

"The survival budgets of 1988/7 meant many businesses threw their training courses overboard but confidence is growing again and they're reviving them," he said.

Top local recruitment agents reported the constraints on matriculants finding jobs to be a lack of depth in matric subjects and more competitors.

One reported a surge in the number of divorced housewives entering the market. "They're a better bet for secretarial-type of posts with more life-experience and skills," he said.

Matriculants entering tertiary education institutions had an even rosier outlook, several manpower experts said.

Top management recruitment agent Mr Kit Hodge reported an "enormous vacuum" between top management positions and jobs on the next level, such as finan-

cial and marketing managers.

Quoting a UCT report to illustrate the skills shortage, he said some 40% of UCT graduates over the past 10 years had already left the country. "Our top executives are young and overstretched. They burn out".

"Protected" employment for thousands of state-employed whites had "crippled a whole generation of people" and helped explain why black people were emerging so quickly in the business world, he added.

Recruitment agent Mr Nick Jooste said "enthusiasm and total belief in oneself" were the most important elements.

"No matter what they say, industry or business itself will remain volatile," he said.

Insurance company personnel officer Mr Paul Alexander said he was receiving 100 applications a day from matriculants without experience.

Sits vac ^{51 Times} ^{18711 89} by the hundreds

ROLL up, roll up, jobs galore. **By Robyn Chalmers**

That's the message from today's Business Times and personnel agencies countrywide.

The improved economy, increased confidence, reviving company profits and neglected training have combined to cause an acute shortage of executive, professional and skilled technical people.

Business Times, for years an accurate barometer of the job market, today publishes its record-equalling edition — 52 pages — thanks to a flood of job advertisements.

Explosion

Renwick Group, the largest management agency in South Africa, reports that demand for personnel this month has been the strongest ever.

Chief executive Charles Rowlinson says there has been an explosion in the number of clients and the number of advertisements they seek to place.

"It would appear that people are more confident and prepared to move out of their jobs and seek employment with other companies.

"The big bonuses paid at the end of 1988 have given them mobility. The skills shortage means there is a huge demand for professional people."

Many companies trimmed staff ruthlessly in the recession. Now that demand has revived they find that skeleton staffs are inadequate. Their profits have grown and they can afford to increase payrolls.

High tax rates and lay-offs in the recession increased the number of self-employed.

The pay increase for public servants set an example for the private sector, increasing competition for skilled people.

Association of Personnel Service Organisation (Apso) president Roy Silver says his organisation made a telephone survey of about 20 personnel agencies and they reported there were more jobs available this year than before.

"Matriculants with good symbols are in demand, but others need to get qualifications if they wish to find a good job."

Kelly Personnel Group managing director John Dawkins says there has been a huge increase in the number of jobs available.

"In the recession companies were lean. They have started to restock their staff resources. Opportunities for school-leavers have improved.

Mr Silver says salaries for secretaries have increased by 22%, artisans by 18% and bookkeepers and accountants by about 25%.

The downside to a generally happy scenario is that higher personnel costs could lead to higher inflation.

Nedbank chief economist Ted Osborne says an inflation rate of about 16% can be expected for 1989.

"The constant demand for higher wages and salaries is the driving force behind costs and demand and therefore inflation.

"People are seeking compensation for taxation and inflation. There are, however, a million other factors which contribute to our inflation rate."



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A GAINST the background of sanctions and internal social instability, the brain drain would probably continue. This would increase the scarcity of such people and add a premium to their regular remuneration.

Secondly, it is the technically qualified, and the professional classes, and members of the business community, who, because of their accumulated savings, are best positioned to protect themselves from the consequences of inflation through hedge investments.

The increase that has occurred in share prices since the sanctions crisis broke in June 1986 is a reminder that the processes of adjustment do not only concern the distribution of income. They concern also the distribution of wealth.

Increases in share prices relative to the prices of fixed income securities and fixed property involve a redistribution of wealth on a large scale away from middle and lower income groups to the more privileged, and there is little that can be done by the authorities to counteract it. It is an irony of the adjustment process which the advocates of sanctions appear to have overlooked.

What are the income redistribution effects of sanctions most likely to be? In the non-agricultural sectors, the black share of total income in 1985 comprised about 29.6% against the black proportion of total population of around 72.6%. By the year 2000, the black proportion of total population will have increased to more than 76%, but the black share of income could fall to under 29% because of the effects of sanctions.

Indeed, were the effects of sanctions to be particularly severe, the black share of total non-agricultural income could decline to nearer 25% by the century's end. Without sanctions, and on current trends, the prospect would have been for the black share of total income to have increased to around 35%.

The difference between 35% and 25%, however, is far greater than the figures alone suggest, because the 35% would be a share of a very much larger cake.

For the black section of the population, it would be a massive sacrifice in foregone opportunity, not only in economic terms but also in politi-

The tragic ironies of Sanctioneers miss

B/Den 19/11/89

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Sanctions could cost SA two-million jobs by the end of the century.
JCI group economics consultant RONNIE BETHLEHEM
argues that black political advancement would suffer accordingly

INDICATIVE MANPOWER REQUIREMENTS IN SA 1985 COMPARED WITH THE YEAR 2000

	1985		Year 2000 projected	
	actual	Without sanctions	With sanctions	With sanctions
	000s	000s	000s	000s
Professional, technical, managerial and administrative	1 763	3 153	2 585	20.5
Clerical and sales	1 170	2 207	1 892	15.0
Tradesmen and apprentices	388	1 892	1 072	8.5
Semi-skilled	4 070	3 783	5 044	40.0
Unskilled	450	315	757	6.0
Other	852	1 261	1 261	10.0
Total economically active population	8 692	12 611	12 611	100.0
Less unemployed	3 222	5 524	6 949	55.1
Total employed	5 470	7 087	5 662	44.9

Sources: Central Statistical Services, National Manpower Commission, for historical data only.

cal terms, for the political leverage of a black community whose income comprised nearly 35% of all non-agricultural income earned in SA would be very much greater than the leverage of a community whose income share was nearer to 25%.

The modernising Western-type industrial economy in SA has a limited job-creating capacity. Thus, it draws labour into itself to satisfy its needs.

If these are then reduced for whatever reason, it will discard the labour that is surplus to its requirements clinically and dispassionately. And this is the only way it can be.

It is not that the economy, itself, is heartless. It is that the economy is technological and is driven by an indifference to non-economic considerations which is the product of cost-benefit analysis. Individuals, trade unions and government, in pursuing their own interests, need to come to terms with that if they wish to be effective.

The table shows the way in which sanctions could be expected to change the labour structure in SA and the effects this would have on various labour categories. Broadly, sanctions would be likely to retard the progress towards a structure that is consistent with the experience of existing industrial countries.

The most interesting changes shown by the table concerns the comparisons of the position in the year 2000 with and without sanctions. The structure shifts not only towards higher unemployment but also away from the skilled and towards the semi-skilled and unskilled.

Whereas it would be reasonable to expect that the numbers of tradesmen and apprentices would increase by about 1.5-million by the century's end in a normally growing economy, under sanctions the increase would be less than half that. The semi-skilled and unskilled, on the other hand, would increase, possibly by as much as 1.7-million, reflecting a serious weakening in the relative position of Africans, who account for the large majority of people in these categories.

Indeed, the position would be worse than the figures themselves show, because a rise in unemployment of the extent indicated, or a drop in the proportions of skilled to semi and unskilled workers, do not specify the impact of such changes on dependants.

In the black community, every employed person represents a means of income for between four and eight others on average.

This is the answer to those who would argue that an extra two-million unemployed by the century's end is a cost the black community would be prepared to bear to achieve political liberation.

It is an erroneous argument, both because it ignores such facts and never be helpful to the achievement of political strength except in the extraordinary circumstance where such weakness, because of the desperation it generates, becomes the driving force behind an unstoppable and destructive revolution.

Black economic and black political power are positively correlated. This means that anything that diminishes black economic power will also diminish black political authority.

Despite apartheid, the relative and absolute improvement in black economic power that has occurred since the Fifties, but especially since the adoption of a new labour dispensation in 1979, has been considerable. It has compelled many of the political concessions that have been made to all peoples of colour in SA.

Sanctions could stop black economic progress were they to be successful. Nothing speaks louder than the projected figures of the table.

his shows that the total of the professional, technical, managerial and administrative, the clerical and sales, and the artisan categories would increase to more than seven-million from just over three-million in an economy unaffected by sanctions, whereas with sanctions the rise would be to approximately 5.5-million.

Not even the white, Asian and coloured communities taken together could meet the needs of the economy as projected here. Continued economic growth provides the greatest relative opportunity to Africans for career development.

With such a projection of black economic advancement, black political advancement would perform poorly.

Whatever the historical truth of the association of capitalism and apartheid, the position has dramatically changed.

Apartheid has become an obstacle to economic growth, and economic growth the most truly effective weapon in the undermining and ultimate destruction of apartheid.

Seen in these terms, sanctions become a tragic irony.

This is an extract from an article in *Sanctions and the Alternatives*, published recently by the SA Institute of Race Relations.

B/Day 23/1/89 (173)

DP staff's salary rises beat inflation

SALARY increases for data processing (DP) staff in SA leapt ahead of the CPI for the first time in four years, with overall increases for

the year to end-June rising by 16.9%.

In spite of advances made against the CPI, DP increases were brought more into line with those for general staff for the first time in many years.

These findings emerge from the annual DP salary survey conducted by the Remuneration Division of P-E Corporate Services, one of SA's leading management consultancy and training companies.

P-E Remuneration Division manager Naomi Brehm says while overall increases were down on the previous year's 18.7%, DP staff received increases that were 4.5% ahead of the official CPI of 12.4% at the end of June.

"The narrowing of the gap between the increases granted to DP people and all other categories of staff is based on a strong trend emerging among companies, where remuneration for all levels of staff is linked to incentive or performance schemes and based on the bottom-line fortunes of the company.

"This trend is being experienced world-wide and is based on a concern for productivity, quality and improvements in the utilisation of resources," says Brehm.

Salary increases commanded by analysts and programmers moved ahead of those for DP man-

agers during 1988. In this category increases averaged 18.4%, compared to 17% in 1987, while for managers increases of 17.4% were granted, compared to 1987's 21.2%. Operations and off-line staff received increases of 14%.

Brehm says the increases underscore the strong demand for skilled people.

"The improved economic climate increased job mobility with the overall average for staff turnover rising to 26% as against 15% in 1987. The last time a turnover of this proportion was experienced was in 1984 when the average was 29%. The average turnover among technical support programmers was highest at 38%."

She says the reasons for turnover among programmers included better career prospects, which accounted for 24%, improved pay, 21% and emigration, 16%.

"The most alarming statistic to emerge from our study is that 31% of management staff turnover is because of emigration. This figure, which is by far the most common reason for job mobility among DP managers, illustrates the serious drain on management skills," says Brehm.

The survey also showed that more than 80% of all DP staff received bonuses at least equal to a double cheque, and 16% received bonuses of more than a double cheque.

Students' business

Star 2/1/89

a boon to 173 job seekers

By Carina le Grange

Two enterprising young Wits students have found work for themselves — in finding work for other students.

Dial-A-Student directors Mr Alex Fischer (21) and Mr Lawrence Brick (20) are both third year B Comm students, who decided to fill the gap between employers and seekers of part-time jobs. In the process they earn some money — although they say they have large expenses.

"We are approached by firms who require students to work for them and we then find the student. We match the suitable student with the suitable job," Mr Fischer told The Star.

"We charge a commission paid by the employer. But it is financially not that important to us — we are more interested in the contacts, experience and exposure we get," he said.

SERIOUS

"We started Dial-a-Student because we noticed there was a huge gap in the labour market for part-time employment for students and we would like to see ourselves as the spokesman for students with the employer," Mr Brick said.

Mr Brick said that Dial-A-Student was "not just another inefficient student organisation".

"We would like to make it into a fully fledged business once we have finished our studies. It is of major interest to us and we are very serious about it," he said.

They say they had been "unbelievably successful" and had placed about 2 000 people since they opened in July last year. All kinds of part-time jobs, from stock-taking to clerical work and telesales, are offered.

Dial-a-Student is open to students from any institution as well as scholars and part-time work seekers. It can be reached at (011) 716-5320.

Competing for the best skills

□ Continued from previous page

not involve a full-time commitment to accept every offer of work.

Emanu-Temp goes as far as paying its staffers incentives to work more regularly. MD Litsa Roussos says: "We pay bonuses for anything over a certain number of hours worked over three months."

To gain staffers, and also to build loyalty, Emanu-Temp introduced "instant pay" — advance payment of up to 60% of time worked.

The increase in the number of personnel consultancies offering temporary placement services signals the level of growth in the market as a whole.

Companies which trimmed staff during the recession are now understaffed for current business activity levels.

A recent survey by the Association of Personnel Service Organisations (APSO) of member agencies nationally confirmed that jobs available had risen between 5% and 10% on last year (January on January).

There are also more people in the market to work on this basis. Roy Silver, president of APSO and MD of Quest Personnel and Temp. Quest, says: "More career-minded people of all job descriptions are being attracted to the concept. It is being recognised by the workforce as a legitimate choice."

The market is clearly ripe for the temp industry — still young in SA — to mature and become an increasingly viable service industry. This is what has prompted the growth in the number of consultancies.

Cozens Personnel MD Ladrach Cozens says they opened Cozens Casuals division in November 1984 after they had found their own permanent clients required temp services. They decided to go for a dedicated specialist division.

Even from a high base, demand for temporary staff will peak during February when many companies have financial year-ends and tax returns.

APSO reports that permanent position salaries for secretaries have risen by 22%, artisans by 18% and bookkeepers and accountants by 25%.

Silver estimates these figures would be approximately the same in the temp market. Although traditionally permanent salaries were higher in comparison to temp rates, the situation is changing.

"For secretaries, temp rates have probably caught up, and in accounting and computing fields, temp rates are probably ahead — not counting the additional perks that may come with permanent positions," says Silver.

While at the top end of the market, short-term professional assignments companies avoid the "work when it suits you" idea of the industry, consultancies like Kelly do not. It is part of the attraction of temporary work.

Consultancies view the corporate client market as well aware of temporary staffing services, but perhaps mistaken in calculating value for money.

The future is expected to see greater specialisation. In spite of the fact that SA has a limited market size, technology is demanding greater specialisation — such as in the computing fields. Most "general temp market" consultancies limit their involvement in computing to data processing, leaving job descriptions such as programming and systems analysis to specialised companies.

A number of consultancies are employing specialists or forming special divisions to handle placement of word processing staff.

Consultancies generally see future growth in the temporary assignments market as a certainty.

B/Dwy 6/2/89

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An industry on the move

TEMPORARY assignments — the concept of filling temporary staff needs, or staffing for short-term specific projects, by contracting temporary assignees — is a burgeoning industry.

It is the third fastest growing industry in the US, with a growth rate of 20% a year which refers to the number of temporary vacancies successfully filled.

In SA, demand considerably outstrips supply for skilled temporary assignees at all levels — from the general office support field to top management and in specialised areas such as accounting and computing. The largest operator in the general office market — Kelly Girl — reports order books that are up 100% on 18 months ago.

Computer staff contracting consultancy CPL reports that there is a shortage of about 3 200 computer staff a year. Fortunately, more and more staff are being drawn into the contracting market and the base of contractors available is growing at 20% to 30% a year.

Association of Personnel Service Organisations (APSO) president Roy Silver says no statistics show the size of the temporary assignments market here. Temporary assignees placed by APSO members he estimates could number 10 000 daily. But there are staff recruited by some companies directly, and staff who "freelance". A guesstimate he offers for the total size of the market in terms of daily "headcount" is 50 000.

It is a highly competitive and therefore secretive market. No company will hand out its own figures for such statistics as headcount and salary bill. But considering that the market covers all skill levels all the way to senior management, it accounts for a massive turnover — Professional Assignments Group MD Sydney Catton, immediate past president of APSO, guesstimates it is worth at

least R200m a year.

There are strong arguments for the cost-efficiency to companies of using temporary staff — not as an alternative to permanent staffing, but as a planned policy of supplementing resources to cope with peaks in workload.

There is much to support the contention that with well-trained temporary staff, the hours worked are highly productive ones, and that without the host of "perks" and unproductive time covered by permanent staff salaries, the total real cost to the company may be less than for a permanent employee.

The strongest impetus behind the temporary assignments market, however, is the chronic skills shortage facing SA employers. It can take considerable time to find a permanent person with the right skills for the job.

The higher one goes on the skills ladder, the greater the shortage. This goes for all specialist areas, such as accounting and computing. In the general office market, it is most sharply felt in the fields of data-processing, word-processing and bookkeeping.

Apart from assisting in sharing out skills where and when they are most needed, the temporary assignments industry helps to bring people back into the job market who might otherwise be lost — older people who may have taken retirement but are prepared to work on a part-time or flexible basis; mothers with school-going children; people who need flexibility in their working commitments.

The industry also contributes positively to training — both formally and on the job. By being exposed to a variety of workplaces and technologies, the temporary assignee gains valuable skills. A number of the larger consultancies offer formal training courses through their own training colleges.

"If a secretary wishes to increase her skills by learn-

ing word-processing, we train at no cost. It is to our advantage because it makes us more able to offer the skills the client wants," says John Dawkins of Kelly.

The rising demand for "temps" is not linked to the economy as directly as most business activity. In a recession, companies tend to work on lower permanent staff levels meaning that when an unusual peak does occur, temporary staff have to be used. As the economy picks up and work-



□ JOHN DAWKINS ...
"we train at no cost"

load increases, temporary staff fill the gap as companies recruit additional permanent staff.

"One expects peaks and valleys in demand at different times of the year. But in the past 18 months, there has just been consistent growth in demand. There have been no valleys," says Dawkins.

Another reason for the increased popularity of temporary staff may be the increasing complexity of labour legislation affecting permanent staff.

Protective legislation regarding job tenure for permanent employees may worry companies in an uncertain economic environment. Should the company experience a sudden dip in demand for its products, overstaffing could be a major weight on its bottom line. Planning to include some percentage of staff on a temporary assignment

basis gives flexibility.

This is certainly the case in the US and in Britain and to an increasing extent is a consideration in SA.

But whereas in the past, socialist countries actually banned temporary contracting for fear of its effect on labour rights and opportunities, the industry has won over the labour lobby.

Catton says: "The International Labour Organisation banned temporary contracting in the early 1940s. Most socialist countries either banned it or imposed a lot of regulations on its practice. Both Germany and France regulated it heavily. But following 1949, the industry managed to overcome these prejudices. Experience has shown that it doesn't close off job opportunities and we don't let it interfere with labour disputes."

APSO's Code of Ethics forbids the hiring of temporary staff in situations of industrial dispute.

There is still a great deal of room for development in SA's temporary assignments industry. It is a young industry — Silver believes the concept is perhaps 20 years old here, while in formal terms it is just 15 years old.

Whereas in other countries, temporary assignees are available in just about every specialised field of work, as well as in unskilled work, SA's temporary assignments industry does not extend to lower levels of semi-skilled or unskilled employment — known in other countries as "light industry".

Drucker Personnel MD Johan le Roux, who studied trends in temporary assignments in the US on a recent trip, says he believes SA will eventually develop towards temporary services in semi- and unskilled labour areas.

In the meantime, in the white-collar office support area, temporary assignments is a concept that has taken a firm hold, and looks like attracting a growing base of skilled workers.

Factor

6/2/87

CONTRACTING OF TECHNICAL STAFF BOOMS

WITH 25% of all vacancies in industry in technical fields, technical staff contracting is booming.

Official Manpower Department figures show there were nearly 41 000 vacancies for artisans and apprentices, professional and semi-professional staff and technical employees reported by companies in 1985 - 25% of all vacancies in industry.

Traditionally, the biggest contract demand is for draughting staff and this is still the case.

Major new projects currently on the go - the Sua Pan soda ash project in Botswana and the Mossel Bay project - are causing demand for draughtsmen to reach new levels. The demand has risen by about 25% over the last six months.

"A number of massive projects are breaking and this is causing intense pressure on the supply of contract draughtsmen," says Bob Walker, GMR of the Draughting division of JSE-listed Technithire.

The demand for draughtsmen has resulted in average hourly rates growing R10 an hour to R37.50 an hour in the past six months. The average contract draughtsman books about 200 hours a month and it is estimated that there are about 4 000 contract draughtsmen out in the field at any one time.

Experience and reputation are as important as qualifications for contract technical staff. Contract periods also tend to be longer than the average in the temporary assignments industry. Lengths can vary between two weeks and 10 years.

Some contracts appear to be more like permanent arrangements. "One reason is that both parties benefit," says Walker. "A contractor's productivity level is good because his livelihood and reputation depend on producing the goods. The contractor gets a good in-

There is a lesser demand for contracting engineers. "Companies don't need the same numbers of engineers as draughtsmen - typically the relationship is about 1:20," says Walker.

In all fields of technical employment placement companies report that unemployment is increasing pay rates - according to Edicom's Connie Paluzzi, to "unrealistic" levels.

"A man can command a very high rate for a very short contract and this is an unstable environment which will only be rectified through skills training. I would like to see government take affirmative action by creating incentives for young men to take apprenticeships in technical fields," says Paluzzi.

In the meantime, contracting certainly seems to be providing the best immediate answer to the problem.

The importance of a good image

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6/2/89

THE personnel placements industry which spans both the permanent job market and that for temporary assignments, has not been without its image problems.

"We're a middle man between the corporate employer and the assignee, and as such we're just naturally in the line of fire. It is often a subjective business, and any bad experience tends to be used as a generalised commentary on the whole industry," says Association of Personnel Services Organisations (APSO) chairman John Dawkins.

APSO's Code of Ethics has brought order to the industry. It has arbitrated in several disputes and has acted on complaints through its disciplinary committee. Its involvement should give employers the assurance that temporary assignment and contract work is a regulated industry with a line of recourse in the event of problems.

PRO Ladrach Cozens. The role personnel consultants play may be underrated because of inadequate appreciation in the job market of the value of time, and the potential waste of time caused by ill-matched employees and staff turnover.

By skilled assessment, thorough referencing and testing, consultants can contribute greatly to productivity. Nevertheless, their commission is often resented, and as Cozens puts it, "We have to correct the image problem of being overly commission-conscious."

APSO chairman John Dawkins says: "Clients must realise that to gain top service and quality they must deal with a reputable consultancy, preferably listed with APSO, which sets high ethical standards. They should beware of consultancies who offer to discount rates. If they're not paying staff enough they won't attract good people. "The best agencies check all staff references, ensure the suitability of the employee to each client's requirement and guarantee confidentiality. Its not just churning out people like a 'dial a temp' service. "At the same time as expecting quality, clients should count the value of the fact that they are pay-

ing only for the worker's productive time." APSO was formed in August 1977, taking over the reins of what was formerly APROSA (Association of Private Registry Offices of SA), which had existed since 1967.

APSO adopted a constitution and formalised Code of Ethics based on those used by similar associations in the USA, UK and Australia. All consultants employed within an APSO member agency must complete the Institute of Personnel Services Consultancies' (IPSC) examination within six months of taking up the post. This exam covers such skills as assessment, interviewing, knowledge of legal matters concerning employment practices, UIF benefits, sick leave and general ethics of the employment consultancy field.

One regulation set by APSO that is very important in an environment of potential labour disputes is that no member consultancy will send temporary employees in to fill vacancies created by a strike. Professional consultants' high regard for APSO indicates it is warmly accepted as the industry's representative body. Almost every senior person in the industry interviewed is an office bearer on the APSO executive.

"There are 800 to 1 000 personnel agencies in the country. We represent probably 80% of the total volume of business in the personnel services industry," says APSO president Roy Silver. "Temporary placements is a fairly young industry in SA. Any industry has to go through a learning curve. It is now that the industry has evolved truly professional ethics and codes of conduct that it is recognised as an important service industry and a sensible way to employ staff."

In its short history, APSO has been effective as the industry's direct representation to government. It has helped to evolve legislation such as the Guidance and Placements Act; it submitted reports to the Wichahn and the Rieker commissions and is represented on the Employment Services Committee of the National Manpower Commission. APSO's Code of Ethics has brought order to the industry. It has arbitrated in several disputes and has acted on complaints through its disciplinary committee. Its involvement should give employers the assurance that temporary assignment and contract work is a regulated industry with a line of recourse in the event of problems.

Counting the cost

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6/2/89
WHAT are the comparative costs of permanent and temporary staff?

Companies tend to regard it as an expensive way of staffing, and consultancies placing temporary staff will be the first to assure that rates have to be good - but they provide comparisons that indicate just how cost-effective temporary staffing can be.

Accounting Assignments (AA) offers a comparison calculated for a permanently employed, newly qualified chartered accountant employed by a large group. He is married with two children, earns a monthly salary of R5 000. His benefits include a company car - a BMW 320 - pension, group life, medical aid, a 13th cheque and an entertainment allowance of R200 per month.

Annual cost: salary - R60 000; 13th cheque - R5 000; company car - R24 000; pension (12%) -

R7 200; group life (2%) - R1 200; medical aid (50%) - R1 800; entertainment allowance - R2 400; making a total of: R101 600.

Average hours worked per year are calculated as follows: 260 working days minus 11 public holidays, 15 days leave, six days sick leave. This leaves 228 working days of 7.5 hours each, totalling 1 710 hours.

The approximate hourly cost of the permanent employee in this example is R59.42. The equivalent accounting assignment would be charged out at R48 an hour - a difference of 19%.

Another comparison is provided by Emanu-Temp Assignments which is active in the wider office support field up from secretarial and clerical to junior accounts staff. The following comparison is for a situation where two managers working closely each have a permanent full-time secretary. Emanu-Temp's

Your Executive Temp Resource

Professional Assignments Group made their name over ten years ago when they pioneered the solution to resolving critical short-term needs for professional financial

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Executives to help fill the gap

YOUNG as the concept of temporary assignments may be, the "executive temp" is a concept pioneered 12 years ago with the founding of Professional Assignments Group (Pag).

Founder Sydney Catton said that although there was a barrier of uneasiness among clients about "temps" at the highest levels of management and professional occupations, the effectiveness and reliability of the service and of the assignees had won clients over.

Catton said: "Our growth has been exponential. We employ thousands of professionals, 80% of them hard-core 'permanent temps' who have chosen this as a career. It is now big business and in value terms accounts for as much as a fifth of the whole temp market."

Pag's repeat ratio is about 90%. Even new clients are quick to realise that the use of high-level assignees is cost-effective.

Pag's temporary work is specialised through three divisions of confidential, computer, and marketing assignments.

Confidential assignments deal in financial professionals, cost and management accountants, administra-

tors, company secretaries, auditors and management consultants. Credit controllers and collectors are also available.

Marketing assignments provide relief and seasonal expertise for sales, merchandising, public relations, market research, exhibitions, show and support staff.

Computer assignments cater for both permanent and contract placements of DP professionals, programmers, analysts, systems designers and engineers. It also places operators and general support staff.

The company is represented nationally with branches in Johannesburg, Pretoria, Cape Town and Durban.

Catton said: "We offer the professional all the advantages of working with a large organisation without tying them to a set pattern

of working. We offer them wide exposure to many industries, organisations and working environments.

"It is a lifestyle with maximum flexibility. It may give a person the opportunity to study, develop his/her own business or to decide in what type of company his/her interests really lie.

"It may be the ideal gap filler for a person who is planning to emigrate and does not want a long-term commitment.

"On the other hand, there are many people who prefer to work this way. Some people are just ideally suited for problem solving and get bored if trapped in one organisation. They like to move in, tackle a task, and move on to the next one. They're dynamic, energetic, and stimulated by change."

Among the "big organi-

sation" style advantages offered by Pag are fringe benefits, solid employment contracts, and recourse to discussion with management through an assignee representative council. Each assignee carries a business card.

Pag also has a definite corporate culture that assignees can feel a part of and enjoy. Each Friday night, the company hosts a cocktail evening for assignees.

In the Johannesburg head office, this is held in

its oak and brick-floored reception area where during office hours there is a constant and friendly buzz of activity and a pervasive scent of good coffee. Situated on scenic Parktown Ridge, the offices also offer a magnificent view of Herbert Baker-styled Parktown.

Undoubtedly, there is no longer any negative association in corporate circles with the "executive temp" or "professional assignee". It is a dynamic occupation with a degree of panache all its own.

Temporary Assignments



A Business Day Survey

Competing for the best skills

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IN A competitive temporary placements market, skilled job candidates go where they find the top rates. Within realistic levels for each skills category, they can almost "barter", say top consultants.

Vacancies outnumber candidates for temporary assignments almost as much as for permanent skilled positions.

To cope, personnel consultancies in the "general office temp" market have to offer sophisticated benefit packages as well as top market rates to attract top staff.

Companies facing delays in filling permanent positions are turning to temporary staff to fill the gap. Alternatively, they may work with their minimum staff complement on the permanent payroll and simply use temporary staff to help them handle the peaks — a system known as "planned staffing".

The skills shortage so evident in the search for permanent staff is, however, also apparent in the temporary staffing field. Much of the advertising by temporary placement consultants is not to attract clients as much as to attract candidates.

"We have a shortage of all types of personnel, but particularly in certain categories such as word-processing operators, book-



□ LADRACH COZENS ... handling irregular peaks

keepers and accounts staff," says Kelly Girl MD John Dawkins.

The origins of the "temp" concept lie in the general office support role. Job descriptions this covers include the skilled clerk, typist, data processing or word-processing operator, bookkeeper, secretary and executive secretaries all the way up to lower middle-management.

There are three or four large consultancies in the market — the largest being Kelly Girl with more than 30 branches countrywide followed by Quest with 28 and Drake with 15 — and with its growth, a number of small ones.

Not as large, but offering highly skilled consultancy services to a smaller client base are Cozens Casuals,

Emmanu-Temp, and others.

Newer agencies tend to have been formed as breakaways from the older ones, formed by consultants with a depth of experience in the temporary assignments industry.

Kelly Girl, a pioneer in this market, can take a lot of credit for establishing the concept, refining the relationship between temp staffer and consultancy to one as carefully contracted as in a permanent employment situation — just with greater flexibility.

The company has also pioneered a depth of related services such as office skills training through its Kelly Greenoaks College.

The capital intensive nature of the temporary placements market means that to enter the market, a consultancy has to have a lot more than just an office and a telephone — it has to act as principal employer of temp staffers and as such carry up front the cost of the payroll in advance of receiving payment from corporate clients.

Many companies are also carrying the cost of employee benefits such as public holiday pay, sick leave, and annual holiday pay.

The regular temp may also arrange bonuses and medical aid. And this does

□ Continued on next page

More hope for jobless

By Derek Tommey
Investors have been questioning the strong rise in industrial share prices on the JSE in recent weeks.

But there is evidence that the recovery is deepening and growing more strongly than was ever expected.

This can be seen in the latest employment figures, which show that the rise in industrial activity is at last generating a large number of additional jobs.

QUARTER

Figures issued by Central Statistical Services (CSS) show there was a major increase in employment in the third quarter of last year — probably the biggest in

any quarter since the late 1970s.

CSS figures show that the number of people in work grew by 12 500 in the first quarter of last year, by 6 300 in the second quarter and then jumped by 42 190 in the third quarter.

This is an important development considering that private-sector employment in 1987 grew by only 17 000, while, at the same time, state utilities laid off about 23 000 workers.

It was only a 50 000 increase in the number of

government workers that led to 1987's employment total growing at all.

The employment record has, in fact, been abysmal for the whole of the decade.

Between 1980 and 1987 the number of people at work in the private sector fell by 3 600.

In state utilities, the decline was even greater — 53 000.

Again it was only a 272 000 increase in Government employment that resulted in jobs in seven years growing by 215 000 — about 30 000 a

year.

This is obviously a completely unsatisfactory figure for a country whose population is growing by 800 000 a year.

Sectors accounting for most of 42 190 increase in employment in the September quarter were: mining — 8 600 (1,3 per cent increase); manufacturing — 9 800 (0,7 per cent); construction — 3 000 (1,0 per cent); wholesale, retail, catering and accommodation — 8 200 (1,1 per cent); community, social and personal services, including laundry

percent more than in December 1987.

Retailers were forecasting a 20 percent rise in retail sales in January.

This was possibly achieved since Woolworths reported this week a 21 percent rise in the first six weeks of the year.

CONCERN

Some concern has been expressed over the three percent drop in new car sales in January, compared with a year ago.

But economists say the cost of money has risen 38 percent in the past 12 months and that a three percent fall in sales in these circumstances can be regarded as encouraging.

and dry-cleaning — 10 700 (0,9 percent). The number of people employed at the end of September last year is estimated at 4 984 300 earning a collective R5,9 billion a month.

More bullish news is contained in the latest retail sales figures issued by the CSS.

These show that retail sales last year rose by R8,8 billion (21,6 percent) to R49,8 billion.

In December, R6,3 billion passed through retailers' tills — almost R1 billion, or 18,4

ing.

SCHOOLING IN SA NOT PRACTICAL

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□ LES WOOD

SOUTHERN Africa's multiplicity of education departments do not educate children for employment, but to satisfy theoretical academic objectives, says Business Equipment Association executive director Les Wood.

The result is that SA has fallen behind Pacific Rim countries like Taiwan and South Korea that, 25 years ago, were at a similar stage of development.

"Certainly South Africa's political tragedy is a major restraint," he says, "but I believe that the root of the problem lies squarely with an inadequate politically administered and discriminatory education system."

"Our children are not being educated for employment, but to fulfill theoretical academic objectives."

"There is the prejudice of the 'practical matric' and, as your children will tell you, useful skills such as

bookkeeping and typing are not considered as worthy as history and geography.

"In a country whose future development depends on technical skills the education system emphasises 'university exemption' — although a minority with this qualification actually goes to university."

"And, to cap it all, we have a system of military service which encourages many of those with tertiary technical qualifications to emigrate so they can pursue their careers undisturbed."

Wood adds that the departments responsible for education have failed to set national objectives to produce what the economy really needs in the 1990s.

SBDC

Sowetan 14/2/89

boost for jobless

By JOSHUA
RABOROKO

THE Small Business Development Corporation's training centre is to conduct a two-day workshop at its Pennyville industrial park starting tomorrow to help motivate jobless people to become self-employed.

SBDC's workshop chief, Ms Peggy Reid-Daly, said the workshop, called "Strategies for Survival," was important because it would be a start for the unemployed to create jobs at the time when the country was gripped by the soaring rate of unemployment.

She said many unemployed people had been able to set up businesses after they had attended past workshops by the SBDC.

Motivated

Ms Reid-Daly said the course was a sequel to the decision by the SBDC to help unemployed people to become self-employed. It was hoped that many would be motivated to start their own businesses.

One of the successful candidates of the courses, Mr Oliver Thobejane, who has been out of work for 16 months said he left with a new enthusiasm and during a step-by-step plan he has become a cinema owner in Daveyton.

Oliver had been toying with the idea of showing films in the East Rand townships, but because he lacked the know-how and had no money, he did not know how to get the venture off the ground.

Finance

It was not easy for him to get the money, he said, until a film company undertook to finance a cinema for him. His dedication and perseverance has paid — in one year his life changed from "penniless out-of-work to successful businessmen," he said.

Booking for the workshop can be made by telephoning Ms Reid-Daly at (011) 643-7351 (office hours) or (011) 648-8992 (after hours).

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'Job creation not encouraged'

Own Correspondent

JOHANNESBURG. — Privatisation Minister Dawie de Villiers said the current system of prescribed investments did not encourage entrepreneurship and job creation in the SA economy.

Addressing the Frankel Kruger & Vindrine Inc Investment Conference in Johannesburg yesterday he said government realised the economy needed a structural adjustment in which privatisation would play a big role.

However, an announcement on the status of prescribed assets would be made by the Finance Minister. Both departments had had talks on their problems with "prescribeds" and the matter

now rested with the Finance department. An announcement in this regard was expected in the "near future", he said in reply to a question.

The SA economy was dominated by the control of institutional funds by a small number of large undertakings. This had resulted in investments in non-productive investments like prestige buildings or take-overs of existing successful businesses.

Meanwhile, public sector corporations and state enterprises had been run by statute. Social and commercial objectives became confused with no basis for profit and return on capital. In short, they had become burden to tax payers.

"I hardly need to emphasize that capital that would have been used more efficiently on the basis of return on capital has been captured by non-productive investments by the state whilst the taxpayer had to provide the necessary capital for infrastructural development.

"In addition the state had to avail itself of loan capital from the private sector to fund these investments in the broad public sector."

Regarding consumers fears that tariff of newly-privatised institutions would rise de Villiers said it was preferable to subsidise the consumer instead of subsidising the total supplying industry at the taxpayer's expense.

Private sector jobs probe to shift?

CAP & Times 15/2/89 173

Political Staff

ADMINISTRATION and Privatisation Minister Dawie de Villiers seems set to move responsibility for privatising public sector jobs away from the Commission for Administration.

At the moment De Villiers' privatisation unit is responsible for co-ordinating the impending privatisation of parastatals while the Commission has been investi-

gating which public sector jobs can be handed over to the private sector.

However there is a growing feeling that more progress can be achieved if the section of the Commission which is investigating privatisation of public sector jobs is moved to the special unit. The belief among leading officials is that the Commission cannot be responsible for both

administration and privatisation. The functions should be separated.

The Commission has come under fire from some ministers for dragging its heels on privatisation.

De Villiers said in an interview that the unit would play an ever increasing role in co-ordinating and implementing the privatisation programme.

CPPE Times 15/2/89

Allegations investigated

Political Staff

ALLEGATIONS of malpractice involving among other things the use of job creation funds to build houses for councillors are still being investigated by the Commercial Crime Unit in Port Elizabeth.

The MP for Port Elizabeth Central, Mr John Malcomess, who revealed the alleged malpractice in Parliament in September 1987, said yesterday that he had been told by the Advocate-General, Mr Justice P J van der Walt, that the investigation was now in the hands of Port Elizabeth police.

Mr Malcomess disclosed in 1987 that a total of R268 000, earmarked for job creation, had been used to build nine houses for Ibhayi town councillors. He stated at the time that he had also sent documents relating to several allegations of malpractice in Ibhayi to the Advocate-General.

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SANLAM TO PUMP R2bn INTO SANKORP PROJECTS

CAPE TOWN — Sanlam had earmarked R2bn in new development capital over five years to investment subsidiary Sankorp for creating new or expanding existing undertakings in which it already had interests, Sanlam chairman Fred du Plessis announced yesterday.

In an interview with Business Day, Du Plessis said as Sankorp never took more than a 50% stake in any company, he hoped this capital commitment would spur other participating investors to gross up this amount to at least R8bn over the five years.

He stressed the R2bn would not go

CHRIS CAIRNCROSS

into high-risk ventures and should not be classified as venture capital. Rather, the investment would help Sankorp create new enterprises and assist existing, viable undertakings in need of financial aid to expand.

Areas listed by Du Plessis included Mossgas, the torbanite energy development in which Gencor is involved, and possibly an expansion of Sankorp's motor component manufacturing interests.

He said he was also waiting for suggestions from Sankorp management teams.

The philosophy behind the decision was to stimulate wealth creation and the redeployment of capital to encourage job creation within SA.

"By making this large sum of investment capital available, Sanlam and Sankorp will make an even greater contribution to job creation and economic growth," Du Plessis said, expressing concern over the lack of investment activity.

He said the commitment was a continuation of a policy Sanlam had been following for decades: creating and expanding new enterprises, and not merely making safe investments in established undertakings.

THE Small Business Development Corporation (SBDC) would use its R50m government grant for special job creation projects, SBDC senior manager (PR) Johan Naude said yesterday.

Government granted the money in terms of the Additional Appropriation Bill, now under review in Parliament, with an additional R26m interest subsidy.

The SBDC has been receiving an interest subsidy since 1967.

Naude said government earmarked R50m — part of the proceeds from the sale of Iscor assets to the Industrial Development Corporation — for the SBDC in October last year.

"We see the grant as confirmation that government regards the small business sector as a vital component of the economy," he said.

Projects that will benefit from the grant include the Small Business Start-up

How SBDC will spend its R50m

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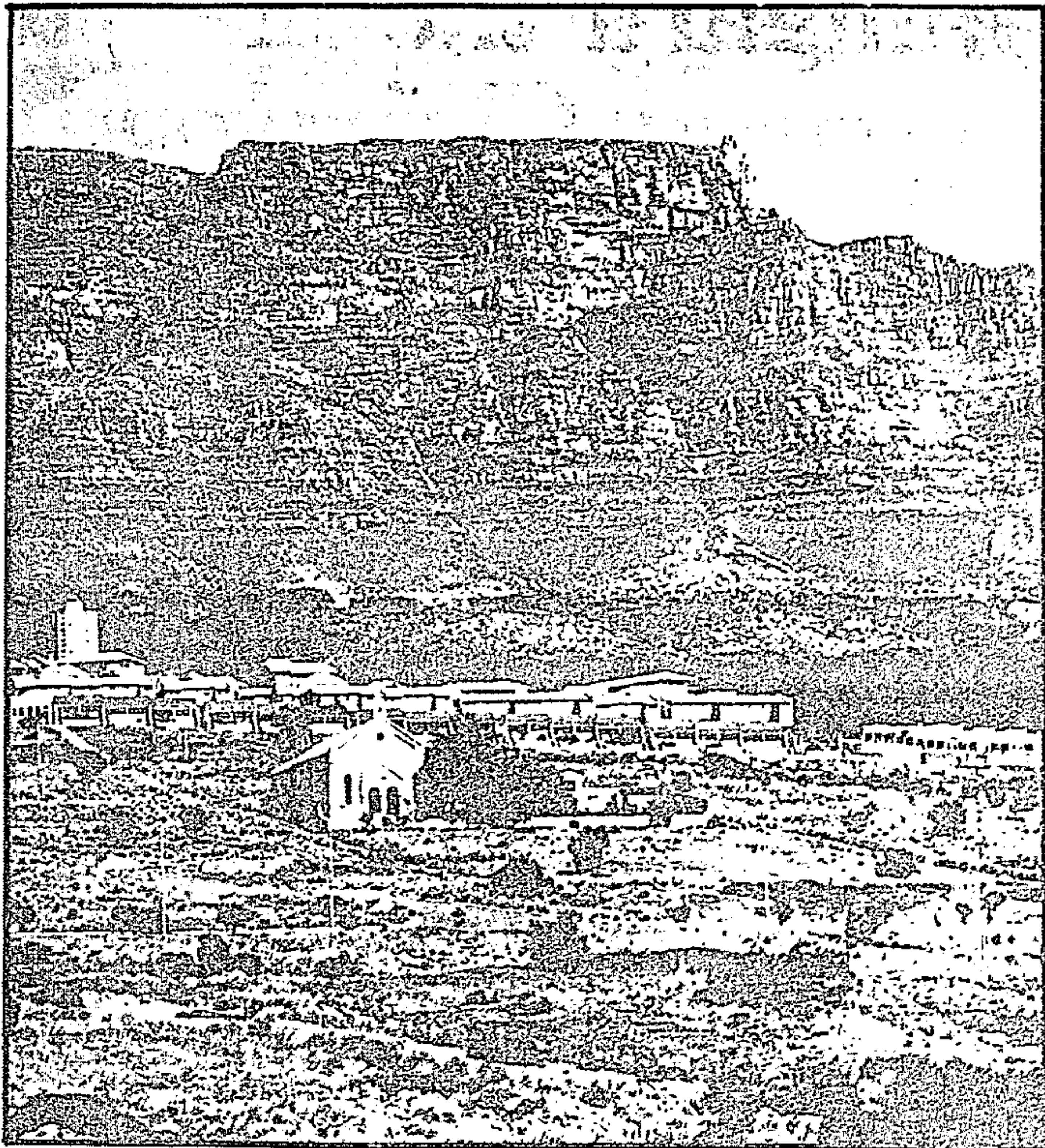
SYLVIA DU PLESSIS

Fund, the Small Builders' Bridging Fund and the Entrepreneurs' Training and Development Fund.

"What is significant about this grant is that we reinvest the money in small businesses, so we create revolving loan funds," Naude said.

"The money is continually turned around and reinvested in labour-intensive projects."

He said the previous grant made by government to the SBDC was in 1986, and virtually all the R155m allocated then was being reinvested continually.



District Six today: a wasteland whose proposed revitalisation is fraught with controversy.

Crucial role for small businesses

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AGG 21/2/89

SMALL businesses will have a crucial role in a South Africa heading towards 30 percent black unemployment in metropolitan areas, says Small Business Development Corporation managing director Dr Ben Vosloo.

Writing in the BP Social Report, Dr Vosloo says it has been shown worldwide that a vigorous and expanding small business sector is vital to a thriving economy.

Small businesses have much to recommend them, favour, he says.

They use small amounts of capital productively and tend to operate under demanding competition, and undermining monopolies. They are more labour intensive and thus provide more jobs than their "larger brethren". Finally,

they reward individual initiative.

South Africa is presently undergoing massive population growth, which is increasingly concentrated within the major urban areas.

Unemployment haunts the country — a recent survey shows that in metropolitan areas unemployment in the black workforce is rising towards 30 percent.

Large companies cannot wipe out unemployment because it costs too much for them to create a job.

Thus job seekers must increasingly look beyond the formal sector to the informal sector which may provide an estimated 30 percent of recorded gross national product.

Against this background the Small Business Development Corporation actively

works at ways of establishing and improving small business, he says.

Four key problem areas have been identified. These are access to capital, affordable business premises, advice, and a body to promote small business interests.

In trying to alleviate these problems the corporation offers a variety of financial packages and consultation services, is the leading developer of industrial and commercial business premises in black areas, and lobbies in support of small business.

But all this would be so much wasted effort if the campaign to isolate this country economically continues, he says.

Dr Vosloo warns that the economy's potential will never be realised in the face of general economic decline following sanctions.

THREE YEARS ago with unrest at its peak in SA the battle cry of students at the barricades was "liberation before education". After almost three years of emergency rule, 30 000 detentions and more deaths than any would care to remember, the prospect of revolution with undisciplined teenagers at the vanguard is clearly seen as the transitory illusion it always was.

The bitterness brought about by years of neglect remains, but now the first signs of another revolution are beginning to emerge. This revolution, which is of an altogether more permanent nature, draws on lessons learned from past mistakes on both sides.

While the state of emergency captures the headlines, Gerrit Viljoen and his deputy Sam de Beer have been quietly working away at the Department of Education and Training. They are achieving results which in the next five years will make it virtually impossible for this country to be governed in the way it was in the past.

The statistics are staggering. Even if the pass rate remains constant at the lowly 55% it was last year, in five years' time 885 500 black matriculants will have come on to the job market.

If only half the number at school now pass standard 10, by the year 2001 3.5-million black matriculants will have entered the job market.

It is unnecessary to point out to Viljoen that the achievements at DET schools compare unfavourably with those at white schools. He does so himself, while stressing the progress made in the past five years.

The benchmark ratio of the amount spent on white children compared to the amount spent on black children has been reduced from 7:1 to 4.6:1 in the past five years. The percentage of teachers at DET schools without matric decreased from 73.6% in 1983 to 40% last year.

Ten years ago just 6% — or 110 000 — of the total black school body were in high school. Now 23% — or 1.6-million — black pupils are in high school.

Teacher-pupil ratios at DET secondary schools have been reduced from 1:38 to 1:34 in the past five years. In the same period the ratios in primary schools have been reduced from 1:45 to 1:38 (Viljoen points out this is not the case in the self-governing homelands, where ra-

Black matriculants set to swamp the job market in SA

MIKE ROBERTSON in Cape Town

tios of 1:50 in primary schools are still commonplace).

Between 1982 and last year the number of teachers who enrolled at Vista University to improve their qualifications rocketed from 300 to 17 164. The total number of black matriculants last year — 85 000 — easily outnumbered the total number of whites at 62 000.

Viljoen, who is justifiably proud of the progress achieved, says the improvements could not have been made without a change in the black community itself.

"I think 'liberation before education' could only work if it could be brought about in a short period. The biggest factor that has caused the change in perception is the realisation that liberation is not going to be that easy."

The emergency restrictions, he says, made it clear that any change must be evolutionary and negotiated and not brought about by violence.

At the same time, the actual experience of pupils who failed convinced leaders in the community that "this whole thing was completely counter-productive".

"The department worked very hard with leaders in the black community to get across that meaningful political change requires education. At the same time, the leaps forward that have been achieved by the department increased its credibility."

While the pass rate is worrying, Viljoen draws comfort from the fact



□ VILJOEN ... "political change requires education"

that more than 40 black schools had pass rates of more than 80% last year. The Northern Transvaal region — which includes Pretoria, the West Rand and Western Transvaal — achieved a 67% pass rate.

Viljoen's goal is a 70% overall pass rate. Only then, he believes, will black secondary education have reached a satisfactory level.

Viljoen says the reasons for the low pass rate are multifold, but some the department has identified and is attempting to tackle. Others need the attention of his fellow Cabinet ministers.

There are still simply not enough

properly qualified teachers. This is being tackled. He also believes there is a wrong perception in black communities about "learning responsibilities". Teachers are expected to pour knowledge into children while not enough is done to motivate children to study themselves.

The department has identified a problem with bad study methods. For this reason, 6 477 teachers received in-service training last year to assist children with study methods as well as providing career guidance. These in-service training programmes are continuing.

Viljoen also believes that the socio-economic background of a large percentage of black schoolchildren puts them at a disadvantage. Housing, and the lack of a place to study, is just one aspect of this problem.

In an important departure from previous practice the DET is encouraging parents to play a greater role in the running of schools.

School management councils are being elected to run schools in conjunction with headmasters. It is their task to call meetings when there are problems. Whereas in the past it was likely that only 10 to 30 parents would attend these meetings, the average is now more than 300, Viljoen says.

In certain matters, like staff appointments, the department has to consult with management councils. The DET cannot expel a student without a recommendation from the management council. It has also been

stipulated that any request emerging from a management council must receive a written response from the department within three months.

A process of syllabus re-evaluation is under way under the auspices of the National Education Department. Viljoen believes that, in subjects such as history, literature and Biblical studies, the present syllabus is too white-centred.

"The interests and experiences of other communities should be catered for. There should be a larger number of alternative choices meeting the requirements and needs of all the communities."

One of his biggest headaches is the low level of achievement in Soweto, which last year had a matric pass rate of only 38%, despite having one of the lowest teacher-pupil ratios in the country.

"I believe the level of politicisation amongst the youth is to be blamed. Another factor is the tremendous amount of vandalism in schools there," he says.

Viljoen singles out Sowetan editor Aggrey Klaaste for praise in bringing the attention of the community to the latter problem. "He has made a good contribution."

Frequent absenteeism and a lack of discipline are also problems which abound in Soweto. However, he believes the new regional director has made good progress in bringing up these matters with the parent community.

"The potential for quick improvement is there, but a backlog of two or three years is not readily erased."

The department's negotiations with the Soweto Education Crisis Committee, he says, have often been successful. The same could not be said of the National Education Crisis Committee, many of whose members, according to Viljoen, were "more interested in destabilising education".

For the future, Viljoen says his department's aim is still to bring about equal spending per child between black and white education. However, with Finance Minister Barend du Plessis calling for a drastic reduction in government spending, he believes it will no longer be able to achieve this in the 10-year time frame set in 1986.

But the department will press ahead with the upgrading of teachers' qualifications and, as salaries constitute more than 80% of education budgets, the gap will continue to narrow.

Trust helps create jobs, clear home backlog

THE South African Housing Trust was created to involve the private sector in strategy to combat the housing backlog and to create jobs in communities with the greatest need for new employment opportunities.

An initial interest-free loan of R400 m was provided by the Government as seed capital with the understanding that a further R800 m would be raised from the private sector.

The SAHT was incorporated as a public company in November 1986 and commenced business in January 1987 with a full-time management team.

Functions of the team include funds generation, project assessment and development, disbursement of housing loans (through Khayaletu Home Loans (Pty) Ltd), land acquisition, general administration and monitoring of projects to ensure adherence to an acceptable level of technical, business and ethical standards.

The SAHT has an educational role bringing wider understanding of the benefits of home ownership to low-income communities while encouraging local, community-based entrepreneurs to move into the mass housing market.

This includes the encouragement

of the self-builder; the man who acquires basic building skills and the confidence to build a home of his own, saving himself one-fifth of the cost.

The Housing Trust is non-racial and will assist any low-income community. Owing to the homes and jobs crises in certain parts of the country it has not been necessary for SAHT to market itself as the worst affected communities and their leaders have approached the trust.

Regulations

Total value of projects approved by the board from January 1987 to October 1988 was R730 million. These projects are expected to result in the provision of 30 000 serviced stands nationwide and the building of 37 000 homes within two years.

In the Peninsula a number of major developers have entered the low-cost housing market developing land granted by the SAHT. Regulations laid down by the Trust include a minimum and maximum price of houses (R12 000 to R20 000).

Low-cost housing developments are mainly in the Village 3 part of the Khayelitsha extension, Town 2 and Crossroads.

Trust helps create jobs, clear home backlog

SAHT-1987 98/289 (1987) 193

THE South African Housing Trust was created to involve the private sector in strategy to combat the housing backlog and to create jobs in communities with the greatest need for new employment opportunities.

An initial interest-free loan of R400 m was provided by the Government as seed capital with the understanding that a further R800 m would be raised from the private sector.

The SAHT was incorporated as a public company in November 1986 and commenced business in January 1987 with a full-time management team.

Functions of the team include funds generation, project assessment and development, disbursement of housing loans (through Khayaletu Home Loans (Pty) Ltd), land acquisition, general administration and monitoring of projects to ensure adherence to an acceptable level of technical, business and ethical standards.

The SAHT has an educational role bringing wider understanding of the benefits of home ownership to low-income communities while encouraging local, community-based entrepreneurs to move into the mass housing market.

This includes the encouragement

of the self-builder; the man who acquires basic building skills and the confidence to build a home of his own, saving himself one-fifth of the cost.

The Housing Trust is non-racial and will assist any low-income community. Owing to the homes and jobs crises in certain parts of the country it has not been necessary for SAHT to market itself as the worst affected communities and their leaders have approached the trust.

Regulations

Total value of projects approved by the board from January 1987 to October 1988 was R730 million. These projects are expected to result in the provision of 30 000 serviced stands nationwide and the building of 37 000 homes within two years.

In the Peninsula a number of major developers have entered the low-cost housing market developing land granted by the SAHT. Regulations laid down by the Trust include a minimum and maximum price of houses (R12 000 to R20 000).

Low-cost housing developments are mainly in the Village 3 part of the Khayelitsha extension, Town 2 and Crossroads.

WHAT STRIKES COST SA OVER THREE YEARS

10/27/87
Political Staff

CAPE TOWN — More than 8-million man-days were lost in strikes in SA in the three years between 1986 and 1988, Manpower acting Minister Eli Louw said yesterday.

There were 2 966 strikes, involving 1 120 134 blacks and 490 whites, between January 1 1986 and December 31 1988.

Louw said in reply to a question tabled by Arrie Paulus (CP Carletonville) that 8 044 619 man-days were lost in these strikes, whose average duration was 6,2 man-days.

Illegal

Information about how many of these strikes were illegal was not available.

He also said criminal prosecutions for participation in illegal strikes did not rest with the Manpower Department and as a result his department did not have information about the numbers criminally prosecuted.

In reply to another question, tabled by Peter Soal (PFP Johannesburg North), Louw said one union applied last year for registration for black employees only, one for white employees only and seven for employees for more than one population group.

THE shortage of skills in the South African computer industry requires a fresh approach to personnel placement and career planning, says Mackie Glasser, chairman of SA Computer Faire.

Mr Glasser said at the marketing launch of this year's Computer Faire, to be held at Nasrec, Johannesburg, from June 7 to 10: "The Computer Faire Career Centre is a new concept for South Africans, but has become an established part of the staff placement industry overseas.

"The computer industry in South Africa will stand or fall by its ability to keep and train professionals."

Image

The Career Centre would meet the needs of personnel agencies, large companies and government bodies with major DP departments, and training organisations.

"The Faire will provide an opportunity for these organisations to project their corporate image as well as handling inquiries from prospective clients. There will be at least 20 000 peo-

5/7 Times 12/3/89

New concept for computer careers

ple at the Computer Faire this year interested in some or other aspect of the computer industry. These organisations will be able to communicate with a section of this large community."

Mr Glasser says it is essential to investigate all routes to tackle the staff shortages facing the industry and that more career counselling should be implemented.

"Failure to provide this type of guidance to computer workers could mean that valuable human resources are misdirected to the detriment of the industry," he says. "Every one of the people working in information processing must be viewed as a scarce resource and therefore developed to the full."

Mr Glasser points to in-

dustry statistics which show that the shortfall of personnel is as much as 3 000, most falling in the three to 10 years' experience band.

Another disturbing trend, he says, is that there has been a drop in the number of blacks in the industry. Figures from one placement company in the computer industry show that in 1985, 70% of white, 23% of coloured and 7% of blacks made up the placement ratios. Last year, they dropped to 79%, 18% and 3% respectively.

Soft

The Computer Faire Career Centre will concentrate on interfacing with staff members in the industry, or who wish to enter it. However, says Mr Glasser, a spin-off which can be expected is the exposure to prime target training groups, such as schoolchildren, women and blacks.

"The Career Centre initiative is not a head-hunting exercise. It will take a soft approach where people with skills can talk about their careers; evaluate their job opportunities and compare their positions."



MACKIE GLASSER

WE have been led to believe by authors of best-selling books that the secret of the success of the Orient, particularly Japan, is the quality of the labour, their willingness to work hard and their loyalty to their employers.

Captains of industry tell us that is why we can't achieve the success of the Far East: "We don't have the same level of education and commitment from our workforce."

However, I believe that one of the most important secrets of the success of Japan and Taiwan is the use of the small formal and informal businesses by big business in the "centre-satellite" factory system.

This, too, is one of the solutions for the South African economy to create more jobs and to generate foreign currency, which is a critical necessity in South Africa.

Since 1980 we have produced about 2.5-million school-leavers and provided no new jobs for them. In fact, we now have about 150 000 fewer jobs than there were in 1980.

Small business plays an important role in the economic success in most countries, even in the developed countries, and is more dominant in the developing countries than the under-developed ones.

In the present Taiwanese structure, the small and medium enterprises comprise 99 percent of the total number of manufacturers, produce 55 percent of the GNP and hire 70 percent of the total labour force. Even in the US 66 percent of businesses employ fewer than nine people, provide half the country's existing jobs and produce some 43 percent of its GNP.

In Japan the figures are even higher — small businesses there employ 80 percent of the total workforce.

The basic principle is that the centre factory does the design and development, farms out the manufacture of specific components to informal man-

Oriental have the secret of more jobs

St. James 12/3/87
173

Theo Rudman

*executive director of the Self-employment Institute,
argues that small is beautiful*

ufacturers, often providing them with the correct material from which the components must be made, with the satellite manufacturer contributing, mainly his labour.

The centre factory only manufactures what it has to. The products are assembled by the centre company where strict quality control is provided. Marketing and distribution is then undertaken by the centre organisation.

This concept is most important in a country where manufacturers are under pressure to improve profits because of high inflation and an undesirable level of productivity from the workforce.

It allows the manufacturer to operate with less capital invested in hi-tech equipment and buildings and a greater achievement of productivity because of greater use of self-employed people instead of clock watchers in a big organisation.

This, I believe, was more responsible for the Japanese success, particu-

larly in the '50s when quality left much to be desired, but in spite of this Japanese products were good value for money because they were so inexpensive.

The method reduces the capital and management resources required by the centre company and creates more jobs, which would not be feasible if all the work was undertaken by the centre company, which by necessity, would have to be more mechanised and computerised.

Opportunities exist too for retailers in selling to hawkers and informal traders. One of the biggest obstacles to obtaining a licence in most towns and cities in South Africa is the provision of storage facilities, approved by the health authorities, near the traders' sites.

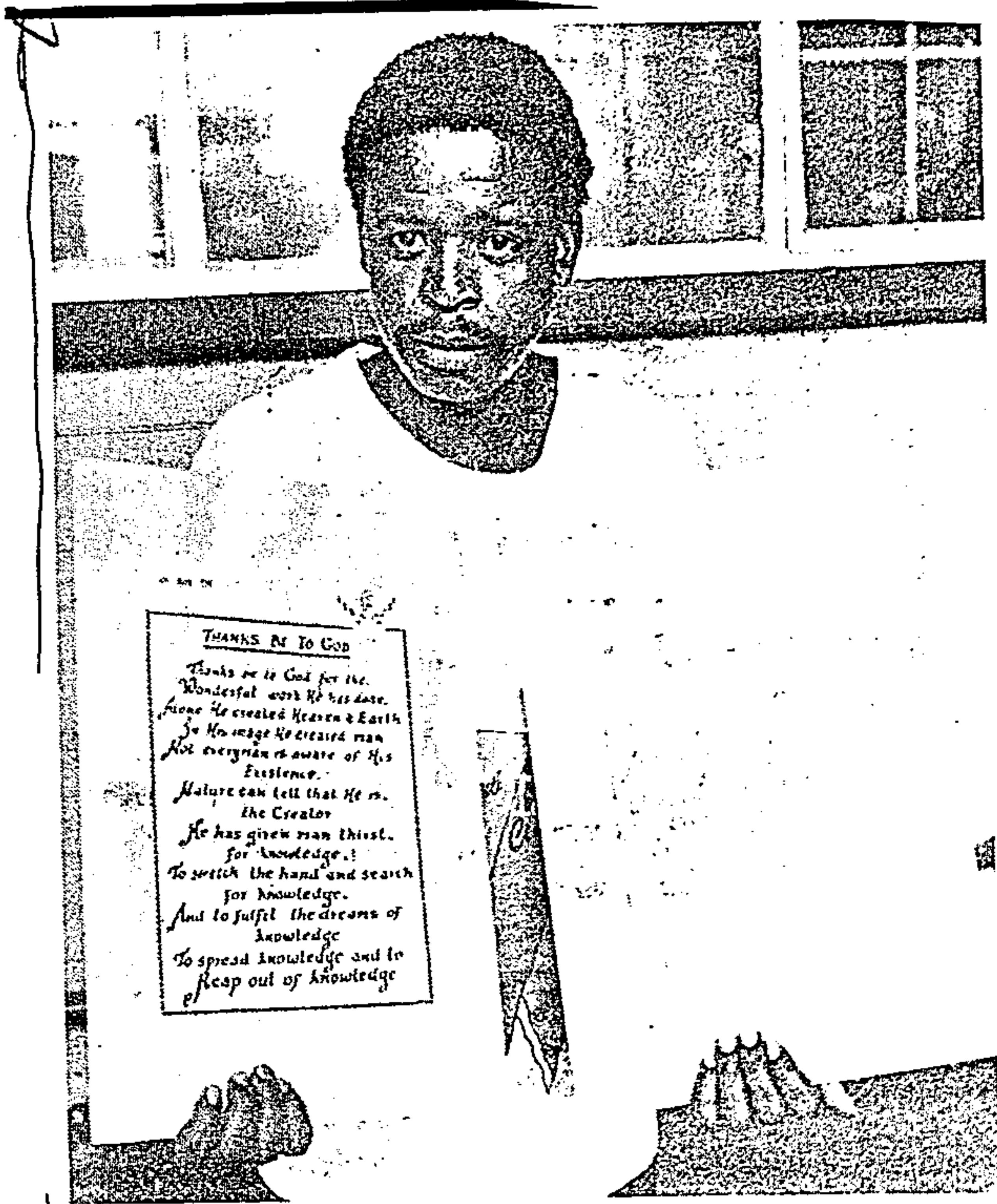
An example of the co-operation and natural interface that could exist between the third world and first world sectors, is the African Council of Hawkers and Informal Businesses (ACHIB) in Johannesburg which has found formal retailers, near each of the main trading areas, who are prepared to set up wholesale facilities for street traders.

Hawkers purchase their supplies for the day, either for cash or agreed terms. As these shops are close to their sites the traders can easily return to the wholesaler should they run out of supplies.

At the end of the day unsold merchandise is returned for crediting towards the next day's purchases.

There are many formal small and informal business people who, in spite of limited education and training, have demonstrated their commitment and willingness to work hard, in spite of enormous restrictions and harassment. Imagine what they could do in a supportive environment?

□ *Theo Rudman is the author of The Third World: South Africa's Hidden Wealth.*



THANKS BE TO GOD
 Thanks be to God for the
 Wonderful work He has done.
 Alone He created Heaven & Earth
 In His image He created man
 Not everyone is aware of His
 Existence.
 Nature can tell that He is
 the Creator
 He has given man this.
 for knowledge.
 To stretch the hand and search
 for knowledge.
 And to fulfil the dreams of
 knowledge
 To spread knowledge and to
 reap out of knowledge

Mr MESHACK Tshilo, PRO of the Save Them Organisation, displaying some of the works done by the unemployed of Daveyton.

Unemployed in Daveyton write and sell poetry

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 Sowetan 17/3/87

A GROUP of unemployed people from Daveyton have hit on a novel way of easing the burden of unemployment through composing and selling poetry.

After conducting a research on unemployment, Mr Meshack Tshilo, together with his friends formed the Save Them Organisation in 1986.

Some of the organisations duties are to approach companies and other institutions for employment, create projects for the unemployed to earn a living like the recently formed art school where the unemployed would compose poems which would then be sold.

By KENOSI
 MODISANE

Mr Tshilo, who is also PRO of the organisation, is appealing to churches to hire the services of unemployed people when making improvements to church buildings. He is also appealing to any organisation to help sell some of their works.

Anyone who is interested in helping or joining the organisation should contact Meshack at 424-9924 (only after hours).

30000 JOBS

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CITY PRESS, March 26, 1989

PAGE 1

Insurance plan a boon for domestics

By CONNIE MOLLUS

A NEW retirement insurance plan is set to improve the lives of domestic workers after retirement. The plan - introduced by insurance broker David Byrd - provides a life cover and incorporates a saving element for retirement.

Byrd said he was motivated to devise the scheme by the belief that "any relationship between employers and employees can only be enhanced if the employers look to the welfare, regular salary increases and good working conditions for workers."

"Often the relationship that develops between employers and domestic employees takes a deeper meaning. Domestic workers spend most of their time with the children of their employers, and very

often a special bond is forged by these conditions," he said.

The plan is aimed at getting employers to make a meaningful contribution to the welfare of domestic workers. Employers can contribute a premium.

The plan is a boon to domestic workers, who are not protected by the country's labour relations laws.

Without regulated minimum wages, domestic workers do not usually have enough money for savings and investment, and have to spend their retired life depending on their children, which does not provide security.

The scheme is tailored to meet the needs of domestic workers, most of whom work without security, and can be dismissed at an employer's whim.

Motor firm implements local-content programme

By SAMKELO KUMALO

SOUTH Africa's biggest car manufacturer, Toyota, has embarked on a scheme which could create 30 000 new jobs in the vehicle assembly and component industries.

This good news was announced this week by the company's managing director, Ralph Broadley, who said the newly implemented local-content programme could create many jobs for the country.

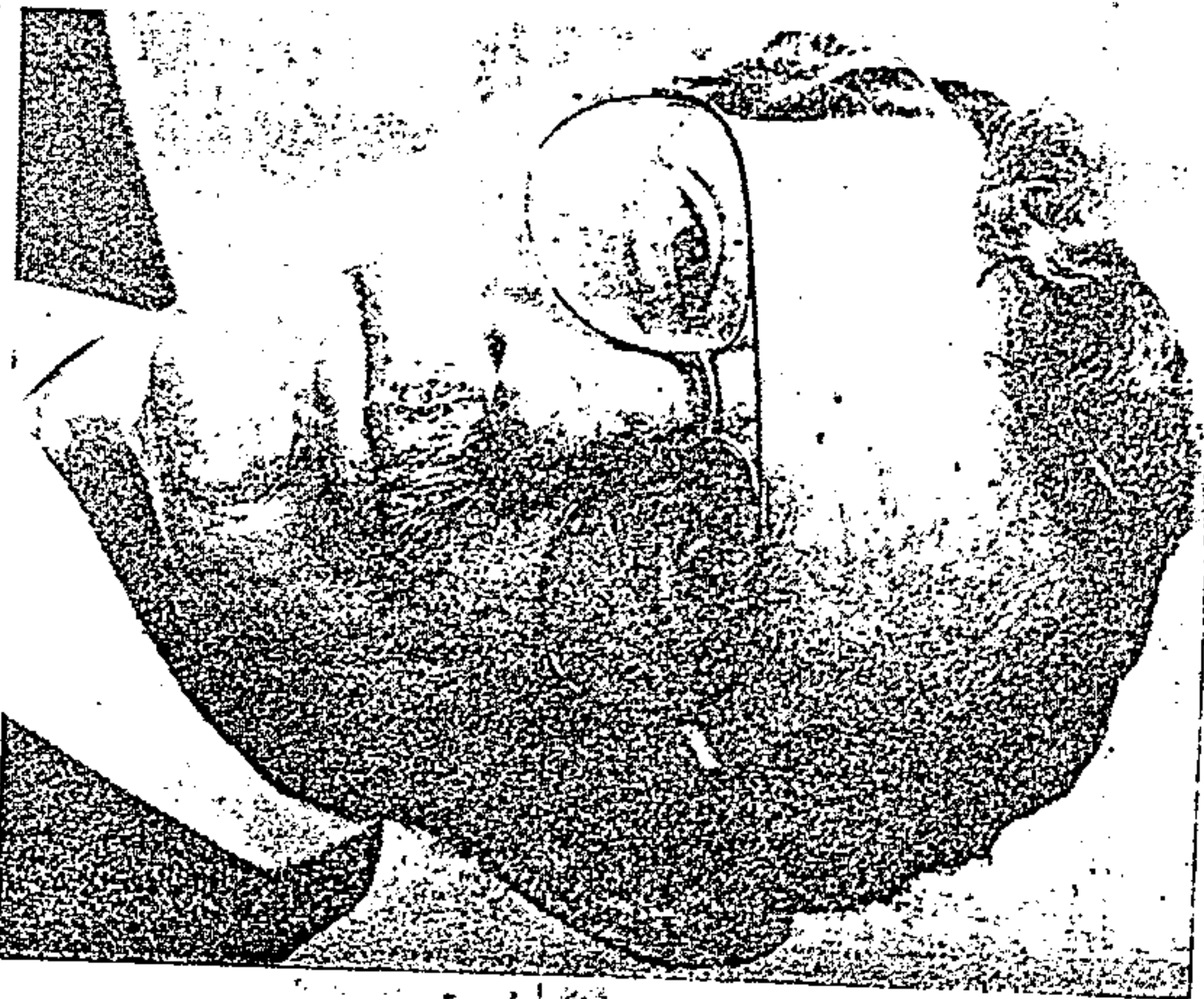
Broadley said a major problem in the industry was the shortage of skilled manpower to support the programme, which involved new and hi-tech industries.

It was difficult enough finding skilled manpower to support day-to-day business, "let alone support a sudden surge of new business."

"In the past any shortage of skills was made up by overseas recruitment. But today this is no longer possible due to political and economic problems. So, if quality is to be maintained, immediate action needs to be taken to train and prepare for the future," he said.

Broadley pointed to the South African Institute of Race Relations report which indicated there would be a shortage of 200 000 skilled workers unless dramatic action was taken.

Assessing the impact of the 75 percent value-based local-content programme, Broadley estimated that it would require 3 000 new jobs in the motor industry to cover increased engineering, supply-related activities and



Toyota SA managing director Ralph Broadley.

in-plant component manufacture.

The component industry would need 27 000 new jobs to supplement current industries and to support new ones.

Broadley said the organisation had taken a conservative view and the figures could be even higher.

He said Toyota's plans for 1989 to meet the new challenges included increasing the number of trainees on its staff and stepping up its supplier-quality assurance staff.

Leaner service, more officials

THE Manpower Department has budgeted to cut the value of its services to the public and its manpower training programmes but to expand its staff and raise its personnel costs by 18,3%.

The department has cut budgets on its services to the blind, the disabled, the unemployed and the untrained, while increasing the number of officials drawing top salaries of R80 000 or more.

However, Manpower director-general Joel Fourie denied at the weekend that the decrease in funds necessarily meant a decrease in services.

"The services to the disabled, the unemployed and the untrained have not been cut," he said.

He added there were legitimate reasons for increases in the numbers of senior staff.

Among the budget cuts are wage subsidies paid to the employers of semi-fit workers, subsidies for the training and employment of the disabled, and subsidies for workshops for the blind. The subsidy to the SA National Council for the Blind has been frozen at the previous year's level.

Other budget cuts include apprentice training, various other training schemes and job creation.

The cuts mean the department's budget, as submitted to Parliament in the estimates of expenditure, has been reduced almost 4%, from R224m to R216m.

Business Day Reporters

However, the department's staff is budgeted to increase from 3 939 to 3 984 and personnel costs are to rise by more than R9m to nearly R60m. The increases for staff costs are heavily concentrated in the highest pay brackets.

Last year, the department's budget provided for 31 officials earning R59 200 or more in its highest pay bracket. This year there are 40 officials earning R80 000 or more.

Last year, the department budgeted for 287 officials in the second-highest bracket (R35 100 to R59 199); this year there will be 309 officials in the second-highest bracket which has itself been raised (R40 300 to R79 999).

There is a budgeted increase of 30%, to R26,3m, for the overall costs of managing the department's apparently reduced workload.

Fourie said the increase in senior staff was necessary because the department had decentralised its services. Also, the Industrial Court's workload had increased and the department had to budget for more senior people there.

Furthermore, it was "absolutely untrue" there was a reduced workload.

"The increases will be reflected in the department's annual report. For exam-

● To Page 2

Leaner service but fillip for officials

ple, there has again been an increase in the number of conciliation boards," said Fourie.

Regarding the fall in the training budget, he said there had been fewer requests for such funds from the private sector.

Fourie also noted better benefits were being granted to the unemployed and the injured. These details were, however,

not reflected in the Manpower budget. They appeared in the budgets of the Unemployment Insurance Fund and the Workmen's Compensation Commissioner's fund.

The increase in these funds' turnovers had warranted more senior staff in regional offices, he added.

● From Page 1

8/Day 29/3/89

Barlows boosts jobs project

THEO RAWANA

BARLOW RAND has entered into a second contract with development consulting firm Job Creation SA for the creation of a further 250 permanent jobs in the Johannesburg/Pretoria area.

Job Creation SA MD Ian Hetherington said yesterday the partners had not yet worked out how much money Barlows would pump into the project, but added that the first contract — initiated in 1986 — had created 86 new businesses and 500 jobs at R4 000 a job.

Job Creation SA, established to assist in combating unemployment, has a team of consultants who provide advisory services to fledgling businesses, particularly in the first two years of operation.

Barlow Rand Foundation director Charles Lipp said: "The businesses op-

erate in fields as diverse as ice-block making, interior decorating, steel furniture making, tree-felling, dress-making and kitchen fitting."

Hetherington said: "Job Creation's record of success is such that only one business has failed. Moreover, those that have been operating for two years have achieved levels of employment that are on average 20% higher than initial expectations."

Several start-up entrepreneurs have hired premises at Enterprise Centre, Kew, Johannesburg, which is the first facility to benefit from the Temporary Removal of Restrictions on Economic Activities Act of 1986.

Joint plan to provide training for jobless

Biden 30/3/84

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THE Manpower Department aimed to establish a fund, financed and administered jointly by government and the private sector, to provide training opportunities for the unemployed, Manpower director-general Joel Fourie said yesterday.

Speaking at the official opening of the department's exhibit at the Rand Show, he said provision for the establishment of the fund was contained in the Manpower Training Bill to be tabled in Parliament next week.

He said the fund would be administered by four government and seven private sector representatives.

The department had budgeted for a R75m contribution to the fund this year, "and we are looking to the private sector to also contribute so as to do something for the unemployed," he said.

Fourie disclosed that since the initial grants for training of unemployed were made in 1985, the department had spent R400m on training about one-mil-

ALAN FINE

lion people in 713 different disciplines.

About 30% of trainees had been placed in formal employment, while others had established themselves in the informal sector.

He said the department was now dealing with 289 different private training institutions in 187 towns and cities. A number of these were among the exhibitors at the Rand Show, where the focus was on training.

Programme

Fourie added his department was looking into the question of extended training where people would be taught skills such as the marketing of the goods they produced with their new skills.

He said the training programme had covered the entire scope of the population, including the disabled, and a number of requests had also been received from outside SA.

'Ignorance' blocks manpower development

PRETORIA — Major obstacles in the way of manpower development in SA were ignorance and lack of support, CSIR Foundation for Research and Development (FRD) group executive Reinhard Arndt said here yesterday.

Launching the restructured FRD, Arndt said the basic aim of the foundation was the development of human capital in the fields of science and technology.

Universities would be financially helped to establish their own R and D programmes.

Universities were the factories which should supply industry with the right kind

of people.

Stressing the importance of tapping expertise and technology from outside, Arndt said doors were not closed to SA. Inter-personal contact was the key.

He was not concerned at the so-called brain drain, but mobility of scientists was vitally important.

"We're not very good at attracting back scientists who have left the country, but this issue will be given high priority."

Arndt warned of SA's ageing university teaching staffs and the need for an injection of younger talent.

GERALD REILLY

(73)

B/Dam 3/13/87

Condry aids concert

A CONCERT to motivate small business people to create jobs is to be held at the Enterprise Centre in Kew, Johannesburg tomorrow starting at 11am.

The centre, a large warehouse housing

several small businesses was established three years ago by Job Creation SA as part of an employment creation project. r

The concert has been initiated by Condry Ziqubu and is aimed at advertising the centre.

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BT

19/11/87
21/11/87
22/11/87

ultimately on trial.

CAF-Trans 4/4/89

State lesson in public spending

HOW to cut state expenditure? The Department of Manpower (freshly bereft of its erstwhile minister, Pietie du Plessis) has given an object lesson in this field. It will save about R8 million in the coming year by cutting on services to the blind, such as subsidies to workshops, on employment of the disabled, and on job creation and training programmes for the unemployed. No-doubt all these categories of person will realise that their sacrifices are for a good cause — the state of the economy.

But that leaves R8 million. What to do with it? The Department of Manpower swiftly showed its resourcefulness, according to reports, by creating another 45 jobs for mainly senior officials, thereby increasing the deployment of manpower within the public sector, if not within the private one. The cost: About R9 million. That constituted a deficit of only R1 million, if the R8 million saving is taken into account.

Who says government departments are not taking seriously the need to save taxpayers' money?

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Tax incentives needed to attract women's skills

By AUDREY D'ANGELO
Financial Editor

A STRONGER tax incentive is needed to attract women with badly needed skills back into the labour force, say Senbank economists Emile van Zyl and Johann du Pisanie.

Welcoming the decision to tax the salaries of married women separately from their husbands under the SITE system, regardless of the level of the salary, Van Zyl and Du Pisanie say in their Economic Review that this will encourage more women to work.

But, they continue, taking into account the extra expenses incurred by women going out to work "the benefit in absolute terms is very small".

Calling for further progress towards completely separate taxation for all married couples, they suggest it is "essential that the minister of finance should ensure that the incentives in the next phase" are sufficient to encourage "thousands of well qualified women, who would not seriously consider re-entry on the marginal benefit which has now been created, to re-enter the labour market."

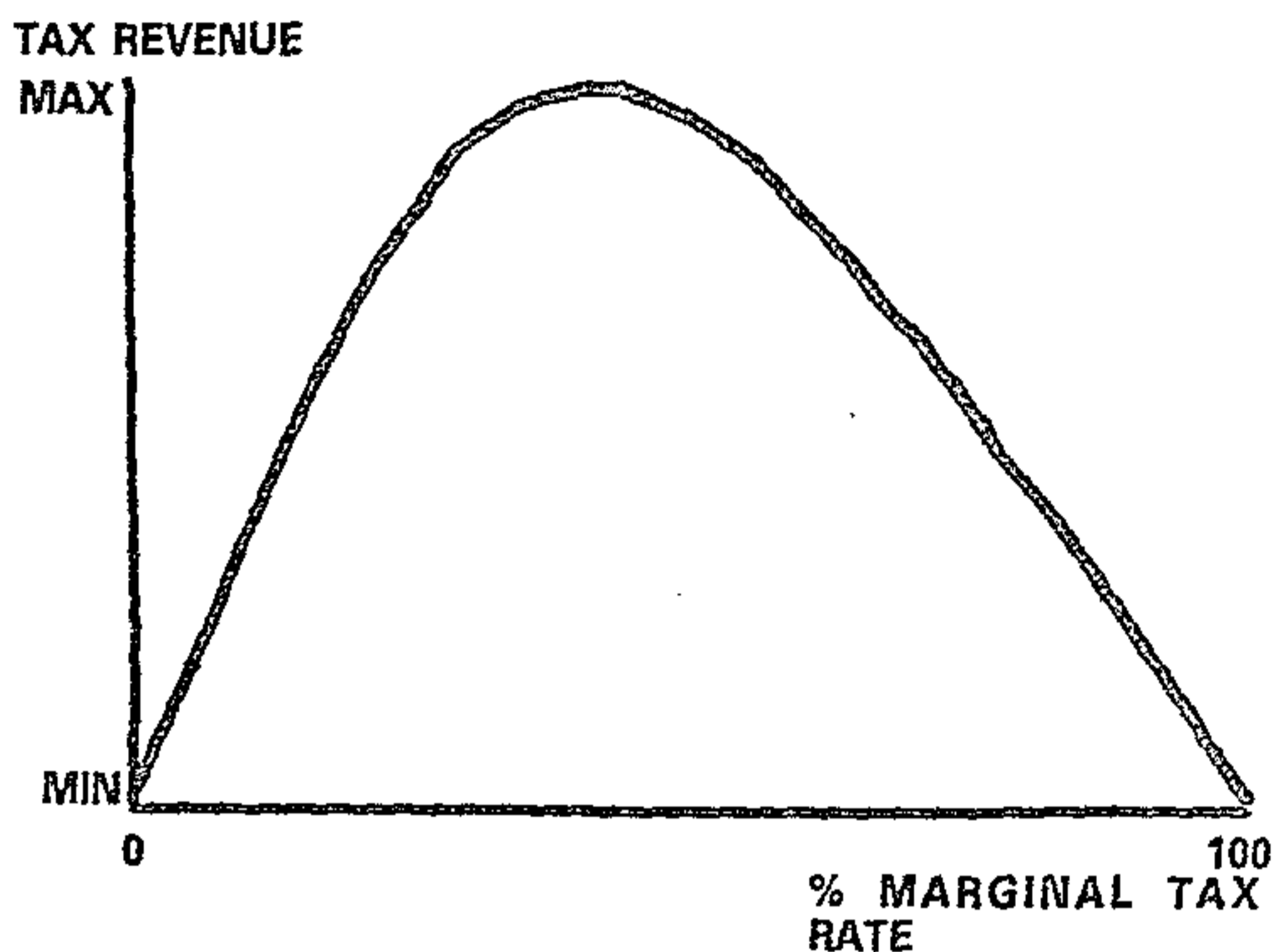
Admitting that the government could suffer a temporary loss of income if separation of the tax unit were carried through all at once, they say the phasing in process should not be too slow "as it must be sufficiently inviting to tempt the woman who is not economically active to re-enter the labour market".

Van Zyl and Du Pisanie say that regarding married couples as a single tax unit has cost the country dearly because the 1985 census disclosed that 49% of matriculated women and 35% of women graduates were not economically active.

CARE Taxes
12/4/89

LAFFER CURVE

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The Laffer Curve shows how tax revenues initially rise with a high rate of taxation, only to fall off after it reaches a level at which it is a disincentive to work. Reaching this level results in a weaker tax base and a decline in revenue.

If the government were in earnest about separate taxation "it could mean that a substantial percentage of these highly skilled women would enter the labour market which could lead

to greater activity by way of the multiplier effect throughout the economy.

"Thus the resultant prosperity will not be limited to a relatively small group of households as it will indirectly have a positive effect on many others."

The re-entry of many women to the labour market would "immediately give rise to an increased demand for domestic servants, pre-school and after-school care, transport and time-saving household equipment."

Many of these women would start their own businesses, creating more jobs for others.

Arguing against the suggestion that the loss of this tax revenue would force the government to "substitute another more onerous tax", they say the Laffer Curve "indicates that if the tax rate were to rise continually revenue would initially also increase owing to the higher rate.

"But a point would be reached which would act as a disincentive to work and would consequently reduce tax receipts.

"On the other hand a reduction in the rate of taxation could give rise to greater participation in the economy."

This could lead to an increase in revenue."

Fatter pay packets all round dismay manpower chiefs

PRETORIA — There is official dismay at last year's average 19% rise in pay packets.

National Manpower Commission acting chairman F S Barker says the jump is disconcerting and difficult to justify considering a lower inflation rate and rate of increase in productivity.

He adds in the chairman's 1988 annual report, released in Pretoria yesterday, that in some sectors average salary and wage increases amounted to 30%.

Central government workers' increases averaged 12%.

173 Plateau

The incidence of strikes last year decreased sharply, compared with 1987, and there had been an 80% drop in the number of man-days lost through stoppages.

Figures 1987 had, however, been boosted by the mining strike.

"Although it is perhaps a bit early to say, it would appear as if strike incidence has provisionally reached a plateau unless, of course, a strike of the magnitude of the 1987 mining strike occurs again," Barker says.

He adds employers are now more aware of tending to labour relations.

Barker says there has been a welcome increase in employment in the formal sector while there are signs of a significant increase in activities in the informal and semi-formal sectors. — Sapa.

The Triple Trust Organisation has started a project which helps people become self-employed in the informal business sector.

UNEMPLOYMENT has been a serious problem in the Peninsula for many years. Many black township residents are fresh from Transkei. There are about four million unemployed blacks in South Africa.

The problem is compounded by an estimated monthly flow of 100 000 people to the cities. Having left a predominantly rural environment, many have no formal skills at all and have difficulty in speaking English, let alone making a living for themselves.

The job market defines many of these people as "unemployable" as a result of their lack of skills and communicating power.

A sage once said: "If you give a man a fish, you feed him for a day,

but if you teach a man to fish, you feed him for the rest of his life".

With a similar philosophy, the Triple Trust Organisation has started a project to help these people become self-employed in the informal sector. The trust wants to establish 2 000 people a year in self-employment.

The Triple Trust Organisation consists of three trusts. The Neighbourhood Training Trust trains people in basic skills. Trainees learn how to make sheepskin slippers, track suits and other products.

They are then shown how to make a profit from their skill. The Self-Help Financing Trust provides the trainees with a mini-loan in the form of

equipment and materials to operate a small business from home.

To help the new entrepreneurs, bulk buying and marketing is undertaken on their behalf by the Africa Trading Co-Operative Trust.

The trusts work by appointment, in conjunction with various community organisations, and all tuition is given in the trainees' mother tongue. The courses are very popular and there was a waiting list of 99 for 10 places on a recent course.

For a trainee to be made self-sufficient, he will be given an initial amount of material. In the first four weeks he or she will be taught how to make the product. The next four weeks are spent learning to make a profit. The trust calls it the "township MBA".

Thereafter, a maximum of R500 is available as a mini-loan. Sheepskin slipper makers use this to get patterns and materials, while the tracksuit makers get a sewing machine and pre-cut garments.

To give trainees an understanding of economics, a nominal interest rate is charged as an incentive to repay the loan as soon as possible.

If the materials for one pair of shoes cost the trainee R20, the trust will buy the finished product for R25. The products are then sold by the trust. At present, the products are sold by chain stores and other dealers.

For further information, contact the Triple Trust Organisation on (021) 685-5042.

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(CAA37423)

Briefing

The Star Tuesday April 25 1989

How big business can lift the little man up the ladder

173



Mr Ian Holthorington gives pointers as to how big business can contribute to growth of the economy.

It is not easy for a big business to purchase any significant percentage of its total requirements from small suppliers. To do so will, of course, increase the number of accounts on creditors' ledgers and the number of cheques which must be made out each month.

More than that, it will require a complete restructuring of the company's purchasing department, the procedures and the job descriptions of your purchasing agents. It will require changes to the whole culture and philosophy of the company. In the short term the costs will almost certainly exceed the benefits.

No one knows the exact number of small businesses in South Africa because so many, particularly in the black business community, are unrecorded and in terms of our laws are illegal.

Mostly these businesses are built around the trade or technical skills of the proprietors. They are not skilled at keep-

Mr Ian Holthorington, managing director of Job Creation South Africa, believes purchasing agents can play a valuable role in the establishment of small business — and the creation of more jobs — by restructuring the buying patterns of their corporations. This extract is reproduced from his book, "The Development of Small Business in South Africa".

ing records or at costing. Their marketing efforts are rudimentary. They cannot afford advertising or even a salesman.

They frequently suffer from liquidity problems since their suppliers demand cash and their customers require terms. Their strength lies in their ability to make the novel, the special, the short-run, the urgent small quantity.

Those big businesses which are serious about purchasing from small businesses will need to take the following steps:

- Set annual objectives for the amounts (expressed either in rands or as a percentage of total purchases) which will be bought from small suppliers.
- Make some of the merit increases of the purchasing manager and his staff de-

pendent on attaining these objectives.

- Set aside one or more purchasing agents as specialists in small supplier development.

Identify requirements that could be purchased from small manufacturers. These are unlikely to be the company's bulk requirements. And at the beginning at least they will probably not be items where tight delivery dates or rigid quality standards are required.

Do not limit your imagination to what the small manufacturers are presently making but consider what they could make.

- Do not wait for small manufacturers to come to you. Even if they had the

courage to try, they would probably not get past your receptionist.

- Go into your immediate neighbourhood, including the black areas, and find them yourself. Do not look only into factories and workshops. Look into backyards, garages and homes as well.

If the small supplier quotes a price half that of your present supplier, do not give him an order. He has almost certainly got his costing wrong. Sit down with him and help him work it out.

Do not give him so much business that he will be in jeopardy if he loses your business at some time in the future.

- Do not give him a big order and then reject the whole lot on quality grounds. Rather let him submit a sample and if

there are problems, help him get it right.

- See if you can help him with your contacts to get his raw materials at more favourable prices.

Once he has delivered, pay him promptly — COD if possible.

Do not bounce him around a multitude of people in your organisation, nor force him to comply with your bureaucratic procedures and forms.

Take the initiative in organising forums where large company buyers display and discuss the items for which they are looking for small suppliers.

As you begin over time to gain confidence in small suppliers, and as they begin to grow in numbers and sophistication, actively pursue the sub-contracting out of work presently done in-house.

- Identify, encourage and assist any of your own present employees who have entrepreneurial talent and desire to start their own small businesses.

Govt must work out new skills plan - FCI

By Michael Chester

The Federated Chamber of Industries yesterday called on the Government to work out new manpower strategies to provide South Africa with a master plan for longer term economic growth.

The FCI executive council, meeting in Cape Town amid growing concern about threats of economic stagnation, urged sweeping new measures to reverse an alarming shrinkage in the size of the skilled labour pool that had worsened over the past five years.

A formal resolution called on the government to devise new strategies to tackle the problem of skilled manpower shortages at its roots by overhauling its education and training policies.

Danger signals about the gap between the demand and supply of skilled labour were illustrated in the latest annual review compiled by the National Manpower Commission, it said.

The review tracked a strong downward trend in the number of trained apprentices flowing into the labour pool that has persisted since 1983.

The FCI council warned that South Africa was falling badly behind in the race to meet the vast increase in demand for all the skilled labour needed to sustain even modest economic growth.

It demanded clear guidelines from the Government to assist the public and private sectors to work out national manpower priorities.

An immediate start was intended on moves to launch discussions on the whole issue with other employer organisations and government departments.

Mr Theo van den Bergh, chairman of the FCI committee on education and training, noted the President's Council had listed improved productivity as South Africa's most important priority in its economic goals.

Insufficient new job opportunities created

Star 25/4/89

173

By Sven Lünsche

Over the past eight years the public authorities have been responsible for close to 82 percent of new job opportunities, writes Sanlam in its April *Economic Survey*.

The rise in public sector employment was achieved despite the fact that both the South African Transport Services and the Department of Posts and Telecommunications cut down their staff by no less than 66 000 over the period.

The private sector has also curtailed job opportunities drastically over the period 1980 to 1988, and only the construction industry emerged as a net creator of jobs last year.

The overall increase in official employment figures was mainly recorded in 1987 and 1988, when it rose by one and 1,5 percent respectively, after it had hardly shown any improvement over the preceding five years.

