
MAN POWER - TRAINING

1996 - ~~1997~~ 1998

New training project begins

Kevin O'Grady

(179)
THE Ort-Step Institute, a branch of the world's biggest vocational non-government organisation, launched a new magnetic and skills training project yesterday which, if successful, could be adopted by government for implementation at SA schools

Funded by a grant of R600 000 from the National Economic Education Trust, the educational arm of National Sorghum Breweries, the project aims to provide students of all ages with the skills necessary to become employable

Project co-ordinator Mike Maile said about 30 unemployed young people had signed up for the pilot project, open to people with a minimum education level of Std 8

They will attend classes at the institute in Midrand and write the national certificate exam in November

"The project, if successful, will be implemented at schools across SA. We have already begun discussions with the ministry of education in this regard," said Maile

BD 212196

Workers to be retrained

Sowetan 8/2/96 (179)

By Joshua Raboroko

MOST of the 120 retrenched workers at BMW South Africa's Pretoria plant are to receive education and training aimed at empowering them to create their own jobs

They are to be retrained in structuring, marketing, managing and in identifying viable financial products

The courses, which are said to be intensive, will be run by the Initiative for Economic Empowerment (IEE) and will start today

IEE's chief executive officer Mr Lucas Ntuli says that the company

realised before retrenching the workers that they had great potential to create employment for themselves

The workers were semi-skilled artisans, electricians, mechanics, fitters, parts assemblers who also did various kinds of jobs on the plant

Ntuli says it is important that the workers establish manufacturing businesses in the polish, detergents and other car part markets

BMW community development manager Miss Bongi Radebe said when the matter was discussed with workers last year, some of them choose to look for alternative employment

Tax incentives could aid training

GEOFF ELLIOTT
Business Reporter

THE government should consider tax relief and other incentives to encourage business to implement training programmes for the youth, said Chris Nissen, the African National Congress's minister for economic affairs in the Western Cape.

Mr Nissen said the country "needs more part-time and vacation opportunities in other sectors and industries"

He also called for debate on how to help finance poor youngsters through education. While admitting the economy could not afford the fiscal burdens of free education, Mr Nissen added "we must look very carefully at ways to help"

The minister was speaking at the official launch of the Informal Business Training

Trust's (IBTT) training program aimed at the corporate sector. IBTT is a non-government organisation (NGO) which finances the country's emerging entrepreneurs.

Mr Nissen told the lunch yesterday that the unemployment crisis cuts across all age groups but jobless youth was the biggest concern.

"Statistics suggest that unemployment levels amongst out-of-school youth are the highest of all these categories," Mr Nissen said.

He added that more appropriate education and training and expanding part-time career opportunities were other areas to look at.

IBBT trustee Cedric Buffler said that of 400 000 matriculants just five percent were finding their way into the formal sector.

The IBBT, like most NGOs,

had found funding a problem in the new dispensation as donors from the past switched to the new government.

The new training programme is one of the IBBT's drives to be self-sustaining. It will charge corporations R1 175 plus VAT to provide training for unemployed dependents of their employees.

The course has been dubbed the "Township MBA" and according to the IBBT an independent survey indicated that 81 percent of those graduating from a recent programme in a squatter community "are now gainfully occupied."

The attraction of the course for companies would be more than altruistic, added Clive Dutlow, chairman of IBBT.

He said worker productivity improved when not burdened by the financial drain of the family.

ARG 8/2/96 (178) (179)

Black trainee managers see high pass rate

BY FRANÇOISE BOTHA

(179) (176)
ET (BR) 14/2/96

Cape Town—Unisa's African Management Programme, used to train aspirant black managers, has seen a 90 percent pass rate for its first year in operation, based on a strong mentorship drive, says Professor Gerhard Cronjé of Unisa.

The part-time business course, which was launched last year by the Centre for Business Economics, enrolled 76 black student managers.

Professor Cronjé said: "The success of the course is largely due to the mentorship programme which gives students access to practical guidance and support."

The programme has been endorsed by the Association for the Advancement of Black Accountants (Abasa), the Black Management Forum (BMF), the National Federation of African Chambers of Commerce (Nafcoc) and the Foundation of African Business and Consumer Services (Fabcos).

The course, which was established with private sector grants amounting to R600 000, is expected to enroll more than 120 students this year.

Jan Scannell, the managing director of the Oude Meester Brandy Group, which sponsored bursaries valued at R525 000 said: "This hands-on approach to academic study has initiated a new perspective on management training."

The Oude Meester grant will fund 30 students over three years. In addition to the sponsorship, the company provided a R10 000 award for the top student.

To qualify for a bursary of R5 500, applicants need a matric or at least ten years' experience in a supervisory or junior management level. Details are available from Unisa on (012) 429-4406.

Union to present skills grading plan

~~173~~
Renee Grawitzky
(179)

HOTEL and catering sector employers will be faced — as part of the SA Commercial Catering and Allied Workers' Union (Saccawu) wage strategy — with a demand to enter into a framework agreement for an industry-wide skills grading system

Saccawu's collective bargaining co-ordinator Leonard Gentle said yesterday that this year's wage negotiations would be located within demands incorporated in the framework document

The document proposes a "relationship between minimum wages, competency levels and grading". It adopts the view, similar to what is being put in place in the car manufacturing industry, that wage levels should be determined by skills levels measured against skill competency standards

Gentle said the development of a common framework at a national level was crucial in view of a boom in the tourism industry which would require an upgrading of facilities and services provided

The document states that grades and related skills' qualifications should "form a common structure throughout the industry to ensure consistency in service delivery and to facilitate labour market mobility". Gentle said the document was finalised at a recent collective bargaining conference and had been presented to some employers at an industry level meeting. It would now go to individual companies

The union has claimed that Southern Suns had refused to await finalisation of its wage strategy, which included the proposal for a new skills-based grading system, and undermined collective bargaining by tabling a final offer of 13%

Southern Sun industrial relations director Steve Lonie said "Because of the union's refusal to engage in wage negotiations, in breach of the recognition agreement, the company was forced to table its offer"

Meanwhile, the union will be meeting a number of major retailers on March 8 to discuss establishing of a bargaining council in the retail sector

Govt starts new course

~~274~~ (179)
Theo Rawana

BD 27/2/96
IN AN effort to address the "desperate shortage of suitably qualified transport professionals", the transport department had set up the transport executive management diploma, Transport Minister Mac Maharaj said in Johannesburg yesterday at the launch of the project.

The project, set up in conjunction with the Research Unit for Transport Economic and Physical Distribution Studies at Rand Afrikaans University, was intended to enable graduates "from any background" to enrol on a full-time basis to further their knowledge of transport-related matters by means of an accelerated programme of theoretical and practical training, Maharaj said.

"Initially the course will focus on those already serving in government departments - at both central and provincial level," he said.

Transport professionals and organisations involved in transport service provision would assist with training. The department would fund the cost - about R900 000 - of establishing the diploma.

Government-funded transport management course up and running

By **PATRICK PHOSA**

The shortage of qualified transport professionals has prevented the Government from exercising its strategic role in transport policy formulation and management.

"The transport sector has been unable to make a full contribution towards the broader objectives of economic development and social equity," said Transport Minister Mac Maharaj yesterday at the official opening

of his department-funded transport executive management diploma course at Rand Afrikaans University in Johannesburg

Initially the course will focus on government employees

In line with its commitment

to human resource development and to further the objectives of the RDP, the Transport Department had undertaken to fund the full cost, estimated at R900 000, for the establishment of the course

MILESTONES

Star 27/2/96 (179)

(179) (270)

Maharaj moves to upgrade skills of transport workers

JOHANNESBURG - The "desperate" shortage of suitably qualified professionals in the transport industry had prevented government at all levels from exercising its strategic role in transport policy formulation, the Minister of Transport, Mac Maharaj, said

He made this point yesterday while opening a transport executive management diploma (TEMD) course, funded by his department, at Rand Afrikaans University (RAU) in Johannesburg

Mr Maharaj said the transport sector had also been unable to make a full contribution towards the broader objectives of economic development and social equity. ARG 27/2/96

To this end the Department of Transport had contracted with the RAU to launch the TEMD.

The aim of the diploma was to improve the level of professionalism in transport.

"RAU has already become well known for its active role in teaching transport economics at graduate and undergraduate level as well as for its certificate course in road transport," Mr Maharaj said.

"This worthwhile project is intended to enable university graduates from any background to enrol on a full-time basis to further their knowledge of transport-related matters"

He said this would be by means of an accelerated programme of theoretical and practical training.

He said the course would initially focus on those already serving in government departments at both central and provincial levels, and reflected the government's desire to upgrade the transport skills of the public sector as quickly as possible. - Sapa.

Taiwan to train SANDF personnel as instructors

Susan Russell

(179)

A GROUP of 27 SANDF personnel leaves SA for Taiwan this week to undergo training as instructors for the Taiwanese sponsored R146,4m Vocational Training Centre which opens near Pretoria later this year.

The trainees, four of them women, will complete a three month instructor's course which includes basic computer training, garment and shoe making, driver training, architectural drawing, electrical work and maintenance to industrial electronics.

Another five senior members of the SANDF's Service Corps, led by Col S Potgieter, will leave for an 11-day visit to Taiwan at the same time, to see an established vocational training centre in operation.

Republic of China embassy spokesman Charles Chen said yesterday that the training programme was part of an agreement between the SA and Taiwanese governments signed by President Nelson Mandela and ambassador I-cheng Loh in December. Chen said the training centre, which would open during the second half of this year, offered hope to thousands of unemployed people. It would initially accommodate 220 trainees.

He said when the centre was fully operational by mid-1997 it would be able to train 1 500 people simultaneously in 31 different fields, such as wiring, carpentry and high-tech subjects like computer aided drawing. The centre would eventually be able to train about 5 000 people a year.

BD 18/3/96

Body will enable Labour Act

Renee Grawitzky

BD 18/3/96

THE jury is still out as to whether the new Labour Relations Act will come into effect on May 1. However, the Commission for Conciliation, Mediation and Arbitration, is doing everything in its power to establish the necessary structures for effective delivery.

A governing body has been appointed and will oversee the effective running of the commission. An establishment secretariat was also appointed to drive the process and to deliver the institution.

At the helm is Charles Nupen, special adviser to the International Labour Organisation (ILO) Swiss Project — the long title is attributed to the fact that the project to establish the commission is funded by the Swiss government but managed by the ILO.

Nupen said the commission can only deliver on dispute resolution responsibly if partnerships are forged between this institution, bargaining councils and accredited agencies.

The committee had identified 106 tasks needed to be undertaken to deliver on the institution.

The starting point in the process to establish the commission began, he said, when the committee drawing on ILO expertise had designed an organisational structure, operating methodology and a broad project plan.

Research

To ascertain the proportion of the institute and manning levels, research was conducted to determine estimated case load.

This was based on conciliation board applications over the past five years and potential case load as a result of new workers being incorporated into the legislation and new disputes likely to arise, he said.

It has been estimated the commission would need 244 commissioners with a case load of 30 000 a year, 65% of which could be as a result of unfair dismissal cases. In view of time frames, Nupen

said, it had been decided that in the "start-up" 120 commissioners be trained and deployed to various regions. The commission has advertised for more than 60 full-time commissioners initially and use would be made of part-time commissioners. The fee structure of part-timers had yet to be agreed upon by the governing body.

Nupen said professional and support staff had to be recruited, trained and deployed. Secondly, offices had to be secured, designed and equipped once the governing body had approved the locations of these offices. Finally, people had to be matched with the offices and operational systems.

Labour department spokesman Sharen Singh said the ministry was still working on a target date of May 1 for the enactment of the legislation. She said both labour and business had been waiting for a long time for the new legislation to come into place and "if we do not set a target date it could go on forever".

Bus historic depreciation
Other assets historic depreciation
Profit on disposal of assets

Penalty tax for training will stifle job creation, says business

CI (PA) 28/3/96 (179) (4)

BY NANCY MYBURGH

Johannesburg — A penalty tax on companies that do not invest in job creation and worker training would hurt workers more than help them, Dan Leach, a business economist at Wits University, said yesterday.

Paulos Ngcobo, the provincial secretary for Cosatu in KwaZulu Natal, said on Tuesday that the labour movement wanted legislation to force companies to spend 4 percent of their profit on training workers.

Labour federations are expected to finalise the proposals at a meeting this weekend.

The proposals include a penalty tax to force companies to spend funds on training, a minimum wage and possible tax rebate for companies that spend the required amount on training. The main aim was job

creation, Ngcobo said on Tuesday. "A further tax on a company's profit) will reduce profitability and therefore make companies less likely to expand and new companies less likely to come into the market and create jobs. It is ultimately to the detriment of labour," said Leach.

Brian Kantor, a professor of economics at the University of Cape Town said "This is the kind of interference in business that destroys business opportunities."

Business leaders said a legislated, across-the-board percentage for spending on training would harm business.

"We (already) pour money into training, housing, bursaries and benefits. 8,5 percent of our profits are spent on social responsibility in general," said Raymond Ackerman, the chairman of Pick 'n Pay

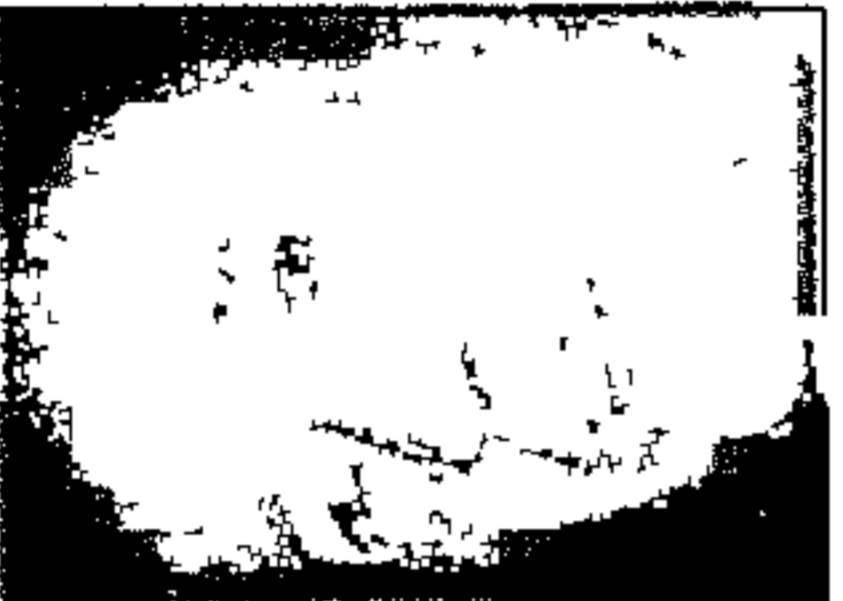
Business leaders respond



Raymond Ackerman



Terry Rosenberg



Dorian Wharton-Hood

Dorian Wharton-Hood, the vice-chairman of Liberty Life, said "For some companies that are labour intensive, 4 percent might be very low. For some high-technology companies, 4 percent might be very high."

He said the proposal could scare

off foreign investment. "One has to be very careful about introducing any kind of coercion or central decree to tell businesses how to spend their money. It puts off foreign companies from investing. They are wary of more central control."

Roy Cokayne reports from Pretoria that Iscor, the listed steel company, would be unaffected by the social-equity contract proposal.

Ernest Webb-Stock, the divisional manager of external relations at Iscor, said the company achieved an attributable profit of R787 million in the year to June 30 last year and had invested more than R52 million in the training, 6,5 percent of Iscor's profit that year.

Jon Beverley reports from Durban that KwaZulu Natal business leaders said worker training was important, but questioned whether setting benchmarks was the best way to encourage companies to plough 4 percent of profit into training.

Terry Rosenberg, the deputy-chairman of McCarthy Retail, said building skills levels could only help productivity.

Neil McGregor, the spokesman for the Durban Chamber of Commerce and Industry, said that an imposed training levy could have a negative effect on foreign investment.

He said it would be regarded as another additional cost involved in operating in South Africa.

He said the social-equity contract was being discussed and the various issues raised by labour were being pursued.

Fran Botha reports from Cape Town that Stuart Maxwell, the financial director of Bonnita said. "I do not think it is unreasonable to ask companies to spend 4 percent of their profits on the training of labour."

He said that this should include training costs, associated expenses and salaries paid to the worker during training.

Trainees set to cook up a storm in a container

(179) ARG 19/4/96

MICHELLE LERNER
Staff Reporter

TOWNSHIP residents are getting free training in how to run a successful business - and the opportunity to get started - as part of a programme to create jobs in disadvantaged areas.

Under an Eskom programme, seven people have graduated from a 16-day training course and have launched the first of 36 "container businesses" to operate in the townships

Now Eskom is handing over a fully-functioning, compact bakery to the group, under the management of Misincedisane Business Development Trust. Equipped with ovens, a freezer, electricity, running water and a nationally accredited certificate, the trainees are also armed with new skills and the confidence necessary for success

"This is an excellent opportunity for these people," said Dorian October, who provided some of the training

"They wanted to do something with their lives, but didn't have the education."

Beneficiaries say they will also expand the scope of what they've learnt to include other business endeavours

"Before, I didn't know anything about business skills and I couldn't make money," said



Picture: OBED ZILWA, The Argus.

TASTY BUSINESS: Displaying a freshly baked tray of pies, graduates of a training programme in business and baking skills get set to move their container bakery to Crossroads. From left, they are Joshua Balintulo, Jackson Mtya, Dorian October, Cynthia Lufele, Welfont Liwani, Elizabeth Monyeni, Nobalungisa Dyasi, Samuel Ngcwabe, and Tony Stokes, centre.

Jackson Mtya, who also runs a small grocery stand in Khayelitsha. "Now I know what I must do to make a profit. My business can finally grow"

Eskom is now looking to containerise laundromats,

butcheries and other services in the same way

During the next year, the company hopes to create nearly 200 jobs

Container businesses were easy and affordable to oper-

ate, said Eskom Test and Demonstration Centre manager Tony Stokes

Costs to the company were R20 000 in structure and equipment, and the same amount in training

Teachers head for clash on proposed service conditions

Education Reporter

TEACHERS' unions look set to clash with each other over the government's proposed changes to service conditions.

The state's proposals were tabled in the Education Labour Relations Council (ELRC) this week and negotiations around them are to begin on Monday

But one of the biggest teacher

unions, the South African Democratic Teachers' Union (Sadtu) has accused another leading player, the National Professional Teachers' Organisation of South Africa (Naptosa), of being motivated by racist policies

Sadtu has said it supports the offer by government and favours any move to integrate education and address imbalances

Sadtu was therefore in favour of the new severance package, which the state offered in place of existing schemes

But it is widely expected that the new severance package will amount to less than the old package

Sadtu accused Naptosa of encouraging teachers to take the retrenchment package

Sadtu said it was not pre-

pared to discuss teacher retrenchments in the ELRC

According to its own analysis, Sadtu said, the government's offer was aimed at "right-sizing" the public sector, which meant the restructuring of education to achieve equity

The union said the proposed severance package would ensure no teacher would be forced out of the system

ARG 19/4/96

Training trust to promote course in KwaZulu Natal

By STUART RUTHERFORD

Durban — The recently commercialised non-governmental organisation, Informal Business Training Trust, last week ran a course for trainers in Durban designed to boost the successful Township MBA programme in the region

The 14 trainers attending the course were from several organisations including Nicro and the Natal

Technikon — who are already involved in teaching the programme in Durban and Pinetown

Cedric Buffler, a trustee, said he hoped the eight day training programme would help the Township MBA take off in KwaZulu Natal as it had done in other regions

He said the programme not only encouraged and trained potential entrepreneurs, but provided them with a series of increasing loans. The

trainees can obtain R6 000 over 33 months and R4 000 a year thereafter

"This is one of the first attempts to commercialise a non-governmental organisation in this country and because of a lack of funding we are inviting companies to sponsor unemployed dependants of their employees to attend," Buffler said

"We also have the support of corporate bodies such as Nedcor Bank, who use our programme. A portion

of the fee charged for this service will be used to help fund participants from disadvantaged communities"

The programme has been used throughout southern Africa by various organisations with great success over the past eight years

Buffler said a survey in the Orange Farm squatter camp, near Vereeniging, found that 81 percent of people who did the course found employment within 18 months

(179) CT(BR) 25/4/96

US training to prepare SA journalists for top roles

ET 29/4/96

(179)

STAFF WRITER

TWELVE senior South African journalists have been chosen by Independent Newspapers to undergo an intensive training course to prepare them to be the next generation of editors.

Seven of them will study for four weeks at the Nieman Foundation at Harvard University, followed by brief courses at the Washington Post and the Boston Globe.

Those heading for the Nieman Foundation are Ryland Fisher, deputy editor of the Cape Times; Dennis Cruywagen, deputy editor of the Pretoria News, Dale Lautenbach, foreign editor of Independent Newspapers, and Rich Mkhondo, who will become Independent's foreign correspondent in Washington.

The others going to Harvard are Kazer Nyatumba, political editor of the Star; Mathatha Tsedu, political editor of the Sowetan, and Esther Waugh, senior political writer and parliamentary correspondent of the Sunday Independent.

The other nominees in the programme will study in South Africa.

They are Lloyd Coutts, news editor of the Saturday Star and the Sunday Independent, Thabo Leshilo, emerging business editor on Business Report, Sol Makgabutlane, news editor of the Star, Prakash Naidoo, the Sunday Tribune's Maritzburg bureau chief and Kanthan Pillay, editorial systems administrator of Natal Newspapers.

The course arises out of the first meeting in Cape Town last June of Independent's international advisory board.

This board "identified an urgent need to select and train senior black and female journalists capable of occupying the most senior posts in the company within a few years", Independent Newspapers Holdings said.

Dr Tony O'Reilly, chairman of Independent Newspapers, asked the Nieman Foundation to arrange a special course to teach the trainees every aspect of the newspaper industry in a short time.

SA , S Korea plan training of 2 000 workers

(179) ARG 1/5/96

SOUTH Africa and South Korea have discussed ways to implement an earlier agreement for 2000 local workers to be trained in Korea. President Mandela has said

After meeting South Korean Foreign Minister Ro-Myung Gong at his official Pretoria residence. Mr Mandela said South Korean President Kim Young Sam had last year proposed the training programme to help South Africa address its high unemployment rate

"We have discussed how to introduce that training and there will still be further discussions between our Foreign Minister (Alfred Nzo) and Mr Ro-Myung to ensure that this programme goes on in a way which will be suitable to both countries," he said

Mr Mandela said the international community was very supportive of the new South Africa

"One of the unique factors of our country is that wherever we go now we are received with open arms

This was also the case with South Korea, which was very supportive to South Africa's democracy, Mr Mandela said

Mr Mandela earlier met foreign ministers from Japan, Norway, Denmark, Finland, Chile, Columbia, Jordan and west African states attending a meeting of the United Nations Conference on Trade and Development - Sapa

Business training emphasised by new video

David McKay

BUSINESS training in SA has gained new emphasis with the launch of the first in a string of videos retelling homegrown rags-to-riches yarns.

What singles out this video is that the management lessons are unconventional and stem from the SA business world.

Introduced and narrated by business management guru Prof Andy Andrews, they laud the value of doing the outrageous and the unexpected — grist to the new-look business mill in a democratic SA.

The SA Strategy Guild, led by consultant Simon Hammerton, hopes to release several such videos and has sold to a number of blue chip companies including Sasol, Murray & Roberts and Investec.

While the value of traditional business training is recognised, Andrews promises that what is learnt from the video will never be heard in the lecture room.

A number of innovative businessmen, such as Woolworths MD Syd Muller and Kolosus CEO Tito Vorster tell their stories on the video. Muller focuses on thinking big in what is, perhaps, a less-than-delicate locution, "big hairy goals".

But then again the business world is not presented as a particularly delicate place.



VORSTER

Muller professes a belief in thinking big, not in national but rather in global terms.

He says it is not good enough to believe a business should be the best in SA. Rather, it must be the best in the world.

Vorster agrees, and tells of his

personal triumph in developing Kolosus from the grossly overweight co-operative Vleissentraal into a listed company.

Kolosus's activities include meat, leather and canned goods.

Also on the subject of the tough business world, Jeremy Ord, CEO of information technology company Dimension Data Group, tells the viewer that his employees must fit in or leave.

"You can tell who is going to fit as they walk in through the door. Our people must be prepared to work hard — and play hard," he says.

Ord seems to mean it, because Dimension Data is now the biggest computer company in the country.

"This is what can be done with the right attitude," says Andrews.

Barney Hurwitz, described in the video as "the godfather of health-care", explains how he built his hospital empire against almost impossible odds.

Having bought a hospital in Hill-brow which he intended to modernise, Hurwitz discovered the building could not be altered as he would lose his zoning classification.

Instead of "throwing in the towel", Hurwitz elected to rebuild the hospital from the inside and from top to bottom, replacing the roof and moving downwards while leaving the facade intact.

Andrews is an inspirational and recognised figure in SA business



ORD

management and his narration, though a little stogy, is the perfect foil to the personal stories of business success.

While Hurwitz tells his story of overcoming difficult odds, the most compelling of these personal triumphs is that of Habakuk Cane

CEO Habakuk Shikwane, who concludes the video.

Shikwane describes how he went to the apartheid government in the 1950s and obtained a letter allowing him to employ factory workers at his Soweto-based cane furniture factory. At a time when the movements and freedom of people was being heavily restricted, Shikwane was able to make his business thrive.

Shikwane puts this down to what he terms a necessary "sickness of the entrepreneur" which, in other words, is an unstoppable desire to constantly grow in business.

Hammerton says that one of the virtues of the video is that it allows insights into business success on a local level rather than relying on "yet another American ranting on about US companies."

"There was nothing specifically on video that was local, relevant and effective," he says.

"With this thought foremost, the SA Strategy Guild was formed to produce and market strategy programmes which could fundamentally improve the competitiveness of SA businesses."

"This could only be done through sharing wisdom of great SA business leaders and business trainers — real, relevant lessons based on the SA market and business environment," he says.

Three more programmes are due from the SA Strategy Guild.

(179)

BD 9/5/96

chairman of the Competition Board and I will be consulting with him and others in an attempt to establish the key issues we should be addressing. Those key issues will then be taken through the Nedlac consultation process in terms of an agreement my predecessor had with Nedlac, that we would not have a detailed line-by-line discussion, but would discuss the main issues I am proceeding down that track. It is my hope that we shall be able to table this legislation this year, but if not, certainly in the very early part of next year.

In addition to that, I shall soon be announcing the names of four persons who are to come onto the Competition Board to fill existing vacancies on that board. I have had discussions with business leaders on this, and have informed them of the process. I think, therefore, that we are beginning to move forward on what is an important piece of legislation.

Police budget vote: rewards for information

*3 Sen J SELFE asked the Minister for Safety and Security

(a) What amount was allocated in the Police budget vote for the 1994/95 financial year for rewards for persons coming forward with information and (b) what portion of this allocation was spent in that financial year?

S302E

The DEPUTY MINISTER FOR SAFETY AND SECURITY

(a) R 15 000 000

(b) R 43 489 779,88

The excess of R 8 489 779 was funded from funds obtained through reprioritisation and scaling down projects of lesser importance as well as the implementing of stringent savings measures.

Establishment of Independent Complaints Directorate

*4 Sen J SELFE asked the Minister for Safety and Security

(1) Whether the Independent Complaints Directorate provided for in the South African Police Service Act, 1995 (Act No 68 of 1995), has been established, if not, when is it to be established, if so,

(2) whether the Executive Director of the Directorate has been appointed, if not, why not, if so, (a) what is his or her name, (b) what are his or her qualifications and (c) what previous experience does he or she have? S303E

The DEPUTY MINISTER FOR SAFETY AND SECURITY

(1) No. The post of the Executive Director of the Directorate was advertised and a short list of applicants has been compiled. The list of applicants who have been short-listed will be interviewed by a panel on 5 and 6 June 1996. The appointment of the Executive Director and the establishment of the Independent Complaints Directorate will follow as soon as possible thereafter.

(2) (a), (b) and (c) Not applicable

Free primary health care: impact

*5 Sen W F MNISI asked the Minister of Health.

(1) Whether her Department, prior to the introduction of the free primary health care programme, investigated the probable impact of the programme on the resources and finances of State hospitals and clinics, if not, why not, if so, what (a) was the extent and (b) were the results of the investigation,

(2) whether her Department has made or intends making any provision for financial assistance to State hospitals in this regard, if not, why not, if so, what was or will be the extent of this assistance? S305E

The MINISTER OF HEALTH

(1) Yes

(a) The Department investigated the total costs of providing primary care services to the whole population, based on current utilisation rates. Further estimations were made to allow for possible increases in utilisation once the services were provided free of charge. The cost implications of this were then used to develop a Medium Term Expenditure Framework which detailed the funding requirements of the public health system, including primary, secondary, tertiary care services.

and care provided at academic hospitals over the next five years. The calculation was done, taking into account the cost of building new clinics to accommodate the increased utilisation, and training of staff.

(b) The projected expenditure was R5,3 billion for primary health care, and R9,3 billion for the hospital sector for 1996/97. This amount includes the cost of free primary health care at clinics. It also includes the cost of services at academic, provincial general, provincial special and community hospital inpatient services. The current budgetary allocation is largely in line with the cost projections of the Medium Term Expenditure Framework. This suggests that the implementation of the free primary health care policy is adequately funded within the current allocation.

(2) The policy of the Department is to provide free primary health care, not through the public hospitals, but through the designated first-level providers, such as public-sector clinics, health centres and day hospitals. The Department did make provision for the increase in the referrals to the public hospitals, and this is accommodated in the present budget.

Utilisation of training centres

*6 Sen Dr G W KOORNHOF asked the Minister of Labour †

Whether the Department intends (a) utilising to their full capacity the existing facilities, equipment and infrastructure at 16 training centres under the control of a certain body, the name of which has been furnished to his Department for the purpose of his reply, (b) providing courses of a longer duration on a permanent basis at these centres and/or (c) funding such courses in the longer term (up to and including five years), if not, why not, if so, from what date in each case?

S315E

The MINISTER OF LABOUR

1. Direct Responses:

(a) The Department of Labour is fully committed to using the training

capacity of the Regional Training Centres (RTCs) and Training Trusts (TTs)

(b) The provision of longer-term courses will be a requirement of any training institution that is receiving stable long-term funding for training from the Department. The RTCs on their own initiative have begun introducing this longer-term's focus.

(c) The long-term funding of these institutions is presently being assessed by the Department as part of the development of a new human resource development strategy for the country.

2 Future Funding Arrangements for the RTCs and TTs

2.1 There is a need for the Department to secure higher levels of relevance, quality and efficiency in the training that it finances through the RTCs and TTs. It is also essential that the Department facilitates greater access to its funds by private training providers especially emerging training providers.

2.2 To this end the Department is currently assessing the performance of the RTCs and TTs with a view to developing new methods of disbursing the funds for its training programmes. In principle, the Department must balance the total funds available for training between stable disbursements to the RTCs and TTs on an annual basis, and a more competitive disbursement procedure that facilitates access of other providers to these funds. In addition, the Department is developing new forms of accountability which all training providers using public funds will have to adhere to.

2.3 The Department will finalise the new policy, for consultative purposes, by September 1996.

2.4 The Association of Training Providers (ATP) has been kept informed of this process and has been invited by the

HANSARD (179)

Department to set-up a workshop in mid July with all RTCs and TTs to allow for their early input into this policy development process. The ATP indicated their support for this proposal

3 Interim Funding Arrangements

3.1 In the interim the Department is aware that clear funding guidelines are required by the RTCs and TTs. The Department has formulated these guidelines for interim funding arrangements with a view to ensuring that capacity in these training institutions is not prematurely scrapped

3.2 These guidelines will be discussed at a meeting of the Department's Chief Directorate Human Resources Development and Career Services and all Provincial Directors on 29 May 1996. At this meeting a final decision on interim funding of the RTCs and TTs will be made

4 Phishing in New Funding Arrangements

4.1 New funding arrangements will be phased in so as to give the RTCs and TTs the opportunity to plan for any new funding dispensation

*7 Sen A E VAN NIEKERK—Land Affairs
[Question standing over]

Witwatersrand Supreme Court building: damage

*10 Sen R J RADUE asked the Minister of Public Works

(1) Whether during rainy weather serious leaks occurred on the top floor of the Supreme Court building, housing the office of the Witwatersrand Attorney-General, if so, what was the estimated cost of the damage caused by these leaks to (a) newly laid carpets and furniture and (b) documents,

(2) whether any efforts have been made to attend to the problem, if not, why not; if so, with what success,

(3) whether he or his Department intends taking any further action in this regard, if not, why not, if so, what action? S319E

The MINISTER OF PUBLIC WORKS

(1) (a) and (b) Leaks did occur on the top floor of the Supreme Court Building during the past rainy season. Although the office of the Attorney-General did mention damage to carpets, furniture and documents, in their complaints, a claim for only R159,44 was received in respect of a damaged dictionary and two desk calendars. This amount was paid to the relevant Senior State Advocate. Carpets were dried and cleaned by a contractor for just under R1 000. It was not necessary to replace any carpets. No claims for damage to any of the furniture has been submitted by the Department of Justice

(2) Since the start of the rainy season, this Department has spent R55 000 on repairing roof leaks in the Supreme Court Building. Repairs to the roof were successful, but as soon as some leaks were sealed, new leaks developed as a result of not only perished waterproofing owing to acid rain, but also a structural problem. This problem can be successfully solved by increasing the slope of the roof, replacing the existing gutters and downpipes with those of a larger diameter. The existing corrugated iron will have to be replaced with a suitable roof/covering

(3) Documentation has been completed to re-roof the affected areas. The estimate cost is R1,2 million and tenders will be invited during June of this year. The contract period for the service is four months

Senator R J RADUE Mr President, arising out of the hon the Minister's reply, I would like to know why it has taken his Department so long to attend to the repair of the Supreme Court building?

The MINISTER OF PUBLIC WORKS: Mr President, the request was submitted to the Department of Public Works, which acted on the request when it was received from the Department of Justice

Strike on 30 April: estimated cost

*11. Sen Dr G W KOORNHOF asked the Minister of Labour:

(1) What was the total estimated cost to the South African economy of the strike on 30 April 1996, expressed in terms of (a) direct and (b) indirect costs,

(2) whether he or his Department took any steps to prevent the strike; if not, why not; if so, what steps,

(3) whether he or his Department attempted to convince the trade union involved, the name of which has been furnished to his Department for the purpose of his reply, to call off the strike, if not, why not; if so, what attempts?

S320E

The MINISTER OF PUBLIC WORKS (for the Minister of Labour)

(1) The Department of Labour does not estimate the cost of strikes, whether direct or indirect. Estimates of that kind have only a weak basis in economics, as they rely on very poorly quantified assessments of multiplier effects. Especially in the case of stayaways, they generally rely on the application of highly aggregated figures across sectors, with necessarily misleading results

Given these shortcomings, figures on the cost of stayaways serve primarily to underscore rhetorical points. In the process, all too often, they detract from efforts to understand and address the issues that lead to strikes

We see our role as improving labour relations as far as possible. From that standpoint, a reduction in strike activities provides a critical indicator of success. We measure our success in terms of the decline in person days on strike

(2) The strike action on 30 April revolved around Constitutional matters. It would be ill-advised to treat it like a simple labour matter, open to intervention by the Department of Labour. The parties involved held various discussions before the call for a stayaway

In this context, we must reiterate that the right to protest forms a crucial part of a democratic system. If the parties involved in a dispute, whether on the shop floor or in the Constitutional process, cannot find a

satisfactory compromise, a democratic government cannot stop people from taking protest action

(3) As noted above, the stayaway on 30 April was not a matter of normal labour relations, so the Department did not feel it should intervene.

Senator Dr G W KOORNHOF: Mr President, arising out of the hon the Minister's reply, I would like to point out that the question required a reply in terms of monetary value relating to the cost of that particular strike, and we have not had an answer on what the estimate is. May I ask the Minister whether he has any estimate as to what the strike cost the country?

The MINISTER OF PUBLIC WORKS: Mr President, I will convey that question to the relevant Minister, Mr Mboweni

Senator A VAN BREDA: Mr President, as to subquestion (1) of question 11, the question required an estimate. Instead of an estimate we got a sermon from the hon the Minister. May I

The PRESIDENT OF THE SENATE: Order! Would the hon senator ask his question?

Senator A VAN BREDA: Mr President, may I ask whether questions are not intended to supply the House with the requested information rather than to dish out sermons?

The PRESIDENT OF THE SENATE: Order! I do not think that is a question relevant to the content of the response

Senator A VAN BREDA: But it could be a Point of Order, then

The PRESIDENT OF THE SENATE: Order! It is an observation, and as such I do not regard it as a follow-up question

For written reply

KwaMakutha trial: costs incurred

147 Sen A VAN BREDA asked the Minister for Safety and Security †

(a) What total costs have been incurred on (i) daily allowances and (ii) subsistence and travel costs abroad by the Independent Task Unit in respect of the KwaMakutha trial, (b) how many official trips abroad have been undertaken for this purpose by individual members of the Independent Task Unit and (c)(i) what total

UK customs officials to train SA counterparts

CAPE TOWN — A team of British customs officers were due in SA next month to help train overstretched customs and excise officials, customs and excise chief director Fame Basson said yesterday

He told the parliamentary finance committee that his main problem was he had only 20 investigating officers dealing with a backlog of more than 600 cases

BD 11/6/96
But closer co-operation with the police and private sector had resulted in several successful seizures since the beginning of the year, netting an extra R10m in customs duties.

"Because of their success, we have decided to increase the investigations unit by another 30 investigators," he said

They would be trained by the British team and over the next five years he hoped to

boost the investigations unit to 320 people. This would increase customs revenue by about R700m a year

Basson said the first two of eight scanners ordered for border posts to detect illegal imports and exports would be coming into the country soon. He said they would be in place by November and negotiations were under way with France for larger scanners — Reuter

Payroll levy plan to pay for training

(179)
Greta Steyn

BD 5/7/96

NEGOTIATIONS are set to begin between government, labour and business on imposing a payroll levy on firms to fund and encourage training.

National Economic, Development and Labour Council (Nedlac) executive director Jayendra Naidoo said yesterday Nedlac, at its executive council meeting last week, had "moved from investigations mode to negotiations mode. We set up a negotiating committee to hammer out an agreement on the levy." The decision to establish a committee followed an investigation funded by Japanese aid.

"Training is an important part of addressing the productivity problem," Naidoo said. He noted labour had called for a levy of 4% of payroll, while business had countered that the levy paid should be offset against money already spent on training. Asked what the levy would be spent on, Naidoo said he expected business would be able to make a contribution on that.

Labour, in its document Social Equity and Job Creation, called for the levy to finance retraining workers. The document said the levy should be introduced initially for all firms with a

turnover of at least R500 000 a year, that it be phased in, starting at 2% of payroll in the first year, and called on government to consider funding training schemes. Labour called for emphasis on multiskilling and a new skills-based grading system.

Naidoo said. "Concern about productivity is the common thread linking business, labour and government." Agreements on measures to enhance productivity could be building blocks towards a national agreement on wages, which had been called for in government's macroeconomic strategy.

"If the focus is on productivity, real wage losses need not happen," he said, referring to labour's reluctance to even discuss wage restraint.

Wage moderation is a key element of government's macroeconomic strategy, which assumes average real growth in the private sector of 1% a year from next year and a decline of 0,5% this year.

Economic policy makers have been at pains to point out that wage growth must be linked to productivity and are hoping that the link will buy some goodwill from labour. The unions fear a

Continued on Page 2

Levy

(179)

BD 5/7/96

Continued from Page 1

national agreement on wages and prices is intended mainly to put a lid on wages and have demanded quid pro quos from business.

Sources close to government said yesterday they hoped a deep commitment to training could be seen as a quid

pro quo from business for wage restraint from unions.

The macroeconomic framework noted that the feasibility of a mandatory payroll levy was being investigated. While acknowledging the importance of government's role, it said industrial training had to remain employers' responsibility. Government wanted to facilitate development of financing mechanisms that would enjoy broad support from business and labour.

Bavaria helps SA with its artisan training scheme

Melanie Sergeant

MUNICH — Some of the first fruits of the partnering of Gauteng with Germany's state of Bavaria are apparent.

In Nurnberg this week, a team of South Africans will graduate as master artisans, and the pilot stage of a new Master Artisan Training Development scheme, modelled on Germany's Meister courses is being launched in SA.

According to project manager Danie van

Wyk, the courses will be run initially at the Eskom College, given that Eskom has been the major stakeholder in the project to date. However the courses are being designed to qualify for accreditation by the National Training Board and for eventual international recognition.

Van Wyk said: "Discussions are under way with Bavaria for a project involving the training of 40 South Africans at our college in SA.

"We hope the SA college can be privatised eventually and used by all SA companies for staff training."

He said the German system closed many gaps which existed in SA training. For example, there was no career path planning in the SA system. With this training, people became artisans who could move on to become supervisors and managers."

"These Master courses will cover trainer development, business principles and leadership development, and theoretical and practical development."

So far, 18 South Africans have attended training in Germany.

Graduate Seya Shayi said: "We have learned skills in management, economics, and social studies. The course has allowed us to spend a great deal of time working within companies in Germany."



FINISHED PRODUCTS: Leather worker Mr Milliseli Kopa learns how to make leather belts, bags and shoes at the Buthisizwe Development and Training Centre in New Crossroads. The centre was started almost 10 years ago at the time of the Witdoek/comrades clashes in the belief that people would not kill if they were constructively occupied. **PICTURES: ANNE LAING**



HOMEMADE OVEN: Mrs Cynthia Maniwe learns how to run her own bread-baking business using a cement oven. The Buthisizwe training centre also offers courses in carpentry, knitting, sewing and weaving.

Training centre born during violent years still flourishes

CT 10/7/96 (170)

LISA TEMPLETON

AN ADULT training centre which rose out of the chaos and violence that raged through Crossroads in the mid-eighties is still thriving nearly a decade later.

Since the Buthisizwe Development and Training Centre was started in New Crossroads in June 1987, some 600 people have benefited from training in carpentry, knitting, weaving, sewing, baking, cement-block processing and leather work. They have either entered formal employment or are making a living in the informal sector selling their wares.

The project was initiated by Ms "Mama" Sophia Benge in 1986 — when the Witdoeke and the "comrades" were fighting each other bitterly — in the belief that people constructively occupied would not fight and kill.

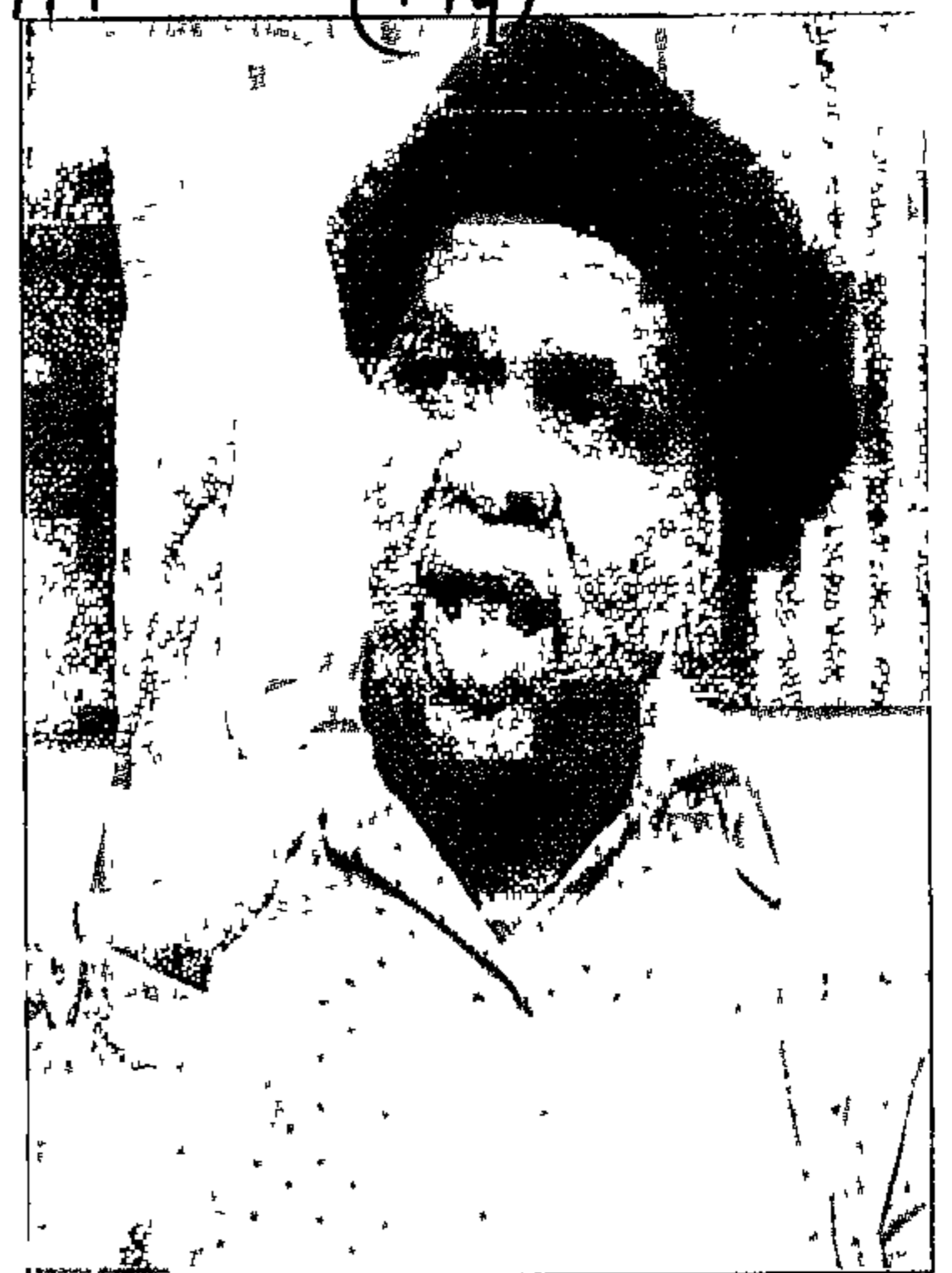
Now people come from as far as the Transkei to attend the month-long training courses. These are followed by a two-week business course run by Triple Trust.

Benge also helps those who have completed the courses to find work by distributing their personal details to local RDP offices.

The courses are conducted in a chilly, dark warehouse, where students from 18 up are taught. The products they create are sold and the money made is used to buy materials to keep the courses going.

The centre is funded mainly by the cement-block construction section, which produces some 1 000 blocks a day which are then sold to local home-builders. The centre has also received donations of cash and machinery.

During the time of the Witdoek/comrade clashes, Bengé opened up her New Crossroads home to a



FOUNDER: Ms "Mama" Sophia Benge, who opened the New Crossroads centre, which is still thriving.

stream of political refugees and homeless comrades. In 1986 she went into hiding from the police and the Witdoeke for six months.

"I then decided to convince my people that it doesn't help to fight to the last day of your life, it is better to work," she said. With the help of local church ministers she set up the centre with 68 students, who brought their own tools.

MANAGEMENT

Policy should concentrate on human needs, work skills

Business Day Reporter (179)
BD 11/7/96

THE National Qualifications Framework — a labour departments policy strategy — should focus on meeting human needs and enhancing skills in the workplace, says human resources development and career services chief director Adrenne Bird.

While it is argued that education and training cannot create jobs, a strategy that emphasises general education, such as the strategy, can equip people with the skills to make a start. However, the plan cannot guarantee social and economic growth on its own, Bird says. Therefore, the department

is focusing on combining education and job creation in one policy.

SA had to move beyond regarding job creation as a means of providing food and shelter. There were other human needs.

"The majority of South Africans do not enjoy a decent standard of living."

"The labour department is suggesting that each economic sector should integrate formal training, job creation, and new programmes for itself.

"In the current situation, training declines in downswings and skills

shortages push up wages in upswings

"The labour department is recommending a number of changes to rectify the situation — in particular the introduction of labour market information systems to enable people to track what is happening in the various economic sectors," she says.

Such integration is necessary because one sector will have some skills requirements in common with other sectors. These sectors should be allowed to input their ideas and requirements on standards and qualifications

to the framework

"In making such inputs, economic sectors will hopefully lay the basis for meeting social and economic needs

"Economic sectors, however, cannot write standards on their own because that will tend to drive the National Qualifications Framework into the narrow meeting of short-term needs.

"The longer-term capabilities need to be built in. The total package is equal to an integrated people-development strategy, in the view of the department of labour," Bird says

Free training course for Gauteng taxi operators

By Themba Sepotokele

UBUNTU Edunet, a free and compulsory training course for taxi operators in Gauteng aimed at eradicating violence in the industry will spread its wings to other provinces next year.

This was disclosed at the weekend by the director of Norite Educational Holding, Dr Jeeva Naidoo, in Florida at the certificate presentation ceremony of six taxi operators who had completed the course.

A four day course assists taxi drivers to relate positively with commuters and other drivers, alleviate the level of violence in the industry and manage their business professionally.

The Government funded the course, which is a branch of the Gauteng Taxi

Initiative (GTI), formed by the former transport MEC Mr Olaus van Zyl.

The course is also aimed at bringing to an end pirate taxi operators, and since the course is free and compulsory, taxi operators who fail to enrol will not be issued with permits and some would not be renewed.

Norite senior training officer Mr David Finda said the course aims to promote the spirit of reconciliation.

"It also assists them to exercise healthy debates when petrol is increased and not to vent their anger by blockading the streets," Finda said.

Taxi operators who were presented with certificates were Mr Archieboy Morrison, Mr Moses Doods, Mr Dick Trompettes, Mr Dalie Dawood and Mr Ernest Joseph.

(179)
Sowetan 15/7/96

THE recently released green paper on employment and occupational equity briefly considers, and then summarily dismisses, the notion of leaving the problem — essentially, the massive under-representation of non-whites in skilled and white-collar jobs — to “voluntary action and market forces.”

We are told “Neither social science theories nor practical experience suggests that the deep-seated inequalities left by apartheid will disappear in the foreseeable future without some government assistance. In particular, the unaided action of market forces seems unlikely to achieve that end.”

The case for government “assistance”, or intervention, needs to be more fully developed.

There would, after all, seem to be strong empirical evidence that SAs are desperately short of skilled workers and managers, that said shortage is severely affecting the country's productivity by raising the price the skilled, black and white, can command for their services (thus, among other things, exacerbating inequality), and that the only way to deal with this is to tap aggressively into the neglected pool of talent that is the majority population.

If employers wish to grow and compete in world markets (assuming they are made to do so by the removal of state codling in the form of protective tariffs and the like), then hiring, training, advancing and retaining black employees is scarcely a voluntary matter. The imperatives are not just moral or social. They are economic. There is not anyone else to turn to.

That does not mean there is not a role for government in providing decent schools, clinics and safe, clean streets, or in enforcing laws against all forms of discrimination. One has to wonder, though, whether creating bureaucracies to regulate and oversee the racial composition of the private sector work force is really an efficient use of limited resources that might be better deployed on the fundamentals. The

Skills training the only essential social engineering

SIMON BARBER in Washington BD 16/2/96
(179)

same question may be asked of the costs companies will inevitably incur complying with the bureaucrats' insatiable demands for paperwork.

Make no mistake. The regime outlined in the green paper, with its requirement for employers to draw up organisational audits and equity plans, is likely to be expensive.

Among its chief beneficiaries, one suspects, will be the consulting firms employers will feel obliged to hire for the audits and plans, not to mention the “diversity training” called for in the document.

See section 4.7.3. “Employers and employees should participate in training on conflict management, cultural and gender diversity and institutional change.”

SA can expect to be deluged with proposals from US consultants. One, Robert Latimer, who heads the Atlanta-based “diversity” practice of the international management consultancy Towers Perrin has already been provisionally retained by government to “transform” the public service.

Towers Perrin and SA partner Alexander Forbes want R40m to run a three-year programme. Public Service Minister Zola Skweyaya has promised them 10%, Deputy President Thabo Mbeki has given them a letter requesting the private sector

to help make up the difference.

Latimer is a leading light in what has become a multimillion-dollar US industry spawned by the US's gnawing racial angst.

US CEOs like to think of themselves as an enlightened lot. They read statistics asserting that by 2000 only one of seven new employees will be a white male, and they worry about the low promotion and high dropout rates of “disadvantaged” employees — racial minorities and women — hired under well-intentioned affirmative action programmes. When an expert like Latimer comes along promising not only to foster racial representivity in their work forces, but also turn “diversity” into a source of productivity gains, they are faddishly ready to shell out serious money.

Roosevelt Thomas Jr of the American Institute for Managing Diversity, and a close associate of Latimer, was reported in 1993 to be charging \$8 000 a day for his services. Another big name in the business, Elsie Cross of Elsie Cross Associates, is said to charge clients — who include such companies as Kodak, American Express, GE, Sildenafil, Corning Glass, and Ortho

Pharmaceutical — more than \$2.5m for a five-year package.

Half a dozen major US corporates, including Reebok, Smith-Kline Beecham, Philip Morris and Salomon Brothers, sponsored a special advertising section in the July 1993 edition of Black Enterprise magazine extolling the benefits of “diversity management”, which was explained as follows: “The old way was to assimilate diversity — to expect people to hide or adapt their cultural differences so they fitted the mould of the company's dominant culture.”

“The new way is to treat diversity as an asset that brings a broad range of viewpoints and problem-solving skills to the company. Good diversity management frees employees of the need to assimilate and play it safe, and encourages them to develop their strengths and present innovative ideas.”

Or, as Latimer put it in the presentation that helped win over Skweyaya: “An organisation which is managing diversity successfully does not require that any employee be judged to be ‘different’ as assumed by the dominant culture by assuming the characteristics of the successful model.”

At first glance that looks reasonable enough.

A healthy corporate culture is obviously one that brings out the best in all its employees and does not stifle originality or fresh perspectives.

But the diversity gurus head into murky territory with their evident distaste for assimilation they seek, in fact, to accentuate ethnic, racial and gender differences on the theory that a person's colour or sex is somehow critical to his or her performance as an employee, indeed as a qualification in its own right.

To the extent that racism is still a major impediment to black advancement in SA, the way to remove that impediment is surely not more racism, and it is to be hoped that South Africans are wise enough (and I believe most are) to resist the temptation of importing too many silly, not to mention expensive, ideas from the US country.

The lessons the US has to offer on “diversity”, affirmative action or whatever, the latest fashionable phrase is are mostly of the negative kind what not to do.

You can call what holds black South Africans back today a wicked legacy of the past. That is entirely true. But it does not solve much. The core difficulty remains the same: a deficit of business skills.

Radicalising that deficit is what every available penny should be spent on, not simply for the sake of the historically disadvantaged, but for the sake of the entire economy.

The shortage of skills at all levels, from MD to machinist, is the single biggest constraint on SA's development, growth and international competitiveness.

Under such circumstances, the diversion of resources to the drawing up of organisational audits and of equity plans, the hiring of “diversity” and “sensitivity” trainers and the care and feeding of bureaucrats to police the whole system, is almost sinful.

South Africans do not need to be trained to value each other's differences, let alone taught to believe as simulation is a dirty word; they need the real stuff, like engineering, management, law and accounting.

Unions target training

(179) (S) M+G(BM) 19-25/7/96

Unions have received a welcome R2,5-million for training to prepare for the Labour Relations Act, writes **Madeleine Wackernagel**

WHILE the implementation of the Labour Relations Act (LRA) proceeds at a snail's pace, with promulgation next month now increasingly unlikely, the unions have received a welcome boost in preparing for the new order

The African-American Labour Centre has donated R2,5-million to the National Economic Development and Labour Council (Nedlac) to finance training programmes for union leaders and their shop stewards from the Congress of South African Trade Unions, the Federation of South African Labour, the National Council of Trade Unions and their affiliates

And not before time "Training programmes have been put together, but so far most unionists are not well informed. Employers, not the unions, are proving to be most *au fait* with the act," says labour analyst Gavin Brown

This view is echoed by the National Union of Mineworkers (NUM) "The response to the LRA from the shop-floor has been quite enthusiastic, but training has not been to our satisfaction. By the time the Act becomes effective, we should have had enough time to implement some basic training programmes. The whole process is ongoing, we will soon be taking it to the regions," says a representative.

Described by one commentator as a "utopian piece of labour legislation compiled in an enormous rush, full of technical imperfections", the Act could become an embarrassment to Labour Minister Tito Mboweni as constant amendments threaten to delay promulgation until October at the earliest

"The new LRA resembles the old one more and more — a real patchwork quilt of amendments," says



Practice in progress: Jayendra Naidoo (centre) assists Numsa on an LRA training programme

PHOTO RUTHMOTAU

Brown "And without sufficient skills and training to put it to best practice, it could be a lame duck"

But Nedlac for one was optimistic that the new funds would go a long way to boosting the training process

Says executive director Jayendra Naidoo "More than 2 000 shop stewards, union office bearers and organisers will be targeted for training, and thousands more will benefit from an LRA video programme piloted by Cosatu"

Sekoat Mokoena of the South African Commercial Catering and Allied Workers' Union, says the delays in implementing the LRA would give the unions more scope to get training programmes up to scratch "The new law is much

more understandable than the old one. Once the Act is promulgated and the shop stewards are fully conversant with its contents, it won't be difficult to put the Act into practice"

The exact reasons for delays in implementing the Act are hard to pin down. But Nedlac, for its part, has fulfilled its side of the bargain "Only two items are still outstanding," says Naidoo "Work on the drafting of codes of practice for picketing and retrenchments, and setting criteria for demarcations of sectors, is due to finish soon, while the other key tasks have been completed in good time"

These include nominating members for the Commission for Concilia-

tion, Mediation and Arbitration advising on the seat of the new Labour Court and potential candidates for the role of judge president and a deputy, submissions for the Rules Board and Essential Services Committee, and approving and finalising the LRA Amendment Bill

Setting up these institutions proved more difficult than anticipated, says the Department of Labour. "We are going at full speed to put the framework in place, but so far we cannot put a date on the final promulgation of the Act. Unfortunately, the amendments tabled before the end of the last parliamentary session were not passed because a quorum could not be reached, which has delayed things further"

Scrooge syndrome dogs training in SA

Social programmes get lion's share of corporate spending
(179) ARG 22/7/96

ALIDE DASNOIS
Business Editor

CORPORATE South Africa is spending big money on social programmes but not nearly enough on training

These are the findings of a survey of more than 60 major companies by Cape Town-based Labour Research Service, advisers to Unity, the trade union controlled company which jointly owns the Community Growth Fund

The survey found that 58 of the country's biggest companies spent

only 2.5 percent of their payroll on training, compared with an international average of between four and seven percent

Smaller companies probably spent even less, Labour Research Service said

Half the companies surveyed spent less than two percent of payroll on training

The financial services sector came out best with an average of 3.1 percent, followed by engineering, with three percent. Bottom of the list were the consumer

and media sectors with 1.7 percent each

"A handful of South African companies have shown, however, that spending money on employee training is important," Labour Research Service said

It is not surprising that these companies are also highly rated by the financial markets

The survey cited Iscor, which spends 10.1 percent of its payroll on training, Dimension Data (7.0 percent), Coronation (5.0 percent), Transnet (5.0 percent) and Smart Centre (4.6

percent)

Labour Research Service found that big companies spent on average one tenth of dividends on social programmes, compared to 4.2 percent last year

Toyota topped the list with the highest ratio of social spending to dividends (55 percent), followed by Nu-World, Smart Centre, Sasol and City Lodge, all of which spent more than 26 percent of dividends on social projects

Biggest spender was SA Breweries with R51 million, but this amount-

ed to only 6.8 percent of dividends, the survey noted

Total social spending by the 61 companies surveyed was more than R225 million

The survey did not assess the quality of the programmes, commenting only that social spending should fill a real need and that beneficiaries and employees should be involved in decisions "Sponsoring the planting of trees in an elite suburban neighbourhood is not classified as a social programme," it noted

Handicapped by our own

(179)
(178)

Ann Crotty

CONSUMER INDUSTRIES EDITOR

Unless South African companies dramatically increase expenditure on workforce training it is difficult to see how they will ever catch up on the productivity levels of their international competitors who are spending a much greater percentage of payroll on training. The results of a social benchmarks survey recently conducted by the trade union-related Labour Research Services (LRS) point to an ever-widening gap between local and international productivity levels in the absence of such an increase.

Out of 60 of South Africa's largest listed companies that responded to the LRS survey, the average training spend is only 2,5 percent compared with the international average of between 4 and 7 percent. The LRS points out that of equal concern is the likelihood that small- to medium-sized South African companies spend even less than the large companies.

The grimness of the South African situation is further aggravated by the fact that the bulk of the South African workforce has suffered an education system that ensures they are way behind their international counterparts when they commence their worklife. Far from attempting to compensate for this, local employers are compounding the effects by underinvesting in training. As the LRS says "Given the large number of unskilled workers the task of catching up with competitors in the Far East, Europe and the US appears nearly impossible."

According to the LRS, a handful of South African companies have shown that spending money on employee training is important. The five companies that received the top rating are

Isacor, which spends 10,1 percent of its payroll on training, Dimension Data spends 7 percent, Coronation and Transnet each spend 5 percent, and Smart Centre spends 4,6 percent.

Many companies have complained that they cannot be expected to fund the sort of training levels afforded by their international competitors because of circumstances peculiar to South Africa which require them to provide money for social programmes. But the LRS says that even allowing for this expenditure the total spend does not match international levels. "The analysis showed that few companies involved employees or unions in decision-making over company social investment programmes," said the LRS.

The LRS survey showed that the majority of companies spent between 1 and 5 percent of what they paid out in dividends to shareholders on social investment programmes. In absolute terms South African Breweries' R51 million was the highest amount and equivalent to 6,8 percent of the total dividend payment of R752,5 million.

An important part of the LRS's benchmark survey related to affirmative action. Of the companies surveyed, only 5 percent of the senior management positions were taken by blacks.

On a sectoral basis the consumer sector comes up tops with 35,7 percent of all managers black. The beverage and hotel sector follows, with an average of 29,8 percent. The engineering and mining sectors were at the bottom of the list with 15,3 percent and 7,2 percent respectively.

The LRS says "Smart Centre has the highest percentage of blacks in management with 59,2 percent, followed by African Life with 58,8 percent and McCarthy with 53,8 percent."

CT(BR) 24/7/96

Way down at the other end of the scale are Nasionale Pers, Amplats, Board of Executors, Iscor and Gentyre, which have the lowest ratio of blacks in management positions.

Trade union participation in company affirmative action programmes has been limited. But the LRS believes this will change. The tone and content of the labour department's recent Green Paper on employment and occupational equity reflected a strong input from the government's trade union partners. Cosatu favours a bottom up approach to the issue supported by a strong commitment to workforce training that would enable employees to move into management positions.

By contrast, the Black Management Forum places much greater emphasis on blacks being moved into all management levels even if this requires recruitment from outside.

At last week's press conference to announce the new social goals of the trade union-backed unit trust Community Growth Fund, Irene Charnely, an executive of the fund and of the National Union of Mineworkers, said unions were interested in who filled the top management positions "but we're much more interested in the commitment to training" to access those positions.

The LRS survey represents one of the few attempts to audit the social profile of South African companies. With increasing pressure from the government in the form of tendering procedures, the Labour Relations Act and employment equity requirements, the sort of information generated is expected to become of growing importance to the investment community. The LRS indicates that future surveys will be more vigorous in their definition of management positions and relate them to the chief executive's role.

Training scheme earns recognition for Yorkcor

Business Day Reporter

THE Mpumalanga government invited integrated timber products group Yorkcor to exhibit at the Enterprise Africa Expo '96 at the World Trade Centre in recognition of its work in developing black entrepreneurs through an innovative training scheme.

Yorkcor RDP division head Willie Oeschger said the company developed the "wood and livelihood" training programme close to a sawmill at Acornhoek in March last year.

"The aim is to develop entrepreneurs through training in carpentry and timber building skills. More than 100 semi-skilled artisans, capable of earning a living in the trade, have already completed the training course," he said.

The company also created employment opportunities where it could, such as in allowing trainees to take the

lead in the construction of 50 timber houses for the Mpumalanga Parks Board at Songimvelo Nature Reserve.

"The successful trainees also manufactured and built roofs for several remote schools in the province."

Oeschger said Enterprise Expo '96 was an important catalyst which brought together exhibitors from diverse backgrounds such as small businesses, service providers, government providers, the corporate sector and parastatals.

"It is a shot in the arm for rural entrepreneurs who often work in isolation and suffer from the lack of networking which is an important ingredient of success in business.

"Yorkcor takes training and social responsibility seriously and we strive to play a growing role in community and upliftment projects. We are pleased that our achievements in the field have been recognised," he said.