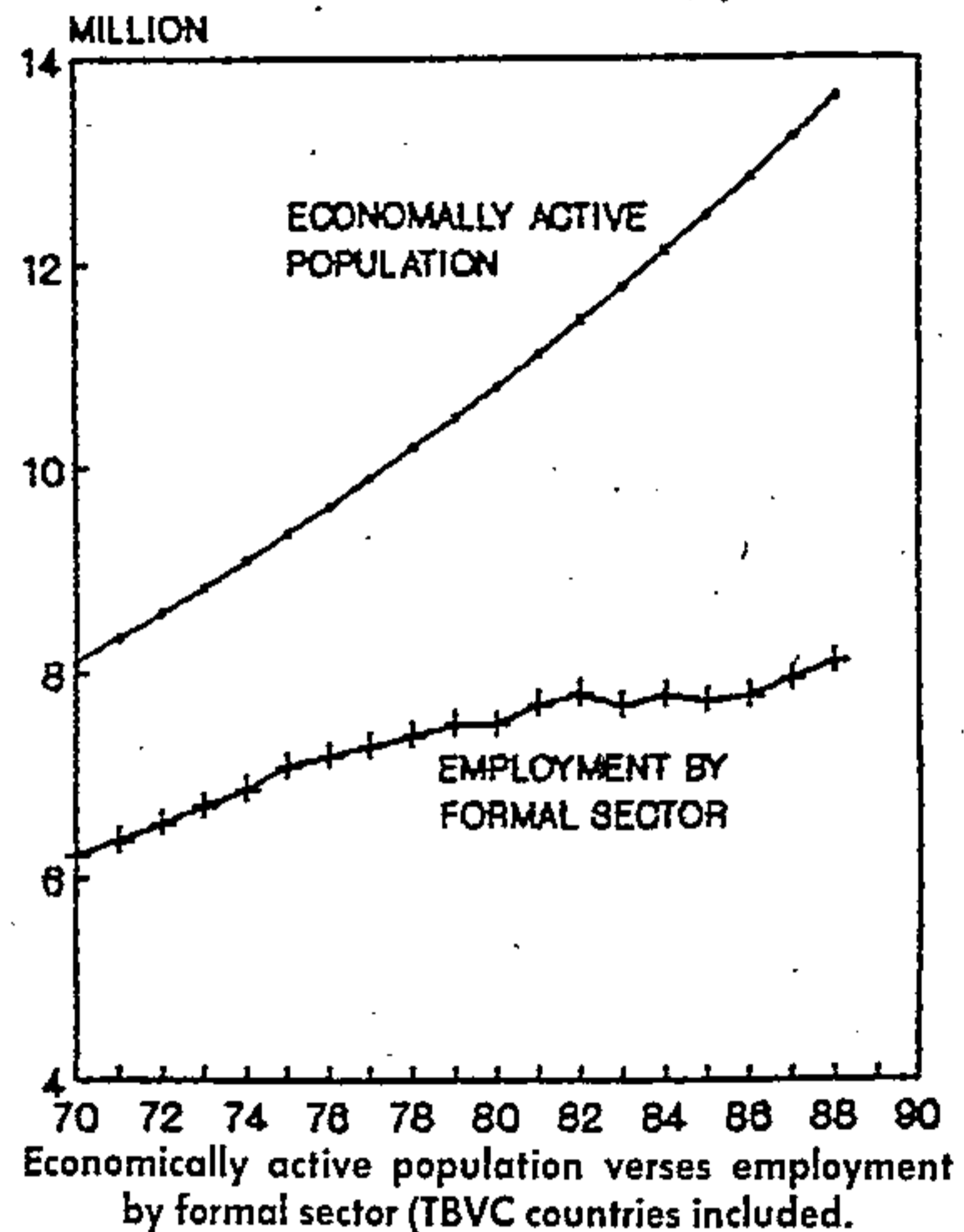
Official unemployment figures, although not an accurate reflection of the real situation, point to the improvement in the economy since 1986.

Since June 1986 the number of registered unemployed whites, coloureds and Asians has declined from some 81 400 to 49 200 in October 1988, Sanlam reports, adding that over the same period black unemployment (excluding TBVC countries) decreased from about 1,2 million to around 805 000.

According to figures supplied by the Central Statistical Department this represents a decline from 19,4 percent of the economically active population to 12,1 percent.

However, Sanlam says that official statistics on employment and unemployment have proven to be totally inadequate.

"That insufficient job opportunities are being created becomes apparent when one looks at the broader South African labour situation, that is, taking into account the independent national states," Sanlam



comments.

Since 1970 the economically active population grew by just under three percent, considerably faster than the approximate one percent annual growth rate in employment by the formal sector. (see graph)

"This means that the economically active population increased by around 2,8 million during this period, whilst only about 600 000 job opportunities were created in the entire formal sector.

"If this situation continues, the gap between the economically active population and employment by the formal sector will widen every year."

Union membership is 2,3-m

Some 35 percent of South Africa's economically active population belonged to trade unions last year, the Department of Manpower said in its annual report, tabled in Parliament yesterday. (173)

It said the upward trend in union membership continued in 1988. The growth rate was 10,9 percent compared with 10,7 percent for 1987.

A total of 2 084 323 employees belonged to registered and an estimated 330 000 to unregistered unions at the end of 1988.

There had been a marked increase in the number of unions using the dispute settlement machinery provided for in the Labour Relations Act.

There had been a 13,6 percent increase over 1987 figures in the number of disputes referred to industrial councils. Only 7,7 percent of these disputes had ended in deadlock, showing the importance of these councils in labour relations. — Sapa.

— Sapa

CNC Times 25/4/89 (173)

SA per capita output declines

PRETORIA. — There was an “alarming trend” that more and more job opportunities in SA were being created in the public sector instead of the private sector, the National Productivity Institute (NPI) has warned in a report, “Productivity Focus,” published in yesterday.

The NPI said that between 1980 and 1987, 304 000 more people had been employed in the government sector and 67 000 fewer people in manufacturing.

“This is a cause for concern as manufacturing is the single largest sector in the SA economy and serves as the main engine of growth.”

South Africans had become poorer by as much as 1,7% per annum between 1981 and 1987, because the country’s economic growth rate had been insufficient to ensure an improvement in the standard of living.

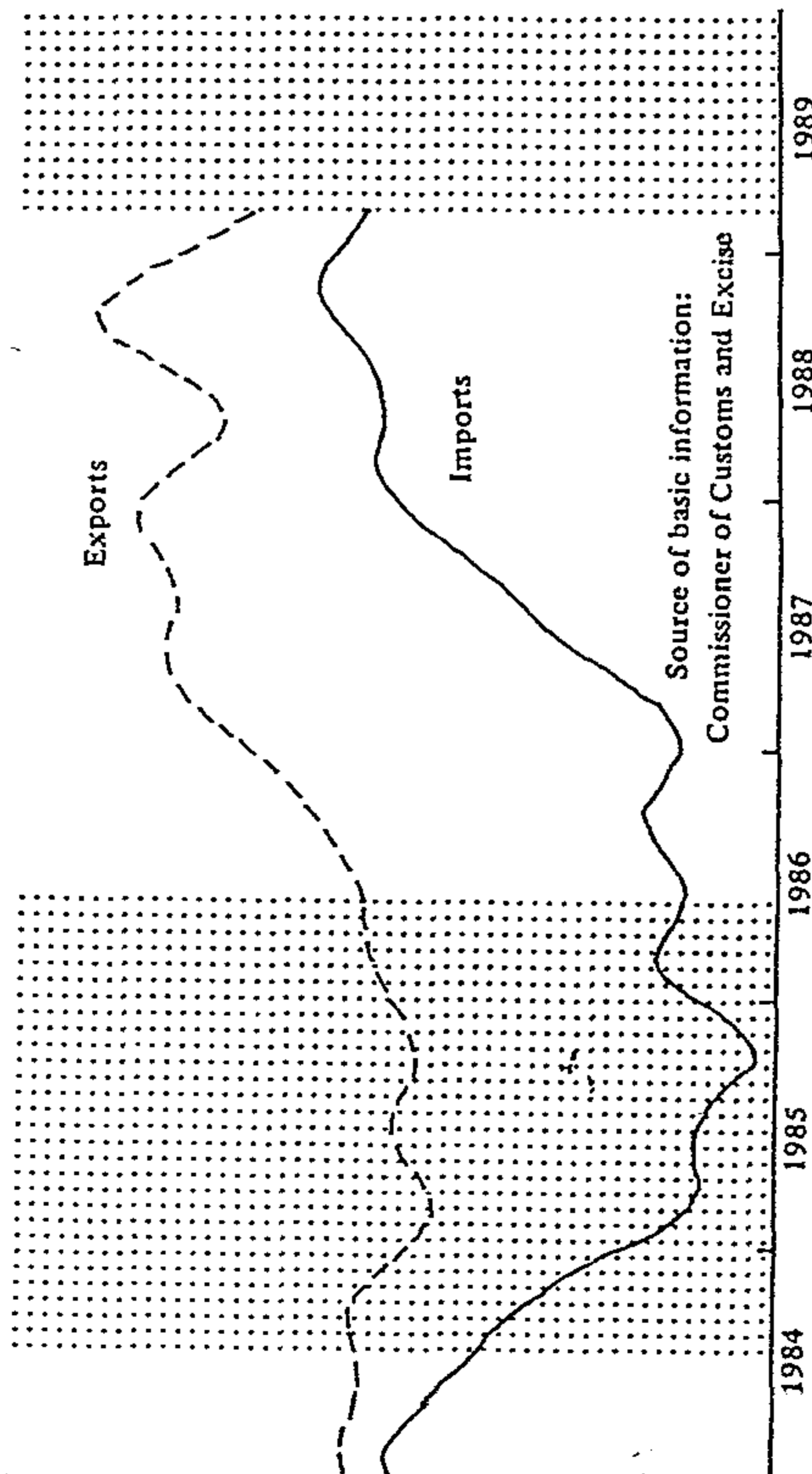
Among its major trading competitors, SA was the only country that registered a per capita output decline, in that her economic growth rate was the lowest, whilst the population growth rate exceeded those of other countries. — Sapa

MUS 26/4/89

173

Too few new job opportunities created

MONTHLY IMPORTS AND EXPORTS IN DOLLAR VALUES



Shaded areas indicate downturns in the economy

CLOSING: The country's import bill is still at a very high level, while there appears to be a perceptible weakening in exports, according to Sanlam's economic research department, which prepared this. The low gold price contributed to the lower export performance but imports could be lowered later this year by a cooling of the economy.

Business Staff

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UNEMPLOYMENT FIGURES

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However, Sanlam says that official statistics on employment and unemployment have proven to be totally inadequate.

"That insufficient job opportunities are being created becomes apparent when one looks at the broader South African labour situation, that is, taking into account the independent national states," Sanlam comments.

Since 1970 the economically active population grew by just under three percent, considerably faster than the approximate one percent annual growth rate in employment by the formal sector.

"This means that the economically active population increased by around 2,8-million during this period, whilst only about 600 000 job opportunities were created in the entire formal sector.

"If this situation continues, the gap between the economically active population and employment by the formal sector will widen every year.

"The economy clearly has a structural problem as regards the creation of sufficient job opportunities in the formal sector and an increasing number of people will therefore have to be accommodated by the informal sector," Sanlam concludes.

The report also predicts that the rate of inflation, which had averaged at 15 percent over the past five years, would continue to fluctuate around this level for the next few years.

It was essential that South Africa improve its productivity performance substantially to keep the cost of locally manufactured goods low and to counter the continued depreciation of the South African currency and resultant high prices of imported goods.

B/Doc 27/4/89

**BUDGET VOTE:
MANPOWER (173)**

**PRESENTATION ACCORDING TO
STANDARD ITEMS**

Items	1989/90	1988/89
	R'000	R'000
Personnel expenditure	58 943	49 823
Administrative expenditure	27 655	35 698
Stores and livestock	3 155	3 211
Equipment	5 194	4 734
Land and buildings	18	18
Professional and special services	2 883	3 114
Transfer payments	115 998	126 712
Miscellaneous expenditure	2 335	1 449
Amount to be voted	216 181	224 759

Departmental and miscellaneous receipts: R2 300 000

1989/90: Officials earning R60 000 and more — 40

1988/89: Officials earning R59 200 and more — 31

Source: *Estimates of Expenditure*.

BRENT MELVILLE

Women welders employed on oil rig

SA's first women welders have dealt a stunning blow to male chauvinists by starting work on the 14 500 ton, R200m support structure for the Mossel Bay oil rig.

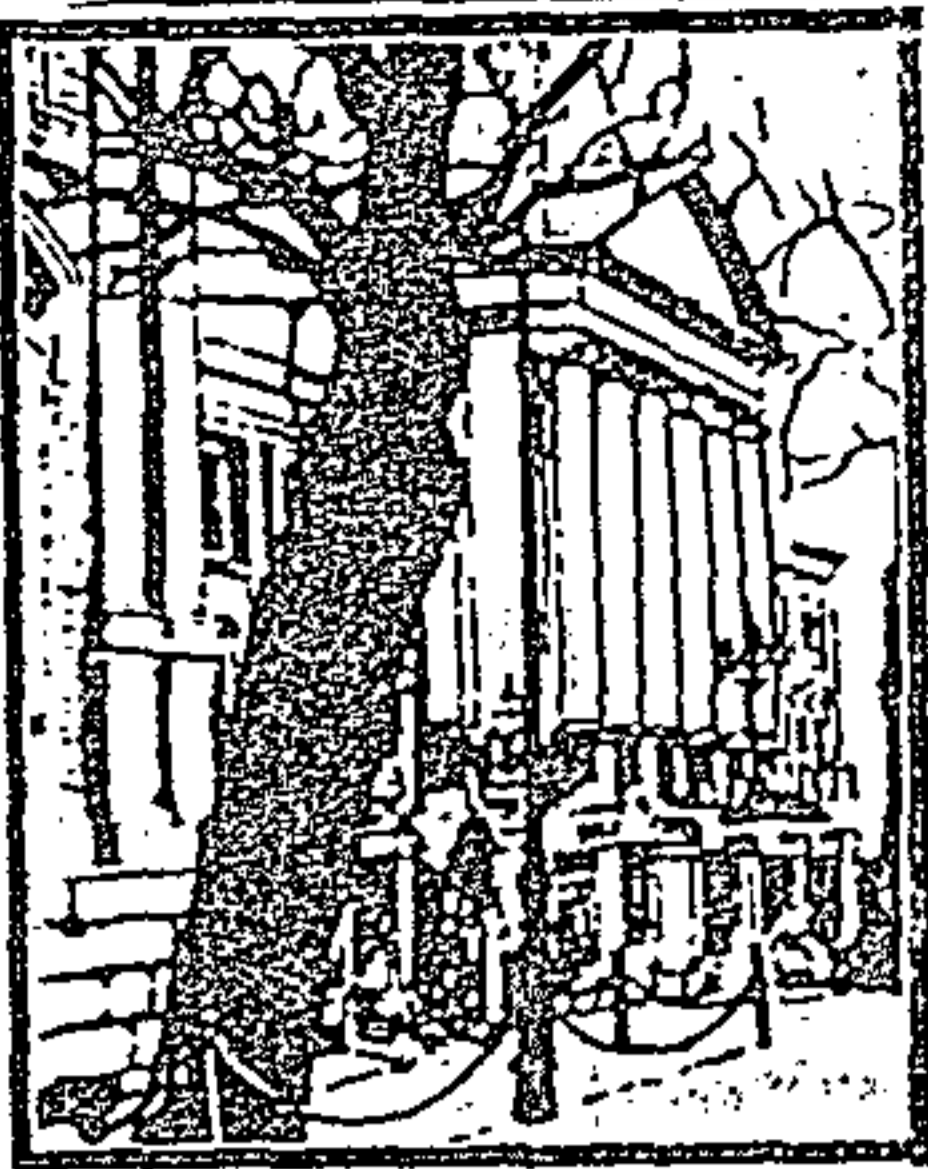
The young women are graduates of

B 1047271459 (173)
a Port Elizabeth centre which trains on behalf of the SA Fabrication and Construction Training Trust Fund (SAFCTF).

SAFCTF executive director Rene Schmetz believes women welders are

better at the job than men.

"We have found that if a woman has the natural ability, she makes a good welder because she has better hand/eye co-ordination than the average man," he says.



Discrimination in labour 'must go'

Racial discrimination at all levels of the labour field in South Africa had to be removed in the interests of a better economy, Mr Sam Louw (LP, Rust Ter Vaal) said yesterday in debate on the budget vote for the Department of Manpower.

Mr K Chetty (Sol, Chatsworth Central) said some major companies in South Africa were still practising racial discrimination when it came to job opportunities for "people of colour".

He said this was being continued by companies which "cosmetically claim they are equal opportunity companies".

He did not cite specific instances or companies but said he knew of cases where firms had employed white "ex-Rhodesians".
"People of colour" already employed had trained these whites and had then found themselves replaced six months later. — Sapa.

Cape Times 19/4/89 (173)

Business faces major challenge

Ferry said yesterday that rising unemployment would lead to escalating conflict between the "haves" and "have nots" — which would not necessarily be across the colour line.

Stressing the need for higher economic growth in order to provide more jobs in the formal sector, Ferry said that a political solution must be found in order to achieve this.

He was concerned by a series of sudden moves by the authorities which made business planning

difficult, by the clamp-down on hire-purchase when consumer spending was already on the decline and by the fact that small businesses would be particularly hard hit by rising interest rates.

Outgoing president Anthony Coombe also stressed the need for political reform before the economy could achieve its full potential.

In his speech at the annual general meeting in the Mount Nelson Hotel Coombe said: "The prospects for success in

world markets and for reversing the flow of capital so as to unleash the pent-up potential of the SA economy are dependent upon our ability to speed up the process of reform and get the political negotiation process going."

Coombe stressed that the prospects for generating investment in SA were directly dependent on the elimination of all forms of statutory racial discrimination and the accommodation of all people in a new political dispensation.

He commended that the government "for its commitment to a new industrial strategy" based on a forward planning process" involving sectors selected for their development potential and ability to compete internationally.

But he pointed out that business confidence and efficiency were undermined by "the increasing tendency on the part of the government to change the business rules with retrospective effect".

Higher Education

A Business Times Survey May 28, 1989

Too many unskilled, too few fit for the top

By Robyn Chalmers

FOR two decades, South Africa's need for skilled manpower has outstripped the supply, resulting in recruitment from abroad.

The SA Institute of Race Relations (SAIRR) estimates there will be a shortage of 200 000 skilled workers by the year 2000 if the annual average growth rate is 2%.

Vacancies

The 1988 report of the National Manpower Commission shows that in a survey conducted in April 1987, there were 158 270 vacancies in SA.

"... there were high vacancy rates in the professional, semi-professional and technical occupations (5.2%)." The NMC identifies the occupations in which shortages are experienced:

- Computer personnel — systems analyst and systems designer.
 - Engineers — mining, chemical, metallurgical, electrical, mechanical, electronic.
 - Technicians — instrumentation, telecommunication, chemical and civil.
 - Artisans, electricians.
- It says the economically active population will increase by about 376 000 persons a year, or by 1 400 every working day. At an expected

real growth of 2.7% a year in gross domestic product (GDP), demand for manpower will rise by about 1.3% a year.

"Comparisons show, firstly, that the formal economy will by no means be able to provide sufficient employment opportunities to keep pace with the increasing supply of manpower.

"As far as high-level manpower is concerned, on the other hand, it seems as though shortages will continue."

SA is in the unenviable position of having mass unemployment on the one hand, and huge skills shortages in numerous fields on the other. The obvious answer to both problems is to increase the number of jobs and at the

same time give more attention to higher education.

It is not that easy, SAIRR officer Monica Bot says nearly 60% of the labour force is unskilled. About 30% of SA's population has no education, 36% has primary and 30% secondary schooling. Only 3% has a diploma or a degree.

Japan

No more than 20% of the manpower is qualified for professional and managerial posts, which usually require matriculation and some form of higher education.

Miss Bot says: "The low level of available skills is partly due to the emphasis on academic education at schools and the low level of

interest in vocational education among students.

"Only 10% of SA's manpower is being trained in a technical field, while 75% should be trained to meet manpower requirements."

Businessmen repeatedly call for more support in education. Samcor managing director Spencer Sterling says SA could emulate Japan if it took a radical new approach to education and industrial policy.

He says Japan spends 50% more of its gross national product (GNP) on education than SA does and has almost four times as many men over the age of 25 with tertiary education.

CSIR chief executive Chris Garbers warns that SA is running headlong into a severe shortage of skilled manpower. Increased funding for higher education is needed to overcome the problem.

The need for more people with higher qualifications is urgent. The Government has turned its attention to the problem — it has launched a 10-year programme which included the extended provision of technical and vocational education in schools.



SPENCER STERLING

Number of strikes drops 80% in 1988, says report

By Day 12/6/87 GERALD REILLY (180) (173)

PRETORIA — There were fewer strikes last year than in 1987, says the Manpower Department's annual report.

The report, released on Friday, says government's job-creation programme played an important role in the maintenance of labour peace. (154) (106)

Last year the number of strikes, which involved more than 1 000 workers, decreased by 80%. This contrasted with an upward trend during 1986 and 1987.

An important reason for this was the greater involvement of trade unions in strikes and the use of dispute-settling mechanisms. The Labour Relations Act could also have contributed to the decrease, the report says.

Work stoppages not accompanied by demands decreased from 123 in 1987 to 80 last year.

About 31% of strikes last year lasted one day or less, and 29% lasted longer than 14 days. The average duration was 5,6 working days, as against 9,9 in 1987.

The number of man-days lost also decreased significantly from 5 825 231 in 1987 to 914 388 last year.

The report says this could be attributed largely to a more frequent use of dispute-settling machinery in the Act.

There was a 13,6% increase last year in the number of disputes referred to industrial councils, and of these 46,8% were settled by the councils. (7-55)

Trade union membership went up by 10,7% in 1988. A total of 2 084 323 belonged to registered unions and 330 000 to unregistered unions at the end of last year.

Military service 'denting economy'

Cape Times 12/6/89 (173)

JOHANNESBURG. — The Afrikaanse Handelsinstituut (AHI) and Assocom have expressed concern about the disruptive effect of military service on the economy.

The organisations were reacting to a speech by Human Sciences Research Council research chief Mr D D J Botha in which he said South Africa's battered economy could no longer afford a two-year military training cycle and called for the period to be reduced to one year.

Mr Botha also called on the SADF to drastically rethink its system of annual camps after completion of initial two-year service and to compel school leavers to do military service before tertiary study to prevent skilled manpower from emigrating.

AHI chairman Mr Gerrie Steenkamp said the "immense disruption" of especially annual camps on the economy could not be argued away.

Assocom, AHI voice concern

"The feeling people have is that a great deal of time is wasted in the military and that servicemen could be utilised more productively," he said.

Forcing school leavers to do military service first would not solve anything.

"The fact is SA must be defended as a result of political problems. An acceptable and attainable solution for these problems will cut down the defence needs, but such a solution will not be found unless the underlying economic malaise is", he said.

Assocom manpower secretary Mr Vincent Brett said his organisation was not really concerned

about the initial call-up period of two-year, but the subsequent annual camps.

He agreed with Mr Botha that less professional and technical workers would emigrate if military service and annual camps were reduced.

He agreed with Mr Steenkamp that forcing school leavers to first do military service would be "treating the symptoms" and pointed out military service was not the only reason skilled workers emigrated, but the "political situation" in general.

The chairman of the Committee of University Principals, Professor Peter Booysen, speaking in a personal capacity, said it would "make a great deal of sense to decrease military service to one year". The current system was costly and a serious interruption in the lives of young men.

He was not in favour of compulsory conscription for military purposes and preferred compulsory conscription for community service, with the added option of military service.

173 wmail 15-22/6/89

BUSINESS

Build to create jobs and wealth, they say. But where's the land?

THE government's "inward industrialisation" strategy for economic growth may fail unless official land and housing policies change.

In a new study published by the South African Institute of Race Relations, Planact researcher Paul Hendler says increased home buying and building in the townships could stimulate job creation and generate wealth "if sufficient housing land is provided and prospective homeowners receive financial aid". Planact is a service organisation which deals with housing.

But, he says, "land policy has become the major limit on housing's potential to stimulate effective demand". Existing government subsidy schemes help make housing affordable to only a small proportion of black people. And new proposals on housing finance will have only limited effect unless land and town plan-

The government's strategy for industrialisation is set to founder on its own housing and land policies. By HILARY JOFFE

ning policies are changed.

Government economists advocate "inward industrialisation" to overcome the limits of economic strategies such as import substitution and export promotion, which are seen to have failed to stimulate job creation.

In essence, Hendler points out, "inward industrialisation" relies on boosting black spending power.

"During the 1980s state economists identified the low earning potential of black workers as a key reason for economic stagnation because of the limits it places on domestic demand."

Government planners recognise this can be addressed only if black peo-

ple's access to the cities and their participation in the economy is increased.

Deregulation is central to this approach. But Hendler describes it as a "double-edged sword". It may generate wealth for small businessmen, but if it means low wages are low it will not stimulate domestic demand (and could also increase conflict).

Housing's role in inward industrialisation would, in theory, "overcome the negative impact of deregulation on wealth redistribution by offering residents an asset against which to raise capital", Hendler says. Other advantages are seen as:

- Public finance for low income housing and investment in infrastructure would have a multiplier effect, stimulating growth;

- Demand from African homeowners which would stimulate consumer goods industries and new business venture to supply them;

- A secondary housing market (owners reselling their houses at a profit) could fuel growth and job creation;

- The construction industry does not depend heavily on imported materials (and so does not strain the balance of payments), is labour intensive and would promote industrialisation in the townships.

Hendler argues, however, that: "The success of inward industrialisation hinges on its ability to sustain expanded effective demand among township residents; but its ability to do so is not assured — at least unless deregulation is supplemented by positive measures to enable Africans to accumulate capital."

And while housing could play the role outlined for it, in practice its potential has been limited.

Hendler points out, for example, that the land allocated for African housing in the PWV area falls well short of requirements.

Official planners have based their calculations of land need on underestimates of population figures for the area. On population figures estimated by Professor Charles Simkins (eight million African people in the PWV by the year 2000), 87 000ha would be needed by the year 2000. But existing townships occupy 44 000ha and the government guide plans recommend the release of only 21 000ha more — only 65 000ha in total.

Hendler adds that town planning policies imply land occupancy rates which ensure overcrowding. For example, in the PWV area, government figures imply an occupancy rate of at least 11 people in new houses.

Also, much of the land allocated in terms of government guide plans is far from places of work.

The majority of township residents cannot afford conventional houses, even if government subsidies were increased. And there has been little progress in supplying unconventional housing, such as self-help or site-and-service schemes, for those with low incomes.

Hendler points to the negative role of the black local authorities, who generally allocate land to established property developers to build more expensive conventional houses, because this brings the local authorities more revenue. They are reluctant to allocate land for low income housing or site-and-service projects.

Stimulating the black building industry is a key part of the "inward industrialisation" strategy. Although their numbers have grown, Hendler finds the small black builders have had little impact on housing delivery or job creation. The market tends to be dominated by the large (white-owned) property developers so much of the wealth generated in the township housing sector goes to them. To compete, black builders have to cut prices, which they can do only by cutting wages. This puts a limit on economic growth in the townships.

1/7/89

Foreign cash losses proved good for SA

U/C News 1/7/89

By DICK USHER
Labour Reporter

RAR from causing widespread unemployment, the much-feared disinvestment campaign against South Africa has so far had the opposite effect.

If anything it has created MORE growth and MORE jobs.

A spot survey conducted by Weekend Argus has found that the international campaign — while inducing hundreds of foreign companies to dispose of their South African holdings — has had relatively little practical effect.

In many cases the companies, under new South African ownership, have gone from strength to strength, and have expanded their workforce accordingly.

Once the trauma of the disinvestment process was over, the companies appear to have put the past behind them and set out with eyes firmly fixed on the future.

IN the majority of cases those leaving South Africa have sold out to local operations, involving a change of name but little change in staffing levels or company employment practices.

Thus General Motors became Delta, IBM became ISM, Sterling Drug became Saphar-Med, and MSD became Logos, Barclays emerged as First National.

But nearly all companies affected by a disinvestment process feel that it has been good for them and have shown positive growth and increased employment.

A noteworthy example is Delta, the Port Elizabeth-based motor manufacturing company. At the end of 1986, when General Motors di-

vested, it employed 2 843 staff.

But by June 1989 employment had grown to 3 412, despite a staff reduction at the time of Delta's takeover "mainly in administrative departments no longer required for extensive re-
porting to Detroit".

The company said it invested R50-million on upgrading equipment and expanding facilities in its first two years of operation, while extensive toolroom facilities enabled it to do work for other companies not based in Port Elizabeth creating an inflow of millions to the city each year.

THE company also proudly points out that since Delta started in January 1987 the company has not lost a "single minute of production due to industrial action".

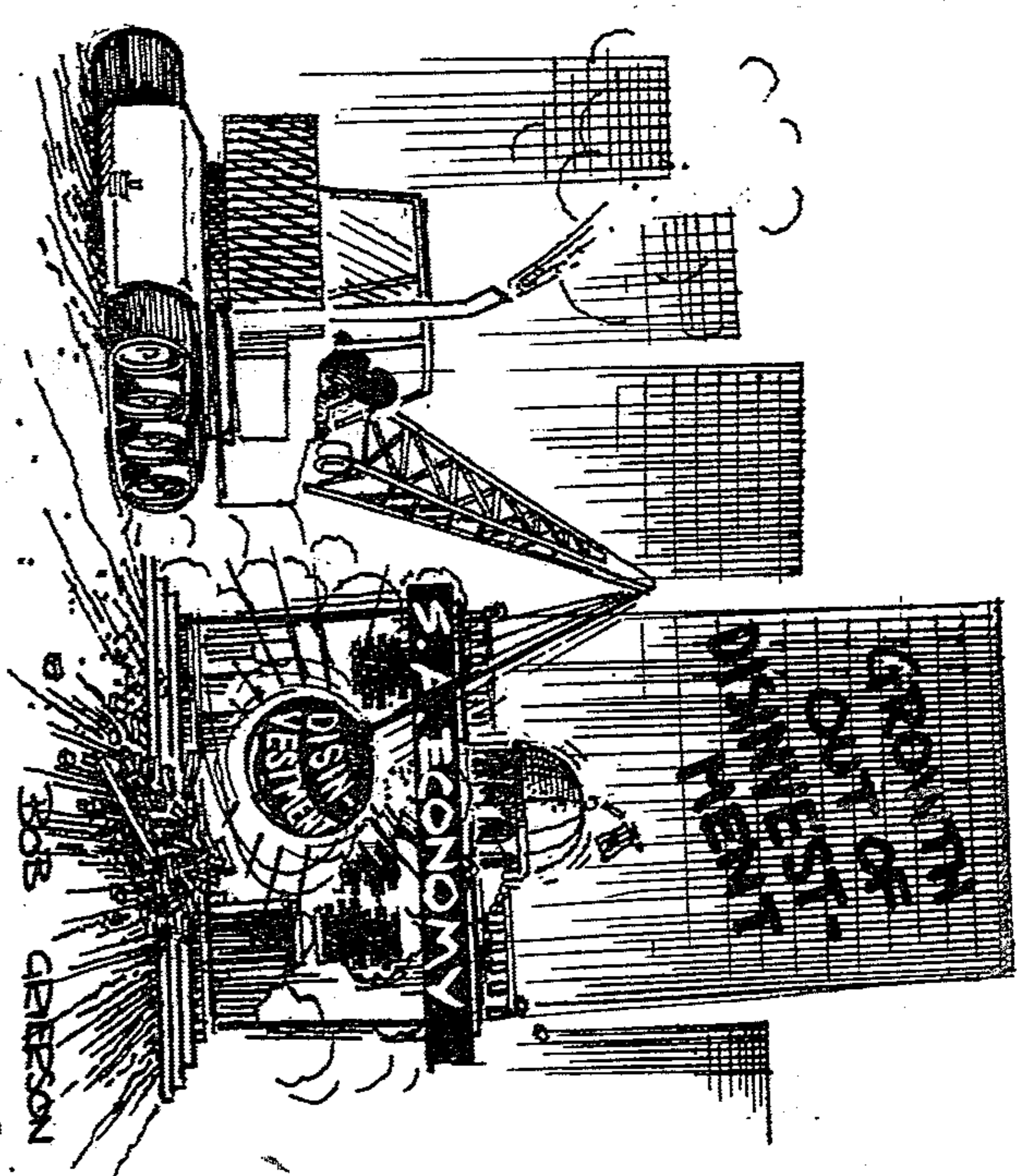
Mr George Stegmann, director of personnel for Delta, said this had to be viewed against a background of considerable labour unrest in most industries, including automobile manufacturing, over the past two years.

Mr Mike Norris, chief executive of Logos Pharmaceuticals, said that jobs were not lost when MSD (Merck, Sharpe and Dohne) sold its holdings to Barlow-Rand but that more people were employed.

The effects on staff had been minimal "and if anything there has been a positive effect".

Mr Norris said that once the process had been concluded the atmosphere of uncertainty caused by the climate of disinvestment had been dispelled and staff morale had risen.

A spokeswoman for Sappi, which took over Courtauds of Great Britain's interest in Salicor during 1988, said no jobs had been lost in the



process — except perhaps that of managing director Hector Mackenzie who is now handing over to his successor before returning to England.

MR Adrian Botha, executive director of the American Chamber of Commerce, said that 196 US companies had left South Africa since 1983.

But as far as the original rationale for disinvestment — to eliminate discrimination and get parties to the negotiating table — was concerned the exercise had been "a total failure".

"What has it achieved?" he said. "It was impossible to quantify job losses caused by disinvestment."

"There may have been some," he said, disputing "guessimates" of between 8 000 and 10 000 jobs lost.

"In cases like Kodak, which left without selling its operating assets to a local organisation, there was a total job loss. You can quantify that, but how do you quantify the ripple effect it might have had on suppliers and dealers," said Mr Botha.

At the time it was reported that Kodak's withdrawal cost 466 jobs, each of whom re-

ceived an average of one year's salary in severance pay.

BUT if a company that has undergone disinvestment decides to reduce staff, can you say that is due to disinvestment or was it simply a rationalisation process that was possibly overdue because the local subsidiary had simply been hanging on?" asked Mr Botha.

Mr Mike Miles, director of the Institute for Industrial Relations, said that there might have been some instances of job losses due to streamlining at the time of disinvestment.

"But then it seems that the company picks up and more jobs are created," he said.

Mr Roger Crawford, chairman of the Statement of Principles Signatories Association, said the question was not one of numbers but of leadership and influence.

"At its height the US business community in South Africa employed fewer people than Barlow-Rand."

"But through the requirements of the Sullivan Code management was forced to consider its situation in South Africa and the community in which it operated."

"It was not enough to have social responsibility programmes, they had to be relevant pro-

WEEKEND ARGUS SPECIAL REPORT

grammes and management to get to grips with companies and their problems said.

"Business is all about investment, but companies reluctant to measure performance in the social field that is something Sullivan — provide a measure for accomplishment.

"There is evidence to suggest that there is not the same commitment to social justice issues as companies have been taken over.

"There was also little tradition of by leaders engaging government in discussion moral debate with government, as there the US, and here the American influence had a ripple effect," he said.

One of the most recent disinvestments ed Mobil's operations in South Africa, provoked severe reaction from the Chamber of Workers' Industrial Union (CWIU), an of the Congress of South African Trade (Cosatu).

In 1987 the CWIU national congress decision supporting disinvestment and on companies to give adequate notice and in terms of withdrawal.

This led to attempts to set up negot with multinationals, including Mobil, on sue. When Mobil announced it was selling and leaving the union claimed it had ren undertakings to negotiate.

There was a series of industrial act company operations, accompanied by sions, which culminated in Mobil agreei R6.5-million payout to employees.

AND only hours after this was announced the National Union of Metalw (Numsa), another Cosatu affiliate, said reached deadlock with Goodyear over matters and planned to hold strike ball

Meanwhile, it's almost a case of frying fire for the CWIU with Gencor taking ov bil's operations.

Late in 1988 the union categorised N portraying "a liberal image" in terms of al responsibility and anti-apartheid str failing to address seriously the dem workers.

But neither is Gencor rated high by u its approach to industrial relations.

Mr Miles, however, said that while th US influence in labour relations was a come across no specific cases of "unh ing" following disinvestment.

But, while disinvestment can have a side and its overall effects on employee to be minor, most businessmen agree t harmful.

"The loss of access to foreign cap technology prevents expansion of the e and restricts business growth, with t quent lack of employment and developr opportunity for those whom the propo sanctions and disinvestment claim they help," said Mr Stegmann of Delta.

Mixed views on SA work levels

Blom 10/27/87
173
ALAN FINE

FCI and Seifsa economists expect overall employment levels in industry to remain stable at least until mid-1990 as austerity measures begin to damp the economy.

More pessimistic is Assocom statistician Ed Verburg, who believes such a scenario would depend on an early easing of interest rates and a dramatic rise in the gold price.

More likely, he said, was that employment in certain sectors — particularly the commercial sector and the extremely cyclical building industry — would fall. Manufacturing sector workers would suffer, at best, a drop in overall earnings as the demand for overtime work declined.

The FCI's Keith Lockwood and Seifsa's Michael MacDonald agreed that employment levels were likely to remain static in the coming months.

Both anticipated layoffs among producers of consumer durables. Lockwood argued, though, that prospects for new export opportunities were looking positive, and this would offset these losses overall.

The growth rate, although down to very low levels, was expected to remain positive, he said.

However, depending on the success of the export drive, there was a possibility of a slight decline in employment levels later next year.

MacDonald said employment losses in light engineering and the manufacture of consumer durables would be compensated for by increased labour requirements by companies involved in the Moss gas project. Both the heavy engineering

companies and their sub-contractors would benefit from these activities.

While the engineering industry had regained 21 000 jobs over the last year, taking the total to 351 000, no further growth was expected.

However, the decline in demand for consumer durables would be partially ameliorated by inflationary expectations. Consumers with spare cash would rather spend it now than wait for, say, two years by which time the prices of these commodities might well have risen by 50%, MacDonald argued.

Verburg warned that any of these scenarios were bad news for the unskilled. At best, there would be almost no job opportunities, and unemployment was bound to grow.

Skilled workers, on the other hand, were protected by the severe shortage of skilled labour.

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 Mossgas

and other energy projects still on the drawing boards. The target is 30 000 skilled workers by the turn of the century.

A SAFCTF 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

Chemical workers up in arms against 2 companies

Star 1417187.

By Jovial Rantaa

The Chemical Workers' Industrial Union has requested the Department of Manpower to conduct an inspection at two major oil companies concerning allegations of illegal overtime practices there.

In a statement to The Star, the union said the reason for this was the refusal of both Mobil SA and Shell SA to bring their overtime practices in line with the basic conditions of the Employment Act since the CWIU raised this problem 12 months ago.

The union believes it has condoned illegal overtime practices at Shell and Mobil for too long, and regards 12 months as sufficient time for them to put their house in order.

The union has offered to support the

companies' application for any exemptions to the Act which are mutually acceptable, and which may be required to bring these companies into line with basic legal requirements.

COMPULSORY

The CWIU members' two main concerns are working overtime on a compulsory basis and being required to work overtime in excess of the legal maximum of three hours per day or 10 hours per week.

"We regard it as disgraceful that such large and reputable companies as Shell and Mobil are prepared to indulge in illegal overtime practices, instead of cutting down on overtime and employing more workers to do the work," the union said.

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R60m training plan on cards

w/le AK6215 5/7/85 (173) 800
By DICK USHER
Business Staff

A R60-million training plan with national implications has been developed by the Kwazulu Training Trust.

The training will range from basic education to technical and business skills.

The trust's MD, Brian Stewart, visited Cape Town this week for meetings with others involved in training and education, to canvass business leaders and to publicise the trust.

He said the trust was the largest training organisation in Southern Africa and over the past two years had initiated a large-scale study of the manpower and developmental needs of the region at the request of the Kwazulu Cabinet.

This study had determined a goal of training about 10 000 people over the next five years of whom it was expected about 6 000 would start their own businesses.

"There is no doubt that a similar need exists on a national scale," said Mr Stewart.

"Training activities and vocational training cannot be tackled in isolation from issues such as limited access to land for black farmers, access to capital, illiteracy and the requirements of the labour market.

"A further dilemma is that no matter how much capital you pump into job creation it will not work unless human skills are upgraded."

He said the ethos underlying the trust's training was to hu-

manise the circumstances in which the majority of South Africans lived by giving them skills and access to employment.

"It humanises the situation by creating meaning in a meaningless situation leading through economic betterment to empowerment," said Mr Stewart.

This also necessitates a shift in emphasis from traditional manufacturing activities towards real linkages between self-reliant Third World manufacturers and First World industrialists.

Mr Stewart foresaw a progression towards service industries, cash crop farming and manufacture of consumer and industrial products.

"Although this is a regional initiative it is part of the solution to a national problem," he said.

CNA Times (173)

y, July 17, 1989 3



General Malan

Call-up system: Committee to decide

Own Correspondent

PRETORIA. — No change in the call-up system is possible before a committee has reported on the manpower needs of the SADF and on the impact of the big annual SADF call-up on the economy.

This was said at the weekend by a Defence Ministry spokesman, who said the committee announced several months ago would report to Defence Minister General Magnus Malan.

On Friday SADF chief General Jannie Geldenhuys repeated what he had said recently, that in future the SADF might have to place a greater reliance on volunteers.

Any move made, however, would be gradual.

The spokesman said it had been known for months that the country's defence manpower needs were under intensive investigation.

He said General Malan had already announced a scaling-down of the camp commitments and obligations of Citizen Force and Commando personnel.

Cape Times

TUESDAY, JULY 18, 1989

Chance to cut conscription

THE Namibian settlement and a climate of greater peace in Southern Africa provide a heaven-sent opportunity for South Africa to scale down conscription in the SA Defence Force. Already the number of Citizen Force and Commando call-ups for operational service are being cut by almost a third, with annual camps now a maximum of 30 days instead of the legally-allowed 50.

But for the sake of an embattled economy, among other reasons, more is required. The present system of conscription removes able-bodied and economically-active males in two ways. It sends them off into unproductive limbo for two years, or it chases them out of the country completely. The latter happens not only to young men but also to rising executives and those running one-man businesses who cannot afford the regular disruption of military camps.

The Dad's Army system should be scrapped immediately. And the committee investigating the revised manpower needs of the SADF and the impact of the present call-up system on the economy should heed the appeal of Human Sciences Research Councilor D D J Botha that the two-year national service period be cut by half. The economy, he says, simply cannot afford two years any longer.

The Defence Force is likely to be placing more emphasis on voluntary service, according to SADF chief General Jannie Geldenhuys. If that reduces conscription it is to be welcomed, so long as all races are involved, on an equal basis. The answer may ultimately lie in a professional army backed up by volunteer units.

Labour amendment is under Govt review

173 By Mike Siluma,
Labour Reporter

The Government confirmed in a statement from office of the Minister of Manpower yesterday it is looking into the possibility of revising South Africa's labour laws, with urgent attention being given to changing the clause enabling employers to sue unions for damages arising from industrial action.

According to the statement, the Minister had, in line with a long-standing programme to "restructure and consolidate" the Labour Relations Act, requested the National Manpower Commission (NMC) to give "urgent attention" to Section 79(2) of the Act, which placed the burden of proof on the respondent.

The inclusion of this section into labour legislation last year "caused practical problems, as trade unions sometimes did not want to assist with the settling of the dispute because of fear of this provision", said the statement.

The NMC has been directed to look into, among other things, the possibility of retaining the status quo regarding the liability for damages in the case of illegal strikes and lock-outs; whether the burden of proof should be shifted; and whether other methods can be found to "discourage illegal actions such

illegal strikes, lock-outs and intimidation".

The promulgation of the new Act sparked one of the most serious disputes between unions and employers. The unions, presently locked in talks with employers, have threatened to declare a national dispute if their concerns are not addressed by September 1.

● Joint mass meetings on the issue have been called by the Congress of SA Trade Unions, the National Council of Trade Unions and other labour bodies for this weekend at Sebokeng (Vereeniging), Potchefstroom and Klerksdorp.

Cash kings of Khayelitsha

W/L ARGUS 22/7/89

173

By TOM HOOD
Business Editor

THERE'S a new generation of self-made millionaires springing up from the squatter camps of the Western Cape.

At least one of the nouveau cash kings has risen from the ranks of the thousands of squatters who came to Khayelitsha jobless and penniless five years ago.

The new millionaires have bid almost R15-million to buy 11 vacant sites — mostly business sites — in the new town centre at Site C, partly a squatter area of Khayelitsha.

The land was advertised by Lingeletu West town committee. Forty-two tenders were submitted by the closing date, most for the service station. No offers were received for five sites.

Examination of tenders to buy a service station site of 3 235 square metres shows nine local people put in offers totalling R14,8-million, with the highest bid of R1 650 000 from Mr M Fusa, backed by Caltex.

However, Mr Fusa's high bid was turned down, as was Mr J M Mtshiselwa's R1 600 000 offer, the second highest.

Instead, consulting engineers who analysed the tenders recommended the third highest tender — a R1 573 000 (R486/m²) bid by oil company Caltex — on condition the developed site is leased to a resident of Lingeletu West.

"This recommendation has been made owing to the apparent under-capitalisation of the two highest tenderers and to ensure the quality of the development of the town centre is maintained," said consultants S P Robinson and Associates.

Six tenders by individuals were not recommended.

Average cost of the service station buildings would be R600 000, the consultants estimated.

Mr Fusa planned buildings costing R250 000 and to finance the construction himself.

Mr Mtshiselwa's tender had no oil company backing, but the consultants said he gave no information about his financial situation, allowed only R250 000 for the buildings, and appeared to be under capitalised.

The first individual who had

(See page 3)

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(See page 3)

Cash kings of Khayelitsha

w/k ARGUS 22/7/89

(From page 1) 173

"proper financial backing" for the project, Mr G V Olayi, was backed by BP, but his R1 528 000 bid was R122 000 below the highest tender.

The 2 235 square metre site drew 16 offers totalling R19-million, including three from oil companies.

A hotel site of 3 301 square metres attracted six bids totalling R756 000 and Mr Fusa was lucky this time with a top offer of R300 000, and plans for a R250 000 building. This development drew six bids totalling R460 000.

Mr Fusa was also the highest tenderer (R245 700) for a 5 000 square metre shopping centre site next to the hotel site. Eight individuals offered a total of R1,4-million.

A 5 400 square metre industrial site drew six bids totalling R1 084 000 and Mr M Jwambi, who plans to build a cool drink factory, was recommended. His R246 000 offer was the highest.

So far none of the recommendations have been accepted by the town committee, which is said to be considering them.

The amount of cash offered staggered even the committee, which is thinking about re-advertising the sites in the expectation of fetching even higher prices.

Iscor may build new steelworks

Cast Tint 2/18/84

173

By AUDREY D'ANGELO
Financial Editor

ISCOR may build a steelworks at Saldanha, providing hundreds of jobs in the Western Cape.

Disclosing that this was being discussed, Johan Deetlefs, manager, mining operations, of Iscor's open pit mines said that the steelworks would manufacture products for export from Saldanha harbour.

This would be in line with Iscor's policy of adding value to raw materials for export, and would make it more profitable to use the 840 km railway line built to carry iron ore from the mine at Sishen in the Northern Cape.

Building the line and the harbour facilities to handle the ore at Saldanha burdened Iscor with debt in excess of R800m.

This was paid with an interest free loan from the government. The loan is being repaid by Iscor from the export profits.

Since 1984, the ore has been carried by SA Transport Services (Sats) at cost and 80% of the export profits have gone towards repaying the government.

Iscor has been allowed to keep the remaining 20% of the profit because the ore is an asset which it is losing.

The debt will be repaid by the end of this year and Deetlefs said the agreement under which Sats transports the ore at cost will then expire.

"We shall have to negotiate a new tariff with Sats.

"It will be impossible for us to pay their normal tariff for the Western Province because it would then be

uneconomic for us to continue to export. We are in that business to make a profit, and if we cease to do so we shall simply stop exporting.

"But we want to export, and Sats wants to transport the ore, so I am confident we shall come to an agreement."

Deetlefs said the construction of a steelworks at Saldanha, which would provide between 500 and 600 jobs at first but could grow much larger, was being considered as a way of making better use of the railway and port facilities and maximising export profits.

It was possible that a major customer for the steel could be persuaded to invest money in the works.

"In order to have a steelworks we must have a market for its products and we must have investors in the project. If we can find a customer who will invest we shall have a guaranteed market."

Another, major, obstacle to the plan is that SA is running short of coking coal necessary for the blast furnaces to make steel. But Iscor is experimenting at its Pretoria works with a new type of corex coal.

"This project is in its interim stage," said Deetlefs. "It has been stopped for modifications but we know it is going to work."

Most of the ore produced at Sishen — one of the five largest iron ore mines in the world — is sold at cost to Iscor for its own use. Only the surplus ore is exported, at a profit of R15 a ton.

Deetlefs said the mine had vast resources of the ore and a life of at least 50 years.

WASHINGTON. — A British newspaper published yesterday what it said were excerpts from a leaked report commissioned by eight Commonwealth foreign ministers recommending a minimum package of additional sanctions against South Africa.

The Guardian said the proposals by independent researchers and academics were certain to spark a row at next week's meeting in Canberra of Commonwealth foreign ministers, some of whom favour mandatory sanctions.

The study comes to the conclusion that sanctions can be used to create jobs for black South Africans.

Among its proposals are bans on the sale to South Africa of vehicle parts and computerised machinery on the theory that this would create and protect black jobs by forcing import substitution and hampering the automation of industry. Obliging South Africa to manufacture all its own car components would also be a psychological blow to buyers who would have to make do with less sophisticated products.

Sanctions 'can create jobs for blacks'

JOHANNESBURG. — Four members of the Mass Democratic Movement have been invited to Australia to attend the Commonwealth Committee of Foreign Ministers meeting on South Africa next week, according to UDF acting general secretary, Mr Mohammed Valli Moosa.

The invitation was extended by chairman of the committee, Mr Joe Clark, Canada's Foreign Minister. The delegation includes Mr Azhar Cachalia, Dr Max Coleman, Father Smangaliso Mkhathshwa and Mr Moses Mayekiso. — Sapa

The report, which is said to have caused some embarrassment among its sponsors, further urges that the Commonwealth commit itself to a firm schedule of sanctions ratcheting up to a total trade embargo at the end of five years.

Such a pledge, the argument runs, would encourage South Africa's creditors to demand more rapid repayment of loans.

A separate study com-

missioned by the Australian government and which will also be presented in Canberra, makes a similar stand for sanctions benefiting blacks economically.

This study argues that financial sanctions have already stimulated the development of the informal sector and thus "growth in economic opportunity for blacks".

The Canberra meeting on August 7-9 will bring together the eight foreign ministers responsible for guiding

Commonwealth policy towards South Africa. The committee is formed by the ministers of Canada, Australia, Guyana, India, Nigeria, Tanzania, Zambia and Zimbabwe.

The Commonwealth office in London said the ministers would give priority to the "widening, tightening and intensifying of sanctions against South Africa".

The priority given to the South Africa issue is certain to anger Britain, which stands to be isolated at a Commonwealth summit in Kuala Lumpur in October if the sanctions issue takes centre stage. — Own Correspondent and Sapa-Reuter

CMK Top
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CMF Times 25/8/89 (173)

Decentralisation 'created 181 000 jobs'

Own Correspondent

PRETORIA:— The Government's decentralisation programme has attracted industrialist investment to the value of R3,3 bn, creating 181 000 new jobs since 1982, according to Constitutional Development and Planning minister Eugene Louw.

This meant it cost R18,23 for the creation of one job calculated on capital investments of R3,3 bn, he said.

Louw, who released the Decentralisation Board's 1988/89 annual report in Pretoria yesterday during a press conference said the total number of applications

approved, since 1982 had been established by March 31 1989.

Critics of the Government's decentralisation programme say that much of the investment would have little effect on the rate of unemployment in the rural areas.

Louw said a "significant aspect" of the results was that about 45 % of the 181 000 new employment opportunities were created at only six development points.

"This proves selective concentration of economic activities is taking place due to Government's regional industrial development initiatives," he said.

Ethanol project could be big 'job provider'

11/9/89

Own Correspondent

DURBAN — Natal's new ethanol blend of petrol could be available at the pumps in January 1992 if plans went according to schedule, Mr John Chance, vice-chairman of the SA Sugar Association, said in Durban yesterday.

Welcoming the Government's approval in principle for the ethanol project, Mr Chance said it would give a major boost to the deregulation process, help the industry to expand and directly create more than 14 000 jobs.

It would "broaden and strengthen the economic base of the industry which is the mainstay of the economies of Natal, kwaZulu and the eastern Transvaal".

The announcement also spelt a go-ahead for the proposed sugar mill and other industrial expansion in the eastern Transvaal.

The R120 million distillery would be built near Richards Bay at a site to be determined and would be owned by the Sugar Association itself, Mr Chance said.

However, the actual operation might be contracted out. Financial details still had to be worked out.

Mr Chance said that while approval had been given in principle, a number of practical decisions had to be taken in consultation with many bodies, including the oil companies, the Department of Water Affairs and the Department of Mineral and Energy Affairs.

Figures exaggerated, town treasurer tells commission

Pretoria Correspondent

Larger amounts of wages paid and bigger numbers of temporary black workers than the real figures were reflected in Carolina Town Council statements to the Province regarding the Government's job creation scheme.

This was said in evidence yesterday before a commission of inquiry into alleged irregular actions by officials and/or members of the Conservative Party-controlled Carolina Town Council.

Mr D J Kriek, Carolina town treasurer since February, told the commission in Pretoria that

statements to the Province for the months of September, October, November and December last year and January and February this year gave wages respectively as R1 936, R2 720, R12 480, R12 740, R13 104 and R6 804.

He said the real figures were R1 230, R1 656, R2 436, R3 372, R2 772 and R4 718 respectively.

The statements gave the number of blacks employed on a temporary basis in terms of the job creation scheme as 96 in November, 98 in December, 104 in January and 54 in February.

Mr Kriek said these figures were exaggerated.

Counting the cost

The cost of creating a job depends on the definition of costs. This explains recent conflicting estimates by the Decentralisation Board, which puts the average cost at R18 000, and the Small Business Development Corp (SBDC), which says it is R3 000.

Board chairman Coen de Villiers explains his figure is the cost to the private sector and it includes land, factory and equipment. While R18 000 is the average for all industries, it differs from sector to sector and region to region.

SBDC GM Sonny Tarr points out the organisation operates in the small business sector where cost of job-creation is far lower than in the formal sector. Moreover, the estimates "relate number of jobs created on its programmes to cost of SBDC finance only", says Tarr. "This excludes owner's contribution which, in some programmes, is at least 10% of total finance costs.

"The R3 000 is the average for all programmes. The mini-loan programme has a cost of R1 629, the job-creation programme R2 225 and general finance R6 400." ■

8/9/89.

R578,7m

loaned

by

SBDC

By **TREVOR WALKER,**
Business Staff

The Small Business Development Corporation says in the nine years to March this year it has granted loans totalling R578,7-million to 22 408 entrepreneurs, creating 216 281 jobs at a cost of about R3 068 a job opportunity.

The SBDC says in its latest annual report that since taking over the assets of Fishcor in October 1986 it has substantially expanded financing in this sector and granted 424 loans worth R32,1-million.

The fisheries finance programme provides loans to bona fide commercial fishermen. The catching of fish must constitute an applicant's sole source of income.

The SBDC says small business flourishes in markets freed from unnecessary regulations.

It therefore promotes the interest of small business by providing practical proposals for deregulation.

In recognition of the importance of the informal sector, the SBDC submitted a comprehensive proposal to the authorities concerning the deregulation of laws and regulations governing street vendors.

One of its main activities is to provide reasonably priced and suitably located premises for small businesses.

The SBDC is today the largest developer of industrial and commercial premises in black and other underdeveloped areas which have suffered much past neglect.

Development priorities are determined in consultation with local communities.

The SBDC is a public company registered in terms of the Companies Act. The private and public sectors are equal shareholders.

The report is a hefty 56-page high quality document with which the corporation hopes to satisfy the private sector shareholders who are all listed about how much they have forked out.

Mossgas project to employ 7 000

173 Political Staff

CAPE TOWN — About 7 000 workers will be employed on the Mossgas project during the third quarter of next year, Economic Affairs and Technology Minister Danie Steyn said yesterday. *Blom 15/9/89*

This figure represented the peak period of construction, he added, and would only be sustained for about six months.

Unveiling the project's official emblem at Mossel Bay, Steyn said the Mossgas management had gone to great lengths, to ensure minimal disturbance to the region's unique culture.

It was Steyn's last official function as a minister.

He said some of the housing required by single-status workers would be recycled later to alleviate the low income housing shortage.

Steyn said the entire project was more than 30% complete and was on target for bringing the first gas onshore in just under two years.

He said the entire Mossgas development was a tribute to SA's ability, 'with a little help from friends', to take up the challenge of a new technology.

BlDun 15/9/89

'Democracy a necessity'

EDWARD WEST

THE development of democracy in SA is no longer a matter of political ideology but rather a demographic and economic necessity, according to PG Wood's productivity and quality director, Christo Nel. (173)

Nel was speaking at the official opening of the SA Institute of Industrial Engineers Conference at Sun City yesterday.

He said all the players in any company should unite in a holistic approach towards company goals, while management should embark on value-sharing processes to break down negative social memories and decades of mistrust between races.

Democracy should be developed in the workplace because political ideals were being pushed into work arenas by unionisation.

Less than 1% of state managerial positions were held by blacks, he said. White social memories in SA were stuck on group rights due to, among others, the historical myth taught at white schools that whites must rule.

In 1989 23 000 artisans were trained when 100 000 were needed.

Capital productivity had dropped from a base of 100 in 1971 to around 65 in 1988 and, in GDP terms, SA had dropped to one of the lowest late developing countries in the world.

To promote democracy and productivity in the work place, managers should embark on progressive recruitment embargoes, employees should be rewarded for quality work while all employees should be united in the goals of the company, said Nel.

SA needs long-term economic strategy

Cape Times 15/9/89
173

By AUDREY D'ANGELO
Financial Editor

SA cannot afford to enter a decisive stage of its political development with a struggling economy, Nic Schoeman of the University of Pretoria's Department of Economics told Cape Town business people yesterday.

It was vital to have a long-term strategy providing continuous economic growth which would lift everyone's standard of living — getting away from the business cycles SA has grown to expect.

Schoeman was speaking at an economic presentation organised by the Central Merchant Bank (Senbank) at the Mount Nelson.

Pointing out that the public sector was taking a disproportionate share of SA's skilled human resources, and that government spending was too high, he said that "the private sector should serve as the engine of growth to provide higher material welfare on a continuous basis."

The government should play a supportive role and strict rules should be applied to "the critical elements of government action, like monetary and fiscal policy".

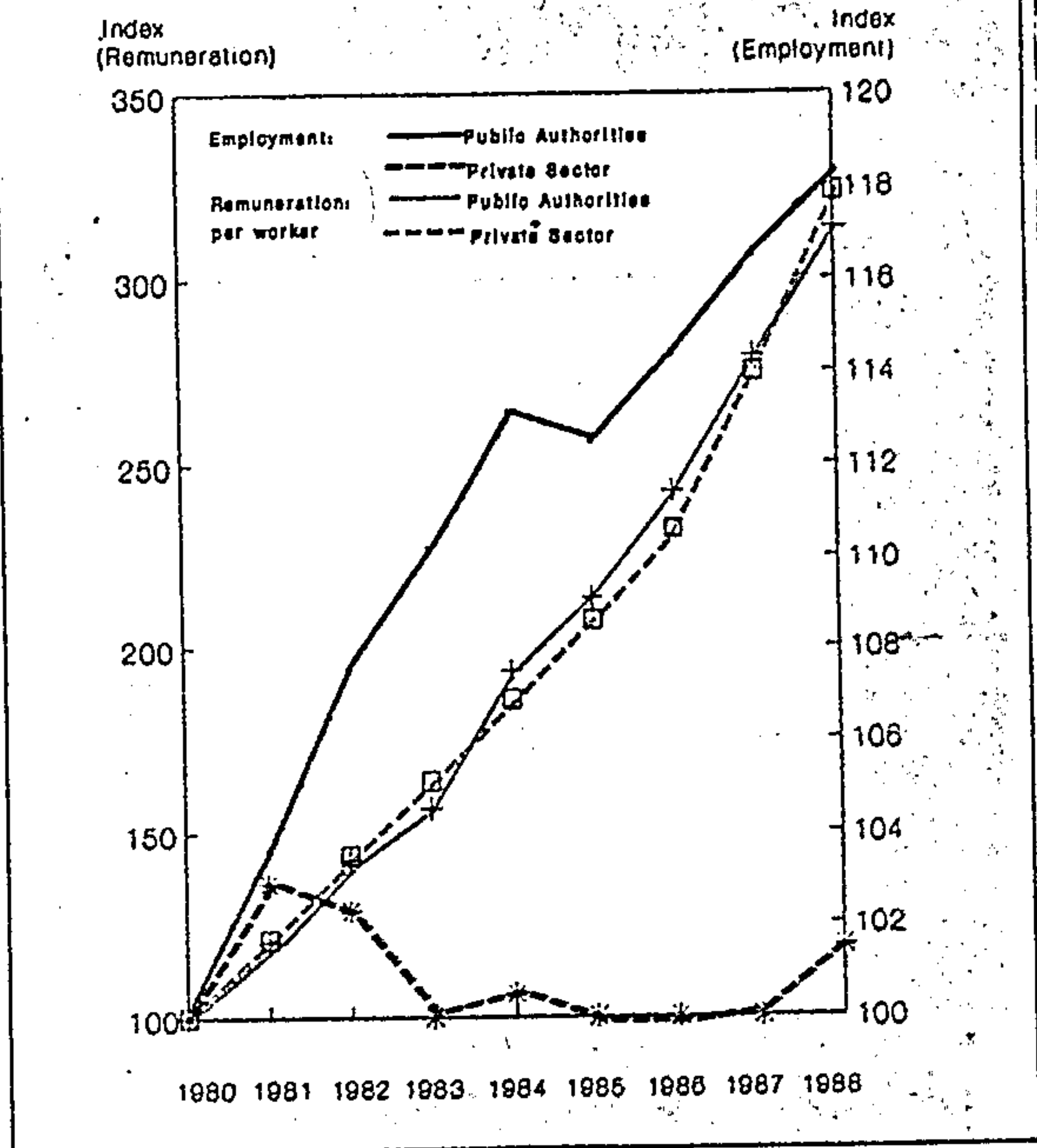
A government which broke these rules should be expected to resign.

Schoeman said that even if SA achieved a period of political stability this alone would not necessarily lead to a growth rate "which would permit a steady improvement in per capita welfare."

A well thought out, but simple, long-term strategy was necessary. His department believed that SA was capable of a growth rate of more than 5% a year.

"The composition of the SA population, and an historically skewed pattern of income distribution, urgently require that long-term economic growth be sustained at a significantly higher rate than the rate of population growth.

Figure 6 — Employment and remuneration per worker in the public and private sectors (Index, 1980=100)



Too many of SA's "scarce, skilled human resources" are being drawn into the public sector, economist Nic Schoeman said yesterday. This graph shows how the number of public sector employees — and their remuneration packages — have grown since the beginning of this decade.

"Only then will it be possible to keep up the morale of those who earn high incomes, at the same time improving the material welfare of the entire population significantly."

His department's solution was "essentially a supply-side approach, where the private sector is the engine of growth and the public sector play an important, well-planned role."

However, Schoeman continued: "If the private sector is really to bring about long-term growth at a high level it must be committed firmly to the SA economy."

"To achieve this, the government must find ways and means

to ensure lasting political stability. It must protect property rights and guarantee economic freedom to all citizens.

"And it must provide certainty and stability in respect of its own monetary, fiscal and other economic policies. More than ever, official monetary and fiscal policies should be bound by strict rules, the violation of which is severely penalised — for example, by the automatic resignation of the government."

"If this can be effected, the formal and informal sectors of the economy should flourish and the supply of goods and services would then be expanding on a continuous basis."

7 000 on
Mossgas
'at peak'

Political Staff

ABOUT 7 000 workers will be employed on the Mossgas project during the third quarter of next year, the Minister of Economic Affairs and Technology, Mr Danie Steyn, said yesterday.

This figure represented the peak period of construction, he added, and would be sustained for only about six months.

Unveiling the official emblem of the Mossgas project at Mossel Bay, Mr Steyn said the Mossgas management had gone to great lengths to ensure minimal disturbance to the unique culture of the region.

It was Mr Steyn's last official function as a minister, as he did not seek re-election to Parliament on September 6.

Mr Steyn said the entire project was more than 30% complete and was on target for bringing the first gas onshore in just under two years.

B / Day 20 / 9 / 89 .

Expert warns of 1990s skills crisis

PRETORIA — Job openings at the skilled-manpower level will exceed supply by half a million in the next decade, Unisa School of Business Leadership's Prof K B Hofmeyer said last night.

In his inaugural lecture Hofmeyer said during the nineties there was likely to be a shortfall of at least 100 000 people in the top management category and a shortage of 400 000 professional and technical people.

The country's average growth rate had been less than 2% a year, and per capita income had declined by 0,5% annually and by more than 1% since 1981.

It had been estimated the economy would have to grow by at least 5% a year to accommodate the 350 000 people who would enter the labour field annually in the nineties.

He warned business schools not to rest on their laurels.

The complacency suspected in US

GERALD REILLY

business schools had raised serious questions about their relevance.

In SA the future of university-based business schools was not guaranteed.

SA management education, and particularly the MBA or MBL, should not be a clone of the American model.

"We should be preparing managers to be successful in SA, not in America or Europe."

There was need for greater sensitivity to SA's political, social, economic and educational content in the design of courses.

(173)
Politics and political change would be important features of the lives of South Africans in the next 10 years.

National and international tensions and pressures would continue as the country looked for solutions to its problems, Hofmeyer said.

BRENT MELVILLE

CRASH-TRAINED South Africans are replacing their more expensive foreign counterparts on the R7,8bn Moss gas project. Project engineers say Moss gas has exposed the country's acute shortage of skilled engineers and semi-skilled assistants and has prompted a remedial training programme.

The principal training body is the Moss gas civil engineering training scheme, which was launched late last year under the auspices of the SA Federation of Civil Engineers (Safcec) — representing 236 engineering and construction companies — which identified the need for a massive injection of local labour.


 Void
 

Run by Safcec's Industry Training Scheme (Ceits) in conjunction with the Central Energy Fund, Bateman Davy Engineering and Moss gas, the training scheme has already trained a cross-section of more than 2 100 South Africans.

One of the aims of the scheme was to fill the void left by the swiftly deteriorating numbers of civil engineering students in SA. "And Mossref has placed about 60% of its trainees on site at Moss gas," says Ceits chairman Tony Smith.

"Although at the point of initial appoint-

Trained SA personnel for Moss gas

ment they may appear as rough and ready workers, with greater contracting experience the scheme should be regarded as a success," says Smith.

The trainees, men and women and made up of all race groups, are drawn from within the area extending from Knysna to Albertinia and Oudtshoorn.

The scheme is financed by a levy imposed on contractors working within what is called the "fenced area", and deducted from all payment certificates submitted by the contractors for the duration of the project, says Smith.

Training is carried out in the South Cape Training Centre for four categories including: labourers (basic hand construction), lower semi-skilled, higher semi-skilled and skilled. The total number of persons to be trained for Moss gas through the scheme is 4 000.



CITY

Firm planning R500-m boost for Cape Flats

MGWS 21/9/89

173

By TOM HOOD
Business Editor

A 50-hectare site of prime industrial land next to DF Malan Airport is expected to become a R500-million development providing 15 000 jobs within 10 years.

The land, mostly bush at present, has been bought for more than R7-million by Monex Development Company of Cape Town, which is best known for top-class shopping centres and high-rise office blocks in the Peninsula.

Financial institutions have pledged R300-million for the first phase of the project, says Monex's managing director Mr Martin Wragge.

Unique opportunity

"The acquisition of this large chunk of land between the airport approach road and the N2 presents a unique opportunity to do something of regional significance," he said today.

Mr Wragge said he could not be specific about Monex's proposals, which had been put forward to various authorities.

He declined to comment whether the proposals would involve a major shopping centre of office blocks — the type of project in which Monex specialises. However, houses would not be built.

"The authorities have found our proposals generally exciting and contributive to the region," he added.

The Cape Town company is best known for its large retail and office developments, but Mr Wragge declined to confirm that similar projects were planned for the site.

However, given the go-ahead, he foresaw that within a decade development of the area would probably top R500-million with the creation of more than 15 000 permanent jobs.

"Nowhere on the N2 between central Cape Town and Somerset West has there developed



An aerial view of the area expected to become a R500-million development.

the kind of decentralised areas of formal and community services that have developed along the N1 in Goodwood, Parow, Bellville and Brackenfell.

The development of these areas was essential in terms of taking pressure off the major arterials feeding central Cape Town through the decentralised supply of services and creation of jobs, he said.

"When we developed Tyger Valley Centre and the Parc du Cap office park at Bellville, the time for those developments had arrived, anticipating the sudden combustion of those areas and the demand for those facilities.

"The same is true of this site on the N2 — its time has arrived."

There were practical difficulties attached to a proposal

of this magnitude because of the enormous regional impact, but the company intended to overcome them, added Mr Wragge.

"The acquisition of such a prime parcel of land on the N2 presents everyone concerned with an opportunity and a benefit, not just Monex as developers."

Monex is also well known as a Cape Town film producer and its latest feature film, *The Last Warrior*, has just been released through Ster-Kinekor theatres countrywide.

Job creation project launched in city

BARLOW Rand and in particular its chairman Mr Mike Rosholt embarked on an experiment two years ago with the National African Federated Chambers of Commerce (Nafcoc) in job creation in this country.

The pilot study has proved singularly successful and at a meeting in Cape Town last week leading businessmen enthusiastically endorsed moves to extend the idea to the city.

A company called Job Creation was formed by Barlows and Nafcoc and following a feasibility study in Cape Town, the

idea has been accepted as having sound merit and moves to boost entrepreneurial development in the region are now on the way.

In Johannesburg, Job Creation has helped to start up 87 new separate businesses employing more than 600 people.

The Cape Town operation will require about R500 000 next year. The concept is based on a similar idea in the US and while would-be entrepreneurs are not assisted with finance, they are pointed in the right direction (such as the Small Business Development Corp) and helped with advice.

The consultants work on an incentive bonus scheme and the whole operation is based on a "hard nose" ap-

proach and has nothing to do with "handouts" *L/1-AP/63 23/9/88 173*

At the meeting last week, chaired by former Mayor, Mr Peter Muller, who was one of the original instigators of the project, leading Cape businessmen pledged their support for the venture.

The core-group running the project under the new Mayor, Mr Gordon Oliver's chairmanship, are Mr Mike Getz (Chamber of Industries and a director of Seardel), Mr Eric Ismay (Barlow Rand Foundation), Mr Dennis Fletcher (former chairman of Caltex), Councilor Mr Clive Keegan and Mr Kerry Capstick-Dale.

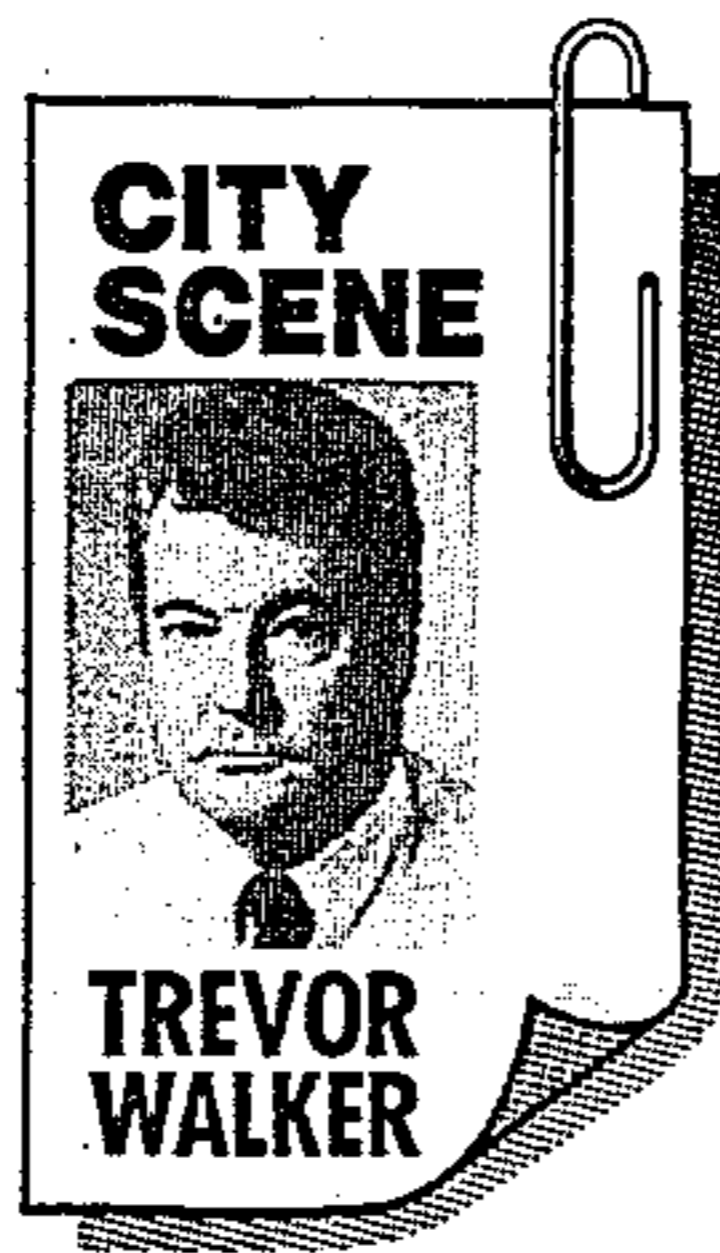
Cape Town has a sound track record of race relations in race riddled South Africa and the Mayor is viewed as a "friend" of the people, unlike many other council functionaries in the country.

It is for this reason that the project is being run by the Mayor's office and some solid and immediate benefits are expected next year.

● THE takeover bid by Investec Bank for The Board of Executors has brought some excitement into the normally staid business life of the city and the bid by a Transvaal company for control of one of the city's oldest financial institutions has been viewed with some displeasure.

It also has its lighter side. The Board of Executors Ltd is the registered name of the Board, but it uses the name Eksekuteurskamer as a translation.

Strictly speaking board should be translated as raad and not kamer. Translating Eksekuteurskamer back into English one could come up with Executive's Room, but this sort of semantic is enough to drive any translator potty.



Jobs boom

follows

GM 7/4/89
23/9/89

surge in

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tourism

THE upsurge in the number of visitors to Cape Town in the past year has generated an additional R72,9 m — an estimated 20% increase — in tourism spending and created more than 100 000 job opportunities.

This is shown in a report to Captour on a new study of tourism trends conducted by Professor Marius Leibold, Professor of Business Economics at the University of Stellenbosch.

Captour chairman Louis Kreiner says the trends reflected in the Leibold report are "very exciting and encouraging".

"We believe we are marketing in the right direction and this is now bringing positive results," he adds.

Kreiner says the additional inflow of visitors to Cape Town means that, working on the tourist industry's calculation that one job is created for every 11 tourists, 108 000 additional job opportunities have been created in this area, indirectly as well as directly.

Tourist camps

Among other things, the Leibold report shows:

● A 20% increase in the number of foreigners visiting Cape Town. Where 280 000 travellers from abroad visited the Cape in 1987/88, there have been 336 000 in 1988/89;

● Of this latest number 43% of the foreign visitors stayed in hotels, 29%

Cape Town, after years in the tourism doldrums, is fast establishing itself as a prime destination for domestic and foreign visitors. ROGER WILLIAMS reports on "exciting" trends shown in a new study.

stayed with relatives or friends and 28% in tourist camps and elsewhere;

● That additional income from foreign visitors in 1988/89 was R17,3 m, compared with 1987/88.

● That, next to SA's "tourist gateway", Johannesburg, Cape Town has become the second most-important destination in South Africa for foreign tourists.

● That 50% of all foreign tourists, including those from other African countries, now regard Cape Town as one of the most desirable destinations in South Africa, and include it in their itineraries.

● That the length of stay of foreign visitors to South Africa is on average 21 days, of which a minimum of three days is spent in Cape Town.

● That foreign visitors spend on average R103 a day in the city.

Domestic visitors

Dealing with visitors to Cape Town from other parts of SA, the Leibold report says income from this part of the tourist market has increased from R437 000 in 1987/88 to R500 000 in 1988/89 — a 14,5% increase.

Additional expenditure by domestic tourists in 1988/89 has been R55,6 m.

The report also shows there has been a 50% increase in hotel occupancies by domestic visitors, compared with '87/88 when only 21% of visitors in this category stayed at hotels and 30% with family and friends.

And it shows that where Durban is drawing 30% of domestic tourists, Cape Town is about to increase its share of the

Peninsula tops Durban

By CATHY HOOPER

UDTSHOORN. — Local Fedhasa executive member Theo Behrens has told members of Oudtshoorn's tourism and business community the Cape Peninsula now rates second in South Africa in overnight hotel accommodation — 19%, as against the business capital, Johannesburg, with 28%.

Durban, he said, is now rated third in overnight occupancies at 16%.

Behrens said a study of questionnaires completed by departing foreign visitors showed that 96% of them were favourably impressed by the country's

game parks, 86% with hospitality shown them here and 85% with the overall friendliness of South Africans. Highest on the list of unfavourable impressions were train services, taxis and "poor" TV.

Behrens, a former Secretary for Tourism and chairman of Satour, said that during the first five months of 1989 South Africa drew 183 000 foreign visitors compared with the 175 000 that came from January and May 1988.

This "heartening" 16,6% increase in the January-May period was the best in five years, he said, following the tourist slump of 1984.

finds that in the middle and higher-income sector of the domestic market the average length of stay in Cape Town has been 14 days, with a daily expenditure of R63 per tourist — or R882 per domestic tourist in a 14-day stay."

Louis Kreiner comments: "We are also finding that where influxes of visitors used to be confined to the school holiday periods, now they are taking place throughout the year."

"Professor Leibold also

home-tourism cake, from 15% in 1987/88 to 20% this year.

Another point made by Professor Leibold is that Cape Town is scoring particularly in the growing short-holiday sector of the market.

Numbers of managers and executives drop — survey ¹⁷³

PRETORIA — The number of employed managerial, executive and administrative workers fell sharply by more than 17 000 to 200 268 last year compared with 1987, a Central Statistical Service survey released yesterday showed.

It found there were vacancies for more than 5 000 nurses, 509 GPs, 582 computer programmers

GERALD HEILY

and related occupations and 825 motor mechanics.

Professional semi-professional and technical workers increased from 595 613 to 688 821, clerical and sales workers from 965 950 to 1,2-million, service industry workers from 689 114 to 760 310, arti-

isans and apprentices from 264 659 to 357 976 and labourers from 1,16 million to 1,18-million.

However, there was a drop in the number of production foremen and supervisors, miners, operators and production workers.

The survey said the total overall vacancy rate decreased from 2,7% in 1987 to 2,2% in 1988.



Fewer jobs open to specialists

By Norman Chandler,
Pretoria Bureau

It is difficult trying to be an astronomer, a radio or television announcer, a sculptor or a cartoonist — there aren't any jobs for you in South Africa.

It means that chaps like Andy, The Star's cartoonist, or John Bishop, a well-known face on Network, will not be able to find another job if they suddenly decided to look for pastures new.

Stargazers who look at the heavens through giant mirrors at Sutherland, in the Cape, may also find it difficult to look into the future (or the past) if they walk the streets as well.

That's the sad news from the Central Statistical Service, which revealed yes-

terday that the job vacancy rate had dropped to 2,2 percent.

The good news is the total number of jobs vacant fell from 2,7 percent in 1987 to 2,2 percent last year.

According to the CSS the country needs doctors, computer programmers, nurses, security officers, motor mechanics and many unskilled workers.

The people who work in various industries are: professional and technical 678 821; managerial and administrative 200 268; clerical and sales 1 208 518.

Transportation, delivery and communication 282 719; service 760 310; production, miners and operators 1 416 545; artisans and apprentices 357 976; and labourers 1 182 854.



MEAS 28/9/89

City business figures to fight job problem

“In two years in Johannesburg the project has been successful in creating 87 new and separate businesses employing about 600 people.”

By TREVOR WALKER, ^{M13} Business Staff
Leading Cape Town business personalities with the Mayor of the City have set course on a job creation operation that could introduce a whole new generation of entrepreneurs into the Peninsula.

Called The Mayor's Business-Creation Initiative, leading businesses in the region under the aegis of the Mayor's office are in the process of obtaining funds from leading businesses in Cape Town to support a project that has begun to prove singularly successful in Johannesburg.

Barlow Rand Chairman Mr Mike Rosholt while visiting Holland was struck by attempts to promote the concept of the "entrepreneur".

On his return he set in motion the financial muscle of Barlow Rand, the country's largest industrial company, to investigate the feasibility of introducing the Dutch concept in this country.

A pilot study in Johannesburg has proved very successful and now the approach is to be introduced into Cape Town.

What Mr Rosholt had in mind was to get concerned and leading community people together to use their business skills to help discover and promote people with business ideas that

were likely to blossom with expert encouragement.

The Development Bank and the Small Business Development Corporation have put in place a huge management and capital infrastructure to promote the small businessman, but the Mayor's Business-Creation Initiative tackles the problem from a totally different perspective.

The idea is to plough back into the community the business acumen built up over many years.

Mr Eric Ismay of the Barlow Rand Foundation said: "The project will stand or fall on its results."

"We are in the process of raising money from leading businesses in the region to help fund a team of specialist consultants who will run the scheme."

"This is no liberal throw-away money project. It will be judged a success if it creates new entrepreneurs and who in their turn create many new jobs."

Employing 600

In two years in Johannesburg the company, Job Creation, sponsored by Barlow's and supported by the National African Federated Chambers of Commerce (Nafcoc) has been successful in creating 87 new and separate businesses employing about 600 people.

One of the members of the core group in Cape Town, Mr Denis Fletcher, former chairman of Caltex said: "We believe that Cape Town businessmen will put forward the R500 000 a year we need to run the project."

"We have approached several leading business people and the response has been positive."

"Businessmen tend to turn pale when you ask them to support one of these community projects."

"I know because I was recently on that side of the fence. But our project has a track record in Johannesburg, and it will be judged solely on performance, so if we do not succeed in year one and certainly in year two in meeting our objectives, then we close the whole thing down."

"We are not here to waste money and the whole set-up operation is being run on a voluntary basis."

"Our core group has spent many hours in setting goals and arguing the need for such an attempt."

The core group consists of the mayor Mr Gordon Oliver (chairman), Mr Mike Getz (president of the Cape Chamber of Industries), Mr Eric Ismay (Barlow Rand Foundation), Mr

Denis Fletcher (former chairman of Caltex), Councillor Mr Clive Keegan and Mr Kerry Capstick-Dale of Demas Leoka and Kevany.

Cape Town prides itself on having the most relaxed attitude to race relations in the country and it is this fundamental factor that the backers of this project are prepared to invest in.

It is also one of the reasons why it is being done under the sponsorship of the Mayor's Office.

Former mayor Mr Peter Muller was one of the main supporters of the idea when it was mooted over a year ago and he is still actively involved in the project.

Vital responsibility

Statistics have shown that the flood of people into the Western Cape and Cape Town in particular has and is phenomenal, and job creation has become a vital responsibility for those in positions of influence in the region. It is not the responsibility of government, but that of civic and business leaders.

People are streaming into the outlying areas of Cape Town because the Transkei, Ciskei and other rural areas cannot support them.

G7 banks sell \$4-bn

certained from such tax deduction is received before the closing of the registers

ACCOUNT OVERDRAFT.

PEOPLE AT THE TOP
ARE ON THE MOVE
SEE PAGE 15

APPROPRIATEMENTS

SUNDAY TIMES, Business Times, October 1, 1989

MANPOWER
MIRROR BY
ROBYN
CHALMERS



PAGES AND PAGES OF THE BEST JOBS IN SOUTH AFRICA

Eli Louw ushers in a new labour style

EVEN at this early stage of the new administration, Manpower Minister Eli Louw looks set to bring order to the somewhat directionless policies of his department.

Mr Louw held a news conference at Laboria Building in Pretoria to meet labour correspondents and give them an idea about how he would approach his new portfolio.

He is a confirmed supporter of the idea of free association in the workplace. He believes the Department of Manpower should provide a framework within which different parties can negotiate with no or little interference from the authorities.

The importance of this approach lies in his open-door policy. Although former Manpower Minister Pietie du



Eli Louw ... hands-off approach to manpower

Plessis appeared to adopt this attitude towards the end of his period of office, it was done in half-hearted fashion. Mr Louw appears far more pro-ac-

tive. He acknowledges that there are decades of mistrust of authorities inherent in black trade unions. Mr Louw says: "If they won't come to me, then I'll go to them."

Before we had time to digest that remarkable statement, he hit us again by acknowledging that the trade union movement had a role to play in South Africa's political future.

"I believe I have taken over the Department of Manpower at a crucial time in SA's political history. With State President F W de Klerk's invitation to all political leaders to negotiate with the Government, I think the field is more open for the captains of labour to play a role in the political arena. "It is important, however, that this

does not become the primary role of union leaders. Their first commitment is to their members. An effective manpower force is perhaps the biggest asset any country has."

Mr Louw has dealt with three important issues since his appointment as acting Manpower Minister on January 25, 1989. First and foremost was his request that the National Manpower Commission (NMC) investigate the controversial Labour Relations Amendment Act (LRAA).

Since it was promulgated on September 1, 1988, the LRAA has sparked widespread industrial action. A three-day stayaway last year cost the economy an estimated R500-million in lost production.

Mr Louw has invited proposals about how to modernise the LRAA, and says although most clauses in the Act will

remain, certain aspects will be reconsidered.

One of these must be Section 79 (2), which effectively allows companies to sue trade unions for any damage caused by illegal strikes or lock-outs.

The second important action taken by Mr Louw is the more recent announcement that a committee of parliamentarians and organised agriculture has been formed to investigate trade-union rights for farmworkers.

The issue of farmworkers' rights is delicate. The Government has been sitting on a report by the NMC commissioned in 1982, perhaps because it contains suggestions which could alienate a powerful sector of the white electorate. Farmworkers cannot hold out too

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much hope of being fully included under the LRAA, but suggestions from Manpower Director-General Joel Fourie indicate that the Government is at least looking at legislation to protect their basic rights.

The third action taken by Mr Louw relates to the Industrial Court. There has been widespread dissatisfaction with the court from both unions and employers.

It culminated with the alleged enforced retirement of Industrial Court president Daan Ehlers four months before he reached retirement age. Apparently, Mr Ehlers was unhappy with the LRAA.

Although Mr Louw denies all knowledge of Mr Ehlers' apparent enforced retirement, he admits there is something seriously wrong with the court. He has appointed an attorney in pri-

vate practice to investigate other things, complaints that they do not have enough qualified personnel and that the quality of its services is questionable.

The big word in Mr Louw's appointment is negotiation. His view on the consumer boycott called by unions and Nactu is intriguing.

"The consumer boycott is a reaction to the inability of the parties concerned to come to an agreement. As a policymaker, I am against boycotts. I prefer rather see the issue resolved through calm, rational negotiations. Mr Louw has given his two shares in his two sheep farms to Loerlesfontein.



Pictures: JOHN YELD, The Argus.

HELPING THEMSELVES: This industrious scene is part of the Buthisizwe Self-Help Development Centre, a co-operative project in an old Philippi factory.

A battered building hides a wealth of work

ARGUS
17/10/89
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By JOHN YELD, Staff Reporter

THE old Philippi factory appears run-down and dilapidated from the outside, but on the inside trainee seamstresses and carpenters produce beautiful duvets, dresses, jerseys, jackets, skirts, bags, cushions, furniture and beadwork.

This is the home of the Buthisizwe Self-Help Development Centre, a co-operative project which provides work for more than 30 people and finds a market for their products as far afield as Paarl, Stellenbosch and Somerset West.

The centre has been in existence for about two years and, after weathering some tough problems in the early stages, is ready to take off, according to organiser Mrs Sophia Bengé.

"But the main thing which prevents us from going forward is transport," she explained.

"Money is floating out unnecessarily for hiring transport and otherwise we are dependent on the goodwill of others."

The co-op has been supported by, among others, the British Consulate, the South African Labour Development Research Unit at the University of Cape Town, Jews for Justice and a commercial timber company.

Training specialists have taught co-op members knitting, sewing, joinery and carpentry skills and brick-making, and the project has found ready markets for their goods.

"We've got the skills now, and with more money in the bank we could help to get more unemployed people into the co-op. The labour is there, but with the transport problem we've been forced to stop," Mrs Bengé explained.

● Anyone able to assist can telephone Mrs Bengé at 34 3098, or Mr Michael Frost at the British Consulate, 25 3670.



TRAINEE BEADMAKER: Learning the delicate art of beadwork at Buthisizwe is trainee Mrs Nomdumiso Ganca.

Minister spells out labour priorities

B/Day 16/10/87

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THE attainment of labour peace, training and deregulation, and through it job creation through small business development, were his most important tasks, newly appointed Manpower Minister Eli Louw said on Friday.

In an interview with Business Day, Louw said he believed political progress in SA would make it easier to achieve labour peace. "This will make it easier to stick to workplace issues," he said.

"That does not mean I think we can avoid strikes. There will always be disputes. We want what is normal."

Louw believed high-profile political activities by unions meant that members' economic interests suffered.

This, he said, was borne out by a survey, commissioned by the Bureau for Information, which showed most black workers believed unions should concentrate on workplace issues alone.

He accepted trade union leaders had a political role to play. They were among those invited by the President to take advantage of his open door. But, said Louw, union leaders should participate as politicians and not use their unions to achieve their political goals.

He repeated that his door, too, was open to unionists. "We have a lot of work to convince each other that what

ALAN FINE

we believe is in the national interest. For this, we must talk to each other."

Louw said that in its investigation into the Labour Relations Act, the National Manpower Commission would regard as important any agreement emerging from talks between Saccola and union federations Cosatu and Nactu. But, he added, Cosatu and Nactu did not represent all workers. The NMC would, therefore, also take account of the views of others.

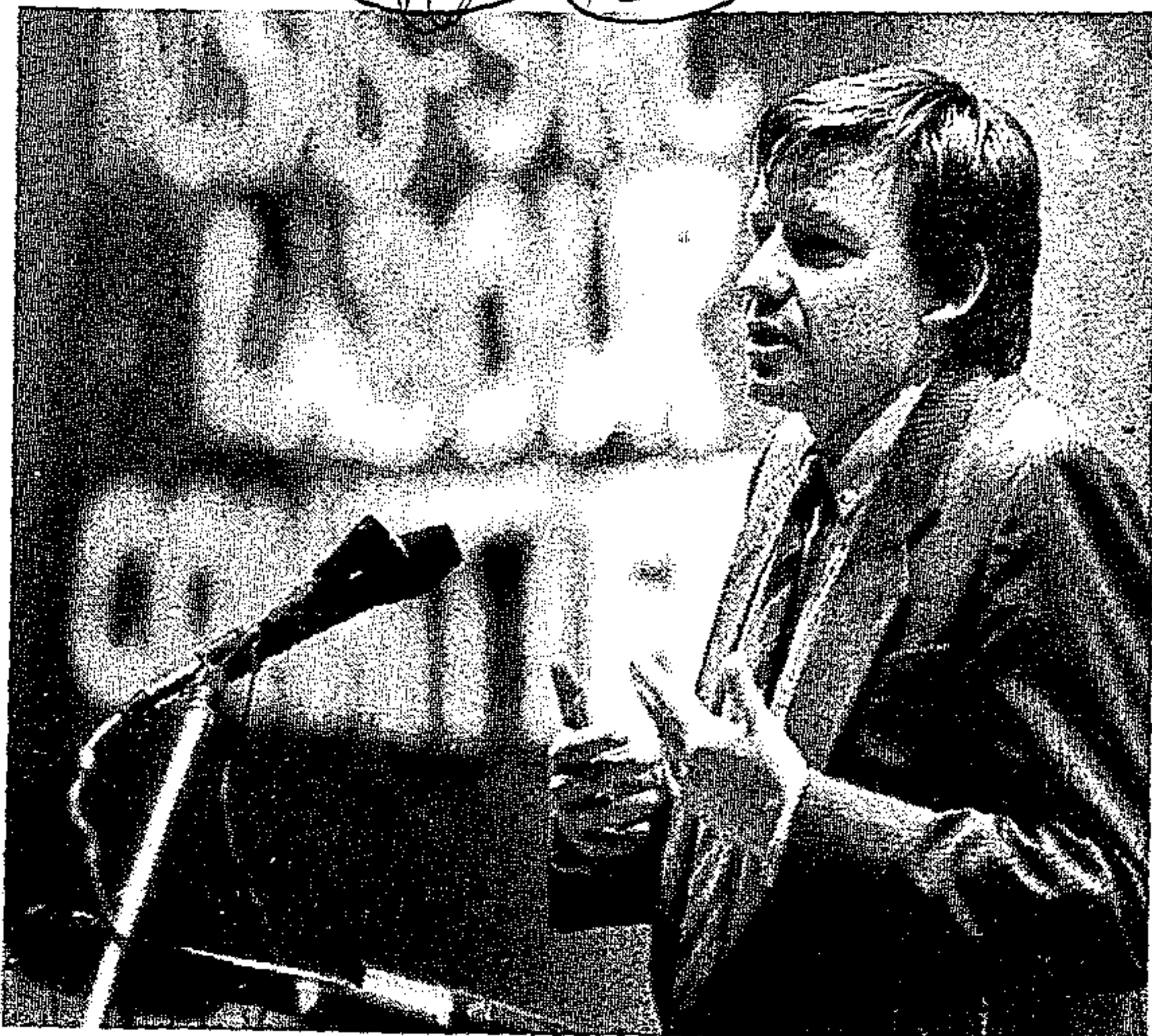
Louw said he believed the R350m training programme inaugurated by his predecessor, in which 1,1-million unemployed people were trained over five years, was one of the most important projects government had ever undertaken. He intended continuing with the programme. He also believed government had, through the Manpower Training Bill, set in place a structure to facilitate training through the private sector.

Deregulation, he said, was a further necessary aspect of policy.

Asked how far he believed deregulation should go, Louw said the key question was what would best accommodate job creation. There were certain areas, though, like health and safety, which would continue to be regulated.

Handwritten scribbles in circles at the top of the page.

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Anglo American director Bobby Godsell at Wits yesterday.

Picture: BRIAN HENDLER

'Job levels will be knocked by privatisation'

ALAN FINE

WHILE privatisation of state-owned corporations might lead to greater efficiency, the process as undertaken in SA would exacerbate unemployment levels, Numsa education officer and economist Alec Erwin said yesterday.

He was speaking in a Nusas-sponsored debate on the subject with Anglo American director Bobby Godsell at Wits University.

Godsell said the main purpose of privatisation was to bring about the efficient use of scarce resources by removing government ownership of industries and services, where its track record was poor.

Godsell said privatisation was neither a panacea for achieving good economic growth nor a mechanism for reducing state social expenditure.

"Business knows society needs to devote more resources to areas like education, health and housing," he said.

Strategy

Erwin said greater efficiency in corporations to be privatised had been and would continue to be achieved through mechanisation and rationalisation, rather than through expanded production.

He said the main features of any coherent strategy included, firstly, improvements in productivity to lower manufacturing costs and make goods more accessible to the poor and competitive on international markets.

Secondly, the negative (employment) effects of rising productivity had to be balanced by a strategy to expand productive capacity based on technological advancement, not on cheap labour. This required a comprehensive strategy based on technical and manpower planning to restructure SA's economy, he said.

Privatisation in SA needed a coherent economic strategy designed to address the problems of unemployment and poverty, he concluded.

Inflation psyche dominating SA business

By AUDREY D'ANGELO
Financial Editor

SA society is so dominated by "the inflation psyche" that both management and workers think putting up the price of their product is one of the best ways to increase profit, surveys carried out by Project Free Enterprise have shown.

Describing this as "horrendous", the research team say in their report: "Management, its workforce and the consumer have grown so used to the reality of inflation in the national economy that by far the easiest route to guaranteeing further wealth is perceived to be increasing the price of products and services.

"The implications of this mindset and its impact on the economy are horrendous. It requires the most urgent attention from policymakers in both the public and private sectors.

"This disease must be eradicated from the system if the economy is to survive with any semblance of real growth."

Project Free Enterprise, backed by more than 80 of SA's leading companies, was started in 1984. Its statement of intent says that it identifies itself "with the creation of a South African society in which stability, wealth creation and economic freedom are realised for all its citizens".

It has carried out three surveys since 1984. Its latest report, on Strategies for Economic Freedom and Growth in the '90s, says that there is now more common ground between management and workers than many people suppose.

It finds the labour force better informed than in 1984 — when a majority of unskilled workers believed that managers' salaries were the main expense of running a business.

But it believes there is a need for business education for everyone, to increase understanding of how labour and management are interdependent and how the economy works.

It stresses the importance of participative manage-

ment and of share option and profit sharing schemes in helping the workforce to see the advantages of a free market economy and the need for increased productivity.

And it discloses that there is a need for business education in lower and middle management, where surveys have revealed surprising ignorance.

Its latest survey this year has shown big changes in perceptions. In 1984, most semiskilled and unskilled workers saw raw materials as fourth on the list of a company's operating expenses, employees' wages fifth and machinery and plant sixth.

They considered management salaries the biggest expense, followed by taxes and the repayment of loans.

This year, they saw raw materials as the biggest expense. Tax remained the second but wages had moved up to third place, with managers' salaries fourth followed by machinery and plant in fifth place and repaying loans sixth.

In the 1984 survey, their first suggestion for improving a firm's income was to "pay whites less". Improved sales and output came fourth on the list.

This year "pay whites less" had moved down to fifth and last place, with improved sales and output at the top. But "increase price of product" had moved up to second from third place, in line with the perceptions of management.

Discussing the need for business education, the report says: "At national level, a concerted attempt should be made to upgrade the knowledge and capabilities of the entire population.

"In this sense business education is a vital support to the deregulation drive and the extension of business opportunities."

It points out that Venezuela made major economic progress by way of a national educational advancement programme using radio and TV. "Similar success has been achieved in such Pacific Rim countries as Taiwan and Singapore.

"There is no reason to believe that the same results cannot be achieved in SA. But our policy makers need to recognise that business education is a matter for co-ordinated national action."

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Bleak outlook for SA youth facing future without jobs

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8/20/87 TANIA LEVY

THE future of skilled and unskilled SA youths who may never find employment is bleak, and the chances of their turning to crime makes it even bleaker, according to a Wits Centre of Policy Study paper written by Gillian Godsell and Ian Clark.

Political problems exist as groups of angry unemployed youths with high expectations pose a ready source of anti-government demonstrators and social unrest.

The report says the modern business sector cannot meet current demands for jobs and this gap will grow.

School-leavers' dilemmas increase as they cannot use hard-won and passionately believed-in education.

The paper — entitled *Small Business Policy: Stepping Down From the Side of the Angels* — examines some "not-to-be-questioned" expectations about small business.

The role of small business in reducing, if not eliminating unemployment is one of the most widely held expectations, according to Godsell and Clark.

This solution is seen to be virtually cost-free and minimally disruptive to the status quo.

Young people have the energy and drive to start their own businesses, but if they perceive small business to be buying them off or shutting them up as a group, results will be counterproductive, the report says.

Small business as a group solution is likely to be hazardous but presented to individuals in the group it might be more successful.

Godsell and Clark say small business, and the informal sector in particular, is expected to improve GNP growth, again with a minimum of cost or disruption.

Political

Measurement of the unrecorded sector is, by definition, difficult but there has been significant growth in the added value of that sector, the paper says.

Increasing the tax base must be recognised as a political goal which may or may not be beneficial to small business as a whole.

Increased state interest in, and funding of, small businesses may have unwelcome bureaucratic repercussions such as additional tax.

A further complication in SA is the idea of no taxation without representation, with some small business associations investing tax evasion with moral and political significance.

Perhaps the highest expectations of small business's potential achievement lie in the socio-political area, say Godsell and Clark.

Two conflicting expectations exist. Firstly, that small business development will create a politically conservative, or at least capitalist, black middle class. Secondly, small business development will lead to black economic empowerment which will lead to political emancipation.

A consequence of both expectations is that only progress by a whole group of people in the desired direction will be regarded as a sign of success.

Godsell and Clark conclude that SA needs a first-class non-racial small business development policy to define means and ends and to serve as a yardstick for measuring progress.

Forestry industry plans vast expansion

South Africa's forestry industry has the potential to double its present plantation area, construct up to 21 new processing plants and create 150 000 new jobs over the next 30 years, according to the second strategic forestry development plan released in Pretoria.

The plan was compiled by the senior forest scientist at the Department of Environment Affairs, Dr Dick van der Zel, in collaboration with the Forestry Council's Planning Committee.

Dr van der Zel estimates that demand for roundwood timber will increase by an average 2,5 percent a year until the year 2010 to about 29,3 million cubic metres.

PRIORITY

The report urges forestry strategists to plan for an expansion of 35 000 ha a year.

Thirteen priority development areas are identified: four of them in Natal, three in the Eastern Transvaal, two in the Eastern Cape and one each in Swaziland, Transkei, Venda and the Western Cape.

It is estimated that an additional 1 132 500 ha of forests could be established in these catchment areas without exceeding existing runoff limits or prejudicing other agricultural operations.

EMPLOYMENT

This afforestation will create 56 625 permanent employment opportunities, plus roughly the same number of jobs in wood processing industries, with multiplied effects in other sectors.

The net effect would be to produce an additional 158 000 new jobs. — Sapa.

5 for 11/10/89

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5 for 11/10/89

R1m training centre launched

Financial Staff

UNEMPLOYMENT is now running at 25% among the 200 000 people in Parkwood, Grassy Park, Steenberg, Lavender Hill and Retreat, Derry Fitnum, CE of the Cape Flats Distress Association (Cafda) told business people yesterday.

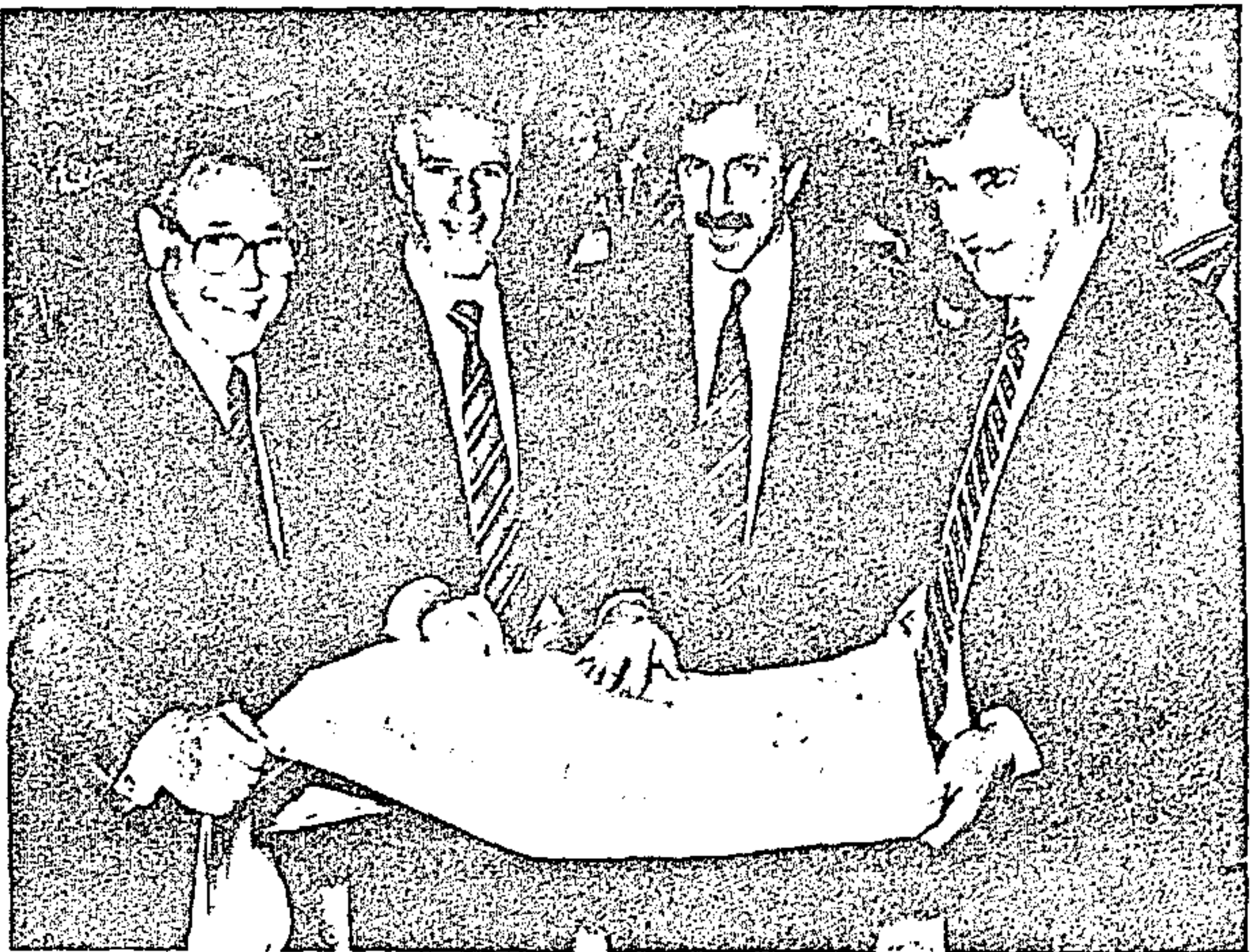
He was speaking at a function in Woolworths headquarters to launch a community foundation to raise R1m. The money will be spent on a community centre in Retreat at which training will be given in skills currently in demand.

"Our main objective is to enable this community's unemployed men and women to upgrade their skills and regain employment as soon as possible," said Fitnum.

He explained that training in building and welding, computer programming and clerical and administrative skills would be given at the centre.

"Surveys have shown that these are the skills for which training is most required.

"However, this will change as the needs of the community change. Later we might include additional upgrading and training in skills such as shorthand and typing or even word processing."



Examining the plans for a proposed R1m centre in Retreat from which the city's severe unemployment problem will be tackled are, from left, Peter Bieber, vice-chairman of Cafda; the Mayor of Cape Town, Gordon Oliver; Syd Muller, MD of Woolworths and Derry Fitnum, CE of Cafda.

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Skirts taking over

ST Times 29/11/89 (173)

MORE than a billion women will be in the economically active population by the turn of the century.

An International Labour Organisation (ILO) statistical analysis shows that this represents a third of the world's female population. A total of 700-million of these women will be found in developing countries.

The projections are based on

an assumed continuation of a trend identified in the 1950s. In the global workforce at that time, 263-million of working women were in developing countries and 148-million in industrialised nations.

Agriculture will lose many of the women it employed in the 1950s. The study predicts that women will move into industry and services, especially in industrialised countries. Figures in the study show increasing disparities between developing and de-

veloped nations in connection with equality between men and women in employment opportunities.

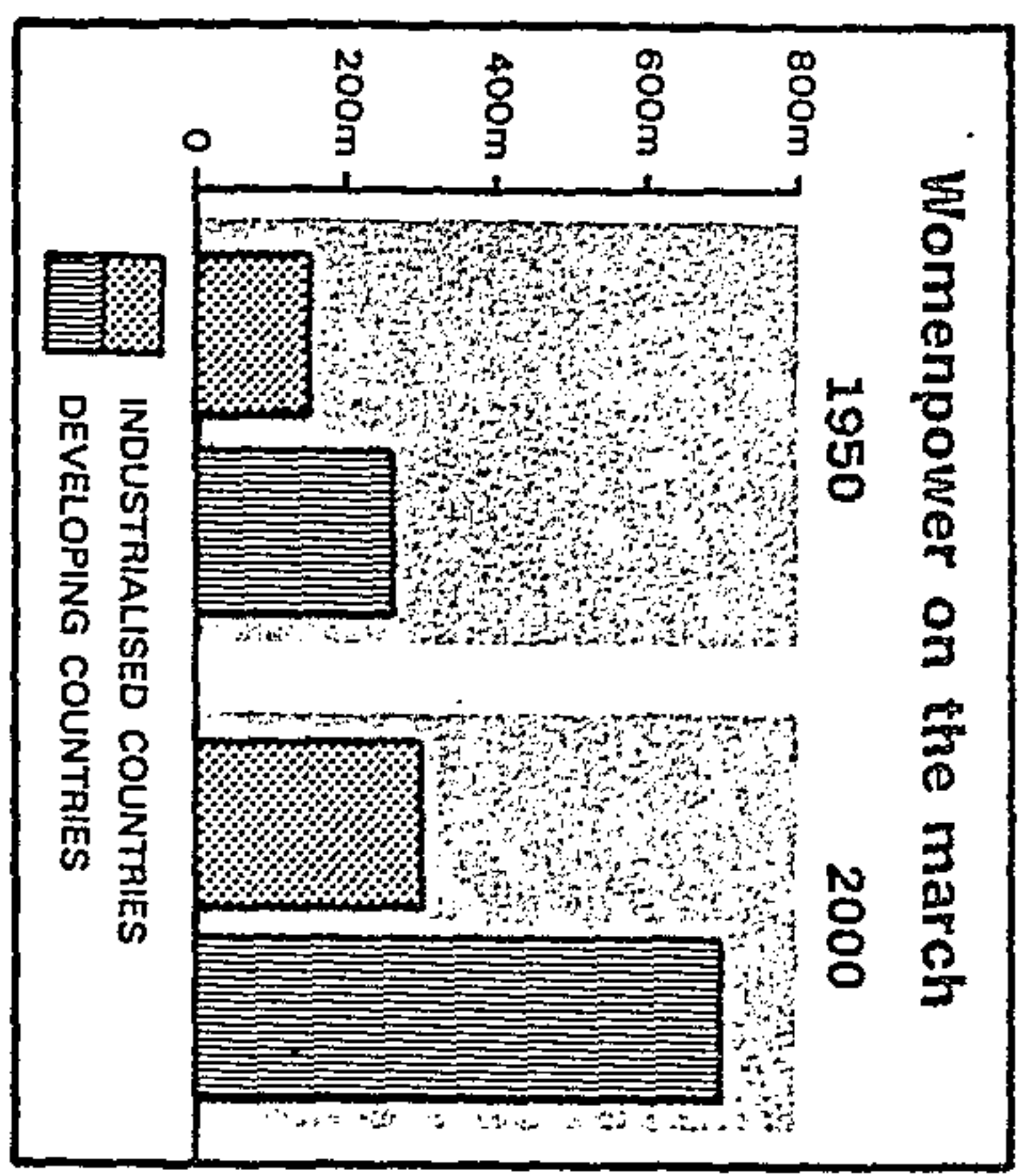
"A telling example can be found when comparing women's overall share in the economically active population during the half-century between 1950 and 2000.

"That share in industrialised countries was 37% in 1950 and is projected to climb to 41% by 2000. For women in developing countries the figure was and is ex-

pected to stay at 34% — demonstrating almost no progress during the 50-year period."

Another area in which Third World women are losing out is in the number of years in which they can expect to be gainfully employed, says the study.

The time span has fallen steadily since 1950 when they could look forward to a working life of 27 years. Expectations for the year 2000 show only 23 economically active years.



Labour will cost builders 16% more ⁽¹³⁾

EDWARD WEST

UNSKILLED construction industry labour costs are forecast to increase 16% next year while skilled labour costs are likely to increase 12%.

According to building economists Medium-Term Forecasting Associates director Johan Snyman, the building industry is headed for a decline next year and because of the drop in building activity, demand for labour will fall.

In fact, employment in the industry has already shown a declining trend and previous labour shortages have, in relative terms, abated, said Snyman.

CSS statistics show that during 1989 unskilled labour costs in the building and construction industry have increased 15,6% while skilled labour costs have increased 10,6%.

Unskilled labour costs had increased in line with the inflation rate, but the rate of increase for skilled labour was below the inflation rate.

This imbalance in employee remunerations reflected the strength of labour unions active in the construction industry and the effects of social responsibility programmes, said Snyman.

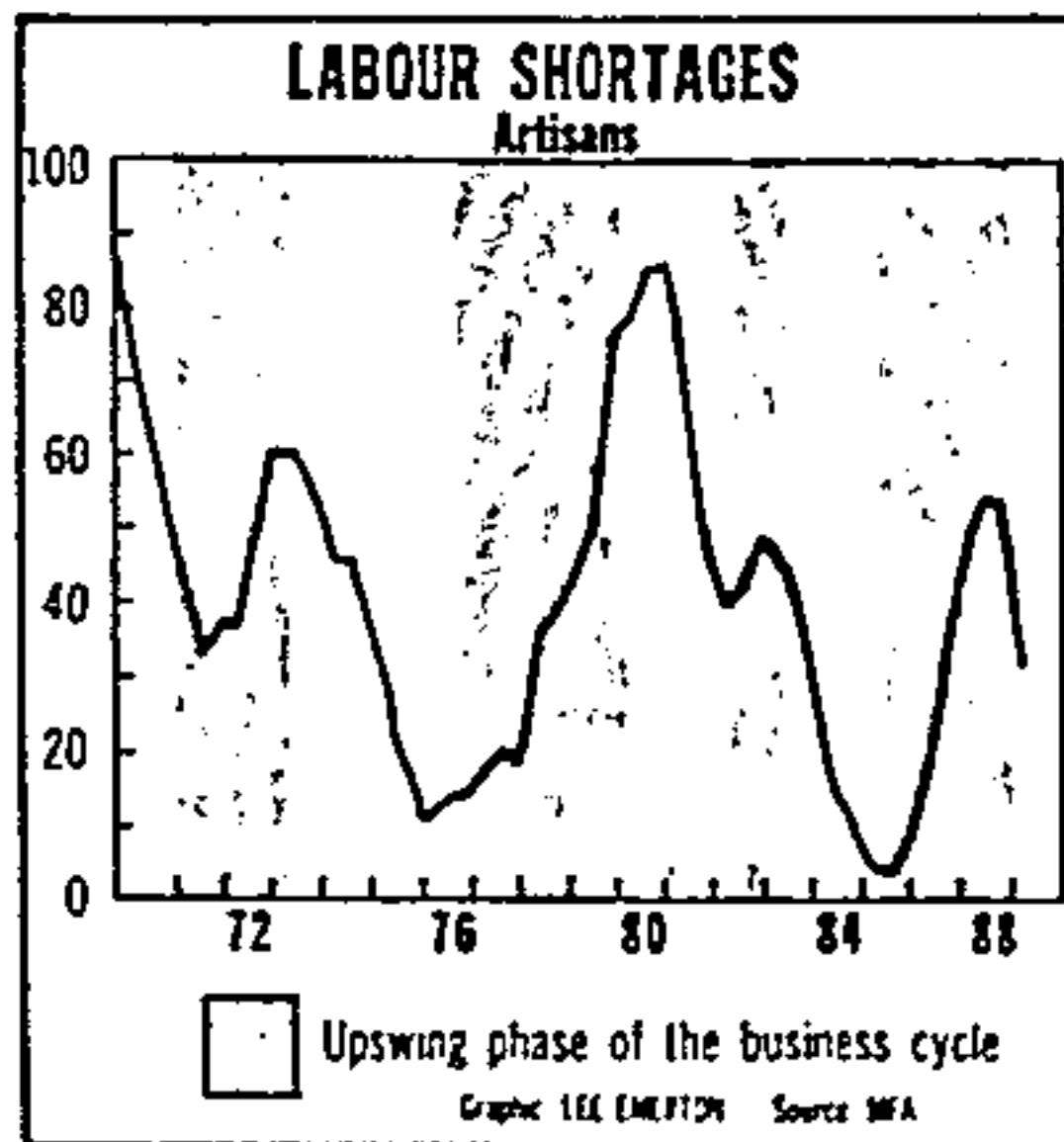
The predicted downturn in the industry was likely to weaken the bargaining power of the unions, he said.

According to other industry sources, however, there is a shortage of skilled labour, with some of the larger construction groups having to import workers.

The Building Industries Federation of SA (Bifsa) says in its recently released annual report that in view of the expected downturn, the availability of skilled labour was likely to increase.

Bifsa forecast a 13,5% labour cost increase for 1990. Labour costs, together with an expected building material price increase of 18%, would contribute to a keener tendering environment in 1990, in which total building costs were expected to increase 10%.

Contractors and sub-contractors would have to prune profit margins once again in a sector which is expected to record a real negative growth rate of 8% in 1990, Bifsa stated in the report.



19/11/89
B. Jay

B/day 1/12/89

173

43 jobless created 500 jobs

A GROUP of 43 entrepreneurs who were either unemployed or retrenched at one time, are this month celebrating their feat in creating 500 jobs under the Job Creation SA scheme started three years ago.

The objectives of Job Creation, established in 1986, was to find people with entrepreneurial ability and help them succeed.

The target was to create 500 permanent jobs through assisting in the establishment of small businesses.

Job Creation, the first organisation to make use of the Temporary Removal of Economic Restrictions Act through Enterprise Centre in

THEO RAWANA

Kew, is at the forefront of the small business deregulation lobby.

The entrepreneurs, whose businesses range from security services to interior decoration, have been assisted in planning, market research, costing, marketing, finding suitable premises and in several other related and non-related fields.

Failed

Job Creation MD Ian Hetherington said this week that only two of the 87 entrepreneurs involved in the project had failed.

"The first 43 achieved the target number of jobs. Once the others

have been operating for two years, we expect more than 700 jobs to have been created.

"By finding gaps in the market, the entrepreneurs — many from disadvantaged backgrounds and 90% of whom started without outside finance — have shown what imagination and hard work can do."

Former security guard Tsombana Ngoyakhe, 57, who was retrenched three years ago, now runs his own security service — July Guards — which employs 108 people and operates in seven townships.

"My 'starting capital' was just the idea I had," said Ngoyakhe.

"But if you believe in your idea and have professional guidance, you will succeed."

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Ivory Coast opens door to links with SA

PARIS — Ivory Coast President Felix Houphouet-Boigny opened the door to diplomatic relations with South Africa in an interview published yesterday.

He told the influential French daily *Le Monde* it was up to Pretoria, which is campaigning to end black Africa's diplomatic boycott, to make the first move.

"South Africa has not yet asked us, it is not up to me to do it," said Mr Houphouet-Boigny, interviewed in Abidjan on December 19.

Africa's longest-serving leader said his conservative West African country's policy was to have relations with any foreign state provided it respected the Ivorian regime.

President de Klerk said earlier this month after a meeting at Mr Houphouet-Boigny's home town of Yamoussoukro that he hoped to establish diplomatic ties.

REALITY

"I do not think that it (diplomatic ties) is a dream, it can become a reality but I do not want to bind the government of President Houphouet-Boigny and I do not want to make specific predictions," Mr de Klerk told a news conference on his first foreign trip since taking office in September.

At that time the Ivorians had no comment to make on their relations with Pretoria.

The establishment of diplomatic links with the Ivory Coast would be a political coup for Mr de Klerk, who has vowed to end racial discrimination in South Africa.

President Houphouet-Boigny has earned criticism from most African states for his long-standing policy of dialogue with Pretoria. — Reuter.

Only 2 800 managers are black - survey

173 Staff Reporter

There were only 2 860 blacks in managerial, executive and administrative positions in the country, compared to 180 000 whites, according to the recently released "Race Relations Survey".

Published by the South African Institute of Race Relations, the survey documents social, economic and political trends in 1988/9.

The chairman of the National Manpower Commission, Dr Hennie Reynders, said one of the reasons for the lack of black managerial progress was the attitude of white personnel. Although they paid lip service to black advancement, they displayed an unwillingness or inability to do so in practice.

On the labour front, the number of man-days lost in strike action during 1988 was 914 388, against 5,8 million in 1987 — an 84 percent drop.

Strike action in the first six months of 1989 was up by almost 200 percent compared with the same period the previous year.

Workers' wages increased an overall average of 22,5 percent in the first five months of 1989. However, there was a downward trend in wage settlements between unions and employers. The increases averaged 16,7 percent in the first five months of 1989 — lower than the 1988 average of 17,9 percent.

There were an estimated one million registered unemployed people, but the real unemployment figure was probably closer to three million.

HÄGAR the Horrible © By Dik Browne

IN A SITUATION LIKE THIS, I ORDINARILY... *CV R A*

MANPOWER - GENERAL

1990

SA will enter 2000 seriously unskilled

TANIA LEVY

(173)

SA WILL be short of 200 000 skilled workers but have a surplus of 9-million semi- and unskilled people by the year 2000, according to the Stellenbosch University's Institute of Futures Research. (185)

Quoting these figures, the SA Institute for Race Relations (SAIRR) says in its newsletter that apartheid ensures white men remain SA's single largest source of high-level manpower. (305)

While blacks made up more than 86% of the population, they contributed only 2,9% of SA's accountants, 6% of lawyers, 5,5% of scientists and 0,1% of engineers. BIDAY 5/11/90

But 496 000 managers, the majority black, will be needed by the year 2000, the institute says.

The National Manpower Commission says the shortage of workers with university degrees will increase to 228 000 in the next decade.

However, an SAIRR survey shows only 65 748 black students enrolled at SA universities in 1987, compared with 150 890 whites.

Labour brokers polish image

A FLEDGLING organisation intended to eradicate malpractices among labour brokers has received widespread support from industry.

SA Labour Services Association (Salsa), which is being registered, hopes to recruit all of the estimated 700 brokers in SA.

Constructional Engineering Association (CEA) executive director Rene Schmetz accused labour brokers last year of behaving like slave traders. He alleged they cost taxpayers tens of millions of rands every year

through unscrupulous, and unethical practices.

Mr Schmetz said some labour brokers were operating on the fringe of the law. Their activities promoted a network of bribery and corruption.

Mr Schmetz welcomes the formation of the association and says CEA will be delighted to endorse Salsa.

"It would appear that some people think we are the warpath to annihilate brokers. Nothing is further from the truth. We need the services offered by good brokers.

"Salsa needs all the support it can get from contractors and

clients alike, and I urge organisations to deal only with Salsa members."

Manuel Marques of the Industrial Manpower Recruitment has been appointed provisional chairman of Salsa. He says Salsa hopes to foster an improved image for labour broking.

"One immediate result of the establishment of Salsa has taken place at the Mossgas onshore project where labour broker practices have been brought in line with both our and CEA guidelines."

This should be good news to Mr Schmetz, who says most mal-

practices affect artisans. He claims that brokers are inflating wage cost by about 70% by exploiting the chronic shortage of skilled manpower.

Mr Marques says that when Salsa is registered, it will have a voice and be in a position to negotiate with industry, the Government and other authorities.

"Salsa will be able to explain that traditional methods of paying tax, medical aid and pensions are not necessarily suitable where the workforce is highly mobile and varies in number from week to week."

PEOPLE AT THE TOP
ARE ON THE MOVE
SEE PAGE 7

APPPOOINTMENTS

PAGES AND PAGES OF THE BEST JOBS IN SOUTH AFRICA

MANPOWER
MIRROR by
ROBYN
CHALMERS



SUNDAY TIMES, Business Times, January 7, 1990

Employers, workers brace for conflict

LABOUR analysts predict upheavals in industrial relations (IR) this year.

The results of actions in 1989 will become evident this year. Some will be positive, some negative and others are unpredictable.

The Labour Relations Amendment Act (LRRAA), for example, is likely to continue to be a source of conflict between employers and trade unions unless the National Manpower Commission (NMC) report does the impossible — satisfy both parties.

Indications are that the report recommends scrapping of the controversial Section 79 (2), which allows employers to sue unions for damage caused by a strike. The unions would welcome such a decision, but many employers favour retention of their



WALLY CONRADIE... housing a major issue in 1990

fight to claim compensation for losses incurred by a strike.

At best, it can be hoped that the report will be able to strike a compromise that satisfies both unions and employers.

Gosatu and Nactu have threatened a new round of industrial action in continued protest against the Act.

The state of the economy is likely to play as big a role in IR in 1990 as it did last year. At the end of 1989, Institute of Industrial Relations (IIR) senior professional officer Adrian Hersch correctly predicted that the economy would most directly affect the critical spheres of retrenchment and unemployment.

He identified privatisation and the weak rand price of gold as the two most vital elements in this scenario. Predictions for the gold price in 1990 appear fairly optimistic. Many analysts believe it will reach about \$405 an

ounce and then rise steadily, auguring well for the mining industry.

Others are more cautious, warning of the vulnerability of marginal gold mines should the price fall. In the run-up to the 1989 negotiations between the National Union of Mineworkers (NUM) and the Chamber of Mines, large-scale retrenchments took place because working costs on 32 mines exceeded the gold price of \$385 an ounce.

Widespread retrenchments are likely to take place when privatisation gets off the ground and will affect both blacks and whites in the public sector. SAs, for example, is pumping millions into training its workers. Although spokesmen will not link this to retrenchments after privatisation, it is the most likely cause of the increased training activity. Analysts believe privatisation could

cause major industrial action especially because trade unions are opposed to it.

A recent edition of the SA Labour Bulletin reports a loss of 132 000 jobs as a result of privatisation and steps leading up to it. Eskom has shed 14 000 jobs, Iscor 23 000, Sabs 75 000 since 1975 and the Post Office 20 000.

As in 1989, disputes between management and labour are likely to involve many matters, including worker violence and housing. Mr Hersch believes a long-term solution to the problems of violence in the mining industry may be found in those instances where managements employ workers who live with their families.

"But in cases where the migrant labour system operates, even if a code of conduct is negotiated, the long-term chances of success have to be considered."

"A lasting solution will probably only be found when this system finally ceases to operate, which apparently could take up to 10 years."

Housing will be a primary issue for negotiation. The SA Housing Trust annual report puts the housing backlog at 1.26-million. Of this, 920 000 are needed in SA. The annual building requirement to eradicate the backlog by the end of the century is now estimated to be 250 000 units. Housing Trust acting managing director Wallie Conradie believes employers will have to make a greater effort to help provide accommodation

for workers. If they do not, there could be social disruption and confrontation.

Last year's Institute of Personnel Management (IPM) conference was told that Personnel Practitioners would be faced with big changes in the 1990s.

Speakers identified productivity and training as crucial areas, particularly because of the increasing shortage of skilled workers and the need for companies to remain competitive in a changing environment. Human resources management will become a major challenge as SA moves into the 1990s, particularly in a post-apartheid era when the need to manage black-white relationships properly will be critical.

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School-leavers' prospects of jobs worse, says expert

B/Da 9/1/90 173

SCHOOL-LEAVERS seeking their first jobs this month could be in for a frustrating time.

Nedbank chief economist Edward Osborn said yesterday that job prospects were dramatically worse than last year.

Osborn said people who lacked skills would have a major problem, since employers in both the private and public sector were often reluctant to provide training.

Large numbers of people were coming to the labour market without adequate training and would be unable to command an adequate salary.

The main source of work was in the manufacturing sector, where very little growth was taking place. Increasing mechanisation — in the mining industry, for instance — was also limiting job opportunities.

"Mounting unemployment is exacerbating the political problem, creating instability," he added.

ACHMED KARIEM

Industrial relations consultant Andrew Levy said that for many people the chances of finding rewarding work would be slim. Even university graduates would have to settle for jobs they would not normally consider.

The lack of skills training was a legacy of the educational system, he said.

Chronic unemployment was caused partly by lack of job creation in industry, disinvestment and other political factors, which weakened the economy.

Recruits

Kelly Personnel MD John Dawkins said companies were looking for the "exceptional person" this year.

People without skills would be wise to consider some form of tertiary education if possible.

OK Bazaars personnel director Keith Hartshorne said although the economy was in a downturn, the company would attempt to take on more young recruits than last year. It usually enrolled 100 management trainees a year.

Congress of South African Trade Unions (Cosatu) education secretary Khetsi Lehoko said the technical skills required in the modern workplace meant that young people without a matric certificate were virtually unemployable. They were also likely to be exploited on the labour market.

The education system did not provide the youth with necessary skills and this led to further frustration. "We feel they should be taken back to school," he said.

National Education Crisis Committee (NECC) national coordinator Eric Molobi said thousands of black pupils who failed matric last year were in a no-win situation. If they could not find work and were refused re-admission to school, they would become "bored, idle and easy prey to drugs".

Experts sceptical at govt figures for jobless blacks

ECONOMIC experts yesterday voiced scepticism at government's latest figures for black unemployment and said the number of jobless blacks would continue to increase.

The CSS December bulletin puts the rate of black unemployment for September 1989 at 13,0%, down from 13,1% in August. Its figures show a steady decline in the number of black jobless from almost 1,2-million in July 1986 to 744 000 for September 1989.

Sanlam's chief economist Johan Louw said yesterday he could only "be sceptical of these figures".

"It would be wrong to interpret them as showing that unemployment is becoming less of a problem among the black population.

"With an economic growth rate of about 2% and population growth of 2,7%, black unemployment, much of which is hidden, can only be on the up."

SA Institute for Race Relations director John Kane-Berman said: "The

MATTHEW CURTIN

outlook for employment in SA is very bleak indeed.

"As monitoring unemployment is so difficult and the CSS figures exclude the homelands where unemployment is certainly greater, the government's statistics are far from reliable.

"We need the formal economic sector to create 1 000 jobs a day to cater for new arrivals on the job market, while it is producing just one-tenth of that number.

"The situation is especially grave because, as those in favour of sanctions fail to appreciate, the meagre social security here for which only 10% of blacks register does not compare with the welfare safety net in Western Europe."

SA Chamber of Business labour director Vincent Brett said: "Even if the economy takes off and there is real political change in the coming months, the unemployment situation for the whole country will continue to

worsen over the next year.

"I have little doubt that both increased urbanisation and capital intensity in industry, and the slackening of the economy all contribute to greater unemployment."

However, National Manpower Commission director Kobus van Zyl said: "I don't believe the downward unemployment trend will continue and I expect a gradual increase through the year.

"But there have been important structural changes in the economy with the boom in the informal economy, a sector which is only now gaining credibility. It is this growth which goes a long way to explain the drop in the numbers out of work."

A Small Business Development Corporation spokesman in Johannesburg said he was disturbed by government sources attributing the decline to the growth of the informal sector, when "the CSS has quoted the informal sector as contributing just 3% to GDP last year." He dismissed the CSS figures as inaccurate.

Surge in unemployment expected in next two years

PRETORIA — Between half a million and three-quarters of a million new workers would look in vain for jobs in the formal sector during the next two years, Econometrix director Azar Jammine said yesterday.

The economy was unlikely to expand fast enough to absorb any significant percentage of new job seekers. Continued expansion of the

GERALD REILLY

informal sector was therefore of critical importance, he said.

This year's employment level was likely to drop 0,5%, followed by another 0,5% drop next year.

The economic slowdown would have a delayed impact on employment. Unemployment was a lagging

rather than a leading indicator of the state of the economy.

Unemployment among non-black workers could increase 2% this year and again more sharply in 1991. Unemployment in this category was estimated at 49 600 at the end of last year. The total at the end of 1991 could rise to 66 000.

SOWETAN

Building the Nation



Some of the managers who graduated at the Joint Management Development Programme in Johannesburg this week.

Business roles will expand in future

Sowetan 18/1/90

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MANAGERS have important roles to play in political change, economic problems, demographic trends and education constraints in South Africa, Professor K B Hofmeyer of Unisa, told newly qualified managers in Johannesburg yesterday.

"The business world will not be able to isolate itself from the political environment and increasingly individuals, companies and organisations will need to consider the implications of political developments. They also have to decide what their role should be in the change process," Hofmeyer said.

He was speaking at a graduation ceremony where 29 people - black and white - qualified as managers in a Joint Management Development Programme sponsored by the joint venture of the Urban Foundation, the Black Management forum, Nafcoc, the Paris Chamber of Commerce and Industry and 40 South African-based companies.

The programme, a unique non-racial accelerated training and development, is aimed at producing competent middle managers. They underwent eight weeks of intensive off-the-job training, with the balance of their development being structured through job-related assignments within their individual companies.

"During the nineties there is likely to be a shortfall of at least 100 000 people in the top management category and a shortage of 400 000 professional and technical people," he said.

He said the informal sector was growing at approximately 15 percent a year and has to be recognised as an increasingly important component of the economy, especially as a provider of entrepreneurial opportunities and employment.

"Eighty six percent of the people joining the labour force during the nineties will be black, coloured, and Asian. By 2000 black will outnumber whites in cities by three to one; employment generated by black taxis is as much as is provided by 10 gold mines; R7 out of every R10 spend downtown in Johannesburg is spent by blacks and 2000 blacks will account for 57 percent of disposable income.

He said the education statistics painted a gloomy picture. 51 percent of our adult population is illiterate which makes us the most illiterate adult population of the industrialised nations.

"Since 1976 many black schools have been in turmoil with frequent boycotts, violence and in some cases almost total breakdown of any meaningful education," he said.

ANC plans training programmes for youths

LUSAKA

The ANC and Mass Democratic

Movement will establish training programmes in and outside SA to upgrade skills and provide alternative futures for unemployed young people, say senior ANC sources here.

The sources expressed concern about the education crisis and the large number of unemployed youths, which they estimated at about two-million.

They said the ANC conducted a skills survey in SA some time ago.

The survey found there was a dearth of skills in areas such as engineering, mining engineering, hi-tech, management and administration.

The programmes would attempt to redress some of those skills imbalances. Details of the planned programmes were not available.

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CHARLENE SMITH

The sources said business should be a micro-cosm of the kind of society the ANC wanted.

A senior ANC economics official said the ANC envisaged a mixed economy. However, there were different types of mixed economies. He said the organisation was opposed to privatisation as it eroded the ability to upgrade services and to implement effective wealth redistribution.

Privatisation served those who could afford to buy shares and those who already controlled a substantial chunk of the economy.

"We are taking away one part of a monopoly to serve another monopoly."

"We are talking about huge wealth in the hands of a few, and massive poverty, partition-

Party in rural areas."

The ANC, which met Anglo American executives last weekend, said it was compiling an action programme for businessmen.

Areas identified, of agreement and disagreement, included business communities' leverage with government and the fact that they were involved in arms manufacture and the supply of essentials to the police and military.

Whenever there were disagreements with the labour force, the business community called in the police, the senior sources said.

Business paid huge taxes to the government and had taken no position on conscription.

The ANC was also disturbed that businessmen travelled to Lusaka to hold talks with the ANC, but had not done the same with the MDM or Cosatu, the sources said.

Minister asks for LRA amendments from his advisers

MANPOWER Minister Eli Louw has instructed government legal advisers to draft amendments to the Labour Relations Act for tabling in the forthcoming session of Parliament, director-general Joel Fourie said yesterday.

The proposed amendments are based on a recent National Manpower Commission (NMC) report which examined the controversial issues of union liability for damages suffered by employers during unlawful strikes and time limits for processing disputes through conciliation boards or industrial councils.

Fourie said it was hoped the drafting work would be completed soon.

He disclosed last month that the Cabinet had agreed to waive the rule requiring that proposed legislation be before the Cabinet by the previous September.

Fourie said until the Bill was tabled, details of the amendments would remain confidential.

The contents of the NMC report have also not been made public.

However, it is understood the NMC recommended the scrapping of section 79 (2) of the Act.

The section transfers to unions the

ALAN FINE

onus of proof that they were not responsible for damages incurred, thus increasing the scope for employers to sue successfully.

It is believed the NMC also proposed extending time limits and loosening up conditions for waiving them. Unions have protested that the Act potentially allows employers to avoid resolving disputes by using time limit technicalities.

By Day 23/11/90

Overhaul

Fourie said the NMC was still working on two other major, longer term, investigations related to labour legislation.

The first involves a total overhaul of the Act and the second is into the effects of labour legislation on small business development.

He said the NMC had received a request that the January 10 deadline for submissions on these two investigations be extended.

He said he believed this had been agreed to.

They're all there, from the old folk to young executives

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Blom 31/1/98

CAs do it for the experience, secretaries do it for the money, CEs do it while waiting, housewives do it for the confidence, older people do it to keep busy.

In fact, the temping industry is showing phenomenal growth, using people in just about every possible job to meet the local skills industry and use available manpower efficiently.

And SA is following international trends.

Quest Personnel executive chairman Roy Silver says an estimated \$60bn was spent on temporary employment worldwide in 1988.

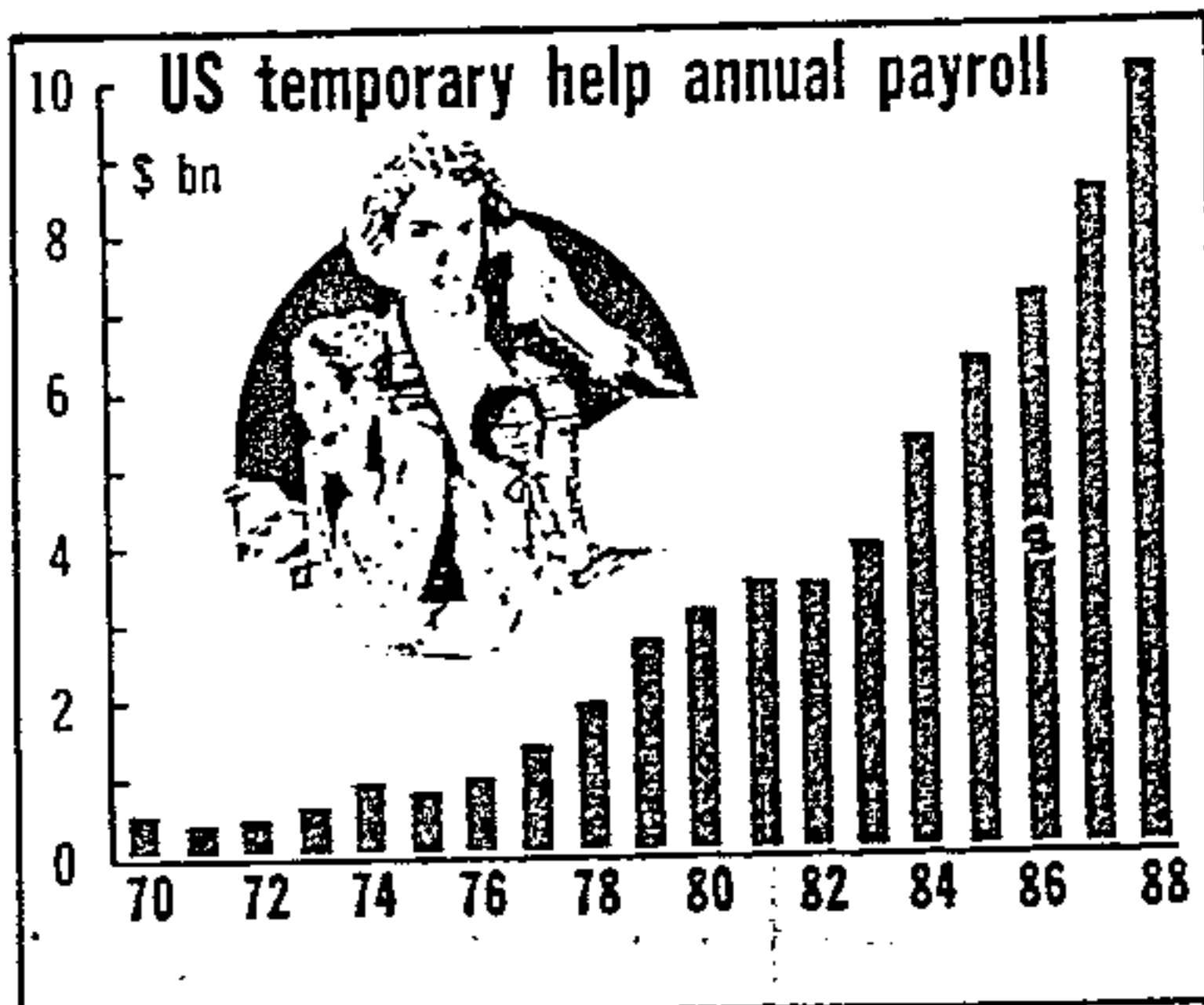
Optimise

Because of the skills shortages that exist the world over, management is being increasingly forced to optimise human resources when planning budgets.

According to the British Sunday Times, during 1990 75% of the workforce will be permanent employees, 15% temp and 10% part-time.

Projections indicate that in five years, 60% will be permanent, 25% temporary and 15% part-time — a significant shift towards temporary labour.

EmmanuTemp Assignments marketing manager Melanie Pavkovich says the US temping industry



has an annual turnover of \$10bn and is showing growth of 30% a year.

By the year 2000, one out of every eight jobs available in the US will be a temporary assignment.

Last year, the US Chamber of Commerce reported temping jobs were growing seven times as fast as ordinary jobs, says Kelly Girl operations director Lorraine Bell.

Professional Assignments Group MD Sid Catton says world-wide trends indicate that the temping staff industry is the fastest growing service industry and one of the biggest growth areas in employment in the world.

While figures for the SA industry are not available, Catton estimates the temp industry in SA had a turnover of about R300m in 1989.

Bell says that as an esti-

mated 0.3% of SA's work force are temps, SA has a long way to go. However, about 90% of local companies are using temps.

By the year 2000, SA will need an additional 120 000 executives and have a shortfall of more than 500 000 highly skilled people — and use of temps can go a long way to meet the gap.

Pavkovich says SA's temping market has shown strong growth in SA over the last two years and she expects it to boom in the '90s.

More and more people are seeing temping as a viable way to earn a living and the number of permanent temps is consistently growing.

With temps available to do just about every kind of work from riding motor cycles to running companies, efficient human resource

planning with companies budgeting to use temps during overload periods can ensure the cost-effective use of their own permanent staff.

While this type of budgeting is widely used in the US, it is only starting to take off in SA, says Pavkovich.

In addition, the image of the temping industry and temps has also changed.

Silver says 10 years ago, people tended to temp because they had nothing better to do or could not hold down jobs.

However, today temping is regarded as a career and the new breed of "permanent temp" is highly skilled and professional.

They not only do the work and get paid by the hour, but they bring along a wide range of experience gained from the market place.

Vetted

Bell says temps are vetted as strictly as permanent candidates and are assessed at the end of each assignment. A person who does not perform will not get another temping job.

Temping is a competitive industry. If the contractor does not perform the client will take his business elsewhere. There are no second chances.

This has made the industry highly professional and efficient.

SA not using its over-40s agencies

ANDREW GILL

GOVERNMENT moves to import skilled workers from Eastern bloc countries have triggered renewed criticism that SA's own labour resources, particularly older skilled workers, are not being properly used.

Association of Personnel Service Organisations (Apsa) president Litsa Roussos said she believed there was a "syndrome" in SA whereby people over 40 were seen as not capable of performing as well as younger workers.

This misconception needed to be dispelled, she said.

"Companies are not utilising available resources. There are skilled people over 40 who cannot get jobs. They are stable, loyal and have a wealth of experience."

Apsa is involved in a drive to educate companies to realise there are many over-45s who are more than capable of doing the job.

Professional Search Consultants (PSC) training manager Jackie Perkins said finding a position for skilled personnel over 45 was becoming increasingly difficult.

"Why import labour and cause crises when all avenues have not been explored?"

"There are lots of unemployed skilled people of all races, including over 45s, who could go a long way towards repairing the situation," she said.

"But companies these days are looking for skilled labour in the 25-to-38 age group. There is a perception that over-45s are difficult to train."

PSC director Pat Macredies said the phenomenon was unique to SA.

"Overseas, over-45s are very marketable and are often preferred to the younger generation. Here, if you have not made it by 35 you probably won't. Corporations are looking for fast movers with a get-ahead attitude."

One of the problems was corporate structure, Macredies said. "Big companies are organised in such a way that medical aid and pension funds are a burden to them, and therefore it is easier to employ younger people."

Business Day SURVEY

It is projected that by the year 2000, SA will be short of about 500 000 highly skilled people, from CAs to secretaries to CEs. One way the skills shortage can be overcome is through using contract staff, or temps as they are more popularly known. ZILLA EFRAT examines this R300m industry and some of the people in it.

Receiver's clamp-down

A MAJOR concern to the temping industry is the Receiver of Revenue's recent clamp-down on the use of Close Corporations (CCs).

Association of Personnel Service Organisations (Apso) vice-president John Dawkins says negotiations have been taking place between Apso and the Commissioner of Revenue regarding the taxation of CCs.

In September last year, the Receiver issued a Press release indicating that CCs could not contract their services through a temporary staff contractor without being liable for PAYE tax.

Dawkins says this is of great concern as it is be-

lieved that it will drive many CCs underground and away from the legitimate temporary staff contractors.

He says it is also apparent there is no current legislation to empower temporary staff contractors to deduct tax from CCs, the majority of whom are legitimate enterprises consisting of one or more people contracting their services out to many different companies and temporary staff contractors.

Complexity

Although no directive has yet been received from the Receiver, there is no doubt that he is now more aware of the com-

Filling the gaps in the computer field

SA COMPANIES, like their international counterparts, are increasingly using contractors to overcome the skills shortage in the computer industry.

Don Gray Contracting Partners MD Izabella Little says about five years ago, between 10% to 15% of an Information Systems (IS) department in the US and UK was made up of contract staff. Today this is as high as 40%.

In SA, this figure is between 12% to 15%, but it is growing.

Various factors have led to the growth in the use of contract computer staff and the realisation that they are an effective way of filling a company's human resource needs.

Little says the local shortage of skilled staff in the computer industry is running at 35%, measured on how many positions are open.

This has forced the IS manager to be more creative in resourcing a project.

By using contract staff when they are needed, he eliminates the employment of excess permanent staff who sit around when there is no work to do.

In addition, SA labour law is being increasingly applied and becoming a greater issue with companies. It has become more risky for companies to employ permanent staff because they cannot get rid of them, says Little.

By using contractors, employers eliminate some of the risks.

Productive

She says contractors often tend to be more productive because they are paid by the hour and feel guilty about charging for time they have not worked.

CPL Contract Services MD Tony McKenzie says companies are broadening their use of contractors and using their skills more effectively.

During the past year, de-

mand for contractors on his books grew by 30%, slightly higher than the annual growth recorded over the last five years.

So great is the competition for the services of contractors that McKenzie counsels would-be employers to "sell" the advantages of their companies to contractors.

Local data processing staff, including contractors, have become aware their skills are highly negotiable in the international market, exacerbating the skills shortage - to which McKenzie sees no end.

Both Little and McKenzie believe the demand for computer contractors will grow in the '90s.

McKenzie says management's increasingly strenuous efforts to improve productivity will continue to expand demand for the special skills and dedicated attitudes that contractors bring to the workplace.

Little says contracting has become more popular



IZABELLA LITTLE

with skilled computer people as it offers many benefits.

It can be a step towards owning their own businesses, offering them variety in work sites and types, as well as a way to stay out of company politics.

Many experienced people prefer not to move into senior management and to remain on the technical side. Contracting allows them to do this.

On the money side, good people who work well will find their earnings higher than in permanent positions, says Little.

The

Financial

B/Dan 31/1/90

173

Saccola lauds planned Labour Act changes

EMPLOYER federation Saccola has welcomed the proposed changes to the Labour Relations Act reported yesterday, but stressed good labour law ultimately depended on blacks having equal access to law-making forums.

The new draft Labour Relations Amendment Bill extends the time limits for processing disputes through official channels and deletes the part of Section 79 (2) which reversed the normal rules regarding onus of proof in damages suits.

Manpower director-general Joel Fourie said yesterday the Bill was still under departmental discussion. He did not expect many substantive changes, if any, to be made before it was tabled in Parliament.

Saccola chairman Bobby Godsell said he was pleased government had addressed issues central to the talks employers had conducted with Cosatu and Nactu during the past 18 months.

"But, having said that, we still will not have good labour law until blacks

ALAN FINE and
ADELE BALETA

have equal access to the legislature, and organised labour is fully involved in bodies like the National Manpower Commission (NMC)," he said.

SA urgently needed a common consultative and negotiating forum for labour law which included all parties, he said. Meanwhile, Saccola would continue talking to government and the unions.

Onus

Comment from Cosatu and Nactu was unavailable late yesterday, but union sources said a meeting would be held to discuss the Bill tomorrow night.

In a statement yesterday, Seifsa welcomed the proposed scrapping of the part of Section 79 (2) that placed on unions the onus to prove they were not responsible for damages arising from unlawful strikes. This would result in a return to the normal principles of SA law.

Seifsa welcomed the proposed removal of the industrial council's obli-

gation to refer unresolved disputes to the industrial court because, it said, the onus should rest with any party to the dispute.

The employer federation supported the proposed extension of the time limit from 14 to 30 days for the referral of disputes to the Industrial Court as there would no longer be unnecessary delays.

Proposed amendments to Section 27A of the Act would simplify the dispute resolution process and eliminate technical points arising from the current wording of the Act.

But the statement said the proposed wording relating to the time limit for referral of disputes to industrial councils could be problematic in determining exactly when a dispute was alleged to have arisen.

Seifsa said the proposed extension of the time period within which an industrial council could settle a dispute — 30 to 45 days — would allow time for more effective conciliation processes regarding dispute resolution and deferment of potential industrial action, pending the outcome of longer conciliation processes.

● Comment: Page 6

A popular choice as career option

31 Day 3111190
TEMPING is becoming an increasingly popular career option, with the number of permanent temps growing steadily.

Kelly Girl operations director Lorraine Bell says the attractions of temping include its flexibility and variety.

In addition, many people see temping as a way to broadening experience.

It also tides people over while they are looking for permanent jobs and examining the job market.

Temping has many benefits to offer housewives. It enables them to work during the school term and be home with the children during holidays.

Many temp for a special luxury item beyond the family's average budget. Others temp until they have earned what they can tax free and then only again in the next tax year.

For housewives wanting to re-enter the job market, temping helps build up confidence.

Bell says many temps get full-time job offers and, as they have been in the environment, they can make better decisions.

It is a fallacy that temps earn less than those in permanent jobs. Temps are paid market-related salaries and many large temporary contractors offer benefits found in permanent jobs such as medical aid, annual leave, sick leave and public holiday pay.

173 Interesting

Temping can be fun and interesting, too.

Supertemp Ronda McEwan, for instance, acts as Miss SA's secretary three days a month.

However, says Bell, there are some disadvantages to temping.

Temps may have to work harder and, unlike permanent employees, they are only paid for the hours they work.

B/Dan 31/1/90

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● Comment: Page 6

B/Day 3/1/90

Saving permanent staff stress at work

IN PLANNING their human resources, SA companies should be budgeting to use temporary staff and take advantage of the benefits they have to offer.

Emmanuel Personnel marketing manager Melanie Pavkovich says planned temporary staffing is widely done in the US, but still has to catch on in SA.

In most companies there are departments that experience "peak and valley periods".

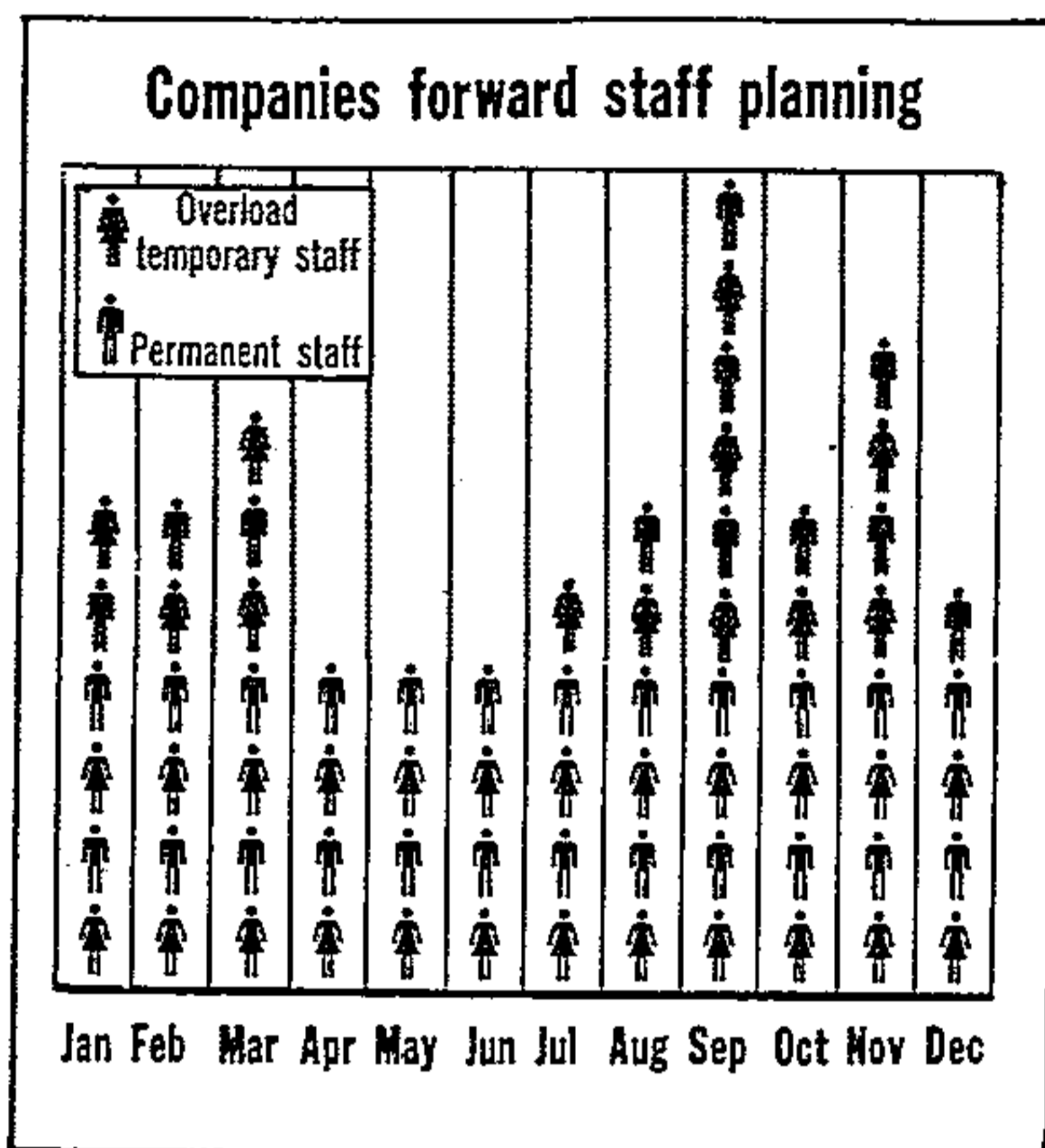
Abnormally

At certain stages of the week, month or year they experience either an abnormally heavy work load or a dip in activity.

Pavkovich advises companies to staff for their valley periods using permanent employees and use temps to help cope at times.

Companies should not employ staff they cannot keep busy at least 90% of the time, because this is costly and has a minimal return.

In SA, companies generally use temps when key staff are off sick or on leave or when there is an excess work load.



Pavkovich says some companies have a policy of not using temps because their staff are expected to assist in any area of need.

However, overworked staff get tired, resulting in lower and slower productivity and poorer accuracy and work quality.

If not compensated for overtime, they become even more unhappy. This kind of pressure is a major reason why staff resign.

Removing permanent staff from their functional areas to fill another space allows their work to pile up and can cause bottlenecks for other departments.

Pavkovich says, in times of overflow, bringing in a temp has many benefits.

The temp will be fresh, resulting in peak performance, high accuracy and good-quality work.

In addition, permanent staff come to work fresh

and produce the same results.

Companies using temps only pay for the hours worked and they do not incur the expenses of employee benefits and the administrative burden of UIF and tax deductions.

Assesses

Temps are often used to fill a position while the company assesses whether it should be made permanent. This saves the embarrassment of hiring a person and later having an underutilised employee who may have to be retrenched.

Pavkovich says if a position does warrant a permanent employee, there is someone already doing the job who is familiar with the work and systems.

If the company likes the temp, it could make her an offer, thereby employing someone who is immediately productive.

Because of the huge shortage of skilled and quality employees available in SA, companies are making more use of the temporary workforce to accommodate their needs until they find suitable permanent employees.

State aid is needed to beat skills crisis

S/Tues 11/2/90

173

SOUTH Africa urgently needs to formulate a national training policy if economic decline is to be avoided, says PE Corporate Services managing director Martin Westcott.

He says SA's problems have been so dominated by political matters that the Government appears to have overlooked the desperate skills crisis facing the country.

"This crisis isn't looming. It's been with us for some time and is getting worse.

People skills are one of the essential resources needed for economic growth."

Mr Westcott believes greater investment by the authorities in education will go a long way towards solving the problem.

The Government supports a large bureaucracy and although proposed Budget cuts — such as for defence — are welcomed, it is to be hoped the money will be redirected into education.

Pointing to the high economic growth of Far Eastern economies in the past decade, Mr Westcott says this growth was underpinned by a high

spending on education from the grass-roots level upwards — a tactic SA should adopt.

Mr Westcott's warning comes in the wake of the news that of the more than 9 000 first-year applicants to the Pretoria Technikon, only 4 500 were accepted.

SINS

Part of the reason for their rejection was the lack of facilities at the technikon.

Mr Westcott says: "There is a critical need for technical people at all levels and yet thousands of applicants

are denied entry. Perhaps this is a case of the sins of the fathers being passed to the sons."

Pretoria Technikon rector Denis van Rensburg says the State has fallen behind in the case of technikon facilities. But he expects a forthcoming report to highlight the backlog and ways to improve it.

Dr Van Rensburg says some Government members are listening to the problems of educationists, but many do not understand them.

For example, the subsidy for a student studying nuclear physics is the same



MARTIN WESTCOTT national policy required

as that for an aspirant clergyman.

"This sort of anomaly is detrimental to our education system. We have to determine our manpower needs and subsidise them accordingly."

Too few jobs, too many people, says bank report

Weekly Mail Reporter (173)

THE number of jobs in the productive sectors of South Africa's economy increased by only 19 000 during the 1980s, while the economically active population, excluding the TBVC countries, grew by 2,5-million people to 10,7-million.

The figures are supplied in the latest *Nedbank Guide to the Economy*, which adds, however, that the growth of government countered this trend to some extent, providing employment for an additional 308 000 people. But this was partially offset by a 65 000 decline in South African Transport Services and Posts.

In the productive sector, mining employment declined from 715 000 in 1980 to 704 000 by August 1989. Manufacturing employment declined but by August last year was back to the 1980 level of 1,46-million people. Employment in construction peaked in the early 1980s at 447 000 but declined to 417 000 by last year.

During the 1990s the situation is likely to worsen, because there is likely to be no significant increase in either government or productive sector employment, says Nedcor economist Edward Osborn.

"Although there could be a steady expansion of employment growth in the private service sectors, there is unlikely to be an alleviating burgeoning of the government sector as in the 1980s."

Looking at the outlook for the manufacturing sector for this year, Nedcor economist Kevin Lings forecasts real growth for the sector of 1,5 percent, compared to an estimated 2,5 to three percent last year and six percent in 1988.

Manufacturing production was 4,5 percent lower in the third quarter of 1989 than in the same period in 1988, while average employment for the first half of the year was almost 3 500 down on the last half of 1988.

But Lings notes industries within manufacturing vary considerably on their sensitivity to business cycle

conditions. The food industry is the most stable, while the motor vehicle manufacturers are highly sensitive to the ups and downs of the business cycle. Other "highly sensitive" industries include textiles, furniture, transport equipment and electrical machinery. Industries in this category make up a quarter of total manufacturing output, and could experience very low or even negative real growth in 1990.

Industries of "average sensitivity" include iron and steel, metal and plastic products, printing and publishing. Some industries in this category have already experienced substantial falls in production of up to 10 percent.

"Relatively stable" industries include food, footwear, beverages, leather, paper and other chemical products. These industries, which together make up 37,5 percent of total manufacturing output, should show steady growth in the coming year.

The fur trade ends at Harrods

BRITISH animal protection groups claimed a major victory this week as Harrods, the exclusive London department store, announced it would halt fur sales.

Harrods' owners, the House of Fraser department store chain, had already stopped offering furs in its 62 other stores last year.

The shutdowns followed years of sagging sales for the haired animal hides, which changed hands to the tune of £80-million in 1984 but declined to only £11-million (about R47-million) in the first half of 1989.

The sales collapse came amid repeated anti-fur media campaigns by Greenpeace, Lynx and other groups advocating wildlife protection. Recent years also saw many fur outlets hit by arson attacks by militant animal rights activists. — Deutsche Presse Agentur

Technology 'key' to creating wealth

Business Day Reporter

WHITE fears were not of a black-dominated government or sharing of the country's wealth — the fear was the rapid lowering of standards, said Society for Professional Engineers president Ron Heydenrych.

In his first presidential address to the society last week, Heydenrych said this would not happen if technology was given its rightful recognition by the decision-makers and was seen as a priority in SA's education and development strategies.

"The future of SA will depend on its ability to create wealth."

"There are many components of wealth creation ... However, a key component is the application of technology."

It was unfortunate that in political terms money spent on maintenance carried few rewards compared with

education and hospitals.

"But, if we fail to maintain and extend our infrastructure we will seriously undermine the potential economic growth of the country."

While SA had many fine engineers, there was a critical shortage and it was getting worse, Heydenrych said.

"Even assuming that only half of our population is economically active, we only produce 56 engineering graduates per million of population compared with Japan's 500 and US's 370. In these terms we are hardly in a position to challenge the world."

As a profession "we work in a way which strips away political pressures and because of this unique relationship to society we can make an important contribution to development strategies in SA", Heydenrych said.

(173)

'A settlement will be difficult without jobs'

BP
16/2/90

(73)
GERALD REILLY

PRETORIA — The chances of getting all major players to agree to a political and economic system would be drastically reduced if SA failed in significantly alleviating the unemployment problem, acting National Manpower Commission (NMC) chairman Frans Barker said here yesterday.

Speaking at a "black aspirations" conference at the Human Sciences Research Council, Barker said those without work currently numbered nearly a million.

If those in subsistence farming and the informal sector who wanted formal sector jobs were included, the figure would jump to 3-million.

Among women the problem was even greater. Most of the unemployed were under the age of 35. Merely to accommodate fresh entrants to the labour force would demand 350 000 new jobs every year.

On government interference in labour relations, Barker said: "It is clear labour peace cannot be legislated or regulated, and that government should only lay down the ground rules and provide mechanisms to handle conflict."

Barker said government had asked the NMC to make recommendations on consolidation of the Labour Relations Act. This meant the Act should be simplified and restructured. Even if no changes to the principles were brought about, the new Act would probably look quite different.

Barker said negotiations with all interest groups in the labour field, including Cosatu, Nactu and even Sactu — the ANC's exiled labour organisation — should be an important priority in the negotiating process.

"We need to open up the economy and get rid of legislation that unnecessarily hampers the establishment and growth of business," he said.

However, deregulation was seen in some quarters as an attempt to exploit the worker. If this became generally accepted most of the benefits of deregulation would be lost.

'A settlement will be difficult without jobs'

Bl/16/2/90

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Health crisis: support staff join the fray

sta
19/2/90
By Karen Stander (173)

Non-medical staff in the health services have joined the clamour for a better deal as the crisis in the country's health sector continues to be spotlighted.

The nursing shortage was aggravated by a shortage of trained support staff and many of those who filled the vacant positions lacked dedication and experience because of the poor salaries offered, sources said.

Poor salaries led to low morale, leading in turn to a high turnover of staff.

At Baragwanath Hospital in Soweto, over 70 percent of the clerical and administrative staff have less than 12 months' experience, according to the hospital sources.

Support staff make up 43 percent of hospital personnel and include para-medical professions such as physiotherapists, radiologists and social workers as well as administrative and clerical staff, cleaners, kitchen staff, drivers and security guards.

The recent attention given to the nursing crisis has led to a fear that only nurses and doctors will get raises when the Government examines salaries.

BETTER DEAL

Mr Fred van Niekerk, Transvaal chairman of the Hospital Personnel Association of SA, said: "We are asking for a better deal for the whole health family and not just a part.

"Nurses say they are doing tasks which are not nursing tasks, but if the support staff component was bigger they would be able to do more nursing and less other work.

"Every part of the health sector relies upon a complex web of support services.

"If all the money goes to the medical and nursing staff and the other groups get nothing, they will quite rightfully ask 'What about us?'"

This would create destabilisation "unnecessary at this point".

"A hospital must have a closely linked and co-ordinated effort from its staff and if there is one thing that divides staff, it is a salary problem," he said.

Mr van Niekerk said senior staff were earning half of what they could command in the private sector. "When an offer comes, they go. We cannot afford to lose these people, some with 30 or 35 years' experience."

He paid tribute to the dedication of staff in departments such as admissions and the mortuary, which had to run 24 hours a day. They all deserved a better deal, he said.

A glimpse of future labour relations

A fascinating peep into South Africa's labour relations future — free of illegal strikes and lockouts, and where union and employer rights are protected in statutory charters — was afforded at the Johannesburg labour law conference last week.

In a wide-ranging speech, a member of the National Manpower Commission's (NMC) legislative committee, labour lawyer Mr Clive Thompson, gave details of debates under way in the NMC over the shape of a new labour relations statute.

Last year, the Government instructed the NMC to reassess the Labour Relations Act, the subject of fierce union criticism, and interested parties have been invited to submit proposals for changes to the law.

Whether all its recommendations are enacted will depend on the po-

Details have emerged of the National Manpower Commission's deliberations on the Labour Relations Act. These provide key pointers to the future shape of South African labour law, reports **DREW FORREST**.

litical climate. But sources say many facets of the new law — which may reach the statute book next year and could involve the most sweeping changes since the Wiehahn reforms — will reflect NMC thinking.

Hallmarks of an acceptable statute, Mr Thompson said, were that it would buttress collective bargaining and carry the support of the major actors: big and small business, trade unions and government.

To this end, it was vital that the "Saccola talks" between employers and the LRA were co-ordinated with the NMC's deliberations.

And as South Africa's lawmakers would be under intense scrutiny in

the months ahead, the law should also meet International Labour Organisation standards.

Isolating potential areas of change, Mr Thompson said the NMC was debating the final de-racialisation of the LRA.

One proposal was that race discrimination "at the port of entry" to employment should be banned. And union registration, which now takes account of racial interests, could be reduced to a simple process of certification similar to that in the Companies Act.

Also under discussion was the de-criminalisation of the statute, with strikes, lockouts, victimisation and the breach of industrial council agreements no longer being crimes.

Strikes could be restricted to economic disputes and banned in disputes of rights, such as on dismissals. Society should not have to bear the cost of rights disputes — over the interpretation of a law or agreement — as these were amenable to third-party resolution, he said.

Mr Thompson said a key "tonal" change could be a move away from the "negative" unfair labour practice concept to a rights-based system where the employer, union and individual rights were guaranteed in statutory charters.

Also on the cards was a "generalised" duty to bargain with representative unions, subject to the flexible supervision of the Industrial Court.

A simple majoritarian system — in which the biggest unions have a bargaining monopoly — was unsuitable, given the diverse interests in the labour field. "But I would be very surprised if we retain the present system of 'one worker, one bargaining unit'", Mr Thompson said.

Industrial Court proceedings — and specifically the fact that a dispute could pass through up to seven hearings — were also under scrutiny. The plan was to reduce these to an initial hearing and an appeal.

And while the new law would have to cover the whole labour field, it would have to cater for private recognition agreements and dispute procedures and dovetail with the independent mediation and arbitration of disputes.

Mr Thompson said there was a "strong line of thinking" within the NMC that farm, domestic and public sector workers should have union rights, although differential treatment for essential services — specifically curbs on strikes — were likely to remain. Exactly what constituted an essential service was also under discussion, he said.

Sources say that of all the mooted changes, the inclusion of farm and domestic workers under the statute poses the toughest political challenge. Government caution on the issue would be reinforced by a rightward swing among whites, they warned.

But the carrot is international acceptance. Mr Thompson said the ILO — the United Nations agency from which South Africa was ousted in 1964 — was looking for ways to play a part in a changing South Africa. "Perhaps our readmission to the ILO is not so far off," he said.

8/Day 2/3/90

173

State scheme to train jobless cost R440m

CAPE TOWN — A special programme to train unemployed people had cost the state R440m between 1985 and 1989 and more funds would be provided, Manpower Minister Eli Louw said here yesterday.

Speaking at the opening of an exhibition of manpower training, Louw said provision was being made in legislation before Parliament for a special fund to finance the continuity of the short-term job creation programme and follow-up activities.

The state and private sector would contribute funds for the training programme and the special fund would be managed by

LESLEY LAMBERT

the Manpower Department's director-general and a committee of 10 people, seven of whom would come from the private sector.

Louw said more than a million unemployed people had been taught skills in the training programme between 1985 and 1989 and almost 34% of trainees had been employed afterwards.

An estimated 5 000 had found jobs as instructors, while many more had taken up positions as clerks and labourers. Others had entered the informal sector.

CURNOW M&G

Extracts from the audited results
for the 12 months ended 31 December 1989

(DP Constantia).

CAT 7/11/90 7/3/90

(173)

Workers report outdated

THE National Manpower Commission report on farm and domestic workers which was completed six years ago is unlikely to be published. The Minister of Manpower, Mr Eli Louw, said yesterday that the report was now out of date and there would be no point in releasing it.

Help increases for unemployed in W Cape

Staff Reporter AR643 12/3/90

INCREASING unemployment and the high demand for jobs in the Western Cape has led to the expansion of an unemployment advice project launched in Heideveld last year.

Since August, the Heideveld Unemployment and Advice Office has found jobs for more than 1 250 people, said one of its director, Mr Abduragiem Booth.

It has now been renamed the Western Cape Unemployment and Advice Office and will serve the greater Peninsula.

DONATIONS NEEDED

"We are a registered welfare organisation and rely on public donations to help the 7 000 people registered with us.

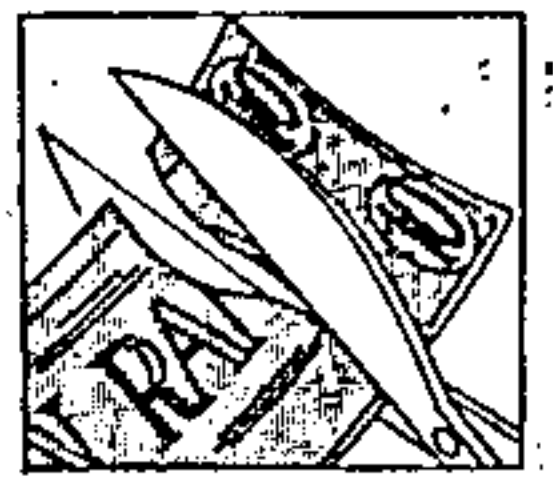
"There are 75 trained volunteers counselling unemployed people and trying to find them jobs. We only accept applicants after a thorough investigation into their backgrounds."

Mr Booth appealed to companies to make use of their services and also for contributions.

The Western Cape Unemployment and Advice Office (☎6372386) is at the Welcome Shopping Centre, 71 Third Street, Welcome Estate, Heideveld.



Economic decline has already cost 1-m jobs



R71 546-m estimated for State spending

Political Staff

THE government estimates it will spend R71 546 million (not including contingency reserves) in the coming year — up R6 365 million over the revised estimate of R65 181 million for last year.

The breakdown is (last year's figures in brackets): State President, R15.9 million (R17.5 million); Parliament, R36.9 million (R56 million); Bureau for Information, R41.3 million (R47.9 million); Foreign Affairs, R3 795 million (R3 255 million).

Constitutional Development Services, R14.4 million (no separate listing last year); National Education, R204.9 million (R148.2 million); Defence, R10 070 million (R9 937 million); Mineral and Energy Affairs, R1 133 million (R786.9 million); Privatisation, R2.5 million (not listed separately).

Justice, R430.8 million (R348.6 million); Prisons, R878.1 million (R751 million); Administration, House of Assembly, R7 657 million (R6 400 million).

Finance, R1 140 million (R1 188 million); Audit, R1 000 million (R47.2 million); Manpower, R328 million (R216.2 million); Administration, House of Representatives, R3 245 million (R2 742 million); Administration, House of Delegates, R1 171 million (R1 000 million); Police, R2 927 million (R2 496 million).

Environment Affairs, R177.9 million (R160.6 million); Water Affairs, R351.6 million (R374.7 million); Trade and Industry, R2 215 million (R1 484 million); Development Aid, R5 119 million (R5 014 million); Education and training, R2 642 million (R1 952 million).

Home Affairs, R241.1 million (R173.1 million); Transport, R1 508 million (R1 509 million); Public Works and Land Affairs, R1 893 million (R1 730 million); National Health and Population Development, R719.4 million (R2 680 million); Planning and Provincial Affairs, R408.1 million (no department before).

Agriculture, R302 million (R288.7 million); Commission for Administration, R407.3 million (R277.1 million); Improvement of conditions of service, R1 921 million (R41.3 million).

Prospects for gold brighter

PROSPECTS for the gold price looked considerably brighter than in the previous year, the Minister of Finance, Mr Barend du Plessis, said in his Budget review today.

He said the dollar price of gold had increased sharply since November 1989 and in spite of short-term fluctuations, the gold price could rise even further.

A greater investment demand for gold was caused by uncertainty over exchange rate movements as well as political events in Eastern Europe. — Sapa.

By MICHAEL MORRIS, Political Correspondent

SOUTH Africa's declining economic performance has cost the country more than a million job opportunities in the past decade, according to the Budget review.

And, it warns, unless the "serious structural problems" that beset the economy are halted, the country's economic performance will fall further — with the growth rate possibly dropping below the average for the 1980s of 1.6 per cent — and South Africa will fail to meet the demands for jobs and rising living standards.

The review says: "To relieve unemployment and increase average welfare will require, as part of a broad restructuring programme, an increase over the next five years of at least 40 per cent in the average domestic savings ratio and the productivity of capital."

Sustained high inflation is singled out as the cause of many of South Africa's economic problems and the review defines it as a "structural problem itself".

"In the balance-of-payments dimension it surfaces in the deteriorating competitive position of our producers, on local and international markets alike and, to the extent that poor export performance causes exchange rate depreciation, inflation is exacerbated by rising costs springing, in particular, from the import of capital and intermediate goods.

"The paralysing grip of inflation and other price-distorting factors on economic growth and employment is reflected in the course of certain economic ratios."

The review also spells out where the government will lay emphasis in tackling structural aspects of the economy.

"SAVINGS"

"The South African economy must be restructured to raise the standards of life of the whole population. Since the private sector is a very important and indispensable generator of economic growth, factors that can facilitate the raising of the income- and work-generating ability of the sector must be promoted."

Factors highlighted for attention are inflation, the shortage of trained manpower and encouraging personal savings to increase capital funds.

The review says events such as the Third World debt crisis, the American budget and current account deficits, the economic development of regions in Asia and the reforms in Eastern Europe have so increased investment opportunities that "South Africa can scarcely look in the foreseeable future for any notable augmentation of domestic savings by long-term foreign loans or investment capital".

Others factors to receive attention will be the reduction of the tax burden on households to free money for productive purposes, encouraging responsible wage bargaining to help contain inflation and raise employment, promoting the competitive ability of industry, and ensuring that the relative prices of labour and capital reflect their scarcity.

In line with long-term planning, fiscal discipline will be maintained and corporatisation, privatisation and deregulation will continue.

"Vital" short-term goals are protecting the balance of payments, strengthening the country's gold and other foreign reserves and bringing down inflation.

Monetary policy stays tight; aims to cut supply

Political Staff

FINANCIAL authorities have ruled out a relaxation of monetary policy at this stage. They aim also to sharply reduce the money supply this year.

Restrictive economic measures introduced last year had the main financial aggregates moving in the right direction now, according to a Department of Finance budget review tabled in parliament today.

But monetary authorities believe the level of increase in domestic credit and in the money supply, as well as the present inflation rate (15.1 per cent), are still too high.

"Neither is the level of the country's gold and foreign reserves yet satisfactory," it said. "So it is still too early to relax monetary policy."

The Reserve Bank would continue efforts to cut money supply. In the last quarter of 1989, it was 23.5 per cent higher than the same period in 1988.

FOREIGN EXCHANGE

It was not only necessary to reduce the money supply to less than 18 per cent as soon as possible, but the Reserve Bank was also considering a target for the end of this year still lower than that.

The review said Dr Chris Stals, Governor of the Reserve Bank, would make an announcement on this.

The bank's net gold and foreign reserves increased by R2.9-billion in the first two months of this year.

On foreign exchange, the review said the Reserve Bank had intervened actively to prevent the rand appreciating more than it did.

It had bought "large sums" of foreign exchange in January and February because:

- There was uncertainty about the duration of the improved foreign exchange market.

- An appreciation in the rand would not have been in South African exporters' short-term interests, and

- The bank thought it necessary to replenish its own foreign reserves when the opportunity arose.

South Africa was not able at this stage to relax existing exchange control measures. The financial rand was still needed.



Picture: DION TROMP, The Argus.

BUDGET SECRETS: A smiling Minister of Finance Mr Barend du Plessis keeps his Budget speech safe from prying eyes in his briefcase before heading for Parliament to reveal all today.

Minimum tax possible for companies, taxpayer

THE possibility of introducing a minimum tax on both companies and individuals was already being considered by the Tax Advisory Committee (TAC) and this investigation would continue during the year, Mr Du Plessis, said.

The introduction of such a tax would be aimed at limiting the practice of existing tax concessions, introduced for economic purposes and which could be phased out over a period of time, being abused for tax purposes.

Mr Du Plessis also said the Commissioner for Inland Revenue had launched an investigation into the introduction of a system of self-assessment for income tax.

As a first step, companies had been identified for this purpose, and this sphere of investigation had already reached an advanced stage.

Inland Revenue officials recently undertook research overseas in this regard, and acquired valuable information.

"The indications are that such a system could be successfully implemented in South Africa and Inland Revenue's proposals will shortly be discussed with interested parties."

The 1990 income tax return for companies had been adapted to provide information necessary for a conversion to a self-assessment tax system. — Sapa.

'New' politics boosts finrand

A MORE favourable perception of political developments in South Africa by non-residents had led to an appreciation in the financial rand by 22 per cent between August and December last year, Minister of Finance Mr Barend du Plessis said today.

In his expanded budgetary review he said the effective exchange rate had fallen by 3.8 per cent in 1989.

This had occurred mainly in the first part of the year and after it had reached a low on September 18 1989, it subsequently rose by seven per cent.

However, after the rise at the end of last year, the financial rand fell back up to March 7 this year. — Sapa.

maintain monetary ties with SA

cial relations with South Africa for a while at least.

A temporary agreement to end would have to be completed until Namibia decided on membership of the Common Monetary Area.

If it did agree, it would prove that the rand be legal currency in Namibia and that Namibia, as at present, would have

access to South African money and capital markets and to the foreign exchange market.

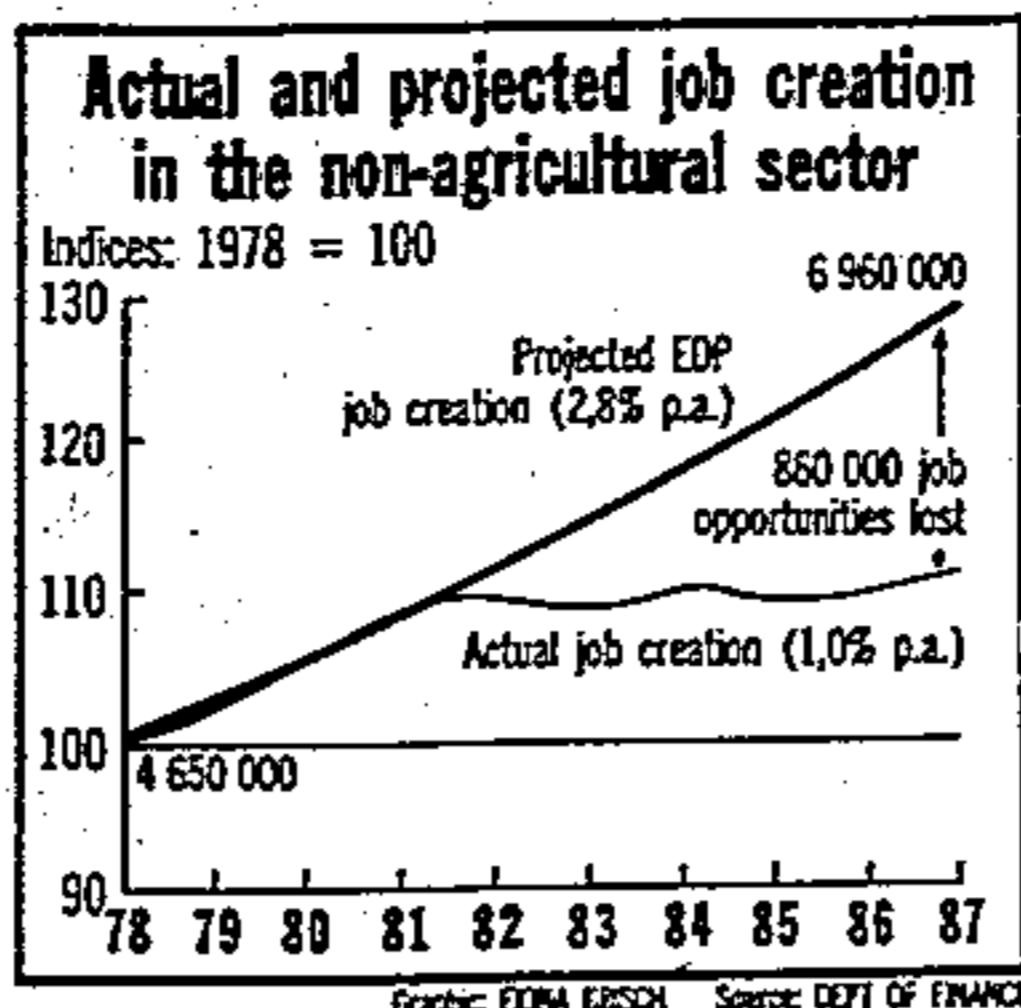
This would be very similar to South Africa's arrangement with Swaziland, which has its own currency but is part of the Common Monetary Area.

"Bearing in mind the high degree of economic integration of the two countries, an agreement

of this kind would contain great advantages for them both," the review said.

Financial and trade operations between the countries would only flourish once uncertainties were removed.

"Discussions on the maintenance of the existing monetary relations have already reached an advanced stage," it said.



R123m allocated for job creation

Political Staff **173**

CAPE TOWN — Government has allocated a further R123m for its special short-term job creation programme. *1510am 15/3/90*

Details of the Manpower Vote, attached to the estimates of expenditure tabled in Parliament yesterday, showed that during the 1989/90 financial year priority was given to 63 projects for training and infrastructure creation and culture and environment conservation.

Nearly 76 000 workers had worked more than one million man-days with the aid from this programme.

In his speech, Finance Minister Barend du Plessis said from the inception of the programme in 1985 until September last year R657m had been spent and more than 110-million man-days worked.

The programme aimed to link work-generating projects as far as possible to training projects which would allow the jobless to acquire particular skills. This would enable them to secure employment in the formal sector or livelihoods in the informal sector.

Du Plessis said that the linkage contributed to the acquisition of specific skills and simultaneous creation of assets for the community, which would have had to be financed from other sources.

Thursday, March 15 1980

B/D am 15/3/90

Union federations meet Louw today

~~THE~~ ALAN FINE ~~THE~~

A MEETING between SA's two largest union federations — Cosatu and Nactu — and Manpower Minister Eli Louw is scheduled to take place at 3:30pm today.

Plans for the meeting, which could lead to extended negotiations on new labour legislation for SA, were finalised yesterday. (173)

Representatives from employer federation Saccola would not attend as originally planned.

A spokesman for Louw said this was at Louw's request.

He felt that since this was his first meeting with the two union federations, he preferred to meet them on their own, and would be willing to have a three-way meeting with Saccola at a later date.

Louw's spokesman said the minister saw today's meeting mostly as an opportunity to get to know union representatives.

As far as he was concerned, the agenda should be open.

Louw did not intend putting anything specific on the table, but wanted to ascertain the unions' views on various issues.

Cosatu and Nactu, in their letter requesting the meeting, said they wished to discuss with Louw pending draft amendments to the Labour Relations Act, the possibility of other amendments being passed during the current parliamentary session, and inclusion of state employers in future talks on labour legislation.

A Cosatu spokesman said yesterday a draft agreement between the union federations and Saccola had been prepared by a technical committee.

However, settlement would be reached only once the draft had been approved by the parties involved.

Jobs in public sector expanded last year

B10 am 15/3/90
173

ADELE BALETA

PUBLIC sector employment continued to grow at a relatively high rate last year, despite a significant reduction in SA Transport Services personnel, Finance Minister Barend Du Plessis said in his expanded budgetary review.