(179)

BD 1/8/96

Training plan for advocates set up

MD 12/8/96 (179)

Susan Russell

THE General Council of the Bar, which represents the SA advocates' profession, has launched an initiative to develop a practical training programme aimed at improving the advocacy skills of prospective members of the bar.

Since 1973, an applicant admitted to the Bar as an advocate of the Supreme Court must serve a four-month pupillage during which they work in the chambers of a member of the Bar, picking up practical skills, and then take the national Bar examination.

An editorial in the latest issue of the SA Bar journal *Consultus* said the proposed training programme would follow similar trends in foreign jurisdictions over the past 20 years.

Britain is one of the foreign jurisdictions with an advocacy training programme, and the English Bar had already co-operated with its SA counterpart in getting the local initiative under way, the article said.

The *Consultus* editorial said the traditional view that the ability to be an advocate could not be taught was no longer acceptable.

While hidden qualities and talent determined the difference between mere competence and being truly great, there was no doubt that the basic skills of advocacy, like any other skills, could be taught.

"It has long been accepted by other professions that skills training is beneficial for new entrants and also for the public," *Consultus* said.

"It therefore follows that advo-

cacy training will enhance the standards of advocacy."

The Bar Council had already established a national advocacy training committee under the leadership of advocate Johan Ploos van Amstel SC, which in turn was planning workshops and an extension of its teacher training base, *Consultus* said.

General Bar Council chairman Malcolm Wallis SC told *Consultus* that under the training programme every prospective advocate who entered pupillage in SA would be required to undergo basic advocacy training using the methods developed internationally over the past 20 years.

Regulated

In addition to the existing components of teaching they received from their "master" at the Bar during pupillage, pupils would be given the opportunity to learn and exercise the skill of advocacy in a regulated training environment.

Wallis said he did not foresee that this addition to a pupil's training would displace the other important components of the existing pupillage training process of the national Bar examination.

He said that continuing legal education would enable the profession to serve the public efficiently and successfully in the overall interests of justice.

"If the advocacy profession is to survive, those are the goals which it must set itself and the General Bar Council must commit itself to advocacy training in order to enable its members to achieve those goals," Wallis said.

R1m guarantee for Parks Board

Pearl Sebolao

MD 12/8/96
CONSERVATION Corporation Africa announced at the weekend that it would underwrite the R1m needed to help save Table Mountain from development on its slopes.

The money that is raised will go towards the National Parks Board's Supreme Court appeal against the proposed development of the 70-room Oudekraal Hotel between Bakoven and Llandudno. The board's first application to stop the development was "thrown out on a technicality", a spokesman for the group said.

The company's CE Dave Varty said the group was opposed to insensitive development and that the hotel would not only impair one of Africa's most important natural habitats, but could set a development precedent that would detract from SA's attraction as a tourism destination.

"As custodian of the mountain, which is a proposed World Heritage Site, the National Parks Board has a duty to prevent a precedent being set for a ring of development around the slopes of the mountain," Varty said.

He said that the country's booming ecotourism industry would continue to thrive only if underscored by ecologically sustainable practices.

Varty called on all business leaders to support the endeavour to raise R1m.

The World Wide Fund for Nature would be co-ordinating the fundraising drive for the Save Table Mountain Campaign.

Survey says SA firms neglect skills

Samantha Sharpe

CAPE TOWN — Poor investment in training and a reluctance to leverage human potential were the major reasons for SA's struggle for successful business transformation, a survey by Ernst & Young and Insight Customer Satisfaction Consultants shows.

The survey rated SA five out of 10 for business transformation, where 10 represented world class best practice.

Insight MD Peter Matthews said the survey indicated a distinct tendency among SA companies to avoid the more intangible component of human capability in terms of development.

"Training which does take place is predominantly focused on supervisory skills and customer service, rather than managing

BD 15/8/96
personal change and diversity management, with companies allocating less than 2% of payroll to training interventions relating to transformation," Matthews said. He warned that SA could ill afford to neglect the human resource aspect of business transformation.

The SA Competitiveness Monitor 1996 placed SA last in people-related issues such as literacy, skills and labour productivity.

"The solution lies in uplifting the skills of the work force. Upgrading just 1% of the black work force's skills to the level held by whites would translate to a 2% jump in GDP growth."

Ernst & Young spokesman Theo Veldsman said that SA companies had to learn from their overseas partners and change their organisational thinking from "industry" to "business

ecosystem" and avoid grand and complex strategies.

They also had to create a culture supportive of risk taking and innovation, while implementing organisational self redesign and self reorganisation and creating and spreading knowledge through the organisation.

The survey showed 71% of respondents had defined affirmative action targets in place, although this figure was lower in the tourism, chemicals and minerals beneficiation industries.

While only 25% of affirmative action strategies had been successful in 1992, this figure had risen to 70% in 1996, he said.

"In addition, the performance of (such appointees) in their jobs has been improving to a significant degree over the past four years," Veldsman said.

Samet an 15/8/96

Unions 'should fight for training'

By Abdul Milazi
Labour Reporter

THE FUTURE of human resources depends on the success of centralised bargaining

This is the view of National Union of Metalworkers of South Africa (Numsa) national training coordinator Victor Kgalema

He says the South African labour problem is rooted in the apartheid approach to workers, and will not be resolved

until employers change their attitude towards centralised bargaining

Local business has been protected by the high tariff walls and cheap labour, since the early '60s

**Unions must
move away
from striking
for percentage
increases and
fight for
training**

"There was no need for skilled labour or for employers to come up with training programmes," said Kgalema

He argues that the problem was made worse by the fact that there was no government policy to encourage employers to embark on skills training

"It was only in the armament section that the government ensured that there was some form of skills development," he said

During apartheid years, trade unions were labour wings of political parties. They now have to move out of that and become participants in the development of the economy

As a result of the political situation at the time, many trade unions failed to use opportunities to fight for training

"Trade unions should move away from striking for percentage increases and fight for more training," Kgalema said

Some unions have begun moving away from the narrow approach when negotiating with employers and are extending the talks to issues like productivity, training and restructuring

However, he says this move is continually being hindered by employers' refusal to accept centralised bargaining

"We need a national policy on training to ensure that we improve the level of our skilled workforce," adds Kgalema

"It is crucial, if the country is to have a coherent human resource strategy, to have a mindset shift from paper ideas to practical strategies"

S African companies spend less on training

(179) Sowetan 19/8/96

By Isaac Moledi

MOST South African companies allocate less than two percent of their payroll to training, a survey conducted by Ernst and Young and Insight Customer Satisfaction Consultants has revealed

Business Transformation in South Africa, as the survey is known, reveals that there is a low incidence of human upliftment coupled with minimal investment in training

The reluctance by local companies to invest in staff training has contributed to South Africa's struggle to bring about transformation in business, according to the study

The study, conducted among 375

businesses across a variety of sectors internationally, was aimed at researching the dominant forces driving transformation in South African business

The survey was restricted to companies that employ between 500 and 3 000 people

About 72 percent of South African companies were targeted by the survey

Greatest obstacle

The greatest obstacle in South African business transformation is the management of people and resistance to change, the survey found

According to the survey South Africa scored five out of 10 on business transformation

National strategy on skills training mooted

Sowetan 2/9/96

179

By Gerry Reilly

A DECISION on a national strategy to improve the skills of the South African workforce will be taken before the end of the year

This is according to National Economic Development and Labour Council executive director Jayendra Naidoo

Economists have been stressing the need for organised efforts involving Government and the private sector to raise the productivity and earning levels of South Africa's workforce, most of whom have been neglected for decades by companies

Naidoo says training models and how they are funded in other countries, have been studied

A committee consisting of representatives from Government, labour and business has been set up. It is scheduled to have its first meeting towards the end of this month

The aim is to reach a consensus on a national worker training strategy and how it should be funded

Raising workers' skills is imperative if the economy is to become competitive and achieve sustainable growth as well as create more jobs

The potential of millions of workers is being blocked by under-investment by companies in skills training, says Naidoo

On funding, one possibility being mooted is a compulsory levy on company payrolls

Organised labour has suggested a four percent levy to be paid by compa-

mes for skills enhancement

Other methods being explored include incentives to encourage employers to increase the skills capacity of workers and Government subsidies to help fund training programmes

Also under consideration is the establishment of a monitoring body to ensure that companies do not pay lip service to training

There is unanimity that the skills of the South African workforce need to be improved

"It is now a question of Government, labour and business settling on a workable plan," says Naidoo

According to the National Productivity Institute only about a percent of payrolls is invested in training by companies in South Africa

LABOUR DIGEST

Cosatu calls for 4% deduction from payroll to pay for training (179)

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BUSINESS

New development in self-employment

Somehan 5/9/96

**Business course
provides way out
for the jobless**

By Shadrack Mashalaba

SIMPLEX BUSINESS Training has launched South Africa's first practical correspondence course to help people start their own small businesses

The course is a practical "how to" programme based on the successful One-Up Business Training project. The course, which costs R295, is available in English or Afrikaans.

The programme is linked to the Start-Up Fund, a special loan scheme currently funding hundreds of micro businesses in South Africa, and is backed by the Development Bank of Southern Africa.

Trainees can attend quarterly workshops free of charge in Johannesburg and Cape Town, aimed at helping users with the application of training material.

Simplex chairman Tony Davenport says. "Currently 93 percent of school

leavers cannot find jobs and South Africa's eight million unemployed is increasing by 450 000 a year. The main road out of this dire situation is self-employment.

The Simplex Business Training course includes several modular workbooks: market investigation, purchasing, business calculations, selling; costing and pricing, money manage-

ment, drawing up a business plan

"Because everything you need to know is contained in the Simplex Workbooks and explained in a simple way, most trainees are able to work through the course happily on their own," says Simplex managing director, Jackie Smith.


For more information contact Jackie Smith on (021) 968-770



Unemployment can be eliminated if South Africa takes the self employment route, says Tony Davenport.

Star 11/9/96

Course for small bus fleet men

(179) 

By PATRICK PHOSA

The Department of Transport has embarked on a free-of-charge countrywide pilot training course for small bus fleet entrepreneurs to pave the way for them to participate in the tendering system.

The course is intended to empower small, medium and micro enterprises with the necessary know-how in the tendering and cost accounting procedures for the provision of public passenger services.

Department of Transport economist Jacob Modubu said many small bus fleet operators were being left out of the tendering system because of their ignorance of the system.

"The department experienced problems when inviting tenders because only large businesses applied. This necessitated a training course for small businesses because we wanted to reach out and empower them as well," Modubu said.

The department will hold its fourth course next Tuesday and Wednesday in Nelspruit, Mpumalanga. The department has already held courses in Gauteng, KwaZulu Natal and Northern Province.

The courses would be upgraded where necessary after all provinces had been covered, Modubo said.



EDUCATING THE WORKFORCE With the imminent promulgation of the new Labour Relations Act, Cosatu has begun training its membership about the act's interpretation in the workplace

Cosatu to train 1,5m workers on new act

(199) CT(BR)19/9/96

By Guy Oliver

LABOUR EDITOR

Johannesburg — Cosatu, South Africa's largest labour federation, began a trickle-down campaign yesterday to educate its 1,5 million members of the ins and outs of the soon-to-be promulgated Labour Relations Act.

Sam Shilowa, Cosatu's general secretary, told Business Report that the timing was tight because an announcement on the promulgation was expected to be made today or tomorrow by Tito Mboweni, the labour minister.

About 1 500 shop stewards attended the workshop at the Chris Hanu Memorial Hall, near Nasrec. It was organised in less than four weeks, a feat that was not thought possible, Shilowa said afterwards.

Though Cosatu has already held labour training workshops for union organisers this year, the federation intends to train about 6 000 of its about 30 000 shop

stewards who would then be responsible for training other shop stewards and workers on the shop floor.

The stewards' training has been assisted by high-quality educational material partly funded by the National Economic Development and Labour Council and includes a comprehensive, easy-to-read manual and six videos which covers topics such as organisational rights and the institutions and procedures of the act. The training material was produced by the education department, in conjunction with the Centre for Democratic Communications

The federation has also teamed up with the African Growth Network Companies which subscribe to the network will be able to tune in next month for a perspective on the act and provide management and workers a phone-in forum to speak to directly to Shilowa

But the education campaign

around the act, which Shilowa described as a milestone for the emancipation of South Africa's economic citizens, has also provided a platform for Cosatu to re-organise

"I am very excited about it because I see it as part of helping Cosatu rebuild its own structures," he said

Shilowa said the starting point of the new act was not strikes. The act provided for shop floor conflict resolution and this would create a smoother workplace.

If employers feel scared about a well-educated workforce knowing their rights, then they are "shooting themselves in the foot", Shilowa said

The role of the shop steward will be that of implementing the act on the shop floor

He said enlightened employers would view this as a better approach to train people, instead of having to rely on workers to learn through rudimentary methods

3A HOW TO PROVIDE SKILLS

By Abdul Milazi

SOUTH Africa is trying hard to address a skills crisis attributed to policies of the past which ignored people development

Director-general of the Department of Labour Sipho Pityana says the problem is being addressed through the National Training Strategy Initiative

A Green Paper on training and development is expected to be completed before the end of this year

Pityana says the envisaged act on human resource development will mean a complete overhaul of the skills-training system in the country "to ensure that sufficient numbers of skilled people are available for growth and development"

The number of contracted apprentices in South Africa has been decreasing over the years, he says, adding that this could be attributed to the weak economic climate and the country's poor commitment to training

"The department is increasingly experiencing problems with placement of trainees after the completion of their institutional training due to the absence of jobs and problems with accreditation of the courses they have done"

Since 1990 the registrar of manpower has accredited 28 training boards as training authorities for their respective industries and 20 of them are also responsible for the administration of the apprenticeship training system

The red meat and retail industries are still preparing for the setting up of their respective training boards, "while talks with Telkom and the Postal Services are also under way" "Negotiations with a number of

accredited training boards and other authorised bodies are already in place so that courses presented under auspices of the Scheme for the Training of Unemployed Persons can be accredited," says Pityana

As part of the programme to tackle the skills shortage issue, last year Labour Minister Tito Mboweni and Education Minister Sibusiso Bhengu jointly steered the South African Qualifications Authority Act (SAQA) through Parliament

This Act provided for the establishment of the South African Qualifications Authority responsible for the development and implementation of the National Qualifications Framework

The same year saw the department's human resources development section was integrated with the Careers Services and Special Employment programme

This move was aimed at putting in place a holistic departmental infrastructure to deliver the envisaged people development process

Legal framework

"In terms of our five-year programme, it is envisaged that industry based training boards will be restructured to serve the new strategy more efficiently," says Pityana

On the other hand, SAQA provides for the legal framework where artisans would obtain nationally recognised qualifications, either through apprenticeship, technical colleges or passing trade tests

The training of apprentices is regulated by conditions set out by industry training boards and administered by the Department of Labour

So far 180 designated trades administered by the 20 accredited

Louwman 26/9/96



South Africa is in the process of addressing the skills crisis caused by past policies, says Sipho Pityana.

training boards, have been approved and published in the Government Gazette

"The scheme is intended to train people above 21 years as artisans"

Training, boarding and lodging - where colleges provide accommodation - is paid for by the state and the trainees are also provided with a weekly allowance

In 1995 a total of 205 trainees started their training and a further 181 received their in-service training with approved employers "During the same year 78 passed the prescribed trade test and 22 completed their training"

Pityana says his department has also started a pilot project to recognise

skills attained informally "In December last year, 38 certificates were issued, of which eight were full trade certificates"

"Successful candidates were deemed to have met the requirements of Section 28 of the Act The programme is to be extended by the Central Organisation for Trade Testing (Cott) in partnership with the Building Industries Training Board (BITB)"

With the Department of Labour responsible for the issuing of contracts of apprenticeship and trade tests certificates, the devolution of power to accredited training boards gives them similar responsibilities with regard to contracts and tests they admin...

Training 'vital for small business prosperity'

ART 30/9/96 (179)

ESANN DE KOCK
BUSINESS REPORTER

Training should be a prerequisite for drawing unemployment benefits, says Allen Roberts, training manager of the Informal Business Training Trust (IBTT).

The organisation focuses primarily on micro entrepreneurs who lack the necessary skills to run a business for profit.

In an interview, Mr Roberts said he believed that the government and the Department of Labour should make training mandatory for everyone wanting to draw on the Unemployment Insurance Fund (UIF) so that when people reached the end of their benefits, they had something to fall back on.

"At least then people won't be totally dependent on UIF benefits and they'll be equipped to help themselves in some way."

The Department of Labour, he said, had a list of accredited organisations that provided training and it contributed financially to some of these.

engagement between training organisations and government."

Mr Roberts said the IBTT, now in its fourth year of existence, had already helped more than 50 000 people to set up their own small businesses.

As of June this year, the trust had loaned R4-million to about 4 000 people.

Considering the size of the loans ranged from R300 to R2 000, this was a lot of money, Mr Robert said.

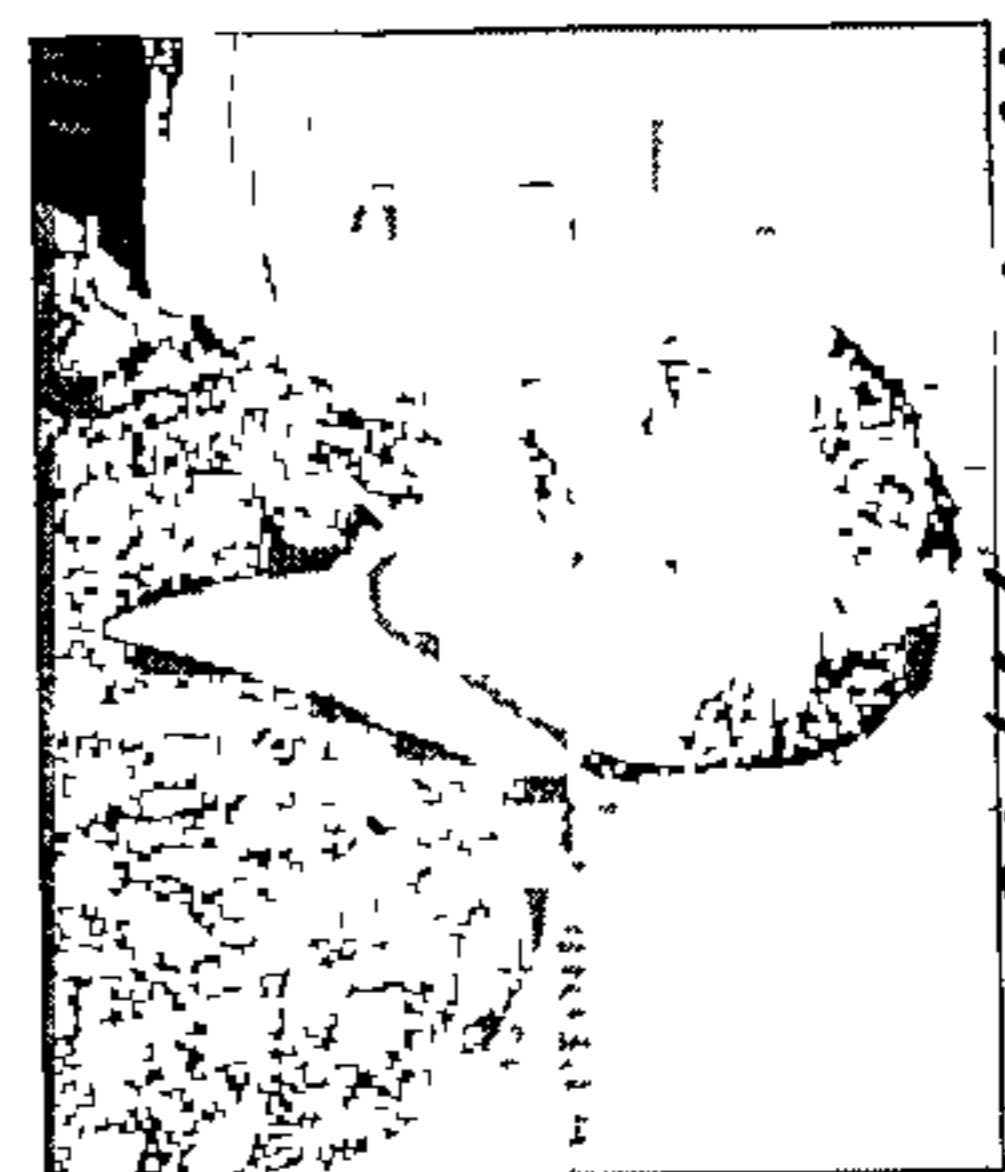
The IBTT makes use of the five-day One-Up Business Training Course, affectionately known as the "Township MBA" and used by several other training organisations.

Mr Roberts explained the course was linked to the Start-Up Fund which provided micro entrepreneurs with money to start their own businesses.

The one was linked to the other, he said. People could not borrow money without doing the course and vice versa.

Repayments on the Start-Up Fund loans was where the IBTT got its kick-back.

Mr Roberts said no bank would lend people such small amounts, because it was just not profitable. So the Start-Up Fund was one of the few sources available to people at the bottom end of the economy to borrow money to start a small busi-



Allen Roberts: 'training is the key'

INTERVIEW

'Government should be pro-active in helping unemployed people turn to self-employment'

ness such as tuckshops, hawking enterprises and selling meat or food takeaways.

He admitted the reality was that most micro entrepreneurs - or "survivalist" entrepreneurs - were from the black economic sector, but emphasised the IBTT was not specifically aimed at that sector.

It was also difficult to determine the business success, percentage wise, of people who had done the training course.

"The micro entrepreneur is different from any other in the economy. Theirs are stories of survival, determination and sheer guts.

"At that end of the market, it is so difficult to give clear cut definitions of success.

"If someone stops selling chickens today and goes into something else tomorrow, it means he wasn't successful in the chicken business, but he might do well in his next venture."

Micro entrepreneurs also did not fall in the formal job creation sector, but played an important role in, perhaps, pulling family members into their businesses.

Mr Roberts emphasised the determination to succeed and an enterprising approach to business was what the economy worked on.

Many micro entrepreneurs, he said, were proving themselves able to generate a small income and were thus contributing to solving unemployment and poverty.

The IBTT, with offices in Cape Town and in Braamfontein, Johan-

nesburg, was planning to expand and was preparing to open more offices in other parts of the country next year.

"We don't find people knocking down our doors, but through advertising we have been able to draw thousands of people who have gone through the training programme and are now operating successful small businesses."

Mr Roberts said the IBTT stayed in touch with these entrepreneurs via the Start-Up Fund to which borrowers are required to make a small monthly repayment.

In that way, the IBTT continued to give advice and also provided people at the bottom end of the economy with an opportunity to build up a credit record.

"Where we can, we accommodate people who are having difficulty in repaying their loans. But, we also hand over bad debt cases."

The success of the IBTT course, according to Mr Roberts, could be read in the enthusiasm with which people left the course to head into their own business ventures.

"Just imagine someone with only primary schooling suddenly being able to draw up a business plan and being able to work out cost and pricing, do business calculations and undertake market investigation," Mr Roberts said.

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Prof Wilfried Scharf of Cape Town University's criminology department, top right, and justice department adviser Enver Daniels, bottom right, address a Centre for the Study of Violence and Reconciliation audience yesterday in Braamfontein on the rise of vigilante groups in SA. Pictures: ROBERT BOTHA

Justice ministry plans skills revamp with Canadian help

Stephen Laufer

THE Canadian government would help SA's justice ministry set up a training programme for prosecutors and magistrates, Justice Minister Dullah Omar's adviser Enver Daniels said yesterday.

Daniels said there was an urgent need for a re-orientation of skills within the criminal justice system as morale was low among prosecutors and magistrates. Their skills had been learned under a repressive system and were unsuited to SA's needs.

The justice ministry was considering structures which would allow petty cases to be diverted away from the criminal justice system in an attempt to

allow magistrates courts to concentrate on more serious crime, he said.

A community court system which would integrate existing structures such as religious courts and street committees, was under discussion. It would be more effective than community policing forums which were not working in many areas because some communities believed the forums were run by former special branch officers.

Daniels said there was no final decision on how the state would ensure the rule of law prevailed and constitutional freedoms were upheld in community courts. Suggestions include intensive mutual surveillance by police and court members.

(179)
BD 1/10/96

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R65 000 for small business training

(388) (179)

same Jan 14/10 1996

By Shadrack Mashalaba

TWO major black business organisations have received R65 000 from the National Economic Development and Labour Council to educate small business about the new Labour Relations Act

The amount given to National African Federated Chamber of Commerce and Fabcos Foundation for African Business and Consumer Services, is part of an amount of R500 000 which has been set aside for educating small business about the LRA. The new LRA is expected to come into force on November 11

This first payment is part of a three-month programme which will entail the organisation of 30 workshops. Nafcoc and Fabcos members will make presentations in all nine provinces

The money will be used to develop materials and pay consultants

"The implementation of the LRA has a significant impact on both business and labour

"Therefore, in order for it to succeed fully, it is imperative that all those affected by it understand its provisions and implications," says Nedlac's executive director Jayendra Naidoo

Earlier this year, Nedlac received R2.5 million from the African-American Labour Centre for the training of workers. Fedral, Nactu, Cosatu and their affiliates will benefit from this programme

"The act is fundamentally different to what we had before which makes training that much more important

"Training is also needed to ensure the two new LRA structures - the Labour Court and the Council for Conciliation, Mediation and Arbitration - are successful," said Naidoo

Coloured people (179) to get ARC 15/10/96 business training

CLIVE SAWYER
POLITICAL COMMENT

The Democratic Party in the Western Cape is to set up community resource centres to train coloured people in entrepreneurial skills.

This was announced by Hennie Bester at the party's Western Cape congress. Mr Bester, a member of the provincial legislature, was re-elected provincial leader of the DP.

Noting that the African National Congress and National Party had each claimed to be the natural political home of coloured people, he said their real home was the DP.

Coloured people were to a large extent excluded from the process of economic empowerment spreading across the country.

"All too often they bear the brunt of affirmative action, and I am yet to hear of a major South African corporation selling off a substantial corporate asset to a predominantly coloured consortium," he said.

The DP would set up community resource centres to do entrepreneurship training and small business networking.

Mr Bester also called on big business in the province and nationally to give coloured people a major ownership stake in the economy.

Union at Gold Fields mine in negotiations deadlock

Northam could face more trouble

GUY OLIVER

Johannesburg — The result of a National Union of Mineworkers strike ballot expected today will determine whether Northam platinum mine begins the fourth quarter in the same grim vein in which it finished the past quarter.

The union at the Gold Fields mine has reached a deadlock in wage negotiations after a third quarter racked by violent conflict.

Northam is not party to the Chamber of Mines wage agreements; wage negotiations are conducted at mine level. The union has about 3 400 members at the three-year old mine, from a workforce of about 5 350.

Northam was one of three Gold Fields mines hit by mine violence resulting in the death of 42 miners and injuries to 203 others. The others were East Driefontein and Leeudoorn.

Union members reached a deadlock late last month after non-unionised workers accepted

the 10 percent wage increase offered by the management

Mahlakeng, the union's Rustenburg co-ordinator, said that though the union had demanded 15 percent, it was willing to accept 10 percent if the management moved towards parity with other mines. He said the R556 monthly minimum wage was a few hundred rand below other mines, and the union had refused a 1 percent quarterly profit scheme because Northam was a new mine and it was not making a profit.

The wage deadlock has further increased volatility at the mine following the findings of Judge John Myburgh's commission, which called the Northam union leadership maverick.

Myburgh recommended suspending the branch committee, especially Joseph Moloko, the branch chairman.

One of the consequences of the violence at Northam, which is one of the few Gold Fields mines to have integrated all its hostels, was the eviction of 660

Zulu-speaking miners. The commission found that the workers were evicted for ethnic reasons, and it considered Moloko a key instigator in the bloody affair.

Mahlakeng said yesterday that Moloko remained active as the branch chairman and was part of the wage negotiation team. He said Moloko could not be suspended until the union had completed its own investigation into the allegations.

Myburgh said in his report to President Nelson Mandela that "it is impossible for management to deal with a branch committee on the issue of the return of the Zulu-speaking employees when members were involved in inciting the violence which caused (their) eviction."

"The mine management and the branch committee, led by Mr Moloko, are in the process of negotiating wages. That is an untenable situation."

Michael de Kock, the Gold Fields spokesman, said the company had advised the union's head office about Myburgh's rec-

ommendation that Moloko be suspended from his duties. He declined to comment further.

But the troubles that haunt Gold Fields have been brought on by the mine company itself, according to analysts. One analyst told Reuters that "all other (mining houses) give you an indication of what their strategy is. Gold Fields doesn't seem to have a plan. We can't keep moaning about it not being a perfect world. Everybody knows that, and other companies manage to perform."

On Monday, Gold Fields said Northam had recorded a net loss before capital spending of R7,39 million in the September quarter, after turning a profit of R8,17 million the previous quarter. The mine produced 75 365oz of precious metals and concentrates in the quarter.

Peter Janisch, the mine's chairman, said during the presentation of the results that the mine hoped the labour tensions would not lead to a strike, but the mine would be prepared for it.

Nedlac launches labour workshop programme

FROM SAPA

Johannesburg — The National Economic Development and Labour Council (Nedlac) announced in Johannesburg yesterday that it had launched a R2 million programme of labour-management workshops to meet the challenge of South Africa's workplace.

The aim was to enhance co-

operation between workers and management to boost the country's competitiveness and employment creation by improving industrial performance and productivity, the council said.

The workshops would be operated in co-operation with the National Productivity Institute and crafted with the participation of labour, business and the trade and industry and labour

departments, Nedlac said.

The productivity institute has committed R1 million in initial funding and this was expected to be matched by the trade and industry department.

Strategies

Jayendra Naidoo, Nedlac executive director, said "there is an urgent need to devise workplace

strategies which will allow South African industries and companies to develop in an internationally competitive, labour and skills-intensive fashion." The programme will be in three phases, with the first starting at Badplaas in Mpumalanga province tomorrow.

Phases two and three will begin in February and September next year.

CT (BR) 16/10/96 (179)

CT (BR) 16/10/96 (179)

Manufacturing will grow with training

Manufacturing in South Africa could raise its contribution to GDP to 34 percent by 2000, from 24 percent this year, if technological-training programmes are put in place, Henri Maurer, the head of the European Committee for Co-operation of the Machine Tool Industries' economic department, said yesterday. Industry sources said South Africa would face an artisan shortage by 2000 because of the scant resources companies were directing towards apprenticeships. Maurer said European machine tool makers had identified South Africa as an important emerging economy and would bring a 24-company delegation to South Africa in February. Europeans hold 75 percent of the local market. Manufacturing production in August rose 0,7 percent on a seasonally adjusted basis from August last year, and 1,8 percent on the month, the Central Statistical Service said yesterday — James Lamont and Reuter, Johannesburg

ET 18/10/96 (BR) (179)

Labour gets active

MHG (mm) 25/10/96

New funds will assist the trade union movement on the road to consensus-building, reports **Fay Davids**

TRADÉ unions are learning that it's easier to toy-toy than to talk trade and tariffs. The path of negotiation and consensus-seeking at the National Economic Development and Labour Council (Nedlac) is throwing new challenges in labour's path and unionists often have difficulty keeping up with technical and arduous negotiations.

But a range of plans (and funds) to add labour will soon kick in to give economic tripartism the injection it needs. After the first three years of joint government-business-labour decision-making, cracks are beginning to form.

"We have to move from struggle-unionism to more active engagement," says the Congress of South African Trade Union's (Cosatu) assistant general secretary Zwellinzima Vavi. The challenge is growing more urgent. Until now, negotiations at Nedlac, headed by Jayendra Naidoo, centred on labour market issues such as the new Labour Relations Act. That's familiar territory where labourites are comfortable.

"Now we have to turn our attention to macro-economic and development issues," says Ebrahim Patel, labour

co-ordinator at Nedlac.

The labour bloc at Nedlac is thinly spread and looking for new ways of flexing its muscle in negotiations about labour market policy, trade and industry, public finance and development. "It's a constant balancing act between Nedlac work and trade union work," says Patel.

To him falls the task of ensuring that all negotiations are covered — and covered well — and that fortnightly deadlines are met. Most of his team works double shifts. Many of them lead trade unions as well as head negotiating teams at Nedlac. "If we have resources we can do

It's a constant balancing act between Nedlac work and trade union work

better things," he says. Other participants at Nedlac are less optimistic about labour's ability to keep up. They complain that labour misses meetings and deadlines. But the Nedlac insider acknowledges that "capacity may really be a problem."