In contrast, the rate of increase in private sector employment had contracted markedly, while employment in mining and in electricity generation declined.

He said total employment — excluding agriculture — increased 0,9% during the first nine months of last year, compared to the same period in 1988.

The slower rate of increase in employment in the economically active population last year implied a corresponding increase in unemployment.

However, he said the seasonally adjusted number of registered unemployed workers, although increasing during a short period in June last year, continued to drop.

Du Plessis said the contradictory movement of unemployment figures

against the business cycle could be explained by either an expansion of the informal sector or the fact that not all employed people registered as such.

An additional disturbing development in the labour market during 1989 was the increase of almost 18% in workers' nominal wages in the non-agricultural sectors of the economy during the first nine months.

The only justification for an increase in remuneration higher than the inflation rate should be an equivalent or higher rate of increase in the productivity rate.

After a sharp increase in 1988, the rate of increase in workers' output slowed markedly during the first nine months of 1989.

This led to a significant acceleration in real unit labour costs during the first three quarters of 1989.

'Include State in labour talks'

By Drew Forrest

At their historic meeting with Manpower Minister Mr Eli Louw today, trade unionists are to strongly urge the inclusion of public sector employers, including the Commission for Administration, in talks with employers on the Labour Relations Act.

And in another development, the Congress of SA Trade Unions and the National Council of Trade Unions have announced that a draft agreement with the employer body Saccola on interim changes to the Act has been completed.

It would now be referred to the parties' constituencies for approval, said a joint Cosatu/Nactu statement.

Yesterday the unions named a 10-person team to meet Mr

Louw in Cape Town. It includes Cosatu general-secretary Mr Jay Naidoo, Cosatu vice-president Mr Chris Dlamini and Nactu acting general-secretary Mr Cunningham Ngcukana.

The unions would "present their view of a satisfactory labour dispensation in South Africa", the unions said.

It is understood that Saccola will not be present at the meeting, as previously announced.

Cosatu negotiator Mr Marcel Golding said that as the encounter was the first of its kind between organised labour and the State, Mr Louw wished to meet the unions alone.

However, a three-cornered forum involving employers was likely to take place at a later stage, Mr Golding said.

SBDC to spend R40m of its grant on job creation

THEO RAWANA

173

THE Small Business Development Corporation (SBDC) would direct the R60m cash injection from the Budget towards its five-year programme of job creation and erection of buildings in underdeveloped areas, GM development services Sonny Tarr said yesterday.

Tarr said R40m would go towards the Programme Funds set up for job creation projects and R20m would be allocated to the Pioneer Project Fund, used for erecting buildings in underdeveloped areas.

Using a growth base of 20% a year, the SBDC projected in November last year that R196,6m would be needed for job creation funds over a period of five years.

One of the job creation projects was the Support Fund, established to help businesses out of financial trouble. "Since March 1985 this fund has granted 2 035 loans worth R92,2m and created 41 600 job opportunities," Tarr said.

The Small Builders' Bridging Fund for small builders had given 5 058 loans to date worth R105,1m, creating 86 000 jobs.

The Entrepreneur Training and Development Fund had done much to improve the skills of new entrepreneurs in industrial areas like Pennyville in Johannesburg and Wadeville near Benoni.

"The R20m allocated to the Pioneer Fund will be used for the erection of buildings and much-needed infrastructure in underdeveloped areas. These are high-risk, low-yield areas that could not be financed through normal financial programmes," said Tarr. He said the fund would grant mini-loans "to provide simple and fast finance up to R5 000 for very small developing businesses".

B/D am 16/3/90 (173)

Employer groups' education council



TANIA LEVY



FIVE major employer organisations have formed a private-sector education council to address education policy issues affecting manpower supply.

The SA Chamber of Business, the Chamber of Mines, the Steel and Engineering Industries Federation of SA, the Afrikaanse Handelsinstituut and the Building Industries Federation of SA will be represented on the council.

Council secretary Gerrie Bezuidenhout said yesterday employers were not getting the type or quantities of manpower needed.

The education council would provide an opportunity for private sector employers to speak with one voice on education policy matters.

Through the council they would collectively attempt to influence syllabi, curricula and career guidance both at school and at tertiary institutions.

The council did not aim to become involved in training. Its first meeting will take place in Johannesburg on April 3.

Lifeline for over-40s

ST Times 18/3/90

173

THE lack of jobs for highly skilled people over 40 has prompted the establishment of a unique personnel agency.

About a month ago, Benjie Puterman started RMS personnel consultants which caters for experienced personnel aged 40 years and over.

Mr Puterman says there seems to be a trend today that men and women over the age of 40 are considered to be over — or going over — the hill, which he considers ludicrous.

"We are going through a phase now of economic and political development and growth which demands more and more skilled peo-

ple. Industry is turning to immigrants to meet these requirements.

"Yet we have a vast reservoir of skilled people in SA in the over-40 category who are in the prime of their creative years.

"There appears to be a stigma attached to them which is making it more and more difficult for these people to get suitable employment."

Kelly Personnel is one of the few agencies in SA which does cater to some extent for older people. In 1974, it established the Senior Citizens Employment Agency.

This agency finds posi-

tions for senior citizens, such as accountants, bookkeepers, office managers, storemen, secretaries, works supervisors and many others.

However, Mr Puterman says according to his experience the people who are often most affected are technical people — those with artisan, technician or university training.

He is therefore catering for these people in particular.

At present, Mr Puterman is inviting all people in this predicament to contact him on (011)640 1684 so that he can build up pool of experienced personnel.

R40m for job creation

Cap 7/15
19/3/90



Own Correspondent

JOHANNESBURG. — The Small Business Development Corporation (SBDC) would direct the R60m cash injection from Finance Minister Barend du Plessis towards its five-year programme of job creation and erection of buildings in under-developed areas, said Sonny Tarr (development services).

Tarr said of the amount, R40m would go towards the Programme Funds set up for job creation projects and R20m would be allocated to the Pioneer Project Fund, used for erecting buildings in under-developed areas.

The corporation made a cash forecast for the job creation funds in November last year and, basing on a growth of 20% a year, projected that R196,6m would be needed over a period of five years.

Tarr said the money was in line with the corporation's forecasts and the R40m was set up for the first year.

One of the job creation projects was the Support Fund, established to help businesses that were in financial trouble.

"Since March 1985 this fund has granted 2 035 loans worth R92,2m and created 41 600 job opportunities," Tarr said.

The Small Builders' Bridging Fund, to help small builders with working capital, had given 5 058 loans to date worth R105,1m, creating 86 000 jobs.

The other fund was the Entrepreneur Training and Development Fund which had done a lot to improve the skills of new entrepreneurs in such industrial areas as Pennyville in Johannesburg and Wadeville near Benoni.

"The R20m allocated to the Pioneer Fund will be used for the erection of buildings and much-needed infrastructure in under-developed areas. These are high-risk, low-yield areas that could not be financed out of normal financial programmes," said Tarr. He said the fund would grant mini-loans "to provide simple and fast finance up to R5 000 for very small developing businesses".

19/3/90

Du Plessis sends Manpower Dept budget soaring by 50%

THE Manpower Department last week saw its budgeted expenditure grow by 50% — an increase greater than that granted to any other government department in Finance Minister Barend du Plessis's March 14 Budget.

However, director-general Joel Fourie said most of the extra R112m allocated this year was for functions previously carried out by other departments.

State subsidies to employers for in-service training has been cut substantially.

Fourie said the department was to receive R31m to be used for cash grants to stimulate in-service training. This amount was in lieu of a budgeted R110m in tax concessions granted to employers for this purpose, and effectively represented a saving in government expenditure of R79m.

Fourie said in spite of recognition of the economy's need for better-trained

B/D 22/3/90
ALAN FINE

manpower, government and the private sector agreed such training was largely the responsibility of the private sector.

The smaller amount available would be used in a more focused manner — targeted mostly on technical training.

173

Decided

The department would also administer an amount of R66m earmarked for job creation programmes.

These programmes had previously been carried out by various departments — including Foreign Affairs and Local Government. It had now been decided by an inter-departmental committee they should be co-ordinated by the Manpower Department.

A further R16,4m included in the department's budget for the first time was

for contributions to state pension funds on behalf of employees of the department, Fourie said.

This payment was previously made by the Department of Health and Population Development for all government employees.

From this year, each government department will pay these contributions on behalf of its employees.

This new bookkeeping system explains why a R2bn amount allocated to the Health Department has now "disappeared", but it has also made much more complex comparisons between the 1990/1 Budget and that of the previous year.

One area where the Manpower Department does intend to increase expenditure is in the Industrial Court, Fourie said. It has budgeted an additional R800 000 for the employment of part-time court members to partially relieve the existing over-worked bench.

WORLD NEWS SERVICE - DAY - THE SAHLE

LP legislation boycott goes on

Political Staff

CAPE TOWN — Labour Party
MPs are standing firm on their
boycott of all agricultural and
manpower-related legislation
until farmworkers' rights are
entrenched.

The boycott effectively blocks
all such legislation.

The decision follows a meet-
ing on Monday between LP rep-
resentatives and Manpower
Minister Mr Eli Louw.

The party is insisting that
farmworkers be included in the
Wage Act, Conditions of Basic
Employment Act, Labour Rela-
tions Act and the Unemploy-
ment Insurance Fund.

(73)
23/3/90
2

13/Dec 314/90

More man-days lost because of strikes, says commission (173)

CAPE TOWN — There was an increase in the number of man-days lost as a result of strikes last year, National Manpower Commission (NMC) chairman Frans Barker said in his annual report yesterday.

The report, which was tabled in Parliament, indicated about 1 238 686 man-days were lost between November 1 1988 and the end of October last year when there were 855 strikes involving 177 712 workers.

Although the number of strikes was lower than in 1988, the number of man-days lost increased from 914 000, but it was considerably lower than the 5 825 000 man-days lost in strikes in 1987.

The NMC did, however, point out that last year's figures excluded the Sats strike, which started on November 1 and reportedly involved 20 000 workers, and the SA Breweries strike, which was only settled on December 1.

The Manpower Department said in its annual report, which was also tabled in Parliament yesterday, that R42,6m was estimated to have been lost in wages in strikes last year.

This was higher than the R24,3m lost in strikes in 1988 but lower than the estimated loss of R111,1m in 1987.

In his review, Barker said it was disconcerting to note the degree of violence and loss of life that characterised certain strikes in 1989.

"One would hope that as trade unions became more mature they would be able to exercise greater control over their members and that disputes between em-

Political Staff

ployees and employers could be dealt with without either of the parties resorting to violence of any sort."

The NMC said the manufacturing sector was hardest hit by strikes.

Wages and wage-related issues gave rise to 44% of all strikes, while working conditions and disciplinary measures led to 35% of all strikes. The causes of the remaining strikes were not known.

The NMC also disclosed the strict racial division in trade unions had decreased appreciably and by last year nearly 80% of members belonged to unions which were registered as multiracial.

Membership of registered trade unions rose from 2,08-million in 1988 to 2,13-million last year.

Black membership of registered trade unions had increased and it was estimated that in 1989 blacks accounted for 63% of total registered trade union membership.

A further 10 trade unions registered for the first time last year and at the end of October, 212 unions were registered.

The number of registered union members constituted 20% of the total economically active population, or nearly 41% of the labour force that fell under the Labour Relations Act.

The Manpower Department's report said the registration of a trade union was voluntary but there were about 85 unregistered trade unions at the end of 1989 with about 550 000 members.

Guidelines for Cape

Manpower expects



Skilled and qualified workforce 'vital need for SA'

Am645

4/4/90

173

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.

Economic activity 'hampered by Act'

ANDREW GILL

THE Group Areas Act — apart from its "inherent evils" — was seriously hampering economic activity, Law Review Project executive officer Prof Louise Tager said yesterday. *1/12/4/190*

In a statement, she welcomed the opening of all land-zoned businesses in Johannesburg to all races, saying this would create new business opportunities.

"If local authorities around the country took the same decision they would soon come to experience not only the goodwill of the people but the growth of the economy in their areas," she said.

Deregulation was based on the principle that there should be appropriate legislation, rather than over-regulation or no regulation at all.

Appropriate laws, Tager said, were those necessary for public health and safety and ones that were simple, respected and complied with.

Deregulation was an essential ingredient for the creation of a free economy where more jobs were created as growth and development were allowed to increase.

Speaking about union opposition to deregulation and privatisation, Tager said it stemmed from the concern that labour legislation, especially industrial council agreements, would become the target of deregulation. Unions had to be involved in deregulation in these areas.

"Given the international experience that deregulation and privatisation create a favourable climate for job creation in the long run, the unions would themselves benefit in the form of increased membership from the very system they are opposing," she said.

BRIGHT FUTURE FOR SA — KAHN

(172) GERALD REILLY (174)

PRETORIA — SA had all the components of a massive economic generator, SA Breweries chairman Meyer Kahn said here last night.

At his inauguration as a professor extraordinary of Pretoria University's post-graduate management school, Kahn said it was the economic muscle of the large companies that would ensure economic survival over the next five years. (170)

He said there was no way a healthy and growing informal sector could develop without a strong formal sector. If the one died, the other would too. (173)

Currently, there were about 700 000 small business undertakings. In a climate of real deregulation this number could multiply dramatically and job creation could also dramatically increase.

Against this background, the task of finding 400 000 new jobs every year would no longer be an anxious nightmare, but an attainable objective, Kahn said.

Threats facing large companies included nationalisation; reaction from white right-wing radicals; an acute shortage of skills; deeply set radicalism among young blacks; serious confrontation between labour and capital; no shortcut to the lifting of sanctions, and a lack of foreign capital. BIDAY 4/4/90

Fortunately, Kahn said, the picture was not all dark and sombre. There were enough opportunities on which to build a bright future.

Kahn said for the first time in living memory the country had leadership in an economic-political front that wanted to go in the right directions.

He expected the new spirit in government would soon have an impact on the black consumerism. SA already had a core of middle-class blacks that had to be expanded.

Kahn said estimates were that the lower 40% of the population received less than 10% of total income. If the economy could maintain an annual growth rate of 5% or more, the income of this section could double within two or three years without a decline in incomes of other sections of the population.

Kahn also said the collapse of the East European power block presented tremendous export opportunities. However, exports should not be a gimmick to fall back on when the local market was in decline.

Public service not bloated, says commission chairman

B/Dag 5/4/90 Political Staff

~~173~~ 173

CAPE TOWN — The public service was not the bloated bureaucracy it was so often made out to be, and only 7% of the economically active population was employed by it, Commission for Administration chairman Piet van der Merwe said yesterday.

However, he was referring only to the public service — employees of state departments, provincial administrations and government trade establishments.

Recently University of Durban-Westville academics S Moodley and D Sing estimated that 16,1% of the economically active population worked for the public sector.

And earlier this year Home Affairs Minister Gene Louw said in Parliament that 33,9% of gainfully employed whites were directly and indirectly in state employ at the end of last year, as were 17,9% of coloureds, 14,1% of Indians and 13% of blacks.

While Van der Merwe's figure of 7% of the economically active population is technically correct, it clearly does not refer to the whole public sector, as the public service is only one of the seven categories into which public sector employees are divided.

Van der Merwe said the public service employed only 7% of the economically active population and this compared more than favourably with that of any Western country.

'Only 7% employed by public service'

CPM 11475 5/4/90
By BARRY STREEK
Political Staff

THE public service was not the bloated bureaucracy it was often made out to be and only 7% of the economically active population was employed by it, the chairman of the Commission for Administration, Dr Piet van der Merwe, said yesterday.

However, he was referring only to the public service — employees of state departments, provincial administrations and government trade establishments.

Recently two University of Durban-Westville academics, Mr S Moodley and Mr D Sing, estimated that 16,1% of the economically active population work for the public sector.

Moreover earlier this year the Minister of Home Affairs, Mr Gene Louw, said in Parliament that 33,9% of employed whites were directly and indirectly in state employment at the end of last year, as were 17,9% of employed coloured people, 14,1% of employed Indians and 13% of employed blacks.

While Dr Van der Merwe's figure of 7% of the economically active population is technically correct, it clearly does not refer to the whole public sector, as the public service is only one of the seven categories into which public sector employees are divided.

More jobs the challenge for unions, says Kantor

By GRAHAM LIZAMORE
Staff Reporter

THE challenge facing South Africa, and particularly the trade unions, was to provide more jobs in a labour-abundant society — however, unions only looked after their members and not workers as a whole, Professor Brian Kantor, director of the School of Economics at UCT, said today.

Addressing the inaugural annual congress of the South African Institution of Civil Engineers in Cape Town, Professor Kantor said although trade unions denied that there was a trade-off, that more money meant fewer jobs, the unions had to admit that what was good for their members was not necessarily good for workers generally.

Professor Kantor said the crisis among public-sector workers, particularly in hospitals, showed that while workers were demanding more pay there were thousands in the informal sector who were scraping a living and who would eagerly accept those jobs.

"I feel a black government would more easily address this problem than a white government. Trade unions must not lose sight of this," he said.

Trade unions agreed that more investment was needed to create more jobs. But how did they propose to attract foreign investment? he asked

Talk of nationalisation without compensation was dangerous and would make South Africa a no-go area.

SA's 'silicon valley' finds strong support

The idea of fostering a South African "silicon valley" has been strongly supported.

The country's first technology park, based on United States and British science parks — the Technopark at Stellenbosch — is proving successful.

The developer, Techno-cape, says the idea is for the private sector, in partnership with universities, to harness the skills of the community to bring the best research minds to bear on practi-

cal problems identified by industry.

The development of Technopark, with the support of the local universities and the Cape Chamber of Industries, has already seen more than 60 percent of the land sold.

Several of the country's leading technology-based companies have decided to locate facilities at Technopark, providing a core for a range of smaller satellite companies offering an enhanced level of skills and ability.

Regional Director of Manpower concerning the establishment of conciliation boards were taken to the Supreme Court by aggrieved parties and (b) what legal costs were incurred by his Department in each of these years in respect of Industrial Court decisions that were taken to the Supreme Court on review?
Hansard 17/4/90 B691E

The MINISTER OF MANPOWER:

Financial year*	Amount
(a) 1986/87	R 252,20
1987/88	R 7 071,60
1988/89*	R 21 664,00
(b) 1986/87	R 1 956,60
1987/88	R 1 799,50
1988/89*	R106 493,00

*NOTE: The Department only has the information requested available per financial year and not per calendar year.

Strikes

267. Mr P J PAULUS asked the Minister of Manpower: *Hansard 17/4/90*
 (1) How many strikes occurred in the Republic during the period 1 January to 31 December 1989 and (b) how many (i) Blacks, (ii) Whites, (iii) Coloureds and (iv) Indians took part in them;
 (2) (a) how many man-days were lost as a result of these strikes and (b) what was the average duration of each such strike;
 (3) how many of these strikes in which only (a) Blacks, (b) Whites, (c) Coloureds and (d) Indians took part were illegal? B703E

The MINISTER OF MANPOWER:

- (1) (a) 783
 (b) (i) 135 714
 (ii) 1 245
 (iii) 19 103
 (iv) 5 437
 (2) (a) 1 189 262
 (b) 7,4 man-days

(3) (a) to (d) The Department of Manpower does not have this information available. *Hansard 17/4/90*
 Note: The figures are for the period 1 November 1988 until 31 October 1989. The figures as requested will only be available during the debate on the Manpower Budget Vote on 27 April 1990. Please see paragraph 1.36 on page 30 of the Department's Annual Report for 1989 as well as the replies to questions 109 and 110 by Mr P H P Gastrow.

Posts in mining: certificates of competency

268. Mr P J PAULUS asked the Minister of Mineral and Energy Affairs and Public Enterprises: *Hansard 17/4/90*
 (a) How many applications were received by the Department of Mineral and Energy Affairs during the period 1 January to 31 December 1989 from Whites, Blacks, Coloureds and Indians, respectively, in respect of the obtaining of certificates of competency in the categories of (i) blasting, (ii) banksman, (iii) on-setter, (iv) locomotive driver, (v) hoist driver, (vi) mine captain and (vii) mine manager and (b) how many applicants in each of these categories obtained certificates? B704E

The MINISTER OF MINERAL AND ENERGY AFFAIRS AND PUBLIC ENTERPRISES:
 Applications received and certificates issued during the period 1 January to 31 December 1989:

Blasting Certificate	Applications		Issued	
	(a)	(b)	(a)	(b)
Whites	1 901	1 451		
Blacks	644	402		
Coloureds	50	46		
Indians	4	4		
Total	1 599	1 903		

Banksman and Onsetter Certificate	Applications		Issued	
	(a)	(b)	(a)	(b)
Whites	919	733		
Blacks	229	156		
Coloureds	30	14		
Indians	3	2		
Total	1 181	905		

NB. The onsetter's certificate is valid for both onsetters and banksmen.

Hansard 17/4/90

Locomotive Drivers Certificate	Applications		Issued	
	(a)	(b)	(a)	(b)
Whites	2	2		
Blacks	0	0		
Coloureds	0	0		
Indians	0	0		
Total	2	2		

Hoist Driver Certificate	Applications		Issued	
	(a)	(b)	(a)	(b)
Whites	143	122		
Blacks	0	0		
Coloureds	4	3		
Indians	0	0		
Total	147	125		

Mine Captain Certificate	Applications		Issued	
	(a)	(b)	(a)	(b)
Whites	1 570	733		
Blacks	0	0		
Coloureds	0	0		
Indians	0	0		
Total	1 570	733		

Mine Managers Certificate	Applications		Issued	
	(a)	(b)	(a)	(b)
Whites	710	94		
Blacks	1	1		
Coloureds	0	0		
Indians	0	0		
Total	711	95		

While every effort has been made to ensure the accuracy of the figures quoted above the application forms for examination do not make provision for the race or colour of the applicant to be disclosed and no formal record is kept of the race or colour of the recipient of a certificate.

SATS: retirement package offer

270. Adv J J S PRINSLOO asked the Minister of Mineral and Energy Affairs and Public Enterprises: *Hansard 17/4/90*

(a) How many (i) White, (ii) Black, (iii) Coloured and (iv) Indian employees have retired voluntarily in terms of the retirement package offer of the South African Transport Services from 1 February 1990 up to and including the expiry date of the offer and (b) what total amount was paid out in each of these categories to the employees in terms of the said offer? B712E

The MINISTER OF MINERAL AND ENERGY AFFAIRS AND PUBLIC ENTERPRISES:
 (a) (i) 5 372
 (ii) 1 031
 (iii) 378
 (iv) 25
 (R million)
 95,6
 7,4
 2,2
 0,25

282. Mr P H P GASTROW asked the Minister of Manpower: *Hansard 17/4/90*
 How many males and females, respectively, were registered at labour bureaux as work-seekers in terms of the Guidance and Placement Act, No 62 of 1981, as at the end of each month in 1989? B727E

The MINISTER OF MANPOWER:

Month	Male	Female
January	75 531	37 637
February	96 843	50 365
March	88 729	45 079
April	87 001	42 451
May	86 772	41 311
June	90 254	41 530
July	88 231	40 823
August	90 082	41 964
September	88 279	39 195
October	83 396	36 008
November	90 850	37 626
December	77 951	31 229

283. Mr P H P GASTROW asked the Minister of Manpower: *Hansard 17/4/90*
 How many Black males and females, respectively, were registered as work-seekers in the Republic in each month of 1989? B728E

The MINISTER OF MANPOWER:

Month	Male	Female
January	49 947	16 909
February	65 071	23 980
March	56 741	19 349
April	55 541	16 550
May	56 221	16 213
June	59 080	16 941
July	58 118	17 172
August	59 535	17 570
September	61 062	16 946
October	57 219	15 824
November	64 638	17 620
December	54 922	13 340

Call for drastic measures to solve skills shortage

LINDA ENSOR

173

SA's future economic development depended on the development of technology, but the country faced a manpower crisis, CSIR chairman Louw Alberts said yesterday. *8/10/77 25/4/70*

Alberts was speaking at the Strategic Management Society of Southern Africa conference.

Due to the declining birth rate in the white population — which has historically provided the economy with technical people — the number of matriculants is expected to drop by 20% by the end of the century.

Only 33% of white children obtain a matriculation exemption and only 2,7% of this number study science and engineering at university.

Whatever improvements were made in black education, Alberts said, these would not be sufficient to generate the level of skills required in one decade but would take two or three decades to take effect.

Drastic measures were required, he said. More people would have to be encouraged to study science and engineering, all available talent from the black population would have to be captured and — with reservation — skilled people from abroad must be brought to SA.

A demotivating factor was that science graduates were finding it difficult to find jobs as the political uncertainty had led businessmen to consolidate and refrain from taking on people with new ideas.

In addition, Alberts said, SA suffered from a lack of skilled middle management who had the expertise to manage technology. This was possibly even more important than the development of technology itself.

More jobs created

THE Government's job creation programme is a success in that over the past five years, between 400 000 and 500 000 people have been placed in jobs, Manpower Director-General Joel Fourie said yesterday.

SABC radio news reported Fourie said the number of people trained and employed through the programme was greater, but that most people were absorbed by the informal sector and were not reflected in employment statistics.

He said that this year the job-creation and training programmes would lay emphasis on community orientated self-help building schemes and would include the building of creches and old-age homes. -

Sapa.

(173)

Sowetan 26/4/90

Saccola, Cosatu hold crucial talks

By Drew Forrest

The employer body Saccola and representatives of the black union movement met last night in make-or-break talks on the Labour Relations Act.

Congress of SA Trade Unions (Cosatu) negotiator Mr Geoff Schreiner said yesterday that both sides would indicate whether they accepted a redrafted version of last month's interim LRA agreement.

"There is no time for further redrafting if we are to get new legislation through this session of Parliament," he said. If Saccola rejected the new deal, Cosatu/Nactu would have "a major rethink" on whether to proceed with the talks.

Mr Schreiner said the redraft, drawn up by a bi-partisan drafting committee last Thursday, was substantially the same as the original agreement. Earlier, Saccola had proposed wide-ranging amendments after reporting back to members.

A Saccola proposal that lawful strikes should be subject to interdict in certain circumstances had been dropped. The agreement provided for a 90-day time limit for the referral of

unfair labour practice cases, as against the 180 days proposed by employers.

Both sides had undertaken to prevail on their constituencies to implement basic rights for all workers in advance of new law.

"Quick-fix" amendments proposed in the new agreement included a pool of expert court assessors, agreeable to labour and employers. Two assessors, with powers to rule on points of law, would sit with the court president and decisions would be by a majority.

The agreement also effectively provided that appeals should be heard within 90 days.

● About 500 workers reported for duty yesterday after an 18-day strike over a racial incident at Johnson and Johnson's East London plant.

The strike, centring on the company's alleged failure to discipline a white fitter who assaulted a union shop steward, was marked by mass dismissals, the occupation of the factory and the intervention of chemical unions abroad.

The Chemical Workers Industrial Union said settlement was reached after management suspended the fitter for a two-week period without pay and reinstated the dismissed strikers.

Unions accept LRA changes

^{Star 2/5/78}
The two major union federations and a majority of Saccola affiliates have agreed in principle to sign an interim list of amendment proposals to the current Labour Relations Amendment Act, the Congress of SA Trade Unions said yesterday. (173)

A statement said that at a meeting on Monday Co-satu, Nactu Unions and the employer body Saccola had agreed to sign the agreement on May 7, pending responses from two major Saccola affiliates. (173)

Those at Monday's joint meeting apparently concurred that the agreement would in the meantime be given to the Minister of Manpower, Mr Eli Louw.

A request would be made that he urgently process the agreement "to ensure that it becomes law during the current parliamentary session". — Sapa.

Gas blast death toll now ^{Star} 8:3/5/90 ¹⁷³ probe launched

DURBAN — The Department of Manpower has started an investigation into the death of eight people in a gas bottle explosion in Stanger on the North Coast.

A department spokesman says no statements had been taken yet, and the police were helping with the investigation.

The spokesman said the legislation under the Machinery and Occupational Safety Act of 1983 laid down certain safety requirements relating to the handling and use of liquid petroleum gases.

It is commonly thought the explosion occurred when a worker struck a match during off-loading operations.

The names of the three victims who died at the R K Khan in Chatsworth near Durban have been released.

They were 30-year-old Mr Raj Pillay and his 25-year-old wife Kalyanie of Empangeni in Zululand, and Mrs Gurumah Moonsamy of Stanger.

The names of five men who were killed in the disaster are to be released as soon as their next of kin have been informed.

Several seriously injured people are recovering in various hospitals. — Sapa

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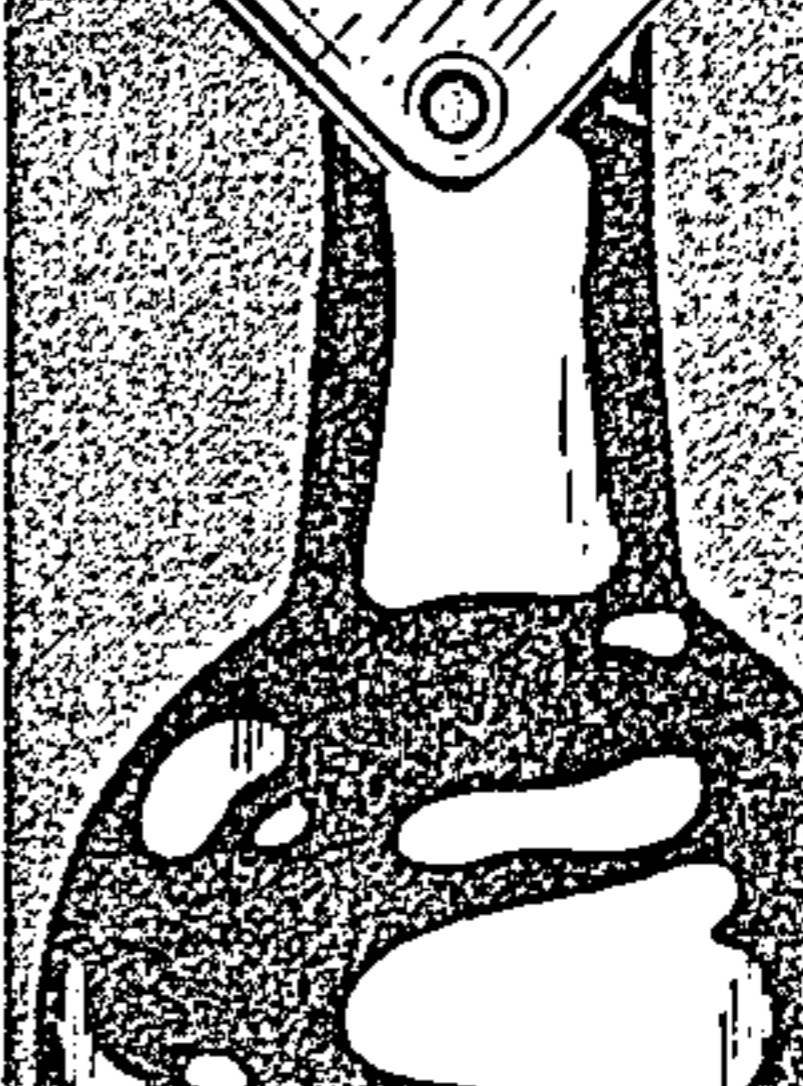


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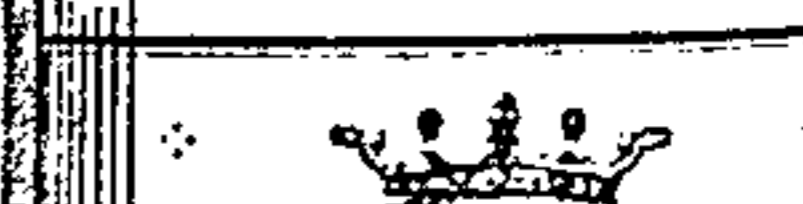
BREWED IN SOUTH AFRICA

BASTILLE
BRANDY

10⁹⁹
750
ml



BASTILLE



MP ordered out for 'treason' remark

Mr Fanie Jacobs (CP Losberg) was ordered by the Chairman, Mr S Abram, yesterday to leave the Chamber of Parliament, after he said by implication that President de Klerk was busy with the politics of treason.

Speaking during debate on the Administration and Economic Co-ordination vote, he said Mr de Klerk had said the CP's protest memorandum on Wednesday against the negotiations between the ANC and the Government, was not true. The CP wanted to debate this with the President in Parliament.

"The politics currently being followed are politics of treason (verraad). You (the State President) have no mandate to do what you are busy doing."

Mr Jacobs refused to withdraw what he had said when asked to do so and was ordered to leave the chamber.

Earlier, in the debate, Mr Jacobs said that the department and its Minister, Dr Wim de Villiers, had not done much to combat inflation.

He said the Civil Service was in uproar and the Government had to be blamed.

"The civil servant is the victim of a government that doesn't combat inflation. The three salary adjustments for civil servants this year shows inadequate co-ordination.

"The increases were only to the advantage of the black civil servants."

Mr Roger Burrows (DP Pine-town) said if South Africans were moving into a new South Africa, people of all races had to be brought into the top level service or South Africa would move to political patronage.

"In view of a new South Africa and as we move in the next



Dr Wim de Villiers ... "expansion of industrial capacity".



Mr Harry Schwarz ... "ministry should be transferred".

three to four years we may return to the bad old days of political patronage unless the structure in its entirety is changed."

There was only a minimum number of blacks employed in the different State Departments.

Will not work

Of the 131 people employed in the Office of the State President, no blacks, Indians or coloureds were employed and in the Department of National Education, out of the 597 people, no coloureds, blacks or Indians were employed.

"In a new South Africa with one man, one vote, this will not work."

Mr Harry Schwarz (DP Yeoville) said that apartheid was a piece of social engineering applied by the State to create economic and other privileges for some, based on race.

He had great respect for the person of Dr de Villiers, but wondered whether the ministry was really necessary.

It should be transferred to that of the Minister of Finance.

Introducing the debate, Dr de Villiers said that there could be no doubt that South Africa's economic future in the medium and long-term lay in the direction of the expansion of its industrial capacity.

He said this was the sector in which South Africa's manpower had the best chance to develop its technical abilities.

The Government was thoroughly aware of the necessity of proper co-ordination and of the ongoing implementation of its economic policy.

The aim of a relatively smaller, but more effective, public service, was still one of the biggest challenges. — Sapa.

BUSINESS in South Africa cannot afford to take the "fatalistic view" that productivity improvement will be attained only after the crises in education and the political system have been resolved, says Frank Horwitz, of the University of Cape Town Business School.

Professor Horwitz urges in the Institute of Personnel Management (IPM) Journal that "people development" and vocational training should become an

Future lies in people

S/Times

6/5/90

173

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integral part of corporate culture as a matter of urgency.

He says dialogue about human resource matters should be encouraged between employer organisations and the trade unions.

"Bilateral development approaches need to be ex-

plored at national forums as is currently occurring on labour law issues (the Saccola-labour talks), as well as at industry, and organisational levels."

As an example of an industry agreement in the human resource context he cites the recent establish-

ment of a union-management training board in the tyre industry.

Professor Horwitz says that if employers wish to maintain a free-market economy, they will have to provide meaningful material benefits and opportunities for employees.

"The answers do not lie in avoidance of bargained wage increases, but in seeking a simultaneous acknowledgement of both employees' needs for fair labour practices and equitable wages, and employers' needs to enhance wealth creation."

or reports, and (d) what action was taken as a result, in each case?
B638E

The MINISTER OF WATER AFFAIRS:

- Yes.
- (a) Municipality of Pietermaritzburg and the Umgeni Water Board.
- (b) 26 July 1989.
- (c) Raw sewage flowed into the Umsinduzi River, via the Kwabata stream, as a result of a blockage in a sewer caused by the unauthorised dumping of, *inter alia*, medical waste in the sewage system.
- (d) Urgent discussions took place between officials of the Department of Water Affairs and other institutions involved, which resulted in effective steps to prevent a repetition.

Hout Bay sewage scheme

254. Mr C W EGLIN asked the Minister of Water Affairs:

Whether he has taken any steps to ensure that the sewage to be pumped into the sea at Hout Bay by means of the proposed new sewage scheme will in no way constitute a danger to health; if so, (a) what steps and (b) with what results; if not, why not?
B665E

The MINISTER OF WATER AFFAIRS:

- Yes.
- (a) Prior to granting permission to dispose of the sewage in the sea at Hout Bay, the Department of Water Affairs required that a comprehensive technical investigation be carried out by experts in the field of disposal at sea to identify and design a scheme which would ensure that the quality of the seawater in those areas used for contact recreation and shellfish gathering would meet the required seawater quality criteria for these beneficial uses. The exemption in terms of which the sea disposal of the sewage is authorised, was issued after consultation with the Department of National Health and Population Development and provides for additional precautionary and safety measures, such as that:

rendered through various government institutions for the purpose of ensuring its orderly administration, establishing infrastructure and promoting the economic and social welfare of its inhabitants.

Conciliation boards: applications

298. Mr P J PAULUS asked the Minister of Manpower:

How many applications for the appointment of conciliation boards did his Department (a) receive and (b) reject in the 1986, 1987, 1988 and 1989 calendar years, respectively?
B775E

The MINISTER OF MANPOWER:

- (a) 1986 — 1 294
1987 — 2 312
1988 — 3 035
1989 — 5 604*
- (b) 1986 — 143
1987 — 409
1988 — 908
1989 — None**

*Note: The figure mentioned is for the period 1 November 1988 until 31 October 1989 and appear in the 1989 Annual Report.

**Note: Since 1 September 1988 the Minister of Manpower no longer exercises any discretion over the establishment of conciliation boards. The appointment of conciliation boards is therefore no longer approved or rejected.

Own Affairs:

Schools: unutilised/utilised for other purposes

74. Mr J VAN ECK asked the Minister of Education and Culture:

Whether any schools owned or controlled by his Department are unutilised or utilised for purposes other than education; if so, (a) how many as at the latest specified date for which information is available and (b) for what other purposes were they being utilised?
B621E

The MINISTER OF EDUCATION AND CULTURE:

Yes.

Cape Education Department 14 541
7 159 0

(a) 45 as on 1990-03-23,

(b) leased to South African Police and South African Defence Force
leased to Cape Provincial Administration

leased to agricultural society
leased to Hout Bay Museum
leased to Mr P W Kautzman
leased to Prima Pineapples
leased to Klein-Karoo Regional Services Council

leased to Department of Local Government, Housing and Works
leased to Kliprand- and Trimoa Farmers' Association
leased to Rural Foundation
in process of alienation (unutilised)

Total 28

Natal Education Department

(a) 4 as on 1990-03-2,
(b) in process of alienation
no requests received (unutilised)
Total 2

Orange Free State Education Department

(a) 5 as on 1990-03-23,
(b) utilised by Regional Officer (Education)
utilised by boereverenigings and V.L.U.
utilised by Regional Services Council
in process of alienation (unutilised)
Total 1

Transvaal Education Department

(a) 24 as on 1990-03-27,
(b) leased to Department of Public Works and Land Affairs
leased to individuals
leased to European Immigration Company
leased to South African Police and South African Defence Force
leased to Taabospan Farmers' Association
leased to Christiana Commando,
TPA Hospital Services and a service centre for the elderly
leased to Wolmaransstad Commando
unutilised: 1

(c) (i) Request for a statement of policy in respect of the importation of fireworks with a view to banning them.

(ii) I responded in the negative for cultural and religious reasons.

(2) No, because I consider that such a ban will interfere with the cultural and religious freedom of people.

Decentralisation/deconcentration

*21. Mr H H SCHWARZ asked the Minister of Trade and Industry and Tourism:

What was the total amount paid out in respect of decentralisation or deconcentration benefits in 1989?

B922E

The MINISTER OF TRADE AND INDUSTRY AND TOURISM:

R786 655 000.

Decentralisation/deconcentration: tax lost

*22. Mr H H SCHWARZ asked the Minister of Finance:

What is the total amount of tax lost or expected to be lost as a result of tax concessions granted to decentralised or deconcentrated industries in respect of the year ended 31 March 1989?

B923E

The MINISTER OF FINANCE:

It is estimated that the loss of tax as a result of the granting of concessions to industries in decentralised or deconcentrated areas will amount to approximately R1 million for the financial year ended on 31 March 1989. Final figures are not available as many assessments, especially in respect of companies, have yet to be processed.

With effect from 1 April 1982 the allowances have been phased out of the Income Tax Act and replaced by direct subsidisation by the Department of Trade and Industry and Tourism. This is why the loss of tax is much smaller than in previous years.

Teachers not paid

*23. Mr K M ANDREW asked the Minister of Education:

Whether any teachers employed by his Department on or before January 1990 had not been paid by 15 March 1990; if so, (a) how many, (b) why and (c) what steps (i) have been taken in this regard and (ii) are being taken to prevent a recurrence of such delays in the payment of salaries?

B924E

The MINISTER OF EDUCATION:

Yes

(a) 1 217

(b) In most cases the documents required for payment of salaries were not received in time. The unrest in some schools apparently largely contributed to this state of affairs.

(c) (i) Area officers were instructed to assist in receiving and completing application forms for employment of teachers.

(ii) Principals have been instructed to report to regional officers cases of teachers in any of their schools whose salaries are not paid at the end of each month.

(iii) Regional offices must report monthly to head office on outstanding salary enquiries.

Job creation scheme

*24. Mr J VAN ECK asked the Minister of Manpower:

With reference to the job creation scheme, (a) what amount was made available for the (i) 1989-90 and (ii) 1990-91 financial years, (b) how are allocations to provinces, organisations, other Government Departments and individual companies determined and (c) (i) according to what rules and (ii) under what conditions are moneys so earmarked for job creation allocated to those who make use of the scheme?

B928E

The MINISTER OF MANPOWER:

(a) (i) 1989/90 - R60 million

(ii) 1990/91 - R75 million

(b) An inter-departmental committee is responsible for the distribution of funds between Departments and Administra-

tions. Thereafter each department and administration allocates funds according to applications received for funds to be made available. As far as is known only the Department of Manpower allocates funds to private companies and organisations.

(c) (i) and (ii) Job Creation projects administered by the Department of Manpower must meet the following criteria and funds are allocated accordingly:

It should

— be labour intensive;

— focus on the creation of permanent assets;

— be aimed at the upliftment of underdeveloped communities;

— serve the interests of the community as a whole;

— whenever possible, be combined with training; and

— be distributed geographically country-wide as proportionately as possible.

Crime prevention unit in Sandton: arrests

25*. Mr D J DALLING asked the Minister of Law and Order:

How many arrests in respect of each specified offence were effected in 1989 by the special crime prevention unit stationed in Sandton?

B935E

The MINISTER OF LAW AND ORDER:

1 240 arrests on a variety of charges *inter alia*:

Assault

Malicious damage to property

Possession of drugs

Dealing in drugs

Illegal immigration

Consuming liquor in public

Trespassing

Motor vehicle theft

Certain police stations: serviceable patrol vehicles

26*. Mr D J DALLING asked the Minister of Law and Order:

(a) How many serviceable patrol vehicles (i) with and (ii) without radio equipment installed

are stationed on a daily basis at the (aa) Sandton, (bb) Bramley, (cc) Wynburg/Alexandra and (dd) Lombardy East police stations and (b) in respect of what date is this information furnished?

B936E

The MINISTER OF LAW AND ORDER:

(a)

(aa) (i) 19 vehicles

(ii) 12 vehicles

(bb) (i) 4 vehicles

(ii) none

(cc) (i) 6 vehicles

(ii) none

(dd) (i) 3 vehicles

(ii) 5 vehicles

(b) 30 April 1990

Members on duty using vehicles which are not equipped with radios, are issued with portable radios.

INTERPELLATIONS

The sign * indicates a translation. The sign †, used subsequently in the same interpellation, indicates the original language.

Own Affairs:

White schools: mandate from parent community
Mr R M BURROWS asked the Minister of Education and Culture:

Whether, in the light of the proposed abolition of the Group Areas Act, he intends to require schools wishing to remain open to White pupils exclusively, to obtain an overwhelming mandate to this effect from the parent community concerned; if not, why not?

B977E.INT

The MINISTER OF EDUCATION AND CULTURE: Mr Chairman, on 19 April 1990, the hon the State President referred to the proposed scrapping of the Group Areas Act and the Government's mandate to put in its place a general pattern of residential areas which will be generally acceptable. He also stated that, *inter alia*, generally acceptable means a system which

News
10/5/90
all the educational authorities, devise teachers' guides to assist teachers in giving health education. To compile such guides the advice of experts in a particular field is always sought.

Approximately 90% of the present number of AIDS cases were the result of high-risk behaviour. The establishment of high moral values regarding sexuality amongst the youth, is primarily the responsibility of parents within the family context. Further contributions can especially be made by non-governmental organisations (such as churches and cultural groups). Educational institutions can especially contribute by means of making factual information available. By this kind of action they contribute towards the preparation of the youth for the future to enable them to make *informed* and responsible decisions. However no person can take a decision on *behalf* of another person.

Media representatives: visas

307. Mr P G SOAL asked the Minister of Home Affairs: *News* 10/5/90

- (1) How many applications for (a) new, and (b) the renewal of, visas were received from foreign media representatives in 1989;
- (2) how many such applications (a) had been (i) granted and (ii) refused and (b) were pending as at 31 December 1989;
- (3) what was the average time taken before such applications were decided upon?

The MINISTER OF HOME AFFAIRS:

- (1) (a) 1 236 of which 157 applications were withdrawn.
- (b) 169 of which one was withdrawn.

(2) Statistics on the basis required are unfortunately not available. The applications not finalised during 1988 and therefore carried over to 1989 are included in the following figures which are given for the purpose of the reply:

News
10/5/90
place regarding the possibility to accommodate them elsewhere.

(c) The saving will amount to approximately R4 million per annum which will be used for the upgrading of the Africa services of Radio RSA.

(2) No.

NEWS RELEASE

Certain of the SABC's External Radio Services will be phased out in the following months.

The SABC announced today that — in consultation with the Department of Foreign Affairs — this decision had been taken in the light of limited available funding on the one hand but on the other hand new available technology to achieve set goals. The Services to be closed are the external short wave radio services, with the exception of those broadcasting to Africa. The Radio RSA Services involved are the Dutch, German, Spanish, Brazilian and Portuguese Overseas Services, as well as the English and French Services to the United States, Britain and Europe. In line with international practice, the External Services of the SABC are financed by the State. *News* 10/5/90

In the international broadcasting arena today, rapid and ongoing satellite and other technological development — particularly in North America and Europe — favours more modern methods of communication, rather than short wave broadcasting as provided in the past by Radio RSA. In Africa, however, the lack of overall technological development maintains short wave radio broadcasting as by far the most effective present-day communication channel.

Throughout the years the overseas short wave services of Radio RSA have performed a valuable task for South Africa, and both the Department of Foreign Affairs and the SABC owe a debt of gratitude and appreciation to each and every one of those involved.

9.4.90.

News
10/5/90
Retiring teachers: gratuity

351. Mr A GERBER asked the Minister of National Health and Population Development:

- (1) Whether consideration is being given to reducing the gratuity paid to retiring

teachers; if so, what are the relevant details;

- (2) whether she will make a statement on the matter?

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT:

- (1) and (2) No.

Persons economically active

381. Mr P H P GASTROW asked the Minister of Home Affairs: *News* 10/5/90

- (a) How many persons in each population group were economically active in the Republic as at the latest specified date for which figures are available and (b) how many such persons were employed by the public sector?

The MINISTER OF HOME AFFAIRS:

(a)	Whites	Coloureds	Asians	Blacks
1989	2 033 000	1 223 000	344 000	7 256 000
1989	608 877	200 520	40 724	830 717
June	528 316	186 148	39 007	748 971

• Mid-year estimate.

• The public sector comprises:

- Executive institutions for general and own affairs
- Civil services of the self-governing territories
- Local authorities
- Parastatal institutions
- Universities and technicons
- Agricultural marketing boards
- Public corporations (Iscor excluded)
- Public sector, excluding South African Transport Services.

Chief Directorate: Surveys and Mapping: posts

391. Mr E W TRENT asked the Minister of Public Works and Land Affairs: *News* 10/5/90

- (1) How many posts were there on the establishment of the Chief Directorate: Surveys and Mapping as at 31 March 1990;
- (2) whether any posts on the establishment of this chief directorate were vacant as at 31 March 1990; if so, (a) how many, (b) what is the designation of each such post

Entrants to job market facing bleak prospects

NEW entrants to the SA job market are facing bleak prospects as industry gears itself for an increasingly recessionary economy by lowering employment levels.

Industry spokesmen have forecast lower employment levels — and retrenchments — in various industries this year.

Steel Engineering Industries' Federation of SA (Seifsa) economist Michael MacDonald said yesterday the steel engineering industry employed 388 000 workers in February, up from last year's 33 000 but way below 1981's figure of 454 000.

However, retrenchments were taking place and MacDonald said this would increase during the year, although not to the extent of the early '80s.

He said the marked drop in demand for consumer goods had affected the light manufacturing steel industries. Skilled labour remained scarce and this was inhibiting growth, he said.

National Association of Automobile Manufacturers of SA (Naamsa) director Nico Vermeulen said employment in the motor manufacturing industry had shown steady growth since 1987, but had fallen by 518 jobs in the final quarter of 1989.

Recruitment saw a gain of 663 jobs in the first quarter of 1990. By March 38 159 were employed, but in a slowing economy this gain could slacken and there could be retrenchments, Vermeulen said.

EDWARD WEST
and ACHMED KARIEM

Building Industries' Federation of SA (Bifsa) economist Charles Martin said employment in the building industry had reached a high of 262 000 last year, but this had declined to 258 000 this year.

He said employment levels were tapering off and lower levels could be expected after the second quarter. There was still much work in progress in the residential sector, but new contracts were becoming harder to find, he said.

Job prospects in the textile industry, with a current employment level of 97 500, were bleak, Textile Federation of SA executive director Brian Brink said.

He said although a few retrenchments had occurred at the end of April, manufacturers were expected to switch to short-time which could mean lay-offs later.

"If things continue, we are in for a very tough time," he said.

Lack of demand led to employment levels in the footwear industry declining by 2 800 employees between September 1989 and February 1990, Footwear Manufacturers' Federation of SA (FMF) executive director Dennis Linde said.

CSS said yesterday manufacturing output had fallen 3,6% between the first quarter of 1989 and this year.

star 16/5/90

~~173~~ 173

Cosatu in move to push 'Saccola accord'

Labour Reporter

The million-strong Congress of SA Trade Unions is to stage a national day of action next Tuesday to demand the enactment of the "Saccola accord" on the Labour Relations Act during this session of parliament.

Involving factory protests, industrial area marches and rallies, the action was decided at Cosatu's Campaigns Conference in Johannesburg at the weekend.

A statement said the protests, which in some areas would last the whole week, would also focus on the federation's anti-privatisation and Workers' Charter campaigns.

Last week, Manpower Minister Eli Louw gave a strong hint that the LRA accord between Saccola and Cosatu/Nactu might not reach the statute book this year.

Mr Louw said it had been agreed at his recent talks with the unions that the accord should reach him in April. It would then go the National Manpower Commission for recommendations, and broad consultation would be necessary on any

amendments. The current parliamentary session ends in less than two months.

Mr Louw said he had only offered to push through proposals related to the draft LRA Amendment Bill leaked to the press early this year.

This is far narrower in scope than the far-reaching proposals in the Saccola accord.

Minimum wage campaign

Other resolutions at Cosatu's Campaigns Conference were:

- That the campaign against Barlow Rand, accused of undermining central bargaining, should be intensified.
- That a campaign on the Unemployment Insurance Fund should be launched.
- That discussions should be held on launching a national minimum wage campaign, to complement the campaign for a living wage.

The conference endorsed a Cosatu central executive committee decision to stage a week of action from July 1 focusing on the Natal violence.

Concern over security laws

SA employment 'stagnates' 173

5 (Daily) 19 85 90

GERALD REILLY

PRETORIA — Employment in major sectors of the SA economy virtually stagnated during the '80s, according to figures released here by the Central Statistical Service (CSS).

They show that in December 1980 there were 1 449 000 employed in the manufacturing industry.

Ten years later, in January this year, the total was only fractionally higher at 1 470 400.

In 1980 the industry employed 318 000 whites and at the beginning of this year 320 000.

Figures for blacks were 778 900 and in January this year 772 400.

However total pay rose sharply in the industry. In December 1980 the payout was R1,3bn compared with R2,249bn in January this year.

The situation in the construction industry was no different.

In January this year the total employed was 417 800 compared with 416 500 in December 1980 — 48 300 whites (49 900) and 303 000 blacks (295 500).

Total pay in January this year amounted to R414 366 000 compared with R275 950 000 in 1980.

Stellenbosch Bureau of Economic Research chief Ockie Stuart said the figures demonstrated clearly the major problem bedevilling the economy in the '80s — lack of expanded job opportunities and the growth of unemployment.

The deep recession during 1985 and 1986 had taken a heavy toll with a growth rate that failed hopelessly to keep pace with the population growth.

Bureaucracies in SA and the homelands continued to expand despite the run-down state of the economy.

Stuart added the informal sector had created jobs, but to what extent was impossible to say.

Another CSS report issued on Monday said SA's black population totalled an estimated 21,3-million people in November 1989, of whom more than 20% were unemployed.

Manpower issues given prominence

THE success of any country is its people and because manpower issues are crucial, Sacob is giving them added prominence.

The chamber's manpower committee has three

sub-committees — industrial relations, employment practices and education and training — and is using input from the leading manpower practitioners in SA.

Issues currently being examined by the employment practices committee include the new pension dispensation currently under review by government and housing problems.

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Growth hinges on developing human skills

BLOOM 16/5/90

173

EFFECTIVE human resource development in all spheres and at all levels of South African society is an essential cornerstone for economic growth, wealth and stability.

Sasol MD Paul Du Plessis Kruger says the challenge for the country and business leaders is to mobilise the reservoir of knowledge, skills and capabilities concentrated in business institutions.

The mobilisation of the know-how vested in business institutions is potentially one of the most productive social responsibility contributions business can make to solving the socio-economic problems of SA.

Traditional

This can occur on two broad fronts:

□ Traditional areas of formal training, for example, apprenticeships, articulated clerks and management trainees;

□ Non-formal training by experience eg, receptionists, shop attendants and various clerical positions.

Since the number of white collar workers relative to blue collar workers tends to grow more rapidly, training in these occupations should also be formalised.

Kruger says the responsibility for the development of South African human resources does not rest entirely with the educational authorities.

"We need a multi-pronged attack to eradicate the squandering of valuable human potential."

"The ratio of wealth creating-education to wealth-absorbing education is grossly out of balance."

Referring to "the demographic time bomb" Kruger

says it has been estimated that at an economic growth rate of 3,1% there will be nearly eight-million unemployed by the turn of the century.

Another forecast is that only 45% of the economically active population of SA will be employed by the year 2000 and 25% of the black urban population older than 16 years of age are currently job seekers.

Kruger says businessmen and industrialists can not wait until the youth has acquired the appropriate education through formal institutions.

"The economy requires well-trained artisans and operatives now, and there is an abundant pool of potentially talented but inadequately educated young adults."

It is in the development of large numbers of these people that business can exercise a non-cosmetic social responsibility contribution by equipping them with the appropriate knowledge and skills to play a meaningful role in the economy.

The skills transfer process cannot only be focused on technical and blue collar activities, but must also be directed toward the managerial, administrative and financial functions, Kruger says.

One of management's prime responsibilities is to identify and develop every employee's potential to the fullest.

Organisations should follow a strategy of training for their own requirements and of employing only limited numbers of trained people from outside.

This is the Sasol approach and is seen as an essential and responsible social investment.

However, Kruger says,



PAUL KRUGER

SA can not afford under-utilisation of any technical training facilities.

Organisations which under-utilise facilities should consider filling these to the maximum or, if they cannot afford this, make them available to other organisations.

"We are aware that approximately 90% of all human development and training occurs on the job.

"This on-the-job development can be formalised and line management can be equipped to fulfil roles as primary developers, trainers and mentors," Kruger says.

Attention

Since the largest section of society comprises human potential from a deprived environment, specific attention must be given to provide equal opportunities and affirmative action in certain areas.

"We should not fall into the trap that equal opportunities can be acquired by top management decree only," he says.

Formal programmes that can be monitored for the advancement of people who have been discriminated against in the past will have to be developed.

Sasol's experience is that economic development and growth have been the greatest eliminators of discrimination in industry.

18/5/90

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NEWS

Minister, unions to discuss accord

Labour Reporter

Demands for the swift enactment of the watershed "Saccola accord" on the Labour Relations Act (LRA) are set to dominate today's meeting between Manpower Minister Eli Louw and employer and union representatives.

Attending the talks will be union federations Cosatu and Nactu and the employer body Saccola, which last week agreed on proposals for wide changes to the LRA.

Union demands for these to be made law during the current parliamentary session are developing into a major flashpoint.

Apprenticeships popular again

A steady, six-year downswing in the number of apprentices entering industry has been dramatically reversed, Manpower Minister Eli Louw revealed last night.

Speaking in Johannesburg, Mr Louw said new apprenticeship contracts had fallen from a peak of 14 500 in 1982 to the "alarmingly low" figure of 7 900 in 1988.

Mr Louw has hinted that this might not be possible, while Cosatu plans nationwide marches, protests and rallies next week to underscore the demand.

In a statement, Mr Louw singled out the following difficulties:

● The accord had been promised to him last month, and had to go to the National Manpower Commission (NMC) for study and recommendations. Consultation to ensure the broadest possible consensus would also be needed.

● He had agreed only to try to push through proposals which related to a draft LRA amendment Bill. The Saccola accord had a broader scope.

New proposals, including those relating to the unfair-labour-practice definition, termination of service and union rights of public servants, would also have to be referred to the NMC and all interested parties for comment.

The meeting with Mr Louw comes in the wake of a historic conference in Harare, convened by the International Labour Organisation and attended by the NMC, Saccola, Cosatu and Nactu, on future South African labour law.

After the conference, Cosatu's Jay Naidoo warned that the unions "were not prepared to continue endless debate (on the LRA) without result".

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Apprenticeships popular again

18/5/90 Labour Reporter (173)

A steady, six-year downswing in the number of apprentices entering industry has been dramatically reversed, Manpower Minister Eli Louw revealed last night.

Speaking in Johannesburg, Mr Louw said new apprenticeship contracts had fallen from a peak of 14 500 in 1982 to the "alarmingly low" figure of 7 900 in 1988.

Last year, 9 900 apprentices had been indentured — a 25 percent increase — while the figure for the first three months of 1990 was 5 200.

Commenting that a new attitude to training was emerging, Mr Louw said seven industries had taken over the administration of apprentice contracts.

The Manpower Training Amendment Act, passed this parliamentary session and now awaiting gazettal, provides for the transfer of training administration from government to industry.

Steel and Engineering Industries Federation director Brian Angus said new metal industry apprentices had leapt from 2 665 in 1988 to 4 030 last year — a 51 percent rise.

The transfer of training administration to the industry's training board, had raised employer awareness.

Now
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SA

Economy ^{Argus} ^{21/5/70} not creating enough jobs, says expert

From PAT CANDIDO ¹⁷³
The Argus Bureau

PORT ELIZABETH. — The South African economy had lost its ability to create enough jobs annually for new entrants into the labour market, according to Professor Mike Levin, head of Vista University's Department of Economics.

Professor Levin's report on the creation of employment is included in a survey of black unemployment in the Uitenhage and Port Elizabeth areas by the Vista Employment Research Unit.

He said these areas were part of the greater South Africa and could not escape the consequences of an economy that had become incapable of supplying work to the economically active population.

Economic vitality could be restored if capital, skilled labour and technology were allowed to flow freely into the country once more and exporters were allowed to compete in economic markets and not in political markets.

"In addition, labour productivity must improve, strikes and boycotts for political reasons must stop and the insistence on minimum wages must be carefully weighed against the unemployment it produces.

"Only then will the formal sector of the economy have optional conditions to grow and to create employment," Professor Levin said.

no 30/990 (173) 14/11/77

Municipal workers addressed

CAPE TOWN — Manpower Minister Eli Louw held talks yesterday with representatives of the South African Association of Municipal Employees.

He told them the various models of local government which were under consideration had to be seen as part of the process of investigation into, and negotiation on, constitutional development. — Political Staff.

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Policemen urged not to resign

Crime Reporter

The Support the Police Action Group (Spag) yesterday appealed to policemen to stay in the force until a better pay deal was worked out.

Handing a cheque of R2 000 to Witwatersrand Regional Commissioner Major-General Gert Erasmus, Spag chairman Avril Budd said South Africa and the SAP needed its policemen desperately.

"South Africa really needs you now so stay on in the force because we do not doubt that something will be done to improve your lot," Mrs Budd said in Johannesburg.

Spag was compiling a petition to be sent to President de Klerk, she said. This was being done to get more attention focused on urgent salary increases for policemen.

The Spag cheque will go to the SAP Widows' and Orphans' Fund. The money was donated by the Transvaal Nomad Bowlers.

SAC
30/3/90

Major drive to create jobs by the thousand

The Argus Correspondent

JOHANNESBURG. — Tens of thousands of new jobs could be created in the industrial sector if the South African Chamber of Business succeeds in persuading employers to introduce extra shifts to double normal production runs.

Sacob director-general Mr Raymond Parsons said yesterday that hundreds of manufacturers were being lobbied to plan double-shift systems that would mean the recruitment of bigger labour forces.

The carrots being offered are low-cost loans from a R300-million fund created by the Industrial Development Corporation (IDC) and open to industrialists who join the action plan to blunt the unemployment problem — and boost profits by better and more efficient use of production tracks.

173
ARGUS 6/6/90

Sacob believes the scheme may prove a major factor in averting growing threats of retrenchments in the economic slowdown expected to persist over the next few months.

Manufacturers will be encouraged to use the boost in production flows to swing the emphasis of industrial sales to export markets to offset cutbacks in demand on the domestic market.

Details about the master plan will be spelled out at a series of seminars Sacob is planning in conjunction with the IDC in Johannesburg, Durban and Cape Town.

Sacob believes the scheme not only promises a major boost in employment opportunities but also lower consumer prices on a wide range of manufactured goods as a result of lower production costs stemming from more effective use of factory equipment.

Commission forced to use secret venue

Star 29/6/90

Disruption by trade unionists forced the National Manpower Commission to use a secret venue to continue its hearing of oral evidence on the consolidation of the Labour Relations Amendment Act yesterday.

Regretting the move, NMC acting chairman Dr Frans Barker said the commission did not want to hold the hearings in camera, but added: "It does not help if proceedings are disrupted".

He was referring to a protest on Tuesday by members of the National Council of Trade Unions, who chanted outside the commission venue in the Building Industries Federation head office at Halfway House.

The protesters were demanding that the NMC technical committee examining the LRAA stop taking oral evidence until the Cosatu/Nactu/Saccola labour relations accord was written into law.

Further hearings were due to take place in the Midrand headquarters of the Development Bank of South Africa, but Dr Barker declined to say where subsequent hearings would be conducted.

The final hearing takes place today and parties would be informed of the venue, he said.

Employer and industrial relations groupings which attended yesterday's session included the 66 000-member SA Consultative Committee on Labour Affairs, Chamber of Mines, Labour Foundation, Building Industries Federation, SA Chamber of Commerce, American Chamber of Commerce in SA and Sasol.

Labour unions were represented by the all-white Mineworkers Union and Transnet Union. — Sapa.

Signs point to sugar industry becoming more labour intensive

By Des Parker

DURBAN — Sugar farmers have been urged to be more responsible both to their workforce, which is expected to expand considerably in the Nineties, and to the environment.

In a speech at the annual meeting of the SA Cane Growers' Association in Durban yesterday, outgoing chairman Tony Ardington said employment would tend to grow as capital investment became more expensive with the end of artificially low interest rates, subsidised investment grants and accelerated depreciation allowances.

"Capital will become increasingly scarce. Interest rates will reflect this scarcity.

"By contrast, the large number of unemployed will depress the cost of employment and various operations that are done mechanically today will be done by hand by the end of the decade," he predicted.

"I anticipate that once the time comes to replace equipment, the cost will prove prohibitive and that mechanical loaders will be replaced with people."

Trade unions

While the Labour Relations Act would have to be modified to meet the peculiar needs of agriculture, Mr Ardington warned that resistance by growers to changing industrial relations circumstances would attract the attention of trade unions "who will see it as their duty to bring agriculture generally into line".

What was needed was "happy farms"; workers should be given security of employment, of tenure of their homes and permanent access to schools and to pensions.

While the breakdown of racial barriers would have little impact on landholding patterns in the sugar industry, developing relationships between farmers in densely populated tribal areas and those on freehold farms was "the most urgent task we all face".

Mr Ardington said while the sugar industry's ethanol plant proposal had all but foundered on opposition from oil companies and the Government's changed attitude to national fuel self-

sufficiency, production of the alternative fuel remained an essential part of the industry's strategy.

The export market was too unpredictable to guarantee adequate take-off of the additional 300 000 tons of production a year envisaged under the recently implemented deregulation and expansion programme. Sanctions, although less of a constraint, had yet to be lifted.

Ethanol as a petroleum additive also had environmental advantages, said Mr Ardington.

Growers heard that the domestic sugar market had been particularly disappointing over the past two years.

Price-sensitivity had increased and real income growth in the black community, which now represented the largest source of direct consumption of sugar, was being eroded by the burden of growing unemployment.

Increasing quantities

However, the domestic sugar industry was likely to be able to supply increasing quantities to the countries of Southern Africa, while progress had been made in boosting sales to manufacturers who previously used little or no sugar.

"While short-to-medium-term prospects are not encouraging, provided we can continue to decrease the real price of sugar in the decade and provided we maintain our competitive position in Southern Africa, growth of 20 000 tons a year, rising to over 40 000 tons, should be achieved," said Mr Ardington.

On the subject of environmental responsibility, the meeting heard that it had been decided to extend the voluntary ban by the industry on the use of hormonal herbicides, which were alleged to damage vegetables when they drifted onto market gardens from neighbouring cane farms.

Mr Ardington said farmers should consider reducing pre-harvest burning in their fields because of the environmental undesirability of the practice, at the same time as they made their farms increasingly accessible to the public "to enjoy the scenic beauty and tranquility of our farming areas".

10 000 new jobs possible

21/6/90 Finance Staff

Productive capital investment was needed in SA which would result in decentralised job creation, the generation of income and rural stability.

According to Mr Lawrie Gordon-Hughes, vice chairman of the Cane Grower's Association, the sugar industry had embarked on large deregulation and expansion programmes to meet the challenges of a changing SA.

At the annual meeting of the association, he said that the next few years would see the impact of the multi-million rand development of a completely new sugar project. This development would result in the establishment of about 7000 new small cane farmers and

bring the total number of such growers to about 39000.

This would result in the creation of over 10 000 new jobs and generate annual revenue to these areas of R250 million. These figures did not include the spin-off throughout the entire region in the field of machinery supply, transport services and community upliftment.

However, he said that although the Small Grower's Financial Aid Fund was established to aid new farmers, it would still need to raise some R40 million to R50 million to provide finance for small grower development over the next five years.

KENNISGEWING 507 VAN 1990**TENDER KENNISGEWING**

TENDER No. 177/90

Kennis geskied hiermee dat die Nasionale Parkeraad die dranklisensie waaringevolge die "Panoramic Off-sales", Langebaan, bedryf word, per tender gaan verkoop.

Tenderdokumente is beskikbaar by die Hoofdirekteur, Posbus 787, Pretoria, 0001, telefoonnommer (012) 343-9770 X 2005, mnr. H. Botha of Mev. Weideman.

Sluitingsdatum vir die tender is 27 Julie 1990 om 16:00 en slegs tenders wat voor of op dié tyd en datum ontvang is, sal oorweeg word.

Die tenders sal onderhandelbaar wees.

(22 Junie 1990)

KENNISGEWING 508 VAN 1990**DEPARTEMENT VAN MANNEKRAG**

NOR-/RGN-ONDERSOEK NA DIE SOSIO-EKONOMIESE FAKTORE WAT DIE LEWENSVATBAARHEID EN BEVORDERING VAN DIE INFORMELE SEKTOR IN OPLEIDING EN WERKSKEPPING BEÏNVLOED

Hiermee word vir algemene inligting bekendgemaak dat die Nasionale Opleidingsraad en die Raad vir Geesteswetenskaplike Navorsing met ingang van 3 April 1989 met 'n ondersoek begin het wat daarop gemik is om die sosio-ekonomiese faktore wat die ontwikkeling van die informele sektor strem of bevorder, te identifiseer. Aan die hand van sodanige faktore sal gepoog word om riglyne te ontwikkel wat spesifieke waarde en betekenis vir informelesektoropleiding sal hê.

Die ondersoek word op 'n nasionale basis onderneem en sluit die volgende gebiede in:

Metropolitaanse gebiede

PWV, Kaapstad, Durban, Port Elizabeth en Bloemfontein.

Dorpe

Pietersburg, Queenstown, Newcastle, Nelspruit, Kroonstad, George, Upington, Witbank, Harri-smith, King William's Town en De Aar.

Belanghebbendes en organisasies betrokke by die informele sektor word genooi om tersaaklike memo-randa of vertoë so gou doenlik, maar nie later nie as 31 Julie 1990, in tweevoud voor te lê aan die Voorsitter, Nasionale Opleidingsraad, Privaatsak X117, Pretoria, 0001 (Mannekraggebou, Schoemanstraat, Pretoria).

Navrae kan gerig word aan mnr. L. N. van der Schyff by telefoonnommer (012) 310-6398 of 310-6187.

(22 Junie 1990)

KENNISGEWING 509 VAN 1990**DEPARTEMENT VAN MANNEKRAG**

NOR-/RGN-ONDERSOEK NA DIE OPLEIDING VAN REKENAARKUNDIGES EN REKENAAR-GELETTERDES IN DIE RSA

Die rekenaarbedryf ondervind reeds 'n genuïme tyd die probleem van 'n wanbalans tussen die aanbod van en aanvraag na rekenaarkundiges en rekenaar-geletterdes.

NOTICE 507 OF 1990**NOTICE OF TENDER**

TENDER No. 177/90

Notice is hereby given that the National Parks Board will sell, by tender, the liquor licence in terms of which the "Panoramic Offsales", Langebaan, operates.

Tender documents are available from the Chief Director, P.O. Box 787, Pretoria, 0001, telephone number (012) 343-9770 X 2005, Mr H. Botha or Mrs A. Weideman.

Closing date for tenders will be 16:00 on 27 July 1990 and tenders received thereafter will not be considered.

Tenders will be negotiable.

(22 June 1990)

NOTICE 508 OF 1990**DEPARTMENT OF MANPOWER**

173

NTB/HSRC INVESTIGATION INTO THE SOCIO-ECONOMIC FACTORS INFLUENCING THE VIABILITY AND PROMOTION OF THE INFORMAL SECTOR IN TRAINING AND JOB CREATION

It is hereby notified for general information that the National Training Board, and the Human Sciences Research Council commenced an investigation with effect from 3 April 1989 to identify the socio-economic factors which inhibit or promote the development of the informal sector. On the basis of such factors an attempt will be made, to develop guidelines which will have specific value and meaning for informal sector training.

The investigation is being carried out on a national basis and will include the following areas:

Metropolitan areas

PWV, Cape Town, Durban, Port Elizabeth and Bloemfontein.

Towns

Pietersburg, Queenstown, Newcastle, Nelspruit, Kroonstad, George, Upington, Witbank, Harri-smith, King William's Town and De Aar.

Interested parties and organisations involved in the informal sector are invited to submit relevant memo-randa or representations in duplicate as soon as possible, but not later than 31 July 1990 to the Chairman, National Training Board, Private Bag X117, Pretoria, 0001 (Manpower Building, Schoeman Street, Pretoria).

Enquiries may be directed to Mr L. N. van der Schyff at telephone number (012) 310-6398 or 310-6187.

(22 June 1999)

NOTICE 509 OF 1990**DEPARTMENT OF MANPOWER**

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THE NTB/HSRC INVESTIGATION INTO THE TRAINING OF COMPUTER EXPERTS AND COMPUTER LITERATES IN THE RSA

The computer industry has for some time experi-enced the problem of an imbalance between the supply of and demand for computer experts and computer lite-rates.

KENNISGEWING 507 VAN 1990**TENDER KENNISGEWING**

TENDER No. 177/90

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(22 Junie 1990)

KENNISGEWING 508 VAN 1990**DEPARTEMENT VAN MANNEKRAG**

NOR-/RGN-ONDERSOEK NA DIE SOSIO-EKONOMIESE FAKTORE WAT DIE LEWENSVATBAARHEID EN BEVORDERING VAN DIE INFORMELE SEKTOR IN OPLEIDING EN WERKSKEPPING BEÏNVLOED

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Dorpe

Pietersburg, Queenstown, Newcastle, Nelspruit, Kroonstad, George, Upington, Witbank, Harri-smith, King William's Town en De Aar.

Belanghebbendes en organisasies betrokke by die informele sektor word genooi om tersaaklike memo-randa of verhoë so gou doenlik, maar nie later nie as 31 Julie 1990, in tweevoud voor te lê aan die Voorsitter, Nasionale Opleidingsraad, Privaatsak X117, Pretoria, 0001 (Mannekraggebou, Schoemanstraat, Pretoria).

Navrae kan gerig word aan mnr. L. N. van der Schyff by telefoonnommer (012) 310-6398 of 310-6187.

(22 Junie 1990)

KENNISGEWING 509 VAN 1990**DEPARTEMENT VAN MANNEKRAG**

NOR-/RGN-ONDERSOEK NA DIE OPLEIDING VAN REKENAARKUNDIGES EN REKENAAR-GELETTERDES IN DIE RSA

Die rekenaarbedryf ondervind reeds 'n geruime tyd die probleem van 'n wanbalans tussen die aanbod van en aanvraag na rekenaarkundiges en rekenaar-geletterdes.

NOTICE 507 OF 1990**NOTICE OF TENDER**

TENDER No. 177/90

Notice is hereby given that the National Parks Board will sell, by tender, the liquor licence in terms of which the "Panoramic Offsales", Langebaan, operates.

Tender documents are available from the Chief Director, P.O. Box 787, Pretoria, 0001, telephone number (012) 343-9770 X 2005, Mr H. Botha or Mrs A. Weideman.

Closing date for tenders will be 16:00 on 27 July 1990 and tenders received thereafter will not be considered.

Tenders will be negotiable.

(22 June 1990)

NOTICE 508 OF 1990**DEPARTMENT OF MANPOWER**

173

NTB/HSRC INVESTIGATION INTO THE SOCIO-ECONOMIC FACTORS INFLUENCING THE VIABILITY AND PROMOTION OF THE INFORMAL SECTOR IN TRAINING AND JOB CREATION

It is hereby notified for general information that the National Training Board, and the Human Sciences Research Council commenced an investigation with effect from 3 April 1989 to identify the socio-economic factors which inhibit or promote the development of the informal sector. On the basis of such factors an attempt will be made, to develop guidelines which will have specific value and meaning for informal sector training.

The investigation is being carried out on a national basis and will include the following areas:

Metropolitan areas

PWV, Cape Town, Durban, Port Elizabeth and Bloemfontein.

Towns

Pietersburg, Queenstown, Newcastle, Nelspruit, Kroonstad, George, Upington, Witbank, Harri-smith, King William's Town and De Aar.

Interested parties and organisations involved in the informal sector are invited to submit relevant memo-randa or representations in duplicate as soon as possible, but not later than 31 July 1990 to the Chairman, National Training Board, Private Bag X117, Pretoria, 0001 (Manpower Building, Schoeman Street, Pretoria).

Enquiries may be directed to Mr L. N. van der Schyff at telephone number (012) 310-6398 or 310-6187.

(22 June 1990)

NOTICE 509 OF 1990**DEPARTMENT OF MANPOWER**

179

THE NTB/HSRC INVESTIGATION INTO THE TRAINING OF COMPUTER EXPERTS AND COMPUTER LITERATES IN THE RSA

The computer industry has for some time experienced the problem of an imbalance between the supply of and demand for computer experts and computer literates.

Labour hearings are open

The National Manpower Commission will hear evidence on the Labour Relations Act over the next four days during hearings that are open to the public.

The hearings today and on Friday will be at the head office of the Building Industries Federation of SA, 14 Alexandra Road, Halfway House.

The hearings tomorrow and on Thursday will be at the Development Bank of South Africa, Midrand. Proceedings begin at 8 am.

Star 26/6/90

173 (173)

Labour inquiry disrupted

The National Manpower Commission (NMC) public hearings regarding the consolidation of labour relations were suspended indefinitely after the first day's proceedings at Halfway House were interrupted by a National Council of Trade Unions (Nactu) protest yesterday. *Star 27/6/90* (173) (173) (173)

The commission was to have heard four days of evidence from various unions, industrial federations and business groups, as part of its investigation of the Labour Relations Act (LRA) of 1956.

At 11 am, a delegation of about 50 singing Nactu members refused to allow the sitting to continue. They demanded the hearings be postponed until Nactu's suggested changes to the LRA, made in agreement with the Congress of South African Trade Unions

(Cosatu) and the South African Co-ordinating Council on Labour Affairs (Saccola), became law.

The Government failed to legislate the suggested Saccola/Cosatu/Nactu amendments to the LRA in the parliamentary session which has just finished. (173)

At the Halfway House hearing, Nactu said the NMC's recommendations on the Saccola/Cosatu/Nactu accord had not been made available to them. They said the NMC and the Department of Manpower wanted to undermine the accord.

NMC acting chairman Dr Frans Barker issued a statement saying the NMC investigation into the LRA should be seen as separate from the Saccola/Cosatu/Nactu accord and not as an alternative to it. 6

Mass union protest hangs in balance

27/6/90

By Norman Chandler
and Shareen Singh

President de Klerk moved yesterday to allay mounting union anger over delays in amending labour legislation.

However, unions must still decide whether planned massive industrial protest action will be postponed.

There were no formal statements at the end of the four-hour discussions yesterday between the Government, Cosatu, the country's largest trade union federation, the National Council of Trade Unions (Nactu) and the SA Consultative Committee on Labour Affairs (Saccola).

Cosatu has already declared it is "disturbed" that the meeting did

not produce the results it expected and has indicated it will discuss industrial action in this light.

Protest action is likely to be suspended for at least three weeks, however, while Cosatu and Nactu discuss their proposed plan of action including stayaways, demonstrations and sit-ins.

Amendments

A joint position will be finalised at Cosatu's central executive committee meeting on July 20.

Last week, Cosatu wanted proposed amendments to the Labour Relations Act to become law before the end of the parliamentary session last Friday, while Mr de Klerk said he would not be prepared to give in to the demand.

Cosatu general secretary Jay Naidoo said last night that workers were being hit daily with mass dismissals and interdicts under the Labour Relations Act. Workers could not wait much longer.

Saccola spokesman Bobby Godsell was positive about the outcome of the meeting.

He said the proposal to set up a joint working committee to try to restore mutual confidence and the passing of the legislation was "most constructive".

Nactu secretary-general Cunningham Ngcukana said the organisation welcomed the establishment of a working party but was disappointed at the failure of the Government to give expression to labour accord.

● See Page 14.

Bigger the cakes, ¹⁷³ larger the slices

8/7/90
sftines

WITH five cumbersome syllables, 'productivity' narrowly beats 'infrastructure' as the most boring word in the English language. Yet few words in economics are more important and Johan Visser of the National Productivity Institute has spent the better part of his career trying to make South Africans enthusiastic about productivity.

Basically, it means extracting, through greater efficiency, more goods and services from every unit of labour, capital or raw material used in production. The bottom line is that we could be as rich as the West Germans — if we could attain that country's prodigious productivity.

The number employed in SA rose by only 160 000 between 1976 and 1986. Employment in manufacturing and construction was stagnant and there were small rises in jobs offered in mining and commerce. Worryingly, it was in government that most jobs were generated. As a result of depressed job generation, millions have had

Dr Visser says: "No matter what the politicians say, if we want to consume more per person, we have to produce more per person. In the new SA everyone wants better housing, education, health care and a living wage — but the only way to get these things is to produce more."

Graduates

In the same decade, Japanese wages rose by 5,5% and productivity 5,8% a year. It is hardly surprising that we have suffered much higher inflation than Japan and that the rand has fallen steeply against the yen.

With its staff of 185, mostly graduates in economics, engineering, industrial psychology, finance and mar-

to eke out an existence in the informal sector.

The informal sector, says Dr Visser, is not so much a solution of economic problems as a symptom. It generates little wealth and mostly denotes subsistence and poverty.

In the 10 years to 1987 manufacturing wages in SA rose by 14,7% annually, and labour productivity in output an hour only 2,3%.

Every client is asked for an evaluation after an NPI consultation and 98% of the 700 firms advised every year are positive.

Exposure

Because fees are a bit high, most of the NPI's advice is given to large organisations, which produce 80% of SA's gross domestic product.

The NPI's latest project, dubbed 6M, is to teach illiterates the basics of economics and business.

Employees in more than 1 000 companies have received the vital message that money in the till is not a profit that the idle managers in Mercedes-Benzes take home for their life of comfort and ease.

Workers are told that stocks have to be replaced,

keting, the NPI does not only preach the gospel of greater productivity. It makes at-the-coalface attempts to improve it.

At a daily charge of about R1 250 a person, its consultants go into organisations in both the private and the public sector, investigating productivity and advising on changes to enhance it. Being 68% self-funded, the NPI is a tiny burden on the taxpayer.

Dr Visser says the NPI has established that on average, for every rand a client spends he makes R11 in productivity gains.

Mr Naanyane says: "Some unions objected to the course

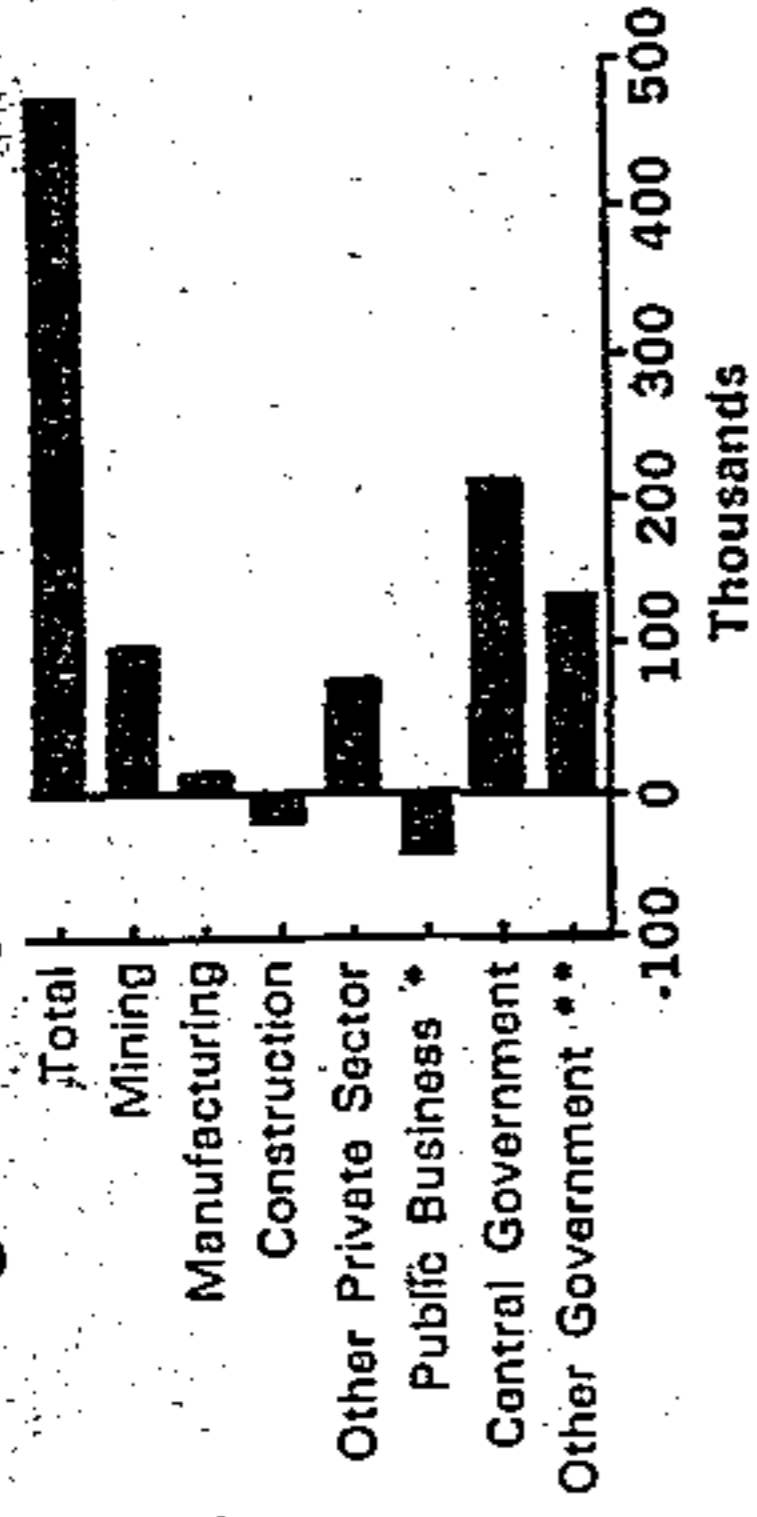
wages paid and profits ploughed back. Only a tiny fraction of wealth generated goes to shareholders.

Abner Naanyane is one of several articulate black trainers. He instructs trainees from companies on the rudiments of business.

Lecturers use model banks, offices, factories, workers and managers to get the point across in five modules of two hours each. Companies that have used the system swear by it.

Two happy NPI clients are

Jobs created in South Africa in all sectors excluding the agricultural sector 1978-1987



* Electricity, Transport & Communication
** Local authorities, provincial administration, statutory bodies and national states

Source: Unpublished data South African Reserve Bank

on the grounds that it was brainwashing. To demonstrate that it is nothing of the kind, we have done presentations to shop stewards. They benefited and asked for other union members to be exposed to 6M.

"We found that once labour forces know more about business and competition, they are more co-operative."

Two happy NPI clients are

productivity award winners, Con Roux Construction and Middelburg Steel & Alloys.

Con Roux contracts director Jan Potgieter says: "The NPI team evaluated us thoroughly and advised us to switch from an autocratic system to a participative one."

"We conducted a lot of training, mostly designed to change attitudes and to

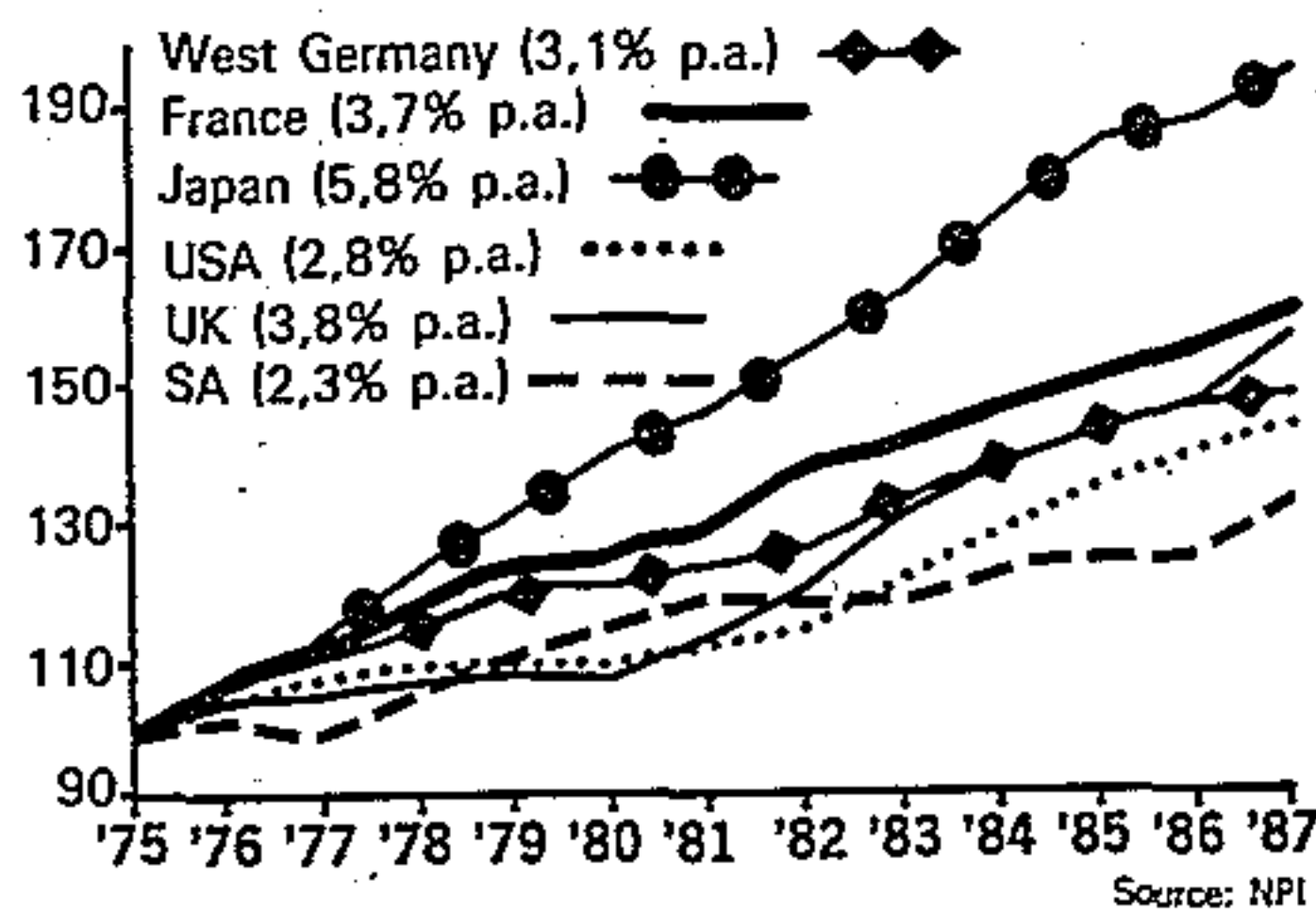


JOHAN VISSER

encourage greater tolerance between blacks and whites. The results are dramatic. The order book has filled up. We pay better wages, we employ more people and we have lifted profits by 113%." Middelburg Steel's Heinrich Kammeyer says: "We found the NPI great facilitators. They got us talking and thinking about productivity and were particularly good on people-related

Labour productivity (output per hour) in manufacturing in selected countries

Indices: 1975=100



topics. We found 6M invaluable. We had to effect improvement ourselves, but the NPI acted as our conscience in productivity."

Dr Visser says the company that sets out to make money and to share the welfare generated, the company whose management communicates its objectives and listens to its underlings has the edge on competitors.

Conversely, a firm concerned only with the owners, arrogantly giving orders, not listening and hiring and firing on whim, is heading for trouble.

"We have a community divided by race, language, religion and many other factors. My dream is that our fractious people should have a super-ordinate goal — the creation and equitable sharing of wealth."



Chris Steyn has been appointed MD of Dairybelle Fresh Milk.



Tony Baiocchi has been appointed senior manager (pension administration) of Sage Life.



Willem Burger has been appointed dealer principal of Auto Atlantic BMW, Kloof St.

Call for plan to build up exports, jobs

By AUDREY D'ANGELO
Business Editor

A CALL for a strategic plan in which SA's business houses would co-operate with each other and the authorities to build up exports and create more jobs — as was done in Germany and Japan — is made by Jeffrey Liebesman, chairman of the FSI Corporation, in the annual report.

"The greatest contribution the business community could make towards easing this process of change would be the creation of jobs and the enlargement of the economic cake that is available for sharing," he says.

"Both could be attained if SA's business houses were to co-operate in the manner that has been so successful in Germany and Japan, namely assessing where the country's competitive advantages lie, then working together and with the authorities so as to co-ordinate SA's resources to build up exports and international activities.

"The politicians have shown a willingness to abandon historic positions and open their minds to new ideas. The time is ripe for business people to change their attitudes to local and international markets in a similarly constructive manner."

Liebesman also warns, in the report, of a need to prepare for an intensification of competition in SA when multinationals which have kept out for political reasons enter the local market.

The report points out how FSI has expanded since 1981, when it had one factory in SA, to become the holding company for international operations

with 33 factories and 860 distribution points on five continents.

It says that the process of change in Southern Africa and Eastern Europe is "accelerating the development of a single global market".

Liebesman says that in Southern Africa "the fundamentals are so changed that respected analysts are looking for economic growth in SA to average 3,6% a year in real terms through to the end of the century.

"This welcome improvement could be attained with little inflow of overseas funds."

He continues: "We are alert to the international alliances that are developing as organisations respond on the one hand to the opportunities that are opening up within the major trading blocks, and on the other hand to the intrusion of foreign competitors into their home markets.

"Within SA, FSI companies are taking steps to prepare for an intensification of competition as multinationals that kept out of the country for political reasons enter the SA market when prospects improve."

In spite of these brighter prospects, Liebesman warns that 1990 "will be a difficult year with high interest rates and the preliminary moves in serious negotiations to create a new political dispensation for SA".

But, he says, "despite the current difficult economic environment the '90s hold great promise".

He expects the FSI companies to "benefit materially when there is an improvement in the economic climate and especially from a return to stable conditions in SA".

CME 7/4/85 10/7/90

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Toyota in R40m boost for Cape suppliers

Cape Times 13/7/90 173

By AUDREY D'ANGELO
Business Editor

DURBAN-based motor manufacturer Toyota (SA) expects to give an additional R40m worth of business to Western Cape suppliers in the coming year — boosting its spending here since early 1989 to about R100m, and creating about 1 200 extra jobs.

Its announcement follows one by Wesgro director David Bridgman that investor interest in the Western Cape is growing, with an increased number of inquiries from European and Far Eastern manufacturers.

Toyota's supply director, Ernie Shore, explained yesterday that much of the extra business the company was placing in the greater Cape Town area was due to increased local content requirements.

"We have sourced some of our supplies from the Western Cape for years, either because we could only get them from there — like engines from Atlantis Diesel Engines — or because the quality was better. "But, for logistic reasons, we naturally

prefer to source our supplies as near to the factory as possible. We source more than half of them from Natal and the rest from the Transvaal and have rather neglected the Western Cape because of distance.

"But the increased local content requirements mean that we are running out of suppliers within easy reach of Durban and are having to come further afield."

Shore said a contract worth R2,5m a year to supply velour for cloth car seats was given to Court Fabrics of Paarl because, after Toyota had "scoured the country", they were found to offer the best quality.

"We chose them in straight competition with a West German supplier".

Other new suppliers include Gabriel in Retreat, from whom Toyota is currently buying R500 000 worth of gas shock absorbers. Shore expects this to increase.

"We are getting a highly sophisticated immobiliser for the Toyota Hi-Ace from Centralised Electronics in Cape Town, who will probably also manufacture a similar device now under development by Toyota for the Hilux bakkie. This is an

additional investment of R2,5m a year and is likely to jump to well in excess of R3m a year."

Atlantis Foundry is supplying Toyota with R3m a year worth of inlet manifold castings.

And in 1991 STI in Atlantis will start to supply R8m worth of wing mirrors for passenger and light commercial vehicles.

GUD of Atlantis will soon start to supply Corolla and Hi-Ace air cleaners "with an annual value of approximately R1,5m", said Shore.

He said that at the beginning of 1989 Toyota had placed R60m worth of business in Cape Town. By the end of 1991 "the sum is expected to jump to R100m.

"The additional business we shall put in the Western Cape in the next 18 months will be directly responsible for the creation of a further 1 200 new jobs.

Bridgman said investors were showing more interest in the Cape than in other parts of SA, although at present they seemed to be waiting for developments following the recent changes.

Cape Times 12/7/90

THE COST OF FINANCING AND PENAL

The criteria for job selection must be revised

173
B 12/24 20/7/90

ANGLO American chairman Julian Ogilvie Thompson's forecast that the lifting of sanctions could enhance job creation to the extent of 200 000 new jobs a year confirms the extent of the harm these measures have had in retarding the upliftment of the people of our country.

The prospect of renewed growth raises a question as to the adequacy of our human resources.

In the past 10 years the percentage of the economically active population (EAP) employed in the formal sector has receded from 43% to 38%.

We have about 6.5-million people seeking a living in the informal sector or unemployed — with more to come in the next 10 years!

The significance of this is that with an increasing number of people having to be supported by a diminishing proportion of the population in formal wage/salary earning capacities, wage demands and taxes only continue to escalate.

A growing proportion of our population never enters the formal sector, where the skills required for growth are imparted and acquired.

LAURENCE HALL

Our present skills inventory indicates that, without extensive proactive programmes by employers, our chances of capitalising on growth opportunities will be minimal and, even a disincentive to investors.

We have, as has been frequently pointed out, a shortage in the midst of plenty. The skills shortage in the executive and professional groups could be, if these estimates of demand acquired from various sources are correct, 650 000 posts.

The apparent surplus among skilled and semi-skilled conceals the shortage of artisans at the top end of this scale — the majority in this class being semi- and partially skilled workers.

Further, 66% of SA's EAP (about 9-million people) have no more than primary education (not necessarily completed). Of these, nearly half have no education at all. As a resource for upgrading, therefore, they are limited unless additional education inputs are made.

The skills distribution pattern of

whites virtually replicates that found in the fully developed nations and conforms to normal distribution curves. There can be no change of any significance looked for from this group. It is "maximally" deployed.

The Asian and coloured population (included under "other" in the table), while still having potential for development, are not of adequate numbers to make any appreciable inroads into our problem areas.

Virtually untapped, the black population of SA is the resource which must be developed to ensure our emergence as a self-sufficient nation. Failing this we can look forward to an accelerating descent into poverty.

For employers these figures are significant. If the need is to recruit a fully skilled professional or managerial worker, stealing from a rival and paying the price will become the normal recourse.

"Ready-mades" are going to be very pricey luxury items for some time to come.

If — because of pressure from foreign investors, an affirmative action programme or merely because

it is intended to stay in business to the end of the century — it is decided that recruitment and development efforts must embrace blacks, the criteria for selection will have to be revised. Traditional screening "cut-outs" such as minimum education standards and track record experience will be counterproductive.

Potential is what will have to be assessed: potential for education, potential for skills acquisition; and then the employer will have to be prepared and able to provide both the education and the skills training.

Throughout the world, knowledge has become the centre of capital investment.

The scale of this investment is in some cases as high as 16% of GNP, a third of which is in the education and training of adults — mostly in the employing organisation. SA and SA employers must accept that only by such re-investment to produce a skilled and competent work force will significant new investment be attracted — even when the last vestiges of apartheid are a memory.

□ Hall is a management consultant with Garry Whyte Associates.

Class	Demand (000s)	Supply (000s)	Deficit/ Surplus (000s)	Source of Supply	
				White (000s)	Other (000s)
I	365	206	-159	167	39
II	1 457	962	-495	502	460
III	4 010	4 950	+940	1 088	3 862
IV	1 458	7 632	+6 174	335	7 297

Key to SA Skills Inventory 1990:

Class I: executive/managerial; Class II: professional/technological; Class III: skilled/semiskilled; Class IV: unskilled.

LETTERS

All hands point to success

W/EARBUS
21/7/90

173

By TOM HOOD
Business Editor

A JAPANESE company does not own a square metre of factory space — yet it makes 46 million kitchen knives a year and has a turnover of around \$60 million.

Its success could be an example to South Africans of how to uplift people, says an expert on small businesses, Mr Theo Rudman.

He has studied why the Japanese are so successful in business, and why they are praised for their work ethic.

But this is all a red herring, says Mr Rudman.

What made Japan successful was sub-contracting. Companies sub-contract everything from small components to large components. Parts of the most sophisticated products are made by the equivalent of South African township people, he says.

The knife-making company has only a marketing department and a sophisticated shipping and packaging department.

"Everything is simply contracted to thousands of sub-contractors who make only one part of the knife," says Mr Rudman.

One person made the blade, another the wooden handle, another the rivets and another put them all together.



Theo Rudman... work for all.

"These sub-contractors are not even close to the main company. They transport goods by thousands of other sub-contractors riding motor-cycles with boxes.

"The motor cyclists own the machines and are paid per trip."

Mr Rudman concludes: "If we could get manufacturers to start working that way, we

could change the economy overnight."

One of his main jobs is visiting Third World business people throughout South Africa and helping them to get their various enterprises on a profitable footing.

As executive director of the Cape-based Self-Employment Institute, Mr Rudman has helped to train about 5 000

small business owners at a cost of R800 000.

Each business employed an average of 2,8 people at the start of training and after training the average was 6,6.

He sees a very strong work ethic in the townships, particularly in the squatter townships where, he believes, about a million squatters live in and around Cape Town.

He regards the squatter invasion as a challenge for organisations like his own non-profit-making company to try and help create more jobs.

Most of the squatters have been here less than five years. Most come from rural areas and even in their shacks they are better off than before, he said.

"Where they come from, the going rate for a labourer is R25 a week, compared with R80 to R100 in Cape Town. Even at R25 a week there is no work for them. A driver is lucky if he can get R50. We don't realise that so much of South Africa is unemployed.

"Today, in 1990, there are the same number of formal sector jobs available as there was in 1980. We have not expanded the number of formal jobs available, yet we have produced nearly 4 million school leavers."

Mr Rudman is a champion of the rights of an individual to earn an honest living and a strong supporter of deregulation, which will make it easier for people to start their own businesses.

He is an expert in the development of the informal sector, particularly in the squatter

See page 3.

All hands are pointing to success

W/EARBUS 21/7/90
From page 1

townships.

As a result he is a consultant to several major companies in designing and implementing distribution systems in the informal sector. He conducts regular tours into the townships in the Cape and PWV for formal company marketers. His institute also undertakes specific qualitative research among formal and informal traders in the townships.

Surveys have shown that the biggest problem experienced by small businesses is lack of business and staff management skills.

One of the objectives of the Self-Employment Institute is to create an informal sector industry training board, which could bring immense benefits to ambitious squatter families.

A big snag is self-employed people do not benefit from tax incentives or cash grants to meet a percentage of training costs.

Mr Rudman disagrees with some businessmen who believe hawkers are a kind of unfair competition. He would like to see a mall opened in Cape Town for hawkers to sell their goods.

He believes they bring business to the area and reports that 80 percent of the shops in central Johannesburg realise hawkers are salesmen who can get to customers two or three blocks away. These shops now display signs reading: "Hawkers Welcome."

173 153A

Sub-contracting takes off

THE efforts to forge ties between big, established corporate business and those at the semi-formal end of the economic spectrum are beginning to bearing fruit and show signs of gathering momentum.

It is a bridge-building exercise, practically described as sub-contracting, which is gaining currency as one of the building blocks essential to success in moulding a new South Africa.

More and more large corporations are beginning to mirror the initiatives set in train first by organisations such as the Anglo American Corporation and the SBDC, and the purpose of this column is to illustrate that benefits have accrued to the big and small sides of the partnership; and ultimately to the economy as a whole.

It is hoped it will also spur a further expansion of these joint ventures in a manner such as fuelled the economic achievements seen in countries such as South Korea, Taiwan, Hong Kong and Japan.

The benefits to small business are:

- Integration with more formal big business provides them with access to a bigger market;
- More formal business often helps to stabilize the smaller operator through the involvement with larger contracts;
- It provides an establishment base, facilitating expansion and growth;
- The interface provides contact with business knowhow and principles;
- Contact with big business provides potential access to technology;
- Stable contracts and contacts improves access to credit facilities; and,
- It provides necessary stimulation to small business to continually improve its methods, products, services and competitiveness.

Experience of the benefits to big business to date has highlighted that the sub-contracting arrange-

SMALL BUSINESS INDABA

Compiled by the SBDC

THE Small Business Indaba is a bi-monthly column, a joint venture between the Small Business Development Corporation (SBDC) and Weekend Argus. It is designed to offer advice to those considering entering business for themselves and to act as a sounding board for those encountering problems. For further information contact 438 7019.

ment between big and small is not merely philanthropy, but offers distinct advantages:

- Small business often has lower overheads and different cost structures, enabling it to contract at very competitive prices;
- Small business can generally provide a more personalised service that offers material spin-offs;
- Small businesses are often able to cope and adjust better with innovative, special, short-run products;
- There is greater potential with supporting small business in establishing competitive prices; and,
- Often small businesses can perform certain in-house functions more effectively, i.e. catering, garden services, cleaning and security;

The benefits to the economy include helping to stimulate and develop the small business sector, a partnership that can in turn boost the economy by creating more jobs efficiently and helping to reduce the high rate of unemployment.

Research has consistently shown:

- Small business is by far the most effective job creator in a free enterprise economy;
- It promotes free enterprise and generates self sufficiency;
- It fosters healthy competition;
- It uses more labour intensive technologies and is more capital efficient;
- It generates wealth at grassroots;
- It has the potential to help dampen inflation by impacting on the wage/cost spiral; and,
- It will help positively to redistribute the economic base of the country, enabling more people to hold a stake.

W Cape initiative

SBDC sub-contracting initiatives in the Western Cape have shown gains in the clothing industry, where a host of home-based cut, make and trim operations have been set up recently to service bigger industry. More than 250 jobs have been generated as a result. Examples of some of these include:

- Evelyn Sitengile started a small sewing operation from her home in Crossroads with the help of a small SBDC loan in 1987. She struggled to develop the business until she became involved in the SBDC's CMT project. She has already enjoyed tremendous success, receiving on-going orders from a few factories;
- Ingrid April obtained a loan from the SBDC in October 1988 to set up a home-based CMT operation. She employed three machinists but battled to make ends meet owing to the absence of reliable suppliers, and had to find temporary work elsewhere. Through becoming involved in the project, Mrs April was able to concentrate on her CMT business, and it provided her with supply and financial stability and placed her in a favourable bargaining position with other suppliers; and,
- Peter and Bardine Matthysen started up a CMT business in Worcester in 1984 with four sewing machines and six employees. Business grew and, with an SBDC loan granted three years ago, now has a staff of 90 and 78 machines.

Capabilities were overstretched and performance was poor until the Matthysens ventured into sub-contracting, handing out work to other small CMT operators. Business has continued to grow, with about six small businesses now doing work taking part, each employing between 10 and 15 people.

Mossgas jobs on schedule

104 29770

THE Concor/Ovcon R40m joint venture at the new Mossgas refinery at Mossel Bay is on schedule, with about 65% of work now complete. (173)

The venture, which employs a labour force of 680, including 80 artisans, is made up of three main sections, all won on tender — the refinery civil works, the cooling towers and the reaction water treatment plant.

Project manager Dieter Pickhardt said the contracts were started within a month of each other in June and July last year.

All Concor/Ovcon's work is due to be "substantially completed" by September. The plant is due to be commissioned by the end of 1991.

the film is titled "The
film (colour was a rarity Royal Farewell".

500 reapply to SAP, but 78 turned down

By Chris Moerdyk

The recently announced pay hikes for the police has resulted in large numbers of former policemen clamouring for their old jobs.

Of the 500 applications from former policemen received by the SAP recruiting office in Johannesburg recently, however, 78 were turned down.

According to SAP public relations staff there were two reasons why a number of applications from former policemen

had been turned down.

No policeman who had any form of black mark on his record was being accepted back into the force despite the fact that this might not have been the reason for his leaving.

And, secondly, the acceptance standards had been raised.

"There was a time when we would accept people with a Std 8 level of education into the force but now only those who have a Std 10 are accepted," said a police spokesman.

Shrinking job ads reflect slump

8/04/90 118/90

173

GRETA STEYN

THE recession has slashed the "situations vacant" columns of newspapers, leaving job seekers with a steadily shrinking selection from which to choose.

According to Standard Bank economic database figures, the centimetres of job advertisements in The Star and the Sunday Times combined fell by almost 43% in March — a particularly weak month — compared with March last year. The average fall from a year ago in the first five months of 1990 was more than 33%.

The demand for newspaper space to advertise jobs is an indicator of the business cycle — in 1987, when the upswing was getting under way, the year-on-year increase in centimetres rose by an average 33,73% each month. The next year, the peak of the upswing, saw a further average monthly rise of 17,86%. This was followed by a relatively moderate fall in 1989.

The slowdown in the rate at which new companies are being registered provides further evidence of a marked slowdown in economic activity.

The number of new companies registered fell by 16% in April compared with the same month a year ago. But the situation is nowhere near as bad as in 1985, when the year-on-year decline averaged 48,31% a month. A total of 457 new companies were registered in April.

Imports are also regarded as a good sign post of the current point in the economic cycle. Machinery imports, specifically, pick up as the economy starts moving and fall as a downswing sets in.

As the largest category of imports, its fall is a major factor boosting the current account surplus of the BoP.

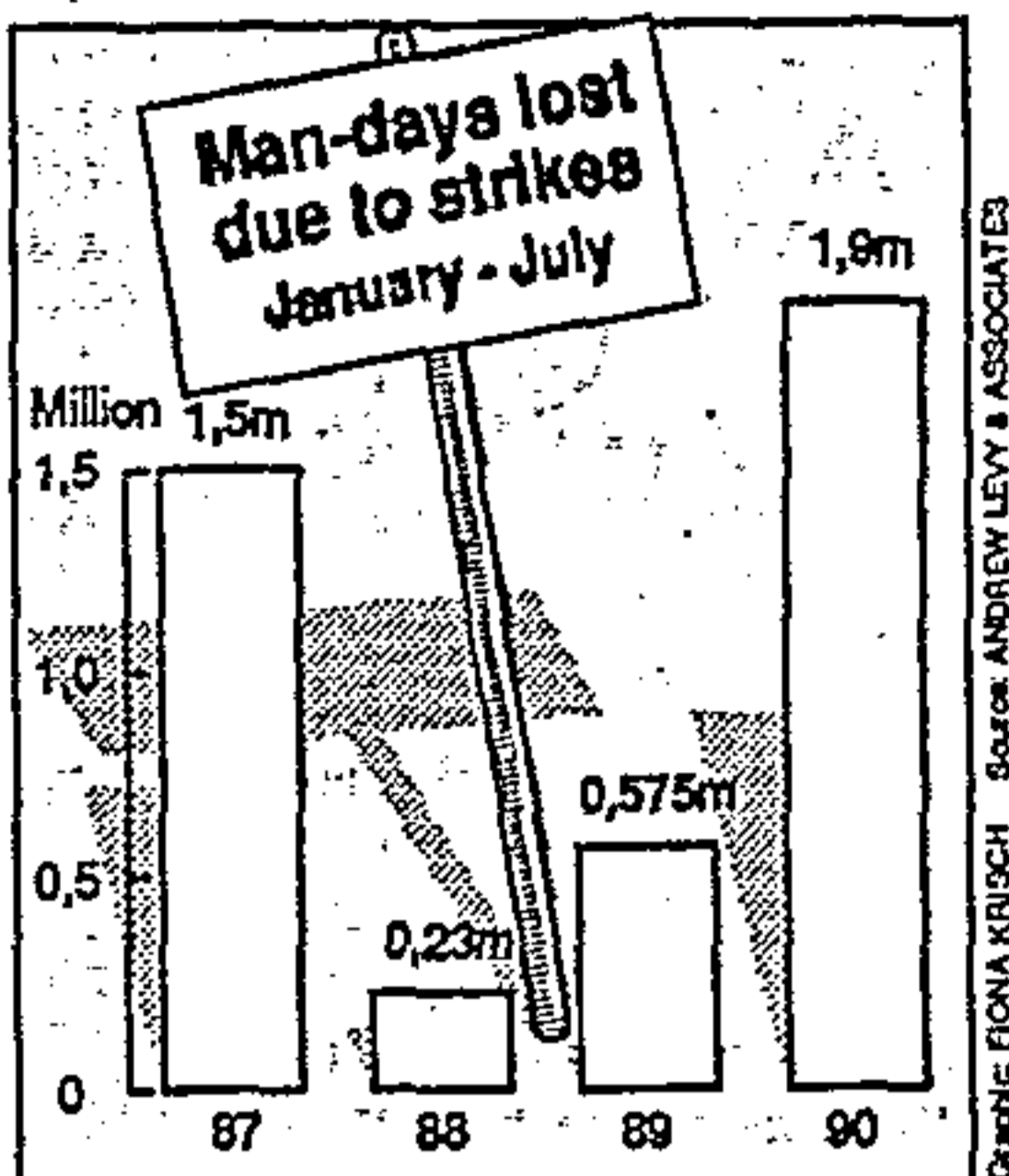
New peak in man-days lost

173 ALAN FINE 8/02/90 10/8/90
THE 700 000 man-days lost because of strikes in July pushed the total for the first seven months of 1990 to 1.94 million — a record for the period, according to figures supplied yesterday by Andrew Levy and Associates.

However, despite the recent wave of strikes, the total man-days lost for 1990 would probably still be way behind the record 9-million established in 1987, a consultant said.

This was largely because the huge, three-week NUM wage strike happened in August 1987. This year, the NUM/Chamber of Mines dispute is all but settled. Major engineering and motor industry strikes were possible, but would not compare with the 1987 dispute.

In the seven-month period, strikes in the retail sector accounted for 32% of man-days lost, followed by the state sector (30%) and chemical and textile (each 8.1%).



Enough work a problem in SA's future

Mr. Timp B/S/80

From REV H G MURCOTT (Pretoria):

ONE of the major problems facing our country in the next few years will be finding work for the large number of unemployed, especially the youths who have missed out on education through "Liberation before Education".

In the depression years of the 1930s a great contribution was made by the Special Service Battalions, which helped to provide discipline and training for the large number of youths who had to leave school early when their fathers lost their farms or jobs. At one time Dr Danie Craven was their OC. Later they also contributed greatly to the war effort when the Second World War drew us in.

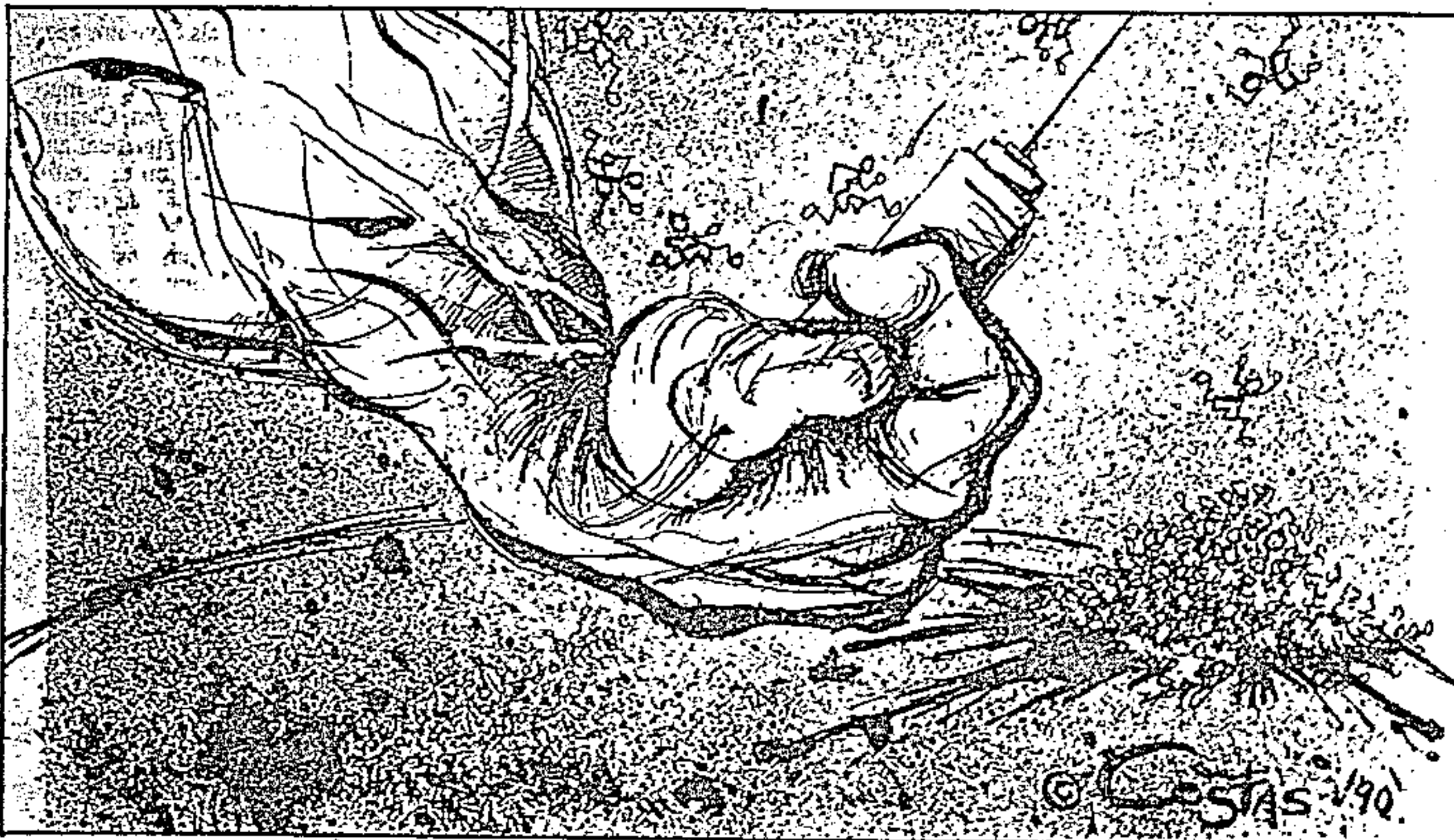
Something of this nature is needed for that "lost" generation of blacks. It will not be accepted if it comes from the government, but if the ANC, PAC and Inkatha could get together and launch it, it could prove of immense value for our country's future. With the right leadership, discipline and training they could help to make up the backlog in housing, schools, clinics, etc, and keep agricultural machinery in order for the development of small farms.

The ANC and PAC have had considerable experience in such training outside our country, so they will be able to contribute all these skills to meet the needs here. Similarly, their military wings could be incorporated into the police and defence forces. The last mentioned would also be able to supply the equipment.

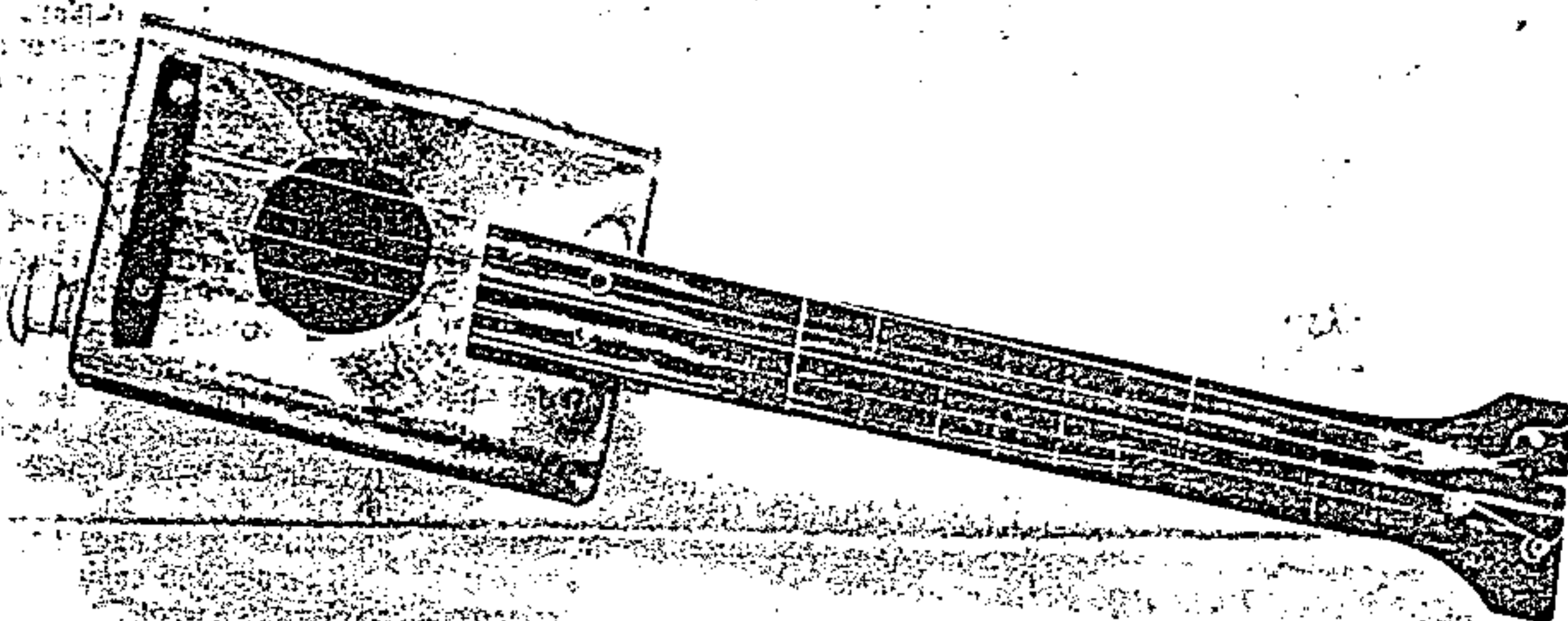
Some such far-sighted plan is desperately needed at this stage of our country's advance towards a fully democratic, free and prosperous future. This would truly be a "beating of swords into ploughshares and spears into pruning hooks".

SMALL BUSINESS

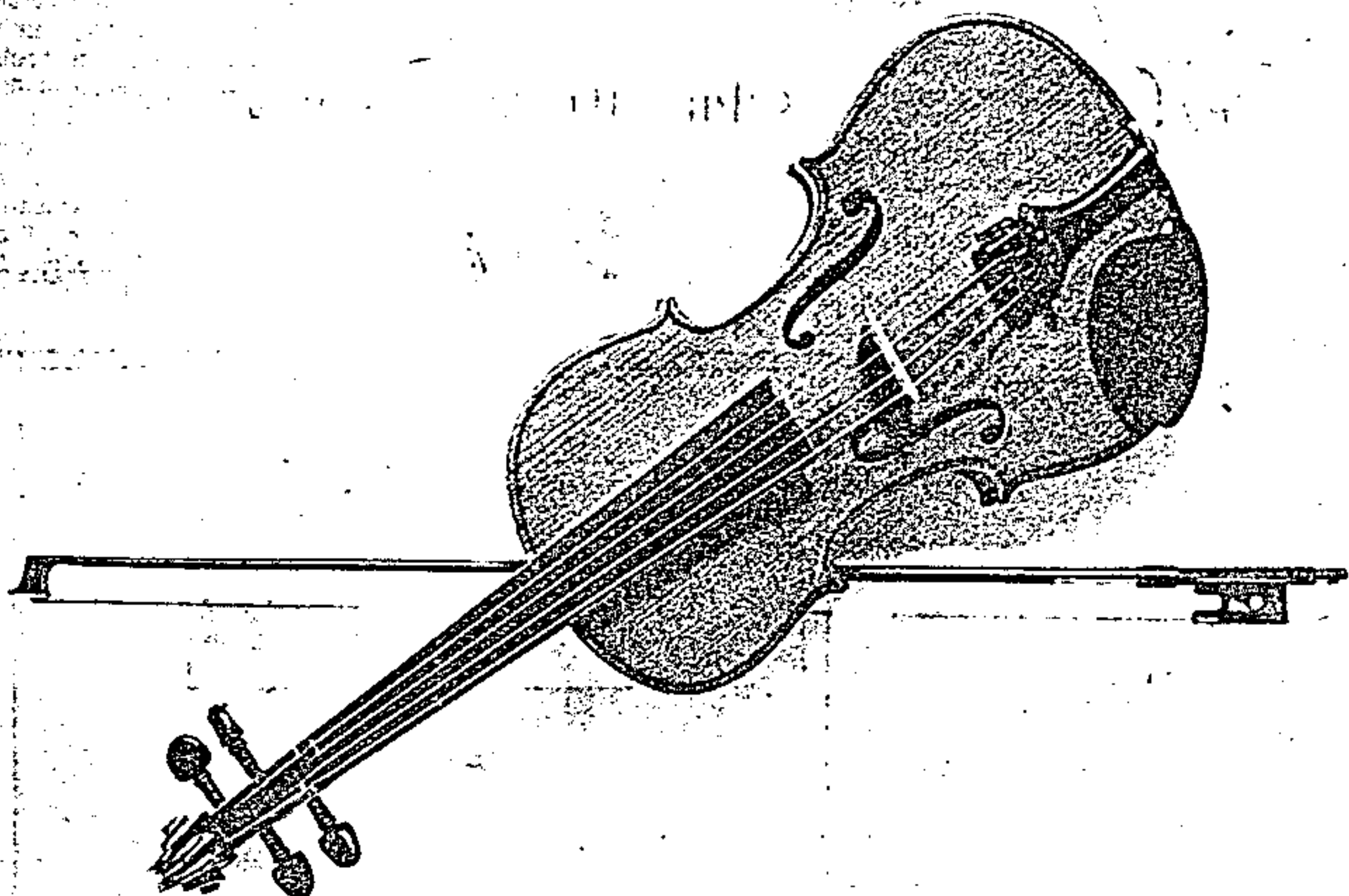
there is no guarantee that data which has been processed in the past



Creating jobs is only one task of Job Creation SA. The company is also often asked to implement small business development programmes



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Laws a big obstacle for job creation company (73)
W/Mail Suppl
1745-4/8/90

Job Creation SA's first major commission was to create 500 jobs through 100 small businesses. It accomplished the task — and now it has to create another 250 jobs. A WEEKLY MAIL REPORTER spoke to the two men who started the company

IAN HETHERINGTON and Martin Manala did not believe that politicians were really interested in the development of small businesses so they started a business to do it.

They spoke to *The Weekly Mail* in their Job Creation offices in Rhodes Field (near Jan Smuts Airport), which they share with the non-profit Small Business Advisory Services.

Job Creation SA, set up in late 1985, is jointly owned by Nafcoc and, ironically, Barlow Rand. Its mixed parentage is reflected in the managerial staff, Hetherington, a former Barlow Rand man, and Manala, who came from Nafcoc.

It sells its services to companies and organisations which commission employment creation and small business development.

Its first major commission, from Barlow Rand, was to create 500 jobs through 100 small businesses. This target having been accomplished, Barlows commissioned another 250 jobs — the current major project for Job Creation.

Manala, Hetherington, and the other staff members of Job Creation are consulted by companies looking for small suppliers, by employers retrenching workers and looking for ways of enabling the laid-off workers to employ themselves, and they are consulted by landlords looking for small business tenants.

As in the Barlows commission, Job Creation is also prepared to implement small business development programmes. However, they do not loan small entrepreneurs money or house them in their own buildings, as the government sponsored Small Business Development Corporation does.

The link with the Small Business Advisory Service (SBAS), which Hetherington helped set up in the mid-1970s, comes into play when Job Creation is asked to implement projects. Job Creation contracts some of the work out to SBAS.

Job Creation says the Alexandra project, which formed part of the first Barlows contract, is one of its substantial successes. Job Creation officers sought out entrepreneurs in Alex, some of whom came through Nafcoc, and found an empty factory in Kew which the owner was persuaded to convert into a hive for 35 businesses.

One of Job Creation's toughest tasks was to cut through regulations and other obstacles to make the project viable. Hetherington is a fervent lobbyist for deregulation, having been a member of the Swart Commission which formulated the deregulation of the Ciskei.

Though he is disappointed that the only element of the Ciskei plan fully implemented was tax reform, he feels that the forces for deregulation in South Africa are winning. The next milestone, apart from the removal of the Group Areas Act, Hetherington believes, is an omnibus Bill due to go before parliament next year which will slice through licensing provisions in 60 existing pieces of legislation.

Manala and Hetherington see a range of areas where small businesses are already effective, and that can accommodate a proliferation of entrepreneurs, most of which are offered by the continuing urbanisation process.

They include: building and building supplies; furniture manufacture and sale; the production of garments; food manufacture, preparation, and sale; transport and its auxiliary services such as tyre repairs, mechanical work, and re-upholstering; and niche markets like computer furniture.

While contracting-out by big firms would seem to be a potentially important source of small business development in South Africa, the experience so far is very disappointing, says Hetherington. A major obstacle is a lack of trust on both sides. The principle expects the sub-contractor to be unreliable, and the small operator expects to be the first to be sacrificed during a recession.

Sub-contracting won't really take off, until the degree of trust between big and small firms is developed here, Hetherington argues.

New

Plan to

revamp economy, cut inflation

Own Correspondent

JOHANNESBURG. — The government will soon unveil a comprehensive economic package aimed at reducing inflation dramatically, creating maximum new job opportunities and restructuring the savings pattern in SA.

Top business leaders have already been briefed on the most important facets of the restructuring programme.

They predict that when President F W de Klerk unveils the package — the most likely dates are the Natal NP conference this week or the Free State conference the following week — it will be the economic equivalent of his watershed February 2 speech.

A cabinet source said that Mr De Klerk aimed to break the "psychology of inflation".

Government's belief that the restructuring programme will be effective explains the repeated and confident predictions of Mr Barend du Plessis, Minister of Finance, that the inflation rate will continue to fall despite the Gulf crisis and the possibility it holds for an increased fuel price.

Dr Wim de Villiers, Minister of Administration and Economic Co-Ordination, outlined broad details of the package on Friday.

Factors inhibiting growth in SA, he said, were:

- ⊙ The high inflation rate;
- ⊙ Limited export capacity and relatively high imports;
- ⊙ The outflow of capital and skilled workers;
- ⊙ Excessive state spending by government; and
- ⊙ Lack of efficient competition.

Policy strategies

Dr De Villiers said government had investigated:

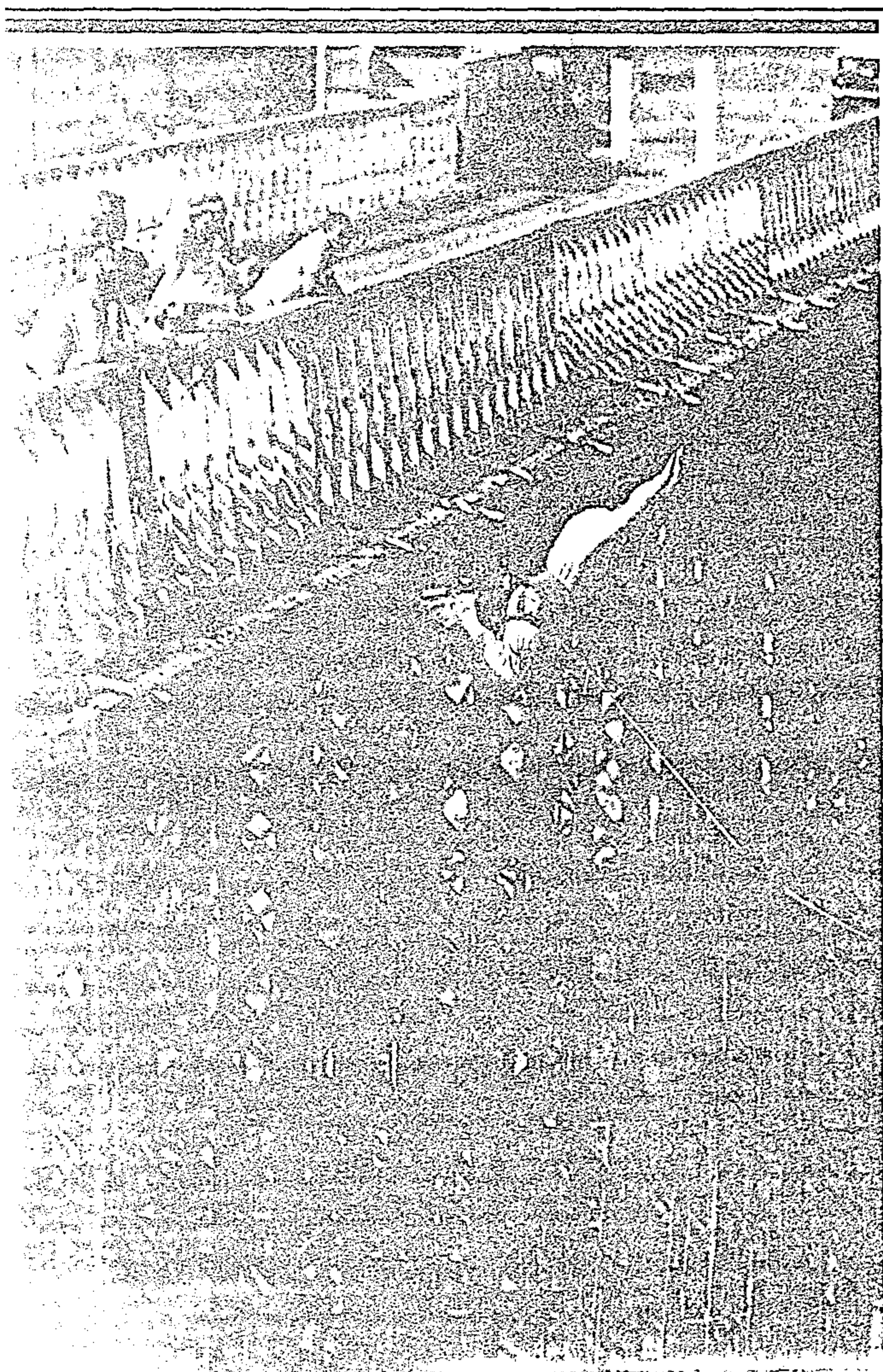
- ⊙ The most suitable policy strategies to be followed by Eskom, Transnet and other government institutions in combating inflation;
- ⊙ The effect of import parity pricing of the international competitiveness of local products;
- ⊙ The important contributory factors towards inflation and measures in terms of monetary and fiscal policy to counter them; and
- ⊙ The removal of tax measures which distorted price and production structures.

Dr De Villiers and his Mineral and Energy Affairs counterpart, Dr Dawie de Villiers, have held a number of meetings with senior management of Eskom and Transnet in recent months.

Business leaders who have been briefed on the broad outlines of the restructuring programme expect that Mr De Klerk will announce that Eskom and Transnet will restrict tariff increases to considerably below the inflation rate in the next few years.

Dr De Villiers said that an important part of the restructuring programme would be to reform the savings structure in SA, in particular restoring the traditional pattern of private saving.

He told the agricultural summit that to encourage maximum job creation the restructuring policy laid stress on the exploitation of the country's strategic advantages — mineral wealth, agricultural potential and an adequate basic infrastructure.



Carl Timp
27/8/90

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1250 000 gears up to a R100 000 total investment, including gearing," he said.

for suitable properties for syndication and will announce our next project soon," Mr Kalkoven added.

SBDC job creation since 1981 put at 250 000

From DUMA GQUBULE

JOHANNESBURG. — Creating jobs was South Africa's top priority, SBDC managing director Mr Ben Vosloo has stressed.

Small businesses could make a significant contribution to providing jobs for the estimated 300 000 people who entered the market each year.

"In the past decade the total economy has created 540 000 non-agricultural jobs. On the other hand, the SBDC has created an estimated 250 000 employment opportunities since its inception in 1981," he said.

"Since these opportunities were created at an average cost of R3 000 a job, this is a bargain for the country," Dr Vosloo said.

According to the annual report for the year to March, the SBDC expanded its share capital by almost R30 million through a 40 percent rights issue, with more than 80 percent of private shareholders following their rights.

A special dividend of 5 percent on class A shares (held by the private sector) has been declared. Most shareholders chose to take their dividends as capitalisation shares rather than cash.

Operational assets (loans and business premises) grew 36 percent, compared with the previous year.

An amount of R62 million was approved for the provision of business premises in developing areas.

"We are involved in property devel-

opment because most developers do not enter into developing areas because of perceived risks," Dr Vosloo said.

REAL AIM

The real aim of the SBDC was to act as a catalyst for development, to unleash and to amplify the entrepreneurial potential latent for too long in many of our communities, said SBDC chairman Dr Anton Rupert.

This entrepreneurial spirit had been smothered too long by shortages of capital, proper work places, know how and by legal constraints, he said.

In his chairman's address to the SBDC's ninth AGM in Johannesburg, he said: "By granting more than 25 000 loans totalling about R800 million over nine years to entrepreneurs in many of our deprived communities, the SBDC has laid a solid foundation for further economic growth in our towns and cities.

"In addition, the SBDC has appropriated R300 million for the provision of business infrastructures, with an area of more than 650 000 square metres in underdeveloped areas," Dr Rupert said.

He said political freedom was not possible without economic freedom.

"Instead of carrying on lengthy discussions about the merits of one or the other economic system, we should rather remove all the remaining shackles that still inhibit our economic performance, and allow all people to utilise their talents fully,"

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BUSINESS

SBDC brings enthusiasm and imagination to creating jobs

FILE MAIL 31/8 - 219190

173. 


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. Retrenched 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 the country.

"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 suburbs.

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 its about 12 percent.

"This country has few entrepreneurs because school children are not encouraged to consider self-employment as a career option."

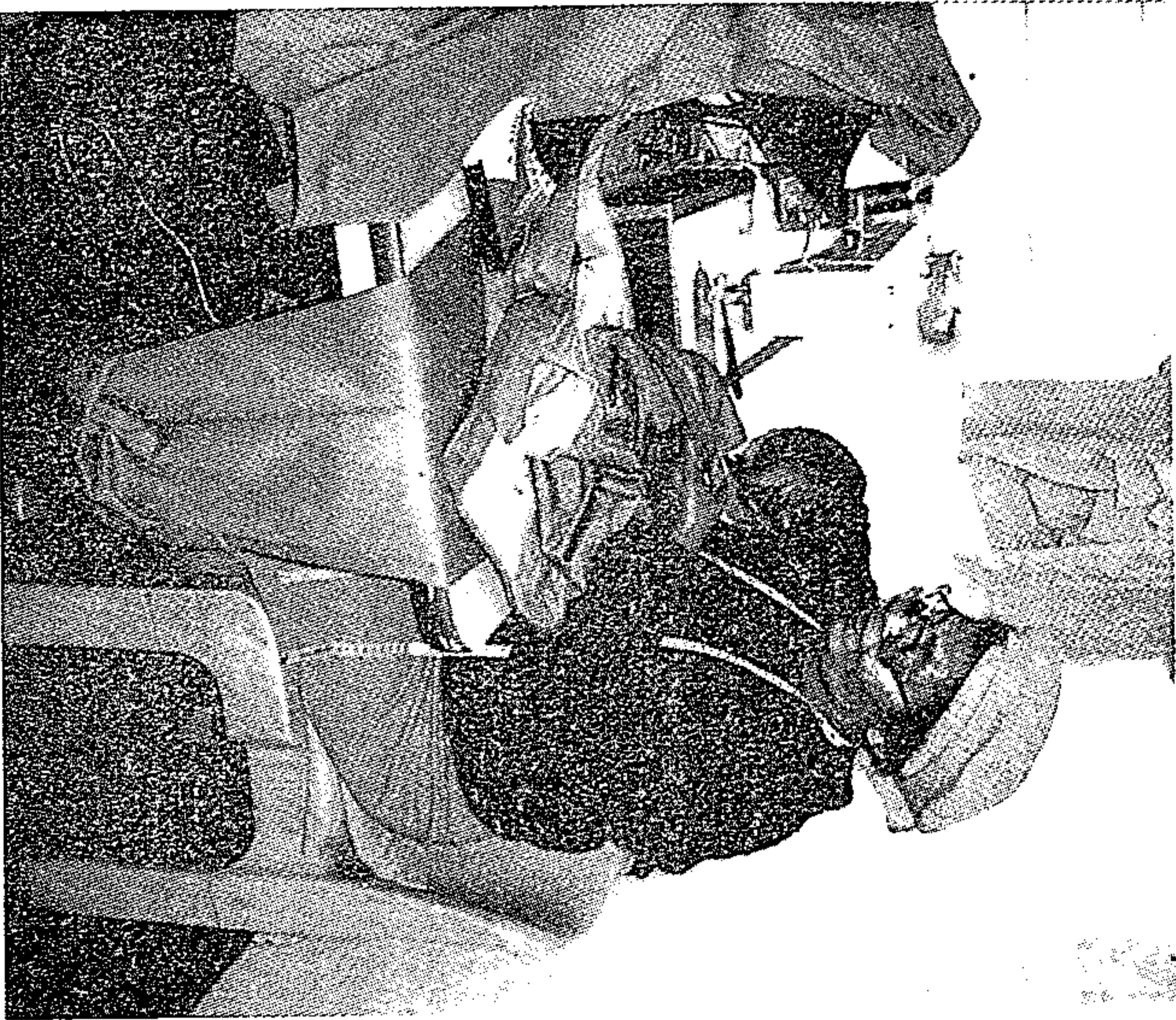
The SBDC is addressing the problem by arranging business plan competitions at primary and high schools. Pupils entering attend a free SBDC three-hour workshop on "How to draw up a business plan". Pupils then compile and submit their own business plan.

The winning high school pupil gets a R6 000 study bursary and one year's free cinema tickets from co-sponsor Ster-Kinokor.

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 Moloi who owns The Blue



Helping small entrepreneurs ... Emily Thipe manufactures and mends clothing for hostel-dwellers of Saalplaas Gold Mine

Fountain Bar Lounge and Bottlestore in Soweto.

"Most small businesses in the townships do not know how to cost and price their products," Moloi 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 Ruppert. The state puts an equal amount into the bank as it manages to raise from business.

BUSINESS

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W/E Mail 31/8 - 2/9/90

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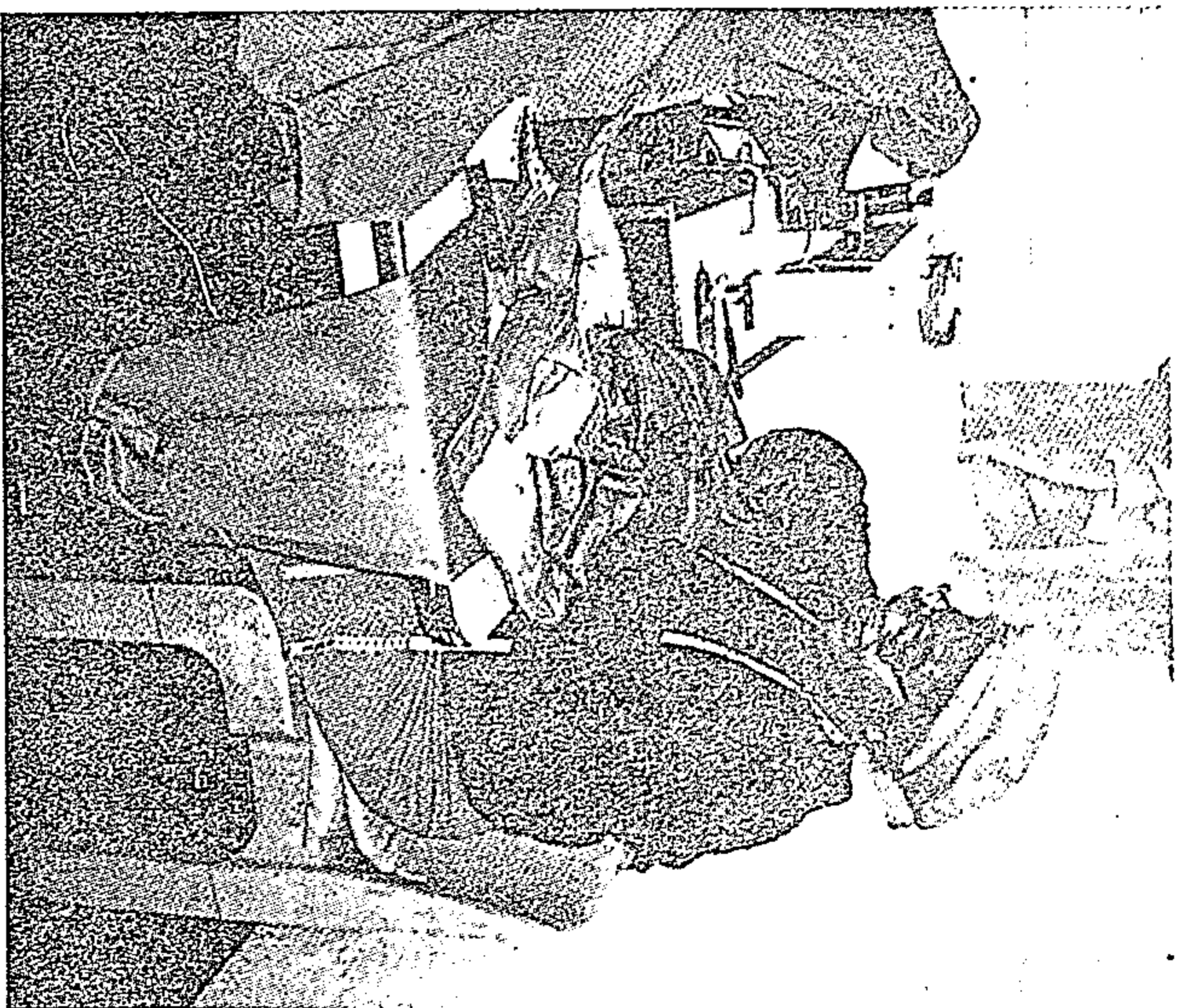
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Create more skilled blacks

While the Government does have a strong case in turning to the east for skilled manpower, but looking at its track record in the use and abuse of the country's human resources in the past one wonders ...

According to the National Manpower Commission 40500 people in the technical, professional and management disciplines were needed in 1988.

By the year 2000 there would be a shortage of 228000 workers with university degrees and diplomas.

In the next 11 years the shortage of entrepreneurs and managers would be increased to 10300, while 442000 professional and technical posts would be empty.

Management consultant Perfect Malimela has said 496000 managers, the bulk of them black, were needed by the year 2000.

Stellenbosch University's Institute of Futures Research has estimated that in the year 2000 South Africa would be short of 200000 skilled workers but have a surplus of 9 million semi-skilled and unskilled workers!

Study

According to this study high- and middle-level manpower in the "coloureds, Indians and Africans" population groups increased from 25 percent to 32 percent and 20 to 40 percent between 1965 and 1985. The TBVC countries are excluded.

In 1987 the brain drain saw more than 1900 professionals, semi-professionals and skilled technicians leave the country compared to 1071 that came in (South African Institute of Race Relations figures). The historic shortage of skills, forget the causes for the time being, means that the country is in dire need of skilled manpower. This is a strong case for recruiting skilled labour.

Add to this the multiplier effect this would have on the economy, particularly in creating jobs, even for unskilled workers, the case for recruiting those East Germans, Hungarians and whatnot is all but sealed.

But then this is the economic argument. Is the political case just as strong? Some of the major causes for the shortage in skilled labour were Bantu Education, the Group Areas Act, influx control and Job Reservation. Thankfully the last two are now scrapped, with job reservation no longer in operation for over eight years.

But what happened after the scrapping of job reservation? Between 1980, and 1986, the last

five years being the post-Job reservation period about 3800 black apprentices were registered compared to 65471 white apprentices! Without job reservation the system was now reproducing itself! Nobody expected a deluge in blacks getting into the trades, but 3800 over seven years tells some story.

When the Government scrapped job reservation it did not initiate a drive, or do enough, to get blacks get into the skills sector. Instead, as far as I am concerned, the Government indirectly encouraged technical education for whites. How does one explain the Government spending R207435000 on white technikon education and

R16023000 for blacks as recently as in 1988? In addition the Government has said skills training is not its responsibility. In that case whose is it?

As far as I am aware the private sector trains

artisans according to their needs and budgets, that is at the micro level, and the macro problem remains that of the Public Sector.


With this background recruiting labour from East Europe becomes morally unjustifiable though necessary for economic development.

In addition, the Government's has in the past recruited white labour from Europe for political reasons - it wanted to increase the white popula-

tion. As nothing has been said about recruiting Chinese artisans opposed to the incorporation of Hong Kong into China I suspect that the programme to get Europeans as immigrants is being resurrected, or continues.

If there is to be any credibility in recruiting East Europeans shouldn't there be a massive skills training drive in the black community, as Eskom is now at last doing?

It's
my
business



THAMI MAZWAI

Job Market Fests to focus on youth and the future

Sowetan 25/9/90 (173)

The Sowetan Nation Building Festival's Job Market next month is to be addressed by well known personalities, including businessmen, lawyers an educationist and a community leader.

The Job Market event will be sponsored by AECI and is to take place at various venues throughout the country.

The exhibition will run from 9am until 5pm each day.

The speeches will entail motivation in the changing environment, self-development strategies, career guidance and opportunities for the youth and information to the youth on their legal rights.

The first Job Market will take place in Seshogo, near Pietersburg

By NKOPANE MAKOBANE

on October 2. It will be addressed by Mr Ephraim Makgoba, a Pietersburg-based lawyer, and Ms Marie-Stella Mabitje, a community leader in Pietersburg.

The next one will be at Isidingo Technical College in Daveyton on October 9.

Speakers

Speakers here will be Ms Dolly Mokgatle and Mrs Mojanku Gumbi, both of the Black Lawyers' Association, Mr Willie Ramoshaba, a director of WR Consultants, Mr James Scutloadi, corporate social responsibility manager of Caltex and Professor John Makhene, executive director for the Centre of Community Education.

It will be followed by another one on October 16 that will be held at the Zenzele YMCA in Bloemfontein.

The speaker here is, Mr Paulos Motsaki, a local lawyer.

It will then move to the Mamelodi YMCA in Pretoria. The event here will be addressed by Ramoshaba, Scutloadi,

and Makhene, and Mr William Seriti, a Pretoria-based lawyer.

The final Job Market will be held in Johannesburg at the Soweto campus of Vista University Vista on October 30. The speakers here will be those as in Mamelodi, except for Seriti.

Eight companies which will exhibit at all

the venues and are sponsored by the AECI. They are the South African Black Social Workers' Association (Sabswa), Integrated Research Systems (which provide computer training for the underprivileged), AM Ultimate Computer Training, the Nursing Association of South Africa, the South African Black



Nation Building The Power is in Your Hands

Taxi Association (Sabta), Afsure Insurance, the Building Association of South Africa and the Hair Industrial Training Association.

The Pelmama Academy of Art will exhibit

only in Soweto. The Department of Education and Training has approved that Buses are still being arranged in various areas to transport schoolchildren.

Business Day SURVEY

11/59
-152 22

Recruitment advertising is an effective
barometer of the economy and
revenues are 33% down on last
year's. At the same time the
recruitment industry has taken a long
look at itself and has adopted a
number of strategies aimed at
improving the level of professionalism.

HELEN GWYNN reports.

There are too few 'true' consultants

CRITICISM has been levelled at the recruitment industry by consultants and clients alike.

They say entry barriers are too low, resulting in a poor level of professionalism.

PB&S Personnel Consultants chief Dr Ken Phillips says: "There are a lot of agents working to targets for commissions and too few true consultants."

He says "recruitment rip-off" is a feature of the industry.

"It's quite common for an agency, staffed by a few young ladies with little or no knowledge of management structures and individual functions, to advertise non-existent jobs to swell their contact lists.

"Another method is to collect CVs and fax them all over town, taking no care to match the person to the job, and then claim the

commission for any placements that occur."

CPL Computer Personnel director Peter Maybury says: "I can spend two hours interviewing a candidate and putting together a meaningful CV - and before I've had a chance to send it to a few selected clients, another firm can fax his CV to every company in the business."

Contact

"Then, because they made contact with the client first, they claim the introduction fee," he says.

Phillips says that even among agencies which adopt a more professional approach, agents with too little experience of the working of business tend to look purely at the applicant's "job label" and not his performance history and aspirations.

The result, he says, is a poor success rate.

Statistics collected by Apso from 67 of its members for 1988 show consultants interviewed only 65 035 candidates for 35 012 permanent vacancies - fewer than two interviews per vacancy.

Of these, 60 674, or some 92%, were referred to the clients - indicating a poor level of screening.

Only 10 025 were appointed, giving a success rate of only one in six referrals - and of these, around 18% failed to last out the guarantee period.

Even allowing for some degree of improvement over the past 18 months, it is clear the industry has a long way to go.

Judging by a small survey of clients published in the November 1989 edition of Recruiter, the official

Apso journal, the perception of the industry is poor.

Of 16 companies - both large corporations and medium-sized businesses - not one was content with the level of professionalism among recruitment consultants.

Wanting

Screening of applicants by agencies was judged wanting, and only four considered the CVs they received comprehensive and accurate.

Many agencies say their clients tend to give inadequate briefs - yet the companies interviewed all said they were prepared to give detailed specifications, while all but two did not believe the consultants knew how to take down this information and all but one said consultants didn't take specifications seriously.



PETER MAYBURY

Advertisi

RECRUITMENT advertis
ing needs greater focu
an inenti

Almost any post can be filled by a temp

6/15/91 26/9/96 (173)

THE use of temporary staff has evolved well beyond the practise of hiring a receptionist or secretary to fill in while a regular employee is on leave or off sick.

Kelly Girl Services MD John Dawkins says: "Most firms function on a feast or famine basis.

"They have found it pays to employ a streamlined core staff, supplemented by qualified temps during busy periods."

Dawkins is a pioneer of the temping business and chairman of Apso's temporary staff section.

"It is possible to employ

the full range of staff on a temporary basis, including the professional sphere — from draftsmen and architects to accountants, nurses and engineers."

In many cases, this approach makes low-risk corporate growth possible.

"Sometimes, someone will join a firm on a temp basis during a busy period and his presence will make it possible to accept more work towards the end of the cycle.

"If the individual and the firm suit each other, he will often accept a permanent position," Dawkins says.

Temping is also a popu-

lar way of job-hunting.

Not only does it allow the assignee and firm time to get to know one another in an unthreatening environment — it also enables staff who would otherwise have been disqualified on "cosmetic" issues to get a foot in the door.

PB&A Personnel Consultants' Dr Ken Phillips says: "If a businessman wants to employ a full-time staff member, issues such as age, sex and racial group can make a difference.

"But when looking for a temp, all he wants is someone who can do a job efficiently."



JOHN DAWKINS

New NMC labour proposals likely to draw flak from unions, small business

W/MAIL 28/9 - 4/10/90

173

By ALAN HIRSCH

PROPOSALS emanating from the National Manpower Commission (NMC) on modifying labour laws to suit small business development will probably meet criticism from both interested parties — small businesses and organised workers. Small business will probably think the proposals do not go nearly far enough, while trade unions may feel workers in small businesses will have even less protection from exploitation.

Trade unions, employer organisations, and small business lobby groups will soon have to respond to a set of proposals for amending the conditions under which workers are employed in small businesses.

The proposals are contained in a "working document" issued by the NMC project committee on small business, designed to provoke discussion and responses, and culminate in amendments to existing laws.

Proposals cover amendments to a wide range of laws regulating labour relations on issues extending from minimum wage measures to safety regulations and unemployment insurance.

A minority of the committee members favoured the blanket exemption of small businesses from labour laws, but most plumped for exemptions for individual firms on application. This is possible under existing law, but could be made easier for small businesses.

The other major thrust of the proposals is the simplification of labour regulations to make it easier for small businesses to comply.

Though it had a fairly open-ended brief from the Manpower Minister, the committee decided to focus on "micro-

businesses".

"Independent micro-businesses" are defined as firms which are entirely independent, owner-managed, employing no more than 10 permanent employees, and having an annual turnover of up to R250 000.

NMC chairman Frans Barker, who is a member of the committee, explained that in firms of 10 or fewer people it was likely that the owner-manager would be responsible for all aspects of management. For this reason he, or she, would not have special knowledge of labour regulations, and probably would not have the time to learn them.

Larger firms were likely to have the managerial capacity to cope with the myriad labour regulations and did not need special treatment, though they would also be considered for exemptions.

One of the novel proposals of the committee is that a "facilitator" should be appointed by the Department of Manpower to receive all applications for exemption from micro-businesses, and to hear appeals on decisions by individual industrial councils on exemptions. Barker said employers and employees could draw on the services of the facilitator for advice on procedure in their dealings with industrial councils.

Another innovation the committee has put forward is subsidised arbitration in the case of disputes over dismissals. The idea is to avoid the extended and complex bureaucratic dispute settlement procedure entailed in the Labour Relations Act. If both parties agreed, the NMC could subsidise the costs of an arbitrator.

In response to the suggestion that such a system might be open to financial

abuse, Barker said it might help to have a fixed-sum subsidy, and to have a register of arbitrators.

Disputes might also be settled in "small claims labour courts" which should be available in outlying areas.

Where an employee had been found to have been unfairly dismissed, the committee felt a monetary settlement might be preferable to a reinstatement order, depending on the size of the firm and "the degree of personal relationship between employer and employee".

Perhaps the most controversial element of the committee's proposal is that it be written into the Wage Act that the size of the firm be taken into account when exemptions from minimum wage determinations are applied for. This suggests small businesses may expect automatic exemption from minimum wage rules, which, as a labour lawyer pointed out, means no wage protection, as few small firms are unionised.

As far as health and safety regulations, and unemployment and accident insurance are concerned, the committee was divided between die-hard deregulationists, and those who thought the regulations could be simplified enough to make compliance by small firms feasible. The moderates generally won out, though in several cases alternative proposals were put forward without preference.

Barker said summary responses to the committee's proposals must be submitted by October 8, and that oral representations would be heard by the committee a week later.

The next step is for the committee to take its proposals to the NMC, which will decide what to submit to the minister.

SA 'must create 380 000 extra jobs every year'

After 3/1/90

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~~237~~

By Michael Chester

The impact of the population explosion has been underlined by new estimates that show the total number of new jobs South Africa must create to hold the lid on unemployment has soared to 380 000 a year.

The gravity of the problem was underlined this week by Sebastian Kleu, economic adviser to the South African Reserve Bank, when he addressed a conference at Sun City on the role of small businesses in the 1990s.

The conference was a highlight of the nationwide special programme of events marking the third annual Small Business Week.

Dr Kleu said that as

increases in the total population added to the flow of school-leavers, South Africa was confronted with the dilemma of trying to create at least 1 300 extra jobs every single workday between now and the year 2000.

Gaps

While the current overall shortage of capital was a serious problem for the national economy, it offered golden opportunities to expand the number of small business operations.

Moreover, small businesses could also hold the key to filling growing gaps in the shortage of skills at management level.

South Africa needed to train no fewer than 115 000 new managers to meet demand by the end of the 1990s.

Only about 40 000 were likely to be produced from the traditional source — white workers in the formal sector.

Perhaps the most valuable assistance that Government could offer to small business entrepreneurs was to remove any obstacles caused by over-regulation.

It could prove more fruitful for large companies if, instead of taking over or eliminating small competitors, they used small industrial firms as independent sub-contractors to supply their big production lines.

Govt urged to change job creation policy

CMT T148
5/10/90
173

By AUDREY D'ANGELO
Business Editor

DECENTRALISATION benefits should be available to employers providing new jobs in greater Cape Town and other coastal cities, now that people are flooding in from the rural areas, the outgoing President of the Cape Chamber of Industries (CCI), Patric Collins, said yesterday.

Collins also called for greater participation by industrialists in the new SA Chamber of Industries (Sacob), stressing that "it cannot be allowed to become a continuation of the o



Ernest Wilson, a director of Romatex Fabrics, was elected President of the Cape Chamber of Industries at its annual meeting yesterday.

Assocom with the old FCI industrial chambers merely patched on to it". And he announced two new awards to be offered annually by the CCI to the most successful exporter and to a new exporter.

Collins pointed out that the populations of Cape Town and other coastal cities were growing at a faster rate than that of the PWV area, while total employment in metropolitan areas continued to drop.

He said one theory advanced for the population growth was that people from rural areas were coming to the coastal cities, in preference to the PWV area, because there was more

vacant ground available for squatting. And there was no doubt that the decentralisation policy previously followed by the government, of offering incentives to industrialists to relocate at growth points away from the cities, had exacerbated the decline in available jobs for them.

Although the decentralisation policy had created new jobs in the development areas it had moved some sideways, away from the cities.

Collins said the Minister of Trade and Industry had suspended consideration of new applications for decentralisation under the old Regional Development Industrial Programme. The new Decentralisation Board would resume business only on April 1.

Meanwhile the new board would bring about "certain essential operational adjustments and improvements to the Regional Development Industrial Programme."

The CCI had suggested "that urban areas be considered for inclusion as decentralisation points, where the proposed activity fits in with the region's comparative advantage".

Collins said he hoped that the movement of population to the coastal cities and the falling number of jobs available would be taken into consideration in deciding on the board's new policy.

Discussing Sacob, Collins said it must be a new creation with new structures, new ways of doing things and new traditions.

"Unless all involve recognise and strive for the development of a new organisation Sacob will, by inertia, become but an enlarged Assocom."

It should not give the same weight to the views of an organisation in a country town with a few dozen shopkeeping members as it did to those of a Chamber of Industries with hundreds of members including large national producers.

"Sacob expects from its big members both the bulk of its finances and its activity support and this is accepted. But a greater regionalisation of its smaller place-bound commercial organisations should be encouraged."

Star 18/10/90

'Alarming' shortage of skills in SA

DURBAN — South Africa would have a deficit of more than 500 000 skilled workers by the year 2000, executive director of The Education Foundation (TEF) Johan van Zijl said in Durban yesterday.

He told the Building Industries Federation of South Africa (Bifsa) annual congress that skilled categories included professional, technical, highly skilled, executive and managerial groups.

By contrast, the country would have an unemployed surplus of 2,7 million unskilled workers.

"These figures confirm an alarming shortage of skilled manpower which will seriously inhibit the economy's growth performance unless appropriate policies are developed and implemented," Dr van Zijl said.

Identifying the school dropout rate as a major factor in the over-provision of unskilled labour, he said a quarter of black pupils did not progress beyond Grade I. — Sapa.

Policy shift as union federation joins NMC

173

By DREW FORREST

IN a key policy shift, the Congress of SA Trade Unions is to join the state's National Manpower Commission before it has been overhauled — but subject to certain conditions.

In the Labour Relations Act "minute" adopted by unions, employers and the state, Cosatu and Nactu undertook to join the the statutory advisory body on labour law once it had been restructured.

But at a central committee meeting last weekend, Cosatu decided to enter the NMC with immediate effect. As the body was processing the "minute", this would ensure the federation's involvement in the first stage of law-making, said Cosatu campaigns co-ordinator Lisa Seftel.

"If the NMC is not going in the direction we want, we'll return to mass action to press our demands," she said. "And we reserve the right to withdraw if we don't feel we're gaining from participation."

A key Cosatu demand is the setting of a

deadline for the restructuring process. The federation would be formulating guidelines for restructuring, Seftel said.

Other conditions for participation are that: *W/Mail 19/10-25/10/90*

- Manpower Minister Eli Louw should only appoint Cosatu representatives elected by the federation to the NMC and its sub-committees, and that the federation should have the right to recall its representatives

- Louw and the NMC should deal with Cosatu and not its individual affiliates

- That Cosatu is not bound by NMC recommendations and reserves the right to protest against them. The federation also wants Cosatu positions reflected in all NMC proposals

- Cosatu reserves the right to distribute NMC documentation among its affiliates

It is understood that in the initial stages, Cosatu will sit on sub-committees investigating labour rights for farm and domestic workers, as well as attending NMC workshops. These committees have already started their deliberations.

Job creation campaign to aid matric dropouts

no wefan 1/11/90
BUSINESS Challenge is to embark on a job creation campaign by helping young under-graduates and matriculation dropouts to become small entrepreneurs and to create wealth for themselves and the African communities.

BC's executive director Mr. Phil Khumalo yesterday said that special lessons would be conducted to give them business acumen before they start on their own ventures.

He said BC had set up marketing and product distribution, operating in the consumer area, and the candidates would be expected to start by selling certain products to their communities.

By so doing, he said, the pupils would be able to develop and put into practice what they had learnt during these "business clinics" which BC would be conducting at the Highgate Hypermarket from November 8. The courses are free.

He said the BC had negotiated business ventures with major distribution companies to help young Africans to find jobs, as well as create wealth for the advancement of their own people.

"At the same time they will be getting opportunities to become small entrepreneurs who might develop into being business giants of tomorrow," he said.

By JOSHUA RABOROKO

adding, "we want to train our young men and women to be business orientated at an early stage in their lives."

He added that from the profits they would be able to finance their own education and start-up in business at the time when the country was gripped by high unemployment rate.

"The chances of many of our matriculants, especially drop-outs, going to university are minimal because financial problems. Coupled with that is the fact that we have learnt to live with the high matriculations failures in South Africa.

"It is not easy for the vast majority of these drop-outs to find employment and we need to do something for them. Besides, we have to train some of them to venture into business," Khumalo said.

The pupils would also be given technical knowledge such as operating computers - a skill that was rare among Africans, not through their own faults, but because apartheid in South Africa, he said.

Those interested should contact Khumalo or Mpho at (011) 233466.

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Need to develop work ethic in SA

Cape Town 8/11/90

(A) 173

By PIETER COETZEE
Financial Editor

A WORK ethic similar to the one that brought economic success to the Western powers and the Pacific countries needs to be developed urgently in SA, John Maree, chairman of Eskom, said yesterday.

Speaking at the annual general meeting of Wesgro in Cape Town last night, Maree said that such a work ethic lack in large sections of the population and that this could be fatal unless ways are found of tackling it creatively.

He said the challenge in SA is not too different from that facing Eastern European Countries.

"Too many Eastern Europeans have lost the energy and the drive that support the work ethic on which free enterprise has built such a powerful economic system. They do not know how to work hard.

They lack what has built the Western powers and the Pacific countries' competence. That is to say, educated and disciplined people who exchange a full day's work for a full day's wage," he said.

"We can only build an economic future if there is an acceptance that a full day's wage must be earned by a full day's work."

He said the productivity of a large number of SA's workforce is danger-

ously low. This is due both to a lack of relevant education and training and the result of an attitude that spurns the work ethic.

"We stand or fall on our ability to trade competitively in the international arena and we have no hope of competing on the basis of a work week that decreases while wages creep steadily upwards.

"We in SA are in the process of undoing the disastrous results of apartheid.

"The focus, unfortunately, has been so single-mindedly on the political solutions needed that black expectations of what the new SA will provide are dangerously skewed.

"The burden of these ungrounded expectations will fall on the shoulders of the business community since many black people have been misled by politicians into believing that economic opportunities will automatically accompany political rights.

"Economic growth is our prime objective if we are to feed, house and educate our people. Political solutions do not create this development — politicians can only create the conditions for economic development," he said.

● Chris Newton, chairman of Wesgro, announced at the meeting that he is stepping down as chairman. A new chairman will be appointed soon.

Trade employment figures holding steady

510ay 19/11/90
PRETORIA — Employment in the whole-
sale, retail, motor and hotel trades re-
mained relatively stable with only margin-
al increases between June last year and
June this year, according to Central Statis-
tical Service.

Figures showed the total employed in all
four areas increased 8 140 to 737 678 during
the period.

Total earnings increased R448,4m dur-
ing the second quarter of this year to

GERALD REILLY

R3 043bn, compared with the same period
last year. (173)

The numbers of those employed in the
retail trade increased during the 12 months
to end-June by 11 929 to 350 312; another
1 089 people were hired in the motor trade,
bringing employment to 117 651.

However, wholesale trade employment
fell 4 136 to 223 191, and hotel employment
dropped 122 to 46 524.

Job numbers down, wages up figures

B/Daily 9/11/90
 PRETORIA — Employment in the manufacturing, electricity, mining and quarrying sectors declined between August 1985 and August this year, while construction jobs rose only marginally, latest Central Statistical Service figures show.

The figures illustrate the extent of stagnation in the SA economy in the 1980s.

The swift escalation of wages and salaries in the four sectors, much of it unaccompanied by higher productivity, was a major factor in keeping inflation at a high level in the past decade, economists said.

Mining and quarrying were worst hit.

Between August 1985 and August this year, the sector's work force decreased by 52 120 to 682 001.

However, total wage earnings for August this year increased by R486,418m to R903,195m compared with August 1985.

In the manufacturing industry, employment in the six years decreased by 8 000 to 1,4-million.

Employment in the construction industry in the period increased marginally by 5 100 to 413 900.

GERALD REILLY

And for August this year compared with August 1985, the total payout was up by R193,7m to R453,8m.

In electricity, the numbers employed fell sharply by 15 900 to 50 900 reflecting Eskom's rationalisation efforts.

However, pay for August this year increased by R47,8m to R141,3m compared with August 1985.

Figures figures show a dramatic fall of 31 000 to 1,4-million in employment in the manufacturing industry between May this year and August.

Stellenbosch Bureau for Economic Research chief Ockie Stuart said the figures reflected a virtual economic standstill over the six years in the major employment sectors.

Stuart said they also showed that many companies had been compelled to expand their degree of mechanisation because of the huge and often crippling burden of wage and salary increases in the eighties.

Also disturbing, he said, was that in those six years up to 1,4-million new workers entered the labour market.

Tractor sales slide towards second...

COMMON AIMS? F14 23/11/90

F14 23/11/90

The London-based Commonwealth Secretariat has launched a wide-ranging study on manpower development for a post-apartheid SA. An expert group held the first of three sessions this month to discuss documentation prepared for it on the country's current economic and demographic conditions, with

CURRENT AFFAIRS

skills profiles and overviews on education and training. Nowhere in the group's work is the word "sanctions" officially mentioned.

The group is charged with identifying priority sectors for advanced education and high-level training, and with generating ideas on how to mobilise greater support throughout the Commonwealth and the international community to meet SA's human resource needs. Its interim report will be submitted to the Committee of Foreign Ministers on southern Africa which meets in New Delhi next month. The group's final recommendations will go for action to the 1991 Commonwealth summit in Harare.

The experts include UCT economist Francis Wilson and Papi Moloto, the administrative secretary of the ANC's department of manpower development. They are the first home-based South Africans to serve on an official Commonwealth expert group since SA's departure from the organisation in 1961. A Canadian, John Harker — vice-chairman of the SA Education Trust Fund — is chairman of the group. Other members are drawn from Nigeria, Botswana, Australia and Britain.

The documentation presents a stark picture. Though the number of black primary school pupils has increased over the past 40 years, from about 1m to more than 7m, education is still not compulsory in many areas. The number of illiterates is put as high as 11m (mainly blacks), 39% of the total African population.

Disparities in government per capita spending on white and black education, poverty, language policy and school boycotts are some of the factors held to be responsible for this. At the other end of the scale, only 1,04% of all South Africans receive a university education; in other countries of the South African income level the figure is 1,65%.

The Commonwealth documentation underlines the negative economic implications of such a lopsided system. Until 1988, shortages of graduates were exceptional, but one study predicts a shortage of 200 000 workers with degrees, diplomas or comparable qualifications by the end of the century.

This does not include the teacher shortage which — assuming full compulsory education — will by then amount to 350 000.

There was a tenfold expansion of black university enrolment between 1977 and 1988, when a third of university students were black, the experts were told.

But most blacks were studying education; very few graduated in key professional subjects. In 1985 only 7,4% of accountants, 0,1% of engineers and 8,1% of graduate medical personnel were black. In 1987 only 26 Africans graduated in engineering and 13 in computer science.

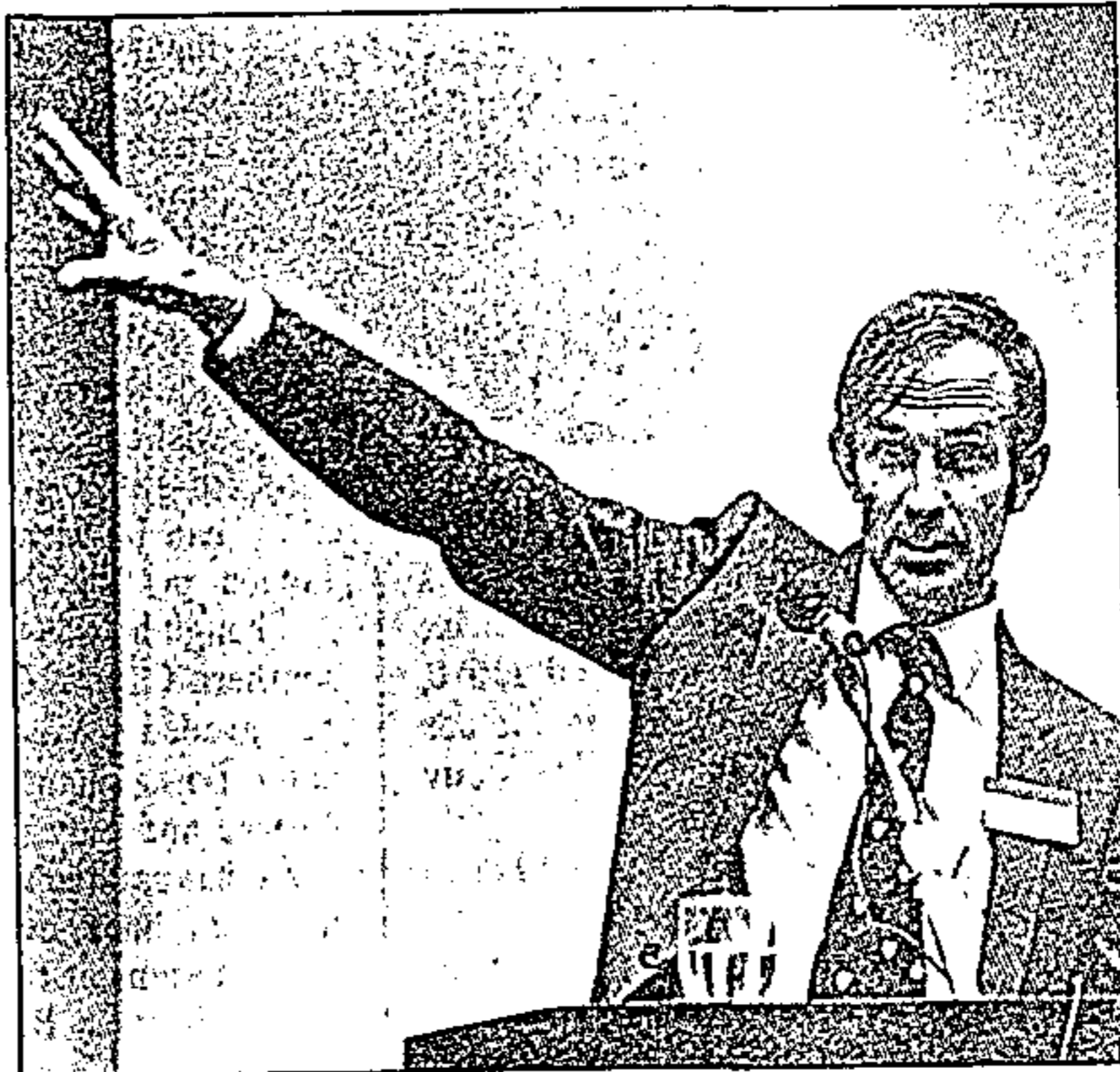
The substantial support given for non-governmental education projects — particularly by Anglo American, Barlow Rand, Gencor and through the Urban Foundation — is acknowledged, as are the in-service training schemes operated by employer associations eligible for tax concessions. But employers spend only 2% of their overheads on training staff.

A more rapid movement is required towards the equalisation of earning opportunities for all.

The key question of course is how it is to be financed. One paper — *Economic and Demographic Trends in the SA Economy*, by Auret van Heerden — estimates that to establish parity in education spending between whites and blacks in 1990 would have cost an additional R25,56bn.

The group is examining a variety of options, including the reallocation of many budget amounts (for example, reductions in expenditure on defence) but acknowledges that priorities will have to be worked out.

Commonwealth Secretary-General Emeka Anyaoku emphasised that there has been close consultation with groups inside SA and he has called for further co-operation between the group and relevant SA



UCT's Wilson ... one of two South Africans to serve in group since 1961

institutions.

Proposals for Commonwealth contributions include a large range of scholarship and exchange schemes at all levels, as well as co-operation between professional associations, research institutions and other groups.

New mechanisms for mobilising Commonwealth and other international support are also under consideration.

Returning exiles 'should get priority for jobs'

By SAMANTHA WEINBERG

RETURNING exiles and political prisoners should be given priority in the pursuit of jobs — otherwise they might easily pick up arms and become a major destabilising factor, says Papie Moloto from the Centre for the Development of Human Resources.

The CDHR is closely with the Consultative Business Movement to persuade business to help exiles and former prisoners find gainful employment.

"What we want is to find businesses who are willing to take on skilled people and organise on-the-job training for them. It will work for our mutual benefit — we provide the human resources and business provides physical and training resources," he says.

The opportunity cost of exile or imprisonment is great in terms of benefits

forgone, says Moloto, which is why those disadvantaged people should be given a leg-up when they return.

"Many of those people who have been involved in the armed struggle are bitter, so if they return to unemployment they could easily become a major destabilising factor — especially if they lay their hands on arms.

"That is why they must be gainfully and satisfactorily employed. We don't want business to give them handouts, they must be given jobs."

As many of the returnees have management and leadership potential, this should work for the benefit of the employers as well, he says.

Sechaba Modibede from the Political Prisoners' Support Committee is compiling lists of the approximately 3 000 people still in prison, detailing

their past experience and skills.

Many of them, while illiterate and uneducated, have developed skill in prison, says Modibede, himself a former Robben Islander.

"On the Island, most of the people were aware they would require skills when they were released and studied through correspondence courses to ensure they are prepared to make a meaningful contribution to their country."

In addition they learnt practical skills, such as carpentry, upholstery, building and mechanics — all of which would make them valuable employees to existing companies.

While Modibede's main concern is the fate of former political prisoners, he accepts the whole community should benefit from training — but that prisoners and exiles should be given priority.

with Mail 23/11 - 29/11/90

(173)

Speech annoys Cape Technikon graduates

CAPE TOWN 12/12/90

173

By PETER DENNEHY

A SPEECH by a private development foundation director sketching the problems facing black pupils and their parents sent two Cape Technikon students storming out of a graduation ceremony yesterday.

Wryly describing the incident last night, Dr David Bridgman, Wesgro executive director, said a graduate shouted "Bull...." and ripped off his academic gown before leaving.

A second graduate then followed him out of the Dutch Reformed Church Synod Hall.

Dr Bridgman was addressing the diploma ceremony of the Cape Technikon's Faculty of Engineering.

Just before the outburst he had said: "We cannot expect our economy to grow to serve the needs of our people if a

large part of our school-age children are unable to attend schools because they do not exist, hundreds of thousands of our people have little or no hope of ever acquiring rudimentary housing, and tens of thousands of our young people are forced to leave school without the prospect of a job."

Disregarding the outburst, Dr Bridgman had continued his speech, saying engineers and economists should find ways to employ those without jobs, and create the infrastructure and facilities for that purpose.

Labour-intensive public works projects had been implemented in Asia, South America and several African countries, notably Botswana.

"In South Africa we have no major programmes along these lines at present," he said.

Job creation for needy students

South 13/12 - 17/12 90

By CHIARA
CARTER

THE growing number of students needing financial assistance has motivated universities in Cape Town to set up internal job-creation schemes.

Rising tuition fees and the high cost of living mean many students need financial assistance.

The University of Cape Town plans to start a work-study scheme next year.

Student Affairs spokesperson Mr Brendan Roberts said UCT's employment

scheme would have a two-pronged approach. (173)

He said UCT intended providing employment on campus by ensuring as many jobs as possible went to students.

The university also intended to find jobs for students off campus rather than wait for employers to telephone the university.

Roberts said the university hoped to launch the pro-

gramme at the beginning of the academic year but was still looking for funding to employ students to administer the scheme. (173)

The University of the Western Cape (UWC) has begun a similar programme in terms of which the university employs as many students as possible in academic and non-academic posts on campus.

UWC is also pro-actively seeking work for students off campus.

Battle is being lost at school, says professor

By VIVIEN HORLER
Weekend Argus
Reporter

SOUTH AFRICA may have already lost the battle for economic prosperity in its schools, says Professor Michael Savage, professor of sociology at the University of Cape Town.

Addressing graduates in the commerce faculty at a graduation ceremony yesterday on the country's desperate need for skills, Professor Savage said the emigration of professional and skilled people was "little short of being a national tragedy".

Up to half South Africa's adult population was functionally illiterate. "It is a matter of concern that 30 percent of South Africa's workforce have no formal education, 36 percent only primary schooling, while 31 percent have secondary schooling and three percent alone have received tertiary education."

Contrast

He said that in marked contrast to West Germany, where about 60 percent of school-leavers went on to a technical career, in South Africa the figure was just 11 percent. Yet to ensure economic growth it needed to be 75 percent.

"The ratio in South Africa of one technician student for every four to five university students is not conducive to producing

the technically trained labour force that is needed for vitally necessary economic growth to occur."

For every 1 000 children entering primary schools in South Africa, just 600 would reach high school, 150 would go through tertiary education, and of those only eight would qualify in science and technology, just 0,8 percent of the original 1 000.

Figures for black children were even worse. Last year in Department of Education and Training schools in the Western Cape, only 13 pupils passed matric maths in the higher grade, and only 16 passed physical science in the higher grade.

Nationally, out of 196 000 DET pupils writing matric last year, only 4 500 passed both maths and science.

Dropout rate

"The damage that has taken place in the black school system can be seen when considering the figures that out of every 10 000 black schoolchildren entering it; only 1 300 reach matric, 27 achieve university entrance qualifications and only one obtains a matric exemption in mathematics or science."

Professor Savage said in Japan there were 500 engineers for every million of the population, in the United States 370, in Britain 250 and in South Africa it was 28.

'National brain tragedy' of the brain drain

173

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'National tragedy' of the brain drain

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Battle is being lost at school, says professor

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created problems with exporters.
Department of Trade and Industry deputy director general Gerhard Breyl said the department was aware of the dissatisfaction.
"The scheme works on a value-added basis and all those in the lower categories

are drawbacks, inappropriate conditions and other problems inherent in a broad-based system, but to throw it out without a fair trial would be ridiculous."
She said that by using it in a computerised system, Safto found the scheme relatively simple to operate.

Job security the dominant labour issue

MATTHEW CURTIN

JOB security would dominate labour relations in 1991 after a year in which political instability and economic stricture triggered unprecedented pressure on the SA economy in the form of strike action, industrial relations consultants said last week.

Andrew Levy & Associates said the recent retrenchment agreement between Anglo American's Freegold South mine and the NUM would set a precedent in the mining industry, but other sectors would have to address the issue of job creation "in a bid to soften the retrenchment blow".

Unions would include job security issues in negotiations. Almost 50% of retrenchments in 1989 and 1990 were permanent. In their review of 1990, the consultants

noted a 29,4% increase in man-days lost from last year to more than 4-million, though this was short of the 1987 record of 9-million man-days lost when between 220 000 and 350 000 mineworkers went on strike for 21 to 33 days. (173)

They highlighted the "dramatic" 23% increase in public sector strikes, and suggested union recruitment would concentrate in this area along with smaller businesses in 1990. (457)

Cosatu's living wage campaign was set to gain momentum in 1991 while debate would continue over whether government should legislate a national minimum wage or market forces should determine this.

03/12/90
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Models of Queen Elizabeth and former British prime minister Margaret Thatcher, from the television programme Spitting Image, arrive at the Spitting Image Rubberworks Exhibition which opened in Covent Garden on Saturday. The exhibition gives visitors the chance to see what goes on behind the scenes of a popular TV show. Picture: REUTERS

Free course on how to get employment

WITH retrenchments soaring, a computer academy has developed a 10-step job-seeking course, which it offers free of charge over the holiday period.

The Academy of Computer Bookkeeping's pilot scheme provides for lectures which can be taken at convenient times.

Course presenter Bill Nourse said at the weekend many retrenchments were taking place over the festive period.

"We have spent hundreds of hours developing the course — 10-Steps To Get A Job — which we offer free of charge to the readers of Business Day.

"A lot of it is homework which the participant can take home and study in his own time."

The developers say the course has been designed to suit a wide range of job-seek-

THEO RAWANA

ers such as matriculants, tradespeople, graduates, the experienced and inexperienced and young and old.

Among job categories provided for are accountancy, bookkeeping, engineering, law, banking, mechanics, salesmanship, secretarial work, science and the technicians' vocations.

The system uses techniques which show the workseeker how to determine requirements for a job, decide on suitable employment, how to search for a new job and how to develop and prosper in a new career.

Nourse said the course was available during December and for at least the first two weeks of January. He can be contacted at (011) 483-1908.

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'Don't blame the unions for high unemployment'

By DENNIS CRUYWAGEN, Argus Political Staff

AR66S 2/12/90
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DON'T blame demands by trade unions for higher and better wages for the high unemployment rate, says Mr Ebrahim Patel, national education secretary of the SA Clothing and Textile Workers' Union.

The decline in jobs raised its head long before the emergence of strong trade unions, he said.

He was responding to claims by Stellenbosch University's Bureau for Economic Research that increasing unemployment together with irresponsible trade union demands which were out of touch with economic realities had destabilised the labour market and created a climate for social unrest.

He said: "It is wrong to blame trade union demands for high unemployment. The economy's inability to create jobs in our view is in part caused by the decline in the quantum of gross domestic fixed investment. GDFI today is lower than in 1980.

Fundamental inability

"When employers refuse to invest in new plant and plant expansion, then obviously unemployment will rise as new job entrants enter a stagnant employment market."