Labour knows there are problems and plans to iron them out. For starters, Cosatu has just agreed that 200 leading shop-stewards will be released to deal solely with making sure that news about Nedlac negotiations reach the shop-floor

Patel is concerned that South Africa should not follow the Australian example where trade unions grew increasingly distant from their members in tripartite negotiations. "We have to convert negotiating positions into mandates."

But the successful communication of big picture economic negotiations requires skill.

Patel says part of labour's training plan is to begin lobbying universities to tailor-make courses for trade unionists. "Universities all offer MBA courses for business. They can do similar things for labour." Talks with the University of Cape Town are under way to start such training programmes for trade unions.

But plans like this cost money. Unions will be significantly helped by a R23-million fund from the European Union handed over last week. The money will be used to start the Labour Development Trust, which will be jointly run by the country's three leading federations: Cosatu, the National Congress of Trade Unions (Nactu) and the Federation of South African Labour Unions (Fedsal), as well as by the government and the EU.

Erwan Fouéré, the EU's ambassador to South Africa, said the grant was meant to maintain a "vibrant civil society and to help the trade union movement respond adequately to the challenges facing the country".



Jayendra Naidoo: Throwing out new challenges. PHOTO: KAREN HARVERSON



Ebrahim Patel: Turning to macro-economic issues. PHOTO: WILLIAM MATLALA

Pathway to a training institute

Fay Davids (MHG) (BM) 25-31/10/96

ABOUT is about to give birth to a new training institute in the mould of those common in most social democracies.

After long delays in the disbursement of money from a government fund to aid civil society, the contract to set the institute in stone is set to be signed before the end of October.

The college will be called Ditsela (which means "pathway" and is also short for the Development Institute of Training, Support and Education for Labour). Ditsela will be the first project approved from the R4,5-million fund.

The government's civil society fund was started to bolster and support trade unions, civics and non-governmental organisations (NGOs) and enable them to use, understand and educate their members about a plethora of new labour legislation being planned by the Labour Department.

Labour Department spokesman Jerry Matjatladi says the department has received a number of applications for funding from NGOs, civics and trade unions. "Most haven't been able to justify their proposals." He complains that business plans received have not been watertight and organisations that applied have not clearly stated whom the money will benefit.

Plans for Ditsela have finally passed muster. It will be based in Gauteng and funding is secured for the first year of operation. The institute plans to train student unionists in leadership development and various other skills. "If the beneficiaries of the new laws don't understand them, then they are purposeless," says Matjatladi.

That's where the training institute is expected to fill a crucial gap. "We have to train a new cadre of leadership to rise to the challenge of the new ways," says Cosatu's assistant general secretary Zwellinzima Vavi.

New training to benefit locals

Sowetan 5/11/96 (179)

The final tier of the programme will have an advanced diploma in world business strategy

By Isaac Moledi

LOCAL COMPANIES ARE TO BENEFIT from a new international trade training and consultancy service launched to enable them to understand international trade trends

The International Trade Institute of Southern Africa (ITISA), a training programme launched by two former officials of the South African Foreign Trade Organisation (Safto), Rose Blatch and Ali Parry, is aimed at helping local companies get to grips with what is happening in the "ever-changing rules of international trade"

Training programme

The pair say their 25 years of experience in managing and developing import and export training and education courses to international standards at the Safto's Institute of Export will help in advancing the training programme.

Both say they have been instrumental in introducing to the South African business community internationally-recognised qualifications

The training covers areas such as freight clearing and forwarding, imports and exports. The courses being offered are structured in such a way that they comply with local and international accreditation criteria

These include short training and several year-long distance education programmes which build on each other

Parry believes that the lowering of trade barriers by the government, new rules and regulations governing trade and the business of imports, exports and freight services pose serious challenges for South African businesses

"Foreign exchange is volatile and will become even more so once all exchange controls are relaxed," she argues

Markets in Southern African Development Community (SADC) and the rest of Africa also present new business opportunities, Parry adds

"What we will be offering is a comprehensive and in-depth educational programme which will enable an individual to advance through various competency levels in his or her chosen field of international trade

"All programmes will be developed to international standards," says Blatch

Short lecture-based classroom courses on

importing, exporting and freight forwarding are running in Gauteng from now to December. The organisers intend making the course run four times a year in Gauteng and twice a year in KwaZulu-Natal beginning next year.

The course is expected to expand to other provinces and neighbouring countries.

The institute expects to broaden its scope to include part of a four-tiered distance learning programme - a one-year course leading to a Certificate in International Trade

This will be followed by an individual choice to specialise in any of the fields of imports, exports or forwarding and clearing by undertaking an Advanced Certificate and then a Diploma programme in the chosen field

The final tier of the programme will consist of an Advanced Diploma in Global Business Strategy.

Accreditation will be done by an International Association of Trade Training Organisation (IATTO), an association with a membership of more than 40 organisations worldwide

For more information phone Parry or Blatch at (011) 268 0036

Training the route to growth

Skills deficit seen as main investor deterrent

ESTELLE RANDALL
LABOUR REPORTER

South Africa has plenty to offer investors but business should invest in training to upgrade workforce skills and to promote equity, David Lewis, special adviser to Labour Minister Tito Mboweni, told the Weekend Argus-Seeff Trust Investors' Club.

Mr Lewis slated investment generalisations as "flavour-of-the-month prejudices". He said China was one of the most sought-after investor sites, yet it violated almost all basic investor requirements.

It had a high inflation rate, uncertain policies, property rights were not guaranteed and crime was rampant in some of its fastest growing areas.

South Africa had a legitimate and popularly accepted government, a constitution with guarantees of parliamentary democracy and property rights and a low inflation rate bolstered by a macro-economic policy that emphasised maintaining currency stability.

Strikes had decreased during the first 30 months of the new government. Where strikes had occurred they had been in relatively unorganised sectors. Exceptions were the national clothing strike and the truckers' strike.

Dangerous investor-deterrent disputes were the unregulated workplace skirmishes. But these had also decreased over the past 30 months.

Strikes were likely to decrease further as a result of the new Labour Relations Act, which began operating last month. The Act

aimed at promoting industrial peace, collective bargaining and productivity by recognising the legitimacy and inevitability of conflict and making it easier to have legal strikes. It also made it easier to resolve the differences that generated industrial action.

South Africa's chief investor deterrent was its skills deficit.

Most resources for training would come from the state but the private sector should also contribute. Presently business contributed only about 1.5 percent of turnover towards training.

Studies of training in South Africa showed it was often outdated and focused on rote skills, not those needed for sophisticated manufacturing and services. Workplace organisation and pay systems also did not encourage acquisition and deployment of skills acquired on the job and elsewhere.

Education was a general public "good" which private investors were reluctant to fund but crime was also a general public "bad" to which business had committed serious resources to fighting.

Reducing wage levels to the level of skill was not the answer. South Africa could afford higher wages because its productivity exceeded those at the low wage end of the world economy.

Mr Lewis said wage bargaining had to be relatively narrowly focused so that capital-intensive wage outcomes did not determine outcomes in labour-intensive sectors.

Wages also had to be sensitive to regional, enterprise, worker and production requirements.



David Lewis: the number of strikes are likely to decrease as a result of the Labour Relations Act

JACK LESTRAIC

(179) ARG 30/11/96

Giving employers the labour they want

Charlene Smith

M+G 16-22/1/98 (179)

Part of the unemployment problem is matching an employer's needs with workers' skills. With this in mind, the Department of Labour has embarked on a strategy — as part of a R200-million European Union loan for skills development — to create job banks.

Director General Siphon Pityana says employers will be able to access workers best suited for their needs, and the unemployed can be better informed of job opportunities. The project will not only see the department embarking on a skills upgrading scheme among its own labour office personnel at local authority level, but a massive R20-million computerisation and information technology project is under way to create the necessary links between labour offices, employers and the Internet. The project will enable the department to more accurately track skills shortages, unemployment and labour trends.

"New investors who wish to set up a particular sort of factory will be able to access data and discover the skills profile, wages earned, infrastructure and employment capacity in a specific area."

The system will help analysts better assess high labour unrest in an area. "We may find there is a low understanding of labour legislation among unions or employers, there may be high levels of uncertainty with regard to jobs and extensive poverty and because of that demands around wages are disproportionate to productivity levels. Labour offices will in future have to have strategies to provide corrective solutions."

Pityana and the Department of Labour will start by holding consultation sessions with business to find out how companies would like the project implemented to best serve employees and employers.

The project is part of a three-year strategic plan adopted late in 1996 to decentralise the activities of the department and to place more focus on local labour offices.

"One of the main reasons for inefficiency in government," says Pityana, "is an over concentration of authority at the top and in the centre. Decisions taken at the centre are less responsive to the needs of communities. Highly qualified people can't take simple decisions."

"Head office must set norms and standards and develop policies and projects. Provincial offices must manage the implementation. There are 175 local labour centres and these have to be manned by more dedicated and skilled staff."

"Take unemployment insurance, at the moment those offices merely assist people to get benefits. We need to help them find jobs. It is important for the viability of the Unemployment Insurance Fund, and to ensure that people don't lose skills through lengthy unemployment periods. We need to move beyond welfare: the department must be central to economic transformation."

At present, skills counsellors in labour offices have a placement rate of 22%. "We now realise that before we train people, we need to have a sense of what the market wants. Last year we directed training at public works and housing projects and had a far higher placement rate."

A pilot project in KwaZulu Natal is also including prior learning as part of the skills profile of unemployed people.

But while the department is breaking new frontiers in these areas, workplace forums have been a massive failure. These forums have been shunned by the unions that are supposed to activate them.

Workplace forums, a pivot of new labour legislation, are intended to enhance labour peace through greater worker participation and an understanding of some of the highs and lows that have an impact on business. They also help to encourage employers to consult with staff.

Pityana says it is too early to say the forums

are not working — they are critical to "redistributive relations."

"Adversity between employers and employees has to be tempered, both have to work to save an enterprise and assess its strategic location. Employers need to realise that the more workers buy into an understanding of business operations, the more reasonable they are likely to be about demands."

He says the department believes movement in the development of workplace forums will be slow initially, "but, we are looking at a five-year strategy."

Pityana says retrenchments are an area where employers would need to consult with employees early in the process. At present, "employees are informed once the decision has already been taken. Workplace forums supply a window into the thinking of management. And strategic alliances between blue- and white-collar workers are only possible in workplace forums."

"If you look at the mining industry, workplace forums could have worked to the benefit of all employees. If the white-collar staff worked with the blue-collar staff, they could perhaps negotiate better deals with employers."

But unions have been against them from the start. The Council for Conciliation, Mediation and Arbitration can also assist, but it is drowning under a heavy caseload of conflict. Labour analyst Brian Allen of Andrew Levy & Associates says "The very nature of a workplace forum will undermine the activities of a union,



Siphon Pityana: We now realise that before we train people, we need to have a sense of what the market wants. PHOTOGRAPH: SIDDIQUE DAVIDS

and if you look at the specific matters for joint consultation and joint problem solving, unions do it anyhow."

Allen said he believed employers were less averse to workplace forums than unions. "There have been a couple of applications to register workplace forums — because they have statutory powers — but the figures are still low."

Allen and other labour analysts say they cannot see much growth in workplace forums unless the government attempts to force them, unlikely at this stage, leaving that aspect of labour legislation effectively stillborn.

Overall, however, Allen says he believes the

Labour Relations Act is working pretty well. He expects the labour market will see 'tough wage bargaining as the squeeze is on' from both sides with lower inflation and rising unemployment.

He says 1997 was "surprisingly peaceful from a man-days lost point of view. I do not see a major increase in industrial action, my prediction is that we are going to see a drop in unprocedural strikes, strikes will be procedural, there will be an increase in the workload of the council and we will also see the evolution of jurisprudence around arbitrations. But there will be an increase in retrenchments."

The Henry J. Kaiser Family Foundation invites nominations from the print and electronic media for

THE 1998 KAISER FAMILY FOUNDATION AWARD FOR EXCELLENCE IN HEALTH JOURNALISM

The Award recognizes consistent commitment to substantive coverage of public health issues by a newspaper, magazine or regular publication, as well as a radio or television program. The Award also recognizes the work of a single contributing journalist who, in the view of the selection committee, has demonstrated a consistent standard of excellence as measured by the creativity, substance and impact of reporting.

The Award makes available the sum of up to \$30,000 to enable the winning journalist to pursue a travel-work program outside of South Africa for a period of up to six months. Each travel-work program will be tailored to the specific interests of the recipient, but must focus primarily on an investigation of health issues, and the media's reporting of these issues, of relevance to South Africa. The proposed travel-work program must be approved by the Foundation and must be completed within two years of the date of the Award. The recipient is also required to produce a specific media product, such as a series of published articles, a radio or television documentary, at the conclusion of the Award term.

The Award is administered and selections made by a committee of distinguished South African journalists, media managers and health leaders.

FOR NOMINATION FORMS AND ADDITIONAL INFORMATION, PLEASE WRITE TO:

The Section Committee
Kaiser Family Foundation Award for Excellence in Health Journalism
Box 27, Liesbeek 7710 or fax (021) 689-3510

All nominations must be received before **January 31, 1998** and the Award will be announced in April. Nomination materials may be submitted in any of the official languages.

The Henry J. Kaiser Family Foundation is a U.S.-based private, philanthropic trust dedicated to improving the health and life chances of the disadvantaged. In the United States, the Foundation is mainly interested in improving responses by government to the health problems of low income and minority Americans. Since 1988, the Foundation has also maintained a grantmaking program in South Africa with the goal of improving the health of South Africans by helping establish a more equitable national health system.

THE HENRY J.
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Education breakthrough stitched up

Course could be a pioneer in clothing industry

ARC 26/1/98



LEON LE STRADE

In training: Rex Trueform launched the clothing industry's first adult basic education course last week

grammes would spread throughout the industry.

The basic education programme is part of a deal negotiated by the clothing industry with the Department of Trade and Industry, which has linked export incentives for the industry to training and other conditions of work.

Ms September said Sactwu had argued since 1995 that export incentives should be awarded only in terms of a development plan which would oblige clothing, textile and leather companies to spend 4% of their payroll on training for production workers.

Sactwu wanted the pioneer programme extended to other days of the week so that more workers could take part, she said.

She said the adult basic education programme was part of a broader programme and it was an important element of transforming work and society and promoting a productive and efficient industry.

Two shop stewards, Gregory Hoedemaker and Thelma Adams, have been trained as class tutors

BUSINESS EDITOR

A basic education programme for Rex Trueform workers was launched last week in what the SA Clothing and Textile Workers' Union (Sactwu) hopes will be the first of many in the clothing industry.

The programme, driven by the shop stewards committee, involves 200 workers, mostly women. Courses will take place on Fridays and comprise 300 hours. People who complete the course will be awarded certificates recognised by the National Qualification Framework.

Rex Trueform shop steward and Sactwu national treasurer Connie September said the union hoped similar initiatives would be taken by other clothing companies.

She said the start of the programme at the company was a "breakthrough".

Human relations director James O'Brien, said the Clothing Industry Training Board had appointed a full-time co-ordinator of adult education and he was confident similar pro-

Training seen as path to productivity

b029/1/98 (179)

Nicola Jenvey

DURBAN — SA companies have only themselves to blame for their abysmal productivity figures, considering how little time they devote to staff training, says consultant Richard Bosworth, who specialises in training.

Bosworth said that the 10 US companies rated as the best employers spent an average 37 hours a year training each employee, while SA companies did not even register on the scale.

He quoted a Price Waterhouse London survey conducted for the British trade and industry department recently, which showed that Japan averaged 10 hours an employee annually on

training, the US eight hours, Germany three and Britain less than two.

Bosworth said most SA executives were more concerned with servicing their top-range motor vehicles than with training employees.

The survey showed that the top 10 US companies spent nearly 4.5 times the national average on training, and the investment was paying handsome dividends. Computer company Kingston Technology invested 100 hours, or more than two weeks, annually on each employee. Its current turnover per employee was \$2.3m.

Engine gasket company SAS Installations devoted 60 hours a year to each employee's training, and had a

turnover per employee of \$174,622. Even though multinational Microsoft invested only the additional average of one working day for employee training, turnover per employee was \$582,485.

Bosworth said the statistics showed that those companies investing in their human resource base were achieving employee-turnover figures nearly three times those of the competition.

Educated employees were productive, and executives had to realise their staff wanted to be challenged at work and to achieve personal growth in their jobs. This could be made possible only through training.

Bosworth believed SA companies

dismissed the investment value of training and therefore presented "lame excuses", such as "having insufficient money. There was also an element of 'passive resistance' where those higher up the corporate ladder felt their jobs were threatened if underlings had access to the same knowledge.

However, Bosworth said as deflation became an international reality, companies had to stretch employee efficiencies through training.

Training had to be delivered in bite-sized portions to be meaningful. The concept of a three- or five-day training course was prehistoric, as employees were too swamped with information to apply it to the workplace.

Numsa calls for training of workers

CP 112/98
By ZOLILE NQAYI

(179)

FAILURE to invest in workers' education and training by motor companies is partly to blame for the retrenchment of almost half the workforce in the motor manufacturing industry, the National Union of Metal Workers of South Africa (Numsa) charged last week.

Numsa was reacting to the announcement by Mercedes Benz South Africa (MBSA) that the company would be introducing voluntary retrenchments from the end of February.

According to NUMSA, failure to start training programmes and the government's "hasty" decision to reduce tariffs on imported vehicles has seen the workforce being slashed from 470 000 six years ago to about 250 000 this year.

In reply to Numsa's accusations MBSA spokesman Christoph Kopke said the company had not reached sufficient efficiency to justify the retention of all the current workers.

Govt makes concessions on skills bill

Reneé Grawitzky

BD 3/2/98

(179)

GOVERNMENT has proposed significant changes to the Skills Development Bill in an attempt to meet many of the objections to the draft legislation raised by business and labour.

The main changes, yet to be approved by participants in the National Economic, Development and Labour Council, will ensure greater control over training levies by industry education and training boards.

Sources said a new approach to the financing of training could see employers — depending on size, turnover and payroll — paying less than originally proposed by government.

In the bill published in September, government emphasised the centralised collection and distribution of a training levy of 1% to 1,5% of total personnel costs, including fringe benefits.

The SA Revenue Service was supposed to collect and distribute funds, with 80% going into industry specific education and training funds and 20% to a national skills fund.

One proposal, to be finalised later this month, calls for a minimum level of investment in training equivalent to 1% of payroll (excluding fringe benefits) in a particular industry. Although this has received the support of labour, it does not come close to its initial demand for a 4% training levy.

Central Statistical Service employment figures would be used to determine total payroll. Education and training boards would be responsible for levy collection and would determine the amount paid by companies.

A national skills fund would no longer receive 20% of total revenue

collected to finance national priorities. Instead, such training would be funded through the fiscus and donations.

Although Business SA has yet to approve the revised proposals, negotiator Brian Angus said they were all an improvement on the initial bill.

The labour department director-general, Siphos Pityana, said recently agreement had been reached on issues such as the establishment of employment services and the development of learnerships. The sticking points related to the funding arrangement and the relationship between sectoral education and training authorities, and education and training boards.

The bill proposes a two-tier system where the boards fall under the jurisdiction of the training authorities. These authorities would be responsible for developing human resource strategies in different sectors.

From the outset of negotiations, employers opposed the establishment of sectoral authorities, arguing that they would prove costly and create additional bureaucracy. They were concerned about the demarcation of sectors and mechanisms for co-ordination between boards and the authorities.

Labour, government and business negotiators were due to resume talks yesterday. However, talks were postponed until later this month at the request of government, which said it needed to complete the consultation process within government. Pityana said the labour department wanted the bill to be tabled in Parliament during the first quarter.

It is understood that a revised bill, incorporating areas of agreement, is being drafted.

Business SA accepts new training levy plan

80/18/2/198 (179)

Reneé Grawitzky
 earlier this week to resume negotiations and to finalise outstanding issues on the bill.

Sources close to the process said business representatives were prepared to agree to a minimum level of investment in training, equivalent to 1% of payroll, subject to certain conditions which still had to be determined.

Employers, for example, wanted clarity on whether 1% of payroll included the wage bill plus fringe benefits or just the basic wage.

It was reported previously that government had proposed significant changes to the bill in an

attempt to allay earlier concerns of labour and business.

Some of the changes are fundamental and will ensure greater control over training levies by training boards. Far more important, government has revised its approach to the financing of training with the current proposal under discussion, which calls for a minimum level of investment in training equivalent to 1% of payroll in a particular industry.

This differs from the original proposal calling for a 1% to 1.5% levy paid by each individual company. The revised proposal could

allow for flexibility with training boards deciding on a company's level of payment depending on size, turnover and payroll.

Negotiations were supposed to resume earlier this month, but were postponed after government requested additional time to complete internal discussions about the revision of the bill.

Sources close to the process said government was supposed to have tabled a revised bill or document at the meeting on Monday, but failed to do so.

Government indicated it was still in the process of revising the

bill tabled at the National Economic, Development and Labour Council last year.

Federation of Unions of SA (Fedusa) assistant general secretary Dennis George said the federation was concerned about the small delays in government failing to present their revised bill. Fedusa wanted to ensure the bill was approved by Parliament this year so it could come into effect next year.

It is understood that government expressed concern about information being leaked to the media about the negotiations on the proposed legislation.

Nedlac to finalise talks on skills development

By Abdul Milazi

THE National Economic Development and Labour Council (Nedlac) is to finalise negotiations on the Skills Development Bill aimed at addressing South Africa's skills shortage next month

Nedlac director Jayendra Naidoo said the organisation had made a positive start by concluding three reports and agreeing on a programme for this year at its first management committee meeting at the weekend

He said negotiations on the Skills Development Bill were in the final stages, while social partners would start talks on the controversial Employment Equity Bill and a procedure to deal with section 77 notices of socio-economic protest action

The question of socio-economic protest

actions was brought to the fore by last week's threat by the National Union of Mineworkers (NUM) to embark on a one-day strike in protest against ongoing retrenchments in the mining industry

Labour analyst Piet Badenhorst said retrenchments were not illegal under the Labour Relations Act "As a result unions cannot go on strike over retrenchment, but section 77 allows people to embark on mass action if the retrenchments have far-reaching socio-economic effects"

Naidoo said the social partners agreed on a memorandum of understanding on service tariffs, together with codes of good practice on picketing and operational dismissals (retrenchments)

"The management committee concluded that although 1997 had been extremely difficult, Nedlac had proven itself to be resilient," said Naidoo

Reporter 24/12/98

(179)

Big boost for skills development on way

The Government will invest in human resource development over the next three years with the skills development strategy of the Government account, increasing the labour budget to R1,28-billion in 2000/01 from R745-million in the 1998/99 year.

The human resource allocation increases by 75% in 1999/00 and by 48% in 2000/01, which is an increase from R325-million to R850-million over the next three years

The green paper on a skills devel-



opment strategy was published in March last year and seeks to improve the level of skills in South Africa where most workers are unskilled

South Africa has an abundance of unskilled labour and periodic shortages of skilled labour

An amount of R248,1-million has been secured from the European Union for the implementation of a skills strategy

(179) (147) The Labour Department is responsible for the administration of labour market policies, ensuring compliance with occupational health and safety standards and management of the Unemployment Insurance Fund

The green paper also urges that companies set aside money to train their employees. In addition, the Umsobomvu Fund, which will be set up from the proceeds of a 2,5% once-off taxation of the demutualisation of Old Mutual and Sanlam, will help with skills development

ARG 11/3/98

Demutualising charge to capitalise jobs trust

Wyndham Hartley

CAPE TOWN — The proceeds of a one-off charge on demutualising insurance companies would be used to establish a skills upgrading and job-creating fund, Finance Minister Trevor Manuel said yesterday.

Announcing the creation of the Umsobomvu Trust during his budget speech yesterday, Manuel said "Job creation is a national project that requires the talent, creativity, energy and the unflinching commitment of all our people

"Unless we embrace this challenge collectively we will

forever deny our country its true potential."

He said the proceeds of a one-off 2,5% charge on demutualising insurers would not go into state coffers but would be used to capitalise the Umsobomvu Trust. Umsobomvu means "new dawn".

"At the dawn of the 21st century, our nation must invest in its young people, arouse their skills potential, invigorate job creation and secure better lives for our children," Manuel said.

Assurers Old Mutual and Sanlam are expected to convert their organisations into

shareholder-owned companies within the next 12 months.

The one-off charge, which will be on the free reserves of the assurers, estimated to be between R50bn and R120bn, will deliver between R600m and R1bn as start-up capital for the fund.

The fund, which will resemble the Independent Development Trust, will be run by a board of trustees.

It is seen as a government instrument for job creation and skills development which will be one of the "offerings" of the state at the presidential jobs summit later this year.

BD 12/3/98

Small firms 'hurt training initiatives by poaching'

Primarashni Pillay

MAINLY major companies are investing in skills training in higher education, while smaller companies are instead poaching graduates, says Spoorneet bur-

sary manager Dame Language He was speaking at a workshop in Braamfontein on community service in higher education on Friday. The workshop, organised by the Joint Education Trust, was geared towards the involvement of the private sector. Further workshops will be held with labour, student and higher education institu-

tions. Later this year the trust will make policy recommendations to government, which is looking into the community service by graduates.

Recently the National Youth Commission said that community service for graduates should be voluntary.

Language explained that while major companies invested in the training of young people in higher education institutions by, among others, sponsoring bridging programmes, smaller companies wait until the people are qualified and then poach them. There are some excep-

tions with smaller companies. However, big companies can't retain graduates," he said.

Monique Adams of Anglo American's graduate recruitment section stressed that smaller businesses must try to assist with graduate training. The problem was compounded by some overseas companies which aimed to assimilate graduates "who have an African experience", without making a deep-rooted investment in education in SA.

For community service in higher education to be effective, there had to be partnerships be-

between-organisations as well as a transfer of skills, she said.

Adams cautioned that community service should be a "desirable opportunity" for students as opposed to something that is "obligatory and annoying".

Margie Keeton of Anglo American and De Beers Chairman's Fund said that higher education institutions that were involved in community service should form partnerships with the community. The academics and the students must benefit educationally, while the community must gain developmental benefits.

Role of SA NGOs in landmine ban lauded

bd 16/3/98

Josey Ballenger

SA's nongovernmental organisations (NGOs) played a leading role in the International Campaign to Ban Landmines which culminated in a treaty signed by 122 countries and winning the 1997 Nobel Peace Prize, defence and foreign affairs officials said at the weekend.

Aud Wig of the Norwegian Embassy in Pretoria gave out Nobel peace prize certificates to organisations under the umbrella group, which included the Ceasefire Campaign, Oxfam SA, the Anglican Church, Group for Environmental Monitoring and Community Agency for Social Enquiry.

Armscor executive chairman Ron Haywood said on behalf of Defence Minister Joe Modise. "We can be proud that our government in February 1997 gave practical effect to the International Committee of the Red Cross plea by banning the use, development, production and stockpiling of antipersonnel landmines with immediate effect. And I can state unequivocally that government was ably informed in reaching this decision by the efforts of the SA campaign to ban landmines."

Haywood said the SA National Defence Force's destruction last year of 243 423 mines was "far ahead" of the terms of the

United Nations convention on the prohibition of the use, stockpiling, production and transfer of landmines, which provided for their destruction within four years after the convention's entry into force.

About 18 000 SANDF stockpiled landmines are being kept, however, for training purposes in detecting, clearing and destroying the weapons, of which 5 000 are "live" and the remainder "dummies".

Speaking on behalf of Deputy Foreign Affairs Minister Aziz Pabod, deputy director-general Abdul Minty credited SANGOs with taking the lead in urging African nations throughout treaty negotiations — and paid tribute to African countries "for supporting us without conditions".

"There is a perception that Africa remains unable to solve its own conflicts. We moved quickly to the forefront. Africa realigned only through collective action would a ban on .. these indiscriminate weapons materialise," he said. Tens of thousands have been killed or afflicted by landmines, mostly in Africa.

Minty said the treaty was unique in that it was a complete ban and included clauses on "humanitarian aspects", such as re-integrating victims into society. SA was the third country to sign the convention in Ottawa in Canada in December.

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(Registration number 01/01078/06) (GFP)

RAND LEASES

RAND LEASES PROPERTIES LIMITED (Registration number 78/00870/06) (RLP)

Restructuring of GFP and RLP

1 THE RESTRUCTURING

Further to the recent joint cautionary announcements by GFP and RLP, Capital Alliance Bank Limited is authorised to announce that, subject to the fulfilment of certain conditions precedent, agreement in principle has been reached in terms of which GFP will

...ponding golf course where a
...ademy was proposed.

Teenage music sensation Vanessa Mae rocked Vodaworld in Midrand yesterday during rehearsals for her concert, which starts this evening.

Picture TYRONE ARTHUR

US management group funds local govt training

Deborah Fine

THE US-based International City Managers' Association is to fund training courses for SA local government managers.

The association, which has its headquarters in Washington and more than 8 000 members worldwide, signed a co-operation agreement with the SA Institute for Local Government Management last September.

In line with this agreement, the association has provided a grant of more than R24 000 to assist in the hosting of a workshop for SA's emerging local government managers, in Bloemfontein next month.

The workshop will be hosted by the SA institute, which will, in turn, promote the association to SA managers.

The conference has already attracted more than 100 local

government managers from previously disadvantaged communities countrywide, and will focus on the challenges they face, including financial management, the stimulation of local economic development and effective service delivery.

Speakers include experienced city managers from the North American cities of Atlanta and Vancouver.

Constitutional Development

Minister Valli Moosa said recently that capacity building in local government was a major priority for SA because the local government sphere was the "environment that offers the hardest challenges".

Local authorities had the "mammoth" responsibility of delivering and maintaining essential services and infrastructure central to the country's daily functioning

(Bvec)

'Train kids in life skills to cut back on crime'

Business urged to invest in youth

MOSES MACKAY
STAFF REPORTER

ARG 30/9/98
Previously disadvantaged youths must opt for business skills and life skills in order to survive in the modern world.

This is the view of community leaders on the Cape Flats, who also have called for the introduction of sport in the school curriculum.

Danle Landingwe, chairman of the Guguletu community policing forum, wanted to see more sport at schools.

Many youths were not working and tended to be drawn towards criminal activities

"Not all youths are engaged in crime. A small percentage become criminals because it is exciting and there is nothing else to do, because of the lack of sport in the community and at schools.

"They spend their time in she-beens and abuse alcohol and drugs"

Mr Landingwe said the business community also should help

(178) (34) (179)
create jobs and empower the youth by training people and giving them skills

Zwelinzima Hlazo, African National Congress councillor in Nyanga, agreed with Mr Landingwe that the business sector had a role to play

"The business people in Nyanga are doing nothing for the young. We need the co-operation of business, youths and other residents to economically build the townships"

He said that although the crime rate had decreased in Nyanga, it could rise again because of unemployment

"We should promote job-creation, development and investments in the townships," he said

"Computer literacy is a prerequisite for almost all companies. Other skills that are in demand are bricklaying, electrical engineering, plumbing and entrepreneurship. The youth should not all opt for the academic careers"

He said self-employment was

important because of low economic growth and the shortage of jobs

Mr Hlazo said the Nyanga RDP forum had been given a mandate to make plans for the youth and councillors supported them in creating facilities for them.

There was a lack of youth participation in community structures, which were not functioning well. The young were not represented in the RDP forum

Themba Mboma, a member of Nyanga Peace and Development Project, said there were few facilities available for the young

"We would like the community to involve youths in their meetings. They should take part in the decision-making"

Mteto Ntlanganiso, ANC councillor in Brown's Farm in Philippi, said the involvement of youths in crime was a cause for concern

He said many young people were involved in sport at weekends. "But the problem is during weekdays when they spend their time on the streets"

'Business should promote training'

Reneé Grawitzky

(179)

BD 21/4/98

THE SA Foundation yesterday said business should become responsible for all artisan training, a proposal which could be included in business' submission to the presidential job summit later this year.

SA Foundation executive director Neil van Heerden said the summit would have to look beyond mere short term jobs to human capital development.

The possible funding of artisan training could become part of a broader funding initiative linked to business' overall commitment to human capital development. Van Heerden said artisan training in SA had fallen into disarray in recent years and such training was crucial as it could lend itself to the promotion of entrepreneurs.

Basic skills

He saw no reason why the private sector could not take responsibility for artisan training as their German counterparts did.

Foundation economist Philip Black said there was a need for basic skills training to enable people to become meaningfully employed or self-employed.

SA had to focus on the right kind of education and training focusing on literacy, numeracy, information technology, entrepreneurial and management skills and engineering and physical sciences.

Van Heerden said that since the truth commission began its work, business had embarked upon some intense introspection about its present and future direction. It was now struggling to make a separate but co-ordinated contribution to the summit.

Parties, he said, should not have high expectations of what could come out of the summit. "We should be humble in our expectations of what could happen and we should have no illusions that it will provide an automatic formula for job growth."

The recent gold mining summit had, however, provided a positive sign and showed that labour and business could sit together to thrash out solutions.

Business was not in the business of creating jobs but this did not imply it was not concerned about job creation. This, he said, had to be conveyed in business' submission to the summit process.

Other issues to be raised during the summit process included the need for a conducive environment for investment and growth, which was ultimately fashioned by government, with business acting as a "junior partner", and the importance of this environment in enabling the growth of small and medium size enterprises.

Policy constraints such as new labour legislation and the need for flexible labour markets would have to be raised.

Deborah Fine reports a youth job summit will be held pending the national job summit to highlight the plight of young people who formed the largest percentage of SA's unemployed, SA Youth Council president Freddy Pilusa said yesterday.

He said the decision to hold a separate summit was made at the national Masakhane youth conference held at the World Trade Centre, in Kempton Park, at the weekend.

The youth job summit would be "used as a platform to raise awareness of the seriousness of the problem and the impact it has on the youth. We hope it will encourage a special bias towards this issue at the national summit," he said.

Centre gives new hope to unskilled

ARG 3/4/98

(179)

ANDREA BOTHA
STAFF REPORTER

Two months ago Elvelesia Williams was unemployed and unskilled. Then she went to the Bergzicht Training Centre for a training course in the hospitality industry.

She now has a job at a guest house in Stellenbosch and her happy face beams when she tells her story to partners and trustees of the Joint Education Trust, whose funds have helped institutions like the Bergzicht Training Centre to assist people like her

The Trust is made up of corporate giants like Anglo American, AE&CI, Johnnic, Shell, SA Breweries, trade unions and political parties. At its annual review at the Waterfront, the Trust announced that it would give R90-million to further national education. The money will be spent on teacher training programmes, development of teachers and the young, vocational training and other projects.

Mike Rosholt, chairman of the Trust's board of trustees, announced that 15 of the 18 starting partners had recommitted themselves to the Trust and had made R90-million available - to be spent over three years.

Western Cape education chief Brian O'Connell praised the Trust for its contribution to education, but said all this good work would be negated unless many South Africans changed their attitudes dramatically. "The problem in South Africa is the absence of a shared vision," he said.

Ignorance and dependence were continuing to hamper the department, which was trying to provide quality education in spite of being saddled with a tremendous debt.

"Then I look around and see the signs of energy, see what Bergzicht is doing, and that it is not all doom and gloom, that there are wonderful things happening in the country."

The Trust was set up by 18 prominent partners from corporate, political, trade union and banking circles in 1992 specifically to tackle the plight of those who were disadvantaged under the apartheid education system.

In 1992 the partners decided to spend R500-million on education over five years. At the end of 1997 the Trust reviewed its position and realised that there was more work to be done. Important partnerships with foreign donors have drawn more than R300-million for education into the country.

Skills law may see companies losing out

(179) Sewetan 3/4/98

By Isaac Moledi

EDUCATION and training consultant Dr Ray Eberlein says companies should change their training methods before the Skills Development Bill becomes law

He says companies are likely to lose millions of rands if they do not prepare before the law is passed

As part of a strategy to get businesses to invest in the development of their people, the Bill makes provision for a Government-imposed levy of between one percent and 1,5 percent on the total personnel costs of each employer

The Bill, which is scheduled to come before Parliament during the current sitting, also makes provision for 20 percent of the levies to be paid into a National Skills Fund

In terms of the Bill, companies which pay the levies will be able to claim reimbursement of a large portion of their contribution if they provide employees with training and development which meets prescribed standards and programmes

The education and training should meet the new National Qualification Framework (NQF) requirements

Eberlein argues that many education and training programmes that are used by businesses today do not meet the requirements of the learner or the business

The programmes are ineffective and do not contribute to developing a culture of learning

"Businesses need to change the way they educate and train their personnel," says Eberlein

Industry to help set training standards

A BODY tasked with drawing up new standards for information technology training is asking industry players to contribute to the process

"We need input not only from recognised training companies but from all sectors of the industry, including software suppliers," said Jim Yeomans, convener of the interim standards generating body of the IT National Qualifications Framework.

"We are seeking the broadest possible constituency to help write these standards and assist us in registering meaningful qualifications. We know there are a lot of good ideas and expertise in the market place and we need to tap into these"

The information technology industry would benefit greatly from a regulated training environment because effective training was the key to improving productivity, he said.

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The standards being developed and the qualifications they lead to must be recognised internationally and also meet local needs, said Yeomans.

"The new legislative framework will shake out most of the fly-by-night training operators that have leeches on the IT industry for so long. This in itself is a critical element of the overall success of IT training and education"

Training bodies which conform to those standards will be able to apply for funding from government's proposed training levy which would skim at least 1% from company payrolls.

Any organisation developing its own training standards should work through the body to avoid duplication and ensure that its standards were internationally acceptable, he said.

A meeting for interested parties will take place at the ITA conference centre in Randburg on Tuesday

Education paper 'explores ways to increase productivity'

Deborah Fine

THE planned green paper on further education and training would explore ways of increasing the learning, productivity and "employability" of thousands of South Africans at the "crossroads" between work and higher education, senior education official Thron Rensburg said yesterday.

The paper will be released tomorrow by Education Minister Sibusiso Bengu. Rensburg, an education deputy director-general, said it followed investigations by the national committee on further education, on the nature of schooling in the senior secondary phase as well as technical and community college-based education. About 2-million youngsters

were expected to attempt the national senior certificate between 1995 and 1999. Just more than half of them would secure the certificate, and only about 10% would gain full-time access to universities and other higher learning institutions. This leaves us with 1.8-million people between the ages of 16 and 19 with no hope, in part because their education and qualifica-

tions are out of alignment with economic and social reality." The paper explored mechanisms by which learning in the period after 10 years of general compulsory education, but before higher learning at tertiary institutions, could be structured to enable youngsters to obtain more easily full-time productive employment or productive self-employment.

R1m planning education scheme launched

Deborah Fine

(179) (189)
20 17/4/98

THE Gauteng provincial government has set aside more than R1m to fund a pilot education programme aimed at providing land development and planning skills to people from previously disadvantaged communities

The pilot, known as the mass planning education programme, will be launched today by Gauteng premier Mathole Motshekga and Gauteng local government MEC Sicelo Shiceka.

The project is a joint venture between the Gauteng development plan-

ning and education departments and will be conducted by the Johannesburg Technical College

Aimed at people between the ages of 18 and 50 who were unable to attend full-time courses at tertiary institutions, the programme will impart skills such as land surveying, building construction, urban land use, transportation and infrastructure development.

Successful graduates will be assisted to find employment in provincial and local governments, and the private sector was being approached to provide additional funding for the project.

No relief from skills levy for training costs

BO 22/4/98

(179)

René Grawitzky

EMPLOYERS will have to contribute towards a National Skills Fund in addition to financing their own training needs, under a revised Skills Development Bill presented to labour and business negotiators last week.

In the revised bill, government appears to have disregarded agreements reached in tripartite talks in the National Economic, Development and Labour Council (Nedlac).

Employers, irrespective of their training budgets, will have to pay a minimum training levy of 1% of their payroll from 2000 to sector education and training bodies which will fulfil the collection and distribution function instead of the SA Revenue Service.

The bill retains the provision that 20% of revenue collected will finance a national skills fund and 80% will go into a sector specific education and training fund to promote sector training.

This is likely to elicit strong reaction from business, which believed during negotiations that it would not have to finance the national skills fund, which aims to promote national priorities.

Sources said it appeared that insufficient consultation had taken place within government on the extent to which the fiscus would contribute to the skills fund prior to a compromise being reached in Nedlac.

Parties expressed concern that the process had become shrouded in secrecy and said if funding problems existed government should have informed them instead of delaying the finalisation of negotiations for three months without telling them the reasons

The revised bill scraps education and training boards, which were supposed to operate under the jurisdiction of sector education and training authorities. It retains the authorities.

If education and training boards have not merged to form sector bodies by the end of next year, their registration will automatically lapse and they will cease to exist.

It is understood that the bill stipulates that levy collection by such organisations cannot exceed 1% of the amount collected.

The bill provides some broad guidelines on setting up the sector education and training authorities. Such bodies could be established in industries which have similar processes, technology or render similar services; which are covered by the scope of any national strategies for economic growth and development, or where consensus can be reached between parties to define a particular sector.

These bodies will be required to design and implement skills development strategies; monitor education and training in sectors; allocate grants and collect levies, promote learnerships and perform the function of education and training qualification authorities, and liaise with the national skills authority.

Defaulters could face Labour Court action and be forced to pay outstanding amounts or any prescribed percentage. However, education and training board sources said this was insufficient as employers would continue not to pay levies as was happening at present. Some submissions had called for penalties to be imposed.

Lounge as he was returning

Claire Pickard-Cambridge

THE Canadian International Development Agency has teamed up with the SA Foundation and the Black Management Forum to launch a joint project which will develop entrepreneurial talent among young black executives.

The Junior Executive Training Canada Programme aims to provide intensive training in Canada to previously disadvantaged executives and to strengthen business links between the participating SA and Canadian firms. It was launched in

Young executives to be given training boost

Johannesburg recently at a function attended by David King, the Canadian secretary of state for Latin America and Africa.

The SA Foundation, an association of SA's largest corporations and multinationals with substantial interests in SA, initially sought Canadian help to send a small group of executives to Canada for a six-week training programme. The Black Management Forum was invited to

be a partner in the initiative

Spokesmen said the programme aimed to boost economic exchange by selecting firms which were considering joint ventures in SA or which already had substantial dealings in SA's strategic sectors.

Participants should be under the age of 35, have a minimum of three to five years' working experience and be in middle management but with the potential for promotion.

They would be selected by a committee of representatives from the foundation, the forum and the Canadian high commission. Anglo American advised on the recruitment selection process. Host Canadian companies would be chosen after consultations between the Canadian trade office and committee members.

Programme project manager Rebecca Coulthard said the Canadian International Development Agency

was funding the initiative but it hoped the programme would be successful enough for Canadian and SA firms to eventually take it over.

SA nominations of candidates had to be in by April 30 and placement should start in September or October. Each programme would be tailored to the sector in which the candidate was employed, she said.

The foundation and selection committee would arrange briefings at which returning participants would talk to organisations involved in promoting young, previously disadvantaged entrepreneurs.

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Provinces doing little to train poorly skilled staff, committee told

David Greybe

CAPE TOWN — Six provinces highlighted by the Ncholo report as suffering from chronic skills shortages were doing little to train public servants, Parliament was told yesterday.

Prof Harry Nengwekhulu, head of the SA Management Development Institute — government's training arm for public servants — told the public service portfolio committee provincial training budgets were almost nonexistent. Some provinces had not devised

training programmes while candidates were not nominated for training.

Nengwekhulu singled out the Northern Province, the Eastern Cape, KwaZulu-Natal, North West, Mpumalanga and the Northern Cape for failing to make use of training facilities.

He said the institute was forced to cancel 67 out of 102 scheduled training courses in the first quarter of the year "due to a lack of participants". Only 906 officials in nine provinces had been exposed to training during the first quarter of the year.

Nengwekhulu was called to brief MPs in light of last year's Ncholo report, which reported a chronic shortage of appropriately skilled staff.

He said the institute had been inundated with ad hoc requests for training courses. However, it was Gauteng — considered the best-run provincial administration — which had made most of the requests.

"We have not really had requests from the other provinces." With training not compulsory, the institute could not insist that provinces participate

Nengwekhulu said provinces could no longer use the excuse that although they wanted training for their staff they did not have the funds to pay the institute, "because in future the government will pick up the tab".

The institute, despite a limited budget of R14m, had secured R80m in funding for training from the European Union for the next three years.

Nengwekhulu called on the committee to "intervene politically" and write to the various premiers and urge them to make better use of the institute

In an effort to sensitise the public service to the importance of training, the institute had approached the state expenditure department for permission to recover costs due to nonattendance and late cancellation of courses.

Permission was granted, and a fixed rate of R200 a participant would be payable for nonattendance and R100 a participant for late cancellation.

The committee decided to write to the heads of departments at national and provincial levels and request details about their training programmes

90 22/4/98
(174)

Part of skills levy to fund social plan

Reneé Grawitzky

A PORTION of the training levy on companies would be used to implement a social plan broadly agreed to in the National Economic, Development and Labour Council (Nedlac), the labour department said yesterday.

Companies will be levied 1% of their payroll, of which 20% will go into a national skills fund and the remainder will be used to finance sector training.

Labour department director-general Siphon Pityana said the agreement in Nedlac on the social plan was consistent with the provisions in the Skills Development Bill. This ensured that funds from a national skills fund would be used to retrain workers facing retrenchment, and to train youths and the unemployed.

This comes amid some opposition from employers to the retention in a revised Skills Development Bill of the

provision that 20% of a training levy go to financing the national skills fund. However, the bill ensures employers who train personnel with accredited courses will be able to reclaim monies from sector education and training funds. Employers were also under the impression that government had disregarded a compromise agreement reached in Nedlac.

Pityana said government did not renege on any deal. It was understood that the Nedlac parties would revert back to their respective principals with a view to getting a final mandate. The government delegation acted within this understanding.

Pityana said an incorrect impression had been created that government had agreed to drop the 80-20 split in the training levy. The cabinet considered the proposal and decided against it. This decision, he said, was not based on any suggested conflict in govern-

ment over its commitment to financing the skills fund from the fiscus.

Its commitment to financing skills development was reflected in the medium-term expenditure framework which provided R200m this year to R600m by 2000 for skills development. Pityana said there had been no element of secrecy in the process. Final negotiations on the bill began on May 4.

Industry sources and analysts said that ultimately business and the SA economy would benefit from the training levy as it would assist in kick starting much needed skills training.

BoE Securities analyst JP Landman said a recent World Bank report on the SA labour market and the Africa Competitiveness Report identified the education and skills of SA workers as a major liability and placed a ceiling on the economy's capacity to grow.

BD 23/4/98 Comment: Page 17

Eskom sparks job opportunities Technicians needed as sales of kitchen items soar

AUDE DASNOIS
BUSINESS EDITOR

Huge sales of irons, kettles, heaters and other electrical appliances have sparked a project aimed at training job seekers to set up their own repair businesses.

The Lungisa programme for job seekers aged from 25 to 45 gives trainees business as well as technical skills and even offers access to funds to set up shop.

Every month, says Lungisa coordinator Tony Stokes, South Africans buy 40 000 irons, 75 000 ket-

les, 50 000 heaters, 58 000 hotplates and 15 000 electric frying pans.

The explosion in sales is partly a result of Eskom's electrification programme, which is wiring up between 400 000 and 450 000 households each year.

But even new appliances break down sometimes and there are not enough technicians to cope with the demand for repairs, especially in townships and rural areas, says Mr Stokes.

About 170 people have already established their own repair businesses after completing the course, which is run several times a year in

Cape Town and other centres. Stu-

dents are offered a three-week basic electricians' course followed by four weeks of training in appliance repair and the one-week One-up Business Training course offered by the Informal Business Training Trust.

Those interested can go on to do a two-week course in refrigeration

Graduates get a set of basic tools so that they can set up shop immediately and also have access to capital through the Start-Up Fund, which offers phased loans from R300 to R12 000.

"It's no use teaching people how to repair appliances without equip-

ping them for the business world," says Mr Stokes.

"Marketing a service is different from selling goods. Parts have to be costed and labour time accurately calculated."

"The One-Up Business Training and Start-Up Fund is the best micro-business development initiative available."

"Trainees learn a wide range of business management skills from costing to marketing."

The Lungisa programme is sponsored by Eskom, the Swiss-based multinational ABB, the Swiss Federal Office for Foreign Economic

Affairs and an association of retired electrical technicians in Italy, the Associazione Seniores Italia.

The courses are run by the Industries Education and Training Institute, a private company based in Cape Town.

Courses are now being run in East London and in Brits and Mr Stokes hopes to offer the next course in Cape Town.

"The only limit on how many people we can train is money," he says. It costs about R3 000 to train and set up one student.

For more information, call Tony Stokes at (021) 58 1150.

Institute challenged on public sector training

David Greybe

CAPE TOWN — The North West government yesterday challenged a claim by the head of government's training institute that the province was doing little to train public servants.

North West director-general Job Mokgoro said the province had a comprehensive training programme in place, "and our track record bears testimony to the fact". The province planned to spend an estimated R16m on training employees in the 1998/99 fiscal year, he said.

This was R2m more than government's budget for 1998/99 for the SA Management Development Institute.

not necessarily cost effective for the North West to send staff for SA Management Development Institute courses at venues outside the province," he said.

At the same time, he said, there existed a working relationship with the institute in that courses run by the province were certified by the institute.

"It should also be noted," Mokgoro said, "that the North West assists the SA Management Development Institute through the provision of expertise and personnel in those areas where (it) lacks capacity."

The institute's head, Prof Harry Nengwekhulu, told Parliament's public service committee last week that training budgets in the Northern Province, the Eastern Cape, KwaZulu-Natal, North West, Mpumalanga and the Northern

Cape were almost nonexistent. He said the six provinces, highlighted by the Ncholo report as suffering from chronic skills shortages, were doing little to train public servants.

Mokgoro said the province took exception to the claim.

The province had its own training division, which provided training on functions across the provincial administration. Line departments had additional training components which provided training in fields specific to those departments.

Mokgoro said he wondered whether the reason for the institute's cancellation of 67 out of 102 scheduled training courses in the first quarter of the year, ostensibly "due to a lack of participants", was not actually because of insufficient consultation with the provinces

about their training needs.

Nengwekhulu told the committee that only 906 officials in the nine provinces had been exposed to training during the first quarter of the year.

Mokgoro said apart from those training programmes of a specifically technical nature which were offered within departments, last year's programme, for instance, included a top management development programme covering all top management personnel, which was facilitated by the Wits Business School. More than 2 200 public servants attended.

Follow-up programmes for those who had attended training, as well as baseline programmes for new entrants, were under way this year.

BD 28/4/98

(179) Comment: Page 13

Negotiations on Skills Development Bill to be finalised today

Reneé Grawitzky

(179) 00 6/5/98

NEGOTIATIONS on a revised Skills Development Bill presented to labour and business last month would be finalised today in the National Economic, Development and Labour Council (Nedlac), sources close to the process said yesterday

Parties indicated that a Nedlac report — outlining areas of agreement and disagreement reached during negotiations on the bill — would be finalised today

It is understood that business intends reserving its position on the bill's proposal that 20% of revenue collected from a training levy of 1% of payroll will finance a national skills fund while 80% will go into a sector specific education and training fund

Government has indicated that the 20% directed to the national skills fund would be used for social plan purposes

Companies engaging in the retraining of retrenched employees or other social plan activities could claim moneys from the

skills fund

The broad thrust of the bill is to encourage training at company level in line with an overall sector skills development strategy

Sector education and training authorities will emerge out of the current industry training boards

They will take up the function of designing and implementing skills-development strategies as well as monitoring training in sectors

Cosatu gives in to government over training levy row

FRANK NXUMALO

(179) ET(MR) 8/5/98 LABOUR EDITOR

Johannesburg — The central executive committee (CEC) of the Congress of South African Trade Unions (Cosatu) had reluctantly accepted the government's argument on the division of the 1 percent levy on companies' payrolls as proposed in the Skills Development Bill, Sam Shilowa, the general secretary of Cosatu, said yesterday.

This means the levy will be split 80 percent-20 percent, with the 20 percent going to the national fund to train targeted groups such as the unemployed, re-trenched workers, women and the youth.

Shilowa said although negotiations on the skills bill officially ended on Wednesday, certain key issues remained unresolved and the CEC had decided these should be taken up within the alliance.

He said Cosatu took strong exception to the government's refusal to split its contribution in the 80 percent and 20 percent proportions.

"The government is now clearly practising double standards and extreme hypocrisy," he said. "Throughout the negotiations the government had insisted on the 80 percent-20 percent split, but flatly refused that its own 1 percent levy contribution be split. "As if this is not enough, the government is refusing to give a clear undertaking that it shall provide adequate resources from the fiscus to the national fund."

Shilowa said the government had also rejected business's request to match the 20 percent levy rand for rand. "It is now clear to Cosatu that the government wants to subject the contribution from the fiscus to its other macro-economic policies," he said.

Shilowa slammed the government and business for insisting on the exclusion of allowances or benefits in the calculation of the total 1 percent levy on payroll.

Bridging gap between school and jobs

MOSES MTHETHELELI MACKAY

A project to help unemployed school-leavers gain skills that will assist them to find a niche in the world of work has been initiated by the Health Promotion Resource Centre in Wynberg.

The challenge to Cape Town employers to provide some skills training to young people was launched in November last year

The project was started as a means to fill the gap between matriculating youths and finding a job

"We know that there is just no work for young people," said one of the project co-ordinators, Ferdinand Bomvana

Mr Bomvana, joint project co-ordinator with Felicity Ohlson, said the first phase focused on training and placing youngsters in a work environment

The project goes some way to meeting the concern expressed by Cape Flats leaders that previously disadvantaged youths should opt for business skills and life skills in order to survive in the modern world

Phase Two of the project entails businesses and employer organisations exhibiting their products or services

The second phase will be implemented on June 18 when a public event will be held where some of the youth involved will speak about their experiences

(179) ARG 11/5/98
"We are also hoping that one or two of the organisations will share their experiences of having placed these young people," said Mr Bomvana

"Although the result for some of the youth might not be full-time employment, we will have succeeded in revealing a wider spectrum in the world of work"

A number of organisations have already offered training or work-shadow placements to young people involved in the project, including Marine de Beers, Engen, Bush Radio, Radio C-Flat, the Nico Theatre, X-Perf Project Management Services, the National Parks Board and the Community Video Education Trust

No agreement on employment bill

Reneé Grawitzky

(179)
BD 12/5/98

NEGOTIATIONS on the Skills Development Bill in the National Economic, Development and Labour Council (Nedlac) have finally come to an end, but uncertainty still surrounds the ratification of a report on negotiations on the Employment Equity Bill.

Labour, government and business negotiators yesterday ratified the Nedlac report on the Skills Development Bill — outlining areas of agreement and disagreement. The parties were unable to agree on the Employment Equity Bill as the Congress of SA Trade Unions (Cosatu) opposed the inclusion of a clause relating to the wage gap.

The Nedlac report on the Skills Development Bill will be presented to Labour Minister Tito Mboweni at a Nedlac meeting on Saturday. The major area of disagreement still revolves around the funding of the proposed National Skills Fund.

Business reserved its position on the bill's proposal that 20% of revenue collected from a training levy of 1% on payroll will finance the national skills fund and that 80% will go into a sector-specific education and training fund. Cosatu has opposed government's refusal to split its contribution as it has required business to do.

The bill provides that public service employers must budget for "at least 1% of payroll" for training and education, but is silent on contributions to the national skills fund.

One of the core objectives of the bill is to "provide for learnerships that lead to recognised occupational qualifications". Learnership agreements will require employers to employ a learner for a specific period and to provide him or her with specific practical work experience.

The question of payment will be decided by the minister on recommendation by the Employment Conditions Commission.

Cabinet approves bills on employment and

PD 14/15/98

Farouk Chothia

CAPE TOWN — The cabinet yesterday approved the revised Employment Equity Bill and the Skills Development Bill, opening the way for them to be presented to Parliament during the current session, Labour Minister Tito Mboweni said yesterday.

The cabinet also resolved to stop the payment of overtime pay to senior public service managers and professionals.

A government source said this decision would affect mainly public prosecutors and doctors. It was believed many of them should be promoted into higher public service ranks so their basic salaries became market related.

Mboweni told a media briefing the approval of the bills was a "victory" for SA. It would be welcomed by the millions of people who had been discriminated against, but it should also be welcomed by those who wanted to "dispense with our abhorrent past". Mboweni said "quite a significant" late insertion in the Employment Equity Bill was that businesses should aim at workforces that reflect national and regional demographics of the "economically active population". The phrase included people seeking employment or those who had been discouraged from doing so.

He said agreement with business and labour had also been reached on the Skills Development Bill. However, business still opposed the provision that 20% of the funds collected from a 1% levy on payroll be diverted to a fund for financing national training priorities. Negotiations on this issue would continue while the bill went through the Parliamentary process.

Mboweni said the presidential jobs summit would take place in June or July. He could not give a more specific date because discussions were still taking place. Mboweni said an intra-governmental meeting to be attended by members of the inter-ministerial committee, provincial finance and economic affairs MECs, and representatives of the impact of job losses.

Meanwhile, government spokesman Joel Neshitshenke said the cabinet decided that no government official from the rank of director upwards should qualify for overtime pay. Negotiations in this regard would take place with the relevant labour unions.

Mboweni said this brought the government into line with the general practice in the private sector.

Alternatives: Page 14

Skills development

'Centres of excellence' will train government

(179)

Reports by
Lesley Stones

FEARs that foreign companies will be the main beneficiaries as Africa opens up its telecommunications networks are being addressed through schools to train government officials.

"Centres of excellence" will be opened in Nairobi and Dakar by the International Telecommunications Union, organiser of last week's Africa Telecom 98 in SA.

The centres will help governments ensure that richer, more experienced foreign partners do not reap all the rewards as they help underdeveloped nations modernise their telephone infrastructures. The centres aim to help officials recognise the most appropriate technologies, tap into the skills of foreign service providers, and, most important, strike alliances which benefit their countries.

"As the world opens up, African countries will need the skills to assess financial and technical agreements with other countries and companies," said Henry Chasia, deputy secretary-

general of the union. Poorer countries are recognising that they cannot afford to develop their infrastructures alone and must use private investors to add capital and technological know-how.

Chasia warned that the worst thing a country could do was shirk responsibility and sell off its network completely. Over the next few years, business worth millions of dollars would be up for grabs in Africa as networks began expanding.

"Government officials need to know what is going on to help the economy go forward. We will train policy makers to understand the industry so they can protect public interests and give local companies the chance to profit."

Facilities in the centres will include advice on the best ways to finance infrastructural expansion, the management of frequencies, and technology training. Ministers will be given help in constructing large national or international projects, and could share experiences with countries further down the liberalisation or privatisation road. Once policy makers are trained, the

centres will train CEOs from new and existing companies.

The union is investing \$12m in each centre, and will establish others in Asia and Latin America. More funds are needed from the private sector and Chasia is confident cash will be forthcoming. "Private companies have an interest in these countries and should be ready to help because it will establish the market for them," he said.

Figures for the potential profits in Africa are compelling, for equipment sales and for revenue generated by telephone usage.

"Worldwide, the cost of installing one line is more than \$1 000," said Chasia. "The costs here are \$2 000 to \$5 000, so if you install 50-million lines the equipment sales are worth more than \$50bn. That is big business. The average revenue per line is also \$1 000 a year, so if you have 1-million lines that is \$1bn worth of business."

In a perverse way, Africa's lack of progress is exactly what makes the continent so exciting for foreign investors. The continent has only 14-million phone lines for 750-million people,

so there is vast growth potential.

Revenue per line also touches a global high in Africa, partly because monopolies have charged what they like, and also because the lack of phones in rural areas means each line is used by many people.

State-owned service providers also charge heavily for international calls, creating another profitable area to tempt private capital. "Investors will come in provided governments have regulatory and development policies which encourage them," said Chasia. "There is an increasing interest in Africa, as we saw from the number of major companies at the Africa Telecom exhibition."

Chasia urged governments to use this opportunity to enrich local investors, rather than draw all their investment from abroad.

One option he recommends, and which Telkom in SA is considering, is floating shares on the stock exchange. Another is to sell a stake to a local technology company which could benefit from an exchange of knowledge with international partners.

CHASIA



Officials

80 14/5/98

Cabinet backs two labour bills

CT/BR) 14/5/98
LYNDA LOXTON

PARLIAMENTARY CORRESPONDENT

Cape Town — Cabinet gave the go-ahead yesterday for the employment equity and skills development bills to be submitted to parliament

The bills are likely to be passed by June or July this year, despite continued disagreements on some aspects by business and labour

Tito Mboweni, the labour minister, said the greatest progress during negotiations in Nedlac had been made on the employment equity bill

An important change is that firms employing 50 or more staff members would no longer have to automatically submit employment equity plans. Only employers who have turnovers higher than those used to classify small and medium-sized enterprises would have to submit plans. This was irrespective of how many employees they had

Mboweni said that after

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representations from the public, it had become clear that the 18-month period in which reports had to be submitted by employers was "unreasonably long". As a result, employers would have to submit reports within 12 months if they employed fewer than 150 people and within six months if they employed more than 150 people

Employers with 150 staff or fewer would have to submit subsequent reports only once every two years. Larger employers would have to report back every year

To prevent confusion over who would handle disputes, it had been decided that these would be handled by labour inspectors and the director-general of labour

The Commission for Conciliation, Mediation and Arbitration would still handle disputes over unfair discrimination, with the labour court acting as the final point of appeal

Factors to be considered when

preparing and assessing employment equity plans had been broadened. The plans would no longer have to take into account national and regional demographics alone, but the national and regional demographics of the economically active population

Employers would now also have to consider the equitable representation of various groups, "so that they should not focus on one particular group disproportionately", Mboweni said

"Other business constraints have now been incorporated in the assessing of plans, such as the labour turnover (or lack thereof) for employers, as well as current and planned vacancies"

On the skills development bill, Mboweni said there had been "a remarkable degree of agreement" in Nedlac. He was pleased that employers had agreed to contribute an amount equal to 1 percent of their payroll towards skills development

Banks sponsor 32 students for information technology training

Lesley Stones

MSD 18/5/98
THE SA Reserve Bank has launched an information technology (IT) training course for black students in partnership with the five major commercial banks and black-owned technology company PQ Africa

The IT Banking Internship Programme is training 32 students who will qualify at the end of the year. NBS, First National Bank, Standard Bank, Nedcor, Absa and the Reserve Bank are sponsoring the students at R30 000 each for the year-long course. Next year 100 students should be trained, if other banks add their financial support to the project.

"We are taking positive steps to address what is becoming a crisis," said Reserve Bank deputy governor Tim Thahane. "Banks are losing a huge percentage of skilled information technology staff overseas and too few students are being trained."

Without skilled staff, banks would not be able to extend their services to the poorer communities nor compete with international operations, he said.

The idea was born when PQ Africa

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worked on the Reserve Bank's electronic payments and settlement system and recognised the skills shortage.

PQ Africa is co-ordinating the training, which covers financial and business skills, computer programming and life skills such as teamwork and business ethics.

"We want to recruit and train our children from disadvantaged communities and impart skills in IT and telecommunications so they can be an asset and not a liability," said PQ Africa chairman Don Ncube. Rapidly changing technology was altering the banking environment and creating an endless demand for skills, he said.

"When you are dealing with rapid transformation, you train as many people as you can to deal with it. Banks have never been known as Mother Therasas and are doing this out of good self interest."

Students are given an allowance and will be employed by the sponsoring bank after they qualify.

The Institute of Bankers will certify the qualification, with business training carried out by Damelin and Luso Zhakeni providing computer training.

FORUM

WORKPLACE A trio of employment bills carries severe implications for management on affirmative action and training, yet few companies so far are heeding the message

Employers with heads in the sand will be kicked in the rear

CT (MAY 18/19/98)

South African employers must rapidly remove their heads from the sand if they are not to be faced with a rude wake-up call 18 months down the line.



JOHN SPINA

Dr Denise Meyerson, who heads Johannesburg-based Corporate College International, warns that time is running out for employers who are finding it convenient to ignore the SA Qualifications Authority Act, the Employment Equity Bill and the Skills Development Bill.

She finds employers are particularly indifferent to the implications of the Employment Equity Bill, which, if it becomes law in its present form, will require employers to pay 1 per cent of their payroll bill as a levy to the sector authority, which will repay the levy in accordance with the training conducted within the employer's organisation.

The rub comes in the requirement that the training in question must comply with the National Qualification Framework (NQF) as laid down by the SA Qualifications Authority Act (Saq) and the Skills Development Bill.

"The framework", says Meyerson, "encapsulates the entire restructuring of training and education in South Africa, whereby qualifications will be competence-based and workplace assessed. It is a complete mind-switch for companies to move in that direction."