The greatest contributor to high unemployment was not factory closures, but the fundamental inability of the economy to absorb newcomers into the labour market.

Figures released by the Development Bank recently showed this clearly, he said.

Between 1965-1970, the economy absorbed 73,6 percent of new faces entering the formal employment sector; it was down to 62,7 percent in the next five years; but has slumped to 12,5 percent in the past five years.

According to Mr Patel, the BER was part of a school of thought which held that workers were protected against retrenchment when wages were low. They were more likely to be paid off when wages are high.

Sactwu is the biggest trade union in the Western Cape with 70 000 signed up members.

It's experience showed that showed that this generalisation was nonsense.

"Many employers in low wage areas such as Isithebe and Botchabelo do retrench workers when there is no demand for their products, and many metropolitan high wage companies continue to expand. When real wages in the Cape clothing industry in 1985 were substantially lower than what they are now job losses, too, were greater."

Mr Patel claimed that the BER study ignored the fact that wage costs were a small and declining proportion of

total South African manufacturing costs.

"More pertinently, it ignores the huge disparities between managerial remuneration and blue collar worker wages in South Africa compared to most of its trading partners. This historical inequity has only recently been addressed by trade unions."

At the heart of the BER view was a call on trade unions to exercise wage restraint, he said.

"Trade unions have not refused in principle to consider the effects of wage increases on the economy."

They have put forward their views that the current recessionary conditions were a direct result of the Reserve Bank's monetary policy of high interest rates.

"This policy has been made necessary because of high inflation. High inflation has historically been attributed by the Reserve Bank to fluctuations in the value of the rand (not high wage demands) and by business leaders to excessive public sector expenditure (not high wage demands).

"The cost of correcting these problems however, are increasingly being shifted onto the shoulders of the workers — with retrenchment calls for wage restraint."

Apartheid has depressed wages over more than three decades.

Apartheid era

This was done through through controls on the supply of labour (influx control), expenditure on training labour (the pitiful amounts spent on Bantu Education), repression against attempts to organise labour (refusal to recognise trade unions, detentions and bannings of trade unionists).

"The programme to overcome apartheid is also a programme to increase black earnings in real terms — above the rate of inflation. To do anything else would be to condemn workers to the wage rates of the apartheid era."

He accused the BER of seeing labour as merely a cost to be minimised.

"To the trade unions, and indeed enlightened employers, labour is a resource to be maximised, not a cost to be minimised. The route to labour stability, a competitive, growing economy and increased foreign investment does not lie with a low wage economy.

"It lies instead in an economy where the state and employers invest more in training the workforce, in modern technologically advanced plant and machinery and in a workforce whose decent incomes generate a vast domestic market."

Job-creation project sells direct to user

BLACK business organisation Business Challenge (BC) has invested R350 000 in a distribution venture which will take blankets directly to the market, bypassing retailers and wholesalers.

BC chief executive Phil Khumalo said at the launch of the Elite Blanket Distributors job-creation project in Soweto that the organisation's 6 000 members, acting as agents, would realise an initial turnover of R1m a month.

"There is no telling what this will increase to as more people join."

Business Challenge has taken initial stock of R250 000 in the venture, after months of preparation and expenditure amounting to R100 000.

Khumalo said with agents selling directly to the public, "a good percent-

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THEO RAWANA

age will be knocked off the price tag since the transaction will bypass wholesalers and retailers".

Khumalo asked that the name of the supplying company not be divulged.

Marketing GM Sidney Maisela said everyone benefited from the venture, since the supplier, too, was saved the inconvenience of waiting 120 days for payment, as was the case when dealing with retailers and wholesalers.

A director of the company said his company had always believed in selling through blacks. "We are saved an extra charge by this direct dealing — "there are fewer people between us and the end-user."

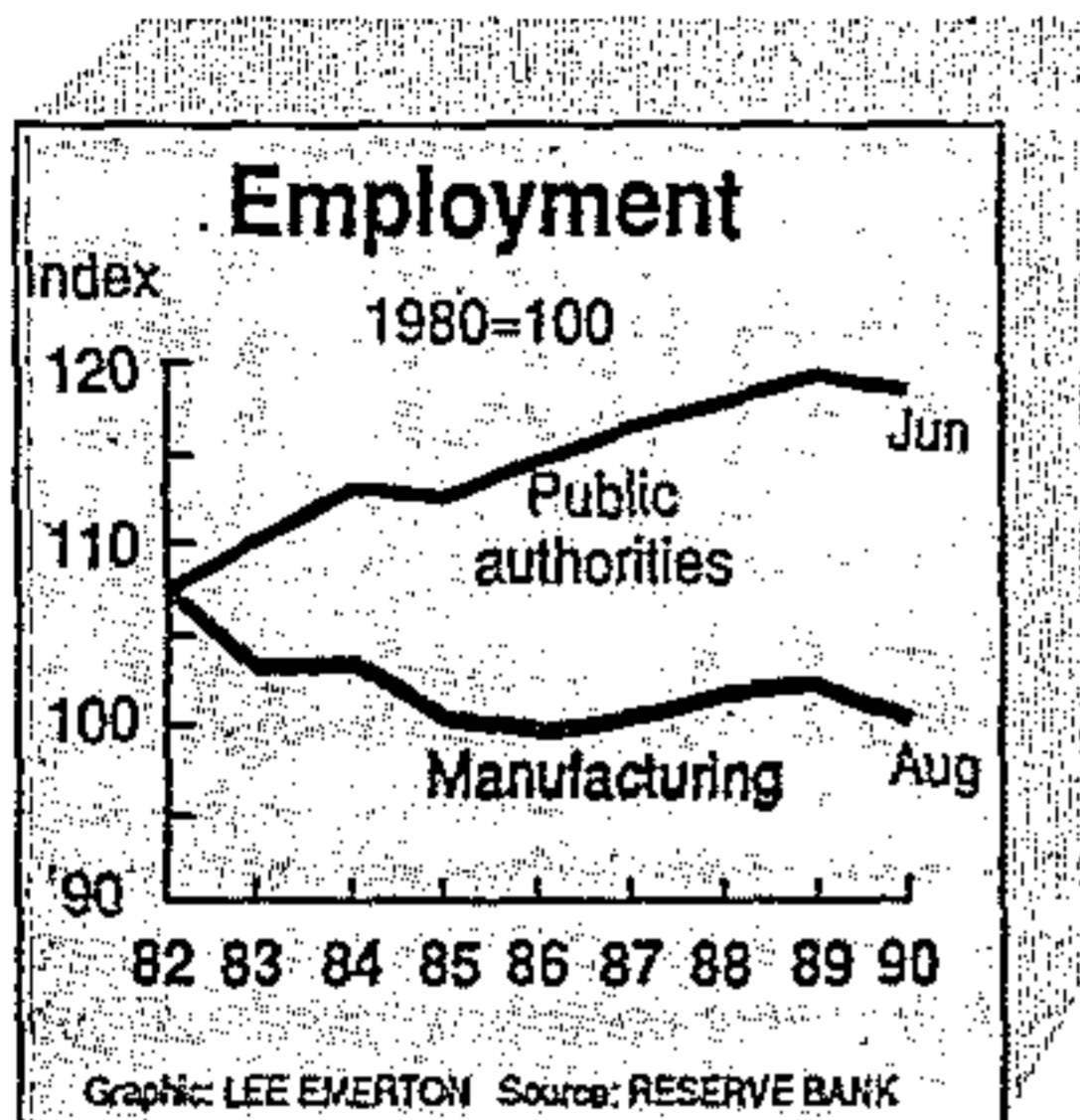
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24/1/90

Jobs in manufacturing sector drop to 1980 levels

Biday 27/12/90

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GRETA STEYN

EMPLOYMENT in the manufacturing sector declined by 3% between January and August this year to a level almost exactly the same as in 1980, figures in the latest Reserve Bank Quarterly Bulletin show.



Employment in manufacturing has fallen this year in line with the fall in output — also about 3% over the same period. Manufacturing is the largest contributor to SA's GDP at 23% and has traditionally been the main provider of jobs. The fall in manufacturing output is a major factor behind the recession.

Even more discouraging are employment trends in mining where total employment is less than in 1980.

The index, with 1980 as base year, slipped to 99,1 in July from a peak of 106,2 in 1987. Mining accounts for about 11% to GDP. Unlike manufacturing, this sector increased its output in the third quarter.

Contrasting with employment trends in manufacturing and mining is growth

in public sector employment of more than 18% since 1980.

The most rapid growth, however, has been in private services — including banking, insurance, hotels, and transport — of about 26% during the last decade. The latter sector also appears to be recession proof, as there was growth in employment between June 1989 and this year (1,6%).

Both commerce and general government increased their gross domestic product this year.

A recent Bureau for Economic Research (BER) study found the stagnation over the past decade of employment growth in the manufacturing sector reflected the increasing rate at which labour was replaced by capital in the past decade.

The fixed capital stock of the country grew by 15,7% in real terms during the 1980s.

MANPOWER - GENERAL

1991

Pessimism over job possibilities

B10 am 8/11/91 SEAN VAN ZYL

EMPLOYMENT opportunities in 1991 look very bleak, particularly for inexperienced individuals, say placement and recruitment business spokesmen.

Placement consultants expect the number of vacancies available this year to drop a further 35%, suggesting that only about 70 000 vacancies will become available in the formal sector this year.

The Department of Manpower and Training disclosed yesterday that about 156 756 jobs became available in the formal sector in 1989 — marginally down on the previous year.

While there were no recent statistics available on the number of vacancies during 1990, indications were that the number dropped to about 109 729.

Elmich Consultants' Michelle Meier said she had already been approached by a number of young hopefuls without an extended education.

"They are usually taken up by the big financial institutions like the banks, building societies and insurance companies, but I expect only 65% of these junior training positions will come up this year."

Quest Personnel public relations manager Lynn Palmer said with the high level of retrenchments in 1990, employment opportunities for people with only matric appeared to be bleak.

Professional Assignments Group MD Penny Ferrer said the market contracted by about 60% last year, and the same was likely to happen this year.

But, she said, prospects for black graduates and matriculants were improving.

However, Career Vision's Jeanne White was less optimistic and said there were already a vast number of experienced people looking for jobs.

But, she said, certain niche markets were still showing a significant growth in new vacancies.

We need many more jobs

MONEY TALK

IT was heartening to learn last week that the Industrial Development Corporation - a state-controlled body founded many years ago to stimulate industrial development - could raise up to R10-billion in the next five years for new projects.

According to IDC managing director Carel van der Merwe, about 20 percent of this money could be raised on foreign markets, while almost

half - R4,5-billion - would be obtained through the sale of assets, such as the corporation's shareholdings in Sasol and Foskor. The balance, about R3,5-million, would come out of retained profits.

The IDC was formed to make South Africa less dependent on overseas industries, and to create job opportunities.

It is, however, worrying that only 30 000 new jobs were created in the for-

mal industrial sector between 1980 and 1988 - compared to 300 000 between 1970 and 1980.

Last year, 9 400 new jobs were created by investing in industrial financing in terms of the IDC's scheme to replace imports - at a massive cost of R100 000 each.

In highly industrialised countries the cost of creating a job is high. But surely in South Africa, with its massive unemployment, the need is to

create labour-intensive industries at the lowest possible cost for each job.

Van der Merwe made the observation that industrialists tend to invest heavily in advanced equipment to cut dependence on mass labour, which pushes up the cost of creating jobs.

"Many firms are phasing out labour because it has become unreliable. Small firms, particularly, can be ruined overnight by labour problems,"

claims Van der Merwe.

Organised labour should pay particular attention to his remarks.

In industries such as motor vehicle manufacturing, the lowest paid workers now earn more than qualified teachers or policemen. One can therefore claim that labour union members have become part of a new elite.

This is an unhealthy development and one sincerely hopes union managements will start applying their minds more to the problem of creating jobs for our fast-growing population.

Black businessmen suffer heavy losses

Stimes 6/1/91

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."

to shoulder outside Parliament today shortly before the marchers arrived to hand over their open letter.

More jobs, fight against inflation top priorities

AGUS 1/2/91

Political Correspondent

FIGHTING inflation, creating more jobs and generating greater wealth were South Africa's top priorities for 1991, said President De Klerk.

But he warned: "Economic growth and constitutional reform have to be mutually reinforcing. Unless the pressing problems of poverty and unemployment are alleviated, constitutional models will be of little avail to us."

Economic restructuring was the only way to return to a high growth path and meet people's aspirations. While this could not be achieved overnight, the creation of more jobs and wealth was vital in the shortest possible time. All South Africans should help the government in this task.

Mr De Klerk said: "There is room for debate on economic structures,

but not on the necessity for effective macro-economic management."

He said that throughout the world, a non-inflationary environment was the key to sustained economic growth.

"Therefore, our own fight against inflation has to enjoy top priority. Failure on this front will leave us with scant hope of success on any other. Inflation does not alleviate poverty — it aggravates it."

There had been gains in 1990: economic restructuring was on course, there was progress in debt-stabilisation, especially concerning monetary policy, and the current account of the balance of payments had been performing well.

Particularly important was the new access to markets abroad — in Eastern Europe and elsewhere — and the readmission to capital markets in Western Europe.

Everything possible...
force more effective... alone w...

Saambou fights hostile takeover

Own Correspondent
JOHANNESBURG. — Saambou management is fighting tooth and nail to avert a hostile takeover bid with its latest move being a deal with independent insurance company Fedsure.

Saambou MD Hendrik Sloet said: "We want to send a message to the marketplace that a takeover of Saambou will not be easy."

In a joint announcement, the companies say Saambou will issue to Fedsure subsidiary Fedlife convertible debentures to the value of R55m. In exchange, Saambou will acquire finance company Plant Finance from Fedlife.

Fedlife's debentures may be converted into Saambou ordinary shares at any time during the next three years. Should Fedlife elect to convert, it will acquire about 30% of Saambou's ordinary share capital, making it the largest shareholder in Saambou.

The price at which conversion will take place will be 140c a Saambou share, plus a premium based on the increase in the net asset value of the Saambou share between March this year and the conversion date.

It is believed Saambou management is fighting to avoid a hostile party from gaining too much power. It is understood management sees the bid for 30% of Saambou, launched by Trafalgar Portfolio Managers (TPM), as hostile.

It is not yet known who is behind Trafalgar, whose offer closed last week. Trafalgar declined to comment on the Fedsure deal with MD Pieter Hougaard saying an announcement would be made this week.

The weekend announcement followed last week's by Sege-Alliansie that it had acquired "a strategic stake" in Saambou. This was also seen as an effort to counter the Trafalgar offer. The transaction, which is valid from January 31, still has to be approved by shareholders.

Asked whether Fedsure would act if a significant stake was acquired by an outside party, Fedsure CE Arnold Basserabie said: "That depends on circumstances."

IDC to be restructured

Multi-billion rand boost for industry

CMT Tips 4/2/91

(173)

Own Correspondent

JOHANNESBURG. — SA industry stands to get a multi-billion rand boost from the proposed restructuring of the Industrial Development Corporation (IDC), announced by President F.W. de Klerk in his speech in Parliament on Friday.

The restructuring is expected to involve the sale of IDC's existing holdings to release funds for industrial development.

These holdings include phosphate giant Foskor (at least R330m) which is earmarked for privatisation, a 30% stake in Sasol valued at about R2bn, a major stake in aluminium giant Alusaf, a R600m investment in Iscor, and its holdings in Natsel and Indsele two listed companies with substantial investments with sub-

stantial investments on the JSE. Restructuring the IDC is believed to be just one of numerous initiatives aimed at reducing the state's economic involvement and encouraging private industrial developments towards increased benefit of raw materials.

"We simply cannot forgo the much-needed employment op-

portunities this will bring about," De Klerk said in his speech on Friday.

"Government places a high premium on job and income-creating growth."

Government sources said the restructuring of the IDC would make at least R3bn to R4bn available for industrial investments, at current market value.

De Klerk's announcement that the IDC would be restructured to promote optimum industrial growth follows a report by retired Auditor-General Joop de Looor and a separate inquiry by Economic Co-ordination Minister Wim de Villiers.

Both apparently criticised the IDC for sitting on strategic investment funds rather than ploughing these funds into new risk ventures.

De Villiers' view is that there are sectors, such as the mining sector, that have most of the resources to turn raw materials into finished products, increasing SA's competitiveness in the export market and bolstering growth and productivity.

De Klerk's announcement came as a surprise to the IDC,

Crusader pays div

JOHANNESBURG. — Anglovaal's Crusader Life Assurance Corporation declared an interim dividend of 17,25c a share against nil, being R3,40m for the 12 months ended December 31, after changing its financial year-end to June 30. Dividend will be payable on March 27, registered in the company's books on February 15. — Reuter

which appears not to have had advance warning that it was to be restructured.

Government wanted to reduce its share of the economic pie and operate more as an agent in development, De Klerk said.

"This includes a shift from import replacement and strategic self-sufficiency to an export-oriented strategy, involving limited protection of domestic industry, and aimed at maximum productivity and cost-effectiveness," he said.

An IDC spokesman declined to comment until more details were forthcoming.

The restructuring is likely to focus on freeing up some of the more finance investments, making loans for entrepreneurs. It is also likely to speed up projects which the IDC is investigating.

MD Carel van der Merwe disclosed in a recent interview that the IDC had projects valued at R21bn in the pipeline. He said it could raise R10bn in the next five years to fund new industries.

He said capital was not the problem if the right opportunities could be identified.

SA 'could learn from Germany'

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JOHANNESBURG. — South Africa could take lessons on how to address wealth imbalances from German unification, according to the German State Secretary in the Ministry of Economic Cooperation, Mr Hans Peter Repnik.

Mr Repnik, speaking at Jan Smuts Airport yesterday before leaving for Mozambique after a brief visit to South Africa, said Germany faced "the formidable task of equalising the vast differences in living standards in the Western and Eastern parts of Germany".

A social market economy had been chosen as Germany's economic vehicle and Mr Repnik said this had relevance for South Africa.

Germany was ready to support South Africa "on its difficult way into a just and democratic non-racial society within the limits of her possibilities", he said.

Mr Repnik said that if progress was made on the question of exiles, political prisoners and the proposed all-party congress, then "the Federal government and her EC partners will

positively consider the relaxation of the remaining economic sanctions".

He said his visit came at "a very significant moment".

The German government welcomed the scrapping of apartheid legislation by President F W de Klerk and Mr Repnik said he hoped Parliament would scrap all remaining apartheid acts within the next few months.

Mr Repnik spoke to senior government leaders as well as extra-parliamentary opposition and non-governmental organisations.

He said he had held talks with Mr Nelson Mandela and the government on sanctions.

He said there was a contradiction between Mr Mandela's asking for sanctions and for the creation of more jobs.

"He told us that we should not lift sanctions. But if the government implements the decisions it has taken, the time will come when economic sanctions should be revised because there is a contradiction between on the one hand asking for the creation of more employment and on the other sticking to sanctions," Mr Repnik said.

— Sapa

Cape Town needs 36 000 jobs every year, says acting Mayor

Moss 12/2/91
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By CLIVE SAWYER
Municipal Reporter

ABOUT 36 000 new jobs will be needed in Cape Town every year to meet population growth trends, said acting mayor Mr Frank van de Velde.

Speaking at the opening of the Board Public Health Advisory Board's annual meeting, Mr Van de Velde said Cape Town's population was expected to grow to 3,5-million in the next decade.

"Our city is in no way exempt from the spectre of political instability, and catastrophic social effects, which may emerge because of economic stagnation," he said.

145 000 homes

By 2 000 the black community alone would need 145 000 additional homes, while the "coloured" community has a current backlog of between 50 000 and 82 000 dwelling units.

If current trends continued, 35 per cent of Cape Town's labour force will be unemployed at the turn of the century.

Of every 10 000 black children starting school, only 27 will get university entrance, according to national averages.

Almost every second day a Cape Town resident dies of tuberculosis, while some estimate that half of the

population older than 15 will be HIV-positive by the year 2 000.

"The population will become generally younger, poorer, and less skilled, while the need for jobs, housing, and goods and services will increase. New creative responses will have to be developed," Mr Van de Velde said.

A programme was needed to meet basic survival needs, including food, shelter, water, sewage disposal, electricity, health, transport and employment.

Urgent attention had to be given to diseases linked to industrialisation, commercialisation, and pollution.

"For example, a high proportion of 'coloured' children in Woodstock have blood lead levels above the safety level. Most attend school near high-density traffic," Mr Van de Velde said.

Health education programmes related to social and political instability needed to be extended.

'Scandalous' health care

The government withdrawing from its responsibilities towards private health care was "nothing short of scandalous", he said.

"The primary aim is to promote a healthier lifestyle. Some are born ill, others may have illness thrust upon them, but most achieve illness through their own way of living," Mr Van de Velde said.

He promised to launch a task force against Aids once he became Mayor.

Job creation in manufacturing slides

EMPLOYMENT creation in the manufacturing sector increased by an average of only 0,3% a year between 1980 and 1989, a report by the Industrial Development Corporation (IDC) said.

The report found that during the 1960s employment in manufacturing increased by an average 5,4% a year and by 3,0% during the 1970s.

The sector currently employs about 15,8% of all SA workers.

The marked drop in fixed investment in the manufacturing sector since 1980 posed a threat to the prospects for increasing employment creation in manufacturing.

The report said the manufacturing sector's output in 1988 was worth R123 307m.

The report noted a major influence on the manufacturing sector in the 1980s was the decline in the foreign value of the rand.

In 1980 the rand peaked at \$1,35 and in early 1984 the rand was about \$0,90. Since the beginning of 1989 the rand dropped to between \$0,42 and \$0,36.

Although this decline had had an adverse

VERA VON LIERES

effect on the cost of imported plant and machinery, it had also provided a significant export stimulus for locally manufactured products. (8) (173)

However, SA's export potential was inhibited by an adverse international environment manifested in boycotts and sanctions.

Financial boycotts and government's commitment to reduce foreign debt had placed severe pressure on the balance of payments (BoP), which had a negative influence on SA's growth potential in the 1980s.

Double-digit inflation during the 1980s had erased the competitive advantage gained by the depreciation of the rand.

Expansion of production capacity in manufacturing and, as a consequence, employment creation in manufacturing would be depressed by current economic policy, the report said.

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Youth League aims to help the jobless

THE ANC Youth League in the Northern Cape has decided to embark on a programme aimed at building the new South Africa, focusing especially on creating employment for the youth and the masses in general. *Sowetan 12/2/91*

In a statement released yesterday, the Youth League called on all business people, industrialists and embassies to contribute to the projects.

The League's Secretary for Finance, Mr David van Wyk said: "The Youth has an obligation to improve the lives of the people who have been the victims of oppression for such a long time.

"This obligation affects the business world which has flourished under apartheid as a result of the toils of our people.

"To the foreign embassies, we say: You have to start now to help the people if you want to safeguard your investment in a new South Africa'," Van Wyk concluded. - *Sapa*

LABOUR

By DREW FORREST
 A DRAFT unfair labour practice (ULP) code produced by the National Manpower Commission has thrown into stark relief the gulf between the NMC and the Manpower Department in their approach to labour law.

Lawyers see the code, leaked to *The Weekly Mail*, as a "substantial improvement" on the department's proposed codification, published in the *Government Gazette* last December.

The NMC proposals have still to be discussed at a commission meeting on March 12, to be attended by the Congress of SA Trade Unions for the first time as a full member, but insiders say they are likely to approximate closely to the NMC's final recommendations to the government.

NMC's unfair labour practice code seen as 'substantial improvement'

W/M 15/2 - 2-11-88 (173)

This week's tabling of the Labour Relations Amendment Bill — which scraps the 1988 ULP definition — has moved the code issue to centre stage.

The NMC believes a ULP schedule should not be binding, but must be admissible as evidence and taken into account by an industrial court where relevant.

It is understood Manpower Minister Eli Louw is pressing hard for a code, and Cosatu is to decide policy this week.

"We are not necessarily opposed to

seas developments, provided for equal pay for equal work by men and women. Discrimination against job applicants was not, however, covered.

- Set out detailed requirements for dismissal inquiries and retrenchments, a "welcome improvement on the existing definition".

- Provided that an employer should, on request, bargain with a "sufficiently representative" union. Damant said the Industrial Court was likely to interpret this as allowing minority unionism, which would draw union flak.

Other features are a proposal that employers should "generally" not selectively rehire strikers and should use "fair and objective" criteria when compelled to do so, and a ban on unilateral changes in employment conditions.

aim to curb sympathy strikes, product boycotts and "roll-over" strike action, were seen by some lawyers as a rear-guard bid to subvert the Saccola Accord. (See WM Jan 18-24)

Commenting on the NMC draft, Damant said it:

- Went further than the 1988 Act's provisions on freedom of association, by declaring unfair the payment of better wages to non-union members in a bargaining unit.
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'Top companies fail to create more jobs'

(173) ~~20/2/91~~ 20/2/91

By BARRY STREEK

THE Top 100 Johannesburg Stock Exchange-listed companies increased dividends last year by 21,3%, but only increased employment by 0,1%, the Labour Research Service (LRS) has found.

Some of the largest Top 100 not only chose to grant shareholders significantly larger dividend payments but also cut employment in 1990.

"Employment creation should be a major concern for SA companies," the Cape Town-based LRS said.

"Instead of expanding employment opportunities and making an economic growth a priority, these companies and directors preferred to keep shareholders happy with large dividend payments."

Profits of the Top 100 companies increased by 15,8%, just above the average 1990 inflation rate of 14,3%.

In spite of the recession, the companies managed to increase sales by 18,3%.

"Sales per worker rose by 17,3%. This suggests that workers' productivity has improved."

LRS said the average increase in profits of the 245 companies surveyed in the 16 industrial sectors on the JSE was 25% and listed in the engineering sector recorded, on average, a 45% increase in profits, the largest in the 16 sectors, in 1990.

"Profits increases for some of the big five conglomerates, might have been poor in 1990, but they still earned large returns on their shareholders' investment."

"Anglo American earned the largest return in 1990 of 24%."

"Barlow Rand's profit attributable to shareholders fell in 1990 by 14,2%, but it still managed to earn a very respectable return on shareholders' investment of 22,4%."

Between 1988 and 1989 manufacturing profits grew by 25,6% in real terms, but in the same period gross domestic product declined by 0,6%.

"Cut-backs, retrenchments and rationalisation helped manufacturing firms to make their large profit increases," LRS said.

SOWETAN BUSINESS



PHIL KHUMALO

Pay rises push up costs

PAY rises won by trade unions are pushing up costs and contributing to growing unemployment in the Western Cape.

This was disclosed by the president of the Cape Chamber of Industries, Mr Ernest Wilson.

More job losses and business collapse can be expected unless productivity is increased in line with reward, he said.

In an unprecedented statement warning of an

Demer 25/2/91 (173)

“escalation of employment costs,” he said the Chamber of Industries was concerned at the serious and growing unemployment situation in the Western Cape as the current recessive business conditions continued to deepen.

Compelled

“We feel compelled to draw attention to the continuing expentancy that employment cost increases must be at least in line with the rate of inflation and wish to sound a warning note that further job losses and business collapse will certainly follow this policy if some concerned effort is not made to increase productivity in line with reward.”

The correlation between inflation and unit

labour cost increase for the past few years was virtually identical and the manufacturing sector was thus continuing to contribute significantly to the national inability to control and reduce inflation.

Climate

“More importantly, our goods are becoming less competitive in the international sphere and exports are threatened significantly.”

Negative

“South Africa has the unenviable reputation of having one of the lowest labour productivity improvement indices in the international log for the past 15 years. Our average growth per capita has dropped to negative terms in the past five years

compared to Korea and Taiwan with 8 percent growth and even the United States, Britain and West Germany showing a respectable 3 percent growth.

“Only in this way can the expectations of people be fulfilled by giving a positive impetus to

growth and job creation, and so creating the additional wealth so necessary for the new South Africa, and keeping at bay the alternative which is economic stagnation or accelerating unemployment.” - *Sowetan Correspondent*

“Such an economic climate is unlikely to prove attractive for much needed external investment in our country.”

“In these circumstances and especially during the period of acute change for South Africa which lies ahead, the chamber feels the necessity of urging the need for responsible restraint from both the employer and employee sectors, to negotiable future increases in labour and salary costs either at a level somewhat below the

Committee of Inquiry into Military Pensions: investigations

*28. Mr R M BURROWS asked the Minister of Finance:

- (1) Whether the Committee of Inquiry into Military Pensions has completed its investigations; if so,
- (2) whether this committee has submitted a report to him for his consideration; if so, when;
- (3) whether the committee considered the revision of the policy of paying military pensions according to categories of educational qualification; if not, why not; if so, what recommendation did it make in this regard;
- (4) what other recommendations did the committee make;
- (5) whether he will make a statement on the matter?

B279E

The MINISTER OF FINANCE:

- (1) Yes;
- (2) Yes, on 27 November 1990;
- (3) The committee recommended that a different basis for the calculation of military pensions be investigated by the Department on the guide-lines laid down by the committee;
- (4) Recommendations were also made by the committee on:

- (i) the justification for the difference in compensation granted to civil servants and private individuals who were injured during military service;
- (ii) the principle of educational qualifications as basis of compensation as well as compensation for qualifications obtained after disablement;
- (iii) compensation for loss of potential earnings;
- (iv) providing for supplementary compensation to exceptional disabled persons as a result of multiple disabilities;
- (v) increase of pensions in respect of dependent children; and

(vi) revision of the basis on which widows' pensions are calculated.

All these recommendations are subject to further investigation by the Department.

- (5) Yes, as soon as the investigation is finalised and decisions in this regard have been taken.

Job creation programme: amount paid

*29. Mr J J WALSH asked the Minister of Manpower:

What total amount (a) has been paid out by the Central Government in respect of the current job creation programme and (b) earmarked for this programme was unspent as at the latest specified date for which information is available?

173 B292E

The MINISTER OF MANPOWER:

- (a) Up to 31 December 1990 an amount of R70 million was paid out to the following Departments/Administrations by means of advances:

- Development Aid
- Provincial Administration (TVL)
- Provincial Administration (OFS)
- Provincial Administration (NATAL)
- Provincial Administration (CAPE)
- Foreign Affairs
- House of Delegates
- House of Representatives
- House of Assembly
- Manpower

- (b) An amount of R75 million was allocated for the programme of which R5 million was suspended as a saving. Although an amount of R70 million was contractually paid out by means of advances, the full amount has up to date not been spent by the participating bodies. Particulars of the unspent amount is at this stage not readily available.

Black social old-age pensioners

*30. Mr K M ANDREW asked the Minister of Planning, Provincial Affairs and National Housing:

- (a) How many Black social old-age pensioners were there during the latest specified 12-month period for which figures are available

and (b) what was the total cost of these pensions during the said period?

B310E

The MINISTER OF PLANNING, PROVINCIAL AFFAIRS AND NATIONAL HOUSING:

The information is supplied for the period 1 January 1990 to 31 December 1990:

1. TRANSVAAL

(a) 2 462 211 (b) R419 727 000

Monthly average

(a) 205 184 (b) R34 977 250

NATAL

(a) 430 316 (b) R95 175 210

Monthly average

(a) 35 858 (b) R7 931 250

3. ORANGE FREE STATE

(a) 626 765 (b) R134 559 234

Monthly average

(a) 52 230 (b) R11 213 269

4. CAPE PROVINCE

(a) 993 297 (b) R169 737 853

Monthly average

(a) 993 297 (b) R169 737 853

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Cape Town: crime on trains

*13. Mr J H MOMBERG asked the Minister of Law and Order:

- (1) Whether there has recently been an increasing tendency in crime on suburban trains between Simon's Town and Cape Town; if so, what are the relevant details;
- (2) whether any steps are being taken to combat this crime; if so, what steps?

B80E

The MINISTER OF LAW AND ORDER:

- (1) No, during the three months from 1 November 1990 to 31 January 1991, 51 serious crimes were committed on trains between Simon's Town and Cape Town, in comparison with 73 crimes during the corresponding period a year previously. This represents a decline of 30,14%.

The details are as follows:

	Nov 89	Dec 89	Jan 90	Nov 90	Dec 90	Jan 91
Theft	1	2	3	2	—	—
Theft from person	5	7	7	3	5	5
Rape	—	2	—	—	—	—
Robbery	12	8	18	6	18	7
Attempted robbery	—	—	—	—	—	3
Armed robbery	1	—	—	—	1	1
Attempted murder	—	—	1	—	—	—
Sodomy	—	—	1	—	—	—
Assault with intent to do grievous bodily harm	—	3	2	—	—	—
	19	22	32	11	24	16

- (2) In addition to the deployment of mobile units of the South African Police on this, as well as other rail trajectories country-wide, the Rail Commuter Corporation, in co-operation with the South African

Police, is at present safeguarding Rail Commuter Stations, which will ensure more effective access control, in order to more effectively keep criminal elements off trains.

Metal union lays down its demands

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Sowetan 27/2/91

WITH annual negotiations in the metal industry looming, the National Union of Metalworkers of South Africa has decided on six core demands for national collective bargaining.

These will be limited to wages, job security, job creation, training, job grading and parental leave, the union said in a statement.

About 350 delegates from the union's 10 regions - representing workers in the engineering, iron, steel, metallurgical, auto assembly, motor, tyre and rubber industries - met at the weekend to discuss the demands.

The industry decided to make an early start with preparations for ne-

gotiations in an attempt to conclude the process by May 31.

"This might lead to an earlier settlement than last year, but many employers predict an even bumpier ride," Steel and Engineering Industries' Federation of South Africa said in an editorial in *Seifsa News*.

Trade union and employer demands are to be submitted to the National Industrial Council by March 4.

The unions were asked to distinguish between "core" and "other" demands.

Union delegates agreed to refer other demands to Cosatu, who will raise them for negotiation with national employer groups and the Government.

These demands concerned public holidays, job creation projects, trade union rights and working hours.

Delegates agreed to demand urgent and "very large investment and job creation projects and measures against job loss".

This will be pursued through campaigns by Numsa and Cosatu. -
Sowetan Correspondent

News and Advice

SMALL BUSINESS ISSUES

Small businesses create jobs

20 wk 28/2-6/3/91
 THE most testing challenges facing South Africa, is the problems generated by unemployment of which the most serious are poverty and a high rate of population growth.

According to some estimates, close to 30 percent (some 4-million people) of the country's economically active population are unemployed or underemployed.

In addition, the South African population is expected to double over the next 25 years, necessitating the creation of almost 2 000 jobs every working day if a major unemployment crisis is to be averted.

In recent years the importance of encouraging small businesses as potential employers has been recognised as the most viable means of combatting large-scale unemployment.

At present over 800 000 small-scale businesses operate in South Africa — that is, those with assets of less than R1.5 million, an annual turnover of under R5 million and less than 100 employees. These enterprises which comprise more than 90 percent of the country's businesses, make up almost half of South Africa's economic activity and generate about three quarters of new jobs in the country.

Small businesses can be split between enterprises operating in the formal sector and in the informal sector — those not recorded in the country's national accounts.

Small businesses account for around 35 percent of employment in the formal sector.

Informal sector businesses include subsistence farmers, hawkers, street vendors, home businesses, back-yard mechanics, taxi-owners, craft and curio makers, moonlighters and even black marketeers.

An estimated 70 percent of South Africa's labour force is involved in some form of small business or informal sector activity.

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 Policy-makers have invariably taken the view that the informal sector — consisting of one-person operations which do not pay taxes — contributes little or nothing to general economic growth.

This short-sighted view does not take into account that the informal sector is an important factor in easing the problems of unemployment.

Every person conducting his or her own business has created another job. Family members and friends are often drawn into the enterprise, further easing the burden on the economy of creating jobs.

The Small Business Development Corporation, established in 1981 to promote the creation of small-scale enterprise, defines a small business as one which is independently owned and managed, with a simple organisational structure and a relatively small influence on the market.

Besides addressing the problems of poverty and increasing unemployment, small businesses also benefit the economy in various other ways.

They ensure that products and services are available in areas out of reach of larger enterprises and in places ignored by big businesses. By satisfying specialised needs and increasing the range of products and services available, they add flexibility to the market place.

Small business also contribute to the dispersal of economic activity and thus counter the concentration of industry and population.

Additional wealth and income is generated in the economy through the activities of small businesses. In South Africa, where 40 percent of the population receive less than five percent of the national income, small businesses ensure a wider spread of prosperity.

Small businesses further ensure innovation and creativity, often not competing with larger firms on price but on service and technology.

Black entrepreneurs, who have been denied free and equal access to participation in the South African economy, are provided with a logical starting point by small businesses.



Max Godlo, owner of Max Supermarket in Mbekweni, near Paarl, started out as an informal backyard trader. A SBDC loan of R60000 as well as a lease at the SBDC's building in Mbekweni, assisted Godlo to build up a turnover in excess of R2m

SBDC can help in many ways

20 wk 28/2-6/3/91
 THE Small Business Development Corporation (SBDC) offers a variety of services to encourage and assist entrepreneurs.

Qualified personnel in the corporation's countrywide information offices and its head office data bank provide advice and information services to small businesses on practically any aspect of business financing, marketing, the law, general administration and management.

Consulting services are also provided by external consultants and mentor advisers to complement the SBDC's services.

The SBDC further offers various training courses dealing with topics from starting to improving a business and developing the managerial skills of the entrepreneur.

Removing restrictive legislation which hampers the development of small businesses is actively advocated by the SBDC. The corporation also promotes sub-contracting by large business to smaller enterprises and is actively involved in upgrading the informal sector.

Nothing is small in this business

Sowetan
5/3/91

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IN line with our Nation Building Campaign Sowetan Business today starts a series of lectures on how to draft a business plan. Today LUCAS NTULI looks at why small businesses are regarded as important.

THERE is a growing recognition that decision makers in this country are facing formidable challenges which call for far-reaching strategies.

In the short term, at least, there is a great need for creative thinking in order to create jobs for millions of unemployed people in this country.

The problem is such that companies can no longer absorb the pool of the ever growing number of the jobless. There is also little hope that formal job opportunities will be any more plentiful from these companies in the near future.

It is therefore essential that a great number of economically inactive people are encouraged to become active players in our country's economic issues.

This should take the form of encouraging them to become capable entrepreneurs in order to create jobs for themselves and others.

The growth of the small business enterprise is one of the most important future sources of employment in South Africa. It will also be essential to the long-term economic development

of the country.

Small business development in South Africa is pivotal to a prosperous society. It can also be in a position to meet the growing needs of its expanding population.

Whatever the diverse aims of people of South Africa, without economic growth everything else that people want will slip out of reach.

Small business is geared to grow, particularly where it matters most - provision of employment for the large number of people entering the labour market.

It is for these reasons that small businesses find themselves in an unaccustomed position of being regarded by the Government and by big businesses as very important.

The most disturbing point is that many of these small businesses fail after having coped with the period of "survival." On closer examination, it has been proved that failure instead of success and growth is mainly due to lack of planning before going into business.

* On Thursday Ntuli will look at how a business can be planned.

By CLIVE SAWYER, Municipal Reporter

RECOMMENDATIONS on the future development of city council and State-owned land and the creation of jobs have been put in the hands of newly appointed development co-ordinator Dr Philip Theron.

Mr Theron has a three-year contract and will act independently of all council departments, reporting directly to the executive committee.

"My job will hinge on three objectives: the stimulation of future growth by acting as an inter-departmental co-ordinator, to act on market trends and to initiate the best economic use of council-owned land either in partnership with private enterprise or by ourselves," Dr Theron said.

Dr Theron has acted fast since taking office this month.

"I have ordered the compilation of a register of council-owned land, its location, zoning, encumbrances and strategic value," he said. Under his chairmanship, a co-ordination team has been formed of the heads of departments of estates, town planning, city engineering, treasury and land survey.

A major concern is the success rate of various proposal calls made for certain areas in the municipality in the past.

"I am concerned about the time taken in the past to decide on how to react to offers made about proposal calls. We must respond quickly to what the market wants," he said.

Jobs will be created in the construction industry.

"Statistics show that in the tourism industry, one job can be created for every 11 tourists."

Co-ordination is needed with major landowners such as Transnet, Eskom, the Defence Force, the SA Property Owners' Association, and other state and quasi-state bodies who own land.

Job creation

In some cases, negotiations are already in progress about the future of land they own within Cape Town municipality.

There are few precedents for a job like Dr Theron's. Durban has a development co-ordinator, but Cape Town was the first to create "such a direct line between the executive committee and myself," Dr Theron said.

Dr Theron, 47, has a doctorate in quantity surveying from the University of Pretoria and won the 1985 SA Association of Quantity Surveyors award for research.

He was the initiator and co-ordinator of many major projects, including the R25-million Sanlam Musgrave shopping centre in Durban in 1985, the R15-million Renfreight services esplanade in Durban, the R70-million Wheel commercial development in 1987, and the R40-million redevelopment of the old Durban station.



Dr Philip Theron

Job creation, future council developments in good hands

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A News 6/3/91

State 'cannot redress all imbalances'

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8/10/91
VERA VON LIERES

MANPOWER Minister Eli Louw said yesterday there were a number of dangers inherent in affirmative action programmes aimed at redressing past economic imbalances.

Addressing a symposium on Affirmative Action or Equal Opportunities, Louw acknowledged there was a need to address historical inequalities, including using accelerated task-oriented training which he said was the most important component in achieving equal opportunities.

Louw said special attention should be given to alleviating poverty and unemployment in the short-term.

However, the state alone would be unable to adequately address needs.

Employing or promoting people without the requisite qualifications and expertise would represent extreme paternalism and have a very negative impact on productivity.

By Waghied Misbach

'Restructure manpower commission'

South 14/3 - 20/3/91

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THE Congress of South African Trade Unions (Cosatu) called for the restructuring of the National Manpower Commission (NMC) at a conference at the University of the Witwatersrand at the weekend. Campaigns coordinator Ms Lisa Sefel said Cosatu wanted the NMC to be more than an advisory body, but to have powers to prevent or compel debate in parliament on labour issues. Ministers should not have the power

to appoint people on the NMC. Parties represented on the board should have that power, Sefel said.

She said Cosatu wanted proportional representation on the NMC, which presently consisted of the state, employer bodies and unions.

In a statement released by Cosatu this week, there was broad consensus that:
● Cosatu needs to enter the NMC in a more permanent form;

● The main groups should be the unions and the employers; and
● The NMC should be seen as a negotiating forum.

The conference also agreed to have further discussions on the participation of the state in the NMC, according to the statement.

In the long term, however, Sefel said Cosatu wanted to see "much more radical changes" in the NMC.

Beside broadening the powers of the body, the focus of the NMC should be on employment issues.

A major issue of the Cosatu campaigns this year will be job security and creation in conjunction with its "Living Wage" campaign.

Cosatu has estimated that 150 000 jobs would be lost this year. The conference rejected proposals by the "Living Wage" committee to quantify

the living wage amount. Sefel said there was no unity in the federation on the issue.

The trade union federation has called on its members to support the African National Congress' signature campaign for a constituent assembly and interim government.

Sefel said Cosatu members had already started collecting signatures.

Other campaigns which Cosatu has given emphasis are the broadening of the Labour Relations Act to farm, domestic and public sector workers and the drawing up of a workers charter.

FEARING that 150 000 jobs may be lost this year, the Congress of South African Trade Unions has demanded a job creation fund financed by the state and business in which the labour movement has a strong voice.

The call forms part of a major campaign on retrenchments, on the theme "jobs for all — no retrenchments", launched by 265 delegates at Cosatu's weekend campaign's conference in Johannesburg.

Ascribing job losses to company restructuring purely to buttress profits and blaming the state and business for failing to build the economy, Cosatu also demanded job creation projects, such as township and rural electrification, housing development and factory expansion.

Other demands were for training and retraining instead of redundancies, living UIF payments and pensions, price control on basic goods and a 40-hour week without loss of pay.

Delegates urged industrial restructuring in consultation with labour and with state help, particularly to weak sectors. Access to company plans, to forewarn unions of retrenchments and enable them to suggest alternatives, was seen as vital.

Also at issue in the conference were

Cosatu demands job-creation fund

Act to farm and domestic labour. A domestic workers' "human chain" is planned, and firms with farming links will be approached to squeeze agriculture.

Amid fears of major job losses as the recession deepens, the labour movement is seeking to engage the state and business in ways to avoid retrenchment, reports

DREW FORREST

Industrial Development Corporation incentives for continuous shift production — "they should be expanding industry, not squeezing more production from workers", commented one Cosatu official. The IDC has agreed to meet Cosatu on the issue.

The federation is to approach the state and Saccola for talks on job creation and other demands in May, and will seek to draw civics and unemployed worker representatives into these. Shop stewards will table demands at factory level and major rallies focusing on job cuts are planned on May Day.

On "phase two" of the Labour Relations Act campaign, delegates focused on the extension of the LRA and Wage

ing Cosatu co-operation with the African National Congress on the constituent assembly, an alliance campaign. On March 21, joint rallies are planned and in April, key Cosatu leaders will help workers collect signatures in factories, shops, farms and mines for an ANC signature drive on constituent assembly and interim government demands.

Conference delegates identified as key worker rights for inclusion in a new constitution the right to strike, organise and fight for a democratic economy, and to sexual equality and accountable rule.

In a bid to shift its concerns up the agenda, Cosatu announced it would soon engage the ANC to ensure worker rights were included in the ANC's constitutional proposals. It will also canvass broader support in the "Patriotic Front".

Also singled out for a campaign is the trial, scheduled for June 24, of Cosatu leaders Jay Naidoo, Sydney Mufamadi, Moses Mayekiso and Baba Schalk arising out of the alleged kidnapping and assault of a policeman at Cosatu headquarters.

"This was viewed as part of a political attack by the apartheid state on the leadership of Cosatu," the federation said in a statement.

Cosatu warns that if the South African Agricultural Union continues to "block change in the National Manpower Commission" (NMC), farm products, particularly exports, will be hit by a sticker campaign.

It is also foreseen that the issue of labour rights in the farm, domestic and state sectors, and in the homelands, will be raised with the International Labour Organisation team due to visit South Africa.

On the revamping of the NMC, another phase two demand, it was agreed that the NMC should be a negotiating forum, Cosatu should enter it "in a more permanent form", and that unions and employers should be the principal players. Some affiliates argued against any state role.

The conference also bore out mount-

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Cosatu demands job-creation fund

Amid fears of major job losses as the recession deepens, the labour movement is seeking to engage the state and business in ways to avoid retrenchment, reports **DREW FORREST**

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Taxation policy stifling job creation

Finance Reporter *WLD* *WLD*

The present taxation structure in South Africa is a huge stumbling block standing in the way of investors wishing to play a role in expanding the economy, says Bert Wessels, the CFO of Toyota South Africa.

"The anomaly is that these restrictive policies are in force at a time when there is a desperate need to create job opportunities. *Star 18/3/91*

"Presently the government does not acknowledge that we live in an inflation economy when it comes to giving industry a reasonable break to expand".

He pointed out that provi-

sions had to be made in writing down assets so that they could be replaced at the end of their economic lives.

"In an inflation economy the provisions allowed right now are woefully inadequate", he said. "Sure they allow you to write-off the full purchase price over a period but no allowance is made for inflation.

"The result is that when you come to replace equipment you face increased costs that just five years after the initial purchase can be double the cost of the equipment to be replaced.

He explained that Toyota's financial results for the past year gave a clear indication of what

the results of the government's restrictive policies could do.

"Our effective tax rate for the year was 55 percent and because we are involved in a phase of heavy capital investment I see that it could perhaps even creep higher than this in future years.

"The government should not lose sight of the fact that we have to trade and compete with first world countries which do not have to contend with massive inflation. Local industry needs every break it can get and the current taxation system seems inappropriate."

He said many manufacturers

were becoming hesitant about making the substantial investments required in the face of economic uncertainty and in what can almost be construed as a punitive tax environment.

The industry ranked third in terms of contribution to the GDP with 5 percent behind the mining sector (12 percent) and agriculture forestry and fishing (6,5 percent).

"It is an industry than can compete aggressively in export markets and it is an essential component of local industry. This needs to be fully recognised and the industry promoted rather than milked at every opportunity".

Own Correspondent

JOHANNESBURG. — Economic Co-ordination Minister Dr Wim de Villiers, who died yesterday aged 69, began his career working as a switchboard operator at the Pretoria power station.

Although he had a doctorate in engineering from UCT, he experienced discrimination against Afrikaners in the job market.

In 1959 he began a meteoric business career in the English-dominated mining industry. He was eventually instrumental in the creation of Gencor, of which he served as executive director until 1982.

As a special adviser to the government, and later as the Minister for Administration and Privatisation, he spearheaded the government's privatisation drive. He privatised Iscor, and turned Transnet and Eskom into business-oriented organisations.

Last year, after he was given the Economic Co-ordination portfolio, Dr De Villiers embarked on the daunting task of fundamentally restructuring South Africa's economy.

A supply-side economist, he tried vigorously to boost exports in an effort to regenerate an ailing industrial

Minister started on switchboard

sector. "Our biggest problem is unemployment. The aim of any strategy must be an employment-creating economy. We are exporting our employment opportunities," he said in a recent report.

On Wednesday it was announced that De Villiers would also take on the weighty Transport portfolio on April 1. The following day he collapsed while making a speech in Cape Town.

His death yesterday has left much of his work undone. Changing political demands have left privatisation firmly on the backburner, and most of his restructuring plans remain unimplemented.

Dr De Villiers leaves his wife Fran- cie, two sons, a daughter and six grandchildren.

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Peace will elude SA if poverty is not checked prof

Blomay 20/3/91

GERALD REILLY

PRETORIA — Peace and reconciliation in SA would be beyond reach unless aggressive policies to attack poverty were instituted, Unisa's professor of economics Stef Coetzee said last night.

In his inaugural lecture he said the situation of the poor had been aggravated by increasing capital intensity in the formal sector and the high level of unemployment since the mid-70s.

The average labour absorption capacity of the formal sector had declined from 73,6% between 1965-70 to 12,5% for the period 1985-89.

This implied that only 125 of every 1 000 entrants a day to the labour market could be accommodated as full-time employees during this period.

Upswings

Between 1974 and 1989 the formal sector created only 1,2-million jobs while the labour force increased by 4,7-million.

Coetzee said the percentage of the labour force outside the formal employment sector had risen to 41,9%.

"Unemployment has continued to rise during upswings in the business cycle which strongly indicates unemployment has assumed structural characteristics," Coetzee said.

Urban Foundation research indicated the metropolitan population would increase from 12-million to 32-million between 1980 and 2010, while the total number of (metropolitan) blacks would quadruple from 6,6-million to 23,6-million over the same period.

Coetzee said the foundation also estimated that 42% of the black population would be in the under-14 age group, and that some 7-million were already living

under informal housing conditions — 2-million in the PWV area.

He said the SA economy had shown persistent decline in growth since the 70s and was characterised by a highly unequal distribution of wealth and income, rising unemployment, poverty and socio-economic imbalances and backlogs.

The economic growth rate measured by the GDP declined from an average of 5,5% between 1960-74 to 1,8% in the 1975-88 period. During this period per capita income declined by 1% a year.

The attack on poverty would have to go beyond the efficient allocation of scarce resources. It would have to address issues such as access to and control of resources backed by changes in the economic, social, political and institutional mechanisms to bring about a rapid improvement in the living levels of the poor.

Coetzee said the costly duplication of apartheid structures had a negative effect on the economy.

Government interventionist policies, such as those aimed at promoting strategic industries and import substitution, had also served to undercut efficiency.

"The plethora of legislation to keep the political system intact has had a severe impact on the control over resources and access to opportunities."

In addition, Coetzee said, government expenditure had favoured the affluent minority leading to a skewed allocation of resources.

He stressed a political settlement would not be a panacea for the country's development problems.

It could be regarded as necessary but not sufficient condition to resolve conflict in SA.

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A Rubicon speech, says Cosatu

3/12/91
COSATU described the Budget as Finance Minister Barend du Plessis' "Rubicon" and said it was a "bitter disappointment for workers and their families".

The labour federation said last night social spending in fact remained at the same percentage (38%) as last year.

It criticised Du Plessis for shifting the tax burden onto ordinary people and off the shoulders of the large corporations.

"There was no vision of a new economic growth path, or an overall economic development strategy which would create jobs for our people, address critical social needs and lay the basis for the development of our manufacturing sector.

"There is also no movement in the direction of restructuring and developing our moribund manufacturing sector. Barend du Plessis has attacked workers for lack of productivity, but has totally failed to give workers any incentive to produce."

The National Council of Trade Unions (Nactu) said the allocation of resources and social spending continued to discriminate between the races — as evidenced by spending on social pensions.

(173) VERA VON LIERES
and PETER DELMAR

Nactu general secretary Cunningham Ngcukana said money allocated for housing was far from adequate and government had not indicated how it would intervene in fighting unemployment except for the distribution of food parcels — which Nactu rejected as an inadequate proposal.

Institute of Personnel Management (IPM) executive director Dani Mitchell said the Budget went a long way towards addressing critical issues relating to human resources.

Mitchell said the IPM looked forward to the increased capital expenditure on the building of schools, but called for the rationalisation of the education system into a single non-racial entity.

The IPM welcomed the increase in social spending and hoped the tax concessions to manufacturers and entrepreneurs would result in growth and job creation.

It also welcomed the further separation of the taxation of married women and the cuts in the maximum marginal tax rate.

HOUSE OF ASSEMBLY

QUESTIONS

Indicates translated version.

For written reply: *Hansard 25/3/91*

General Affairs: *Hansard 25/3/91*

Farm Wimbleton No 454

139. Mr R R HULLEY asked the Minister of Public Works and Land Affairs:

Whether any of the following portions of the farm Wimbleton No 454, situated on or near Wimbleton Road in Blackheath, have been sold either jointly or separately, viz (a) Erf 454/56, (b) Erf 454/93, (c) Erf 454/96, (d) Erf 454/55, (e) Erf 454/59 and (f) Erf 454/95; if so, (i) (aa) for what price, (bb) by what method, and (cc) when, in each case and (ii) what is the surface area of each portion?

B392E

The MINISTER OF PUBLIC WORKS AND LAND AFFAIRS:

(a) and (b) Yes, jointly

(i) (aa) R3 100 000,00

(bb) Public auction

(cc) 23 January 1991

(ii) 454/56—11,4123 hectares

454/93—6,0939 hectares

(c) No—private land

(d) Yes, jointly with 454/57

(i) (aa) R4,86

(bb) Out of hand (Divisional Council for road purposes)

(cc) 1 May 1956

(ii) 6957 square metres

(e) Yes, jointly with 454/58

(i) (aa) R0,69

(bb) Out of hand (Divisional Council for road purposes)

(cc) 13 March 1958

(ii) 987 square metres

(f) No—private land.

Black work-seekers

188. Mr P H P GASTROW asked the Minister of Manpower: *Hansard 25/3/91*.

How many Black males and females, respectively, were registered as work-seekers in the Republic in each month of 1990?

Hansard 25/3/91

B517E

The MINISTER OF MANPOWER:

Month	Male	Female
January	58 355	16 888
February	69 297	23 608
March	66 229	19 442
April	67 672	19 337
May	69 338	19 452
June	67 647	19 070
July	*	*
August	*	*
September	110 132	28 227
October	108 906	27 611
November	109 220	25 650
December	113 698	25 554

*Not available.

Labour bureaux: registered work-seekers

189. Mr P H P GASTROW asked the Minister of Manpower: *Hansard 25/3/91*.

How many males and females, respectively, were registered at labour bureaux as work-seekers in terms of the Guidance and Placement Act, No 62 of 1981, as at the end of each month in 1990? *Hansard 25/3/91*.

B518E

The MINISTER OF MANPOWER:

Month	Male	Female
January	82 391	36 567
February	100 395	49 209
March	97 513	44 073
April	99 946	44 586

~~251~~
 In respect of the Central Advisory Service are reflected on proposed establishment of the Office of Administration for Development in respect of the Office for Development are reflected on proposed establishments of the Department of Planning, Provincial Affairs and Housing, Trade and Industrial Administration: House of

number of cases the abolishment and of posts reflect a transfer of a for example the transfer of the function from the Department of Provincial Affairs and Forestry. In other change in establishment figures of reorganization where part organization was restructured by the existing organization and replacing it with as new organization and recreated posts—for the Office of the Commission for

Public Service	241 692
Public Service 1-1990	247 307
	+ 5 615
	14 168
	8 553
	5 615

figures reflect only posts created abolishment of civil departments in accordance with section 7(1)(a)(i) of the Services Act, 1984. Figures in the Services and Education not readily available.)
 increase in posts represents a 32%.

daily housing units
 DAL asked the Minister of Agriculture
~~251~~
 Hansard 28/3/91

(1) (a) How many family housing units were built in 1990 in each self-governing territory by (i) the authority of the territory, (ii) private owners and (iii) the South African Government and (b) what was the total amount spent by each in respect of each territory;

(2) whether there is a shortage of housing units in any self-governing territory; if so, how many units are required in respect of each territory;

(3) whether any family housing units are being built in the self-governing territories at present by (a) the authority of the territory, (b) private owners and (c) the South African Government; if not, why not; if so, (i) how many units are being built by each in each territory and (ii) when are they due to be completed in each case?

~~251~~
 Hansard 28/3/91
 B556E
 The MINISTER OF DEVELOPMENT AID:

(1)(a)	(i)	(ii)	(iii)
Lebowa	Unknown	Unknown	Nil
QwaQwa	Nil	110	Nil
KwaZulu	Unknown	Unknown	Nil
KaNgwane	Unknown	Unknown	1 014
KwaNdebele	Unknown	Unknown	Nil
Gazankulu	300	1 070	Nil

The houses which are being built in KaNgwane is the result of a promise made by the South African Government to the KaNgwane Government during the 1989/90 financial year.

(b)	(i)	(ii)	(iii)
Lebowa	Unknown	Unknown	Nil
QwaQwa	Nil	Unknown	Nil
KwaZulu	Unknown	Unknown	Nil
KaNgwane	Unknown	Unknown	R7 116 067
KwaNdebele	Unknown	Unknown	Nil
Gazankulu	R13 012 500	Unknown	Nil

(2) Yes, there does exist a shortage but the self-governing territories could not furnish details of the shortage.

(3)	(a)	(b)	(c)
Lebowa	Unknown	Unknown	No

	No	Yes	No
QwaQwa	Unknown	Unknown	No
KwaZulu	No	Unknown	No
KaNgwane	Unknown	Unknown	Yes
KwaNdebele	Unknown	Unknown	No
Gazankulu	Unknown	Unknown	No

	(a)(i)	(b)(i)	(c)(i)
Lebowa	Unknown	Unknown	None
QwaQwa	None	20	None
KwaZulu	Unknown	Unknown	None
KaNgwane	None	Unknown	131
KwaNdebele	Unknown	Unknown	None
Gazankulu	Unknown	Unknown	None

	(a)(ii)	(b)(ii)	(c)(ii)
Lebowa	Unknown	Unknown	Unknown
QwaQwa	Unknown	June 1991	Unknown
KwaZulu	Unknown	Unknown	Unknown
KaNgwane	Unknown	Unknown	31 March 1992
KwaNdebele	Unknown	Unknown	Unknown
Gazankulu	Unknown	Unknown	Unknown

The South African Government does not build houses in the self-governing territories since 1984 but in the case of KaNgwane houses were promised in the towns Matsulu and Kamaghekeza for people who have been moved to the towns years ago in order to supply them with proper housing.

The self-governing territories were requested to forward information but to date not all replies were received in all the cases.

State budget: percentage spent on agriculture
 226. Mr A GERBER asked the Minister of Agriculture:†

What percentage of the total State budget was spent on agriculture in (a) 1950, (b) 1960, (c) 1970, (d) 1980 and (e) each specified financial year since the 1984-85 financial year for which figures are available?

The MINISTER OF AGRICULTURE:	(a)	(b)	(c)	(d)	(e)
(a) 1950	Not available				
(b) 1960	R 36 867 446				
(c) 1970					
(d) 1980					
(e) 1984-85					

(c)	1970	R	115 838 100
(d)	1980	R	354 952 287

Note:
 Above-mentioned figures include the expenditure of the then existing Departments of Agriculture.

(e)	1984/85	R	962 120 764
	1985/86	R1	136 333 514
	1986/87	R	940 410 550
	1987/88	R1	240 422 374
	1988/89	R1	173 813 948
	1989/90	R1	005 108 892
	1990/91	Final figures not available	

Note:
 Aforementioned figures are only in respect of the actual expenditure incurred by the Department of Agriculture and the Department of Agricultural Development and do not include— Hansard 28/3/91

(i) funds allocated to agriculture by the House of Representatives and the House of Delegates as these funds are not readily available; and

(ii) special concessions to agriculture by Departments such as Customs and Excise and Transport as these amounts cannot be identified.

The total budget of the Department of Agricultural Development is not included in the total State budgets. It is due to the fact that only the net deficit in respect of the total budget of the Administration, House of Assembly is provided for in the main budget.

(i) Freehold land
 273. Mr P G SOAL asked the Minister of Development Aid: Hansard 28/3/91

Whether any freehold land is being held by the State or any of its agencies which was previously occupied by persons who have now been removed from such land; if not, what is the position in regard to such land; if so, what are the details of the land so held?

Crisis is looming for new job seekers

173

GERALD REILLY

PRETORIA — Only one in 10 of the more than 300 000 people entering the job market this year was likely to find a job in the formal sector if economic trends continued, Volkskas chief economist Adam Jacobs said yesterday.

He was commenting on the latest Central Statistical Service (CSS) employment figures in mining and quarrying, manufacturing, and construction.

These show that more than 70 000 jobs were lost in the three major employment areas last year. *R 1000 11/4/91*

In December 1989 employment in mining and quarrying was 702 382. By the end of last year it had dropped to 660 000.

Manufacturing's total employment declined by 14% to 1,4-million and in construction the work force decreased from 412 600 to 398 700.

The employment slide continued this year. In January manufacturing jobs decreased by a further 0,3% and construction by 1,3%.

Official figures show the formal sector's ability to absorb entrants into the job market was 73,6% between 1965 and 1970.

Between 1985 and 1989 it hit a low of 12,5% and could drop to one in 10.

Jacobs said only one in every eight new entrants to the labour market could find permanent work in the formal sector.

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R2,5m job project launched in city

Cape Town
12/14/91

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By BRONWYN DAVIDS

A MULTI-MILLION rand job creation project was launched last night to tackle the city's burgeoning unemployment problem.

More than 50 000 people are unemployed in Cape Town and with the projected population growth of 7% for the region, some 30 000 jobs are required annually to match the population growth, which is expected to double to five million by the year 2010.

The R2,5-million Cape Town Job Creation Project is a joint campaign by the city council, the Urban Foundation, which manages it, and local businesses which have pledged R12 000 a year for five years.

The project is expected to focus on the poorer areas like Guguletu, Khayelitsha, Crossroads and Mitchells Plain but white entrepreneurs have also been roped in to create jobs,

said Mr Eric Ismay, chairman of the project's operations committee.

"Our target is to have four consultants and with these resources we can realistically hope to create 1 000 new jobs in 160 new businesses over five years."

He said the project, which has been in operation since last year at Masi-phathisane Development Centre in Philippi, had created 41 new jobs.

"By the end of the year, we expect these new businesses to yield another 30 new jobs," said Mr Ismay.

'Responsibility'

During this year another 18 entrepreneurs creating 72 new jobs are expected to be signed on at the centre.

Speaking at the project launch last night, Mr Mike Rosholt, trustee of the Independent Development Trust and chairman of the Urban Foundation said big businesses had a "tremendous responsibility to promote socio-economic progress".

Their goal: To create 1 000 new jobs in five years

By ESANN van RENSBURG
Staff Reporter

AGUS 12/4/91
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THE Cape Town Job Creation Project has been officially launched and will aim at creating 1 000 new jobs in 160 new businesses over five years.

Its goal was to promote economic development in the disadvantaged communities of the Western Cape through entrepreneurial development, said Mr Eric Ismay, chairman of the operations committee of the project, during the launch at the Civic Centre last night.

The method used by the project is one-on-one business counselling to informal sector entrepreneurs to secure small business success and encourage job creation.

The Job Creation Project is closely connected to the Urban Foundation which provides it with management services in administration, finance, legal matters and staffing.

NEW ENTREPRENEURS

Funds come from the business community and are used to employ business consultants who are instrumental in fighting unemployment by promoting business success.

Mr Ismay said the project not only involved job creation, but also focused on developing new entrepreneurs and creating new businesses.

He emphasised the project did not act as a financier or landlord, but helped people overcome problems so their businesses could grow.

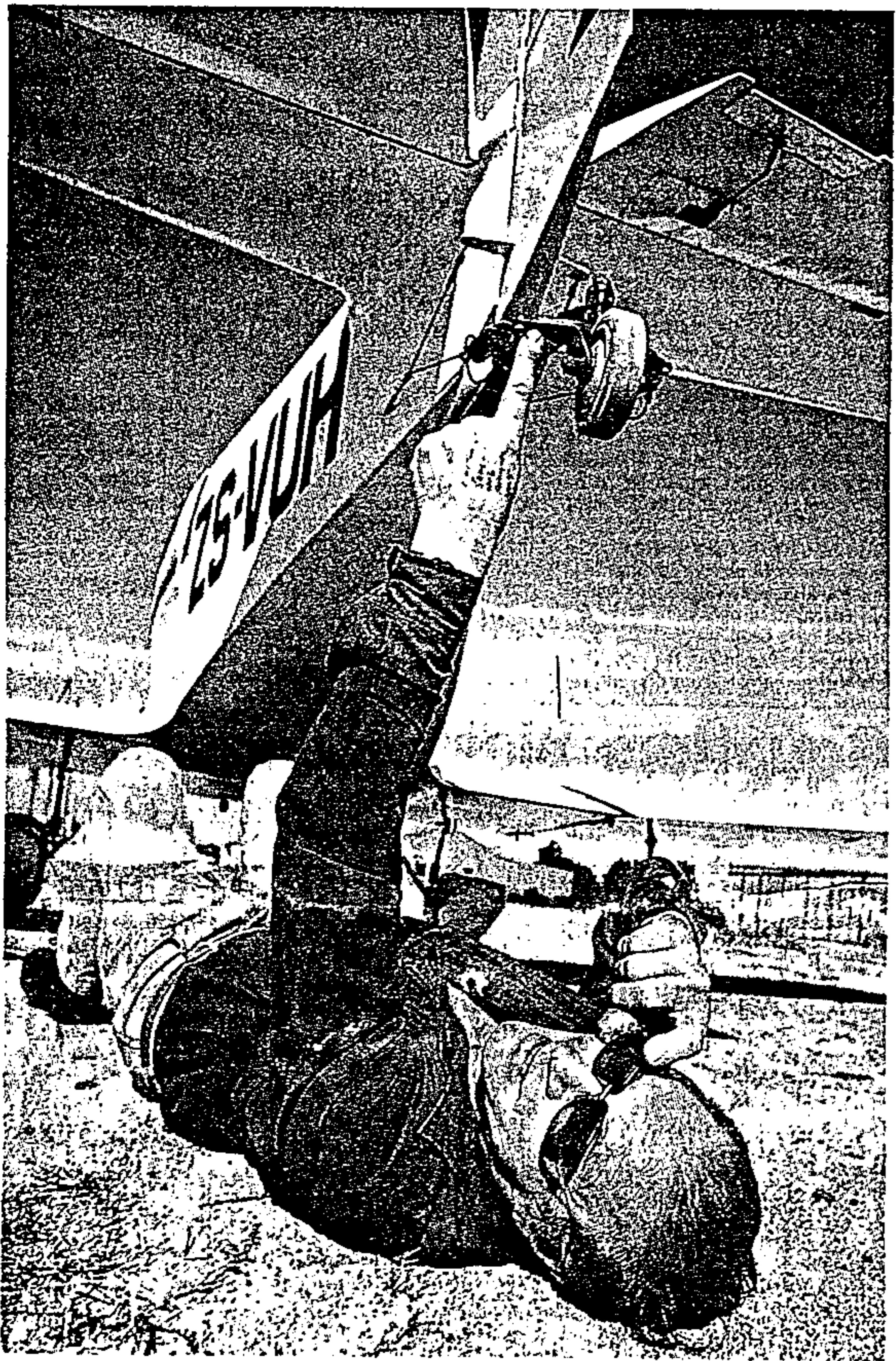
Mr Mike Rosholt, trustee of the Independent Development Trust and chairman of the Urban Foundation, said businessmen had a tremendous responsibility to promote the socio-economic progress.

The project has been running since the end of last year. It has already signed on 17 new entrepreneurs who have created 41 new jobs. By the end of this year these businesses are expected to have created another 30 new jobs.

'Fax cowboys' rip off work-seekers

W/E Argus 13/4/91

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Picture: DOUG PITHEY Weekend Argus.

One of the lightest aircraft, apart from the microlights, that will be seen in action is the Volkswagen Beetle-engined CR2. Mr Andries van Dijk shows just how light she is.

By DALE KNEEN, Weekend Argus Reporter
JOBLESS people desperately seeking employment are being conned by unscrupulous personnel agencies.

Job-seekers claim some of the estimated 150 agencies in Cape Town advertise non-existent jobs.

Others, which the industry called "fax cowboys" send *curriculum vitae* to companies without the applicant's consent. It was reported that in one case an employee's CV was faxed to his own company.

Personnel agency employees are often not qualified and sometimes give bogus "personality and aptitude" tests.

A former personnel agency employee who did not wish to be named said a company she worked for attempted to lure well-qualified people by advertising jobs which did not exist.

"We try to find a person with good qualifications and experience and then find a position for that person. It would have been unusual for us to spend much time trying to find a job for a person who does not have a perfect CV," she said.

Applicants were not told which company was offering the position or the the salary.

Purposely vague

"We would purposely be vague, telling the applicant the company wanted to remain anonymous until prospective employees had been selected.

"If the applicant asked the salary we would ask how much money he wanted," she said.

A job would be virtually guaranteed for those deemed suitable.

Those who were not "perfect applicants" would have their CVs thrown into the bin

An oil company personnel officer, Mr Buyani Zwane, said he was "constantly pestered" as agencies tried to find jobs for people.

"They phone even if we don't have any openings. In fact, most of our recruitment is done by our own personnel department."

"If we can't find someone suitable we either advertise or use consultancies with a good reputation," he said.

Code of conduct

In the computer industry consultancies can join the Computer Services Association (CSA) who have their own code of conduct.

Some companies like Old Mutual deal exclusively with consultants who are members of the CSA to assist them with the recruitment of Information Systems Professionals.

An ethics code exists for personnel agencies affiliated to the Association of Personnel Service Organisations of South Africa (Apso).

However, the regional chairman, Mrs Frances Brannekämper, said only 31 personnel agencies in Cape Town had joined Apso.

The code of ethics states that Apso members may not advertise misleadingly and adverts must refer to bona fide openings. Apso members are also told to comply with the code of advertising practice as laid down by the Advertising Standards Authority.

Mrs Brannekämper she had had come across "many" complaints about non-Apso agencies that had faxed CVs to companies without the applicant's consent.

The code of ethics says Apso members may not submit any candidate details to a client company without the permission of the candidate and the company. Apso also insists on personnel agency staff complete an Institute of Personnel Service Consultants training course.

Consultant and personnel management lecturer Mr Rudolph Young advised people looking for jobs to first find out for how long a consultancy had been in business before seeking their aid.

He also advised applicants to ask if the consultancy was a member of a professional body such as Apso or CSA and to find out if the individual consultants were qualified to do a professional job.

Mr Young said consultancies should give the applicant the name of the client company and state the remuneration package.



It's up,
down and
flying
around

By DAVID YUTAR

**Bush won't
delay lifting
sanctions**

Top public servants' jobs 'under scrutiny'

THE top 1 500 jobs in the public service would have to come under scrutiny in the new SA, ANC manpower director Mzwai Piliso said yesterday.

He told an Anglo American Corp conference on human resources management in Vereeniging the jobs would have to be looked at "in order to show the face of the new SA".

Piliso said the ANC believed it was necessary to remove historical imbalances. He was aware this could lead "to the promotion of blacks for window-dressing purposes".

The ANC wanted to avoid this and would opt for training opportunities to be made available.

PATRICK BULGER

"Some contend that affirmative action is nothing short of reverse discrimination. We observe, however, that the colour of management does not auger well for the new SA. Affirmative action should be aimed at bringing trained blacks into the mainstream of the economy."

Reacting to Piliso's statement Public Servants' Association (PSA) GM Hans Olivier said yesterday the PSA had no problem with blacks at all levels of the public service.

The new SA needed qualified people and training was essential.

esterday.

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16/4/77
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N-BUSINESS

Investment the

key - UF chief

By JOSHUA RABOROKO

Lawfer 18/4/91

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[scribble]

[scribble]

EVEN an acceptable political solution and the lifting of sanctions would not of their own bring an automatic influx of investment on the scale South Africa needed, a leading industrialist said this week.

Speaking at the launch of the R2,5 million Cape Town Job Creation Project, trustee of the Independent Development Trust and chairman of the Urban Foundation Mr Mike Rosholt said before that could materialise the new government would have to persuade potential investors that its economic system was sound and acceptable.

He said the private sector in turn would have to demonstrate it could provide adequate returns.

He said: "Our recovery, initially at least, will have to be internally driven. This will result in a measure of employment creation by the private sector.

"But sad to relate, history shows that on the whole, large businesses have not created meaningful numbers of new jobs in recent years - this is an international, not just a South African phenomenon.

This was partly due "to the fact that particularly in the manufacturing sector they have had to resort to increased mechanisation to remain competitive in international markets".

"In contrast, history has shown that small business

has had a very good record in job creation, both in the formal and informal sector," Rosholt said.

Businessmen, by and large, were not particularly adept at politics and were unable to contribute meaningfully in that sphere.

But they had a tremendous responsibility to promote socio-economic progress which alone could tackle the issues of poverty and deprivation in this country, without which the stability and growth "we see so desperately need will not be attainable".

"The end of apartheid does not mean that all South Africa's problems will be over. No political solution, however perfect, will work unless it is matched by a strong economy, which will in turn provide the funds for really significant social investment."

He said in Cape Town alone, the population growth rate was already seven percent and 30 000 new jobs were needed a year to meet the expectations of a population which could conceivably double to five million by the year 2000.

"There is no easy or quick solution. Certainly the State, by ditching necessary fiscal disciplines and endangering longer term recovery, could produce projects calling for considerable employment."

Mr Eric Ismay, the chairman of the Cape Town Job Creation Project, said: "Our initiative involves more than job creation. We are in the business of developing new entrepreneurs and creating new businesses."

CAP-Track 12/4/91

Higher priority for job creation schemes?



Mr Eli Louw

By SHARON SOROUR, Labour Reporter

TO bring down the critical level of unemployment government-funded job creation schemes may be given a higher priority, says Minister of Manpower Mr Eli Louw.

He said in Cape Town he would continue pressing for more money to be allocated to the schemes, controlled by the Department of Manpower.

"The government is likely to give them greater priority in the future."

While the government saw job creation as a crucial at all levels, only a growing economy could guarantee long-term growth in job opportunities.

But he was satisfied the department was doing everything possible to create more jobs.

THREE MILLION BENEFIT

"I think we are doing very well with the money at our disposal."

The department was administering a special job creation programme and more than three million people, 1,3-million of them unemployed, benefited from training schemes.

The plight of the unemployed was being alleviated by the Unemployment Insurance Fund, with reserves of more than R1 billion.

Simple solutions could not be found for an issue as complex as unemployment but the government and the private sector were key players in a market-related economy.

"The State must create a climate conducive to enterprise and investment — but the private sector is the real job creator."

HSRC argues case for widespread computer literacy

41224 22/4/91

JOBS provided by the information technology sector will double by the year 2000 to 60 000 if SA accepts recommendations from the HSRC, says Prof Dewald Roode, head of Pretoria University's informatics department.

A recent study conducted by the HSRC suggested that every person at secondary school level should receive basic training in computer literacy.

In an interview published in Enterprise magazine, Roode says: "While

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THEO RAWANA

current demand is greatest for experienced people ... the economy will continue to need a large number of people with a suitable level of computer literacy — but not necessarily any professional skills."

The HSRC study, of which Roode was chairman of the working committee, developed strategies to take SA into the 21st century as an infor-

mation technology-based economy.

"Judging by prevailing trends, the information technology industry — currently providing work for about 30 000 people — will create opportunities for at least 60 000 by 2000."

He says this demand could easily be higher if the economic growth rate of the 1990s turns out to be higher than that of the 1980s. This implies that labour shortages in the information technology industry could become more problematic.

Black business 'ready to boom'

THEO RAWANA

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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. *Blom 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.

Electrification's R5bn boon to SA

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by 25/4/91

A CAPITAL injection of R5bn over the next four years into a "massive electrification" programme would indirectly supply a million jobs and provide a much needed boost to SA's economy, Eskom chairman John Maree said on Tuesday.

In an interview, Maree said a recent study commissioned by Eskom and undertaken by the University of Pretoria's bureau of economic and political analysis indicated that a massive electrification campaign could improve SA's GDP by 10% and create 1-million new jobs within the next nine years.

Maree said the premise of the report was that 3-million homes or about 60% of the population would be provided with electricity by 2000.

The study added that as many as 2.5-million new jobs could be created by 2015.

Maree said that a programme slanted at supplying electricity to 2-million households by 1995 was realistic provided the necessary funding could be arranged. Such funding, he said, could come from a combination of development and normal commercial financing arrangements.

Maree made the point that electricity could not be supplied on an uneconomic basis but that Eskom has developed systems which substantially reduced the cost of reticulation and ensured revenue flow by means of prepaid meters.

In line with this and Eskom's longer

BRENT VON MELVILLE

term strategies Maree said Eskom had been developing new tariff structures to encourage better and more efficient industrial use of excess electricity capacity.

At the same time Maree believes that with the improvements in productivity Eskom could ultimately be run with 45 000 people while at the same time generating more electricity. Eskom employs about 50 000 people at present.



● MAREE

"We believe that electricity is one way of stimulating the economy and that if we are going to have growth we must bring more people into the economic arena by supplying them with electricity. A man without electricity is really not a player in the economy," he said.

Recent violence in the townships had served to cloud the issue but the longer term objective had to be the electrification of urban communities.

Towards that end Eskom had at present about 120 projects running where electricity was being used in the both formal and informal urban communities.

CMT-11475 25/4/91

Plan to create new jobs

Political Staff

25/4/91

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SA

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Based on a plan drafted by the late Dr Wim de Villiers, a three-year short-term strategy is envisaged to get the long-term strategy going. Sources estimated that within this three-year period up to 400 000 man-years of jobs could be created.

The strategy calls for the use of strategic supplies for socio-economic infrastructural projects, with the focus on schools, clinics, police stations and housing. It includes provision for labour-intensive construction

methods to create jobs in the short term while giving on-the-job training. It is believed these projects will lower South Africa's dependence on imports.

The strategy rests on co-ordinated effort, namely: Increased productivity (rather than capital growth) and job creation from the private sector; labour peace and lower wage demands, and an environment created by government to allow private initiative with minimal constraints.

The broader strategy disclosed over the past year rests on the principles of growth, job creation, increased manufacturing and exports, improved international competitiveness, removing protection and reduction of inflation.

Govt strategy for job creation unveiled

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BILLY PADDOCK

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The broader strategy disclosed over the past year rests on the principles of growth, job creation, increased manufacturing and beneficiation, exports and improved international competitiveness, removing protection, reduction of inflation, reduction of the public sector's involvement in the economy and further deregulation.

A means of making manufacturing more competitive was to use the underutilised capacity and infrastructure of Eskom, Transnet and the Industrial Development Corporation to stop them investing in capital expenditure and set lower tariff increases for a 10-year period.

Govt plan for better economic structure

CAPT TMS 26/4/91

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Political Staff

THE Minister of Economic Co-ordination, Dr Dawie de Villiers, yesterday announced a new expanded economic restructuring programme rearranging government spending to place more emphasis on safer economic reform.

He said the economic restructuring announced by the late Dr Wim de Villiers was already reaping benefits and the revised plan agreed to by the cabinet involved economic policy directives that included:

- Increased competition through further deregulation.
- Cutting growth in state spending after a review of its responsibility in the economy.
- A determined application of business principles such as cost-benefit and other evaluative techniques in the public sector.
- The elimination of the practice of funding part of government consumption spending through loans.

He said a much more co-ordinated approach had to be followed. Job cre-

ation and economic growth were the highest priority for SA and "we must guard against striving after other objectives, such as regional development, in a manner that is at the cost of economic growth and job creation".

He also indicated that he was investigating appointing a group of consultants from the private sector rather than one adviser to assist with economic policy formulation and co-ordination (as announced recently by President F W de Klerk).

With the greater stability in exchange rates, greater wage stability over the past few months and the recent decrease in the petrol prices there could be a lessening of price rises in the foreseeable future.

This would enable businesses to cut costs, be internationally more competitive and have lower price increases, resulting in a lowering of inflation.

During the next two years the government's programme for curbing inflation would be scrupulously supervised and provide for a variety of measures to promote a more efficient functioning of the market system.

The MINISTER OF LAW AND ORDER:

(1) A further intensive investigation into the circumstances and reasons for the arrest of the hon member in Khayelitsha on 2 November 1990 has revealed that the information regarding this arrest, and upon which the Western Cape Regional Commissioner based his premise, namely that the hon member was arrested because he was found "where he was busy addressing a growing crowd of 100 people", was based on the personal and subjective opinion of the officer in charge of the situation and ostensibly gave rise to a misinterpretation of the circumstances. If the answer to Question 7 on 12 February 1991 left the impression that the hon member was involved or responsible for the stone throwing which occurred on 25 October 1990 in the black residential areas, Old Cross Roads and Khayelitsha, it is not correct.

(2) Regulation 2(3) of the Unrest Regulations of 1 November 1990, of which the applicable section is quoted here, is as follows:

"If a member of a security force is of the opinion that it is necessary for the combating or prevention of public disturbance, disorder, riot or public violence . . . he may summarily order a person present in an unrest area . . . and who is not normally resident therein, to leave that unrest area . . . immediately, and if that person fails to leave that unrest area . . . immediately, that member may arrest the person concerned or cause him to be arrested and may remove him from that unrest area . . . or cause him to be so removed."

On 2 November 1990 the hon member was found in Khayelitsha in the presence of a group of people who were visiting the area. The hon member was, in the opinion of the officer concerned, the central point and principal figure in the group. The officer was of the opinion that the circumstances were such that it was necessary for the prevention of public disturbance, disorder or public violence to order the hon member to immediately leave the area. The hon member ignored

the order, whereupon he was arrested and removed from the area.

In this regard I would like to point out that the decision was left entirely to the judgement of the officer in charge of the situation. He alone, having regard to the circumstances present, was in a position to make a decision at that given moment.

(3) Yes, the presence of members of the ANC or of the Khayelitsha Civic Association could also have contributed to public disturbance, disorder or public violence. As has already been said, the officer involved was of the opinion that the hon member was the central figure at scene. In fact, ten other people were also ordered to leave the area in terms of regulation 2(3). As they obeyed the order, no further action against them was necessary.

(4) On 6 December 1990 the case docket in respect of the arrest of the hon member was submitted to the Attorney-General who declined to institute any prosecution.

Question standing over from Tuesday, 23 April:

Summer daylight saving

*9. Mr D J DALLING asked the Minister of Manpower: (173)

(a) What is the Government's policy in regard to the introduction of a programme of summer daylight saving and (b) what are the reasons for this policy? (Hansard 30/4/91 B795E)

†The MINISTER OF MANPOWER:

(a) and (b) The Department of Manpower is not directly involved in the matter of summer daylight saving as the legislation administered by this Department, for example, prescribes only maximum working hours per day or per week and not the time of commencement of such working hours.

The other Departments directly or indirectly involved are *inter alia*:

- Department of Law and Order
- Department of Mineral and Energy Affairs
- Department of National Health and Population Development

- Department of Trade and Industry and Tourism (Hansard 30/4/91)
- Department of Transport (173)

The State President has therefore decided to have the matter investigated by the President's Council.

Mr D J DALLING: Mr Speaker, on a point of order: Just before the hon the Minister rose to answer the question which I have on the Order Paper, the hon member for Vryheid, as the hon the Minister for Law and Order sat down, said in reference to the hon member for Claremont: "Hy is 'n klipgooi-instrukteur." [Interjections.]

Mr SPEAKER: Order! That is no point of order. [Interjections.]

New questions:

Westonaria magistrate's office: repairs

*1. Mr P J PAULUS asked the Minister of Public Works and Land Affairs:†

(1) Whether any repairs to, renovations of and/or additions to the magistrate's office at Westonaria are envisaged; if not, why not; if so,

(2) whether this work will commence this year; if not, (a) why not and (b) when is it anticipated that it will commence; if so, when is it anticipated that the work will be completed? (B805E)

†The MINISTER OF PUBLIC WORKS AND LAND AFFAIRS:

(1) Yes. It involves renovations, the conversion of existing accommodation as well as additions.

(2) Yes.

(a) Falls away;

(b) anticipated towards the end of 1991, with completion during the second half of 1992.

Occupational safety/health: investigation

*2. Mr P J PAULUS asked the Minister of Manpower:† (Hansard 30/4/91)

(1) Whether an interdepartmental committee has been appointed to investigate the rationalisation of occupational safety and health;

(2) whether this investigation has been completed; if not, (a) why not and (b) when is it anticipated that the investigation will be completed; if so, (Hansard 30/4/91)

(3) whether it is the intention to introduce legislation in this regard; if not, why not; if so, when? (B806E)

†The MINISTER OF MANPOWER:

(1) Yes. An interdepartmental task group under the chairmanship of the Director-General of Manpower has been appointed to investigate the matter.

(2) No.

(a) The investigation has not been completed because of the complex nature of the investigation as well as the fact that several departments are involved in the investigation.

(b) As a result of the reason mentioned under (a) above, it is not at present possible to furnish an expected date of conclusion.

(3) It is at present not possible to say whether legislation would be necessary should rationalisation take place.

MD of Transnet: Goodwill Fund

*3. Mr J CHIOLÉ asked the Minister for Economic Co-ordination and Public Enterprises:† (Hansard 30/4/91)

(1) (a) For what purpose is the Goodwill Fund or Goodwill Account of the Managing Director of Transnet usually used, and (b) what was the balance in this fund or account as at the latest specified date for which figures are available;

(2) whether any donation was made out of this fund or account to any political party during the period 1 August up to and including 31 December 1990; if so, (a) to which political party, (b) why and (c) what was the amount of the donation? (B843E)

†The MINISTER FOR ECONOMIC CO-ORDINATION AND PUBLIC ENTERPRISES:

The Managing Director of Transnet Limited replied as follows to the hon member's question.

Business Times Reporter

THE INFORMAL sector produces an average rate of employment growth of 23,9% a year.

This is one of the findings of a survey commissioned by the Get Ahead Foundation, an organisation promoting small black business, and supervised by Michigan State University. Small-scale enterprises in the townships of Mamelodi and Kwazakhele were surveyed.

The survey tried for the first time to obtain a complete list of all small enterprises in specific research areas.

Investigations into the informal sector have been few in number and based on limited samples.

A third of households surveyed were found to be involved in informal activity, providing 11 150 people with jobs.

This, however, is only half of

Informal jobs rise by 23%

Business Times 5/1/74
shops, brewing, shoe production and repair, traditional healing and knitting.

Another finding is that more than half of the small-enterprise labour force consists of women.

The enterprises employ an average of 2,1 workers — about the same as in Lesotho, Nigeria and Zambia.

However, what is unusual in SA is the size distribution. There are relatively fewer at the extreme upper and lower ends of the small enterprise scale. Most are in the two-to-10 worker range. Only 2,8% have six-to-10 workers and 0,5% employ between 11 and 50.

About 70% operate from home, typically without any outward sign of activity.

The survey found the most frequent problems and constraints facing the small

businessman, relate to finance, market difficulties, government policy, work space or location inadequacies and transport.

Most businesses rely on some form of credit to start. Almost a fifth of the owners received loans for business.

Stokvels (informal savings schemes) generate a surpris-

ingly large pool of funds — at least 20% of respondents were stokvel members.

Many of the underlying distortions reflected in the survey can be attributed to earlier regulatory and legislative restrictions. For example, until 1975 it was illegal for blacks to manufacture anything.

Employment outlook bleak as jobs axed

Star 8/5/91
By Michael Chester

More than half of all companies in the manufacturing sector plan to cut their labour forces in the next 12 months and the employment outlook is bleak, the SA Chamber of Business (Sacob) warned yesterday.

Economist Keith Lockwood said recent surveys showed that no fewer than 55 percent of factories forecast a decline in their unskilled labour forces and more than 50 percent expected cuts in skilled workers.

The outlook, he said, appeared to be the worst since 1985/86, when the sanctions blockade was reinforced.

Employers were dismayed, not only by the current violence, but also by labour unrest and the scale of demands being made at new wage negotiations.

It was impossible to predict the precise size of the cutbacks, but the pattern and timetable of new investments suggested that a growing number of companies intended replacing

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workers with machines "if it means machines will be less trouble than manpower".

Sacob economic consultant Gad Ariovich said that, with an unemployment level already made critical by the loss of an estimated 83 000 jobs on the gold mines, more retrenchments were due.

He said the real unemployment rate in South Africa was already about 20 percent, which by Western standards was "sky-high".

Mr Lockwood said it was significant that cutbacks were even spreading to skilled worker categories, and manufacturers expect employment opportunities for both skilled and unskilled workers to be lower.

Sacob chief economist Dr Ben van Rensburg said the overall level of business confidence had improved marginally between March and April but was still very fragile. It was therefore crucial that negotiations on a new political dispensation remained on track.

● TPA to ditch 10 000 jobs —
Page 3.

New development deal a job booster

STimes 12/5/91

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(Bus Times)

THE NEW regional industrial development incentives — already under fire because the PWV and the Durban core areas are excluded — should boost job creation.

The incentives are likely to eliminate many of the shortcomings and inequities of the old decentralisation programme.

Economists are pleased that the most profitable companies will gain the maximum benefits.

As Minister of Regional Development Amie Venter says, the plan's profit-orientation should select good performers and ensure that subsidies are cost effective.

Foreign

The new scheme focuses more on business location advantages than the disadvantages.

Government controls have also been tightened.

"This new package goes a long way to ensuring that industrial growth and location will be determined by market forces, supported by planning processes," says Cooper Theron Du Toit (Natal) partner Frans Krause.

"The incentive programme recognises the importance of wealth creation, which in turn leads to sustained and increased employment."

It provides an establishment grant equal to 10,5% of investment for each of the first two years, with a maximum of R1,575-million a year.

This is followed by a profit-based output incentive for the next three years, which is

By IAN SMITH

limited to the annual equivalent of the original establishment grant.

Foreign industries can qualify for the reimbursement of moving costs up to R1-million for each project.

No incentives will be offered for new industry going to the PWV or the Durban core area. A total of 60% of the full incentives will apply to the PWV periphery, the Cape Peninsula, Maritzburg and the Durban-Pinetown region.

The Johannesburg Chamber of Commerce and Industry (JCCI) has expressed "grave disappointment" at the exclusion of the PWV.

Two weeks ago the chamber appealed for the area to be included, mainly because of the degree of urbanisation and the economic efficiencies which flow from it.

JCCI chief executive Marius de Jager says: "Johannesburg deserves to benefit even more than any other area from incentive policies because of its strategic importance and indispensable position as the country's prime generator of economic growth and jobs."

The rate of urbanisation to cities, and particularly Johannesburg, has been underestimated, says JCCI president Mike Cato.

"Unless there are incentives for investment in Johannesburg unemployment, squatting and crime will increase."

But Mr Venter says the lesser-developed areas outside metropolitan regions have to sustain 70% of the population with 38% of the gross domestic product.

Unisa's Bureau for Market Research says its studies show that 82,4% of the population is urbanised — appreciably higher than the official figure of 56,4%.

The JCCI says that on 2% of SA's land area the PWV is responsible for 51% of secondary industry and 34% of all mining. It contributes 41% of tax revenue, 39,4% of household income and 41% of savings.

"Industrial development is vital for the future of the region and the city," says Mr Cato.

The Regional Development Advisory Committee for the Eastern Transvaal is also disappointed about some the aspects of the incentive scheme offered to the area.

Secondary

Although welcoming the incentive scheme, which it believes is a vast improvement on the previous one, the committee says "the time has come to have an immediate re-look at the composition of the Decentralisation Board."

"We believe that the nine development regions should each have a representative on the board."