How have employers reacted? "Some are taking the stance as an RDP donation, because they don't want anyone to tell them how to run their training programmes."

"What they fail to realise is that they then have to contend with the employment equity legislation, which imposes a fine of up to R400 000 for non-compliance. Few appreciate they have a mere 18 months to comply and implement their training and employment equity plans."

Meyerson says many employers are hoping to escape the consequences of non-compliance by producing expensively bound, impressively constructed documents which they will submit to the labour department.

"But when the inspectors come back the next year, they're going to want to see movement to see how many affirmative action managers have been appointed. The employer might respond that the necessary skills were not available, that one cannot promote people who do not have the requisite skills."

"Upon which the inspector will demand the employer's training and development plans for each person in the organisation. The employer will be obliged to provide some very hard facts to explain why those provisions have not eventuated."

"He will have to demonstrate that he did indeed plot each employee's training and career development path, that the employees had attended relevant training programmes and could not thereafter prove competence."

Meyerson cautions that it is not enough to prove an investment of, say, R5 million in a training centre within the firm. The employer also has to demonstrate results.

"You cannot plot career paths unless you have the competencies and the standards for every position within your organisation. Standards will eventually be generated in South Africa, but it will take another two years before this is achieved." In the interim, Meyerson advises employers to buy international standards.

Corporate College International, formed six years ago, offers a variety of programmes, among them literacy, English upgrade, numeracy, business proficiency, supervisory management and customer service.

Meyerson says the firm always accredits its programmes internationally, through Pitman's, because local examining boards do not exist for every discipline.

Three years ago she spent time in Britain to learn how to upgrade South Africa's teachers and trainers. She learned the way they were trained in Britain differed markedly from the local approach.

"Everything there is competence-based. In other words, employees are invariably assessed by teams of workplace assessors in the workplace. Here we do training programmes but we don't follow through and monitor employees where they work, how they apply the skills they have acquired."

When she returned, she decided it was essential to go the international route. She brought out an international trainer to train workplace assessors here.

As a result, Corporate College International is the first registered City & Guilds centre in South Africa offering this type of training. City & Guilds is the largest examining body in the UK, processing about six million students annually.

Hence Corporate College International's training is NQF-aligned, which, Meyerson stresses, is crucial.

"When a person comes out of any training course, the qualification has to have the Saqa stamp if the programme is to be recognised."

"Most employers haven't a clue as to what is involved. I've been doing many presentations, and at the end most employers want to shoot me. It won't help them to shoot the messenger."

Meyerson points out the bills were passed through Cabinet last week, highlighting the need for urgent action by employers.

She identifies the cost of changing the system as a prime reason why employers are rallying against the proposed legislation. And the changes will be radical.

"Eventually you will only train in the skills gaps, where you need to upskill someone. It won't be a case any longer of sending 10 people on a supervisory programme — people who were not assessed beforehand, nor after completion of the course."

Without prior assessment, you don't know what skills they are bringing into the training room. That's a waste of time and a waste of money."

Meyerson envisages training becoming highly targeted, with a growing number of one-on-one programmes.

"Time of course, will be a big factor. Everyone will need to be assessed according to predetermined standards. The individual will have to collect all kinds of evidence to prove that he or she is competent to do his or her job at a certain level."

"And that person also has to be assessed by a qualified observer. You will have to carry around with you your portfolio of evidence, which will contain proof of all your skills."



PLAIN TALKING Denise Meyerson, head of Corporate College International, has been telling employers they need to reform

State course to hone top skills

(179)

LYNDA LOXTON

PARLIAMENTARY CORRESPONDENT

ET (MR) 22/5/98
Cape Town — A high-level training programme to improve public and private sector management skills would soon be launched, Zola Skweyiya, the public service and administration minister, said yesterday.

Speaking during the national assembly debate on his budget vote, Skweyiya said the programme would be run by his department, the Wits Business School and Harvard University. It would be sponsored by the United States Agency for International Development. This "will directly enhance development and the economic performance of the country", Skweyiya said.

At the same time, the public service management development programme, which Skweyiya launched in November last year in partnership with the European Union, would make R95 million available over three years to provide management training to public servants.

"The funds will also be used to increase the educational and research capacity of the institutions that are part of the Joint University Public Management Educational Trust consortium," Skweyiya said.

The development programme would also develop the training capacity of the South African Management Development Institute, which had recently created a special unit to focus on the provision of training in productivity and quality management for the public sector.

Michael Ward, the director of the Wits Business School, said the first leg of the management training programme would start in August and run throughout most of next year. Harvard would send its "A-team" of 10 top academics to help run the courses, which were developed for the World Bank.

He said that World Bank funding had also been obtained for further training of trainers for senior public and private sector managers.

In his speech, Skweyiya also said that a key feature of the new human resource management approach in the public service was the development of a strong and effective performance management system.

This, he said, called for an entirely new approach to management, with particular emphasis on making managers more responsible for ensuring that staff met service delivery targets.

Kluever slams lack of training, skills

(179)

Star 26/5/98

Report by auditor-general highlights lack of long-term planning and tendency to ignore procedure

By **JOVIAL RANTAO**
Cape Town

A loss of expertise and lack of training has resulted in the Government overspending by R1,1-billion, the auditor-general has reported. This situation was prevalent on national, provincial and municipal levels.

In a report tabled in Parliament yesterday, Auditor-General Henri Kluever said there was an acute lack of basic accounting systems. The financial management of departments was reliant on information systems and technology developed more than 20 years ago.

"Any further loss of skills from departments and institutions may cause grave prob-

lems. Positive steps to prevent this should be taken as a matter of urgency," Kluever warned.

He said long-term planning did not take place in a formal and structured manner. The lack of measurable objectives, performance criteria, norms, standards and indicators made performance measurement and benchmarking impossible.

Kluever emphasised that unauthorised expenditure did not mean that the money was wasted; it meant that proper procedures had not been followed.

He said although shortcomings were reported to Parliament regularly, and corrective steps were being implemented by managers in the civil service, no holistic approach to

rectify the shortcomings identified in the reports was followed.

"No up-to-date statistics on the appointment of financial managers and strategic planning departments were available. As in previous years, many instances of non-adherence to procurement procedures were reported on this year. The reasons range from ignorance to deliberately ignoring the rules and regulations.

"The disclosure of assets, stores and equipment is inadequate and the amount of the total investment is also not readily available. Accounting officers will increasingly have to pay attention to the effective employment of funds by limiting the investment in stock and equipment to the absolute minimum," Kluever said.

His other findings were that organisational structures are not reviewed regularly enough, the training of staff was often inadequate or unstructured, and human resource management was deficient.

Management information systems did not always provide the necessary information and often functioned in an unco-ordinated way. Internal reporting was often deficient and not regularly evaluated to ensure that it satisfied the needs of users.

Among the items highlighted as unauthorised expenditure which required further investigation are:

- The Department of Labour paid more than R90 000 in overtime to a contractor hired to maintain its computer services

- A fraud investigation is likely to follow after the Department of Land Affairs paid more than R1-million to a software training consultancy after the contracts had lapsed.

- A total of R14-million was mistakenly paid by the RDP to the Eastern Cape province.

- "Fruitless expenditure" of R102 453 by the Central Statistical Service due to the cancellation of a workshop.

- The leasing of the World Trade Centre for the Multi-party Negotiating Process by the Department of Constitutional Development for more than R66-million

- The Department of Health spent more than R160 000 on printing contracts without following the proper tender procedures.

Maize data 'unreliable'

Louise Cook PD 28/5/98

MAIZE carry-over stock figures released by the SA Grain Information Service late on Tuesday, saw maize futures prices plummet almost R30/ton on the SA Futures Exchange agricultural markets division yesterday.

This came in the wake of industry fears that information on stocks and supplies, which affected futures prices were "unreliable" and "chaotic".

Maize producers organisation Nampro has accused the service of providing incorrect information. It denied the accusation, saying information released by the service on stocks and supplies was always accurate.

Safex agricultural markets division GM Rod Gravelet-Blondin confirmed the service's figures this week had an effect on futures prices, saying the exchange would limit down — stop prices from falling beyond R30/ton a day — if need be.

SA Feed and Grain Marketing GM Russel du Preez said the market had expected less available stock. The solution to the information issue could lie in getting private and neutral US companies to operate in SA, he said.

The service on Tuesday posted the total maize carry-over stocks at 2,609-million tons, with white maize at 1,236-million tons and yellow maize at 1,373-million tons. On Safex's agricultural markets division yesterday, prices for white maize futures contracts for July dropped by R27/ton to close at R567/ton and yellow maize July futures slid R23/ton, closing at R517/ton.

At present there is a lot of suspicion and scepticism about the accuracy of information. SA did not quite realise the need for information on stocks and supplies when the markets were deregulated," Gravelet-Blondin said.

Earlier this year the service was also accused of releasing wrong data, but its spokesman Peter Jackson said yesterday that this week's figures — based on physical inspections of supplies and thus totally accurate — proved all previous information had been accurate all along. He said producers tended to contest information to talk prices up.

In an editorial in the latest edition of official publication Mielies-Maize, Nampo said "in SA, the supply of accurate and credible market information is in total chaos".

Nafcoc to transfer skills

Patrick Wadula PD 28/5/98 (179)

THE National African Federated Chamber of Commerce (Nafcoc) yesterday launched its property company, Greater Africa Property, aimed at transferring skills to black people in the property industry.

Nafcoc president Joe Hlongwane said the new company, an affiliate of Nafcoc Investment Holdings, had divisions comprising valuation, industrial and commercial developments, sales, leasing and property syndication.

He said the company was formed to redress imbalances as most people in SA were denied the opportunity in the past to create wealth.

The ownership, management and development of property has always been one of the cornerstones to personal and corporate wealth creation," he said.

Hlongwane said Nafcoc would be involved nationally through its affiliates and participate solely in the property industry by engaging in the sale and letting of property.

"We, the people of this country, are one another's most valuable resource. Recognising this is a prerequisite to anyone in SA wishing to succeed in business and in life," he said.

The company would target private sector and government contracts including hospitals.

Greater Africa Property vice-chairman Pregsie Govender said that as the company grew it would look at franchising the business through Nafcoc's existing membership countrywide. A spin off would be to create jobs by providing work contracts.

New body will oversee workers' training

BD 29/5/98 (179)

Mzwandile Jacks

EMPLOYERS in the metal industry have entered into an agreement with trade unions to establish a new training board to oversee the training of workers, Steel and Engineering Federation of SA CE Brian Angus said yesterday

The development of training for all workers would improve labour productivity in the medium to long term. The manufacturing sector has in the past three years expe-

rienced substantial job losses, from 385 000 hourly paid workers in 1990 to 285 000 in 1996.

"The current workforce in the metal industries still stands at around 285 000 hourly paid workers and, even with sustainable growth, the prospects for any major increase in the number of workers in the industry are relatively small. However, there is plenty of room of improvement in skills level," Angus said.

If the steel and engineering in-

dustries were able to improve on their international competitiveness, the potential available in export markets would be better.

Free trade agreements would mean SA access to tendering on European Development Fund projects in African, Pacific and Caribbean countries.

SA's manufacturing industries, especially the metal industries, were seen to be offering the most export potential to both existing markets and new markets

WHERE'S THE R5M?

Training scheme probed

CT 15/6/98

(179)

TWO BUSINESSES without the necessary accreditation won a contract to train unemployed people in a R5-million scheme in the impoverished West Coast region. Senior Writer **YAZEED FAKIER** reports.

AN urgent investigation has been launched into the expenditure of R5 million following the collapse of an empowerment training scheme for unemployed residents of impoverished West Coast communities.

The controversy has precipitated the premature closure in the Vredenburg area of a training centre administered by the director of the Cape Town-based Western Cape Training Centre, Johan Greyling.

Originally due to operate until the end of this month, the scheme was aimed at school-leavers and the unemployed of the so-called SVL region (Saldanha Bay, Vredenburg, Langebaan), where previously disadvantaged communities are in steady decline because of problems in the fishing industry.

"The idea was to train local unemployed people in the hope that by having a basic-trained workforce available, investment would be attracted to the region," said George Kerridge, former chairperson of the West Coast Training Initiative.

Clouds started gathering earlier this year, however, when training funds totalling around R5m and meant to last 12 months from August last year dried up as early as December.

The zealous expenditure caught the attention of the 20,000-strong Metal and Electrical Workers Union of SA (Mewusa), stakeholders in the development of the "West Coast corridor".

**Graduates
did the work
of skilled
artisans at
low cost.**

Many of Mewusa's members work at the multi-million-rand Saldanha Steel plant where the construction phase is nearing completion, commissioning has started and employment is now limited to skilled workers.

It was the construction phase that was the focus of the placement of trainees who had passed through the West Coast training centre.

Mewusa national president Russell Sabor told the *Cape Times* he had objected early on to the "extraordinary" manner in which two training companies were chosen.

At an emergency meeting in Cape Town he had pointed out his concerns to the project funders, the Department of Labour and other interested parties, that the two businesses — Simon Cape Training and Opus Training and Management Consultants — had won the training contract when neither at the time had the requisite accreditation from the Metal and Engineering Industries Educa-

tion and Training Board (MEIETB). They obtained accreditation months later.

Sabor had questioned how this could have been allowed as the validity of certificates issued to trainees also had to be called into question.

He said trainee electricians had completed a six-week course, which was insufficient, at the training centre.

Many of these trainees had been employed at the Saldanha plant and surrounding industries to do piecemeal jobs that should have been done by qualified artisans and were doing the work of qualified artisans for wages well below the normal rate.

Sabor said this practice was tantamount to the locals' having been "trained for exploitation".

Attempts by the *Cape Times* to contact Simon Cape and Opus for replies to the claims proved fruitless. Although addresses are given on letterheads and in correspondence, telephone numbers are not and are not listed in directories.

Greyling, who was put in charge of the West Coast training centre, said they

were appointed by Jaap Wolfaardt, a senior official of the Industrial Development Corporation (IDC), which funded the training scheme (The IDC is a parastatal institution created to provide start-up loans for businesses.)

Other well-placed sources said another senior IDC official, Renier van Rensburg, had also had a say in the controversial appointments.

Contacted for comment in Johannesburg, Wolfaardt and Van Rensburg referred the *Cape Times* to IDC general manager Johan Greeff. Greeff, in turn, referred the *Cape Times* to his boss, IDC chief executive officer Khaya Ngqula.

In an interview Ngqula sounded annoyed that the training programme had run out of funds so quickly. He confirmed that an independent audit, ordered by the IDC, was under way.

Documents in possession of the *Cape Times* indicate that Simon Cape and Opus delivered training for up to five and six months respectively before receiving accreditation from the MEIETB.

Greyling claimed that after the two companies had gained accreditation, "the IDC got the training providers to re-evaluate the trainees and to re-certificate them". Ngqula, however, denied that the IDC had been responsible for initiating the re-evaluation process.

Sabor said the union found developments surrounding the project "disgraceful" and eagerly awaited the IDC report.

NO TRACE OF TRAINING COMPANIES

'Artisans' far from qualified

(179) CT 18/6/98

CERTIFIED BUT NOT necessarily qualified. That's the predicament of jobless trainees of a R5-million West Coast project. Senior Writer **YAZEED FAKIER** reports

CERTIFICATES issued to trainees in a controversial R5-million training programme for jobless West Coast residents could be "misleading"

And those who were given the certificates are now under the mistaken impression that they are qualified artisans

This warning, by the Metal and Electrical Industries Education and Training Board (MEIETB), follows a *Cape Times* exposé earlier this week on the "extraordinary" manner in which two companies secured a tender for the training programme in Vredenburg, on the West Coast

The award of the tender raised suspicions when it came to the attention of the 20 000-strong Metal and Electrical Workers' Union of SA (Mewusa) that neither company was accredited by the board at the time

The companies are Simon Cape Training and Opus Training and Management Consultants

The training programme, run under the direction of Johan Greyling, head of the Western Cape Training Centre, has collapsed amid searching questions concerning the administration of the project

As administrator of the project, Greyling was given the responsibility of ensuring the quality and standard of its services

An investigation has now been launched into the entire project, including the expenditure of the R5m funding package, which was to have lasted 12 months but dried up last December — seven months

earlier than planned

It has been established that training by the two companies continued for another four months, until April this year, before action was taken by the Industrial Development Corporation, the parastatal organisation which funded the project

Additional payment is presently being sought for the four-month period of training as well

The West Coast training project was to serve as a "feeder" for the giant Saldanha Steel development, to help jobless residents in the economically-depressed SVL region (Saldanha Bay, Vredenburg, Langebaan). The training was to have set them on a career path that would have led to their eventual permanent employment in all phases of the Saldanha Steel development

The collapse of the training programme, amid a raging controversy, appears now to have put paid to that plan and dealt a blow to the West Coast corridor development initiative

In the latest development, Hamsa le Roux, a spokesperson for the Cape regional office of MEIETB, to which the two training companies belatedly applied for accreditation, said that subsequent to the board's approval of their application, it had heard concerns "from the learners (trainees) themselves and from trade unions in our industry" about the training being offered at the Vredenburg training centre

"The certificates issued to learners by these providers could be mis-

leading — which we recently pointed out to the Western Cape Training Centre, requesting them to indicate clearly that the training offered only the first phase of apprentice training schedules

"The learners appear under the impression that they are qualified as artisans after undertaking the (centre's) six-week course"

Le Roux said the qualifications they were offered, namely courses in Welding Aid and Electrical Aid, were qualifications created and issued by the Simon Cape and Opus companies themselves and were not national qualifications recognised by the MEIETB

Despite several attempts, the *Cape Times* has been unable to contact either Simon Cape or Opus for comment

Directory inquiries personnel said there were no listings for either company in Cape Town, Johannesburg or Secunda

Le Roux added that the board had been largely excluded from consultations at the launch of the training programme

"We were not consulted on which training providers would be selected, which skills would be trained, nor are we aware of the tendering process which was followed to select the providers

"We were only called in at a very late stage, once the selections of the providers had been made, to accredit them"

Le Roux said it had become clear that a large number of people had undergone training before accreditation was applied for

MEIETB was also aware that the companies wanted to recall trainees who were trained during this period, to retest them and award them new qualifications bearing the its logo

But, said Le Roux "We are not in a position to comment on the quality or advisability of such a process"

Greyling has claimed that those trained before accreditation was obtained had been "re-evaluated and re-certificated" by Simon Cape and Opus at the instruction of the IDC. But Mewusa national president Russell Sabor has questioned the standard and quality of these evaluations and the validity of the certificates

Sabor said the way in which the programme had unfolded was contrary to the spirit in which the training initiative was first mooted by the various parties — which was to address empowerment

among the previously disadvantaged by way of creating jobs for the poor, the unemployed and the underprivileged

"Now we have a situation," he said, "where there are people walking around with certificates which they have no idea will not get them a proper job anywhere. They will continue to be exploited"

Le Roux said a remaining concern was whether and how the trainees who had already received tuition would be linked significantly to infra-structural development on the West Coast and how opportunities for further skills development could be ensured

Concerns were raised by the trainees themselves and by trade unions

W Coast row deepens

(179)

YAZEED FAKIER
SENIOR WRITER

ET 25/6/98

A PROMINENT Saldanha Bay community leader has exposed a telling discrepancy in versions about training provided in a R5-million training scheme for jobless West Coast residents.

The scheme, administered by Western Cape Training Centre director Johan Greyling, is under investigation by the Industrial Development Corporation (IDC) after it folded several months prematurely.

The collapse robbed thousands of desperate job-seekers in the Saldanha Bay-Vredenburg-Langebaan (SVL) region of an opportunity for skills training.

Paulina Mali, chairperson of the West Coast training committee, a sub-committee of the West Coast Training Initiative (WCTI) which kicked-started the project, revealed this week that the final certification ceremony was held on April 3 at the West Coast Training Centre premises in Vredenburg. She was adamant that no training was given after that date.

However, a Department of Labour official in Pretoria told the *Cape Times* that Opus Training and Management consultants — one of the two training companies which ran the classes — was paid R825 740

for services delivered between January 5 and April 3.

He said the money was paid from a R1,9m allocation the department had made for the project and that a claim was still being awaited from the other company, Simon Cape Training, for services delivered during the same period.

Later, however, he told the *Cape Times* that the period of training was from January to March and that "there's another lot of training that happened from April to May" — after the certification ceremony.

Asked whether the April-May "training" period was in respect of both companies, he said: "We're not sure — the provincial office (of the Western Cape) will know exactly who's done the training, but it's either Opus or Opus and Simon Cape."

A claim or claims in this respect from either or both companies was being awaited by the department, which it would receive via the Western Cape provincial office once checked by its training advisers, he said.

Mali said WCTI project involved working "hand in hand" with George Kerridge, an industrial relations manager at Saldanha Steel who served as chairperson of WCTI.

She said she was surprised when Kerridge, with whom she had worked closely, resigned unexpectedly last year.

Trainees feel 'used' by training scheme

(179)

CT 26/6/98

YAZEED FAKIER
SENIOR WRITER

THOSE among the first batch of trainees at the controversial West Coast training centre claim they were used as a "camouflage" to encourage others to attend the centre's courses and lend it credibility

"And when we started asking awkward questions, we got into trouble," said 29-year-old trainee Andre Prins of events preceding the premature closure of the training centre in Vredenburg

The training scheme is under investigation by the Industrial Development Corporation, which funded the programme for jobless West Coast residents, to determine why and how a total of R5 million ran dry months before it was meant to

When Prins and other fellow trainees were interviewed this week by the *Cape Times* in Vredenburg's suburb of Louwville, a disturbing number of unemployed men stood in groups outside match-box houses in the early morning cold, hands in their pockets, soaking up the sun

Elton Pieterse, 21, a security guard for two years, has now been unemployed for two months; Ivan Bothman, 29, a painter, has been unemployed for five months; Henry Mahappy, 24, an electrician, has been unemployed for 10 months. The list goes on

Prins himself has been unemployed for six months. A pipe-fitter, he is forced to get by on odd jobs to help his mother care for his father, who suffered a debilitating stroke several years ago, and two siblings.

"What the training centre sold us was so good," he says, "that working people with families but who had a very low income, left their job for this training

course. They believed they would be able to improve themselves and earn a little more at the end of it."

In cases where trainees ditched the course mid-way through to resume their old jobs for an income, they had been told by the centre's management to collect their training diplomas anyway, said Prins

Around R300 per person for a total of around 500 trainees had been spent, he estimated, but this has been disputed by Paulina Mali, chairperson of the West Coast training committee, who said the numbers were much higher

Mali said the training "was just a step forward".

Prins says he was among the first batch of 150 trainees who were made to transform dilapidated premises into a proper training centre, with no pay

"Our reward was the promise that we would be semi-skilled artisans and

would get work at the end of our training session."

But when they arrived at the site "the promises they made changed totally. We got the impression later on that we had been 'sold' — but with a style — as labourers to companies"

Another welding trainee, Cathleen Boois, 27, told the *Cape Times* she was used as a painter on site instead

Furthermore, says Prins, those who were promoted, as he was, "were just a camouflage to the others in the community so that they would feel it's okay to take the training course and give it credibility"

Commented neighbour Adam Bester: "I was also supposed to get training but when I got there, I found the centre had closed. That money (R5m) was supposed to have been invested in people like me and it was not — and who are the losers? We in the community."

What the training centre sold us was so good that working people left their jobs for the course

Opening the way to the world of work

MOSES MTHETHELELI MACKAY

STAFF REPORTER

ARG 29/6/98

(179)

Unemployed school-leaver Phindiwe Kampie, 25, of Lower Crossroads is taking the opportunities that she sees - but life is tough in the competitive labour market.

Ms Kampie and 49 other school leavers are finding ways to use the skills they gained in a project initiated by the Health Promotion Resources Centre in Wynberg

The project was designed to help unemployed school leavers gain skills that would enable them to find a niche in the world of work

Ms Kampie, who passed biology, biblical studies, geography and languages in matric at Ikamva Lethu High school in Langa, registered for a retail business management diploma at Peninsula Technikon but had to drop out in 1995 due to lack of money

She, her two sisters and six brothers were supported by their pensioner parents

Like the many township youths, she roamed the streets of the central business district looking for work in 1996

Last year she got a six-month job at Tricor, a marketing company in Khayelitsha, as a promoter

Then she heard of the Health Promotion Resources Centre project, and through them she completed a computer course studying Windows '95 and Word for Windows at X-Pert Project Management Services.

Ms Kampie said "I feel happy about the training I got and I hope to get a job at a computer company"

Another school leaver, Khanyiswa Kildesi, 24, of Nyanga, was taught business skills for five months at Southern Life and obtained a certificate of competence in 1997.

Ms Kildesi, also a former pupil of

Ikamva Lethu High school in Langa, did accounting, business economics, economics and languages for matric.

After her stint with Southern Life she contacted the Health Promotion Resources Centre who placed her at De Beers Marine for a three-week training course

During this time she packed video cassettes and catalogued them on a computer.

Ms Kildesi said she had had no problems at the company as she had a computer background. She had enjoyed her time at De Beers Marine.

Ms Kildesi said she had gained filing skills, computer skills and had learnt how to use the Internet.

Now she is hoping to find a company prepared to offer her a one-year bursary to study computer programming.

"I would like the one-year course due to time constraints. I want to work. The time is moving on"

Ferdinand Bomvana, co-ordinator of the Resources Centre, said the short training courses were free of charge.

Pupils in grade 11, matriculants and school leavers were encouraged to take part

Mr Bomvana said the project had begun with pupils and school leavers from Nyanga, Guguletu and Langa.

The plan was to approach organisations and stakeholders in other areas such as Khayelitsha to get involved in the project next year.

Mr Bomvana said currently little assistance was available from other communities to address the plight of school leavers.

Many unemployed youth were reluctant to do voluntary work. They wanted to be paid a wage, or at least transport expenses

For more information about the Health Promotion Resources Centre project phone Mr Bomvana at 799 4233 or Felicity Ohlson at 799 4228

Building leadership for life

Youth urged to pass on skills to others

By MARGARET MURRAY

Staff Reporter

Young people should not leave their residential areas for better and safe environments but should stay and develop Cape Flats townships into suburbs and help create job opportunities, says Haba Neshobane, co-ordinator of the Guguletu Youth Development Forum.

He was speaking at a function hosted by the Health Promotion Resource Centre at the Sports Complex in Guguletu during which 50 graduates of the centre were presented with their certificates.

"The unemployed graduates should contribute by conducting literacy classes and also by assisting the schools in their programmes," he said.

Their principal aim was to work towards developing a quality of leadership both as entrepreneurs and professionals so that they could be com-

petent and productive in the development of the economy.

There should be leadership that would be able to consolidate and broaden the scope of transformation of the country, leaders that knew and were proud of their history.

Felicitly Ohlson, joint co-ordinator of the Health Promotion Resource Centre, said that by giving the youth this kind of exposure the Centre wanted "to motivate them to think and act positively in their lives, becoming good role models for future generations".

The Youth Development Forum programme could make them responsible citizens of this country.

Ms Ohlson said this could encourage and inspire those young people who were not involved in training to enrol in programmes in their communities which focussed on youth development.

A graduate of the resource centre, school leaver Sonwabo Tenzu, 26, of Nyanga received a certificate for a

computer course.

Mr Tenzu said he hoped that Cape Town employers would respond to his plight and employ him.

A former matric pupil at Oscar Mpetsha High school, he said he believed he had been passed up for a number of jobs that had gone to coloured school leavers instead.

It was also difficult for him to get a job because he didn't have experience.

"How can we obtain experience if we are not given a chance to prove that we are capable of doing the job?" he asked.

Mr Tenzu, one of six children born to Enoch Tenzu, 50, and Phillipa Tenzu, 43, passed languages, history, geography and biology.

He worked at Plascon in Epping Industria as a labourer after he finished his matric.

He said his supervisor was a man who had only passed Standard 8.

Mr Tenzu said he had learned computer skills, leadership skills, life

skills and counselling at the Health Promotion Resource Centre.

The centre placed him at Nico Malan Theatre for two days a week.

"I learned a lot of things, including theatre and entertainment.

"They promised to call me if they have activities or functions," he said.

Vukile Mbehele, 23, also from Nyanga, said he had been looking for a job for four years and was still unemployed.

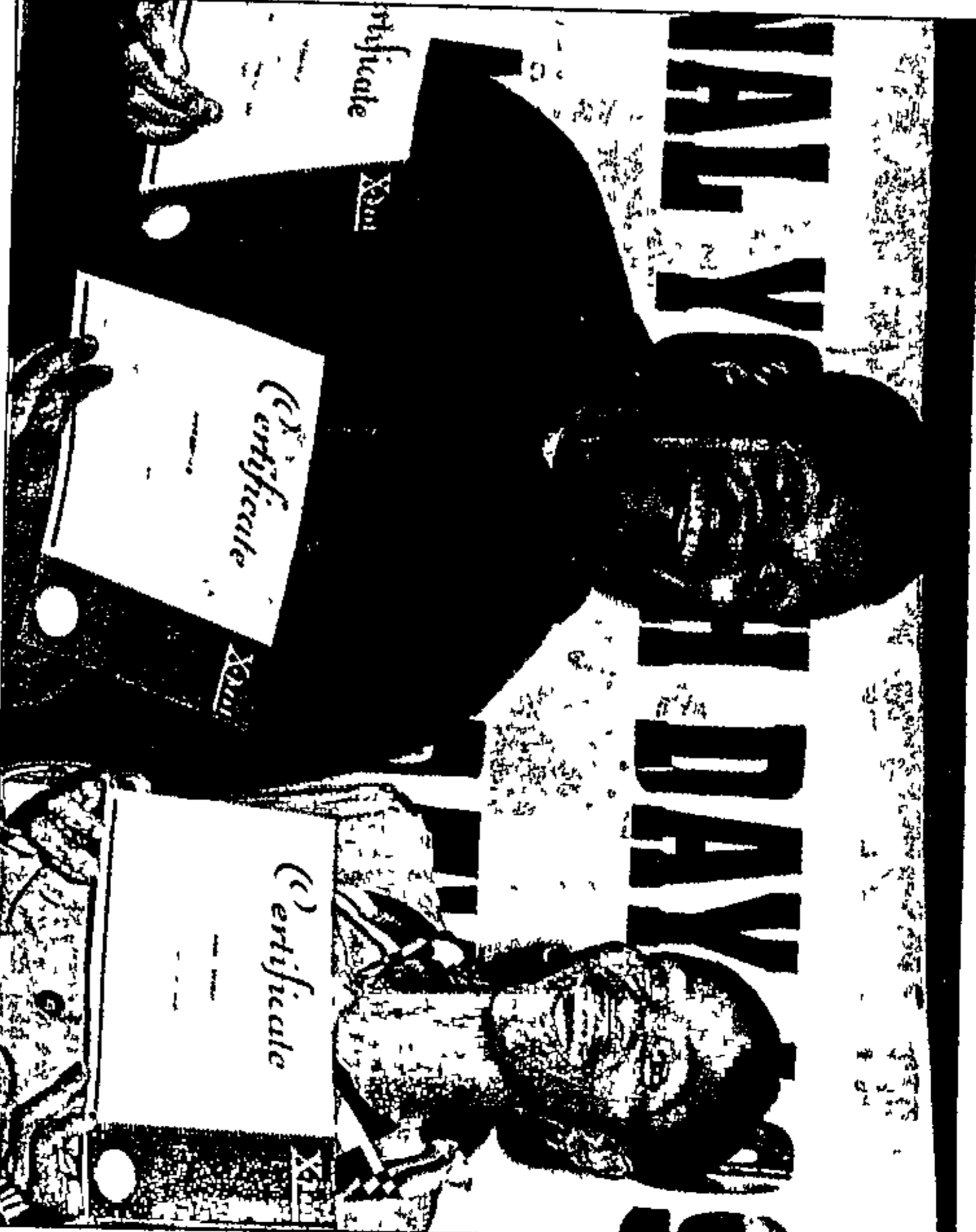
Mr Mbehele has five other siblings supported by their father, who works at a garage in Paarden Eiland.

He passed physics, mathematics, biology and languages in 1993 at Oscar Mpetsha High.

Mr Mbehele said he had not been able to obtain a job despite attending many interviews.

He used to work as a casual employee at a Claremont retail store when he was 15.

He could not get a job now because of his lack of experience, he said, but he was still looking for one.



Achievers Sonwabo Tenzu, 26, left, and Wuyiswa Moko, 28, smile as they receive their certificates for a computer course

MARGARET MURRAY

Skills Development Bill must be split — Mboweni

Renee Grawitzky

BD 2/7/98 (179)

DURBAN — Labour minister Tito Mboweni said yesterday problems had arisen around the Skills Development Bill

Addressing delegates at the 11th annual labour law conference, Mboweni said the bill would have to be divided into two separate pieces of legislation

This was the result of the fact that the constitution granted powers only to the finance minister to raise taxation or money bills. The skills bill proposes a training levy of 1% on payrolls.

Mboweni said one of the two bills would deal with the training levy and the other with policy issues around the implementation of skills development.

He said the job summit process was taking place and job creation was the central national task.

However he warned against unrealistic expectations. "A day after the job summit it will not be raining jobs," he said.

Addressing structural unemployment required both social and economic restructuring.

Until that was addressed, short-term measures had to be introduced.

Mboweni called on labour and business in all sectors to follow the example set by the National Union of Mineworkers in calling for a gold mining summit to address the sector's specific issues.

R5m training scheme

'flawed from the start'

(179) ET 2/7/98

YAZEED FAKIER
SENIOR WRITER

THE intrigue surrounding the collapse of a R5-million training scheme for unemployed West Coast residents has deepened with the disclosure that the project was flawed from the start.

The scheme was funded by the Industrial Development Corporation (IDC) and run in Vredenburg by the Western Cape Training Centre but collapsed, amid controversy, several months earlier than anticipated.

Key figures in the training debacle have given conflicting accounts of the reasons for the premature closure of the training centre and an independent auditor's investigation into all aspects of the project is under way

In an interview with the *Cape Times*, Cheryl Pearce, chief executive officer of the National Access Consortium of the Western Cape (NACWC), disclosed that her organisation had been approached by the IDC early last year to join it as a partner in the training venture but that it had later withdrawn due to serious reservations it had about the project

"It (training scheme) was supposed to be a joint initiative between NACWC and the IDC and we were very concerned that any kind of new training should be in line with new policy guidelines," said Pearce

As a body dedicated to piloting a new education and training policy and to give immediate access to marginalised youth and adults, the NACWC has access to RDP funds and is also supported by funding from the Western Cape Education Department and the Danish government

NACWC had held initial talks with the IDC and the Department of Trade and Industry (DTI). The project was later launched at an official ceremony

However, said Pearce "We soon withdrew because it was quite clear to

us that the IDC was looking for a partner, an apparent partner, but was really looking for extra funds.

"We had discovered things we were not aware of — that they'd already contracted certain organisations to do the training, that the training had already started, that the process was already well on its way.

"We said that if we were a partner in this project and there are things happening that we didn't know of, then we are obviously not an equal partner

"We also understood initially that the local unemployed residents (of the Saldanha Bay-Vredenburg-Langebaan area) were to be trained and taken on at Saldanha Steel with a view to long term employment but discovered that there was

no social contract between the training initiative and Saldanha Steel."

A meeting was later held with the IDC, the DTI and the Department of Labour at which the NACWC had made it "quite clear" why it could not be part of the project, Pearce said

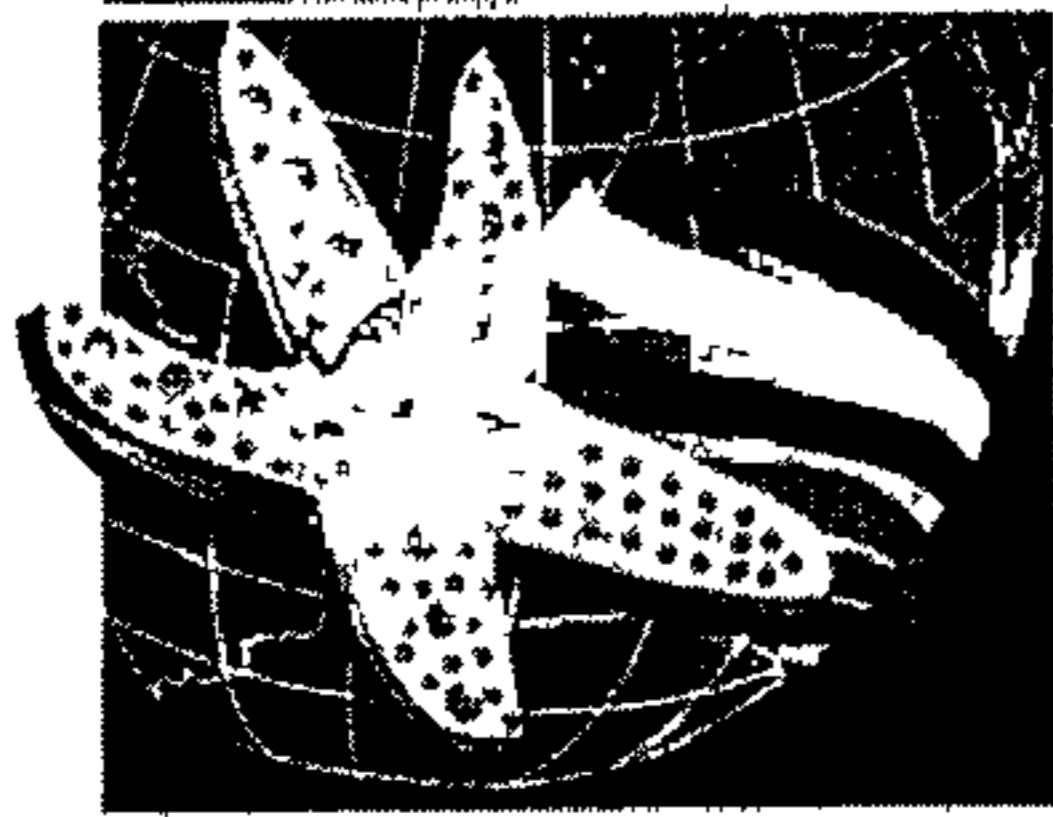
"We eventually said we could not put RDP money into an initiative which we didn't believe changes the way in which education and training happens ... As far as we were concerned, the parties were not involved in serious reconstruction, especially with regard to the reconstruction of education and training. It was short-term, narrow skills training, obviously not training for employment or for the full development of the participating individuals "

As a reconstruction and transformation organisation, the NACWC's mandate was to implement new policy and its fund therefore could not be used "to continue business as usual"

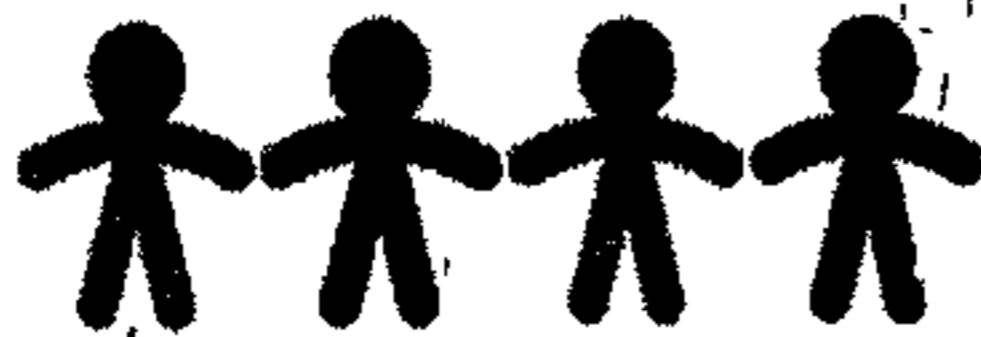
Questions Pearce hoped the independent auditor's report would answer included: How the R5-million was spent, if there were, in fact, expenses to the value of R5-million; how many learners benefited from it?

If there are things happening that we didn't know of, then we are not an equal partner

starfish



2000



On-the-job training to give youths a chance

(179)

STAFF REPORTER

ARG 11/7/98

Starfish 2000, an internship programme to give young, jobless people workplace experience, kicks off in earnest next week when potential candidates get the first opportunity to enter their names for selection.

If you are between 18 and 30, jobless, and looking for an opportunity to get on-the-job training, Starfish 2000 is for you.

Application forms for the programme will be published in the Cape Argus Job Shop supplement next Wednesday, and every Wednesday thereafter until the end of August.

The programme aims to give 2 000 interns on-the-job training for between three and six months.

Interns will be given vital skills and work experience to better equip them to compete on the job market.

They will not be guaranteed jobs at the end of their internship, but they will be mentored throughout the process, and emerge with a recognised certificate confirming their experience, a CV and practical guidance on career choices.

Interns will not be paid, but companies are invited to contribute to their travel and meal expenses.

Key incentives for companies taking on interns are positive media exposure, enhancing their social responsibility profile, and earning reconstruction and development programme points in competing for State tenders.

Interested companies should send their details to the Careers Research and Information Centre (CRIC), giving a telephone number and a contact name.

The project is being run by the CRIC, and other key partners in the Starfish 2000 Trust are the Cape Argus, the Cape Chamber of Commerce and Industry, the Association for Personnel Service Organisations, Radio Good Hope, the Departments of Public Works and Labour, local government, Job Scene, the NGO Coalition, Alpha Community Services, the Youth Commission, Pentech, Stellenbosch University Business School and the Skills Training for Employment Centre.

Business to help foot skills training

(179)

Quality of working life, productivity are priorities

SAPA AND STAFF REPORTER

Controversial draft legislation which proposes that companies pay a compulsory levy – equal to 1% of their payroll – to be used for staff training, has been tabled in Parliament

The Skills Development Bill suggests that 80% of the levies collected should be paid out as grants to firms which conduct accredited training, while the remaining 20% should be paid into a national skills fund.

The money in this fund should be used for projects identified as priorities in a national skills development strategy, or for other projects which the labour director-general determines necessary to achieve the aims of the legislation

"The Skills Development Bill seeks to develop the skills of the South African workforce and thereby increase the quality of working life for workers, improve the productivity of the workplace, promote self-employment and the delivery of social services," a memorandum to the bill says.

"The bill also seeks to encourage employers to use the workplace as an

active learning environment, and to provide opportunities for new entrants to the labour market to gain work experience"

Among other things it proposes that existing industry training boards be replaced by sector education and training authorities

These would be responsible for developing sectoral skills plans and targets in line with national skills strategies

These authorities would be funded primarily from skills development levies collected in the relevant business sectors, but they may also obtain funding from other sources, including the National Skills Fund

Econometrix chief economist Dr Azar Jammie welcomed the introduction of the bill and said the country desperately needed to improve the skills of its workforce

"It's the most important thing in the entire economy at the moment, but it will be seen as being imposed on business, which will act as a disincentive for employing more labour"

Jammie said the burden had been "watered down" from the original 4% of a company's payroll that Cosatu had mooted

8/10/98 24/7/98

Cool business reception awaits Skills Development Bill

ET (MR) 24/7/98 (179)

LYNDA LOXTON

PARLIAMENTARY CORRESPONDENT

Cape Town — The Skills Development Bill, which will force companies to pay a levy of 1 percent of their payroll for skills training, was tabled in parliament yesterday, but the money bill to authorise the levy is only expected to be tabled over the next few weeks

Both are expected to pass through parliament this session, although the money bill will have

to be considered by the portfolio committee on finance as well as the labour committee, possibly in joint sessions

Twenty percent of the levy will go towards a national skills fund, with the balance being paid as grants to firms carrying out training needs that meet certain criteria linked to the skills plan in their particular sector

Bill Lacey, the SA Chamber of Business senior economist, said although he was not fully acquainted with the details of the

proposal, it was unlikely that business would be "overly enthusiastic" about it

He said this was especially the case because about 17 other levies and taxes were being proposed, in addition to the company tax, which was already high

The additional taxes and levies included the skills development levy, a land tax, health insurance, a road tax, electricity levy, waste water charge and capital transfers tax.

"The proposal is a worthy one,

as are all these additional taxes and levies. But clearly, business will be a bit punch-drunk if they were to cough up more money by way of this proposed levy.

Further to that, if the proposed contribution is to have the impact envisaged, it is unlikely it will be voluntary, meaning that there will be no choice for participation in the fund. The question to ask is where will this all stop," he said

Credit guarantee economist Luke Doig said any proposals

with a developmental goal had to be considered.

"I like the notion in theory, but it should not be seen to be punishing companies, whose tax burden is already high," he said

The memorandum attached to the bill said it aimed to "develop the skills of the South African workforce and thereby increase the quality of life for workers, improve the productivity of the workplace, promote self-employment and the delivery of social services"

Guerrillas losing skills war

MMG 31/7-6/8/98 (179)

Godfrey Thabo Makhubedu

Former guerrillas from the Pan Africanist Congress and the African National Congress and marshals who kept order at political gatherings prior to the 1994 general elections have been left all but destitute at a training centre in Pelindaba because the funds for the project have been withheld.

The Marshal Corps Service Project was established after the 1994 general elections. Its future, however, remains uncertain because drastic changes have been made to the project's programme by the North West government.

North-West Premier Pogo Molefe — who serves on the Marshals Community Corps Service Trust, which monitors the project — has handed control of the project to the provincial Department of Education.

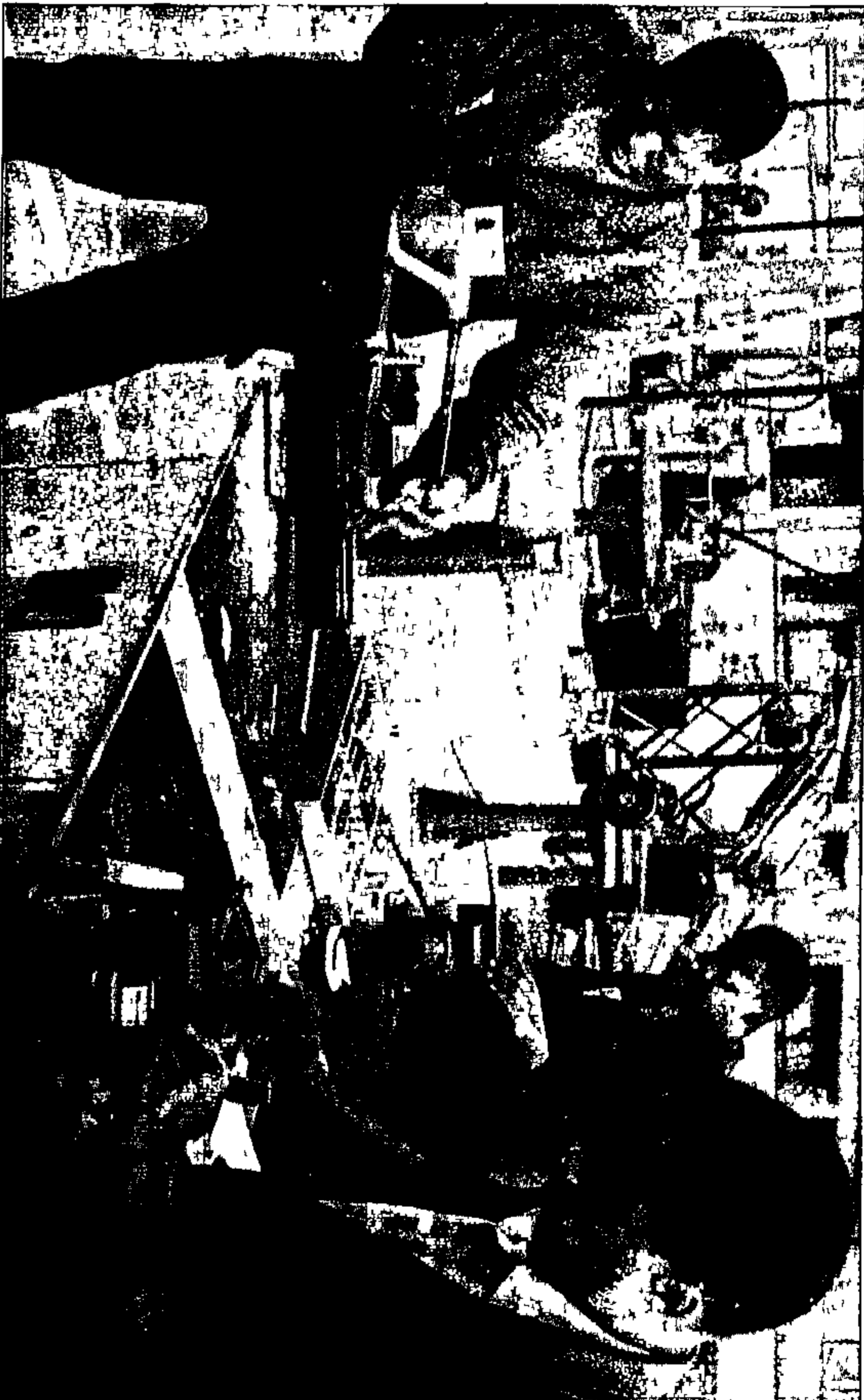
Initially the project was designed for 100 people who were to be trained as instructors with such diverse skills as running next year's general elections and community crime prevention strategies. The candidates were to be selected from the Eastern Cape and North-West provinces.

The trainers, on completion of the course, were expected to return to their communities to teach the skills they had learned at Pelindaba.

The United Nations Education Training Programme for South Africa (UNETPSA) made R1.2 million available for the training project.

Molefe then appointed Thabo Ndlovu and Leo Mapeela to serve as the project's secretariat, and they promptly changed its format. Unemployed school leavers were recruited and promised training in skills such as electrical engineering, mechanical engineering and computers.

The duration of the course was changed from six to three months, and Ndlovu and Mapeela estimated they required R6-million to cover the costs



Trade skills: Former guerrillas are part of a skills training project at Pelindaba which has encountered financial problems

of the project. They proposed the training continue for three years, with a R60-million budget.

The training started on June 8 at the Pelindaba Training Institute — a former top-secret military base — with 200 former guerrillas, marshals and unemployed youth.

The North-West province has so far spent more than R500 000, although no funding for the project was forthcoming yet. UNETPSA is reconsidering its

allocation of R1.2 million because the project has changed so drastically. However, UNETPSA has proposed that if R10.8 million can be raised from other donors, it may still release the funds.

The project's director, Wally Jonney, said companies were approached for sponsorship, but few promised funds. "Myself and the students in this project believe in God and through our prayers we believe the project will continue," Jonney said.

David van Wyk, Molefe's representative, said the secretariat had done a "fantastic job" in changing the project's design.

"Even unemployed youth who are out of school will benefit now," he said. But there is little benefit for the trainees at Pelindaba.

They have been banned from the base's shop because of their debts and there was insufficient money to buy the trainees toothpaste.

Fire Kungu, a former Eastern

Cape marshal, said he was unemployed for three years until he was recruited to join the project.

"I find it very beneficial because I will learn and go back to my community and teach what I know," he said. However, some students said they did not understand why they were being taught technique and university skills because many of them had not finished school.

"We only know how to shoot," said a former guerrilla.

Skills initiatives aim at wrong target

THERE is widespread belief that there is a need for job creation combined with skills upgrading in the economy. Part of government's response to this has been the Skills Development Bill, while the union movement has put forward the Social Plan.

The Skills Development Bill aims to provide general skills to workers. This is to be funded through a payroll levy of 1% to 1.5% of the total wage bill. The Social Plan aims to assist, through a fund, workers affected by structural change in the economy.

The problem with both these policies is that the type of skills they intend to provide do not match firms' present employment needs.

An analysis of the labour market shows that total employment of unskilled workers (labourers, production, basic service and farm workers) has declined over the past 20 years. In contrast, skilled workers (professionals, semi-professionals, technicians and managers) employment has increased at more than 10% a year since 1970. Therefore jobs have been lost at the low end, and gained at the high end. What has behind this change in firms' demand for labour?

The first cause of this change has been a dramatic structural shift in the economy. The primary sector has seen its share of gross domestic product decline by 7%

since 1970, while service sectors have increased their share by 8.5%. The type of workers hired differs between these sectors, with the primary sector making greater use of unskilled or semiskilled workers and the service sectors making greater use of professionals. This trend is set to continue.

The second cause is changes in production methods — a dramatic shift to the use of microelectronics and increasing capital intensity in search of productivity increases. However, these changes do not affect employment evenly, with less-skilled workers bearing the brunt of job losses and skilled workers often gaining employment. Analysis shows that unskilled workers have shed jobs at a rate of 1% to 2% a year since 1970 due to changes in production methods, while skilled workers have gained to the tune of 8% a year. This trend, too, is set to continue.

What these trends indicate is that, even in an environment of economic growth, unskilled workers will continue to lose out in the aggregate. At the company level, this means that firms are looking, for instance, to employ computer technicians and lay off unskilled employees. Therefore, economic

growth alone will not generate long-term employment for the unskilled, and hence a skills development programme is necessary.

The government's Skill Development Bill will work effectively for already skilled workers who need incremental training — for example, upgrading the skills of a computer technician. Where the Bill fails is in dealing with unskilled workers.

Incremental training would still leave most of these workers at the low end of the job ladder, where there is no employment demand. To enhance substantially their employment prospects, the training would need to be extensive. These workers would need to acquire skills that are in demand at the top end.

This process would be both time-consuming and extremely costly, and goes well beyond the scope and the finances of the Skills Development Bill. Where training may succeed is, for example, with unemployed matriculants. This is because the cost and time implications are lower, as they already have a broad skill base to work with.

The Social Plan suffers from similar difficulties to the Skills

Development Bill. The workers affected by structural change are likely to be middle-aged, with years of experience in fairly defined low-level skills.

Without a broader, higher-level skills base, it will also be extremely costly and time-consuming to upgrade their skills to a level that is in demand.

In fact, skills upgrading may be impossible for these type of workers. For example, miners with 20 years of experience cannot legitimately be expected to be trained up to become computer technicians in the short or even the medium term.

In its current form, the Bill is likely to have a limited effect on the job prospects of workers at the low end. Policies geared towards those affected by structural change, such as the Social Plan, can be expected to have almost no impact on the job prospects of its recipients.

These people are likely to remain unemployed in the long-term. A better use of the funds allocated to a Social Plan would be to provide an income or welfare grant, rather than training with very low or zero returns.

□ *Bhorat and Hodge are economists with the University of Cape Town's Development Policy Research Unit who have recently completed a study of these labour market issues.*

New training choice for SA accountants

Sowetan 11/8/98

(179) (218)

By Isaac Moledi

TRAINBE chartered accountants will no longer be required to perform three-year apprenticeships in public practice firms

The South African Institute of Chartered Accountants (Saica) is encouraging accountancy trainees to adopt a new option called the financial management route (FMR), which it initiated last January

The FMR allows apprentice chartered accountants to carry out their three-year training period within a private corporation in commerce and industry as opposed to a firm in public practice which was previously the only option

The initiative is aimed at providing a structured programme for equitable development and transformation

Saica chief executive Ken Mockler says since its introduction eight months ago, the new route has been successful

Although the two routes are of an equivalent standard and value, "the new route is of particular advantage to accountancy trainees who wish to be involved in financial management in a commerce and industry environment", according to Mockler

"It is critical that the accountancy profession provides as many routes as possible to enable prospective accountants to qualify," he adds

To carry out the Saica training initiative, 20 local corporations (comprising more than 120 individual companies) have registered with the institute as approved training organisations

The corporations are mainly in Gauteng and they include Nedcor, Vodacom, Anglo American Corporation, Absa, Transnet, Toyota South Africa, South African Breweries, The Automobile Association of South Africa, Dorbyl Engineering and Barlow

Training will extend to aspirant

accountants who, while wishing to practise as accountants, do not necessarily wish to become chartered accountants

Corporations are able to choose the level or levels at which they would like to offer training

These levels, also referred to as colleges, are the College of Chartered Accountants, the College of Associate General Accountants and the College of Associate Accounting Technicians

Mockler says the three-year training period applies to aspirant chartered accountants who are in possession of a degree or an academic equivalent

Non-graduates are required to complete a five-year training period, he says

"A far greater number of accountants will be required in South Africa if the economy is to grow at the rate which will provide sufficient employment in the future," Mockler says

Jobs summit 'will be held by October'

BO 18/8/98

(79)

Reneé Grawitzky

THE presidential jobs summit and the alliance summit — both of which have been postponed numerous times — would definitely be held by October, African National Congress (ANC) secretary-general Kgalema Motlanthe said yesterday.

These two issues will form the basis of intense debate at the start of the Congress of SA Trade Unions' (Cosatu's) executive committee meeting today. This is especially so in view of government's attempt to ensure the jobs summit process is not bogged down in controversial and divisive macroeconomic policy debate.

Labour sources said the federation could agree not to discuss issues such as the growth, employment and redistribution strategy (Gear) as a separate agenda item, or ensure government seriously considered its 21 programmes and projects tabled recently, some of which had implications for Gear.

It is understood that these projects include youth programmes, job shar-

ing initiatives, support for the unemployed, monitoring job losses and a national public housing programme that could cost billions.

Financing mechanisms could include raising funds from the fiscus; workers each contributing one day's pay; a solidarity tax or job creation levy on companies; and the introduction of a prescribed investment requirement on pension and provident funds.

Trade and Industry Minister Alec Erwin said at an ANC briefing yesterday he was confident that parties were getting down to constructive discussions. The summit had to be about sustainable programmes, although parties agreed that structural economic changes were necessary.

The executive committee will also debate an SA Municipal Workers' Union proposal calling for a strike on October 1, to protest against the privatisation of municipal services. At the same time, Cosatu has served notice on the National Economic, Development and Labour Council of planned action against the same privatisation.

NEWS

Government and business clash over compulsory skills levy

LYNDA LOXTON

PARLIAMENTARY CORRESPONDENT

(179)

ST (PRK) 19/8/98

Cape Town — Sharply differing views on the planned compulsory payroll levy for skills training were heard by the portfolio committee on labour yesterday.

Sipho Pityana, the director general of labour, said the amount spent by most firms on training was far lower than that found in most of the developed market economies.

This had contributed to the coun-

try's low skills base, and it had become essential for government to create "some form of catalyst" to tackle skills shortages and the demand for skills by encouraging more value-added production.

But Business South Africa (BSA) rejected the relevant proposal in the Skills Development Bill. This proposed that 20 percent of a 1 percent compulsory payroll levy be paid into the National Skills Fund. BSA said this "skim-off" would distort prices and investment in-

South Africa. Instead it called for a 10 percent off-budget tax on the levy to be revised after three years. Government should contribute a pro rata amount to the skills fund.

A 10 percent skim-off would raise about R250 million from business, and if government paid the remaining percentage, about R500 million could be raised, it said.

Labour federation Cosatu urged the committee to ignore those opposed to the transformation of the apartheid labour

market. It said the bill would go a long way to improving the life of ordinary South Africans and contribute towards economic development.

Pityana said the bill would put a new learnership system in place, which combined learning and work experience in areas where there existed a clear demand.

He said the Skills Development Levies Bill, which would provide for the proposed levy, would be tabled separately in the near future.

Real power is economic

Employers reject levy proposal

(179)

Benetton 19/8/98

EMPLOYER organisation Business South Africa (BSA) yesterday rejected a proposal contained in the Skills Development Bill whereby 20 percent of a one percent compulsory payroll levy would be paid into the National Skills Fund (NSF)

In a presentation to the National Assembly's labour portfolio committee, which is currently discussing the new Bill, BSA said the proposed 20 percent "skim-off" distorted the price mechanism and investment environment in South Africa

The organisation submitted what it called a compromise proposal, in which it agreed to a 10 percent off-budget tax of the one percent levies collected, subject to certain conditions. These included

- Revision of the tax after three years;

- Having a limit placed on the period over which the NSF would be funded, as this funding violated a number of the BSA's economic principles, and,

- That Government should contribute a *pro rata* amount to the NSF

"Government should contribute to the National Skills Fund an amount

BSA believes such a compromise will effectively meet the needs of all social partners

equal to what business is required to contribute," BSA's Roger Bexter said

"Donor funding will be over and above the *pro rata* contribution"

A 10 percent skim-off would raise about R250 million from business annually, and if Government paid the remaining percentage, about R500 million could be raised, he said

Andre Dippenaar of BSA's committee on education and training told the committee: "BSA believes that such a compromise will effectively meet the needs of all social partners and contribute to a sustainable, effec-

trive development programme for South Africa"

The Congress of South African Trade Unions (Cosatu) urged the committee to ignore those it said were opposed to the transformation of the apartheid labour market

Cosatu's research unit coordinator Mike Tshela said "We believe that this Bill - coupled with other measures - will go a long way in improving the life of ordinary South Africans, as well as contribute towards economic development"

Concern

He expressed concern over what he called the Bill's oversight on community representation and participation, and proposed mechanisms for inviting community involvement in the Sectoral Education Training Agency (Seta) deliberations

The union pledged its support for the Bill, which was an important element of the Labour Ministry's five-year plan to transform the labour market

"We are aware that a daunting task lies ahead," he said

Discussions on the Bill will continue today - Sapa

New Bill should *(179) South Africa 19/8/93* leap skills divide

By Sipho Pityana

The shortage of skills is a major handicap to our country's growth opportunities. Debates about new and radical solutions began in 1992 when the National Training Board (NTB) opened its doors to a more democratic voice.

The broad trajectory for policy was designed collaboratively within the NTB. Its proposals were published in the National Training Strategy Initiative (NTSI) in 1994.

The first legislative initiative arising from the NTSI was in partnership with the minister of education in 1995, when the South African Qualifications Authority Act was passed.

In 1996 joint research was conducted into different strategies for the funding of training. Employers, trade unions and government grappled together to find the best policy appropriate to South African conditions and problems.

This process, together with multiple workshops, culminated in the Green Paper, published in March 1997, and the Draft Skills Bill in September 1997. Small areas of difference remained which had to be ironed out under the National Economic, Development and Labour Council umbrella - from October last year to February.

Today we believe we have a powerful body of agreement across a very wide spectrum of stakeholders. It is important that we do not lose sight of this agreement when we focus on the few outstanding issues.

The agreement includes a recognition that the existing legislation has to be changed. The voluntary arrangements established under the Manpower Training Act of 1981 simply did not change our skills landscape.

The Act did not even stem the decline of what we had when it was introduced. There has been a decline of more than 80 percent in apprenticeship numbers since 1981.

We currently have a skills profile

that is totally out of sync with the needs of our country. The economy simply no longer generates the same large numbers of unskilled jobs it did in the days when the mining and agricultural industries were dominant.

In the 20 years from 1973 to 1993, the proportion of highly skilled jobs (nearing at least a post-matriculation diploma) has risen from 10 percent to nearly 18 percent, and the proportion of skilled jobs has risen from 29 percent to 34 percent. However, the semi-skilled and unskilled categories have declined from 61 percent to 48 percent.

Of the economically active population in South Africa, only three million are skilled or highly skilled (some 20 percent), while seven million are employed in so-called "semi-skilled" or "unskilled" jobs (together some 80 percent of the economically active population) and four million are unemployed. In other words, only one out of every five South Africans is qualified to perform highly skilled work.

One of the consequences of this skills profile was starkly pointed out in the World Competitiveness Report of 1997. This ranked South Africa last out of 46 middle income countries on the availability of skilled labour. It is seen as one of the main reasons not to invest in this country.

There is little doubt therefore that we have a skills crisis, never mind a skills shortage. Understanding how this situation arose helps us to understand the kinds of interventions required to remedy the situation.

At the most obvious level, the collapse of the apprenticeship system has clearly meant that fewer people are entering the skilled labour market from a "workplace-linked route".

There are multiple reasons for this collapse, but the most important are linked to complex and onerous contracts, insufficient funding, rigid trade demarcations, lack of responsiveness to new technology and wage issues. As this route has collapsed, so the alternative has become increasingly

oversubscribed. Given the lack of choice, it is hardly surprising that youngsters queue up to enter tertiary educational institutions.

Certainly, those who succeed within the tertiary education system are four times more likely to get employed than their "matric-only" counterparts.

But limited funding for these learning institutions, together with requirements for exemption, make this a limited option for most matriculants. Most face unemployment when they leave school.

There is clearly a need to provide a way for many more new entrants to gain relevant learning and work experience when they leave the formal schooling system, in preparation for their formal entry into the labour market.

So much for first-time entrants. But if employers require the skills, why do they not simply train their current workforce to meet their needs?

The reasons range from a labour market history based on low skilled labour for commodity export and a poor understanding of the complementary relationships between knowledge, skill, innovation and technology change on the one hand, and traditional market deterrents such as high labour turnover of skilled workers (meaning one employer trains and another employer benefits) on the other hand.

It is clear that Government needs to create some form of catalyst in order to improve the demand for skills.

Our low skills base means we are ill-prepared for the massive restructuring taking place in our economy - with falling tariffs, changing commodity prices and a general increase in competition for markets and trade.

The low skills base is also associated with inequality in this society. Those with high level skills are, by and large, cushioned from poverty, while those performing labouring jobs, particularly in agriculture and domestic work, have a high incidence of poverty in work.