Pieter Rootman, director of the Eastern Transvaal region based in Nelspruit, says a new process of re-evaluation should be started immediately by the Office for Regional Development in certain areas.

Mr Rootman also calls for a reassessment of the role that secondary cities, such as Witbank-Middelburg, Secunda-Embalenhle and Nelspruit-KaNyamazane, can play in development programmes.

Mr Rootman is disappointed that the Witbank-Middelburg complex will not receive 100% concessions in the first two years.

"It is one of three major growth poles of the Eastern Transvaal and we need to turn the problem of urbanisation into a positive opportunity for regional development."

ARGUS 9/5/91

Job-creation scheme (173) 'boost' for West Cape

By MICHAEL MORRIS
Political Correspondent

THE government's new financial incentive scheme to stimulate industrial development is set to give the Western Cape a major boost, attracting new industries and creating much-needed jobs.

This was the reaction last night of Mr G W T Behrens, chairman of the regional development advisory committee of the Western Cape, to the announcement of the new scheme in parliament by the Minister of Regional Development, Mr Amie Venter.

One of the key elements of the new scheme is that foreign industries will be paid up to R1 million a project to move to South Africa.

The main difference from the old industrial incentive scheme, which is to be phased out, is that incentives will be based on profitability and industrial development will be stimulated not only on the bor-

total region in creating new job opportunities and can play a major role in attracting new industries to the metropolitan area, especially from overseas.

"This is also the region which at present levels of population growth, requires the most new jobs, especially in areas close to the rapidly expanding townships between Mitchell's Plain, Kuils River and Macassar."

He said it would also enable towns such as Caledon, Beaufort West, Calvinia and Oudtshoorn to develop their own industrial potential.

Mr Behrens said one of the most important aspects of the new scheme was that it eliminated existing development points which had "caused unfair advantage of one sub-region over another and brought about the moving of industries away from where they originally established".

In fact, the old system was widely discredited because it was designed to bolster the now-defunct homelands policy.

Unlike the old scheme, which

was open-ended, the new scheme will be based on performance.

Industries will be paid a tax-free cash grant for the first two years to overcome establishment problems and after that will receive a tax-free cash allowance for three more years — but based only on profit.

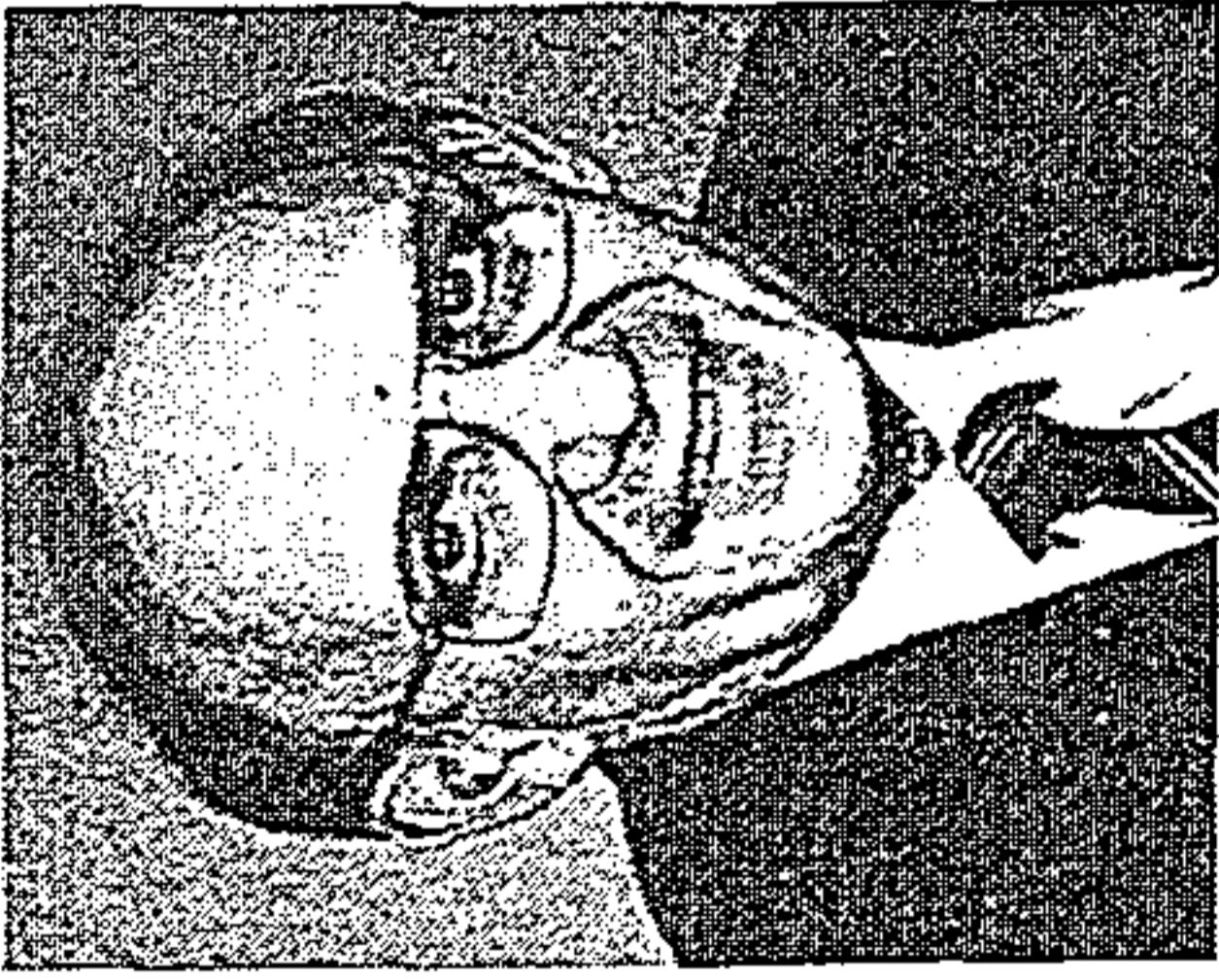
No money will be given to industries to re-locate within South Africa.

The Cape Peninsula — along with the Durban/Pinetown/Maritzburg area (except for the Durban core) and the "de-concentration area" around the PWV core — will qualify for 60 percent of the establishment grant and 100 percent of the profit incentive.

All other areas will receive 100 percent in both categories.

The basic annual establishment grant will consist of 70 percent of total operational assets.

Total assets will be limited to R15 million for concession purposes.



Mr Amie Venter

ders of the homelands, but in all under-developed regions.

This includes the Cape Town metropolitan area and the Port Elizabeth/East London complex.

Welcoming the new scheme as being "more realistic than the previous decentralisation scheme", Mr Behrens said: "It will undoubtedly assist the

Only one in 10 will find a job

STimes (Bus Times)
19/5/91

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By CURT VON KEYSERLINGK

UNEMPLOYMENT is getting out of hand and only one in every 10 people entering the work force is now assured of a job in the formal sector, says Sanlam in its Economic Survey for May.

Provision of employment has become South Africa's greatest challenge.

The economy's ability to absorb those entering the labour market has declined disturbingly since 1965-1970 when 74% of job-seekers could be placed.

Unless drastic steps are taken, unemployment, now at about 30%, could rise to 40% before the end of the decade.

"It is clear that to maintain peace and order in the South Africa of tomorrow, wide-ranging measures are needed to create more jobs."

Sanlam's views are endorsed by Nedbank economist Edward Osborn, who says: "About 1 000 people enter the labour market every day. I doubt if the economy could provide more than 30 000 new jobs in a year."

"Some people believe we need economic growth of about 5% to solve the unemployment problem. But the problems associated with structural unemployment will not go away unless we have growth of more than 7%."

"Under present circumstances we cannot expect it to be more than 3% in the foreseeable future."

mand along Keynesian lines. There are opportunities for investment in low-cost housing, utilities and the rehabilitation of townships.

"The Government should persuade life insurers and pension funds to put more money into such projects. But they will require some underpinning because of the risks involved — bond boycotts and violence. This could be provided by organisations such as the Independent Development Trust."

"At least 1 000 new houses a day are needed and they could bring investment of R6-billion a year. There are still enough black people who could afford such housing."

The Government is pushing institutions in this direction. Finance Minister Barend du Plessis caused a stir at the Pensions Institute conference this week when he told delegates that if they did not include low-cost housing in their portfolios there would soon be nothing left for them to invest in.

Mr Osborn says institutions would soon want to invest in such areas out of self-interest because traditional investments such as the JSE, office blocks and shopping centres now offer problematical returns.

Increased activity in housing and infrastructure would generate jobs without necessitating excessive capital investment in the industries involved. They are operating at well below capacity.

"Regrettably, SA is condemned to a pattern of high structural unemployment and the State will have to alleviate it by providing the masses with subsistence-wage jobs in labour-intensive public works projects."

Japanese

Mr Osborn says the chances of significantly increasing employment through export industries are not great because many people do not have the work ethic needed for international competitiveness.

Dr Jamine disagrees. "That is what the British thought of Japanese workers in 1910 and of those in Singapore in the late 1950s. They said they were lazy and inefficient, but obviously people can change."

"There are tremendous practical difficulties with black housing projects. Builders are scared stiff to

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STimes (Bus Times)

work in the townships. "Our first priority is to stop violence. This will improve business confidence, in turn leading to more investment. It is also important to have sanctions lifted. That would lead to capital injections of R6-billion a year for infrastructural projects by the World Bank. It is less troubled by violence than private investors and its funds could raise gross domestic expenditure by as much as 4%."

"We also need less government spending and less tax. Economic concentration in the private sector should also be reduced because it has led

Jobless

to cartels that keep prices high. Allowing SA financial institutions to invest part of their funds abroad would help deconcentration and could stop the JSE paper chase.

"We must privatise to put more funds at the Government's disposal without raising taxes and to spread ownership through the community."

"But the most of all we should hope for a confluence of events that includes a peace accord in SA, an upturn in the world economy leading to higher commodity prices and a higher gold price."

Violence

Econometrix director Azar Jamine says there has always been a close link between unemployment and public violence.

"But violence has become part of the status quo. Businessmen regard it as a constant and scale down their expectations accordingly. Increased unemployment could raise the level of violence."

"Violence may not abate even if there is a significant drop in unemployment."

Mr Osborn says the wave of unemployment was set off by a huge decline in fixed investment that began in the early 1980s. The services sector and the Government were the only employers to increase staff numbers.

But even this growth has slowed to a trickle as the plans of the late Wim de Villiers to streamline the public sector are implemented.

Capital investment by the public sector has plummeted. With few exceptions, companies are spending barely enough to replace old equipment.

"The decline in public-sector investment harmed employment in the private sector because much of it was spent in SA on construction and goods made here," says Mr Osborn.

The only way to create more jobs is for SA to spend itself out of economic stagnation.

"We must artificially inject a significant level of de-

Gloomy picture of job market

Star 20/5/91

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Only one out of every 10 people entering the job market today will find employment in the formal sector.

This staggering statistic, published in Sanlam's latest Economic Report, underlines one of South Africa's most pressing needs — to create new jobs for its burgeoning population.

Using a conservative estimate of 250 000 new job-seekers a year, this means 225 000 of them are likely at the end of this year to join the estimated 4 million jobless in South Africa and its homelands.

Sanlam chief economist Johan Louw says the economy's ability to accommodate those entering the labour market has declined disturbingly.

Whereas the formal sector was able to absorb 74 percent of the increase in the labour force during the period 1965 to 1970, the figure has declined rapidly since then — to 35 percent between 1975 and 1980 and 12,5 percent between 1985 and 1989.

"At present we find ourselves in the situation where only one out of

every 10 workers entering the labour force will be assured of a job," Mr Louw says.

Furthermore, unless drastic steps are taken to overcome this problem, by the end of the century more than 40 percent of the total labour force — as against 30 percent at present — could be unemployed.

Sanlam traces the roots of the problem to the poor growth performance of the economy since the mid-Seventies.

Reasons cited for the poor growth included the unstable political climate, high company tax, and significant fluctuations in interest and exchange rates.

Mr Louw says it is essential that policies are created that foster the climate for capital investment, from both local and international sources.

Specific economic proposals put forward by Sanlam include the promotion of higher exports and the small business sector, Government-sponsored labour-intensive development projects, joint ventures with offshore investors, and greater emphasis on vocationally directed education and training.

Vaalies look to Cape for security

By Bronwyn Wilkinson
and Philip Zoio

Violence and crime on the Reef are leading a growing number of Transvaalers to move to the Cape in search of security and a better quality of life.

Cape employment agencies say applications from Reef residents are flooding in.

Some are struggling to cope with the demand.

Tanya Raa of one agency said she was struggling to find jobs for all the Reef residents who approached her company or sent written applications for work in the Cape.

She said the increase of "Vaalies" looking for jobs in Cape Town since the beginning of the year was huge, but described the volume in the last six weeks as "amazing".

"The problem is there just

aren't enough jobs in Cape Town. Also, the average salary is 20 percent less here than in Johannesburg," she said.

Ms Raa said most of the applicants had said they were looking for a better quality of life away from the violence.

One woman with an excellent job on the Reef said she wanted to start enjoying life again.

Gita Lison, the director of another Cape agency, said she tried to "discourage people from moving to the Cape because of the unemployment problem" there. She also tried to caution people not to move to the Cape without a job.

She said most people from the Transvaal looking for jobs in the Cape were in middle management.

Advertisements in Cape newspapers were being answered by people in the Transvaal, said Frances Brannekamper, an employment agency managing director.

"Recently, I was surprised at the number of quick replies from the Transvaal to an ad for a senior position."

Anthony Beckley, the operations manager of a large removal firm, said his company had no shortage of household consignments from the Transvaal to the Cape, but they "battled" to get loads in the other direction.

Cape estate agency branch manager Val Petzold said she had found that many Vaalies had said they had decided not to invest in property in the Transvaal, but to buy in the Cape instead.

Director of Cape Town Chamber of Commerce Dr Alan Brightman said he was aware of the trend.

He said: "I know of a few small businesses that have recently moved their operations from the Transvaal to the Cape, but we are yet to make a full investigation."

stew
20/5/91

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Growth hopes pinned on people's pockets

173

PATRICK BULGER

SA NEEDS a 9% growth rate every year for the next 20 years to provide jobs for all, says an ANC discussion paper on wages, employment and unemployment prepared for its national conference next month.

The paper will form the basis of delegates' discussions on a future economy and proposes a leading economic role for the state in a future society.

"All unemployed workers could be employed in viable enterprises within 20 years if the economy could be made to grow at 9% a year. An extra R19bn would have to be invested each year in the manufacturing industry alone to achieve growth of 9%."

It says this R19bn will have to come from people's pockets. Bidam 21/5/91

"It is also doubtful whether capitalists are willing to invest for the future. They have certainly failed to do so during the past 10 years. There is a very strong case for a democratic government taking over the job of investing in growth because there isn't anyone else who will do it," the paper says.

The ANC says company profits increased by 25% last year while unemployment rose to 40%. It calls for "sound economic planning and government intervention" to create jobs, increase wages, provide goods, housing, education, and health. It says life insurers like Old Mutual and Sanlam have large amounts of money that can be invested in productive enterprises.

It calls for an improved Unemployment Insurance Fund for the unemployed and for youths that have never had jobs. It says an ANC government will launch a mass literacy campaign and adult education programmes. Government action would be needed to protect low wage earners by law.

A second paper on human resource development and training proposes a unitary, national education system and mass training to address the racially based skills imbalance in SA.

'Rapid growth in unemployment'

81 day
24/5/91
ABOUT 4,6-million people — more than 40% of SA's economically active population — were not employed in the formal sector, Japie Jacobs, special adviser to the Finance Minister, said yesterday.

Addressing a Johannesburg seminar on wage restraint, Jacobs said there was no doubt that unemployment was increasing.

Another speaker, SA Clothing and Textile Workers' Union general secretary John Copelyn, said Cosatu estimated the formal sector was shedding jobs at the rate of 1 300 a day.

Jacobs said that growing unemployment was due to the "relatively poor performance" of the economy in recent years and

24/5/91
VERA VON LIERES

to the fact that SA's economically active population was increasing at a rate of 2,6% per year.

The 4,6-million people were either unemployed, or worked in subsistence farming or the informal sector. (173)

Jacobs said SA, excluding the TBVC states, had an economically active population of 11,2-million. (173)

Jacobs said no one was advocating a low-wage policy for the economy to encourage greater employment and growth.

But higher wages could be soundly based only if they were supported by higher pro-

□ To Page 2

Informal sector

61 day
24/5/91
ductivity for both capital and labour.

Copelyn argued that economic growth had to be tied to an increase in workers' real wages.

He said there was an urgent need to focus on the question of "social contracts".

At a national level, employers and organised labour needed to negotiate a set of values and policies to achieve economic

(173) (173) □ From Page 1

growth and raise real wages. (173)
He said there had to be a move away from present practices designed to stimulate the economy, including government's decentralisation policy, deregulation and "the obsession with unilateralism".

Also, the trade union movement needed to be included in planning the development of the economy. ● See Page 8

SOUTH Africa needs to accelerate its rate of growth in order to create work opportunities for its rapidly growing population and to be able to divert more resources to the upliftment of the underprivileged.

Even Karl Marx realised that without production there would be no real income to distribute and that people would not produce simply to have the income from their production distributed by the state. Those who argue that we can willy-nilly increase the effective tax burden on the economy from 25% to 35%, which in effect amounts to a rise of 40%, without impairing saving and investment, do not believe in the system of private enterprise.

It is no use suggesting that the new constitution should "guarantee basic human rights in relation to nutrition, shelter, education, health, employment and welfare" if the economy cannot deliver. Economic growth cannot be legislated. It has to be fostered and nurtured.

Most political parties in SA stress the need to promote export-oriented growth. It implies that more resources will have to be directed to research, technology and product design; that we must curb inflation; that fixed investment has to be stimulated; that technical education and training has to be stepped up and that we should improve labour and capital productivity.

It also means the company tax rate must be lowered and, above all, that we should have free access, for trading purposes, to the international markets and that SA should not only have access to foreign finance but should also be able to attract a net inflow of foreign capital.

It also entails a review of SA's customs tariff policy, which is in need of revitalisation in accordance with the objective of rendering the economy more competitive. The exchange rate policy is of extreme importance but we must be careful

dation of workers to strike and excessive wage settlements. It is our function as policy-makers to point out that excessive wage settlements enforced by strikes contribute to lower economic growth and greater unemployment.

Those who share in the inner circles (insiders) live comfortably, whereas those in the outer circle (outsiders) have to be supported by transfer payments.

The authorities would, from an economic growth and anti-inflation point of view, prefer to see a lower rise in the unit cost of labour. However, government has no intention of intervening in wage negotiating procedures.

Government has no wish to cross swords with organised labour. It has no intention of even considering the implementation of an incomes policy.

It can basically only use fiscal and monetary restraints to curb the rate of inflation and in this way convey a message to both employers and employees that high wage settlements are impairing the country's long-term growth potential.

It would be advisable for management to consult trade unions more openly on matters of common interest. More resources will have to be devoted to the training of workers; consideration will have to be given to incentive schemes to allow workers to share in profits earned through higher productivity and share incentive schemes would promote team spirit at enterprise level.

Trade unions must, however, realise that they can be consulted in the determination of policies at plant level, but that the ultimate responsibilities of management cannot be usurped in the name of democratising the economy. That will ring the death bell of the system of private enterprise in SA.

□ Jacobs is special economic adviser to the Finance Minister. This is an edited excerpt from an address to a wage restraint seminar in Johannesburg yesterday.

SA must nurture an export economy to create new jobs

Monday 24/5/79

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JAPIE JACOBS

fact remains that it cannot support sustainable growth and will furthermore soon cause the economy to run into balance of payments problems.

We are past masters at running such policies, but the end result will inevitably enforce resort to stop-go policies unless we strengthen the export base of the economy.

The economic miracles of the Far East have all been triggered by the export of value-added products which, in contrast to raw materials and minerals, show the greatest growth potential.

We are aware of the hurdles which we have to clear in order to step up our exports of value-added products, but why can we not export clothing more successfully, or beneficiated products for that matter? We have to build up our export base gradually, and there is no reason why we cannot implement a programme of this nature with immediate effect.

Inflation remains an obstacle to sound long-term economic growth, and it is essential that the authorities should continue to pursue policies

aimed at combating inflation and breaking the vicious circle of inflationary expectations.

The availability of skilled and trained labour has been one of the recurring bottlenecks in SA's economic development in the post-war period. This, together with job reservation and poor education and training for blacks, contributed to the skewness in the availability of skills and in the pattern of remuneration.

Nobody in SA is advocating a low-wage policy for the economy as an inducement for greater employment and growth. It is, however, our function to point out that higher wages can be soundly based only if they are supported by higher productivity — both capital and labour.

We are not pointing an accusing finger at trade unions in this regard. To the extent that labour contributes to higher productivity and thus production, it should be duly rewarded for that. It is obvious, moreover, that old management styles will have to be changed and that labour should be seen as a partner in the running and management of enterprises.

We can, however, ill afford unnecessary stayaways, the intimi-

Workseekers flocking to Cape

ARGUS 1/6/91

DALE KNEEN

Weekend Argus Reporter

(173)



SCORES of people from the Transvaal and Natal are trying to find employment in the Cape, thereby adding pressure to the already tight job market.

Personnel consultants say the upcountry job seekers appear to be attracted to the Cape because they believe it is a safe haven from political turmoil.

But the Cape Town Chamber of Commerce says although Cape Town's economy was doing marginally better than elsewhere, there were few jobs available.

Status personnel director Mr George Thomson said consultants were able to place about 10 out of 70 to 110 job seekers they interviewed each month.

People from Natal and the Transvaal on holiday in the city were spending their time trying to find employment.

"Upcountry people are saying the political climate in the Cape is more conducive to the development of a harmonious society.

"They feel the city has not had a serious apartheid situation for many years. Buses and beaches, for example, have been open for a long time.

"The transition to the new South Africa is perceived as being far less traumatic here," said Mr Thomson.

Besides people being drawn to Cape Town from the Transkei and Ciskei, dozens of letters from Eastern European job seekers arrived at agencies every day.

Mr Thomson said these people were advised that they were attempting to enter one of the "most difficult" job markets in the world.

Chamber of Commerce manpower manager Mr Charl Adams said there was little movement in the job market, particularly in higher income jobs.

"Generally speaking, the situation is not as bad as elsewhere. The Western Cape is also in a recession but we are handling the situation relatively well.

"Retrenchments are always on the increase in times of recession but organisations are

preparing for an upswing and replacing employees.

"There is growth in the textile and export industries and there is activity at the harbour," he said.

Mr Thomson said competition for jobs was fierce and employers were becoming increasingly selective.

"Employers are expecting a lot for relatively low compensation and so they are throwing the net wider to find the ideal person," he said.

Many companies were placing advertisements for Cape Town jobs in newspapers on the Reef in an attempt to find people with good experience.

Mr Thomson said graduates leaving the three universities in the Western Cape were being forced to do "any other job" in order to be employed.

Little prospect of more jobs in economic upturn

Star 7/16/91

By Sven Lünsche

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As the economy emerges from its longest post-War recession, there is little scope for higher employment, despite prospects of substantially higher investment spending by manufacturing companies.

And private sector economists are putting the blame firmly at the door of the trade union movement, "which has outpriced its members in the labour market".

In its monthly Survey of Confidence Levels in the Manufacturing Industry, the SA Chamber of Business reported yesterday that many industrialists planned to invest substantially in building new capacity over the next 12 months.

According to Sacob, new investment in the form of capital expenditure on new capacity is forecast to rise by just under 20 percent during this period.

However, this is not going to be accompanied by job creation, as has been the norm in recent investment booms.

Instead, employment of both skilled and unskilled labour is expected to fall further from its current dismal levels.

Opportunities

Industrialists, polled by Sacob, said there was little prospect of new opportunities for skilled manpower, and even less in the case of unskilled workers.

According to the index, employment of unskilled labour in the manufacturing industry will fall by roughly five percent over the next 12 months on top of an eight percent drop so far this year (see graph).

Dr Gad Ariovich, economic consultant to Sacob, says that unions have to take their share of the blame for the expected retrenchments.

"The unions have managed to increase wages and salaries of

members beyond their productivity.

"The price of unskilled manpower has just become too high for many industrialists, particularly since retrenchments always accelerate in times of depressed economic conditions," Dr Ariovich says.

He adds, however, that local industrialists tend to follow international trends, which over the past decade have favoured capital investments in new technology.

Furthermore, there is some lag time between new investment and employment creation, Dr Ariovich says.

Despite forecasts of a general upswing in industry, the extent of such a recovery will depend mainly on the sector in which companies operate.

Consumers

Sacob says that manufacturing companies, which supply essential goods to consumers, have enjoyed strong activity even in the current recession, as is reflected in strong sales and production levels so far this year.

"On the other hand, many local industries producing investment and intermediate goods, have been facing tougher local markets for some time."

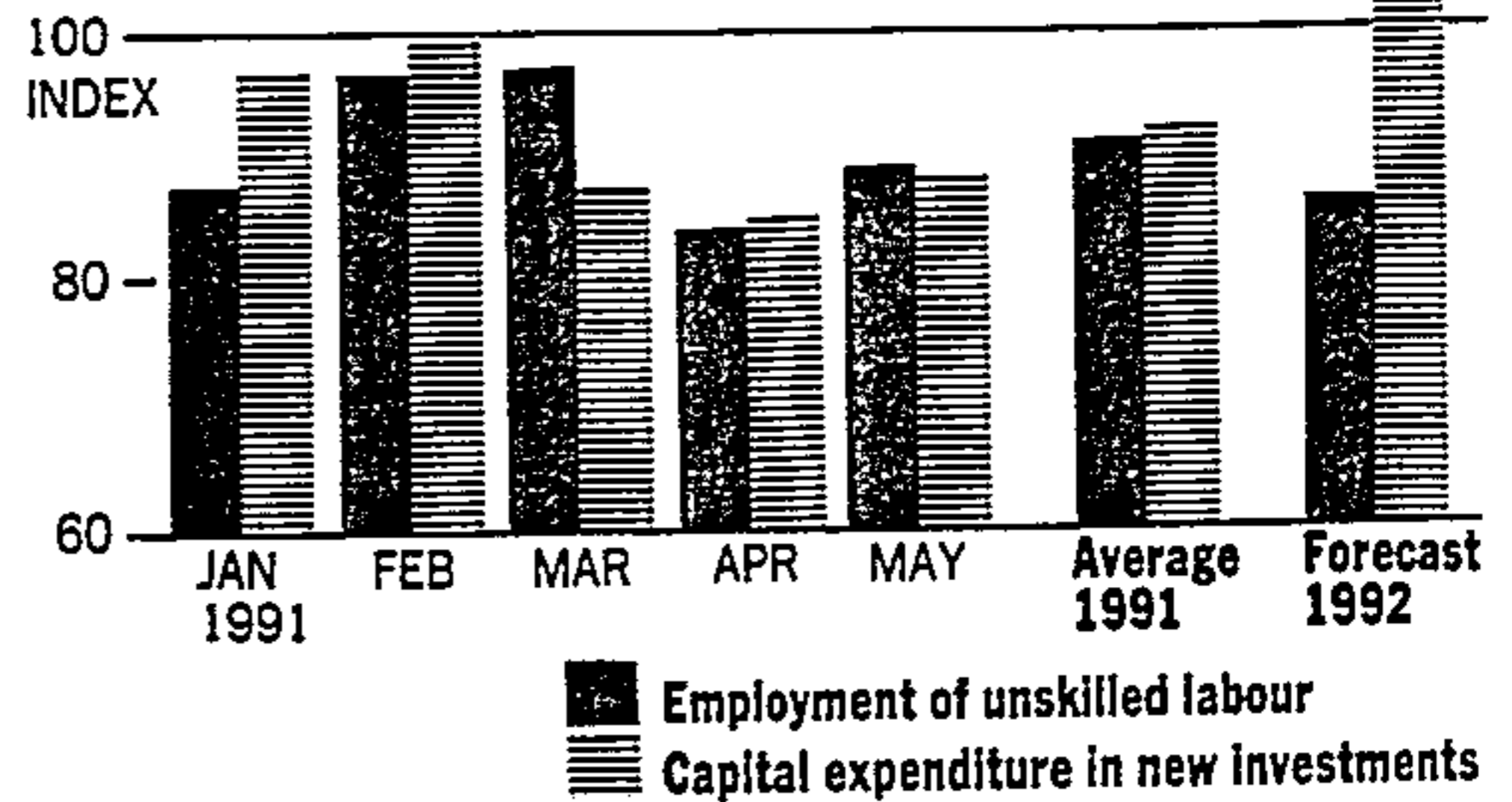
On balance, though, says Sacob chief economist Dr Ben van Rensburg, the economic outlook seems to have stabilised, which was reflected in May in a one percentage point rise in the Business Confidence Index.

"The slight increase in the BCI could be the first sign of buoyancy returning to the economy after the drawn-out recession.

"Nevertheless, this promising sign may yet be turned into a false start, especially by the number of remaining uncertainties which influence business confidence, particularly the threat political violence holds for the transformation process," Dr van Rensburg cautions.

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Investment and employment in the manufacturing industry



ANC plea to business to create more jobs

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CT 13/6/91

JOHANNESBURG. — The ANC has called on the government and employers to prevent retrenchments and create jobs, in a memorandum addressed to President F W. De Klerk.

The ANC, Cosatu and the SA Communist Party also announced plans for marches countrywide under the slogan of "peace, freedom, jobs" on June 15, at a press conference on Tuesday.

The main marches will take place in Johannesburg, Pretoria, Durban and Cape Town.

The memorandum said thousands of workers were losing their jobs and millions, especially among the youth, were unemployed. Some estimates were that 200 000 workers could lose jobs this year and that there were seven million people unemployed.

Political solutions would be meaningless unless the economic crisis, which was the cause of job loss and lack of jobs, was addressed.

"We believe it is the responsibility of both the government and employers to prevent retrenchments and create jobs," the memorandum said.

"We demand a moratorium on retrenchments. Privatisation, commercialisation and rationalisation must stop."

Workers should be retrained instead of being retrenched. The government should not adopt policies that led to massive job loss. Job-creation schemes should be set up by employers and the state, in negotiations with unions and other organisations, the memorandum added. — Reuter

Major boost for small businesses

et 13/6/91 By LESLEY LAMBERT

THE R75m allocated in the Budget to the Small Business Development Corporation (SBDC) would be invested in job creation programmes and projects to expand its activities, Trade and Industry Minister Org Marais said yesterday.

Speaking in the Supplementary Budget debate in Parliament, Marais said R50m of the R75m would be channelled into new small businesses and training schemes aimed at creating new jobs.

A further R20m would be invested in the development of pioneer projects and the remaining R5m would be spent on technological developments, said Marais.

Introducing the debate, Finance Minister Barend du Plessis announced that the R220m allocated in the Budget for special aid programmes would be included in the contingency reserve for 1991/92 until government had finalised the most effective means of managing the various programmes.

This would increase the contingency reserve to R1,4bn.

A supplementary amount of R1,2bn was voted, including R505m for social pensions, R160m for black education, R90m for housing infrastructure and R100m for development aid in the self-governing areas.

The House of Representatives was allocated an additional R150m and the House of Delegates an extra R75m.

Foreign Affairs Minister Pik Botha gave the assurance that additional funds appropriated to the TBVC states for social welfare services would not be spent on civil servants.

Creating jobs

Spal
15/6/91

GARNER THOMSON

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LONDON — Next week South Africa may be shown some innovative ways to solve unemployment — a growing and worrying problem for the country as it moves cautiously towards an uncertain future.

When UK Small Business Minister Eric Forth arrives on Monday for a five-day visit, he is expected to bring with him some encouraging statistics and a clear picture of the way to create jobs.

Worrying spectre

In Britain, as in South Africa, unemployment has become a persistent and worrying spectre in recent years.

In Britain it forced the Conservative Party government to devise a number of creative, and sometimes controversial, ways to slash the figures.

Regular redefinition of what constituted unemployment was perhaps the one that caused the biggest fuss; the development of a flourishing programme to encourage small businesses has been one of its most adventurous and successful.

Some 96 percent of all businesses in Britain are small firms by definition, employing fewer than 20 people.

Between 1985 and 1987 small firms created more than 500 000 jobs, com-

pared with larger firms which created just 20 000.

"It is no exaggeration to say that small firms are the engine of our economy," says Secretary of State for Employment Michael Howard. "They are characterised by a remarkable flexibility and adaptability and it is significant that, despite the difficult trading conditions of the past year, the number of small firms has continued to grow."

The Department of Employment admits that the reasons for these changes are complex and the result of many interrelated developments. General economic growth, changes in economic structures, increased sub-contracting by larger firms and growth in services and technological developments have all been credited.

But Government policies and action have played a significant part.

Weekly allowances

A key part of its strategy to date has been the work of the Training and Enterprise Councils and the Local Enterprise Companies in Scotland — launched by Mrs Thatcher in 1989 — which offer a range of training programmes and services.

Allied to these are the Government's Enterprise Allowance Scheme, which pays new small businessmen a weekly allowance during their early months of trading, a loan guarantee scheme to

help people who would otherwise have difficulty in raising finance, and the Small Firms Service which handles inquiries

Speaking at a small firms conference in London last week, Mr Howard outlined further policy developments.

These included new strategies to help people start up, greater coherence in the advice and support groups for the small firms sector, improvement in the accessibility to finance for small firms wishing to expand, new ways that owner-managers can be supported, and a programme to help small businesses invest in people.

"Although this is a formidable challenge, we must accept this is a battle we must win," he said.

— Small is beautiful

The demand will be for more personnel

JUDGING by prevailing trends, the IT industry, which provides work for about 30 000 people, will create jobs for at least 60 000 by the year 2000.

Pretoria University's department of informatics head Prof Dewald Roode, who is also MD of Pretoria-based information management consultants Inbekon, says this demand could be higher if SA's economic growth in the '90s is higher than in the '80s.

"The influence of IT and the computer implies more than just a greater demand for computer personnel.

"While current demand is highest for experienced people, the economy will continue to need people with a suitable level of computer literacy — but not necessarily any professional skills."

A recent study by the Human Sciences Research Council (HSRC) for the National Training Board focused on this problem and developed strategies to take SA into the 21st century as an IT based economy.

Consequences

Prof. Roode, who acted as chairman of the HSRC working committee, says the strategy being proposed will have far-reaching consequences for training and education in SA.

"We will have to tackle the problems of literacy and computer literacy simultaneously — neither can be left aside to address when the other is solved," he says.

If the HSRC investigation recommendations are accepted, all people at the secondary school level will receive a basic training in computer literacy, preparing them to enter an economy which will have to use IT to stay competitive in the world market.

High technology, especially computer or IT, has often been viewed as counter-productive in an economy where creating jobs is important.

Prof Roode says this view is off the mark.

"Although computerisation may affect the immediate jobs of people where computerisation takes place, the net result of any computerisation is often the creation of more jobs."

ESS

SAB supports informal sector growth in Free State

Sowetan 27/6/97

By JOSHUA RABOROKO

SOUTH Africa's survival as a viable, strong region depends on the creation of a strong, integrated economy and the abolition of poverty.

Handing over a cheque for R20 000 to the Institute for Development of Entrepreneurial Activity (Idea) in Bloemfontein, the general manager of the South African Breweries Beer Division, Mr Andre Parker, said: "This is particularly true in the Free State where a large part of the black population is caught up in a state of spiralling poverty and where the largest city, Bloemfontein, does not have a thriving industrial infrastructure.

Unemployed

He said: "To create the jobs needed between now and the turn of the century requires an economic growth of five percent, our track record for the past six years is about one percent.

"If that trend continues there will be between seven to nine million unemployed people in the formal business sector by 2000.

He said that the informal business sector, which has already provided jobs for about three million people, could be employing up to eight million by the turn of the century. Any sector with that kind of growth deserved support, he added.

Strategy

The institute, which is financed by a group of companies in the private sector, was launched two years ago to address the critical shortage of training facilities for entrepreneurs and to provide small support system for small business.

It emphasises the critical shortage of training before they enter any business venture as research has shown that only two out of 10 new businesses survive after five years.

A spokesman for the institute said its strategy of long-term involvement will lead to a substantial increase in the number of small businesses and their success rate, which would play an important role in the economic upliftment of the Bloemfontein area.

SBDC leads the field, says Vosloo

THE SBDC had in many ways become world leader in the field of small business support, MD Ben Vosloo said in Johannesburg yesterday.

He was speaking on his return from a tour of Europe, during which he addressed the Milan Chamber of Commerce, attended a small business congress and visited business development organisations.

"Small and medium entrepreneur development organisations in Europe were impressed with the SBDC's record over the past 10 years of having assisted 30 000 small business entrepreneurs with loans amounting to R1,1bn and in the process creating 280 000 jobs.

"Small business support trends in Europe confirm that the strategies implemented by the SBDC over the past 10 years have kept pace with the rest of the world, and that in many respects the SBDC has become a leader in this field," Vosloo said.

"With 99,36% of EC businesses employ-

ing less than 100 employees and 91,34% less than 10, it was clear that Europe was following in the footsteps of Japan, the world's most small business-based economy".

The EC had clearly recognised the importance of the small and medium-sized sector as an efficient job creator and was targeting this sector with its business development initiatives.

The decrease in unemployment in EC countries — since the EC launched a development programme for small and medium entrepreneurs in 1986 — was due largely to this sector's performance, while big companies were increasing unemployment.

"It reaffirmed our belief at the SBDC that focusing business development strategies on the small business sector in SA is the most effective way of addressing our own unemployment," Vosloo said.

THEO RAWANA

Commission seeks new look to ease labour talks

THE National Manpower Commission (NMC) has recommended its own restructuring to facilitate negotiations between unions and employers on labour law.

The NMC recommendations, which have been submitted to Manpower Minister Eli Louw, come in the wake of last year's "Labora Minute" in terms of which Cosatu conditionally agreed to join the commission.

Nactu also agreed to join the commission if it was restructured.

Both Cosatu and Nactu want the NMC to be a negotiating forum, in which groups can strike deals on wider economic issues and labour law. The NMC recommends that a restructured commission should be appointed not later than October 1.

In a report published last week, NMC members agreed the commission should remain an advisory body to the Manpower Minister but that advice would be given as far as possible on a consensus basis.

It is believed that NMC members hope the restructuring will be the first step towards a situation in which the commission's recommendations cannot be overruled by the Manpower Department.

"It is unavoidable that negotiation will take place, that compromises will be made and deals will be struck," the report said.

Because compromises would be part of the process, advice had to be considered

"very seriously" by the Minister.

The report recommends the NMC consist of employer and employee representatives in equal numbers. A few individual experts should be appointed.

The majority recommendation was for 10 representatives each for employers and employees and five independents.

Previously, the NMC's membership was not formally structured.

Members agreed representation should be weighted to take into account membership and the importance of different organisations. However, there was no agreement on how to implement such a system.

The report also recommends that the Manpower Department "participate actively" in NMC proceedings to inform the commission at an early stage of its views. The department should however not have voting rights.

"If the department actively participates in NMC proceedings, the NMC will also be much clearer as to why its recommendations might not have been accepted".

It was agreed that the state as an employer should participate through the Commission for Administration.

The NMC was also unanimous that it could not usurp Parliament.

VERA VON LIERES

Star 9/7/91

Use funds to create jobs.

ANC urged

The Johannesburg Chamber of Commerce and Industry (JCCI) hopes that the ANC will liquidate its foreign assets and use the funds — about R655 million — for job-creating investments in South Africa.

The call follows the ANC's announcement at its national conference in Durban that it has assets of R655 million abroad.

JCCI president Mike Cato said in a statement that his organisation "guardedly welcomed" the appointment of top trade unionist Cyril Ramaphosa to the post of ANC secretary-general.

Mr Cato said he hoped Mr Ramaphosa would bring to the ANC executive a better understanding of how business operated, and the need for job creation and economic growth.

But the chamber regretted that the ANC had decided to remain a liberation movement; maintain close links with the SACP; continue building up Umkhonto we Sizwe; and step up mass protest action.

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.

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

Course aims to help the job seeker

CT 11/7/91

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WITH unemployment figures climbing and competition in the job market increasing, job hunters face a daunting task.

The need to focus on strengths, weaknesses, opportunities and threats as well as identification of goals and objectives, has never been more important.

Synchronet — the Change Agents, will hold a series of seminars aimed at clarifying these issues as well as giving an overview of the South African scenario.

The course aims to assist the job seeker to position himself effectively in the market.

The course will take the form of a workshop and will be held during and after office hours, depending on candidates' needs.

It will be run by a clinical psychologist and a specialist in the recruitment industry.

The course will consist of a general overview with regard to statistics, the SA job market, importance of posi-

tioning, how to read an advertisement and adopting the right mental attitude.

A section titled "The Individual vs The Job" will deal with culture, style, skills, ability, needs and experience.

Other modules will handle a Swot analysis, an anagram for strengths, weaknesses, opportunities and threats.

The psychological contact and the interview will also be handled in detail. Guidelines on how to handle the rejection, presentation, the CV, professional career assessments, communication and sharing of information will also be given.

The workshop costs R75 per person. Refreshments will be served and there will be an informative and comprehensive hand-out for participants.

Courses will start this month and will be held on Thursday evenings and during office hours.

□ Call Belynda or Sharon on (021) 762-1198.

FM 12/9/91.

USER FRIENDLY



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Students at Wits University have come up with a scheme that is so simple and sensible that it is difficult to believe no one thought of it long ago. It is called University Student Employment (USE) and it enables employers to draw on a pool of some 20 000 Wits students.

Many students need part-time work — mornings, afternoons, evenings or weekends; during vacations; in emergencies and at peak periods; and even when permanent staff are away. The USE office says it can meet job requirements ranging from low-skilled (packaging, loading and stock taking) to highly skilled (computers, engineering, commerce, science and languages, to name a few areas). Students are screened for suitability and introduced to the “real world” of business,

while employers have the chance of identifying potential recruits.

The USE scheme was started by the Students Representative Council as a response to both the general economic recession, as well as to the financial hardships facing many students. It is committed to non-discrimination on the basis of either sex or race in the selection and placement of students. Employers are charged a placement fee to cover administrative costs.

The scheme has been endorsed by Vice-Chancellor Robert Charlton and it backs up the university's increasing commitment to greater links with the community.

□ Inquiries: 716-3079/3042 during office hours.

Tailor-made approach to development systems

ONE of South Africa's biggest challenges is developing its human resources and upgrading them so they in turn can upgrade the economy, says human resource development company Developa.

8/10 am 24/7/91.
A Developa statement says the company has taken a different approach to this challenge — it designs tailor-made development systems.

"We target developers in a position to reach people

with limited possibilities for upgrading themselves. Our objective is to create opportunities for large-scale people upgrading."

Developa systems are designed to suit the client's situation, needs and objec-

tives and are run by the client. **173** ~~173~~

The company deals with projects in areas ranging from commerce and industry to community and educational programmes.

Quick fix court for labour rows

ALMOST every employer and employee in South Africa would be affected by major changes to labour law now under consideration.

The National Manpower Commission (NMC) envisages significant changes to the Labour Relations Act (LRA).

NMC chairman Frans Barker told a labour law conference in Durban that the establishment of a small labour court (SLC) was strongly supported by commission members.

Limited

Dr Barker says the recommendation is that in the SLC there should be no right to appeal and no legal representation should be allowed.

"The process should thus be inexpensive, quick and easy."

The jurisdiction of the SLC would be limited — exactly how this would be done has not been decided.

But limitations could include the type of issue or the number of workers involved in the dispute.

A new industrial relations system for the public service is being formulated by a

By ADRIAN HERSCH

forum comprising the State and 11 personnel associations and trade unions.

Education is excluded from this forum because it is negotiating its own system.

Dr Barker says NMC recommendations concerning labour relations, for small businesses and domestic workers have been handed to Manpower Minister Eli Louw and will be published soon.

The Basic Conditions of Employment Act — specifically amended for farm workers — was tabled in Parliament last month and should be enacted early next year.

The NMC technical committee has drafted a consolidated LRA. The draft will be fully considered when the NMC is restructured about the end of the year.

The restructured NMC will comprise an equal number of employer and employee representatives and will, for the first time, include Cosatu representation.

Involvement in the NMC is one of the major issues for discussion at Cosatu's congress.

STimes (Burr Times) 173

Govt's R1bn fund is oversubscribed

8/10am 11/8/91
24/11/91 173

GOVERNMENT had received more than R6bn in applications for the R1bn social upliftment fund announced in April this year, Economic Co-Ordination Minister Dawie de Villiers said yesterday.

He said the first spending could start in September on projects forming part of a special employment programme administered by the Manpower Department. Other projects were being evaluated by a Ministerial committee.

"If all goes well, the committee's recommendations will be submitted to the Cabinet in early August. The first spending could commence soon after specific projects have been approved," De Villiers said. He added government had asked for indications of when projects would start making a contribution.

Despite the flood of requests for money, he said only R1bn would be available "under present circumstances over the short to medium term".

The criteria for allocating funds included employment creation over the short and longer term, community involvement and the elimination of backlogs. Another factor was the contribution that specific projects

GRETA STEYN

could make to social stability and the creation of a climate conducive to investor confidence.

But the implications for pressure on recurrent government expenditure was also being taken into account.

Unlike the Independent Development Trust, the new fund's spending will be reflected in central government's accounts. It is to be financed from selling strategic stockpiles and, depending on the speed with which it is spent, is likely to push government spending over the budgeted R84,98bn in this fiscal year.

Apart from government departments, applications had also been received from local authorities and "outside" development bodies, De Villiers said. Their applications have to be channelled through government departments.

Applications have been classified into categories of projects and departments have decided on priorities within the different categories before passing them on to the Ministerial committee.

PEOPLE do not leave their jobs because of the money. Those who leave and those who stay are equally dissatisfied.

Some managers may blame external factors, such as pay, for high staff turnover. But they will probably be disappointed if they attempt to improve staff retention solely by increasing pay. Internal factors such as recruitment, induction, career progression and line management are also likely to warrant attention.

These are among the main conclusions of a report by the Institute of Manpower Studies (IMS) at Sussex University. The report outlines how to calculate whether an organisation has a retention problem, how to categorise leavers so remedial action can be targeted and how to calculate turnover costs.

More important, it spells out why workers quit. Here are leavers' top grouses, as collected by IMS:

"The job wasn't what I thought it was going to be."

Early disillusionment and departure are common when jobs are oversold. Recruitment literature, advertisements and interviews should not fuel unrealistically high expectations.

"I got thrown in at the deep end." Lack of attention and guidance from the line manager in the early weeks may mean the new recruit fails to feel part of the team. Confidence will be dented and commitment undermined if new employees find themselves in high-pressure jobs with little or no training.

"The job was boring." This usually means employees feel a lack of autonomy and control over the tasks or pace of work; lack of responsibility, variety and challenge, particularly for those who feel their skills are not being fully used.

Dashing the myth of why workers quit

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DIANE SUMMERS in London

"It wasn't fair that I didn't get promoted."

Disappointment with promotion and development opportunities is common. Employees often perceive the speed of promotion to be widely variable and inconsistently applied by different managers. Performance management systems are frequently seen as open to bias and employees are often unclear about the criteria against which they are judged.

"I didn't hit it off with my boss." Line management has an important daily impact — at best, it can substantially increase satisfaction;

at worst, it can have far-reaching and damaging consequences. Young workers, in particular, may become quickly disillusioned if they are exposed to ineffective or widely inconsistent standards of management.

To emphasise the importance of this last point, IMS quotes a recent group of leavers who were asked to contrast the quality of supervision they had expected with what they had actually received. Most felt managers held the key to keeping staff and pointed to differing turnover levels within different departments of the same organisation.

These leavers had expected their line manager to provide constructive feedback, generate respect and loyalty, assess performance fairly, allocate interesting and challenging work, and support their staff.

In reality, they claimed to have experienced unapproachable, uncaring and distant behaviour, as well as complaining that their bosses had favourites and failed to consult staff.

The line managers concerned would no doubt be the same group that would remain wedded to the more comfortable notion that external factors, such as pay, are the greatest influence on the retention of staff. Such managers may be interested to know that IMS found the offer of a pay increase would bring under 10% of would-be leavers back to the fold. — Financial Times.

□ FIRST National Bank's trading range for the Deutschmark was incorrectly reported yesterday as ranging between DM1,6725-1,6940 during the next week. This was FNB's range for sterling and the correct range for the Deutschmark is between DM1,7232-1,7642. Business Day regrets the error.

REVIEW

Upliftment fund: Govt swamped by applications

Own Correspondent

JOHANNESBURG. — The government had received more than R6bn in applications for the R1bn social upliftment fund announced in April this year, Economic Co-Ordination Minister Dawie de Villiers said yesterday.

He said the first spending could start in September on projects forming part of a special employment programme administered by the Manpower Department. Other projects were being evaluated by a Ministerial committee.

"If all goes well, the committee's recommendations will be submitted to the Cabinet in early August. The first spending could commence soon after specific projects have been approved," De Villiers said. He added the government had asked for indications of when projects would start making a contribution.

Despite the flood of requests for money, he said only R1bn would be available "under present circumstances over the short to medium term".

The criteria for allocating funds included employment creation over the short and longer term, community involvement and the elimination of backlogs. Another factor was the contribution that specific projects could make to social stability and the creation of a climate conducive to investor confidence.

But the implications for pressure on recurrent government expenditure was also being taken into account.

Unlike the Independent Development Trust, the new fund's spending will be reflected in the central government's accounts. It is to be financed from selling strategic stockpiles and, depending on the speed with which it is spent, is likely to push government spending over the budgeted R84,98bn in this fiscal year.

Support for informal sector will create jobs

DURING the '80s SA produced just under 4-million school-leavers, and the formal economy failed to provide anywhere near enough jobs for them.

I suspect that today there are a couple of hundred thousand fewer formal-sector jobs available than there were in 1980.

For the formal economy to create sufficient jobs we would need an 8% or 9% GDP growth each year. Based on past and present performance, this seems an impossible target. However, the informal sector presents us with a promising solution. It is vibrant, highly productive and is an efficient user of capital in creating jobs.

The school-leavers in the '80s who could not find jobs were faced with three career opportunities. One was crime and another was revolution. Fortunately for SA, vast numbers turned to the third option — self-employment — as a means of creating their own jobs.

Small business plays an important role in the economies of all coun-

tries, even the most developed ones. Ninety percent of all businesses in Europe employ fewer than 20 people. In Japan small businesses employ 80% of the total workforce.

The only way for our economy to create sufficient jobs is by integrating the formal economy with the informal economy — where formal business uses informal businesses to supply products and services for their factories and uses informal distributors to sell their products on a large scale.

A recent example is where Anglo American Corporation made it easier for small black formal and informal businesses to supply consumables to its mines. Apart from injecting millions in profitable orders into these businesses, Anglo has shown an average cost saving of about 15% on the purchases.

There are many opportunities for joint ventures between blacks and the white business community which would enable blacks to have access to capital, management expertise and training in basic business skills.

This method reduces the capital and management resources required by the centre company and creates more jobs. On the other hand, if all the work were undertaken by the centre company, it would have to be more mechanised and computerised.

Large organisations are starting to realise that subcontracting could free capital, reduce working costs, improve cash flow and reduce administration. In many cases, because the subcontractor is an owner-managed business and more efficient than the giants, it could allow the company to buy the part or service at a lower price. Subsidised staff canteens are an obvious example.

Another example of the interface that could exist between the Third World and First World sectors is that in Johannesburg probably 70% of independent formal retailers in the CBD have set up wholesale facilities for street traders.

Hawkers purchase their supplies for the day, either for cash or on agreed terms. As these shops are

close to their sites, traders can easily return to wholesalers should they run out of supplies. At the end of the day unsold merchandise is returned for crediting towards the next day's purchases.

Therefore, small business must not be seen only as unfair competition or a beneficiary of social responsibility initiatives, but rather as a means of freeing less productive capital and other resources.

Big business will need to look at providing training in basic business skills to their emerging subcontractors, distributors or retailers. This can be done either by providing the training themselves or using experienced organisations such as the Self-Employment Institute to undertake this training on their behalf.

It is in business's own interest to pursue activities that will significantly stimulate the economy.

Rudman is executive director of the Self-Employment Institute. This is an edited excerpt from an address to an IPM seminar in Cape Town last week.

THEO RUDMAN

The economic miracles in South Korea and Taiwan have been achieved largely by changing the culture in large organisations to accept that small, relatively unsophisticated businesses can become important subcontractors.

The basic principle that could be used is the centre satellite factory system. The factory does the design and development and farms out the manufacture of specific subcomponents to small, even informal manufacturers, often providing them with the correct material at the best price from which the components must be made.

The trick is to restrict each informal subcontractor to making only one part of the total component. The centre factory manufactures only what it has to, and the products are assembled by the factory under strict quality control.

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18/91

Why buying in technical skills pays dividends

ANDREW MORRIS

(173)
APR 10 1991

Computer Correspondent

COMPANIES ignoring the potential of the contracting market are asking for trouble. In a tough economy, but with an ever increasing backlog of systems, contracting offers short term solutions.

"Times are hard, and training is one of the first items to be cut from the computer budget," said Mr Royd Frith of DP World. "This makes the use of contract staff an ideal solution to even out the peaks."

"We are also seeing most companies reducing their intake of entry-level staff and even the universities are finding difficulty in placing their graduates".

"As the economy bites, information systems (IS) staff are staying longer and companies are having to address the lack of managerial skills in their technical staff.

"Non-technical staff are playing an increasing role in the development of information systems and we are seeing more specialisation in the technical positions. Good all-rounders are hard to find and many companies are developing ways of rewarding technical staff in order to keep them.

"Forward thinking companies are creating dual career streams, with technical staff able to rise through the organisation on technical ability alongside managerial counter-parts," said Mrs Lindsay Frith of DP World.

"As companies take a longer-term view of the systems development it makes sense to seriously consider the contracting options. Buying in technical skills is much easier than developing business knowledge," she said.

Job creation: there is a way

Star 13/8/91

173

NO FEWER than one in every four white families in South Africa now runs a sideline business from home to generate extra income to survive inflation and the wave of job losses caused by the recession, according to new surveys.

The Self-Employment Institute believes the number of black families forced to try to earn an income in the informal sector has soared even higher.

Executive director Theo Rudman estimates that as many as 350 000 jobs have been axed in the formal sector in the wave of retrenchments over the past two years — from the gold mines to the railways.

Surveys by the institute underlined the dismal failure of the formal sector to cope with the growing demand for jobs.

Since 1980 there have been nearly 4 million school-leavers joining the hunt for jobs.

But by 1989 the formal sector had increased the size of its combined labour force by no more than 150 000.

Even that feeble advance had been wiped out in the recent spate of retrenchments, and the number of jobs in the formal sector is now a staggering 200 000 lower than 10 years ago.

By sheer numbers, black job-seekers have been worst hit by the labour cuts, and forced to resort to become hawkers or informal retail wholesalers, or else run backyard businesses.

But white families are also now joining the informal sector in growing numbers to make ends meet: from accountants and architects offering evening or weekend advisory services, to housewives knitting and sewing to make garments for sale at local shopping centres or flea-markets.

Mr Rudman sketches the new scenario to reinforce arguments that still more bureaucratic red tape should be removed if it hampers the development of the informal sector as a new driving force in the economic mainstream.

"Whatever the political shade of the government in power a few years from now,"

New estimates by the Self-Employment Institute show that the number of jobs available in the formal business sector has shrunk by 200 000 compared with 10 years ago — but school-leavers seeking work soared by almost 4 million. Theo Rudman insists that the only solution is a bigger role for the informal sector. MICHAEL CHESTER reports.



Informal business . . . knitters sell their multicoloured jerseys. Picture: Sean Woods

he maintains, "it will learn that it will be imperative to provide the fundamental human right of every South African to have a job. If it fails to heed the lesson, it will be overthrown.

"We have to go beyond just giving a vote to all adults. The most important issue is to ensure that everyone has an economic stake in the country."

He estimates that South Africa would need to boost its economic growth rate from near zero to at least 8 or 9 percent a year if the formal sector hoped to close the gap between supply and demand in the creation of new jobs.

"That, on recent and current performance, looks an impossible target.

"The only solution is encouragement of the informal sector as a vibrant and highly productive generator of more job opportunities."

South Africa, he argues,

needs to no more than examine the growing role of small businesses in overseas countries to grasp the economic potential of the informal sector.

Today, no fewer than nine out of every 10 businesses in Western Europe have labour forces of less than 20 workers. In the United States, two in every three businesses have less than nine employees — yet between them they account for half of the entire national employment total, and for no less than 43 percent of the gross national product.

small businesses played an even bigger role in Japan and elsewhere in the Far East, such as in Taiwan and South Korea, where economic miracles had astonished Western industrialised nations.

In South Africa, despite recent successes in the removal of old apartheid barriers that long harassed black entrepre-

neurs in particular, there are still many outmoded regulations that need to be dismantled to give the informal sector freer rein to prove its economic potential.

Mr Rudman suspects that significant delays in the whole deregulation programme have often been caused by vested interests: sometimes big businesses that paid lip service to the merits of the informal sector on public platforms, but protected themselves from competition by restrictive measures behind the scenes.

"It's become crucial that everyone recognises the natural interface between big business and small business and the informal sector. All have a role in the whole economic chain.

"The only logical way to create all the new jobs that are needed is to integrate the formal and informal sides of economic activity."

Mr Rudman says the giant Anglo American Corporation is among an increasing number of big companies that have proved the potential of closer links with small black businesses — sharing out sub-contracts to them to supply various goods and services. Average cost savings were running at no less than 15 percent or more.

The next item on the economic agenda should be the creation of more joint black-white business ventures to enable more black entrepreneurs to gain access to capital, management expertise and training in basic business skills.

Still more jobs could be created if South Africa followed strategies widely used in the Far East, where giant corporations operated as a centre core to entire industrial satellite systems.

The centre core concentrated on final assembly of products and employed experts to handle financial and sales programmes — drawing components from dozens or even scores of small and independent satellite factories.

"The goal of every business and political leader," Mr Rudman says, "should be to create an environment in which unemployment can be eliminated by the year 2000, and inflation reduced to single digits.

"Impossible? Not so. There are several countries in the Far East that have shown what economic muscle can be unleashed when the small entrepreneur is encouraged.

"Taiwan has enjoyed virtually full employment for over a decade.

"Inflation has been trapped below 2 percent for more than five years now.

"And its income distribution is one of the most equitable in the world," Mr Rudman says.

"In 1962, South Korea was one of the poorest countries on Earth. Gross national product has soared from a meagre R280 to almost R8 500 a year.

"Both of them owe their incredible successes to the integration of big business and small and informal businesses.

"South Africa simply cannot afford to ignore the lessons they have spelt out." □

prices also hit other farmers 111

75% of jobs from small firms

^{Biday 16/8/91}
PORT ELIZABETH — The small business sector generated 75% of new jobs in SA, said Port Elizabeth Small Business Development Corporation manager George Marriner in a statement yesterday.

As more than 85% of all business enterprises in SA could be considered small, with total assets of about R2m, this was not surprising, he said.

"Forty percent of overall economic activity in SA can be accredited to small-scale enterprises in both the formal and informal sectors. (173)

"Small businesses are a low-cost means of providing employment and are an efficient way to utilise resources in the economy." — Sapa.

Venter and union agree strikes are 'undesirable'

THE National Education Health and Allied Workers' Union (Nehawu) said yesterday it had held "positive talks" with Health Minister Rina Venter over a number of health issues, among them the lack of proper consultation in the sector.

^{Biday 16/8/91}
Nehawu national organiser Monde Mditshwa said the parties met yesterday to discuss a number of issues, including the question of disciplinary action taken by the SA Nursing Council

VERA VON LIERES

after the May 1990 nurses' strike. (173)

"The axe is still hanging over the nurses' heads," Mditshwa said. (173)

Disciplinary action by the Nursing Council would hamper the relationship between the authorities and the union and the rendering of services. (173)

Mditshwa said the parties agreed strikes in the health sector were not desirable. Nehawu gave assurances it was in no way compromising services, but said legitimate grievances gave rise to the 1990 strike. These had not yet been resolved.

The parties are expected to issue a joint statement next week.

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THE debate over the social contract is central to Cosatu's proposals for restructuring the National Manpower Commission (NMC) into a forum for the negotiation of national labour market issues.

For some it has become fashionable to argue that the social contract equals wage restraint and no-strike clauses. Therefore, it is said, social contracts are bad. Therefore the trade union movement should have nothing to do with them.

This argument is manipulative and misleading. The equivalent of wage restraint and very explicit no-strike agreements are sometimes accepted by unions at plant and company level. Why not the same howls of horror? Because all unionists acknowledge that, under certain circumstances, such as accords, contracts or agreements might be necessary for tactical reasons.

And such agreements need not be seen only in negative or defensive terms, as concessions borne out of weakness.

One could well postulate a situation where — in exchange for price-fixing and improvements to the social wage (directly benefiting the more marginalised sections of the working class) — the trade union movement agrees to temporary restraints on wage increases and on strike action related to issues contained in that contract.

Whether such an agreement works depends essentially on whether trade union members fully understand and endorse the contract in the first place.

In the short term, there are no magic recipes regarding what should or should not form the basis of any agreement, be it with a single employer, employers generally, and/or the state. But it is critical that decisions regarding what and what not to accept should be informed by a strategic perspective which embodies our aims and objectives as a federation.

In short, any agreement should be measured in terms of its value in taking the working class towards its socialist objective.

Assuming a case has been made

A social contract can advance the interests of labour

BIPAY 2/1/89
GEOFF SCHREINER



(173)

for national negotiations, what forum are we going to use? Cosatu has three options. It can fight for a new institutional forum recognised by the state. It could opt for a looser, ad hoc forum. Or it could choose to resurrect and restructure the NMC.

The federation has attempted to keep open all these possibilities. Cosatu agreed to proposals by the state and employers in October 1990 to participate in the NMC, provided it was restructured to become a very different institution.

At the same time, Cosatu signalled that it would continue with other non-institutionalised negotiations — at least until it was satisfied that the new NMC was established along the lines proposed by the federation.

Cosatu, therefore, is conditionally participating in the NMC while simultaneously setting up meetings with national employer organisations and various state departments to begin negotiations around a range of macro-level issues.

If the former process flops because the Manpower Minister is unwilling to accept the basic propositions put forward by Cosatu (and endorsed by Nactu), then the federation can leave the NMC and begin a campaign of mass action to force acceptance. At the same time, Cosatu can continue engagement, where necessary, through non-institutionalised options.

How should we then approach the question of restructuring the NMC? If the NMC is to become the forum in which we negotiate all macro-level issues, we would have to ensure, in the short term at least, that the scope of the NMC's responsibilities were widely defined.

In fact, the current legal definition of the NMC's functions — "to make such investigations as it may consider necessary into, and submit recommendations to the Minister concerning all labour matters, including labour policy" — is already sufficiently wide.

Going one step further, however, Cosatu would have to look at the possibility of drawing in existing advisory, policy-making and executive forums under its ambit — such as the National Training Board and the Unemployment Insurance Fund Board.

One important merit of a simple (single) forum is that we simply do not have sufficient resources to spread across a broad spectrum of negotiating forums.

Secondly, it would facilitate build-up of unity across sectors of the economy including the public sector and farmworkers, for example.

This could mark an important political development for the trade

union movement in our country, to help us avoid the chauvinist, sectionalist responses of other once-progressive and militant federations in other parts of the world.

In these endeavours, Cosatu has to ensure that it retains its independence. This means the will, capacity and right to support its demands, where necessary, by mass action, in its engagement with capital and the state at national and other levels.

Welding mass action and negotiations into a coherent strategy at national level is a massively difficult project. The current negotiations between the ANC and government demonstrate this. The ANC leadership, which is heading the negotiations, continually underemphasises (and even demobilises) the mass action component. Other sectors of the ANC — the youth for example — continually push militant action without any clear conception of any of the limits and possibilities of the negotiations component.

Mass action linked to negotiation does not mean simply that there is negotiation at the same time as there is mass action. To get beyond mass action, which is simply about protest, we need to ensure that our action links directly into the negotiation process and is part of a clear sustained campaign.

If deadlock is reached, then mass action must follow. Our constituency

must be clearly appraised of precisely what has caused the deadlock and why they are being called upon to debate, themselves, the issue of taking action.

Participation in mass action should not be based simply on an instruction from on high and loyalty to a particular organisation.

What new powers does the NMC require? Presently it is merely an advisory body. The Minister is entitled by liberty to choose which recommendations of the NMC to endorse and which to reject. This is completely unacceptable.

Accordingly, the federation has proposed that no draft legislation related to labour should be put before Parliament unless it has been through the NMC.

Further, where there is consensus on proposed legislation within the NMC then, firstly, the NMC should be entitled to draft such legislation and, secondly, it should be placed before Parliament in that same form. The Minister would be entitled to adopt whatever approach he chose to such draft law.

The intention is to prevent NMC recommendations ending up in the Minister's bottom drawer.

But the proposals do accept that a democratically elected parliament should have the ultimate right to pronounce on NMC proposals.

Parliament would have to weigh up the possible consequences of rejecting or amending NMC proposals.

It is also important to open up the NMC to representation by a broader range of actors than employers, trade unions and the state. It makes sense, for example, that women's organisations should be invited to make representations on labour market issues. This kind of approach, which currently pertains in Canada for example, could well have the effect of moderating trade union chauvinism and helping to ensure better representation for the more marginalised groups in society.

□ Schreiner is a Numsa official who also represents Cosatu in national negotiations with employers and government. This is an edited extract from an article in the latest edition of the SA Labour Bulletin.

Create more bosses, urges SBDC's Vosloo

Sowetan 21/8/91

173

SOUTH Africa can blame many of its chronic unemployment problems on its dismal failure to keep pace with world trends in the launch of budding entrepreneurs, according to the Small Business Development Corporation.

Studies show that in the United States no fewer than 100 000 young Americans start businesses of their own every year - 10 000 of them straight from school.

A recent count found that a stunning one-third of all new businesses launched in the US were under the command of fledgling bosses under the age of 30.

The world average of entrepreneurs in total labour forces came out at between 10 and 12 percent. The South African average trailed behind at 5 percent.

SBDC managing director Dr Ben Vosloo argues that the generation of more entrepreneurs must be regarded as a top priority in the formulation of new economic policies.

The urgency of new thinking, he says, is underlined by the growing size of unemployment queues in South Africa, now standing at between four and five million.

Job opportunities offered by the formal business sector are able to cope with only 125 of every 1 000 school-leavers pouring into the labour market.

New studies estimate current unemployment at between four and five million. The Small Business Development Corporation believes the problem will not be cracked until South Africa learns how to produce more entrepreneurs. And that means radical new thinking about the shape of the education system. MICHAEL CHESTER, Sowetan special writer, reports.

That leaves 875 in every 1 000 of them with no option but self-employment or the informal sector.

What worries Vosloo is whether the majority of them have been prepared to cope with the blunt realities.

He is convinced that only radical changes in the entire education system can provide solutions.

Tragic

"It would be tragic if we had to admit that billions of rands of taxpayer money is spent on educational products which cannot be used by society," he says.

"It would be equally tragic if the education system were not capable of delivering the sort of school-leavers that society needs."

South Africa, he is convinced, will only start to put more muscle into economic growth when the classrooms begin to equip pupils with the knowledge and skills that provide the foundation of such careers as artisans, production managers, data processors, book keepers, nurses, scientists, engineers and technicians.

"Our education system will have to pay far more attention to the development of entrepreneurship

at school level," he maintains.

Vosloo's own programme at the SBDC has already ploughed more than R1 billion into loans to encourage new small businesses that have created a staggering 280 000 new job opportunities since it was started 10 years ago.

He proposes a 10-point plan to tackle the dilemma:

- More effective and continuous communication between educationists and the business world to spell out in unambiguous language what society outside schools and academia really expects from the education system;

- Moves to make classroom curricula more relevant and pertinent to the actual needs of society;

- Insistence by taxpayers on more value for the money spent on education - on guard against wastage of funds on a bloated education bureaucracy;

- Preference to technical training;

- Closer aim on the transfer of practical numerical and writing skills - with recognition of the valuable role of business simulation games;

- Gearing the education curricula and didactic methodology towards the



BEN VOSLOO

stimulation of attitudes such as individualism, a sense of independence, achievement, optimism and competitiveness - aimed at conscientiousness, responsibility, adaptability, staying power and creativity;

- Focus on career information programmes tailored to alert young people to the opportunities of self-employment and business entrepreneurship as career choices;

- Encouraging schools and universities to take part in practical field studies and business plan competitions;

- Better evaluation of the role of part-time study, work programmes and post-experience training programmes; and

- Priority status for informal and non-formal skills training for adults in condensed courses worked out on a modular basis.

"It is clear that education is the key to a better future," says Vosloo.

"But then it must be relevant education that conveys the knowledge and skills needed by our society.

"A society which cultivates a strong entrepreneurial culture is bound to set off on a road to progress and economic growth."

Govt plans afoot for massive job creation

Star 22/8/91

By Derek Tommey 173

Billion of rands are to be injected into the economy in the coming months in a bid to create tens of thousands of jobs and ease black unemployment, says Minister of Finance Barend du Plessis.

He made the announcement in Pretoria yesterday while disclosing that VAT would be reduced from 12 percent to 10 percent.

The Government would be spending R1 billion on buying land and investing in black education.

This money was from last year's Budget, of which only R300 million had been spent.

The sum had been topped up to R1 billion again. The benefits would be felt shortly, he said.

In addition, a private development trust had R2 billion to invest.

He said the Urban Foundation had approved 108 low-cost housing projects, the first of which would be signed in the next two weeks. R750 million would be spent on these projects over the next two and a half years.

Other projects involving R1,5 billion were also in the pipeline.

These should bring benefits by

The money, coming from the sale of strategic oil stocks, would be used primarily to ease the plight of the poor.

Dr Dawie de Villiers, Minister of Public Works and Economic Co-ordination, would give fuller details shortly, he said.

Giving reasons for the decision to reduce VAT, Mr du Plessis said South Africa was in the longest recession since the War.

The economy had been expected to pick up at the beginning of this year. But the war in the Middle East had postponed the upswing.

He said it was not possible to finance through borrowings the R1,4 billion lost to the Treasury by the reduction in VAT.

If the Government had borrowed this money, interest rates would have risen further.

Government expenditure this year would remain unchanged at the estimated R86,0 billion — an increase of 15,3 percent on last year's figure.

However, estimated revenue would fall short because the increase in excise duties and the petrol levy would bring in only R890 million.

As a result, estimated total revenue would drop from R76,9 billion to R74,4 billion.

The shortage before borrowing would increase from R11,1 billion,

or 3,7 percent of estimated GDP, to R11,6 billion — equal to 3,8 percent of GDP.

The adjusted shortage before borrowing, after taking into account R1,95 billion from the sale of oil stocks, would be R9,7 billion (R9,2 billion).

In announcing that excise duties would be increased on liquor, tobacco and luxury goods, Mr de Plessis said the Government was also considering changing the basis of excise duty from volume to value.

He said that in the present system excise duty on a bottle of wine selling for R6 and on one selling for R60 was the same.

The Commissioner of Customs and Excise would shortly discuss this with manufacturers of affected products.

Mr du Plessis had some good news for holders of Krugerrands.

He said that all denominations of gold coins, including the Kruggerand and any other coins the Reserve Bank regarded as legal tender, would be zero-rated for VAT.

He said the changes in VAT could put the income side of the Budget under pressure.

This could affect the Government's aim of cutting company tax and the maximum marginal tax to 40 percent over the next three years.



Barend du Plessis . . . benefits will be felt shortly

way of job creation, and improve the quality of life in underdeveloped areas, particularly in squatter camps.

Mr du Plessis said the Government would spend R1 billion over the next few months on a host of projects providing tens of thousands of short-term job opportunities.

R1-bn jobs scheme to be revealed today

Star 24/8/91
 By Magnus Heystek
 Finance Editor

The Government is set to announce a R1 billion job-creation package today to be funded by the sale of some of its strategic oil stockpiles.

Details of the plan will be revealed by Dr Dawie de Villiers, Minister for Economic Co-ordination and Public Enterprises.

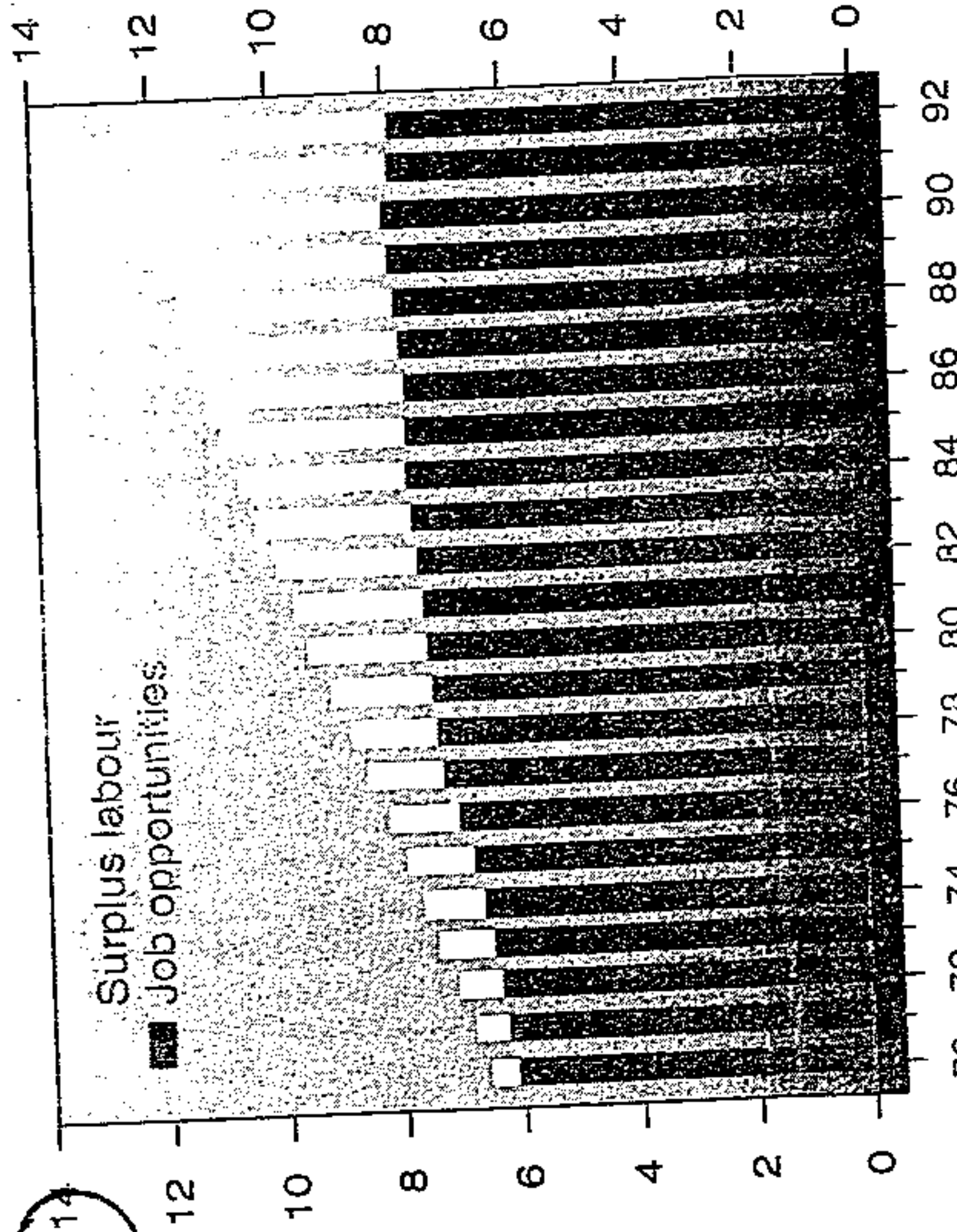
The special projects on which the money will be spent have been designed to make the maximum contribution to economic growth, job creation and social stability.

The R1 billion package is part of the VAT restructuring announced by Minister of Finance Barend du Plessis last week.

Concern

Although further details are not available, it is known that the Government is greatly concerned about the lack of job creation, particularly in the formal sector of the economy.

Having risen continuously over the past twenty years or more, unemployment has now assumed crisis proportions, according to an economic survey released by Bankorp yesterday.



Fewer job opportunities but burgeoning workforce.

Job opportunities are expected to decline by 80 000 this year, while no growth is foreseen next year.

Coupled with the return of thousands of exiles and an increase of more than 600 000 in the labour force, unemployment could be 700 000 higher at the end of 1992.

This could be a time bomb seriously threatening civilized

society and the success of political democratisation in South Africa, says Nick Barnardt, chief economist at Bankorp.

Unemployment is rapidly becoming one of South Africa's biggest problems.

Until the end of the 1970s, total employment in the formal sector was roughly equal to the growth rate of the economically active population.

However, from 1970 onwards the rate of employment started dropping in line with the slowdown in the economic growth rate.

By 1980 more than one million adults in South Africa were unable to obtain formal employment.

Stagnant economic growth for most of the 1980s resulted in only 50 000 out of an estimated 300 000 annual new entrants into the labour market finding work in the formal sector.

Some success

By 1990 unemployment in the formal sector had risen to more than four million out of a total workforce of 12 million.

The Government's deregulation policy and the encouragement of the informal sector has achieved some success.

Several surveys indicate that the number of economically active people in the informal sector has risen in recent years to a level of almost one million.

Nevertheless, unemployment rose rapidly, with especially sharp cyclical surges in the downswing phases of 1982, 1985 and 1990.

This undeniably contributed to the serious and widespread political unrest of 1985, and to the still rising crime level since 1990.

State plan for 59 000 jobs

(173) ARGUS 27/8/91

ALAN DUNN
Political Staff

THE government today announced the creation of about 59 000 jobs in the months ahead, involving the construction of thousands of classrooms, housing sites and centres for the underprivileged.

The Minister of Economic Co-ordination and Public Enterprises, Dr Dawie de Villiers, said 677 projects would be tackled at a cost of more than R1 billion to be funded by the proceeds of government sales of the strategic oil reserve.

He said the money would generate about 866 000 man-month employment opportunities, representing 59 000 jobs over an average period of 15 months.

"If the allocation of the funds is analysed it is apparent that nearly 73,5 percent or nearly R742 million of the fund will concentrate on the reduction of backlogs in the socio-economic field," he told a news confer-

ence at the Union Buildings today.

Projects included:

- Construction of nearly 1 900 new classrooms, eliminating about 18 percent of the black classroom backlog;

- Building 141 new clinics and 64 creches "for which the community concerned will accept a certain responsibility";

- Developing the basic infrastructure for 53 770 sites in terms of the government's site and service programme, accommodating 270 000 people;

- Construction of 34 community centres, two old-age centres, three workshops for the disabled, two children's homes, libraries and pre-primary schools;

- Provision of basic sports facilities comprising 83 soccer fields, 39 netball courts and 12 rugby fields to squatter areas and underprivileged communities;

- Upgrading of 15 hostels; and

- Provision of potable water to 53 communities in the self-governing states.

Dr De Villiers said R204 million had been earmarked for road-building projects because the motorist was the major contributor to the funding. He said this was aimed chiefly at the maintenance and upgrading of secondary roads to satisfactory standards by labour-intensive means.

"This allocation represents only 10 percent of the total funds required for the maintenance of all secondary roads in the Republic. According to estimates, the amount allocated will make the maintenance and improvement of almost 18 500km of road possible," he said.

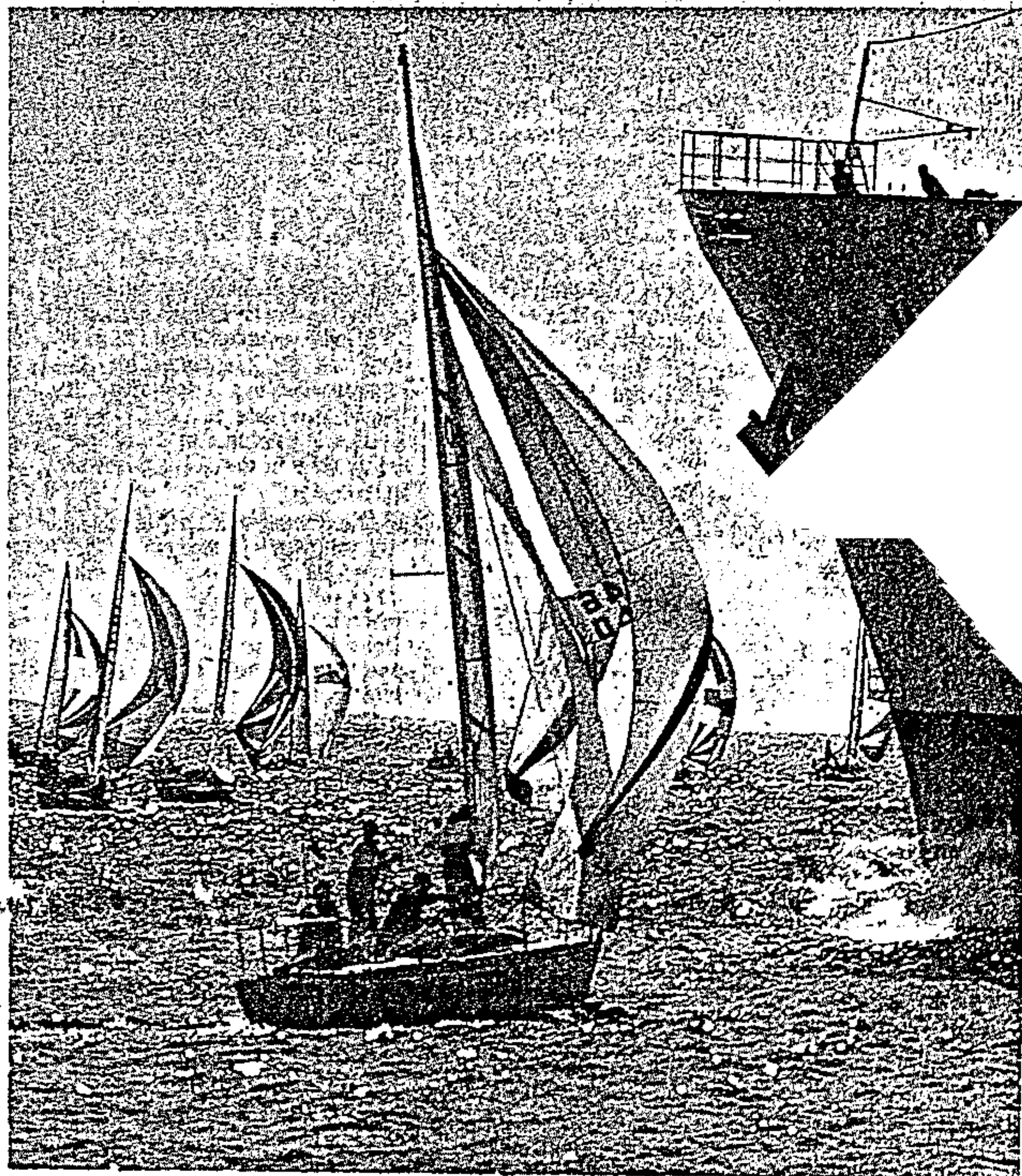
Dr De Villiers also announced that R62,4 million had been set aside for security services, constructing 59 satellite police stations and 250 police contact points.

Life or death by hunger — judges hold key

Political Staff

THE government is awaiting the advice of the Indemnity Board on three rightwing detainees on a hunger strike.

The board — three Supreme Court judges — met in Johannesburg yesterday to discuss Mr Henry Martin, Mr Adrian



Picture: PETER STANFORD.

CLOSE SHAVE: Three yachts competing in the annual Joko Lipton Challenge Cup in Table Bay were forced to take evasive action yesterday when the container ship Infanta steamed out to sea from the Duncan Dock and cut through the tail-end of the fleet. Captain Wille Willcox, master of the Infanta, radioed his apologies and said he could not have steered closer to the breakwater because this would have endangered his ship. He had been aware of the yacht race and had chosen the biggest gap in the fleet to cause the least disruption.

● Report, page 32.



SOUTH Africa can blame many of its chronic unemployment problems on its dismal failure to keep pace with world trends in the launch of more budding new entrepreneurs into the economic mainstream, according to new studies by the Small Business Development Corporation (SBDC).

The studies show that in the US no fewer than 100 000 young Americans start businesses of their own every year — 10 000 of them straight from school.

A recent count found that a stunning third of all new businesses launched in the US were under the command of fledgling bosses under the age of 30.

The world average of entrepreneurs in total labour forces came out at between 10 and 12 percent. The South African average trailed at 5 percent.

SBDC managing director Dr Ben Vosloo argues that the generation of more entrepreneurs must be regarded as a top priority in the formulation of new economic policies.

The urgency of new thinking, he says, is underlined by the growing size of unemployment queues in South Africa, now

standing at between four and five million.

Job opportunities offered by the formal business sector are able to cope with only 125 of every 1 000 school-leavers pouring into the labour market.

That leaves 875 with no option but self-employment or the informal sector.

What worries Dr Vosloo is whether most of them have been prepared to cope with this reality. He says only radical changes in the entire education

system can provide solutions.

"It would be tragic if we had to admit that billions of rands of taxpayers' money is spent on educational products which cannot be used by society. It would be equally tragic if the education system were not capable of delivering the sort of school-leavers that society needs."

South Africa, he says, will start to put more muscle into economic growth only when the classrooms begin to equip pupils with the knowledge and skills that provide the foundation for such careers as artisans, production managers, data processors, bookkeepers, nurses, scientists, engineers and technicians.

Entrepreneurs needed to solve jobless

New studies estimate unemployment in South Africa at nearly 5 million. MICHAEL CHESTER reports.

Dr Vosloo, whose own programme at the SBDC has already ploughed more than R1 billion into loans to encourage new small businesses — which have created a staggering 280 000 new job opportunities since it started 10 years ago, proposes a plan to tackle the problem. It includes:

- More effective and continuous communication between educationalists and the business world, to spell out in unambiguous language what society

a sense of independence, achievement, optimism and competitiveness.

- Focus on career information programmes tailored to alert young people to the opportunities of self-employment and business entrepreneurship as career choices.
- Better evaluation of the role of part-time study, work programmes and post-experience training.

"It is clear that education is the key to a better future," says Dr Vosloo. "A society which cultivates a strong entrepreneurial culture is bound to set off on a road to progress and economic growth." □

outside schools and academia really expects from the education system.

- Moves to make classroom curricula more relevant to the needs of society.

- Insistence by taxpayers on more value for the money spent on education, to guard against wastage on a bloated education bureaucracy.

- Gearing the education curricula towards the stimulation of attitudes such as individualism,

crisis

R1bn will create 59 000 jobs ⁽¹⁷³⁾ govt

28/8/91

B/Dan 28/8/91

BILLY PADDOCK

GOVERNMENT would create 59 000 jobs with its R1bn injection into socio-economic projects, Economic Co-ordination Minister Dawie de Villiers said yesterday.

He said another R1bn to R2bn could be raised for similar projects by selling off more strategic oil reserves from next year.

De Villiers said this was in line with President F W de Klerk's announcement in April that further sales of oil reserves could follow. However, this would depend on SA continuing to normalise its position internationally.

Announcing the funds allocation, De Villiers said R20m — to be administered by the Manpower Department — would be spent on special job-creation programmes.

The projects financed from the R1bn would provide jobs for about 59 000 people over an average period of 15 months, after which they would become unemployed unless the projects were continued with other sources of funding.

All 667 approved project applications, most of them from the public sector, had been accepted on the basis that they were labour intensive and would initiate longer-term growth. A further requirement was that the projects involved local communities which would also be consulted on iden-

tifying priorities.

De Villiers said the funds were one-off capital investments that would all be administered by government departments. However, the projects were such that the departments would have to include the operating expenses in their future budgets.

De Villiers said 74% (R742m) was concentrated on reducing backlogs in less privileged communities.

The largest allocation of R408m would go towards establishing site-and-service schemes for squatter settlements and providing drinking water in rural areas. These projects would provide accommodation for about 270 000 people.

The next largest allocation — R204m for road-building projects — was given specific consideration because motorists had contributed much to the fund. These projects were aimed primarily at upgrading and maintaining secondary roads, he said.

Some of the other allocations were:
 R138m to be spent on building 1 900 new classrooms;
 R84m for health services, to construct 141 clinics and 64 creches;

To Page 2

Jobs

B/Dan 28/8/91

- R31m for upgrading hostels;
- R62m to construct 59 satellite police stations and 250 police contact points to increase police visibility in communities and restore social stability; and
- R41m for various other community services such as community centres, centres for the aged, pre-primary schools, children's homes and basic sports facilities.

De Villiers said proper monitoring mechanisms had been implemented so that funds would be released only after regular

⁽¹⁷³⁾ From Page 1
six-monthly progress reports had been received. Should there be drastic deviations from the undertakings, no further funds would be allocated to those projects.

DP finance spokesman Ken Andrew yesterday welcomed the allocation and said the proposed projects were appropriate at first sight. But he added government had no systematic plan to eliminate backlogs.

Sapa reports that Sacob welcomed government's move, but said it was a "stop-gap" measure.

SBDC helped to create 300 000 jobs, says Rupert

THEO RAWANA

THE SBDC had paid R93m in taxes and helped create 300 000 jobs since its inception in 1981, Anton Rupert said in Johannesburg yesterday.

Delivering his chairman's report at the SBDC's 10th annual meeting, Rupert called for the formation of a task group consisting of key representatives of the public and private sectors to lay plans for the future capital requirements of the SBDC.

Rupert said the SBDC had helped more than 1-million people with information, advice, training, financing and business accommodation over the past 10 years.

The 300 000 jobs had been created at a capital investment in small businesses of R758m — the cost of only two Boeing 747s.

SBDC MD Ben Vosloo said the corporation had also granted R1,1bn in direct loans to 31 000 businessmen. It provided a base for more than 3 000 entrepreneurs and had more than 35 000 employees.

"In order to continue its current rate of expansion over the next five years, the SBDC requires additional capital to the amount of R750m. This will form the base for additional loan financing of R2bn to

small and medium enterprises over the next five years," Vosloo said.

Saying the SBDC had paid R93m in taxes to the state since 1981, Rupert added: "Fortunately, both the public and private sector shareholders have agreed to plough tax and declared dividends back into the SBDC to strengthen further its capital base and to provide funds for additional projects.

"The past 10 years were indisputably successful, but it has now, given the new circumstances in which SA finds itself, become essential that there again has to be considered the requirements for the '90s: financially, as well as structurally.

"Instructions have been given to the executive committee to create a task force and state and private sector representatives will be invited to take part in the project," he said.

He believed the joint efforts of shareholders, directors, management and all workers of the SBDC had helped to create a catalyst for development of which all South Africans could be proud.



Anton Rupert discusses some of the leather goods on show with Jedicco Leather's Colleen Nash in the SBDC's City Hive in central Johannesburg yesterday. Picture: CATHERINE ROSS

R1bn to create 59 000 jobs

173

CT 28/8/91

JOHANNESBURG. — The government would create 59 000 new jobs with its R1 billion injection into socio-economic projects, Economic Co-ordination Minister Dr Dawie de Villiers said yesterday.

Another R1bn to R2bn for similar projects could be raised from selling off more strategic oil reserves from next year.

Announcing the allocation of the funds to reduce historical backlogs, Dr De Villiers said special job-creation programmes would provide work for about 59 000 people over an average period of 15 months, and after that they would become unemployed unless the project continued with other sources of funding.

All 667 accepted project applications, most of them from the public sector, had been on the basis that they were labour-intensive and would initiate longer-term growth.

Dr De Villiers said 74% (R742m) of the funds was concen-

trated on reducing backlogs in less privileged communities.