Labour director-general Sipho Pityana says the shortage of skills is a major handicap to South Africa's growth opportunities. Only 20 percent of the economically active population are skilled or highly skilled.

Finally, low skills have predisposed the small, micro and medium enterprises sector, and particularly emerging entrepreneurs, to the retail industry - from street sellers and shopkeepers to shebeen operations.

A mere 9.3 percent of self-employed people in a 1993 survey were artisans. Research in 1994 attributed this largely to the lack of education and training in skills and business.

The Skills Development Bill aims to create an enabling environment within which these key problems can be addressed.

In respect of the constraints facing first-time entrants to the labour market, the Bill puts in place a new learnership system that combines learning and work experience for job competence in areas where there is a clear skills demand.

The opportunities will be identified by employers and workers in proactive planning exercises, and will be put into practice through simple learnership agreements between employers, learners and training providers.

Special learnerships will also be developed to assist those seeking to become self-employed - where skill

and business capability will be woven together.

Both learnerships and more general skills programmes will also become more extensively available to those already in work - to underpin productivity and competitiveness drives and employment security - as companies increase their focus on more value added exports.

These initiatives will not happen without people with the authority, time and resources. At a national level the National Skills Authority is to play this role in partnership with Government.

In each economic sector it is envisaged that employers and unions will form a partnership, with relevant departments, to adapt us into a future where increasingly skilled citizens are able to design, construct and operate their own destinies.

Partnership is not only the process that was followed to achieve the proposals in the Skills Development Bill, it is also a precondition for the success of that strategy.

(The labour director-general's article is based on his presentation to the portfolio committee on labour yesterday.)

Cosatu hails new skills law

ARG 20/8/98 (179)

PARLIAMENTARY BUREAU

The labour federation Congress of SA Trade Unions (Cosatu) says the Skills Development Bill is an important historical landmark that could eradicate the nation's skills deficiency.

The Labour Ministry bill is being discussed by Parliament's Labour Portfolio Committee

It proposes a Sector Education and Training Authority (Seta), through which specific industrial sectors would determine the skills they need and how to develop them

To finance the project, a National Skills Fund would be set up with the employers paying a levy.

In its submission, Cosatu said the skills deficiency was a product of under-investment in cheap labour by companies and skewed provision of general education

Cosatu said the skills development strategy should redress past imbalances in education and training, improve the quality of life of workers and create greater synergies between institutions of learning and the labour market

Starfish jobs project gets R1/2-m boost

ARG 20/8/98

(179)

MICHAEL MORRIS
SPECIAL WRITER

Job skills training in Cape Town has been given a major boost with a gift of R500 000 to the Starfish 2000 internship programme by the Open Foundation Society.

The contribution comes as the Starfish project – a joint business, government and community initiative – gears up to place the first batch of young, jobless people in internships with a wide range of businesses from next month.

Scores of aspirant interns have been submitting applications over the past few weeks, and a huge selection and recruitment process is about to begin at the Athlone offices of the Careers Research and Information Centre.

The R500 000 from the Open Society Foundation sets the project well on its way to meeting the huge demand for skills training and workplace experience among young people battling to find jobs.

Foundation project officer Laurie Watson said the organisation was "very keen to get involved in the youth sector because of the pressing need to tackle unemployment



HANNES THIART

Star turn: Cape Argus editor Moegsien Williams, left, with Open Society Foundation project officers Laurie Watson, right, Linda Olayi-Mafu, second from right, and other Starfish 2000 trustees

and set young people on the path to lasting careers."

Matt Esau, chairman of the Starfish 2000 board, welcomed the funds boost

He said: "The fact that this is a stakeholder putting its money where its mouth is, is an assurance that what started off as an idea is growing into a major initiative."

Union opposed to skim-off on payroll levy

(179) Star 20/8/98

Cape Town - The Federated Unions of South Africa (Fedusa) yesterday told Parliament's labour portfolio committee it was opposed to the inclusion of a section in the Skills Development Bill whereby 20% of a 1% compulsory payroll levy would be paid into the National Skills Fund.

"Fedusa will agree only to a skim-off on a rand-for-rand basis, where, for every rand that business contributes to the fund, Government will put up the same amount ... towards the development of skills," said Gretchen Humphries, the union's assistant secretary-general.

In its presentation to the committee, the union also objected to a closed sector list and argued that the

National Skills Authority should not have the power to take decisions on sectoral demarcation.

The draft legislation provides for South Africa's industries to be divided into sectors

Humphries said Fedusa proposed that a number of factors should be considered when looking at existing or future sectors

These included the involvement of provident, pension and medical aid funds, the nature of the business; legislative restrictions, the degree of consensus in the formation of the sector in question, existing collective agreements; and allocations or divisions by the Trade and Industry Department

- Sapa

Proposal to help disabled

(179)

Cape Town - Disabled People of South Africa (DPSA) has a vested interest in the Skills Development Bill because of the potential it holds for the empowerment of the disabled, the National Assembly's labour committee heard yesterday

"The development of skills for people with disabilities has an important contribution to make to the paradigm shift from a welfare to a developmental approach to disability" the DPSA's P Linders said

The skills development strategy sought to redress these imbalances and she welcomed the fact that it would be committed to creating structures to allow disabled people to enter the mainstream labour market

However the DPSA urged the Government to be more precise on its contribution to the National Skills Fund, to which business and labour would also be contributing

The DPSA called for the establishment of a research unit whose function would be to help identify training needs especially for the disabled - Sapa

Stav 20/8/98

ANALYSIS

New labour force profile requires different skills base

Skills development strategy needs a social partnership, says labour director-general Siphso Pityana in his presentation to the portfolio committee on labour delivered this week

By R. J. J. 21/8/98

(174)

THE shortage of skills is a major handicap to our country's growth opportunities. Debates about new and radical solutions began in 1992 when the National Training Board opened its doors to a more democratic voice. The broad trajectory for policy was designed collaboratively within the board. Its proposals were published in the National Training Strategy Initiative in 1994.

The first legislative initiative arising from the training initiative was in partnership with the education minister in 1995, when the SA Qualifications Authority Act was passed. In 1996 joint research was conducted into different strategies for the funding of training internationally. Employers, unions and government grappled to find the best policy appropriate to South African conditions and problems. This process, together with multiple workshops, culminated in the green paper, published in March 1997 and the Draft Skills Bill in September 1997.

Small areas of difference remained that had to be ironed out under the National Economic, Development and Labour Council (Nedlac) umbrella — from October last year to February this year. Today we believe we have a powerful body of agreement across a wide spectrum of stakeholders. It is important that we do not lose sight of this agreement when we focus on the few outstanding issues.

The agreement includes a recognition that the existing legislative environment has to be changed. The voluntary arrangements established under the Manpower Training Act of 1981 simply did not change our skills landscape. The training act did not even stem the decline of what we had when it was introduced. There has been a decline of more than 80% in apprenticeship numbers since 1981 when the act was first passed by the previous government. Everyone shared the view that it was time to take a fresh look at the problem. Understanding the nature and scale of the problem was the starting point.

We currently have a skills profile that is totally out of sync with the needs of our country. The economy simply no longer generates the same large numbers of unskilled jobs it did in the days when the mining and agricultural industries were dominant. In the 20 years from 1973 to 1993 the proportion of highly skilled jobs (needing at least a post-matriculation diploma) had risen from 10% to nearly 18% and the proportion of skilled jobs had risen from 29% to 34%. However, the semi-skilled and unskilled categories declined from 61% to 48%.

Of the economically active population in SA, only 3-million are skilled or highly skilled (about 20%) while 7-million are employed in so-called "semi-skilled" or "unskilled" jobs (together with about 80% of the economically active population) and 4-million are unemployed. In other words, only one out of every five South Africans is formally qualified to perform highly skilled work.

This profile compares poorly to other middle income and advanced industrial countries. For instance, SA professionals constitute fewer than 4% of the labour force, as compared with 8% in other middle income countries and 10.6% in advanced industrial countries. This same shortage is evident in craft and related trade, where SA's 12% compares to 18% and 16.5% respectively.

One of the consequences of this skill profile was starkly pointed out in the World Competitiveness Report of 1997. This ranked SA last out of 46 middle income countries on the availability of skilled labour. It is seen as one of the main reasons not to invest in this country. There is little doubt therefore that we have a skills



Only one out of every five South Africans is formally qualified to perform highly skilled work

crisis, never mind a skills shortage. Understanding how this situation arose helps us to understand the kinds of interventions required to remedy the situation.

At the most obvious level, the collapse of the apprenticeship system has clearly meant that fewer people are entering the skilled labour market from a workplace-linked route. There are multiple reasons for this collapse, but the most important are linked to complex and onerous contracts, insufficient funding, rigid trade demarcations, lack of responsiveness to new technology and wage issues.

As this route has collapsed, so the alternative has become increasingly over-subscribed. Given the lack of choice, it is hardly surprising that youngsters queue up to enter tertiary educational institutions. Certainly, those that succeed within the tertiary education system are four times more likely to get employed than their "matric only" counterparts. But limited funding for these learning institutions, together with requirements for exemption, makes this a limited option for most matriculants. In order to delay facing unemployment, many matriculants stay on at school, repeating year after year, in an attempt to achieve the elusive exemption.

Many young African men and women get their first jobs only in their late 20s. Those who do leave school find that they are caught in a classic "catch 22" situation. They cannot get work because they have no work experience. They do not have experience because they have not worked.

The International Labour Organisation Country Review found that nearly 60% of manufacturing employers look for relevant work experience when recruiting workers. The majority of the unemployed 14% of employers cited training as a requirement and fewer than 10% cited schooling.

There is clearly a need to overcome this barrier and provide a way for many more new entrants to gain relevant learning and work experience when they leave the formal schooling system, in preparation for their formal entry into the labour market. But if employers require the skills, why do they not simply train their current workforce to meet their needs? Extensive research under the auspices of Nedlac showed that large employers are training at levels equivalent to 2.7% of payroll. This compares to averages of between 4% and 6% in OECD countries, where they also start from a higher general schooling base. Medium and small companies generally do very little if any training. The question still stands: Why?

The reasons range from a labour market history based on low-skilled labour for commodity export and a poor understanding of the complementary relationship between knowledge, skill, innovation and technology change on the one hand, and traditional market deterrents such as high labour turnover of skilled workers on the other hand. Government needs to create some form of catalyst in order to improve the demand for skills by companies.

The low skill base of our country means we are ill prepared for massive economic restructuring — with

falling tariffs, changing commodity prices and a general increase in competition for markets and trade. Moving from basic commodity exports to more value-added exports requires a different labour force than the one which is being retrenched. Even in industries like construction, the 1997 government document indicates that "skill shortfalls will become critical as construction activity grows to keep pace with development demand. Categories severely affected will be site supervisory capacity (foremen, leading hands), site management (contract managers and site agents) and the professions." So, even social development is impaired by skills shortages.

It is therefore also clear that measures are required to assist people to move from one industry to another in times of great change and to target areas of critical skill need. The low skills base is also associated with inequality in this society. Finally, low skills have predisposed the SMME sector, and particularly emerging entrepreneurs, to the retail industry — from street sellers and shopkeepers to shabean operations. A mere 9.3% of self-employed people in a 1993 SALDRU survey were artisans. Research by CASE in 1994 attributed this largely to the lack of education and training in skills and business. The Skills Development Bill aims to create an enabling environment within which these key problems can be addressed.

In respect of the constraints facing first-time entrants to the labour market, the skills bill puts in place a new learning system that combines learning and work experience for job competence in areas where there is a clear skill demand. The opportunities will be identified in forward-looking planning exercises, and will be put into practice through sample learning agreements entered into between employers, learners and training providers.

Special learnerships will also be developed to assist those seeking to become self-employed — where skill and business capability will be woven together. Both learnerships and more general skills programmes will also become more extensively available to those already in work — to underpin productivity and competitiveness drivers and employment security — as companies increase their focus on more value added exports. This increased "availability" will be based on increased demand for skills.

This increased demand is to be stimulated by the introduction of the levy/grant system. The Skills Development Bill does not address this — the levy/grant component of the skills development strategy has had to be treated as a money bill in terms of the constitution. All employers have to pay a levy, but only those who train will be able to qualify for the grant. The detailed arguments pertaining to this component of policy will be presented when the Skills Development Levy Bill is tabled shortly.

The need to accommodate both restructuring and equity considerations are addressed through the establishment of a special National Skills Fund. The fund will focus on national priorities that include targeting training funds in areas of economic and employment growth and social development, funding of the unemployed and special designated groups, increasing the incentives available to small and micro enterprises for training as well as learnerships. The money for training in the context of the Oeag Project or the Social Plan will need to be drawn from the National Skills Fund. We believe that joint contri-

butions from the private as well as the public sector should resource this fund, as both industry and the society at large will benefit.

All of these initiatives will not happen without people with the authority, time and resources. At a national level the National Skills Authority is to play this role in partnership with government, and in each economic sector across the country, it is envisaged that the employers and unions will form a partnership, with relevant government departments, to catalyse us into a future where increasingly skilled citizens are able to design their own destinies.

Partnership is not only the process that was followed to achieve the proposals contained in the Skills Development Bill, it is also a precondition for the success of that strategy.

JUDGMENT IN BRIEF

A recent court judgment of interest to business

Tweede v Park Travel Agency (Pty) Ltd, Withers and Local Division, April 5 1998, Judge: T Cloete

PARK Travel Agency undertook to transport Tweede from Johannesburg to Tweekenhuis, England, and provide him with tickets to see the Springbok rugby team play England on November 18 1995. Clause 9 of the agreement provided that Park Travel acted on the condition that it would not be liable for any injury or damage occasioned by an act of God, or for carriage out of the arrangements of the tour.

Tweede paid the tour price of R15 066 as well as the expenses of insurance, airport tax and a visa. He flew to England, but Park Travel failed to supply the tickets for the rugby game when he demanded them. It could not do so, because it had been unable to obtain tickets from its usual source if supply.

Tweede claimed repayment of the tour price as well as the expenses incurred in travelling to England. Park Travel contended that the agreement had been terminated as a result of "supervening impossibility" and that in any event, Tweede could not claim more than the cost of a ticket to the rugby game, which was all he had not received in terms of the agreement.

The judge said that Park Travel was in breach of contract when it failed to respond positively to the demand made on it.

Being then under an obligation to fulfil its side of the agreement, it could not be released from doing so by a "supervening impossibility". Tweede was entitled to cancel the agreement and obtain back what he had given in terms of it.

Park Travel was obliged to refund the price of the tour and reimburse the expenditure incurred in connection with it. Tweede received no value for what he had paid and was therefore entitled to a full refund of the tour price and the expenditure incurred in reliance on an expected tour that had never materialised.

Clause 9 did not exonerate Park Travel from liability. Tweede's claim was granted.

Advocate Mark Stramer's feature appears every Friday. Full transcripts are obtainable from, fax 011 337-6634 or e-mail lampu@global.co.za.

Time to change the skills landscape



(179) CT (MR) 21/8/98

SIPHO PITAYANA

The shortage of skills is a major handicap to our country's growth opportunities. We have a skills profile that is totally out of sync with the needs of our country. The economy simply no longer generates the same large numbers of unskilled jobs it did in the days when the mining and agricultural industries were dominant.

In the 20 years from 1973 to 1993, the proportion of highly skilled jobs (needing at least a post-matriculation diploma) has risen from 10 percent to nearly 18 percent, and the proportion of skilled jobs has risen from 29 percent to 34 percent. However, the semi-skilled and unskilled categories have declined from 61 percent to 48 percent.

Of the economically active population in South Africa, only 3 million are skilled or highly skilled (some 20 percent), 7 million are employed in so-called "semi-skilled" or "unskilled" jobs (together some 80 percent of the economically active population), and 4 million are unemployed. In other words, only one out of every five South Africans is formally qualified to perform highly skilled work.

This compares poorly with other middle-income and advanced industrial countries. For instance, professionals constitute fewer than 4 percent of the labour force, as compared with 8 percent in other middle-income countries and 10.5 percent in advanced industrial countries.

This same shortage is evident in craft and related trade, where South Africa's 12 percent

compares with 18 percent and 16.5 percent respectively.

There is little doubt, therefore, that we have a skills crisis, never mind a skills shortage. Understanding how this situation arose helps us to understand the kinds of interventions required to remedy it.

At the most obvious level, the collapse of the apprenticeship system has clearly meant fewer and fewer people are entering the skilled labour market from a "workplace-linked route".

There are many reasons for this collapse, but complex and onerous contracts, insufficient funding, rigid trade demarcations, lack of responsiveness to new technology and wage issues are the most important.

As this route has collapsed, so the alternative has become increasingly oversubscribed. Given the lack of choice, it is hardly surprising that youngsters queue up to enter tertiary educational institutions.

Most matriculants face unemployment when they leave school. To delay this, many stay on at school, repeating year after year, in an attempt to achieve the elusive exemption. Many young African men and women get their first jobs only in their late twenties.

Those who do leave school find that they are caught in a classic "catch-22" situation: they cannot get work because they have no work experience, they don't have experience because they have not worked.

There is clearly a need to overcome this barrier and provide a way for many more new entrants to gain relevant learning and work experience when they leave the formal schooling

The Skills Development Bill aims to create an enabling environment within which these key problems can be addressed.

In respect of the constraints facing first-time entrants to the labour market, the skills bill puts in place a new learnership system which combines learning and work experience for job competence in areas where there is a clear skill demand.

The opportunities will be identified by employers and workers in forward-looking planning exercises, and will be put into practice through simple learnership agreements entered into between employers, learners and training providers.

Special learnerships will also be developed to assist those seeking to become self-employed, where skill and business capability will be woven together.

Both learnerships and more general skills programmes will also become more extensively available to those already in work — to underpin productivity and competitiveness drives and employment security.

This increased "availability" will be based on increased demand for skills. This demand is to be stimulated by the introduction of the levy/grant system. The Skills Development Bill does not address this — the levy/grant component of the skills development strategy has had to be treated as a money bill in terms of the Constitution. All employers have to pay a levy, but only those who train will be able to qualify for the grant.

The detailed arguments pertaining to this component of policy will be presented when the Skills Development Levies Bill is tabled shortly.

The need to accommodate both restructuring and equity considerations is addressed through the establishment of a special National Skills Fund.

This fund will focus on national priorities that include targeting training funds in areas of economic and employment growth and social development, funding of the unemployed and special designated groups. It will increase the incentives available to small and micro enterprises for training as well as learnerships.

The money for training in the context of the Coega project or the social plan will need to be drawn from the National Skills Fund. We believe that joint contributions from the private as well as the public sector should resource this fund, as both industry and the society at large will benefit.

All of these initiatives will not happen without people with the authority, time and resources. At a national level the National Skills Authority is to play this role in partnership with the government.

In each economic sector across the country, it is envisaged that employers and unions will form a partnership with relevant government departments to catapult us into a future where increasingly skilled citizens are able to design, construct and operate their own destinies.

Partnership is not only the process that was followed to achieve the proposals contained in the Skills Development Bill, it is also a precondition for the success of that strategy.

□ Siphso Pitayana is the director-general of labour

Govt rejects plan to share skills development costs

BD 26/8/98

(179)

Vuyo Mvoko

CAPE TOWN — Government rejected a Business SA proposal yesterday that the state and business contribute equally to finance the country's skills development programme.

In terms of the skills development bill before Parliament, government wants business to budget 1% of its payroll for the cause, with 20% of the money credited to a national skills fund for a social plan and the Coega project. The rest will go to sector-specific education and training.

Last week, business proposed government and business should share the 20% equally; that the funding mechanism be reviewed after three years, and that all stakeholders and not just the labour director-general be given full control over the funds.

Adrienne Bird, chief director for human resources in the labour department, gave government's responses yesterday to interested parties' concerns raised last week.

Bird told the parliamentary labour committee. "The government cannot commit itself to a matching grant as this would undermine the normal budgetary processes."

However, government had agreed to

business's suggestion to review the skills development process after three years.

Government had also proposed an amendment to the draft legislation by placing a clause which setting April 1 2000 as a tentative date on which the levy would become effective.

Bird said government had rejected a suggestion by the Congress of SA Trade Unions and the Federation of Unions of SA for the National Economic Development and Labour Council (Nedlac) to deliberate further on demarcation lines for the sector education and training authorities responsible for training programmes.

Labour had suggested Nedlac should consider the matter and then make recommendations to the labour department.

Bird reminded the committee that it was the cabinet that finally decided on sector demarcation, following failure by Nedlac partners to make progress on the matter after two years of talks.

Noting concerns by the SA Local Government Association that the labour minister could develop regulations without consultation, Bird said a section of the bill specifically required that "all" regulations pass through the National Skills Authority.

Budget for training (179)

KERRY CULLINAN

PARLIAMENTARY BUREAU

ET 26/8/98
AT LEAST one percent of the personnel budget of all public service departments should be set aside for employees' skills development by April 1, 2000, according to the Department of Labour

Department official Adrienne Bird proposed this amendment to the Skills Development Bill at yesterday's portfolio committee on labour

Bird also recommended that the committee reject Business South Africa's (BSA) proposal that only 10% of the levy collected from employers for skills development should go towards the National Skills Fund (NSF)

The bill proposes that the NSF be given 20% of the levies collected to fund skills development projects identified by government as "national priorities".

BSA had recommended that businesses' contribution be cut in half and that government contribute "a matching amount" to the NSF

Bird said that while it would not be possible for government to do so, her department was prepared to review the funding of the NSF after three years

Opposition party MPs said they were concerned that the bill, which will set out how levies will be collected, had not yet been tabled.

Teacher training gets a multimillion-rand boost

BD 8/9/98

(179) (179)

Primarashni Pillay

THE Training of teachers in outcomes-based education has received a major boost after the launch yesterday of the multimillion-rand Shoma Education Foundation, which uses technology to convey training programmes to pupils and teachers in all parts of SA.

The foundation, launched at the Teachers' Training Centre in Soshanguve north of Pretoria, is a collaborative project drawing on the skills of companies such as M-Web, Orbicom, Multichoice and M-Net.

M-Web GM Bruce Cohen, whose company funds the foundation, said Shoma had supplied about 25 computers to schools in the Western Cape and KwaZulu-Natal and to the Soshanguve Teacher Training Centre.

Teacher training programmes can be transmitted through a satellite link from Randburg, Johannesburg, to the Internet facility of computers in the three provinces serviced by the foundation. Transmissions can also be received on television.

To ensure accessibility and equality, each centre will get the same broadcast message and the same level of access to resource material on the Internet.

"Through the Internet, teachers can download the programmes and store them as a resource."

He said participants had gone through a nine-week pilot project based on aspects of the schools' curriculum.

The project was constantly being assessed and adapted and there was a possibility that it would be expanded into other parts of the country.

The technology could also be used in health initiatives.

Education Minister Sibusiso Bengu, who addressed the foundation's launch via a link-up from Cape Town, welcomed the initiative and said government "needs and deserves the material support of business in the reconstruction and development agenda our unequal past has created for us."

"Fortunately, there are businessmen and -women who are cognisant of that and who have therefore proactively assumed leadership roles in that direction."

Posts, Telecommunications and Broadcasting Minister Jay Naidoo warned that "putting more money into education doesn't mean that education will get better".

There was a need for enthusiasm among teachers and pupils.

"We need that missionary zeal we had when we defeated apartheid policies," Naidoo said.

He called on people to abandon a "culture of entitlement" and start making a contribution to transformation.

Institute aims to correct apartheid mindsets

BD 2/10/98

THE African Institute for Personal Excellence and Leadership was launched in Johannesburg yesterday, aimed at correcting negative mindsets inherited from the apartheid era, Aipel founder Ngila Michael Muendane said.

A former Robben Island prisoner and secre-

tary-general of the Pan Africanist Congress, Muendane said "We have established that the mindset that is characteristic of African behaviour in this country arose from deliberate social engineering initiated by those who shaped the Union of South Africa." (179)

Muendane said the overall aim of the programme was to make people feel better about themselves and be more prepared to take on leadership roles, and for this to manifest itself in better tolerance and less crime, frustration and violence in the country.

— Sapa

Consultancy aims to boost IT skills among blacks

(217) (179)
Lesley Stones

014/10/98
NEW Africa Technology Holdings (Nath) has formed a new company to help boost black information technology skills.

Nath, the technology arm of New Africa Investments (Nail), will work with SAP, a software company that specialises in enterprise resource planning systems.

In order to house the operations of SAP, Nath has formed Independent Technology Enterprise Solutions (ITES)

Income for ITES will be boosted when it takes over the computer centre of a soon-to-delist multinational. ITES MD Tony Hunter declined to name the SA-based multinational, as it did not want to disclose details of its unbundling.

ITES would use the centre to offer SAP outsourcing services, said Hunter.

Nail deputy chairman Cyril Ramaphosa said ITES would train new entrants to the industry and would fight the brain drain by providing incentives for skilled professionals to stay in SA.

"Through our partnership with SAP we are looking to expand our country's skills within this dynamic, high-growth sector," he said. "We are going to actively take those from disadvantaged communities, give them the necessary skills and enable them to plough their knowledge back into the country."

ITES will be the first black-owned consultancy in SA specialising in SAP.

Nath is a multimillion-dollar global company employing more than 450 technicians in SA and 14 foreign countries. The enterprise systems market is estimated to be worth about R300m locally and \$13,8bn globally a year.

Business backs R1bn jobs trust

(179)

VERA VON LIERES

Cape Town — Tourism and schooling were crucial areas where business could make a decisive contribution to job creation and skills development, Johann Rupert, the chief executive of Rembrandt, said at a joint government-private sector business initiative yesterday.

The initiative aims to create a business trust to generate at least R1 billion for job creation, education and skills development projects over five years.

It was officially launched in Midrand in September and is now being presented to corporate leaders around the country.

Rupert said actions taken by business had to be clearly focused and sharply targeted. Tourism and schooling were areas where business could make meaningful contributions.

A prospectus of the initiative was outlined to business leaders from a cross section of Cape Town companies yesterday.

Michael Spicer, the executive director of Anglo American, said there was "a sense of excitement among business leaders at the proposition of acting in partnership with government" on the initiative.

The vehicle for the initiative would be a trust, scheduled to be set up by the end of November.

"We will have to have formal trustees drawn up and (be) deliberate on what projects to choose," Spicer said.

The initiative currently consists of a steering committee which is seeking a commitment from companies. About 100 companies have indicated their



ENCOURAGED Transnet chief
Saki Macozoma

CT (HR) 22/10/98

support for the initiative.

"We are very encouraged," Spicer said.

The proposal is that listed companies contribute 0,15 per cent of total market capitalisation, or the equivalent of 2 per cent in after-tax earnings for non-listed companies.

Rupert said the initiative could begin to change the way business and the government related.

Saki Macozoma, the managing director of Transnet, said it was the first time that business across the spectrum in South Africa had worked together to conceptualise such an initiative with the government.

The project is backed by the National Business Initiative, the South Africa Foundation and the Black Business Council.

Macozoma said it was developed in close consultation with a government task team convened by the office of Deputy President Thabo Mbeki.

Building industry approves skills bill

Sibonelo Radebe

(179) (2)
DD 28/10/98

GOVERNMENT'S Skills Development Bill has received the thumbs-up from the Building Industries' Federation of SA (Bifsa).

The bill requires that companies contribute the equivalent of 1,5% of their total wage bill to training and a skills development scheme.

The federation has further suggested a commodity levy as one other way in which government can gather funds for training and skills development.

Within the building industry, government has authorised the Building Industries Training Scheme, placed under trusteeship of Bifsa, to collect training and skills development levies from companies.

Bifsa executive director Ian Robinson said the bill had the potential to have a positive effect on the industry. This could, however, be hindered by the difficulty of reaching companies to make them contribute.

He said there were more than 8 000 employers who should be contributing to the scheme, and their contribution in total should amount to about R60m a year. Only about R25m a year was collected, however, and R5m was used for administration.

He said the scope of collection was further reduced by the use of subcontractors who were difficult to identify and did not contribute to the training levy.

Robinson suggested a commodity levy that he characterised as an easier and efficient system compared to the "cumbersome" payroll percentage system.

He said industry sectors could add a particular percentage to the cost of their products and gather the money accumulated and hand it over to the Sectoral Education and Training Authority.

Robinson said Bifsa, government and other players in the building industry were discussing solutions for levy collection.

NEWS

Builders will struggle to gather training levy

CT(MR) 29/10/98 (179)

ADELE SHEVEL

Johannesburg — Ian Robinson, the executive director of the Building Industries Federation South Africa (Bifsa), said the industry would battle to collect the R60 million required by the proposed Skills Development Bill and the new requirements of the labour department

The new bill will authorise the Sectoral Education and Training Authority (Seta), through the labour department, to collect 1 percent, or the equivalent thereof, of wages and salaries. Robinson said he expected the bill ultimately to bolster training in the industry once a solution was found.

Until now, the Building Industries Training Scheme, which is placed under the trusteeship of Bifsa, has been empowered by the government to collect levies based on 1,5 percent of the total industry wage-bill. This gives the training

scheme the right to collect about R60 million in training funds. In practice, the scheme collects only about R25 million, with the administrative costs for this collection amounting to R5 million.

"The problem becomes more acute in that the labour department requires that only 1 percent of the total funds collected are to be spent on administration," said Robinson.

The easiest way of solving this problem would be to impose a commodity levy, such as adding 3 percent to the cost of cement. The three cement companies would then take the added-on percentage and hand it over to Seta for expenditure on training.

Robinson said an initial approach to cement companies had not met with support, largely because the cement industry believed it would be prejudiced in its competition with other products.



MISGIVINGS Bifsa's Ian Robinson predicts problems arising from the Skills Development Bill

Breaking new management ground UWC course could serve as model for other countries

ARLT 30/11/98

CAROL CAMPBELL
Special Writer

The University of the Western Cape is breaking new ground by helping small and medium business owners across Africa build their management skills to become serious players in the global economy.

Professor Per Lind, director of the Centre for Management and Infrastructure Development at Linköping University in Sweden, said the new management development programme currently under way at the university could successfully be emulated by other countries in the developing world.

Linköping University and the Faculty of Economic and Management Sciences (EMS) at UWC, funded by the Swedish International Development Co-operation Agency, have worked together to develop the course.

"Linköping will stay involved in the programme for the next three years, after which we will ease out and hopefully give of our expertise to



LEON LESTRADE

Discussion: Professor Per Lind of Sweden, second left, visits Mandalay Coatings set up similar programmes in Asia, Central America and possibly another centre in Africa," he said.

The Swedes had chosen to work with UWC because of its proud "struggle" history and reputation as the "intellectual home of the left" in South Africa, he said.

"Our country supported the ANC during apartheid and now we feel this is one way we can make a positive contribution to South Africa." There are 23 delegates from seven African countries attending the

programme, which will end at Linköping University in February next year.

Then students will be taken to visit successful Swedish small and medium businesses and enjoy an extensive lecture programme facilitated by internationally recognised business experts.

This week's programme included an intensive study of modern business principles and how they should be applied.

During the week delegates visited seven locally owned black businesses which they will use as case studies for the course.

"Small and medium businesses drive economic development in a successful country. This programme is intended to help the business community take full advantage of globalisation and build up their operations," said Professor Lind.

Kirsten Kennedy, spokesperson for the EMS faculty, said the university wanted to provide a service to small and medium business owners who often lacked the managerial skills to reach their full potential.

"Small and medium business owners that have become successful through trial and error have reached a point where they recognise the need for further assistance if their businesses are going to expand beyond their existing capacity and compete in an increasingly competitive market. This is the need to which the university is responding."

Galeem Jacobs, the owner of Mandalay Coatings, an Elsies River paint manufacturing company used as a case study by the students this week, said huge opportunities existed for small and medium black businesses in South Africa.

"Provided you can offer good service and a quality product at a competitive price, the work is there to be had," he said.

But Mr Jacobs said he was constantly forced to wrestle with labour problems and low productivity - problems which a course like the one being run by UWC could help him tackle.

"I never work less than 15 hours a day and I never take a weekend. I know success takes hard work."

R50-m EU boost for black enterprise

(179) (30) ARG 7/12/98

Pretoria – A R50-million European Union grant for economic and social development in South Africa's black communities was announced at Technikon Northern Gauteng in Soshanguve today.

Chancellor Cyril Ramaphosa said the

money would be used to fund a project called Technical and Business Education in South Africa. The money would be used to set up technology enterprise centres, which would develop technology-based small business firms in turn, said Mr Ramaphosa