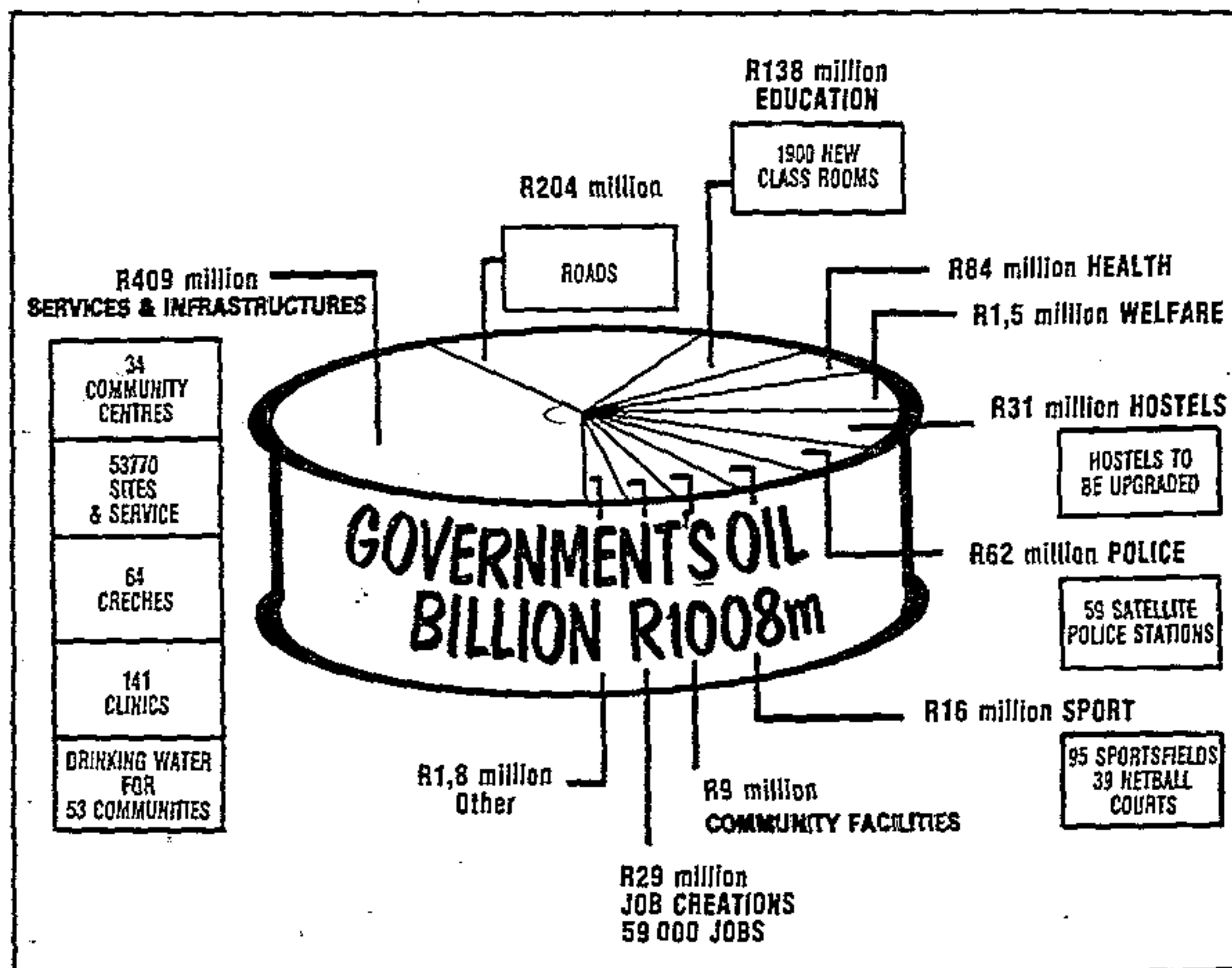
The largest allocation of R408m would go towards infrastructural services for setting up site-and-service schemes for squatter settlements and providing drinking water in rural areas.

These projects would provide about 54 000 sites, which the department had estimated would

provide accommodation for 270 000 people.

The next biggest would be R204m for road-building projects, mainly upgrading and maintaining secondary roads.

Some of the other allocations were R138m for education and R115m for health services. — Own Correspondent, Political Staff



to stop having children unless she could care for them. *Sapa*

R100 million for electricity. Explaining the boycott, a spokesman for the Soweto Civic Association said

the Soweto Peoples D "The three council without the SCA/SP said

R1 000-m lifeline

THE Government has made available R1 000 million for social and economic upliftment and job creation projects - and poor people will benefit the most from this. *Sowetan*

This was revealed in a document released in Pretoria yesterday by the Department of Economic Co-ordination and Public Enterprises.

While 73 percent of the money (R742 million) is aimed at reducing the backlogs in the socio-economic field, a massive 40 percent (R408 million) will go towards easing the problems in squatter communities and for creating rudimentary infrastructure to house about 270 000 people.

By ISMAIL LAGARDIEN
Political Correspondent 173

28/8/91
The R742 million has been freed from the contingency funds that were created to beat oil embargoes against the country.

The Department of Planning, Provincial Affairs and National Housing will, on a site-and-service basis, prepare 53 770 sites for this purpose.

The Department of National Health and Population Development has been allocated

● To Page 2

● From Page 1

R31 million for the upgrading of 15 hostels around the country and another R84 million for strictly health matters, such as building 141 new clinics in underprivileged areas and their staffing.

The Department of Education and Training will receive R138 million, most of which will go towards building about 1 900 new classrooms.

Other projects include the building of 64 creches, 34 community centres, two centres for the aged, three workshops for the disabled and two children's homes.

Squatter communities and underprivileged communities around the country will also get basic sports facilities in the form of 83 soccer fields, 39 netball courts and 12 rugby fields.

The Government will also provide drinking water to 53 communities in the self-governing states.

The security services will be bolstered by the creation of 50 satellite police stations and 250 police contact points - both of which are aimed at placing the police in greater and more immediate contact with communities.

Roads will also be improved through an injection of R204 million for the purpose of road building, maintenance and upgrading.

Housing jobs for the poor

About 18 500km of the country's roads will be improved.

Altogether 667 projects were approved by the Cabinet for funding after proposals amounting to more than R8 000 million were studied.

A spokesman from the Central Economic Advisory Service told *Sowetan* yesterday the recent petrol price increase had had no influence on the freeing of oil reserves.

The decision to free the funds was taken by President FW de Klerk on April 29 - four months before the price hike.

Last week's price increase was "tax increase" to cushion the impact of the reduction of VAT from 12 to 10 percent, the spokesman said.

When De Klerk announced earlier this year that he would release funds from the oil reserves, he said the money would be used in the interest of economic restructuring "in a way which will ensure the greatest possible contribution to the promotion of

economic growth and job creation".

In this regard, the Government will channel funds into projects which will provide jobs for about 59 000 people for a period of about 15 months.

Many of the people, like nurses or teachers, who will get jobs made possible by the new money, will be retained by the Department of Health or Department of Education.

There will, therefore, not be 59 000 people unemployed at the end of the 15 months, the Minister of Economic Co-ordination and Public Enterprise, Dr Dawie de Villiers, said in Pretoria yesterday.

He said that unemployment in South Africa had serious negative effects on the economic potential of the country and that there was an "inverse" relationship between the extent of unemployment and the level of social stability and order within communities.

The spending of the money will be carefully monitored.

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28/8/91
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Manana plans to create more job opportunities for people

Sowetan 29/8/91

113
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.

investment

interest grows

LINDA ENSON 173

CAPE TOWN — Foreign interest in investing in the Cape is picking up, with 70 known job-creating investments having been made in the last two years, says Western Cape Growth Organisation (Wesgro) executive director David Bridgman.

Over 550 jobs were created indirectly.

Bridgman says in the past year 367 businessmen from 31 countries — many of which did not have contact with SA for over a decade — have contacted Wesgro. 8/Day 30/8/91

However, there is still concern over links with SA.

"While a number of well publicised officially sanctioned business delegations have visited SA, many countries still do not wish to acknowledge business contacts with us and this is a situation we must recognise," he says.

DBSA 'could be financial powerhouse of Africa'

8/Day 30/8/91

THE Development Bank of Southern Africa (DBSA) could become the World Bank of Africa, distributing and allocating international development resources in sub-Saharan countries, Sacob director-general Raymond Parsons said yesterday.

Addressing the Scandinavian-South African Business Association in Oslo, Norway, Parsons said the bank's expertise in channelling limited funds to many competing projects could be put to good use in Southern Africa now that political obstacles were falling away.

"The DBSA was originated with this aim of a broader Southern African perspective in mind," he said.

Currently, the bulk of DBSA funds flow into South African projects. Activities outside SA are limited mainly to Lesotho, Mozambique and Namibia.

Referring to current debate on the possibility of SA joining the Southern African Development Co-ordinating Committee (SADCC), Parsons said it could happen soon if SA "played its cards skilfully".

It would have to be sensitive to fear in the region about its economic domination. "Southern Africa does not wish to be recolonised by the new South Africa," he said.

LESLEY LAMBERT

But the SADCC could not afford to ignore the value of SA's role in the region. With only 40% of Southern Africa's population, SA was responsible for more than 80% of its GNP. It harvested more than 50% of the region's maize, about 90% of its wheat and supplied 70% of its meat. Hundreds of thousands of southern African workers were employed in SA, Parsons said.

In recent years, the value of the SADCC's trade with SA was about four times intra-SADCC trade, while about 70% of the region's trade volume passed through SA.

SA's total trade with southern Africa amounted to R6bn in 1987. Its non-bank investments in Africa were R3,4bn in 1988. The value of SA's exports to the rest of Africa rose by 40% in 1989 and by an estimated 22% in 1990.

Looking further north, he said economic co-operation between Africa's four economic powers — Nigeria, Egypt, Kenya and SA — could treble SA's economic growth rate with significant benefits for its southern African neighbours.

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Relief plan: R400 m earmarked for jobless

(173)

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ARCT 31/8/91

MORE than R400 million will be paid out in wages and salaries to jobless people drawn into projects to be launched under the government's new R1-billion socio-economic relief plan.

The plan, financed from the proceeds of government sales of strategic oil reserves, is, in effect, an economic first-aid measure to rescue South Africa from a further slide into unrest, violence and instability.

One of the main aims is to relieve the country's growing crisis of unemployment and extreme poverty.

Government sources told Weekend Argus that State departments had been instructed to launch the projects as soon as possible. Most of them were expected to get off the ground before the end of the financial year.

The sources confirmed the plan also was designed to "kick-start" the country's economy towards the promised upturn. This was being done by involving the private sector and local communities in a wide range of projects for urgently needed socio-economic development — with emphasis on ensuring social stability and creating a climate for investment.

The Cape Province's share from the R1-billion fund is R230 million — nearly a quarter — to be used for specially selected job-creating projects throughout the province.

Key man in the implementation of the plan is Minister of Economic Co-ordination and Public Enterprises Dr Dawie de Villiers who heads a Cabinet committee with special responsibility for managing the scheme with the help of top government officials and specialists.

Announcing the plan this week, Dr De Villiers said 667 project applications had been approved at a cost of more than R1 billion. This represented employment for about 59 000 people over an average of 15 months.

The projects included building thousands of classrooms, housing sites, services and centres for the underprivileged.

Dr De Villiers said: "The government is seriously concerned about the extent of the unemployment problem in South Africa and the hardship that accompanies it."

Another issue of serious concern to the government was the threat of more violence, crime and social instability as a result of economic decline and unemployment.

An allocation of R62,4 million, therefore, was made for security services. This amount was earmarked for the building of 59 satellite police stations and 250 police contact points.

This was aimed, in particular, at achieving more

FRANS ESTERHUYSE

Weekend Argus Political Correspondent

community involvement in the policing process and at curbing lawlessness and disorder in numerous communities.

The existing job-creation programme administered by the Department of Manpower was allocated an additional R20 million from the fund.

Mr Ernst van Eck, an economist of the Department of Economic Co-ordination and who is involved in the management of the plan, told Weekend Argus a specific instruction had gone out that as many jobless people as possible had to be employed in projects launched under the scheme.

At the same time, the need for community involvement was being emphasised. Community organisations were being encouraged to accept responsibility for self-help schemes once basic facilities had been provided.

The Cape Province's R230-million share of the pay-out includes an allocation of R182 million to the provincial administration for a wide range of the most urgently needed services, facilities and improvements.

Individual items for the Cape include:

- R81,2 million for basic services and infrastructure like water, electricity, roads and sanitation schemes;
- R4,1 million for community facilities comprising mainly community centres and halls;
- R5,4 million for sports facilities like playing fields, cloakrooms and seating stands;
- R16,1 million for upgrading hostels in black areas;
- R20,75 million for the House of Representatives, mostly for rural areas like the Richtersveld;
- R13,58 million for health-care clinics;
- R61,70 million for roads, R13,1 million for schools under the Department of Education and Training, and R15,5 million for satellite police stations and police contact points.

Guidelines issued by the government for the selection of special projects focussed largely on creating jobs and job opportunities, economic growth and social stability and order.

One of the guidelines stated that the projects "must make a contribution to the relief of the country's economic and stability problems within a fairly short period".

The greatest possible community involvement was called for in identifying projects.

Another guideline said "projects must be imaginative and introduced to the public in such a way that it can change perceptions and restore business confidence".

Tight control is being exercised over the spending of the R1-billion fund.

Graduates are getting a raw deal - ANC

173

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Sowetan 9/9/91

By Don Seokane

A LARGE number of qualified black graduates have been barred from being employed in the country by companies practising apartheid policies, according to Mr Tito Mboweni of the ANC's economic unit.

Mboweni was addressing the formal launching of South African Students Internship Foundation which was formed with the aim of providing returning graduates with job placements in the

country.

He said the private sector needed to take full advantage of skilled black graduates who were unemployed.

"The country has to move in a direction of national interest while getting rid of sectional interests, and Sasif's role is of vital importance in moving towards that direction," said Mboweni.

2 Cape Times, Thu

Govt 'delay' criticised

Own Correspondent

JOHANNESBURG. —

Legislation
Cosatu yesterday expressed dissatisfaction at the government's "undue delays" in implementing the Laboria Minute it signed last year and questioned the government's commitment to granting labour rights to all workers.

At a news briefing Cosatu said it was becoming increasingly frustrated with the pace at which labour legislation was being extended to farm, domestic and public sector workers.

The restructuring of the National Manpower Commission was causing growing unhappiness.

A spokesman warned that delays opened up the possibility of mass worker action.

ILO happy with our progress, says Louw

By Peter Fabricius
Political Correspondent

The International Labour Organisation (ILO) is impressed with South Africa's progress in the labour field and is considering offering technical advice and information to the country, according to Manpower Minister Eli Louw.

Mr Louw returned yesterday after a six-day visit to Britain, the Netherlands, Germany and Switzerland where he held 28 meetings with a broad range of labour politicians and officials.

He said he made several breakthroughs, becoming the first South African Manpower Minister to meet the British Trade Union Congress and the Socio-economic Advisory Council in the Netherlands.

He also met his counterparts in Britain, the Netherlands and Germany and German Minister of Labour and Welfare, Norbert Blum, accepted an invitation to visit South Africa next year.

"In Geneva, discussions were held for the first time with international trade union secre-

tariats during which it was clear that South African labour legislation compares favourably with that of the rest of the world," he said.

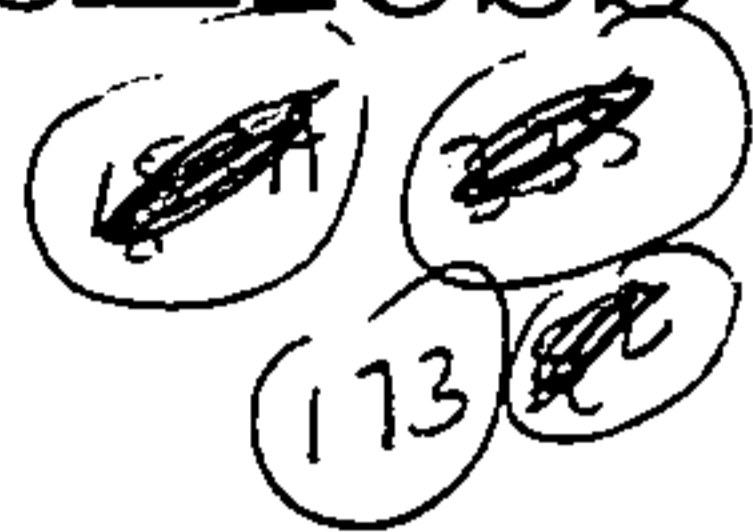
Mr Louw said he told ILO secretary-general Michel Hansenne that he would recommend to the Government that the coming ILO fact-finding mission to South Africa — to investigate Cosatu complaints — should get a broader mandate to consult with all interested parties on labour affairs and should publish a report on its findings.

He had stressed that South Africa would not be on trial and told Mr Hansenne that the Cosatu complaint which prompted the ILO fact-finding mission had already been dealt with through amendments to the Labour Relations Act earlier this year.

Mr Louw said he had discussed the Government's constitutional plan at his meetings and it had found wide understanding — if not approval, especially because of the failures of centralised political and economic planning in Africa, eastern Europe and the Soviet Union.

Sowing seeds of business must start at home

South 26/9 - 2/10/91
(Business)



RAPIDLY RISING unemployment, especially among the youth, is focussing increasing attention on creating self-employment opportunities in the small and informal business sector.

But while most initiatives concentrate on adults, the Institute for Small Business at the University of the Western Cape believes that it is equally important to introduce school pupils to the world of making their own living in society, now and in the post-apartheid era.

Just a glance at the statistics gives an indication of the scope of the problem.

According to the institute, between 430 000 and 500 000 new jobs are needed a year. But South Africa's economic stagnation since the 1970s has made it increasingly difficult for the formal economy to create enough jobs for the country's rapidly rising population.

Indeed, many firms have instead been shedding jobs and estimates of the unemployed vary between six and seven million people.

South Africa's population is also heavily skewed towards the youth and it is estimated that in 1989, for example, 57 percent of black and 69 percent of coloured unemployed people were under the age of 30.

Despite this, school leavers generally have unrealistically high expecta-

tions about easily being able to step into high paying, white-collar positions in commerce and industry once they leave school.

They are just not prepared for the fact that it will be very difficult to get ANY kind of job, if at all.

"These changing circumstances have not been sufficiently addressed by schools and tertiary institutions—they continue to train students as if an unlimited number of work opportunities exist," says the institute's Kobus Visser.

To address this situation, the institute launched what it called a "proactive effort" to sow the seeds of entrepreneurship amongst high school pupils, so influencing their career decisions from an early stage.

Dubbed "Access to Success", the programme aims to "expose and awaken the entrepreneurial potential of economically disadvantaged high school pupils to the kinds of decisions which need to be taken in business".

Based on the American "Enterprise Sandwich Shops" programme, it involves a computer programme that asks pupils to make various business decisions, opening up the way for general discussion on the role and function of small business, pricing, marketing, production management, information processing, retailing and management decision-making.

In the programme, the marketplace is composed of four small firms producing and selling identical products. Pupils, operating as teams, act as managers in making decisions that affect their "businesses".

The programme then evaluates the pupils' input, presents feedback in the form of printouts and makes the simulated marketplace react realistically.

Seven schools close to UWC were selected. The idea was that four teams of four pupils each would be selected by a liaison teacher from each school.

Only Std 8 and Std 9 pupils were to be involved and teachers were asked not to select only the brightest pupils they had, as it was hoped to also motivate those who were not doing well but who had the potential to benefit from the programme.

There was a degree of apathy and lack of commitment on the part of pupils, some of whom were highly politicised and deeply involved elsewhere, while others were distracted by sports and other school activities.

Only four schools completed the month-long programme, some of whom reported that progress had initially been hampered, with team members acting in their own interest rather than that of the group. Nevertheless they learned about the benefits of co-operation and majority decision-making the hard way.

Cosatu employment plan

W/Mail 1/11-7/11/91.

Far-reaching proposals to create jobs came out of a Cosatu workshop recently — but they pose some ticklish questions for the federation, reports **DREW FORREST**

A SPECIAL “youth corps” to work on community and environmental projects and a special tax on business to fund job-creation — these are among far-reaching steps mooted by the Congress of South African Trade Unions for tackling unemployment.

The proposals were aired at Cosatu’s first-ever workshop on job creation programmes in August. They are covered in the latest edition of the *SA Labour Bulletin*, published today.

By mooted an immediate, emergency work-creation programme the workshop broke with policy adopted at Cosatu’s July congress, which called for unemployment to be addressed as “part of a macro-economic reconstruction programme”.

The *Bulletin* suggests Cosatu needs to clarify its stance. The challenge posed by interim programmes, it stresses, is how to prevent them from undermining longer-term development strategies.

The workshop agreed that job creation should be tied to meeting community needs, such as housing, social amenities and water and electricity supplies.

It mooted the creation of “special youth programmes” to carry out community service or environmental projects. Based on “youth brigades” in other Third World countries and the US Civilian Conservation Corps set up under the New Deal, these would be based on a voluntary call-up and would involve people



Needing jobs ... Cosatu has plans to relieve unemployment

between the ages of 17 and 25.

As part of this scheme, which would offer food and accommodation to supplement money wages, better-educated youngsters would be offered literacy and other training.

Training should be integral to job-creation schemes, the workshop agreed, and should be given to participants both before and during programmes to equip them for other work. One idea, drawn from the US, was that participation be promoted as a qualification for mainstream employment.

A thorny issue is that of selection for job programmes — although it was stressed that the low pay, at around R300 a month, would attract only the most needy. Possibilities considered included a geographical quota system, “democratic” selection by communities of those most

in need, random selection by ballot for large-scale “non-community” projects and “affirmative” selection ensuring a pre-determined percentage of women.

Guidelines emerging from the workshop recommend the creation of a national controlling body to set general principles and co-ordinate public works, involving unions, community bodies, employers and the state. Monitoring would remain at local/regional level.

On financing, the workshop recommended the restructuring of the Budget to favour departments that create employment. Also suggested were a tax on business to raise money for job-creation schemes and the tax relief for businesses which expand their workforce.

Also highlighted by the workshop were potential pitfalls for the labour movement. One fear is that low-wage programmes could threaten jobs of those already in employment. As a co-controller of schemes at national level, Cosatu could also find itself negotiating wage levels with workers as a manager.

The workshop report concedes that Cosatu may have to give ground on its living wage demands in job-creation programmes, and goes on to suggest that unions affected by projects should negotiate wage levels.

This, the *Bulletin* stresses, poses the ticklish question of double standards, and the threat of contributing to a “dual workforce”. Unions might find themselves negotiating high wages and skills training for their members, while agreeing to lower pay for labour-intensive work on job-creation schemes.

(173) CT 11/11/91

Job focus for E Cape

PORT ELIZABETH. — The Small Business Development Corporation (SBDC) has created 33 634 job opportunities in the Eastern Cape with an investment of R141,4m over the past four years.

Business premises alone provided for 391 industries and jobs for 2 876 people.

The Port Elizabeth office of the corporation extended its financing programme by allocating a further R650 000 for more black businesses.

With unemployment estimated at 50% in the Eastern Cape, small enterprise offered the only prospects to alleviate the problem; a statement said. — Sapa

Revamp awaits manpower body

BILLY PADDOCK

GOVERNMENT supported proposed changes to the National Manpower Commission which would make it broadly representative of the major employer and union organisations, Manpower Minister Eli Louw said at the weekend.

He was speaking after a meeting of the commission which was attended by Cosatu — the first since the labour federation withdrew five weeks ago.

Louw said he had put forward at the meeting his provisional views on restructuring the commission.

In essence Louw's view was that the commission should be restructured to incorporate union and employer organisations such as Cosatu and Saccola. The commission would then negotiate policy to reach consensus and after this was achieved, make its recommendations to him and government.

"But it would remain advisory and it should be understood that such negotiation cannot bind me or the government... Parliament should retain the final say in respect of legislation," he said.

Louw said he told the commission that all labour legislation would be considered by the commission before submission to Parliament.

He added the commission should also have direct access to Parliament.

Any changes to the commission's

relationship with Parliament should be made at the multiparty conference.

He added that if the commission did incorporate Cosatu, Nactu and Saccola, its recommendations would be seriously considered.

Louw said he did not know whether Cosatu and Nactu would reverse their decision of five weeks ago and rejoin the commission. As far as he was concerned, government had not been dragging its feet on restructuring the commission, nor on extending labour legislation to the agricultural sector — key Cosatu reasons for withdrawing from the commission.

Louw also released details on the extension of the Labour Relations Amendment Act and the Wage Determination Act to the agricultural sector which Cabinet had approved in principle.

The final decision on how these acts would be made applicable was subject to a process of wide consultation.

The Wage Act should be extended to agriculture, but with the proviso that its application be delayed for 24 months after approval by Parliament.

Louw said the commission's recommendation that the Labour Relations Act should provide for no-strike agreements under certain circumstances was acceptable.

Killers linked to right-wing fugitives

JONATHON REES

TWO men who committed suicide after killing a policeman and wounding another in an ambush in the Kalahari last week might be linked to fugitive right-wing murder accused Adrian Maritz and Henry Martin.

Jurgen White, 22, and Johannes Grobelaar, 19, were members of the secret, ultra right-wing Kerk van die Skepper (Church of the Creator) in Pretoria, according to police.

Police said they were investigating the possibility the pair also belonged to the Orde Boerevolk (OB) — the same organisation as fugitives Maritz and Martin, who fled SA using

false passports on October 23.

Maritz and Martin, who recently ended a prolonged hunger strike in a Pretoria hospital, are wanted on charges of murder and attempted murder relating to several bomb blasts last year.

At the time of the hunger strike, they were members of the ultra-right OB founded by Piet Rudolph, now a spokesman for the AWB.

OB leader Nic Strydom recently said he no longer had dealings with White and Grobelaar.

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Govt 'yes' to NMMC changes

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ET 11/11/91



John Morgan has been elected president of the SA Association of Consulting Engineers.

From BILLY PADDOCK

JOHANNESBURG. — The government supported far-reaching proposed changes to the National Manpower Commission which would make it broadly representative of the major employer and union organisations, Manpower Minister Eli Louw said at the weekend.

Louw said he supported a commission recommendation that the body be restructured to find as much consensus as possible on labour policy.

He was addressing a news briefing on Friday shortly after a meeting of the commission which was attended by Cosatu — the first since the labour federation withdrew five weeks ago.

Louw said he had put forward at the meeting his provisional views on restructuring the commission, but he did not know if Cosatu would accept the terms and therefore rejoin it.

In essence Louw's view was that the commission should be restructured to incorporate trade union and employer organisations such as Cosatu and Saccola. The commission would then negotiate policy to reach consensus and after this was achieved, make its recommendations to him and government.

"But it would remain advisory and it should be understood that such negotiation cannot bind me or the government. ... Parliament should retain the final say in respect of legislation," he said.

Louw said he had also told the commission that all labour legislation would be considered by the commission before submission to Parliament.

He added the commission should also have direct access to Parliament. This will probably occur through the standing committee on labour legislation.

However, he said it was not desirable to restructure the com-

mission with respect to its interaction with Parliament in such a way "as to pre-empt constitutional arrangements".

Any changes to this arrangement should only be made at the multiparty conference. "The question whether the commission should directly advise Parliament, without involvement of the Manpower Minister, should thus be dealt with in a representative political forum," Louw said.

He added that if the commission did incorporate the major union groupings (Cosatu and Nactu) and employer organisations (Saccola), its recommendations would be seriously considered "because it is not possible to ignore or totally reject the views of organisations that represent more than a million members".

'Kept small'

Louw said he did not know whether Cosatu and Nactu would reverse their decision of five weeks ago and rejoin the NMC. As far as he was concerned, government had not been dragging its feet on restructuring the commission, nor on extending labour legislation to the agricultural sector — key Cosatu reasons for withdrawing from the commission.

"In terms of our arrangement I undertook to give my views on the restructuring during the first week of November. I have done this in accordance with that agreement so I have kept my side of the bargain," Louw said.

Regarding the commission's view that it should consist of about 25 members, in the proportion of 10 employers, 10 employees and 5 independents, Louw said the commission should be as small as possible, while still accommodating different views and interests.

Other recommendations include:

- Members should enjoy the confidence of their organisations and Louw was prepared to appoint or release members nominated if requested;

- The state as employer should not be represented on the commission, but the Commission for Administration could interact on request with the commission technical committees in respect of matters and employees within its jurisdiction;

- The Manpower Department could participate in commission proceedings in an advisory capacity with a view to providing information, but its participation could not bind the Minister or government.

Louw also released details on the extension of the Labour Relations Amendment Act and the Wage Determination Act to the agricultural sector which Cabinet had approved in principle.

The final decision on how these acts would be made applicable was subject to a process of wide consultation with all interested organisations.

The Wage Act should be extended to agriculture, but with the proviso that its application be delayed for 24 months after approval by Parliament.

Louw said the commission's recommendation that the Labour Relations Act should provide for no-strike agreements under certain circumstances was acceptable.

He said the dispute settlement machinery should provide for more informal, simplified and less rigid procedures to facilitate the conciliation process.

The concept of a special court as a simplified and less expensive alternative to the Industrial Court was acceptable for the settlement of disputes between farmers and farmworkers.

"It will have to be accepted, however, that, due to practical considerations, there will have to be a phasing in period," he said.

In principle the commission recommendation that a code of fair and unfair labour practices be drafted and given legal effect was also acceptable, but the most effective way of doing so would have to be fully investigated.

Manpower commission

DUE TO an editing error, Business Day yesterday reported Manpower Minister Eli Louw saying that any changes to the National Manpower Commission's relationship with Parliament should be made at the multiparty conference. (173) (26)

In fact, Louw said it was not suitable to restructure the commission with respect to its interaction with Parliament in such a way "as to pre-empt constitutional arrangements". B/pay

The error is regretted! 2/11/91

State supports broader role for manpower body

SHARON SOROUR, Labour Reporter

THE government supports proposed changes to make the National Manpower Commission (NMC) broadly representative of the major employers and unions, says the Minister of Manpower, Mr Eli Louw.

This follows a meeting of the commission at the weekend which was attended by Cosatu — the first time since the country's largest trade union federation with-

drew in October.

At the meeting Mr Louw put forward provisional views on the restructuring of the NMC.

"The NMC is, at the moment, not fully representative of the labour and employer communities and this detracts from the important role the NMC can and should play in ensuring that all labour legislation enjoys the confidence of all employer and

(173) ARG 12/11/91 union organisation," he said.

The credibility of the NMC nose-dived when Cosatu withdrew.

The federation called for the NMC to be restructured and also demanded the NMC be given greater authority to mandate Mr Louw, rather than merely advise him.

But Mr Louw said he supported the recommendation that the NMC should be a consensus-seeking body but should remain advisory.

Louw's move 'will not upset labour talks'

6/Day 14/11/91
ALAN FINE

MANPOWER Minister Eli Louw today relinquishes his Cabinet portfolio following yesterday's announcement that he had been appointed Acting Speaker of Parliament. However, Manpower Department sources said it was hoped this would not delay critical changes to labour law currently in the pipeline.

Justice Minister Kobie Coetsee has been appointed Acting Manpower Minister, and Deputy Justice Minister Danie Schutte gains the additional post of Deputy Manpower Minister. The post of Education and Training Deputy Minister, held by Schutte until now, has been abolished.

A Manpower Department source said Louw would probably not have asked for the new appointment, as he had built important relationships with organised labour, and was putting into effect key tripartite labour relations agreements.

However the new position, left vacant after the death of Louis le Grange last month, required someone of Louw's stature.

The source said he did not believe the changes would cause delays in the processes of restructuring the National Manpower Commission and extending labour law to farm and domestic workers.

Decisions on these issues were effectively settled in principle and it remained only for departmental officials to sort out details.

A meeting between Louw and Cosatu and Nactu scheduled for November 19 to discuss the commission's restructuring would be cancelled. He said a meeting with the new Ministers was possible soon thereafter.

New employment won't take off soon

NEW employment was not likely to take off until the second half of next year despite the expected early recovery in the economy, recruitment specialists said yesterday.

However, economists and personnel agents expected the dramatic decline in new employment over the past two years to level off and retrenchments to cease.

Bureau of Economic Research economist Marius Hugo said employment in the formal sector was unlikely to deteriorate further during 1992. Although the expected upturn in the economy would result in a slight 0,1% improvement in employment next year, he did not expect new recruitment to pick up substantially before 1993.

Hugo said the economic downswing had persisted for more than 31 months, making the recession one of the longest in the postwar period. Employment in the formal sector this year dropped by 1,7% on the previous year.

Econometrix economist Tony Twine said the

6/1/91 14/11/91 173
SEAN VAN ZYL

public sector had maintained its employment drive throughout the recession: "The public sector seems to continue employing new people regardless of economic conditions. It has grown by over 70% since the beginning of 1980."

Twine said he expected the public service to provide some relief to the poor employment situation in 1992.

Churchill Personnel MD Don Jennings said employment opportunities in his books had declined by 25% last year compared with a 10% drop in the first 10 months of this year. He expected employment — depending on the strength and timing of the economic recovery — to improve by about 10% next year.

However, he said the traditional recruitment period of January/February would be slow due to the private sector's cutback on development training programmes.

Although there would still be strong demand

for highly qualified professionals, new jobseekers would have a tough time finding employment, Jennings said.

Career Vision spokesman Jeanne White said companies had rationalised employment this year and were unlikely to take on additional "fat" by recruiting new people regardless of the economic recovery. She said companies had consolidated employment positions thereby reducing labour costs.

However, White said remuneration packages had increased considerably over the past year due to a shortage of experienced and qualified management personnel.

Central Statistical Service figures for the first quarter of this year showed a 1,5% drop in employment while salary and wage costs climbed by 15,1%.

Although employment conditions would be tight in the first half of next year, White said black management development programmes were expected to come on line during the year.

Bankorp moots R3bn jobs scheme

Bl Day 19/11/91
A 500 000-strong national community service corps should be set up to counter the escalating youth unemployment crisis facing the country, Bankorp said in its November issue of Econovision.

About R3bn (1% of gross domestic product) should be allocated to the programme which could provide basic skills as well as improve the national infrastructure.

Bankorp estimates about 4-million adults could not be accommodated in the formal sector in 1990, 90% of them below the age of 30. This is forecast to increase to 5-million by end-1992 and 8-million by the end of the decade.

The programme would result in an increase of about 3% in government spending, which could be covered by a one to two

ANDREW GILL

percentage point increase in VAT and a decrease in expenditure on less productive forms of spending.

Bankorp chief economist Nick Barnardt ruled out increasing the deficit before borrowing or increasing company or personal tax rates to finance the programme.

Barnardt pointed out this was not an entirely new concept but rather a development of other scenarios.

The programme would have to supplement sustained employment growth through dramatic export growth, aiming at doubling non-gold exports every five years.

□ To Page 2

Bankorp

Bl Day 19/11/91
It could accommodate about 500 000 people at a cost of R3bn and should concentrate on a carefully structured basis ensuring medium- to long-term sustainability.

The corps could incorporate a military service component involving school leavers of all races in a national community service corps providing basic skills.

Cosatu recently proposed special youth programmes which drew on experiences — “positive and negative” — of such programmes in Cuba and Nicaragua, as well as the “New Deal” Civilian Conservation Corps set up for 2.5-million young men in the US in the Depression.

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However, it said the programmes should not be militarised.

A Development Bank spokesman agreed with the Bankorp concept but said it should not be militarised.

Bankorp proposed the programme should tackle projects such as low-cost housing, water and sanitary services, countering erosion by building weirs and dams, building and repairing roads, building rural health and literacy centres and upgrading squatter areas.

It could also serve as a basis for small business development.

● See Page 3

□ From Page 1

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New corps for youth mooted

Staff 19/11/91

A national community service corps for young South Africans would improve the national infrastructure by providing skills and jobs for some of the 6,5 million who could find themselves unemployed by the year 2000.

The corps, proposed by banking conglomerate Bankorp in the November edition of its Econovision journal, would also provide vital services for deprived communities.

The proposed programme could incorporate a new military service component.

"Conscripts" would be given a choice of projects — including small business development, sanitation, squatter camp upgrading, electrification and road-building. — Staff Reporter.

picked up at his Mokgakose Street home after the attack. He said two men had ar-

Police have opened murder dockets and are investigating.

Well halt tennis finals - Azapo

By Dave Beattie 19/11/91

The Azanian People's Organisation is planning to stop the Standard Bank ATP Tour World Doubles Finals scheduled to start at Ellis Park in Johannesburg tomorrow.

Speaking at a press conference convened by the SA Council on Sport-aligned Tennis Association of SA (Tasa), Azapo spokesman Fundile Mafongosi said: "We will use all the means at our disposal to ensure the World Doubles is a non-starter."

The Pan Africanist Congress also showed strong support for Tasa.

Tasa, which on Saturday held two demonstrations at Ellis Park where the players were practising, and one at the players' hotel, planned more demonstrations and pickets, but said there would

be no violence.

Yesterday, however, Fitzroy Ngankana, of the PAC's department of culture, sports and recreation, said: "We still go along with that (non violence). But there are no guarantees."

Tasa refuses to recognise the new controlling body, Tennis SA, claiming there cannot be unity when only two (SA Tennis Union and SA Tennis Federation) out of three bodies merge.

They claim it is no more than a takeover by a white union.

Tasa claims the SA Tennis Union is interested only in world participation and that the federation agreed to lift the moratorium. In return its president, Chris Ngcobo, would become president of Tennis SA.

Tasa also attacked the

Well halt tennis finals - Azapo

Sponsors for putting up more than R3 million for the tournament — money which they say could have been better used for redressing the country's imbalances.

"As you can see, we are absolutely opposed to the tournament," said Stan Gumede, a vice-president of Sacos and Tasa.

Reacting to the threats, Tennis SA secretary-general Moss Mashishi said: "I think Tennis SA enjoys a great deal of support from our people in the sports community. So we do not anticipate problems."

A Standard Bank spokesman said: "All this is really going over the top. The tournament price is the market price."

"One newspaper places us among the top seven companies in the country in the area of social investment."

Searching for firearms . . . a policeman uses a portable

New corps for youth mooted

A national community service corps for young South Africans would improve the national infrastructure by providing skills and jobs for some of the 6,5 million who could find themselves unemployed by the year 2000.

The corps, proposed by banking conglomerate Bankorp in the November edition of its Econovision journal, would also provide vital services for deprived communities.

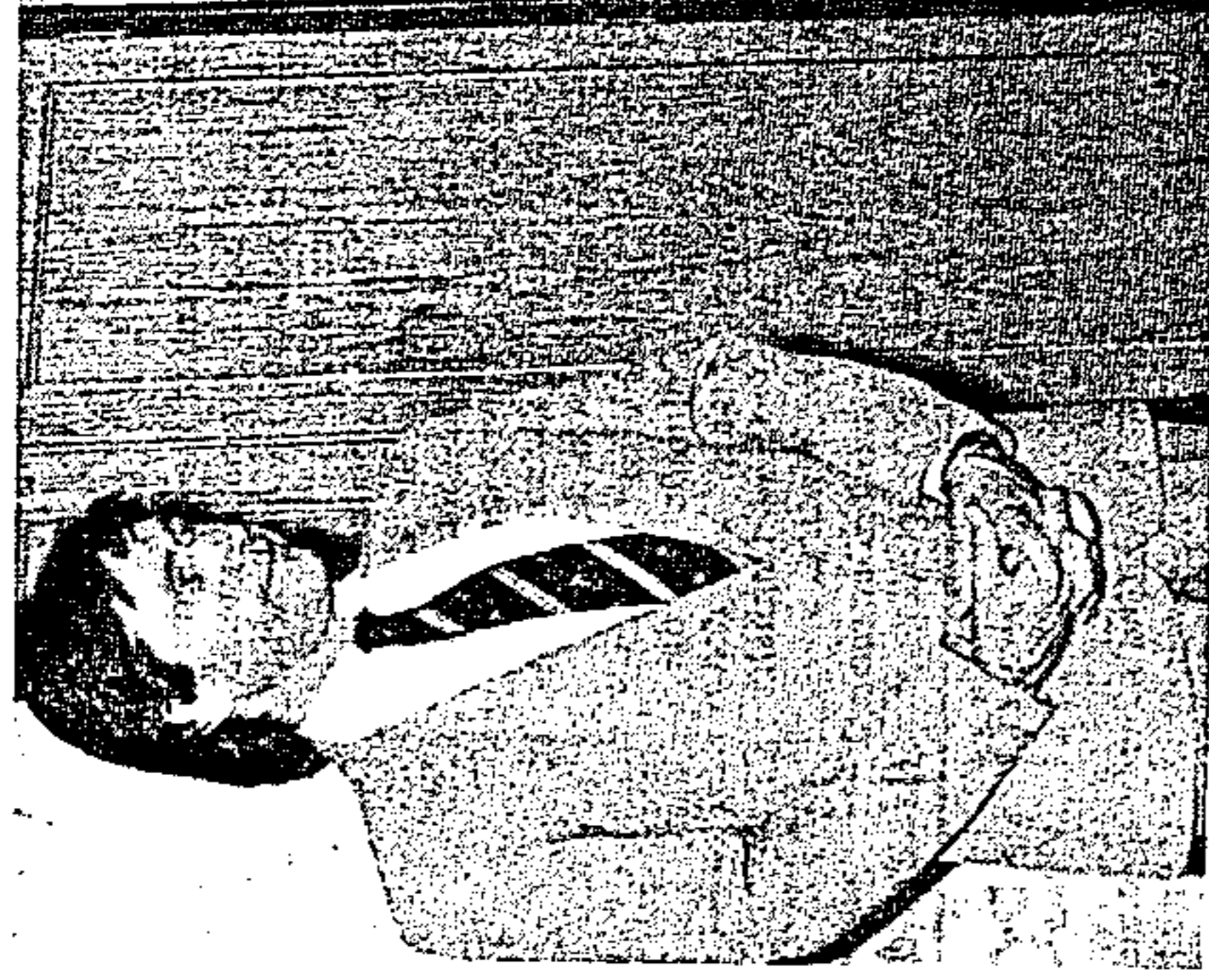
The proposed programme could incorporate a new military service component.

"Conscripts" would be given a choice of projects — including small business development, sanitation, squatter camp upgrading, electrification and road-building. — Staff Reporter.

Cheers to their business skills



Mr Georges Lory, a cultural attache at the French Embassy, with Mabopane's Mr Vusi Thubane, whom the French will host in their country.



SAB's Mr Adrian Botha with Get Up Fund's Ms Lin Andersen. This organisation is involved in starting up black businesses.



Mr David Flynn, development officer at the British Embassy, with Daveyton's Mr Morgan Makhanya who will spend two weeks in Britain.

Job creation key to future

By JOSHUA RABOROKO

JOB creation in the new South Africa was the vital link in the country's economic chain.

This was said by Mr Windsor Shuenyane, community affairs manager of the South African Breweries Beer Division, and Aggrey Klaaste, editor of the Sowetan, in Sandton on Tuesday night. *Sowetan 20/11/91*

SAB handed over grants totalling R500 000 to 15 organisations, directly and indirectly involved with small business.

At the same ceremony two men, Mr Vusi Thubane and Morgan Makhanya, were named the winners of the final phase of the 1990 *Sowetan* Business Ideas competition. Makhanya won a trip to Britain and Thubane a trip to France.

Shuenyane said: "This country cannot survive unless the vast majority of the population have a meaningful share of the economy, and that share will only come if the people have jobs and security."

"Those jobs can only come through the crea-

tion of additional businesses and additional opportunities. We can no longer rely on established businesses and industries as their employment quotas are already filled," he added. (113)

Organisations that received financial assistance from SAB were Achib; Get Ahead Foundation; Get Up; Matchmaker Services; Nafcooc, the Wits Centre for Developing Business; Centre for Black economic Development; African Business Publications; Free Market Foundation; Small Business Training Academy; Institute of Imports and Exports; West Rand Informal Business Association; National Black Distribution Association and several projects organised by *Drum*, *City Press* and the *Sowetan*.

Klaaste said Blacks could no longer afford to be consumers only, but they should be job creators.

He was concerned about the high rate of unemployment in the country and appealed to every business to do something in order to build the nation.

surely have to consider very seriously before jumping into bed with rival groups whose own records are, in the main, best not spoken about.

MANPOWER

(143) (165)

Missing you, Eli

Did the vacancy caused by the death of Speaker Louis le Grange give Cabinet hardliners a chance to get Eli Louw away from Manpower? *FM 22/11/91*

That's roughly the theory over at Cosatu, where the view is that Louw was shafted as Manpower Minister by a securocrat clique said to be led by Finance Minister Barend du Plessis. The reason why Louw was moved, the argument goes, is that he was just a little too flexible and "understood how the negotiation process should proceed with integrity."

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COM →

CURRENT AFFAIRS *FM 22/11/91*

Specifically, says one unionist, Louw was favourably disposed to the idea of an economic forum — or, at least, open to discussion about it.

This, the Cosatu argument continues, cannot be said of acting Manpower Minister Kobie Coetsee (also the Minister of Justice). Coetsee, though not seen as part of the so-called Du Plessis camp, nevertheless strongly opposes any inroads into government sovereignty, as would be implied by an economic policy forum that includes the unions.

Louw would probably find all that amusing. After all, it would have been a rather elaborate and circuitous way of getting rid of a man when there are other ways of doing it.

Regarding Du Plessis' alleged role as a securocratic hardliner, it is worth recalling (notes DP leader Zach de Beer) that in the NP leadership contest two years ago, Du Plessis was regarded as the verligte against the "verkrampte" F W de Klerk.

So much for conspiracy theories. As Minister of Manpower, Louw was by general consent, flexible, imaginative and a good negotiator. He was the first Manpower Minister to reach a tripartite accord — the Laboria Minute — that included organised labour, business and government.

An aide says that Louw laid down certain guiding principles in the department which received wide acceptance. He "had the confidence of certain trade unionists up to a point" and though links with Cosatu had been frozen for a while (over the pace of restructuring the National Manpower Commission), there were signs that relations were on the mend.

Was Louw too accommodating to labour? It's a fair question, replies the aide — adding, however, that this is "a strange time to have moved him."

The man most likely to succeed Louw at Manpower is apparently the nominated MP, Danie Schutte, who has been appointed Deputy Minister of Manpower following Louw's move — and is already Deputy at Justice as well as Education & Training.

With Schutte holding so many positions, it seems that talent in the Nat caucus is rather thin on the ground.



Eli Louw ... an odd time to be moved from Manpower

Sanlam pessimistic about job prospects

Finance Staff

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The expected economic upswing in 1992 will not be strong enough to relieve unemployment, Sanlam has warned.

After two years of negative growth, a positive growth rate of about two percent is predicted for 1992.

However, this will not be nearly enough to accommodate all new job-seekers in the formal sector, says Johan Louw, Sanlam's chief economist.

Formal sector

Chances are that the number of unemployed will grow, he writes in Sanlam's latest economic survey.

The formal sector's ability to create jobs was reduced from almost four percent in the 1960s to an annual average of only 0,6 percent in 1985-90.

On top of that, job creation in the Eighties was mainly in the public sector.

Apart from lower economic growth, unemployment is being exacerbated by the high growth rate of the labour force, and the replacement of labour with capital in the production processes.

This is caused by a distortion of factor prices: labour has become much more expensive, and the relative price of capital has been influenced by low and

even negative real interest rates, the unrealistically high value of the rand, tariff protection and taxes.

As a relatively low rate of economic expansion is foreseen, Sanlam expects wages and salaries to rise at a slower rate in 1992.

Excluding agriculture, increases of 14 to 15 percent are expected, as opposed to an estimated inflation rate of 14 percent.

A noticeable improvement in the consumer's financial position is therefore not foreseen.

Other prospects for 1992 include:

- A somewhat higher gold price is predicted. Stronger industrial demand will contribute to the rise in the average gold price to \$375, compared with \$362 this year.

Expansive

- A mildly expansive government Budget in March. Due to large expenditure claims, no meaningful tax relief is to be expected.

- The inflation rate should decrease slowly from the second quarter, to about 12 percent by December 1992.

An average annual rate of 14 percent is predicted, compared with this year's expected 15,2 percent.

By CHARLENE SMITH

PROSPECTS for school leavers have never been so bleak.

Of the 380 000 pupils writing matric this year only 7% will find work.

These statistics are the result of research by Edwin Basson, economist at the Small Business Development Corporation.

Dr Basson is also on several private-sector and government committees looking at entrepreneurial development — ways to help those who cannot find work to set up and manage their own businesses.

Double

About 6,3-million of a potentially economically active workforce of 14-million are unemployed.

According to international experience, if only 14% of the unemployed become efficient entrepreneurs they will create enough work for the rest.

However, in South Africa only 7% of the economically active workforce are entrepreneurs (2% black and 5% white).

SA needs to double the number of entrepreneurs and aim for 17%.

An analysis of registered unemployment shows fewer than 100 000 people, but it is far from being accurate. But

Jobs for only 7% of this year's matrics

S/TIMES (BUS) 24/11/91

it provides a guide to employment trends.

Dr Basson says 32% of unemployment is among operators and semi-skilled people. Unskilled people form 27,6% of the unemployed.

Administrative, clerical and sales staff form the next largest group of unemployed at 18,4%.

The lowest numbers of unemployed are in technical fields (0,3%) and professional and semi-professional (1,1%).

Dr Basson says that because of SA's economic decline there is no skills shortage at the top of the employment market. But there is one at the bottom end.

Unskilled people being trained by the Department of Manpower are finding it difficult to find work.

Dr Basson says: "Instead of having unskilled unemployed, they become skilled unemployed."

He queries statistics claiming that in 10 or 15 years SA will have a shortage of 200 000 managers, saying: "That presupposes the pre-

sent 6,3-million unemployed will find work."

Dr Basson says 15 years of sanctions and negative real interest rates made it cheaper to employ capital than labour and resulted in an economy that cannot provide enough jobs.

"Financial sanctions had a particularly serious impact, but now that those are going, we find huge urbanisation and the import of unemployment from rural areas."

Of the 6,3-million unemployed, 3,5-million are active in the informal sector. It is in this sector that the only growth in employment has occurred in the past few years.

Another 2,8-million are unemployed in SA and the TBVC states. A million of them are estimated to be active in subsistence farming and 1,8-million have no job.

It is those bottom-line 1,8-

million that he feels need to be given technical training and financial management courses.

"Although schools are becoming aware of the need for these skills, nothing is happening yet at university and technical level.

"Skills training faces two problems — there are not enough trainers and there is prejudice against blue-collar work. In addition, traditional training methods have to be re-evaluated."

One of the measures the SBDC is looking at is television programmes about skills training and business management skills.

Either way there is not much to buoy matriculants as they write their examinations.

'Bold steps' needed for job creation

B10aw
26/11/91

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THE modest recovery expected next year was not enough; SA needed to embark on an economic development programme, President F W de Klerk said last night.

"The time has come to think more boldly," De Klerk told businessmen at the Business Times Top 100 Companies banquet.

The economic development programme was needed not only to absorb the increase in the labour force, but also the backlogs.

While the improved balance of payments position and an expected easing of inflationary pressures next year could lead to less restrictive financial policies, economists were almost unanimous that only a 2% real increase in GDP would occur next year.

"This is not sufficient for SA." The development programme should look beyond the next 12 months and restore confidence in SA's economic future, both internally and abroad.

In a broad review of the state of the SA economy, De Klerk noted that the balance of payments position was "outstanding" and that the domestic financial situation had become more stable.

There were also encouraging signs that inflation, while remaining unacceptably high, would decrease as the producer price index had declined to about 11% and

TIM COHEN and
ANDREW GILL

salaries had risen at a rate lower than inflation.

It was a mistake to think that the removal of sanctions would automatically restore the potential for economic growth.

To absorb the labour force coming into the market, accommodate the unemployed and raise average standards of living, a growth rate of at least 4% a year was required.

The lifting of restrictions on SA's access to international money and capital markets alone would not be sufficient, and South Africans would have to take steps to ensure long-term prosperity and stability.

Government was continually busy with important initiatives, but he said it could not manage everything on its own.

Visible and quick progress in the constitutional sphere was necessary, he said, denying emphatically that government was retarding negotiations.

Diversified transport group Trencor was last night named the Business Times top company for 1991 in the publication's annual Top 100 Companies survey.

It displaced last year's two-time winner

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Jobs

B10aw
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W & A Investments, which fell to 28th spot. This was Trencor's fourth consecutive year in the top five, based on average annual return to shareholders over five years, including capital appreciation, dividends and interest on dividends.

Only two (Trencor and Berzack Brothers) of last year's top 10 companies remained in 1991's top 10.

Average shareholder return for Trencor was 72,19%, outstripping second-placed Suncrush (65,75%) and third-placed Utico Holdings (64,83%).

Eight companies were proclaimed royal status (remaining in the top 20 for at least three consecutive years).

These were Trencor, Berzack, Times

Media Limited, Mutual & Federal, Gentyre, Edgars, Elcentre and CNA Gallo.

Ranking first based on shareholder returns in a year was M-Net, showing a 373% appreciation. The best performing sector over a year was printing and publishing.

More than 65 companies doubled shareholders' money over the year, compared to the previous year's two.

In the past five years, Trencor's turnover has trebled to R829m and taxed profit has increased by a compounded 46% a year to R105m. Trencor's joint MDs Neil and Cecil Jowell were recently named as two of the five businessmen of the year by Business Times.

Back seat in battle for jobs

HANS-PETER BAKKER
Education Reporter

WHEN times are hard, the disabled suffer more than most.

Now, when retrenchments are many and new job opportunities few, the disabled once again take the back seat in the battle for positions in the work place.

Miss Elke Kraus, occupational therapist at Eros School for the cerebral palsied, has the difficult task of finding employment for school-leavers.

She says this year is turning out to be harder than ever.

"In an era where the focus is increasingly on opposing discrimination, it is disconcerting that the physically and mentally handicapped person remains part of a rejected and discriminated-against group."

A disabled person might have certain limitations but much of the perceived disability was influenced by prejudice

Uphill struggle for the disabled during recession

and ignorance, Miss Kraus said.

Cerebral palsy is caused by injury to the immature brain, either before, during or after birth.

In the majority of cases this results in spasticity, affecting either one side of the body, or the lower limbs.

But in spite of their physical disabilities, many people with cerebral palsy are "functionally independent" and crave the independence of regular employment.

Eros offers academic training and a programme which gives students practical skills.

According to Miss Kraus, several school-leavers are looking for jobs and opportunities for further training next year.

The practical course includes gardening, printing, woodwork, crèche assistance, kitchen assistance, knitting, baking, floor maintenance and home management.

Miss Kraus said the Eros programme could be effective only if employers were willing to employ cerebral palsied people and were prepared to accommodate them for trial periods — even if posts did not exist — to enable them to experience working conditions.

Many employers did not know the Department of Manpower subsidised salaries of disadvantaged people for three

years, she said.
In the first year, the subsidy is 80 percent of the salary up to R300, in the second year 60 percent and in the third, 40 percent.

Miss Kraus said although a disabled person had "certain limitations", he or she would gain valuable experience to become a progressively greater asset to the employer.

A study this year showed that most employers were "satisfied if not pleasantly surprised" with the performances of their new employees, many of whom were found to be "very reliable and eager to prove themselves".

Anyone prepared to help the cerebral palsied can contact Ms Kraus at Eros School (021) 637 9080.



Pictures ANDREW INGRAM, The Argus.

CRÉCHE TRAINEE:

Carmen van Rensburg, 15, in the staff crèche at Eros School. Above, with two-year-old Eloïse October.

TELEPHONE OPERATOR:

Fatima Nordien, right, learns the complicated tasks required of a telephone operator.



DISABLED WORKER: Graham Saal, 15, learning to cope with his disabilities in an office environment.

Spotlight on SA's employment crisis

Sowetan

28/11/91



SOUTH Africa's unemployment crisis, which has played an underlying role in the upsurge of crime and political violence in the past two years, is highlighted in the latest issue of *Econovision*.

Econovision, which is an official publication of several banks including Bankorp, Trust Bank, Bank Fin and Senbank, estimates that at the end of 1990 more than a million adults could not be accommodated in the formal sector of the economy.

Acute escalation

"We projected an acute escalation hereof in the next few years, with the above figure rising towards five million by the end of 1992 and possibly eight million by the end of the decade," it says.

Of those currently unemployed, it says, 90 percent are estimated to be below 30 years of age. Of the expected unemployed in the 1990s, 95 to 100 percent will be younger than 25 years.

Consequently, the crisis can be accurately described as a youth unemployment crisis.

Youth unemployment, after growing gradually during the 1970s, assumed crisis proportions in the 1980s and in the 1990s is fast becoming an avalanche which threatens to submerge the political-economic order.

It affects all groups, with many young whites and blacks experiencing equal difficulty in finding work.

By JOSHUA RABOROKO

Publication paints a bleak picture

This is in line with a South African Chamber of Business prediction that more matriculants will be without jobs next year because opportunities are shrinking.

Sacob also warned that if stayaways, boycotts and violence continued in the country, more employers would find themselves dismissing workers and adhering a tough "no work no pay" principle.

Econovision also says the country should aim at doubling its volume of non-gold exports every five years. But, it adds, even this would be inadequate to provide sufficient growth in the country's labour force.

The publication says that a large-scale domestic youth employment programme is needed.

FIM
29/11/91

REWARDING INITIATIVE

~~173~~
(173)

In May this year, the University Student Employment (USE) scheme was started by the SRC at Wits, with the backing of Vice-Chancellor Robert Charlton. The idea was to provide an agency service, matching available students with companies or individuals needing temporary labour.

The main aims were to enable Wits to increase contact with the community it serves; to help students help themselves; to be exposed to the realities of business and commerce; and to offer a skilled, reliable and often specialised service. Employers would have the added security of knowing that students had been screened before coming to them and would also have the chance to identify potential future recruits.

It was an excellent idea and, since then, hundreds of students have been placed. The range of jobs has been enormous, including researchers, librarians, proof-readers, babysitters, housesitters, lab assistants, waiters, computer programmers, tutors, translators, geologists, dancers, receptionists, drivers and stock-takers.

USE operates according to the principles of non-sexism and non-racism and potential employers have had no problem accepting this.

Essentially it is a free-market exchange, though USE is trying to establish R10 per hour as a minimum wage for part-time work. Some employers say they cannot afford that, in which case a lower fee might be negotiated, depending on the nature of the job. As a non-profit placement scheme initiated by the SRC, USE does not take a percentage of the student's earnings; there is a small placement fee to cover costs, paid separately by the employer to USE.

Most students wanting work are available in December and January. Many skilled people have still not been placed for the coming vacation — including many engineering students, who are required to get practical experience as part of their courses.

□ Contact Vivian or Leah at (011) 716-3079/3042. The USE office is open daily from 8 am to 4.30 pm until December 24 and again from January 2.

The work-shy youth of SA

SI Times

1/12/91

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THE younger generation of South Africans have either given up hope or expect to have everything handed to them on a Krugerrand platter.

This applies to elite, educated white children as well as to misinformed young blacks who expect a wealth tax to provide them with instant riches.

Matriculated young adults complain bitterly of unemployment, yet turn down job offers because of low salaries. Newly qualified graduates apply for management positions, refusing to start at the bottom and berating employers who value practical experience more highly than people who have proved they can study.

Excuses

Any puzzled parent should think back to the well-intentioned advice: "Get an education so that you won't have to work as hard as I did." This advice inadvertently provides an excuse for future failure.

Making excuses is easier than working. Blaming the government, the system, spouses, employers, teachers, the unions, the boss, colleagues, favouritism, company politics and anything or anyone else that comes to mind is common.

LOUISE HOLMAN, an industrial psychologist, makes a personal appeal for South Africa to get back to work

But developments in South Africa demand a change of attitude. This can only be achieved by being positive rather than pessimistic.

Refugee immigrants to the US did not make excuses. Starting with nothing, they worked hard to make a success of themselves and their new country. By changing our current attitudes we could be the next land of opportunity. If we could "get South Africa working", it would be a positive move forward for the country.

This is not an appeal for job creation. It is a request for every person to put in as much effort as he or she can without expecting money as a reward.

Compare the beggar child at a supermarket with a small boy who offers to push the trolley. The tip the latter receives is an example of practical, non-political wealth distribution. By reinforcing willingness to work while not rewarding the idle, every individual with a few cents to spare can improve motivation in the country.

Ideas are needed to help in this process of de-politicising work. Industrial psychologists, the professional group specialising in motivating people and getting them working, are being mobilised to come up with possible solutions for individuals to apply in combating national laziness.

Other professional groups can also call on their members for support, perhaps climaxing on one day when everyone deliberately does something for nothing. A "get South Africa working" day is the opposite of a stayaway.

A few days ago I overheard two old-timers wistfully reminiscing about the time when everybody cared and worked extra hard because of the war effort and daylight-saving time.

We could look to solutions found in other countries. The Peruvian method of using empty classrooms for literacy training could be adopted by private (and modelled) schools. Singapore compels companies to reinvest four percent of their turnover in

their employees' development.

Again, there is an unrealistic view of why people succeed. We need to hear more from prominent South Africans about how hard they have worked to get where they are. Every parent who has achieved anything is a positive role model for children. Other South African examples are available for our young adults.

Benefits

It is time for us, in the words of John F Kennedy, to stop asking what the country can do for us, and to ask instead what we can do for the country. Individuals wanting the economic situation to improve cannot afford to wait (as politicians and civil servants do) for political infrastructure to struggle through bureaucratic procedure.

We cannot expect financial and monetary policies to provide incentives. We have run out of time for predicting when we should act. In the short term we have no alternative. South Africans have to start putting in the work needed to get the benefits they want, without expecting someone else to save them the effort.

□ Louise Holman is a member of the executive committee of the Society for Industrial Psychology.

Critical need for national enterprise strategy

THERE is a desperate need for a national strategy on entrepreneurship and small and medium enterprise development to be formulated in South Africa, says SBDC MD Ben Vosloo.

Small and medium-sized enterprises (SMEs) are a dominant force in the successful economies of the world — their optimism and spirit carrying many far beyond the expectations of more conservative individuals.

They are also flexible and easily adaptable to changing market opportunities.

They require limited

capital, can combine simple and advanced technology while being generally labour intensive and hence able to contribute to job creation. (173)

SA is in a situation where it needs both economic growth and employment creation to overcome its economic problems.

SBDC economist Edwin Basson says although there is an interaction between the two processes, the strength and causality of the relationship is uncertain. (174)

In other words, government's strategy that increased exports will pro-

mote economic growth is fair, but will not solve SA's high unemployment.

Conversely, the view that growth through redistribution will increase employment, which through consumption expenditure will lead to economic growth, is also not sufficient. B10ay 2/12/1

An approach that will address both problems simultaneously is needed, Basson says. 2/12/9

Over the last 10 years, most of the economic growth in SA emanated from SMEs and 65%-75% of all employment opportunities came from them.

To promote economic

growth, SA must choose a trading market in which it has a competitive, rather than comparative, advantage.

Africa is the most obvious target. It needs wool and cotton, pulp and paper, basic chemicals, glass and glass products, basic iron and steel, non-ferrous metals and other manufacturing materials.

These industrial sectors in SA are dominated by SMEs.

Vosloo says it is no exaggeration to say the overall health of the SA economy depends largely on dynamic entrepreneurial activity in the SME sector.

Work for fewer than one in 10

Matrics facing

huge jobs famine

(173) (173)
STAR 3/12/91

By Michael Chester

Fewer than one in every 10 of the 400 000 new matriculants in the current crop of school-leavers can expect to find jobs waiting for them, according to shock economic surveys.

employment scramble came with estimates that the entire formal business sector will have fewer than 40 000 jobs on offer as the recession cuts down the demand for labour.

The predictions are bound to dampen the jubilation of 1991 matriculants as Transvaal schools close today for the end-of-year holidays.

The bleak outlook for job-hunters was drawn yesterday by researchers at both the SA Chamber of Business and the Small Business Development Corporation.

SBDC senior economist Dr Edwin Basson warned that the formal sector had employment opportunities for less than 10 percent of the new job-seekers.

Vacancies

Even worse, Sacob chief economist Dr Ben van Rensburg said he feared that the number of vacancies would cover only 7 percent of all new matriculants.

Both agreed that the jobs famine would be even worse for school-leavers who had reached no higher than Std 8 or 9 levels.

"The new crop of school-leavers will also be in fierce competition with tens of thousands of youngsters who streamed on to the labour market a year ago and still stand in the unemployment queues," Dr Basson added.

"Even university graduates may find it hard to find a job, and may be forced to stay on at varsity another year to take an honours degree in the hope that job prospects will improve over the next 12 months.

"The tragedy of unemployment will be even worse for the majority of black students, whose only alternative

may be trying to eke out a living in the informal sector," he said.

The situation was likely to add still more emphasis to the role of the informal sector, which had generated the bulk of new employment opportunities in recent years.

Dr Basson estimated that out of a total of 14,3 million South Africans who could be described as the economically active population — between school and retirement age — no more than 8 million held jobs in the formal sector.

It meant that unemployment, on a technical definition, now stood at 6,3 million. The growing informal sector, unrecorded in official statistics, had absorbed about 3,5 million of them. Another million had been forced to struggle to survive as subsistence farmers.

No fewer than 1,8 million had no job whatsoever — "no income to buy food and very often with little alternative but to turn to crime".

Dr Basson argued that South Africa would make a grave error if it relied solely on foreign investment to provide a higher rate of gross domestic product to solve its longer-term unemployment problems.

"We need radical new thinking about our economic strategies," he said.

"Even advanced economies like the US and Western Europe have found in recent years that self-employment has provided the main thrust to new job creation.

"South Africa needs to heed the lessons and hammer out new strategies to suit its own immediate needs and priorities — housing, public transport, the production of more basic necessities such as clothing, footwear, furniture, food...

"Each of these real priorities can be tackled by mini-businesses started by self-employment initiative.

"Over the next several years, to meet our socio-economic objectives, we need to encourage the idea of self-employment as a career on its own," he said.



Fresh faces in flight against crime... some of the more than 1 000 recruits who completed their six-month training course yesterday.

Recruits eager to tackle crime, improve image

By Monica Oosterbroek

More than 1 000 newly graduated policemen and women began their careers on the Witwatersrand yesterday — the largest number of new recruits the region has yet received.

"I am not afraid to work in unrest situations, because of our training, but I will be there to protect everybody — no matter who they are," Constable Manzi said.

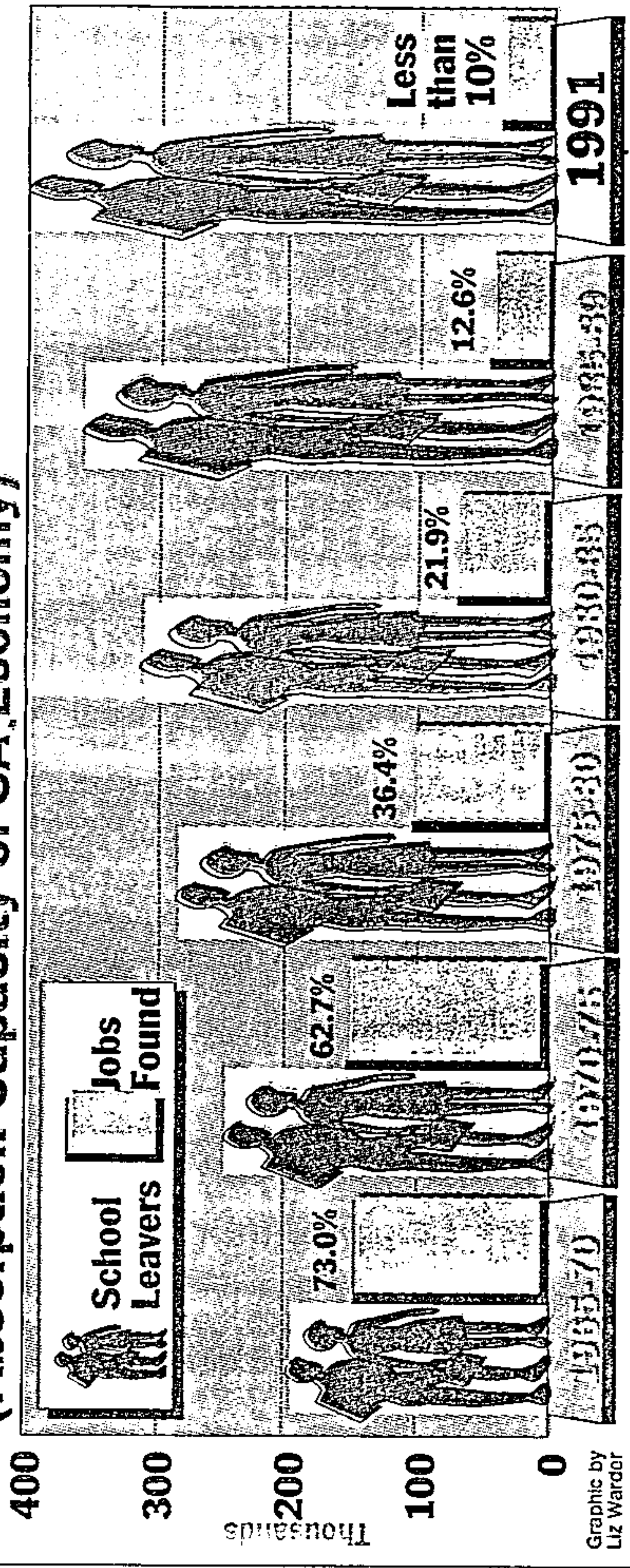
Thandi Ndaba (26) from Kagiso agreed that her job would be made more diffi-

Facing up to the jobs famine

STAR 4/12/91

Most of the 1991 crop of school-leavers will have great difficulty in finding jobs. Economists believe radical new approaches must be started to find solutions to the unemployment dilemma.
By MICHAEL CHESTER.

Formal Employment: Trends (Absorption Capacity of SA Economy)



Graphic by Liz Wardor

DISCLOSURES about the unemployment dilemma that faces the vast majority of school-leavers has turned the focus on to the phenomenon of a massive shrinkage in new job opportunities offered by the formal business sector in recent years.

Concern has been sharpened by the fact that disclosures on the dramatic scale of the problem coincided with the end-of-year closure of Transvaal schools yesterday and the start of a new tidal wave of fresh arrivals on the jobs market.

Both the South African Chamber of Business and the Small Business Development Corporation (SBDC) voiced fears that less than one in every 10 of a nationwide total of 400 000 new matriculants were likely to find vacancies waiting for them in the formal sector.

Sacob economist Dr Ben van Rensburg rang warning bells that the ratio of vacancies to school-leavers may be as low as 7 per cent.

SBDC economist Dr Edwin Basson has put the problem under the microscope and traced how the jobs shortage has been steadily worsening for more than two decades.

The issue has inevitably been aggravated by the population explosion. As the number of jobs has shrunk, the number of new matriculant job-hunters has more than doubled.

The dramatic impact has been tracked by the SBDC economic research unit.

In the late 1960s, when the South African economy was rolling along quite nicely, the formal sector was able to absorb almost three in every four of 200 000 school-leavers knocking on the door each year.

Trends have worsened ever since. By the early 1980s, de-

spite the gold boom, the formal sector was taking aboard not many more than one in every five of a new annual crop that had now grown to about 300 000 school-leavers.

Comes 1991 and the problem looks the worst on record. With matriculants now running at 400 000, the formal sector is expected to have no more than 40 000 vacancies on offer at best.

At Sacob, Dr van Rensburg fears that jobless school-leavers will have to sweat it out until the economy starts pulling out of the doldrums — with luck, some time next year.

Whatever the short and longer-term reasons for the decline in new employment opportunities, the jobs famine has had at least one positive effect. It has led to the creation of a brand new economic powerhouse — the informal sector.

The informal sector in recent years was the battering ram that shook the foundations of

apartheid as it smashed down the bureaucratic barriers of regulations and red tape that held enterprise and initiative in check — and in particular a new generation of black entrepreneurs.

The SBDC, set in motion in 1980 by tobacco magnate Dr Anton Rupert, claims to have created well over 280 000 jobs out of thin air by a R1 billion programme to give kick-starts to thousands of new small business ventures — from shoeshine stands and street hawkers stalls to mini engineering factories and taxi services.

Since the development of the informal sector largely went unrecorded in official statistics, because most operations were technically illegal, a precise measure of its size is impossible. However, all economists are agreed about its vital contribution to overall economic performance.

Even more important has been its role in casting a life-

line to tens of thousands of destitute families for whom absolute unemployment would mean utter disaster.

The SBDC estimates that the informal sector has found income for no less than 3.5 million workers. That is equal to one in every four of the economically active population — between school and retirement age — and equals almost half the size of the entire labour force employed by the formal sector.

The significance of the combined potential economic clout of the informal sector has been the driving force behind moves by Sacob to set up a special Small Business Forum to encourage its further development.

One particular aim is closer links between big and small business to combine forces — very often with mini operations acting as subcontractors to supply the giant companies with

components and services of all kinds.

Sacob deputy director-general Ron Haywood is now busy behind the scenes applying pressure for the creation of a new Cabinet portfolio — the appointment of a minister of small business, following a lead taken by Britain.

Sacob has not been alone in watching the successes scored by Britain, Western Europe and by the US through the active encouragement of individual business initiative.

Most of the advanced Western industrial nations have found that the bulk of all new jobs created in recent years go to the credit of self-employment — mini businesses launched by entrepreneurs putting their talents to work on their own account.

Dr Basson at the SBDC is convinced that South Africa must follow suit.

"Until now we have been transfixed by the notion that a

job means employment in one of the established companies in the formal sector," he said.

"We need radical new thinking on how to nurture a brand new approach to employment. Ideally, the process should begin in the classroom, first with teachers becoming more familiar with the successes of entrepreneurs in such environments as our new industrial-hive complexes — and then encouraging high school pupils to think of self-employment as a career choice all on its own.

"We need to set down our immediate basic demands in proper order — building more houses, better public transport services, turning out more clothing, footwear, foodstuffs, household appliances... the list goes on and on.

"The demands are endless. So are the opportunities for anyone with the initiative to find a niche in the whole chain of production of more goods and services." □

More jobs are needed say callers

THE Government will need to intervene in helping school leavers not only to secure jobs but to get further education, callers to the *Sowetan*/Radio Metro Talkback Show said yesterday.

One caller said the Government should legislate against employers who took on white pensioners instead of providing jobs for school leavers.

He said employers were also in the habit of offering temporary jobs to white schoolchildren.

"These attitudes by the employers must be cut short by Government legislation," the caller said.

Isaac of Meadowlands suggested that the Government should cut the military budget. Instead, it must fund job creation projects and offer bursaries to school leavers.



By JOE MDHLELA

He said if this were to happen it would not be necessary for pupils to end their education at matric level.

Investors

"By going to universities and technikons, students will be better equipped to face the future," he said.

Another caller, Nelson, said African National Congress president Mr Nelson Mandela should stop calling for sanctions.

"If foreign investors are allowed to operate in the country more jobs will be created," he said.

Use cable funds for squatters — PAC

South 5/12 - 11/12/91

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By Sabata Ngcai

THE massive R50 million earmarked for building a cableway could be better used to build houses for thousands of people squatting in shacks in the Western Cape townships, says the PAC.

PAC foreign affairs secretary Ms Patricia de Lille said: "The cableway is unnecessary as the African people won't be able to afford to use it.

"The money would have been better used to build houses to accommodate squatters. We have an influx of

tens of thousands of people coming to Cape Town without accommodation," De Lille said.

The Waterfront Signal Hill Cableway project would build a multi-million rand cableway estimated to create between 100 and 200 jobs, countered the planners.

The cableway, expected to be operational in 1993, would have to carry about 500 000 passengers each year to be profitable, they said.

Project consultant Mr Ken Sturgeon said it was the responsibility of the government to build houses for squatters. He said the cableway project "was only designed to create job op-

portunities for the people".

"We are not a government. It is the duty of the government to look after its citizens. The project would create more jobs for the people, so that those who have no accommodation could be able to buy houses.

"The cableway is necessary so that we can attract visitors from overseas.

"They will spend money that will boost the country's economy and create more job opportunities."

He said a restaurant and an education centre, among other things, would be built to provide employment opportunities.

ANC regional secretary Mr Tony Yengeni said his organisation was approached prior to the planning of the project. "We expressed concern at the project as it won't be accessible to the lower income groups because of its expected high prices. We are also concerned whether there would be any involvement of black staff in the project."

SOWETA

Way forward lies in small businesses

Sowetan 5/12/91 *173*

SMALL business has become South Africa's biggest job creator, managing director of the Small Business Development Corporation Dr Ben Vosloo said.

Vosloo said his organisation had played a major role in creating a climate for small business development by campaigning for deregulation and introducing support services and training.

Speaking at the SBDC's 10th anniversary, he said what was needed now was to unleash the full job and wealth creation potential of this vital sector of the economy by coming up with a comprehensive strategy. This strategy would focus on small- and medium-sized enterprises (SME).

He said: "In the light of the importance of the SME sector in the future economic development of this country, it is absolutely essential that the economic policy should not continue to be biased in favour of the large business sector."

"There is a need for SME development strategy that provides equal opportunities to all businesses."

Such a strategy, he felt, should address the major constraints hampering the sec-

By JOSHUA RABOROKO

tor such as lack of access to capital, unaffordable business premises and markets, unnecessary regulations and inadequate support systems.

Based on international experience, Vosloo said, any comprehensive SME strategy should:

- Foster an enabling environment for the encouragement of entrepreneurship and SME creation and growth;
- Mobilise financial resources by way of appropriate financial assistance programmes;
- Provide appropriate low-cost rental or individually owned premises when they are not available through normal commercial developers;
- Improve the skills and technology at SMEs; and
- Provide appropriately structured, staffed and financed assistance schemes.

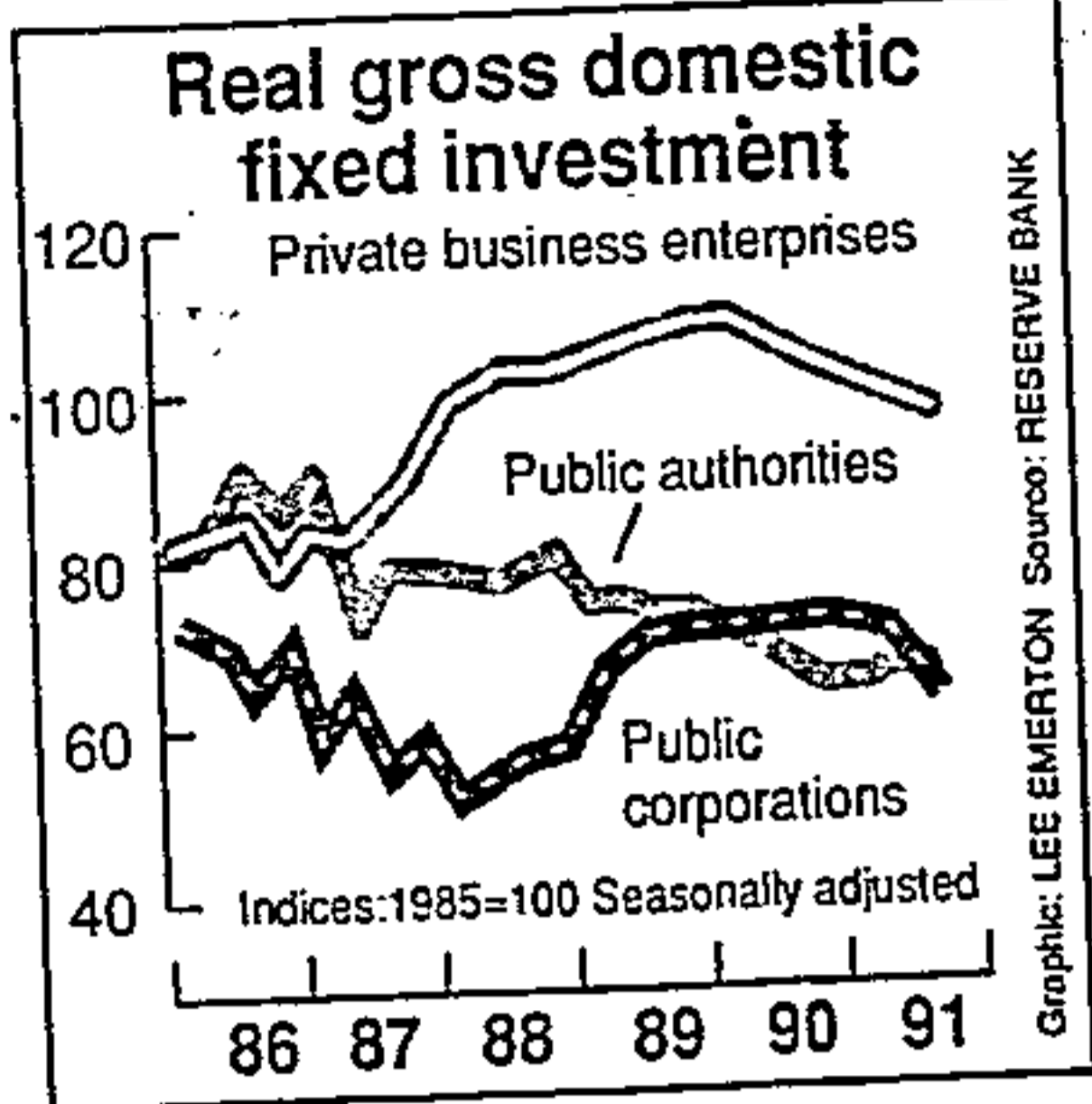
"No economic miracle is going to happen through foreign investment and export incentives alone," Vosloo said. "Real economic development is a 'do-it-yourself' process at the grassroots level that can at best be helped along by sound economic policies."

Downswing decimates jobs

B/Dwy 6/12/91

(173)

SHARON WOOD



Graphic: LEE EMERTON Source: RESERVE BANK

EMPLOYMENT had been battered more severely in the current "relatively mild" downswing than in any of the recessions in the past 20 years, according to the latest Reserve Bank Quarterly Bulletin.

Unemployment had compared relatively favourably with other recessions up to the third quarter of last year, after which job levels plunged to levels substantially below those of previous downswings.

Non-agricultural private sector employment had been hardest hit with employment slashed by 5,5% and 3,8% (seasonally adjusted and annualised) in the first and

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Employment

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□ From Page 1

second quarter of this year.

Incomplete information for the third quarter showed a continuation of this trend, the Bank said.

Public authority employment fell by 1,9% in the second quarter after a 4,8% increase in the first quarter.

The Bank said important factors contributing to the exceptional decline in employment had been the length of the recession and the fact that it had started after a number of years of low production and employment growth.

Sporadic internal unrest and the general mood of uncertainty about political developments had affected new and existing business investment.

A slight 0,5% uptick in gross domestic output disguised a deeper recession on the spending side of the economy in the third quarter of the year.

Fixed investment and spending by government and individuals had fallen sharply, leading to a 0,3% decline in gross domestic expenditure, compared with a 6,7% increase in the previous quarter.

Government consumption expenditure, which had expanded at relatively high rates in the preceding four quarters and had underpinned total spending, decreased by 24,1% in the third quarter.

Real private consumption expenditure eased by 1,9% and real fixed investment slipped by 11,5%.

"The faster rate of decline in real fixed investment spending in the third quarter was brought about by reductions in real capital formation by both the private and public sector," the Bank said.

A 6% annualised cutback in private sector investment in the third quarter was widespread and encompassed mining, manufacturing, commerce and finance.

Despite the deeper recession in the third quarter, the Bank remained optimistic that the outlook for the economy would be "moderately better" at the beginning of next year and that there would be a small positive real growth rate in gross domestic product during 1992.

● See Page 3

Mystery man Marais takes over as Manpower Minister

w/Mail 13/12 - 18/12/91.

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1/65

By Ferial Haffajee
SOUTH AFRICA'S incoming Manpower Minister is a mystery man.

Employers and unionists this week were for once unanimous, declaring that they knew nothing of his reputation and had never had dealings with him.

Even a senior department representative could shed no light on the qualifications of new boss: "I don't know him at all," he said this week.

Pieter Gabriel Marais (59) is State President FW de Klerk's choice for the hot seat at the Department of Manpower. He will take office on January 20 next year.

With a law degree from the University of Stellenbosch, he was a practising attorney and wine farmer until 1982 when he became MP for Stellenbosch.

A senior labour consultant this week described Marais as a *verligte*.

"We hear that he is a liberal and we welcome this," confirmed Bangumzi Khumalo of the Congress



New Minister Piet Marais

of South African Trade Unions. "But we feel that the continuity of negotiations is going to be affected."

He explained that trade unions have had to deal with three ministers in the past three months.

After Eli Louw's dismissal, Kobie Coetsee was appointed acting minister and last week De Klerk announced the appointment of

Marais as new minister in last week's cabinet reshuffle.

Khumalo said Coetsee had promised to come back to Cosatu in the new year on the developments around proposed legislation for farm and domestic workers. Now, the federation believes it will have to negotiate a meeting with the new minister to rehash the same issue, stalling the legislation even longer.

Marais' expertise appears to be education. With only a short stint on the Combined Committee for Legislation on Land Reforms, most of his parliamentary career has been spent in education departments.

He was chairman of the Combined Committee for Education, and the Deputy Minister of Education and Development Aid until the end of August this year. From September 1, he was Minister for Administration and from October 1, he was also Minister of Education and Culture for the House of Assembly.

Job creation must be growth target

B/Day 13/12/91

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LINDA ENSOR

CAPE TOWN — It was essential that economic expansion be targeted at sectors that could make the greatest contribution to job creation, Sanlam chief economist Johan Louw said in the life insurer's latest Economic Survey.

He said that for the past six-and-a-half years only three sectors — agriculture (39%), government (32,9%) and finance (32,1%) — had been responsible for over 100% of the total real growth of 6,4%. Electricity contributed 18,1% and transport 10,5%.

"The greatest cause of concern is that the sectors which should have made the greatest contribution to job creation — namely trade (0%), manufacturing (-8,7%), mining (-22,9%) and construction (-8,1%) — actually showed no growth over the past few years and have in fact dismissed more workers than the other sectors," Louw said.

General economic conditions appeared to have been sluggish in the fourth quarter, possibly even weakening further in some sectors.

Louw expected a negative real growth rate of about 0,5% for 1991 and a positive one of nearly 2% for 1992. The consumer price index was expected to increase by about 14% on average in 1992 compared with the estimated 15,3% for 1991.

Producer price inflation was likely to slow down only moderately in the next 12 to 18 months, except for relatively sharp technical drops in the last few months of 1991 and in the first quarter of 1992.

"In due course this should nevertheless have a favourable effect on consumer prices, which are increas-

ing considerably faster than production prices at present," Louw said

No decrease in Bank rate and prime overdraft rate was expected before the first quarter of 1992.

"We believe that the softening of long-term interest rates will continue in the first half of 1992 in conjunction with the expected lower short-term rates and the likelihood of a deceleration in the inflation rate."

Louw forecast a surplus of about R6,5bn on the current account of the balance of payments this year but said smaller surpluses could be expected later in 1992 due to the effects of the world recession on export growth, dim prospects of a hike in the gold price and rising imports as the economy strengthened.

He expected a 6% drop in the effective value of the rand next year and a limited appreciation in the real effective rand. A 10% depreciation of the rand against the dollar, a 6% drop against the Japanese yen and 4% against the Deutschmark was forecast with the rand remaining largely unchanged against the pound which would weaken moderately after the mid-1992 election.

Further declines in US short-term interest rates were possible but were expected to tend upwards in 1992 while Britain should see a softening in the short term. Falling interest rates were also predicted for Germany and Japan in the next six to 12 months in line with the deceleration in general economic activity.

Louw said long-term interest rates would continue their downward trend in 1992.

Mini-businesses will create jobs, Govt told

By Michael Chester

STAR 13/12/91

The Government has been urged by the Department of Economics at Pretoria University to launch a dramatic new assault on the unemployment problem by a sweeping expansion of the informal sector.

Special studies have recommended the injection of between R1 billion and R2 billion into programmes to provide thousands of jobless workers with the chance to start mini-businesses of their own.

Action should also go hand in hand with the removal of any outdated regulations.

The researchers argue that the programme could easily be financed by central Government and local authorities by a replanning of expenditure priorities, rather than an overall increase in public spending.

The proposals follow disclosures that the formal business sector may have vacancies for fewer than one in every 10 of the current crop of 400 000 matriculant school-leavers as the recession drags on and worsens the unemployment dilemma.

In particular, the scheme should

concentrate on the creation of a nationwide network of "hives of industry" — the sort of complexes pioneered by the Small Business Development Corporation (SBDC) and tailor-made to house scores of entrepreneurs putting their skills into their own mini-ventures.

The studies have heavily emphasised the enormous potential role of the informal sector to give a new boost to the whole economy — as proved by the economic miracles achieved by several Far East countries.

The researchers insist that the cost of the programme would be modest when compared with the impact in socio-economic terms.

Funds should be channelled through such specialised agencies as the SBDC, which had already created well over 280 000 new employment opportunities since it was conceived 10 years ago.

The studies also advocate the introduction of a "fair business code" to put small ventures on an equal footing with big firms.

Deregulation on a massive scale, especially at local level, should be implemented as thoroughly as possible, it is argued.

"The role of small and medium businesses — in respect of income generation, employment creation and promoting individual initiative and creativity — should be publicised much more widely than in the

past," says a special report.

"In addition, occupational and career guidance in the schools should not be limited to employment opportunities (in the formal sector) but specifically emphasise the opportunities of entrepreneurial action.

"Some training in entrepreneurial and management skills could form part of formal school curriculums, while facilities for this type of training should be available and more easily accessible throughout the community in general."

The researchers said the informal sector had already started to prove its potential clout in countering unemployment.

They believed the Central Statistical Service had badly underestimated the size of the informal sector in an October 1990 count that estimated its current labour force at around 2,8 million.

"Whatever the actual figures may be," says their report, "small-scale informal economic activity serves to redress at least two vexing problems in the South African economy: it significantly reduces the level of unemployment and raises the income share of persons in the lowest brackets of the income scale."

"The existence of a multitude of small producers across all sectors of the national economy is essential."

Economic growth should be targeted on job creation area

Finance Staff *STAR* 13/12/91

Economic growth should be aimed at sectors where employment can best be created, says Sanlam in its December Economic Survey.

Chief economist Johan Louw says both the extent and the quality of economic growth over the past six years has been disappointing.

Total real growth averaged about one percent annually — 6,4 percent over the past six and a half years — and was concentrated in a few sectors.

Agriculture made up most of the growth, accounting for some 39 percent, while the public sector accounted for 32,9 percent. Finance contributed 32,1 percent, electricity 18,1 percent and transport 10,5 percent.

On the other side of the coin, commerce reported no growth, while the construction and manufacturing industries had a negative growth rate of 8,1 and 8,7 percent respectively. The worst performer was the mining sector, where growth fell by 22,9 percent.

The most worrying aspect,

Sanlam says, was that sectors which should have made important contributions to job creation — commerce, manufacturing, mining and construction — actually retrenched workers.

With soaring unemployment it is essential drastically to increase economic growth and to aim economic expansion specifically at sectors best able to create employment, Mr Louw says.

Although GDP rose by 0,5 percent in the third quarter, initial indications reveal that economic activity in the fourth quarter remained sluggish and may have worsened in several sectors.

In all, Sanlam says a negative real growth rate of 0,5 percent is expected for 1991 and a positive real growth rate of about two percent for 1992.

Regarding inflation, Sanlam expects increases in the CPI to decline slowly from the present high of 16,8 percent to an average increase of about 14 percent in 1992.

As a result of the continued high level of inflation, no drop in interest rates is expected before the first quarter of 1992.

Job creation target exceeded by 200

MANAGEMENT consultants Job Creation SA (JCSA), assigned by Barlow Rand to create 500 jobs in five years, this year exceeded the target and totted up 700 — at a cost of less than R1,8m, JCSA MD Ian Hetherington said yesterday.

The scheme was initiated by black business organisation Nafcoc and finally cost Barlow Rand R1,76m.

JCSA was contracted in 1986 to start a programme which would create new jobs by identifying and supporting start-up entrepreneurs in the Johannesburg/Alexandra area.

Initially operating from Enterprise Centre, a site converted from a disused factory in Kew, the team of JCSA experts had seen 87 entrepreneurs

THEO RAWANA

in business spawning 700 jobs at a cost of R2 500 a job by March this year, Hetherington said.

The pioneers at Enterprise Centre now constituted only a third of the entrepreneurs, since others were scattered throughout the Johannesburg, Pretoria and East Rand areas.

Carpenters, metalworkers, clothing manufacturers, engineers, motor mechanics, builders and a host of others in service and repair businesses were engaged in trade under the JCSA scheme, Hetherington said.

He said his consultancy helped entrepreneurs decide on the right business opportunities, identify markets

and customers, organise for production, locate suitable premises, overcome legal hurdles and plan expansion and diversification.

It also helped them to improve management and control, prepare business plans and obtain appropriate finance.

Law Review Project director Louise Tager was instrumental in fighting red tape and through her help, JCSA was able to get a relieving proclamation gazetted in 1988.

Some of these entrepreneurs now employed 10 or more workers each.

The consultancy was involved in another job creation programme involving 50 entrepreneurs, with a target of 250 new jobs.

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